

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

Statement of Financial Condition

Tait, Weller & Baker, Certified Public Accountants, New York, Auditors, INTERNATIONAL JOURNAL OF LEPROSY, on 13 June 1985 transmitted the following audited financial statements for 1984 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, 1984 and 1983, and the related statements of revenue, expenses and changes in fund balances, and changes in financial position for the years then ended. Our examinations were 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.

"The International Journal of Leprosy of the International Leprosy Association sustained significant operating losses during the two years ended December 31, 1984. In addition, the organization's liabilities exceeded its assets at December 31, 1984 and 1983. These factors among others, as discussed in Note 2, indicate that the organization may be unable to continue in existence. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the organization be unable to continue in existence.

"In our opinion, subject to the effects on the financial statements of such adjustments, if any, as might have been required had the outcome of the uncertainty about the recoverability and classification of recorded asset amounts and the amounts and classification of liabilities referred to in the preceding paragraph been known, such financial statements present fairly the financial position of the International Journal of Leprosy of the International Leprosy Association at December 31, 1984 and 1983, and the results of its operations, changes in its fund balances and changes in its financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis."

BALANCE SHEET

December 31,

ASSETS

	<u>1984</u>	<u>1983</u>
Cash	\$28,170	\$21,226
Contributions in transit	8,540	15,317
Miscellaneous receivables	7,830	1,165
Equipment (less accumulated depreciation of \$13,973 and \$9,985, respectively)	<u>8,901</u>	<u>12,889</u>
	<u>\$53,441</u>	<u>\$50,597</u>

LIABILITIES AND FUND BALANCES

Note payable (Note 3)	\$10,000	\$ —
Payable to American Leprosy Missions, Inc.	—	4,259
Accounts payable and other liabilities	29,162	38,104
Unearned subscriptions and contributions	<u>28,657</u>	<u>16,675</u>
	<u>67,819</u>	<u>59,038</u>
Fund balances		
Unrestricted Fund	(23,642)	(21,693)
Restricted Fund (Note 4)	363	363
Equipment Fund	<u>8,901</u>	<u>12,889</u>
	<u>(14,378)</u>	<u>(8,441)</u>
	<u>\$53,441</u>	<u>\$50,597</u>

See notes to financial statements.

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND BALANCES

Years ended December 31,

	Unrestricted	Restricted	Equipment	Totals	
	Fund	Fund	Fund	1984	1983
Revenues					
Member subscriptions	\$22,033	\$ —	\$ —	\$ 22,033	\$ 19,084
Non-member subscriptions	22,367	—	—	22,367	23,373
Private grants and contributions	58,170	—	—	58,170	42,622
Sales of back and single issues	1,087	—	—	1,087	1,363
Interest on short-term investments	—	—	—	—	430
Sale of slides	7,441	—	—	7,441	—
Other	600	—	—	600	—
Total revenues	<u>111,698</u>	<u>—</u>	<u>—</u>	<u>111,698</u>	<u>86,872</u>
Expenses					
General					
Printing—JOURNAL	61,300	—	—	61,300	62,023
Mailing	4,693	—	—	4,693	8,412
Professional fees	1,501	—	—	1,501	1,007
Management services—ILA	3,150	—	—	3,150	5,000
Slides	6,197	—	—	6,197	—
Miscellaneous	1,047	—	—	1,047	1,062
Total general expenses	<u>77,888</u>	<u>—</u>	<u>—</u>	<u>77,888</u>	<u>77,504</u>
Editorial office					
Editorial services and salaries	23,600	—	—	23,600	21,140
Secretarial services	—	—	—	—	218
Mailing and shipping	898	—	—	898	960
Office supplies and other	1,163	—	—	1,163	874
Taxes—payroll	1,689	—	—	1,689	1,416
Telephone and telegraph	708	—	—	708	701
Travel	3,824	—	—	3,824	755
Depreciation	—	—	3,988	3,988	4,575
Miscellaneous	2,688	—	—	2,688	2,152
Total editorial office expenses	<u>34,570</u>	<u>—</u>	<u>3,988</u>	<u>38,558</u>	<u>32,791</u>
Business office					
Clerical salaries	—	—	—	—	50
Mailing and shipping	71	—	—	71	1,316
Office supplies and other	99	—	—	99	39
Computer	1,019	—	—	1,019	897
Total business office expenses	<u>1,189</u>	<u>—</u>	<u>—</u>	<u>1,189</u>	<u>2,302</u>
Total expenses	<u>113,647</u>	<u>—</u>	<u>3,988</u>	<u>117,635</u>	<u>112,597</u>
Excess (deficiency) of revenues over expenses	(1,949)	—	(3,988)	(5,937)	(25,725)
Fund balances					
Beginning of year	(21,693)	363	12,889	(8,441)	17,284
End of year	<u>\$ (23,642)</u>	<u>\$ 363</u>	<u>\$ 8,901</u>	<u>\$ (14,378)</u>	<u>\$ (8,441)</u>

See notes to financial statements.

STATEMENT OF CHANGES IN FINANCIAL POSITION

Years ended December 31,

	<u>1984</u>	<u>1983</u>
Sources of cash		
Decrease in contributions in transit	\$ 6,777	\$ —
Sale of investments	—	25,000
Increase in payable to American Leprosy Missions, Inc.	—	1,316
Increase in accounts payable and other liabilities	—	26,374
Increase in unearned subscriptions and contributions	11,982	—
Decrease in receivables	—	3,248
Increase in note payable	10,000	—
	<u>28,759</u>	<u>55,938</u>
Uses of cash		
For operations		
Excess of expenses over revenue	5,937	25,725
Depreciation	<u>(3,988)</u>	<u>(4,575)</u>
Cash used for operations	1,949	21,150
Decrease in accounts payable and other liabilities	8,942	—
Decrease in payable to American Leprosy Missions, Inc.	4,259	—
Decrease in unearned subscriptions and contributions	—	2,309
Increase in receivables	6,665	—
Increase in contributions in transit	—	15,317
	<u>21,815</u>	<u>38,776</u>
INCREASE IN CASH	<u><u>\$ 6,944</u></u>	<u><u>\$17,162</u></u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

December 31, 1984 and 1983

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 sustained significant operating losses during the two years ended December 31, 1984. In addition, the organization's liabilities exceeded its assets. The organization also received \$25,819 in 1984 and \$19,726 in 1983 in donated services from American Leprosy Missions, Inc. (Note 5). The organization's ability to operate in the future is dependent upon attainment of positive operating results and the continuation of donated services support.

NOTE 3—NOTE PAYABLE

At December 31, 1984, the organization had an unsecured note payable to a contributing member organization. This note payable is due on demand and carries an interest rate which is based upon the lender's interest received on its bank investments.

NOTE 4—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 5—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:

	<u>1984</u>	<u>1983</u>
Administrative and secretarial	\$17,032	\$10,300
Occupancy	<u>8,787</u>	<u>9,426</u>
	<u>\$25,819</u>	<u>\$19,726</u>