

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 1 March 1995, transmitted the following audited financial statements for 1994 to the Board of Directors, IJL, with the following report:

"We have audited the accompanying statements of financial position of the INTERNATIONAL JOURNAL OF LEPROSY of the International Leprosy Association as of December 31, 1994 and 1993, and the related statements of activities and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

"We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

"In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the INTERNATIONAL JOURNAL OF LEPROSY of the International Leprosy Association as of December 31, 1994 and 1993, and the results of its operations, the changes in its net assets, and its cash flows for the years then ended, in conformity with generally accepted accounting principles."

BALANCE SHEET

December 31,

ASSETS

	<u>1994</u>	<u>1993</u>
Cash	\$48,794	\$66,691
Grants	9,500	15,700
Equipment		
(net of accumulated depreciation—\$9,223 in 1994; \$6,554 in 1993)	4,120	6,789
Total assets	<u>\$62,414</u>	<u>\$89,180</u>

LIABILITIES

Accounts payable and other liabilities	\$35,970	\$57,103
Refundable advances	<u>17,963</u>	<u>20,043</u>
Total liabilities	<u>53,933</u>	<u>77,146</u>

NET ASSETS

Unrestricted	<u>8,481</u>	<u>12,034</u>
Total liabilities and net assets	<u>\$62,414</u>	<u>\$89,180</u>

See notes to financial statements.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Years ended December 31,

	<u>1994</u>	<u>1993</u>
Revenues		
Member subscriptions	\$ 19,987	\$ 20,941
Non-member subscriptions	29,191	28,795
Private grants and contributions	85,249	87,872
Sales of back and single issues	190	80
Page charges	4,675	1,750
Interest on short-term investments	521	477
Miscellaneous income	<u>1,668</u>	<u>1,619</u>
Total revenues	<u>141,481</u>	<u>141,534</u>
Expenses		
General		
Printing—Journal	63,369	71,200
Mailing	28,525	29,480
Professional fees	2,500	2,250
Depreciation	2,669	2,538
Miscellaneous	<u>2,072</u>	<u>3,508</u>
Total general expenses	<u>99,135</u>	<u>108,976</u>
Editorial office		
Editorial services and salaries	36,870	37,716
Taxes—payroll	2,821	2,885
Advertising	724	550
Equipment	767	767
Mailing and shipping	1,273	1,059
Membership expenses	—	188
Office supplies and other	764	779
Telephone and telegraph	435	348
Travel	470	698
Translation	<u>1,276</u>	<u>907</u>
Total editorial office expenses	<u>45,400</u>	<u>45,897</u>
Business office		
Office supplies and other	49	—
Mailing and shipping	<u>450</u>	<u>110</u>
Total business office expenses	<u>499</u>	<u>110</u>
Total expenses	<u>145,043</u>	<u>154,983</u>
Change in net assets	(3,553)	(13,449)
Net assets		
Beginning of year	<u>12,034</u>	<u>25,483</u>
End of year	<u>\$ 8,481</u>	<u>\$ 12,034</u>

See notes to financial statements.

STATEMENT OF CASH FLOWS

Years ended December 31,

	<u>1994</u>	<u>1993</u>
INCREASE (DECREASE) IN CASH		
Cash flows from operating activities		
Cash received from subscriptions	\$ 47,098	\$ 52,069
Cash received from contributors	91,449	78,748
Interest received	521	477
Miscellaneous receipts	6,533	3,449
Cash paid to employees and suppliers	<u>(163,498)</u>	<u>(120,432)</u>
Net cash provided by (used for) operating activities	(17,897)	14,311
Cash flows from investing activities		
Purchase of equipment	<u>—</u>	<u>(1,300)</u>
Net increase (decrease) in cash	(17,897)	13,011
Cash balance		
Beginning of year	<u>66,691</u>	<u>53,680</u>
End of year	<u>\$ 48,794</u>	<u>\$ 66,691</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Change in net assets	\$ (3,553)	\$ (13,449)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities		
Depreciation	2,669	2,538
(Increase) decrease in		
Grants and miscellaneous receivables	6,200	(9,124)
Increase (decrease) in		
Accounts payable and other liabilities	(21,133)	32,013
Refundable advances	<u>(2,080)</u>	<u>2,333</u>
Net cash provided by (used for) operating activities	<u>\$ (17,897)</u>	<u>\$ 14,311</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

December 31, 1994 and 1993

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND PURPOSE

The INTERNATIONAL JOURNAL OF LEPROSY of the International Leprosy Association ("IJL") qualifies as a non-taxable organization under Section 501(c)(3) of the Internal Revenue Code.

The primary purpose of IJL is to publish and distribute the "*International Journal of Leprosy*."

BASIS OF PREPARATION

IJL prepares its financial statements 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

Equipment is carried at cost. Depreciation is provided on a straight-line basis over the lives of the assets which is five years.

OTHER

IJL has elected early adoption of Statement No. 116, "*Accounting for Contributions Received and Contributions Made*," and Statement No. 117, "*Financial Statements of Not-for-Profit Organizations*," issued by the Financial Accounting Standards Board, which are effective for fiscal years beginning after December 15, 1994. Financial statements for the prior years have not been re-stated and it was determined that there was no cumulative effect for the accounting change on prior year changes in net assets.

(2) DONATED SERVICES

ALM International has provided administrative and secretarial support and occupancy space to the organization. No amounts have been reflected in the statements for these services. The estimated values for these services are approximately \$10,000 for each of the years 1994 and 1993, respectively.