

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 17 April 1979 transmitted the audited financial statements for 1978 to the Board of Directors, IJL, with the following report:

"We have examined the balance sheet of The International Journal of Leprosy of the International Leprosy Association, Inc. as of December 31, 1978 and the related statements of revenue and expenses and changes in fund balances and changes in financial position for the year then ended. Our examination was 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, Inc. sustained operating losses during the years 1975 through 1977. Its ability to operate during those years was dependent upon the availability of funds, through long-term advances from American Leprosy Missions, Inc. In 1978, positive operating results were attained. The unrestricted fund deficit was reduced from \$39,284 in 1977 to \$23,748 in 1978. Advances from American Leprosy Missions, Inc. were reduced from \$27,726 in 1977 to \$9,942 in 1978. However, continued positive operating results will be necessary to sustain operations and to liquidate the advances.

In our opinion, subject to continuing positive operating results and the continuing availability of long-term advances referred to in the preceding paragraph, the financial statements referred to above present fairly the financial position of The International Journal of Leprosy of the International Leprosy Association, Inc. at December 31, 1978 and the results of its operations and changes in fund balances and financial position for the year then ended, in conformity with generally accepted accounting principles which have been applied on a basis consistent with that of the preceding year."

Notes to Financial Statements

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

- (A) *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.
- (B) *Equipment*—It is the policy of the organization to expense the cost of office equipment in the year of acquisition rather than capitalizing such assets and depreciating them over their useful lives. The omission of depreciation charges had no significant effect on the financial position or results of operations.
- (C) *Income Tax*—The organization continues to qualify as a non-taxable organization under Section 509 (a) (1) of the Internal Revenue Code. Therefore, no provision for income taxes is necessary.

NOTE 2—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.

ASSETS

	<u>1978</u>	<u>1977</u>
Cash	\$ 15,956	\$ 12,788
Accounts receivable	<u>2,812</u>	<u>1,275</u>
	<u>\$ 18,768</u>	<u>\$ 14,063</u>

LIABILITIES AND FUND BALANCES

Payable to American Leprosy Missions, Inc.	\$ 9,942	\$ 27,726
Other payables	16,639	17,384
Unearned subscriptions	15,572	7,874
	<u>42,153</u>	<u>52,984</u>
Fund Balances:		
Unrestricted Fund	(23,748)	(39,284)
Restricted Fund (Note 2)	363	363
	<u>(23,385)</u>	<u>(38,921)</u>
	<u>\$ 18,768</u>	<u>\$ 14,063</u>

STATEMENT OF REVENUE AND EXPENSES AND CHANGES IN FUND BALANCES

	1978			1977
	Unrestricted	Restricted	Total	
Revenues				
Member subscriptions	\$ 16,806	—	\$ 16,806	\$ 10,859
Non-member subscriptions	22,569	—	22,569	8,421
Private grants and contributions	31,805	—	31,805	27,276
Sale of back and single issues	3,444	—	3,444	1,458
Sale of reprints	1,153	—	1,153	4,812
Transfers from ILA—London Office	—	—	—	5,174
Total revenues	<u>75,777</u>	<u>—</u>	<u>75,777</u>	<u>58,000</u>
Expenses				
General:				
Printing—Journal	32,363	—	32,363	48,144
Cost of reprints	3,025	—	3,025	4,291
Mailing expenses	2,040	—	2,040	5,100
Auditing fee	725	—	725	675
Miscellaneous	910	—	910	654
Total general expenses	<u>39,063</u>	<u>—</u>	<u>39,063</u>	<u>58,864</u>
Editorial Office Expenses:				
Editorial services and salaries	4,800	—	4,800	3,204
Secretarial services	11,463	—	11,463	10,866
Mailing and shipping	197	—	197	222
Office supplies and expenses	161	—	161	375
Taxes—payroll	228	—	228	187
Total editorial office expenses	<u>16,849</u>	<u>—</u>	<u>16,849</u>	<u>14,854</u>
Business Office Expenses:				
Secretarial services	—	—	—	6,481
Telephone and telegraph	11	—	11	12
Mailing and shipping	1,141	—	1,141	964
Office supplies and expenses	105	—	105	1,230
Computer expense	3,072	—	3,072	816
Total business office expenses	<u>4,329</u>	<u>—</u>	<u>4,329</u>	<u>9,503</u>
Total expenses	<u>60,241</u>	<u>—</u>	<u>60,241</u>	<u>83,221</u>
Excess (Deficit) of Revenues over Expenses	15,536	—	15,536	(25,221)
Fund Balance—Beginning of Year	<u>(39,284)</u>	<u>\$363</u>	<u>(38,921)</u>	<u>(13,700)</u>
Fund Balance—End of Year	<u>\$(23,748)</u>	<u>\$363</u>	<u>\$(23,385)</u>	<u>\$(38,921)</u>

