

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

Statement of Financial Condition

Tait, Wellar & Baker, Certified Public Accountants, New York, Auditors, INTERNATIONAL JOURNAL OF LEPROSY, on 3 August 1984 transmitted the following audited financial statements for 1983 to the Board of Directors, IJL, with the following report:

"We have examined the balance sheets of the International Journal of Leprosy of the International Leprosy Association as of December 31, 1983 and 1982, and the related statements of revenue, expenses and changes in fund balances, and changes in financial position for the years then ended. Our examinations were 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 sustained a significant operating loss during the year ended December 31, 1983, and as of that date, the organization's liabilities exceeded its assets. These factors among others, as discussed in Note 2, indicate that the organization may be unable to continue in existence. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the organization be unable to continue in existence.

"In our opinion, subject to the effects on the 1983 financial statements of such adjustments, if any, as might have been required had the outcome of the uncertainty about the recoverability and classification of recorded asset amounts and the amounts and classification of liabilities referred to in the preceding paragraph been known, such financial statements present fairly the financial position of the International Journal of Leprosy of the International Leprosy Association at December 31, 1983 and 1982, and the results of its operations, changes in its fund balances and changes in its financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis."

**BALANCE SHEET**

December 31

**ASSETS**

	1983	1982
Cash	\$21,226	\$ 4,064
Contributions in transit	15,317	—
Temporary investments (at cost which approximates market value)	—	25,000
Miscellaneous receivables	1,165	4,413
Equipment (less accumulated depreciation of \$9,985 and \$5,410, respectively)	12,889	17,464
	<b>\$50,597</b>	<b>\$50,941</b>

**LIABILITIES AND FUND BALANCES**

Payable to American Leprosy Missions, Inc.	\$ 4,259	\$ 2,943
Accounts payable and other liabilities	38,104	11,730
Unearned subscriptions	15,625	18,984
Deferred contributions	1,050	—
	59,038	33,657
<b>Fund balances</b>		
Unrestricted Fund	(21,693)	(543)
Restricted Fund (Note 3)	363	363
Equipment Fund	12,889	17,464
	(8,441)	17,284
	<b>\$50,597</b>	<b>\$50,941</b>

See notes to financial statements.

## STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND BALANCES

Years ended December 31

	Unrestricted Fund	Restricted Fund	Equipment Fund	Totals	
				1983	1982
<b>Revenues</b>					
Member subscriptions	\$ 19,084	\$ —	\$ —	\$ 19,084	\$ 17,782
Non-member subscriptions	23,373	—	—	23,373	24,037
Private grants and contributions	42,622	—	—	42,622	46,327
Sales of back and single issues	1,363	—	—	1,363	358
Interest on short-term investments	430	—	—	430	2,576
<b>Total revenues</b>	<b>86,872</b>	<b>—</b>	<b>—</b>	<b>86,872</b>	<b>91,080</b>
<b>Expenses</b>					
<b>General</b>					
Printing—JOURNAL	62,023	—	—	62,023	40,778
Mailing	8,412	—	—	8,412	8,249
Auditing fee	1,000	—	—	1,000	950
Legal fee	7	—	—	7	—
Management services—ILA	5,000	—	—	5,000	4,000
Miscellaneous	1,062	—	—	1,062	795
<b>Total general expenses</b>	<b>77,504</b>	<b>—</b>	<b>—</b>	<b>77,504</b>	<b>54,772</b>
<b>Editorial office</b>					
Editorial services and salaries	21,140	—	—	21,140	17,152
Secretarial services	218	—	—	218	285
Mailing and shipping	960	—	—	960	817
Office supplies and other	874	—	—	874	870
Taxes—payroll	1,416	—	—	1,416	1,241
Telephone and telegraph	701	—	—	701	868
Travel	755	—	—	755	630
Depreciation	—	—	4,575	4,575	2,835
Miscellaneous	2,152	—	—	2,152	3,703
<b>Total editorial office expenses</b>	<b>28,216</b>	<b>—</b>	<b>4,575</b>	<b>32,791</b>	<b>28,401</b>
<b>Business office</b>					
Clerical salaries	50	—	—	50	—
Mailing and shipping	1,316	—	—	1,316	1,023
Office supplies and other	39	—	—	39	85
Computer	897	—	—	897	1,455
<b>Total business office expenses</b>	<b>2,302</b>	<b>—</b>	<b>—</b>	<b>2,302</b>	<b>2,563</b>
<b>Total expenses</b>	<b>108,022</b>	<b>—</b>	<b>4,575</b>	<b>112,597</b>	<b>85,736</b>
Excess (deficiency) of revenues over expenses	(21,150)	—	(4,575)	(25,725)	5,344
<b>Fund balances</b>					
Beginning of year	(543)	363	17,464	17,284	11,940
End of year	\$ (21,693)	\$ 363	\$ 12,889	\$ (8,441)	\$ 17,284

See notes to financial statements.

## STATEMENT OF CHANGES IN FINANCIAL POSITION

Years ended December 31

	1983	1982
<b>Sources of cash</b>		
<b>From operations</b>		
Excess of revenues over expenses	\$ —	\$ 5,344
Depreciation	—	2,835
<b>Cash provided from operations</b>	<b>—</b>	<b>8,179</b>

## Statement of changes in financial position, contd.

Years ended December 31

	1983	1982
Sale of investments	25,000	—
Increase in payable to American Leprosy Missions, Inc.	1,316	—
Increase in accounts payable and other liabilities	26,374	—
Increase in unearned subscriptions	—	3,624
Increase in deferred contributions	1,050	—
Decrease in receivables	3,248	—
	<u>56,988</u>	<u>11,803</u>
Uses of cash		
For operations		
Excess of expenses over revenue	25,725	—
Depreciation	(4,575)	—
Cash used for operations	21,150	—
Decrease in accounts payable and other liabilities	—	9,308
Decrease in payable to American Leprosy Missions, Inc.	—	448
Decrease in unearned subscriptions	3,359	—
Increase in receivables	—	2,697
Increase in contributions in transit	15,317	—
Purchases of equipment	—	17,403
	<u>\$39,826</u>	<u>\$29,856</u>
<b>INCREASE (DECREASE) IN CASH</b>	<u>\$17,162</u>	<u>\$(18,053)</u>

See notes to financial statements.

## NOTES TO FINANCIAL STATEMENTS

December 31, 1983

## NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

## 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.

## EQUIPMENT

Acquisitions of office equipment are recorded at cost. Depreciation is provided using the straight-line method over five years.

## INCOME TAX

The organization continues to qualify as a non-taxable organization under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income tax is necessary.

## NOTE 2—GOING CONCERN

The organization sustained a significant operating loss during the year ended December 31, 1983, and as of that date, the organization's liabilities exceeded its assets. In addition, the organization received \$19,726 in donated services from American Leprosy Missions, Inc. (Note 4). The organization's ability to operate in the future is dependent upon attainment of positive operating results and the continuation of donated services support.

## NOTE 3—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.

## NOTE 4—DONATED SERVICES

American Leprosy Missions, Inc. has provided various services throughout the year. No amounts have been reflected in the statements for these services. The estimated value is as follows:

	1983	1982
Administrative and secretarial	\$10,300	\$4,611
Occupancy	9,426	4,645
	<u>\$19,726</u>	<u>\$9,256</u>