

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 19 February 1996, transmitted the following audited financial statements for 1995 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, 1995 and 1994, 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, 1995 and 1994, and the results of its operations, 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, 1995 and 1994

	<u>1995</u>	<u>1994</u>
ASSETS		
Cash	\$34,390	\$48,794
Grants receivable	—	9,500
Equipment		
(net of accumulated depreciation—		
\$11,821 in 1995; \$9,223 in 1994)	2,834	4,120
Total assets	<u>\$37,224</u>	<u>\$62,414</u>
LIABILITIES		
Accounts payable and other liabilities	\$17,540	\$35,970
Refundable advances	5,508	17,963
Total liabilities	<u>23,048</u>	<u>53,933</u>
NET ASSETS		
Unrestricted	14,176	8,481
Total liabilities and net assets	<u>\$37,224</u>	<u>\$62,414</u>

See notes to financial statements.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**Years ended December 31, 1995 and 1994**

	1995	1994
Revenues		
Member subscriptions	\$ 18,735	\$ 19,987
Non-member subscriptions	29,405	29,191
Private grants and contributions	80,835	85,249
Sales of back and single issues	140	190
Page charges	1,765	4,675
Interest on short-term investments	552	521
Miscellaneous income	693	1,668
Total revenues	<u>132,125</u>	<u>141,481</u>
Expenses		
General		
Printing—JOURNAL	52,158	63,369
Mailing	17,573	21,167
Professional fees	2,600	2,500
Depreciation	2,598	2,669
Miscellaneous	3,985	2,072
Total general expenses	<u>78,914</u>	<u>91,777</u>
Editorial office		
Editorial services and salaries	39,160	36,870
Taxes—payroll	2,996	2,821
Advertising	879	724
Equipment	802	767
Mailing and shipping	—	1,273
Office supplies and other	477	764
Telephone and telegraph	332	435
Travel	—	470
Translation	504	1,276
Total editorial office expenses	<u>45,150</u>	<u>45,400</u>
Business office		
Office supplies and other	—	49
Mailing and shipping	2,366	7,808
Total business office expenses	<u>2,366</u>	<u>7,857</u>
Total expenses	<u>126,430</u>	<u>145,034</u>
Change in net assets	5,695	(3,553)
Net assets		
Beginning of year	8,481	12,034
End of year	<u>\$ 14,176</u>	<u>\$ 8,481</u>

 See notes to financial statements.

STATEMENT OF CASH FLOWS

Years ended December 31, 1995 and 1994

	<u>1995</u>	<u>1994</u>
INCREASE (DECREASE) IN CASH		
<i>Cash flows from operating activities</i>		
Cash received from subscriptions	\$ 35,685	\$ 47,098
Cash received from contributors	90,335	91,449
Interest received	552	521
Miscellaneous receipts	2,598	6,533
Cash paid to employees and suppliers	(142,262)	(163,498)
Net cash used for operating activities	<u>(13,092)</u>	<u>(17,897)</u>
<i>Cash flows from investing activities</i>		
Purchase of equipment	(1,312)	—
Net decrease in cash	(14,404)	(17,897)
<i>Cash balance</i>		
Beginning of year	48,794	66,691
End of year	<u>\$ 34,390</u>	<u>\$ 48,794</u>
 RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
<i>Change in net assets</i>	\$ 5,695	\$ (3,553)
<i>Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities</i>		
Depreciation	2,598	2,669
(Increase) decrease in Grants receivable	9,500	6,200
Increase (decrease) in Accounts payable and other liabilities	(18,430)	(21,133)
Refundable advances	<u>(12,455)</u>	<u>(2,080)</u>
Net cash used for operating activities	<u>\$ (13,092)</u>	<u>\$ (17,897)</u>

 See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**December 31, 1995 and 1994**

(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.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of cash, grants receivable, accounts payable and other liabilities, and refundable advances approximate fair value because of the short maturity of these items.

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 1995 and 1994, respectively.