

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

Statement of Financial Condition

Tait, Weller & Baker, Certified Public Accountants, New York, New York, Auditors, INTERNATIONAL JOURNAL OF LEPROSY, on 20 February 1997, transmitted the following audited financial statements for 1996 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, 1996 and 1995, 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, 1996 and 1995, and the changes in its net assets and its cash flows for the years then ended, in conformity with generally accepted accounting principles."

STATEMENT OF FINANCIAL POSITION

December 31, 1996 and 1995

	<u>1996</u>	<u>1995</u>
ASSETS		
Cash	\$43,699	\$34,390
Travel advances receivable	3,342	
Equipment		
(net of accumulated depreciation—		
\$13,398 in 1996; \$11,821 in 1995)	1,761	2,834
Total assets	<u>\$48,802</u>	<u>\$37,224</u>
LIABILITIES		
Accounts payable and other liabilities	\$26,917	\$17,540
Refundable advances	10,136	5,508
Total liabilities	<u>37,053</u>	<u>23,048</u>
NET ASSETS		
Unrestricted	11,749	14,176
Total liabilities and net assets	<u>\$48,802</u>	<u>\$37,224</u>

See notes to financial statements.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Years ended December 31, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Revenues		
Member subscriptions	\$ 19,451	\$ 18,735
Non-member subscriptions	25,842	29,405
Private grants and contributions	78,057	80,835
Sales of back and single issues	145	140
Page charges	875	1,765
Interest on short-term investments	28	552
Miscellaneous income	1,136	693
Total revenues	<u>125,534</u>	<u>132,125</u>
Expenses		
General		
Printing—JOURNAL	57,303	52,158
Mailing	17,711	17,573
Professional fees	2,700	2,600
Depreciation	1,575	2,598
Miscellaneous	1,051	3,985
Total general expenses	<u>80,340</u>	<u>78,914</u>
Editorial office		
Editorial services and salaries	40,306	39,160
Taxes—payroll	3,083	2,996
Advertising	560	879
Equipment	—	802
Office supplies and other	540	477
Telephone and telegraph	495	332
Translation	973	504
Total editorial office expenses	<u>45,957</u>	<u>45,150</u>
Business office		
Office supplies and other	946	—
Mailing and shipping	718	2,366
Total business office expenses	<u>1,664</u>	<u>2,366</u>
Total expenses	<u>127,961</u>	<u>126,430</u>
Change in net assets	(2,427)	5,695
Net assets		
Beginning of year	14,176	8,481
End of year	<u>\$11,749</u>	<u>\$14,176</u>

See notes to financial statements.

STATEMENT OF CASH FLOWS

Years ended December 31, 1996 and 1995

	<u>1996</u>	<u>1995</u>
INCREASE (DECREASE) IN CASH		
<i>Cash flows from operating activities</i>		
Cash received from subscriptions	\$ 49,921	\$ 35,685
Cash received from contributors	78,057	90,335
Interest received	28	552
Miscellaneous receipts	2,156	2,598
Cash paid to employees and suppliers	<u>(120,351)</u>	<u>(142,262)</u>
Net cash used for operating activities	<u>9,811</u>	<u>(13,092)</u>
<i>Cash flows from investing activities</i>		
Purchase of equipment	<u>(502)</u>	<u>(1,312)</u>
Net increase (decrease) in cash	9,309	(14,404)
<i>Cash balance</i>		
Beginning of year	34,390	48,794
End of year	\$43,699	\$34,390
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
<i>Change in net assets</i>	\$(2,427)	\$5,695
<i>Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities</i>		
Depreciation	1,575	2,598
(Increase) decrease in		
Grants receivable	—	9,500
Travel advances receivable	(3,342)	—
Increase (decrease) in		
Accounts payable and other liabilities	9,377	(18,430)
Refundable advances	4,628	(12,455)
Net cash used for operating activities	<u>\$9,811</u>	<u>\$(13,092)</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**December 31, 1996 and 1995**

(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

During 1994, IJL 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 would be effective for its fiscal years beginning after December 15, 1995.

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.

ACCOUNTING ESTIMATES

In preparing financial statements in conformity with generally accepted accounting principles, management makes estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

EQUIPMENT

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

(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 1996 and 1995, respectively.