

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 23 February 2002, transmitted the following audited financial statements for 2001 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, 2001 and 2000, 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, 2001 and 2000, 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, 2001 and 2000

	2001	2000
ASSETS		
Cash	\$3,351	\$6,034
Accounts receivable	43,610	58,461
Equipment (net of accumulated depreciation— \$15,150 in 2001 and %15,108 in 2000)	—	50
Total assets	\$46,961	\$64,545
 LIABILITIES		
Accounts payable and other liabilities	\$33,372	\$47,128
 NET ASSETS		
Unrestricted	13,589	17,417
Total liabilities and net assets	\$46,961	\$64,545

See notes to financial statements.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Years ended December 31, 2001 and 2000

	<u>2001</u>	<u>2000</u>
Revenues		
Member subscriptions	\$13,780	\$13,303
Non-member subscriptions	18,844	15,666
Private grants and contributions	83,479	99,136
Sales of back and single issues	730	107
Page charges	1,925	1,650
Miscellaneous income	766	737
Total revenues	<u>119,524</u>	<u>130,599</u>
Expenses		
General		
Printing—JOURNAL	58,146	58,406
Mailing	12,395	18,127
Professional fees	3,750	3,500
Depreciation	50	232
Miscellaneous	1,765	1,145
Total general expenses	<u>76,106</u>	<u>81,410</u>
Editorial office		
Editorial services and salaries	36,399	40,333
Office supplies and other	300	409
Taxes—payroll	3,019	3,685
Telephone and telegraph	520	81
Translation	238	550
Total editorial office expenses	<u>40,476</u>	<u>45,058</u>
Business office		
Office supplies and other	1,168	1,192
Mailing and shipping	1,864	4,887
Secretarial services	3,738	3,898
Total business office expenses	<u>6,770</u>	<u>9,977</u>
Total expenses	<u>123,352</u>	<u>136,445</u>
Change in net assets	(3,828)	(5,846)
Net assets		
Beginning of year	<u>17,417</u>	<u>23,263</u>
End of year	<u>\$13,589</u>	<u>\$17,417</u>

See notes to financial statements.

STATEMENT OF CASH FLOWS

Years ended December 31, 2001 and 2000

	<u>2001</u>	<u>2000</u>
INCREASE (DECREASE) IN CASH		
<i>Cash flows from operating activities</i>		
Cash received from subscriptions	\$32,624	\$28,969
Cash received from contributors	98,330	54,773
Miscellaneous receipts	3,421	2,494
Cash paid to employees and suppliers	<u>(137,058)</u>	<u>(114,827)</u>
Net cash provided by (used for) operating activities	<u>(2,683)</u>	<u>(28,591)</u>
Net increase (decrease) in cash	(2,683)	(28,591)
 <i>Cash balance</i>		
Beginning of year	<u>6,034</u>	<u>34,625</u>
End of year	<u><u>\$3,351</u></u>	<u><u>\$6,034</u></u>
 RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
 <i>Change in net assets</i>	 \$(3,828)	 \$(5,846)
 <i>Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities</i>		
Depreciation	50	232
(Increase) decrease in		
Accounts receivable	14,851	(44,363)
Increase (decrease) in		
Accounts payable and other liabilities	<u>(13,756)</u>	<u>21,386</u>
 <i>Net cash provided by (used for) operating activities</i>	 <u><u>\$(2,683)</u></u>	 <u><u>\$(28,591)</u></u>

See notes to financial statements.

*NOTES TO FINANCIAL STATEMENTS*December 31, 2001 and 2000

(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 accounting principles generally accepted in the United States of America, 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 2001 and 2000, respectively.