

INTERNATIONAL JOURNAL OF LEPROSY
OF THE
INTERNATIONAL LEPROSY ASSOCIATION, INC.

Statement of Financial Condition

Tait, Wellar & Baker, Certified Public Accountants, New York, Auditors, INTERNATIONAL JOURNAL OF LEPROSY, on 31 March 1981 transmitted the following audited financial statements for 1980 to the Board of Directors, IJL, with the following report:

"We have examined the balance sheets of the International Journal of Leprosy of the International Leprosy Association as of December 31, 1980 and 1979, and the related statements of revenue, expenses and changes in fund balances, and changes in financial position for the year ended December 31, 1980. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and other such auditing procedures as we considered necessary in the circumstances."

"The International Journal of Leprosy of the International Leprosy Association has sustained operating losses during the years 1975 through 1977 and during 1979. There is a Current Fund deficit of \$18,668 at December 31, 1980. Its ability to operate during those years was dependent upon long-term advances and donated services support from American Leprosy Missions, Inc. Future operations are contingent upon continuing long-term advances, donated services support and the eventual attainment of positive operating results."

"In our opinion, subject to the continuing availability of long-term advances and support referred to in the preceding paragraph, the financial statements referred to above present fairly the financial position of the International Journal of Leprosy of the International Leprosy Association at December 31, 1980 and 1979, and the results of its operations, changes in its fund balances, and changes in its financial position for the year ended December 31, 1980, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year."

Notes to Financial Statements

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared on the accrual basis and, as such, income from subscriptions to the "International Journal of Leprosy" is recognized ratably over the term of the subscriptions.

EQUIPMENT

Acquisitions of office equipment are recorded at cost. Depreciation is provided using the straight-line method over five years. (See Note 2.)

INCOME TAX

The organization continues to qualify as a non-taxable organization under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income tax is necessary.

NOTE 2—ACCOUNTING CHANGE

Commencing in 1979, the organization began capitalizing office equipment acquisitions. Previous acquisitions, which were minor in nature, were expensed at the time of purchase.

NOTE 3—RESTRICTED FUND

On May 11, 1976, the Lani Booth Fund contributed \$25,000 for the printing and distribution of a cumulative index of the first forty volumes of the "International Journal of Leprosy." Expenses incurred in the production of the index to date are \$24,637.

NOTE 4—DONATED SERVICES

American Leprosy Missions, Inc. has provided various services throughout the year. No amounts have been reflected in the statements for these services. The estimated value is as follows:

| | |
|--------------------------------|-----------------|
| Administrative and secretarial | \$ 7,030 |
| Occupancy | 1,650 |
| Other | <u>1,570</u> |
| | <u>\$10,250</u> |

ASSETS

| | 1980 | 1979 |
|--------------------------------------------------------------------------------|------------------|------------------|
| Cash | \$ 11,742 | \$ 14,211 |
| Accounts receivable | 214 | 1,021 |
| Equipment (less accumulated depreciation of \$1,524 and \$507 respectively) | <u>3,550</u> | <u>4,564</u> |
| | <u>\$ 15,506</u> | <u>\$ 19,796</u> |

LIABILITIES AND FUND BALANCES

| | | |
|--------------------------------------------|------------------|------------------|
| Payable to American Leprosy Missions, Inc. | \$ 824 | \$ 20,829 |
| Other payables | 12,628 | 9,384 |
| Unearned subscriptions | <u>16,809</u> | <u>15,598</u> |
| | <u>30,261</u> | <u>45,811</u> |
| Fund balances | | |
| Unrestricted Fund | (18,668) | (30,942) |
| Restricted Fund (Note 3) | 363 | 363 |
| Equipment Fund | <u>3,550</u> | <u>4,564</u> |
| | <u>(14,755)</u> | <u>(26,015)</u> |
| | <u>\$ 15,506</u> | <u>\$ 19,796</u> |

