

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 29 March 1983 transmitted the following audited financial statements for 1982 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, 1982 and 1981, and the related statements of revenue, expenses and changes in fund balances, and changes in financial position for the year ended December 31, 1982. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

"In our report dated March 23, 1982, our opinion on the 1981 financial statements was qualified as being subject to the effects on those financial statements of such adjustments, if any, as might have been required had the organization been unable to continue as a going concern. As discussed in Note 2 of Notes to Financial Statements, the organization has attained positive operating results before equipment acquisitions for the prior two years and had sufficient working capital for its operations. Accordingly, our present opinion on the 1981 financial statements, as presented herein, is different from that expressed in our previous report.

"In our opinion, 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, 1982 and 1981, and the results of its operations, changes in its fund balances, and changes in its financial position for the year ended December 31, 1982, 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.

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—GOING CONCERN

The organization's ability to operate in the years in which it operated at a loss was dependent upon long-term advances and donated services support from American Leprosy Missions, Inc. During the two years ended December 31, 1982, the organization had positive operating results before equipment acquisitions and sufficient working capital for its operations. Consequently, its dependency on American Leprosy Missions, Inc. for long-term advances has been diminished. American Leprosy Missions, Inc. continues to provide administrative services to the organization at no charge (Note 4).

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	\$ 4,611
Occupancy	<u>4,645</u>
	<u>\$ 9,256</u>

ASSETS

	<u>1982</u>	<u>1981</u>
Cash	\$ 4,064	\$22,117
Temporary investments (at cost which approximates market value)	25,000	25,000
Receivable	4,413	1,716
Equipment (less accumulated depreciation of \$5,410 and \$2,576 respectively)	<u>17,464</u>	<u>2,896</u>
	<u>\$50,941</u>	<u>\$51,729</u>

LIABILITIES AND FUND BALANCES

Payable to American Leprosy Missions, Inc.	\$ 2,943	\$ 3,391
Payables and other liabilities	11,730	21,038
Unearned subscriptions	<u>18,984</u>	<u>15,360</u>
	<u>33,657</u>	<u>39,789</u>
Fund balances	(543)	8,681
Unrestricted Fund	363	363
Restricted Fund (Note 3)	<u>17,464</u>	<u>2,896</u>
Equipment Fund	<u>17,284</u>	<u>11,940</u>
	<u>\$50,941</u>	<u>\$51,729</u>

See notes to financial statements.

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND BALANCES

Year ended December 31, 1982
with comparative totals for 1981

	Unrestricted Fund	Restricted Fund	Equipment Fund	Totals	
				1982	1981
Revenues					
Member subscription	\$ 17,782	\$ —	\$ —	\$17,782	\$16,968
Non-member subscriptions	24,037	—	—	24,037	24,413
Private grants and contributions	46,327	—	—	46,327	62,478
Sale of back and single issues	358	—	—	358	1,765
Interest on short-term investments	2,576	—	—	2,576	3,636
Miscellaneous income	—	—	—	—	154
Total revenues	<u>91,080</u>	<u>—</u>	<u>—</u>	<u>91,080</u>	<u>109,414</u>
Expenses					
General					
Printing—JOURNAL	40,778	—	—	40,778	36,028
Mailing	8,249	—	—	8,249	5,707
Auditing fee	950	—	—	950	875
Legal fee	—	—	—	—	107
Management services—ILA	4,000	—	—	4,000	4,000
Miscellaneous	795	—	—	795	744
Total general expenses	<u>54,772</u>	<u>—</u>	<u>—</u>	<u>54,772</u>	<u>47,461</u>

	Unrestricted Fund	Restricted Fund	Equipment Fund	Totals	
				1982	1981
Editorial office					
Editorial services and salaries	17,152	—	—	17,152	19,396
Secretarial services	285	—	—	285	—
Mailing and shipping	817	—	—	817	698
Office supplies and other	870	—	—	870	457
Taxes—payroll	1,241	—	—	1,241	1,286
Telephone and telegraph	868	—	—	868	840
Travel	630	—	—	630	3,480
Depreciation	—	—	2,835	2,835	1,054
Miscellaneous	3,703	—	—	3,703	3,151
Total editorial office expenses	<u>25,566</u>	<u>—</u>	<u>2,835</u>	<u>28,401</u>	<u>30,362</u>
Business office					
Clerical salaries	—	—	—	—	457
Mailing and shipping	1,023	—	—	1,023	2,864
Office supplies and other	85	—	—	85	679
Computer	1,455	—	—	1,455	896
Total business office expenses	<u>2,563</u>	<u>—</u>	<u>—</u>	<u>2,563</u>	<u>4,896</u>
Total expenses	<u>82,901</u>	<u>—</u>	<u>2,835</u>	<u>85,736</u>	<u>82,719</u>
Excess (deficiency) of revenues over expenses	8,179	—	(2,835)	5,344	26,695
Other changes in fund balances:					
Transfer to equipment fund for additions	(17,403)	—	17,403	—	—
Fund balances					
Beginning of year	8,681	363	2,896	11,940	(14,755)
End of year	<u>\$ (543)</u>	<u>\$363</u>	<u>\$17,464</u>	<u>\$17,284</u>	<u>\$11,940</u>

See notes to financial statements.

STATEMENT OF CHANGES IN FINANCIAL POSITION

Year ended December 31, 1982
with comparative totals for 1981

	1982	1981
Sources of cash		
From operations		
Excess of revenues over expenses	\$ 5,344	\$26,695
Depreciation	2,835	1,054
Cash provided from operations	<u>8,179</u>	<u>27,749</u>
Increase in payable to American Leprosy Missions, Inc.	—	2,567
Increase in other payables	—	8,410
Increase in unearned subscriptions	3,624	—
	<u>11,803</u>	<u>38,726</u>
Uses of cash		
Purchase of investments	—	25,000
Decrease in accounts payable and other liabilities	9,308	—
Decrease in payable to American Leprosy Missions, Inc.	448	—
Decrease in unearned subscriptions	—	1,449
Increase in receivables	2,697	1,502
Purchases of equipment	17,403	400
	<u>29,856</u>	<u>28,351</u>
Increase (decrease) in cash	<u>\$(18,053)</u>	<u>\$10,375</u>

See notes to financial statements.

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