

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 25 February 1998, transmitted the following audited financial statements for 1997 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, 1997 and 1996, 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, 1997 and 1996, 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, 1997 and 1996

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash	\$45,596	\$43,699
Travel advances receivable	5,538	3,342
Equipment		
(net of accumulated depreciation -		
\$14,021 in 1997; \$13,398 in 1996)	1,138	1,761
Total assets	<u>\$52,272</u>	<u>\$48,802</u>
LIABILITIES		
Accounts payable and other liabilities	\$30,067	\$26,917
Refundable advances	600	10,136
Total liabilities	<u>30,667</u>	<u>37,053</u>
NET ASSETS		
Unrestricted	<u>21,605</u>	<u>11,749</u>
Total liabilities and net assets	<u>\$52,272</u>	<u>\$48,802</u>

See notes to financial statements.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**Years ended December 31, 1997 and 1996**

	<u>1997</u>	<u>1996</u>
Revenues		
Member subscriptions	\$ 15,506	\$ 19,451
Non-member subscriptions	29,943	25,842
Private grants and contributions	87,500	78,057
Sales of back and single issues	80	145
Page charges	2,685	875
Interest on short-term investments	16	28
Miscellaneous income	832	1,136
Total revenues	<u>136,562</u>	<u>125,534</u>
Expenses		
General		
Printing - JOURNAL	55,938	57,303
Mailing	16,549	17,711
Professional fees	2,750	2,700
Depreciation	623	1,575
ILA management and forum	812	—
Miscellaneous	1,307	1,051
Total general expenses	<u>77,979</u>	<u>80,340</u>
Editorial office		
Editorial services and salaries	40,521	40,306
Office supplies and other	681	540
Taxes - payroll	3,083	3,083
Telephone and telegraph	264	495
Translation	1,010	973
Advertising	19	560
Total editorial office expenses	<u>45,578</u>	<u>45,957</u>
Business office		
Office supplies and other	900	946
Mailing and shipping	828	718
Secretarial services	1,421	—
Total business office expenses	<u>3,149</u>	<u>1,664</u>
Total expenses	<u>126,706</u>	<u>127,961</u>
Change in net assets	9,856	(2,427)
Net assets		
Beginning of year	11,749	14,176
End of year	<u>\$21,605</u>	<u>\$11,749</u>

See notes to financial statements.

STATEMENT OF CASH FLOWS

Years ended December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
INCREASE (DECREASE) IN CASH		
<i>Cash flows from operating activities</i>		
Cash received from subscriptions	\$ 35,913	\$49,921
Cash received from contributors	87,500	78,057
Interest received	16	28
Miscellaneous receipts	3,597	2,156
Cash paid to employees and suppliers	(125,129)	(120,351)
Net cash used for operating activities	<u>1,897</u>	<u>9,811</u>
<i>Cash flows from investing activities</i>		
Purchase of equipment	—	(502)
Net increase (decrease) in cash	<u>1,897</u>	<u>9,309</u>
<i>Cash balance</i>		
Beginning of year	43,699	34,390
End of year	<u>\$45,596</u>	<u>\$43,699</u>
 RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
<i>Change in net assets</i>	\$9,856	\$(2,427)
<i>Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities</i>		
Depreciation	623	1,575
Increase in travel advances	(2,196)	(3,342)
Increase (decrease) in Accounts payable and other liabilities	3,150	9,377
Refundable advances	(9,536)	4,628
Net cash used for operating activities	<u>\$1,897</u>	<u>\$9,811</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**December 31, 1997 and 1996**

(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.

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 1997 and 1996, respectively.