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND BALANCES

Year ended December 31, 1980
with comparative totals for 1979

| | Unrestricted Fund | Restricted Fund | Equipment Fund | Totals | |
|----------------------------------|----------------------|--------------------|-------------------|---------------|---------------|
| | | | | 1980 | 1979 |
| Revenues | | | | | |
| Member subscriptions | \$ 16,096 | \$— | \$— | \$ 16,096 | \$ 20,008 |
| Non-member subscriptions | 24,801 | — | — | 24,801 | 25,382 |
| Private grants and contributions | 42,352 | — | — | 42,352 | 30,442 |
| Sale of back and single issues | 749 | — | — | 749 | 720 |
| Sale of reprints | 353 | — | — | 353 | 4,300 |
| Transfers from ILA— | | | | | |
| London Office | — | — | — | — | 9,560 |
| Total revenues | <u>84,351</u> | <u>—</u> | <u>—</u> | <u>84,351</u> | <u>90,412</u> |
| Expenses | | | | | |
| General | | | | | |
| Printing—JOURNAL | 39,036 | — | — | 39,036 | 43,748 |
| Cost of reprints | — | — | — | — | 4,408 |
| Mailing | 3,781 | — | — | 3,781 | 1,049 |
| Auditing fee | 800 | — | — | 800 | 750 |
| Legal fee | 50 | — | — | 50 | 61 |
| Management services—ILA | 4,000 | — | — | 4,000 | 4,000 |
| Miscellaneous | 802 | — | — | 802 | 511 |
| Total general expenses | <u>48,469</u> | <u>—</u> | <u>—</u> | <u>48,469</u> | <u>54,527</u> |
| Editorial office | | | | | |
| Editorial services and salaries | 17,120 | — | — | 17,120 | 18,167 |
| Secretarial services | 536 | — | — | 536 | 5,954 |
| Mailing and shipping | 571 | — | — | 571 | 866 |

| | | | | | |
|-----------------------------------------------|--------------------------|---------------------|-----------------------|--------------------------|--------------------------|
| Office supplies and other | 253 | — | — | 253 | 593 |
| Taxes—payroll | 1,126 | — | — | 1,126 | 1,059 |
| Telephone and telegraph | 980 | — | — | 980 | 538 |
| Travel | — | — | — | — | 1,851 |
| Depreciation | — | — | 1,014 | 1,014 | 507 |
| Miscellaneous | 1,082 | — | — | 1,082 | 1,926 |
| Total editorial office expenses | <u>21,668</u> | <u>—</u> | <u>1,014</u> | <u>22,682</u> | <u>31,461</u> |
| Business office | | | | | |
| Clerical salaries | 137 | — | — | 137 | — |
| Mailing and shipping | 854 | — | — | 854 | 917 |
| Office supplies and other | 96 | — | — | 96 | 3,556 |
| Computer | 853 | — | — | 853 | 2,581 |
| Total business office expenses | <u>1,940</u> | <u>—</u> | <u>—</u> | <u>1,940</u> | <u>7,054</u> |
| Total expenses | <u>72,077</u> | <u>—</u> | <u>1,014</u> | <u>73,091</u> | <u>93,042</u> |
| Excess (deficiency) of revenues over expenses | 12,274 | — | (1,014) | 11,260 | (2,630) |
| Fund balances | | | | | |
| Beginning of year | <u>(30,942)</u> | <u>363</u> | <u>4,564</u> | <u>(26,015)</u> | <u>(23,385)</u> |
| End of year | <u><u>\$(18,668)</u></u> | <u><u>\$363</u></u> | <u><u>\$3,550</u></u> | <u><u>\$(14,755)</u></u> | <u><u>\$(26,015)</u></u> |

STATEMENT OF CHANGES IN FINANCIAL POSITION

Years ended December 31, 1980
with comparative totals for 1979

| | 1980 | 1979 |
|--------------------------------------------------------|-------------------------|-------------------------|
| Sources of cash | | |
| From operations | | |
| Excess of revenues over expenses | \$11,260 | \$ — |
| Depreciation | 1,014 | — |
| Cash provided from operations | <u>12,274</u> | <u>—</u> |
| Increase in payable to American Leprosy Missions, Inc. | — | 10,887 |
| Increase in other payables | 3,244 | — |
| Increase in unearned subscriptions | 1,211 | 26 |
| Decrease in accounts receivable | 807 | 1,791 |
| | <u>17,536</u> | <u>12,704</u> |
| Uses of cash | | |
| For operations | | |
| Excess of expenses over revenues | — | 2,630 |
| Depreciation | — | (507) |
| Cash used for operations | — | 2,123 |
| Decrease in payable to American Leprosy Missions, Inc. | 20,005 | — |
| Decrease in other payables | — | 7,255 |
| Purchases of equipment | — | 5,071 |
| | <u>20,005</u> | <u>14,449</u> |
| Decrease in cash | <u><u>\$(2,469)</u></u> | <u><u>\$(1,745)</u></u> |

—W. Felton Ross, M.B.B.S.
Executive Officer