

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 20 February 1999, transmitted the following audited financial statements for 1998 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, 1998 and 1997, 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, 1998 and 1997, 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, 1998 and 1997

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash	\$46,158	\$45,596
Accounts receivable	29,883	—
Travel advances receivable	649	5,538
Equipment (net of accumulated depreciation— \$14,514 in 1998; \$14,021 in 1997)	645	1,138
Total assets	<u>\$77,335</u>	<u>\$52,272</u>
 LIABILITIES		
Accounts payable and other liabilities	\$36,147	\$30,067
Refundable advances	—	600
Total liabilities	<u>36,147</u>	<u>30,667</u>
 NET ASSETS		
Unrestricted	41,188	21,605
Total liabilities and net assets	<u>\$77,335</u>	<u>\$52,272</u>

See notes to financial statements.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**Years ended December 31, 1998 and 1997**

	1998	1997
Revenues		
Member subscriptions	\$24,140	\$15,506
Non-member subscriptions	33,232	29,943
Private grants and contributions	86,615	87,500
Sales of back and single issues	—	80
Page charges	3,004	2,685
Interest on short-term investments	—	16
Miscellaneous income	1,709	832
Total revenues	<u>148,700</u>	<u>136,562</u>
Expenses		
General		
Printing—JOURNAL	58,565	55,938
Mailing	16,095	16,549
Professional fees	2,900	2,750
Depreciation	493	623
ILA management and forum	—	812
Travel	760	—
Miscellaneous	1,606	1,307
Total general expenses	<u>80,419</u>	<u>77,979</u>
Editorial office		
Editorial services and salaries	40,405	40,521
Office supplies and other	68	681
Taxes—payroll	3,215	3,083
Telephone and telegraph	166	264
Translation	684	1,010
Advertising	—	19
Total editorial office expenses	<u>44,538</u>	<u>45,578</u>
Business office		
Office supplies and other	641	900
Mailing and shipping	900	828
Secretarial services	2,619	1,421
Total business office expenses	<u>4,160</u>	<u>3,149</u>
Total expenses	<u>129,117</u>	<u>126,706</u>
Change in net assets	19,583	9,856
Net assets		
Beginning of year	21,605	11,749
End of year	<u>\$41,188</u>	<u>\$21,605</u>

See notes to financial statements.

STATEMENT OF CASH FLOWS

Years ended December 31, 1998 and 1997

	<u>1998</u>	<u>1997</u>
INCREASE (DECREASE) IN CASH		
<i>Cash flows from operating activities</i>		
Cash received from subscriptions	\$56,772	\$35,913
Cash received from contributors	78,637	87,500
Interest received	—	16
Miscellaneous receipts	4,713	3,597
Cash paid to employees and suppliers	<u>(139,560)</u>	<u>(125,129)</u>
Net cash provided by operating activities	<u>562</u>	<u>1,897</u>
Net increase in cash	562	1,897
 <i>Cash balance</i>		
Beginning of year	<u>45,596</u>	<u>43,699</u>
End of year	\$46,158	\$45,596
 RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY (USED FOR) ACTIVITIES		
 <i>Change in net assets</i>	\$19,583	\$9,856
 <i>Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities</i>		
Depreciation	493	623
(Increase) decrease in		
Accounts receivable	(29,883)	—
Travel advances receivable	4,889	(2,196)
Increase (decrease) in		
Accounts payable and other liabilities	6,080	3,150
Refundable advances	(600)	(9,536)
 <i>Net cash provided by operating activities</i>	<u><u>\$562</u></u>	<u><u>\$1,897</u></u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**December 31, 1998 and 1997**

(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 1998 and 1997, respectively.