STATEMENT OF CHANGES IN FINANCIAL POSITION

Year ended December 31, 1978
with comparative totals for 1977

	<u>1978</u>	<u>1977</u>
Sources of Cash		
From Operations:		
Income	\$15,536	\$ —
Increase in payable to American Leprosy Missions, Inc.	—	7,945
Increase in other payables	—	7,600
Increase in unearned subscriptions	<u>7,698</u>	<u>1,212</u>
	<u>23,234</u>	<u>16,757</u>
Uses of Cash		
For Operations:		
Deficit	—	12,826
Increase in accounts receivable	1,537	469
Decrease in payable to American Leprosy Missions, Inc.	17,784	—
Decreased in other payables	745	—
Lani Booth Cumulative Index Fund expenses	<u>—</u>	<u>12,395</u>
	<u>20,066</u>	<u>25,690</u>
Increase (decrease) in cash	<u>\$ 3,168</u>	<u>\$(8,933)</u>

Executive Officer's Note:

Readers of the Journal who follow the statements of revenue and expenses year by year will observe that this is the first year since 1971 in which the Executive Officer has been able to report an excess of revenues over expenses. This satisfactory result was due to both an increase in revenue and a decrease in expenditure. Outright grants and contributions primarily from members of ILEP were at a record level and constituted nearly one-half of the total income. A substantial sum of money given by ILEP members is also accounted for within the headings "Member Subscriptions" and "Non-Member Subscriptions," for over 300 members and non-members have their subscriptions paid for them by these organizations. Without these grants, contributions, and donations, continuing publication of the INTERNATIONAL JOURNAL OF LEPROSY would be impossible. It will be observed that no transfers from ILA London office were recorded for 1978. A sum of pounds sterling 700 was in fact in transit at the time that our books closed and will appear in the 1979 statements.

The decrease in general expenses is largely, if not entirely, accounted for by the fact that only three separate issues (46/1, 46/2, and 46/3&4) were published in 1978. This will be balanced by five issues (47/1, 47/2 and supplement, 47/3 and 47/4) in the current year. The decrease in business office expenses is more apparent than real. Substantial secretarial services were provided by American Leprosy Missions, Inc., and not charged for in the accounts.

It will be observed that the fund balance was still in deficit (\$23,748) at the end of the financial year 1978, and in view of this fact, coupled with continuing inflation and expenses which are bound to accrue in the current year in the process of changing editors, it is imperative that our income continues at least at 1978 levels for the foreseeable future.

On average 1200 copies of each issue of the Journal were printed and distributed at a total cost for printing and mailing of approximately \$12,000 per issue. That is, \$10.00 for each copy. Members fees at \$40.00 per year now just cover these costs. This means firstly, that we remain totally dependent on grantors and donors for continuing publication and secondly, that additional members will bring increased revenue, since printing costs per copy are substantially reduced for runs of over 1000 copies. Increasing the membership of International Leprosy Association can only strengthen the Association, and all members are urged to be active in encouraging their colleagues to join us.

—W. Felton Ross, M.B. B.S.
Executive Officer

INTERNATIONAL LEPROSY ASSOCIATION
LONDON OFFICE

Statement of Financial Condition

"We have audited the attached Receipts and Payments Account covering the transactions in London of the International Leprosy Association with the books and vouchers produced to us. We hereby certify that the Account is in accordance with such books and vouchers."

82, Eden Street,
Kingston upon Thames,
Surrey. KT1 1DZ.

—MENZIES MIDDLETON HAWKINS & CO.
Chartered Accountants.

Receipts and Payments Account
for the year ended 31st December, 1978

	1978		1977	
	£	£	£	£
Balances at 1st January 1978				
Cash in hand	2		5	
At bank	<u>333</u>		<u>1,396</u>	
		335		1,401
Add: Receipts				
Members' subscriptions	2,579		646	
Special donations	3		107	
Subscriptions to JOURNAL	1,123		32	
Sustaining members' fees	<u>1,334</u>		<u>1,943</u>	
		<u>5,039</u>		<u>2,728</u>
		5,374		4,129
Less: Payments				
Audit fee	27		27	
C.I.O.M.S. subscription	66		75	
Bank charges	2		7	
Heating, lighting and telephone	150		150	
Honorarium	150		150	
Postage	34		42	
Printing and stationery	33		25	
Transfer to U.S.A. for JOURNAL	700		3,000	
Travelling expenses	<u>119</u>		<u>318</u>	
		<u>1,281</u>		<u>3,794</u>
Balance at 31st December 1978		<u>4,093</u>		<u>335</u>
Represented by:				
Advance on account Mexico Congress	3,272		—	
Cash in hand	9		2	
Cash at bank	<u>812</u>		<u>333</u>	
		<u>4,093</u>		<u>335</u>

—M. F. Lechat, M.D., Dr.P.H.
President
—S. G. Browne, M.D.
Secretary