

***TAIT, WELLER & BAKER***  
*Certified Public Accountants*

**AMERICAN LEPROSY MISSIONS, INC.  
(ALM INTERNATIONAL)**

***FINANCIAL STATEMENTS  
AND REPORT OF  
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS***

**DECEMBER 31, 2004**

**AMERICAN LEPROSY MISSIONS, INC.**  
**(ALM INTERNATIONAL)**

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**TAIT, WELLER & BAKER**  
*Certified Public Accountants*

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

**Board of Directors**  
**American Leprosy Missions, Inc.**  
**(ALM International)**  
**Greenville, South Carolina**

We have audited the accompanying statement of financial position of American Leprosy Missions, Inc. (ALM International) as of December 31, 2004, and the related statements of activities and changes in net assets, of functional expenses and of cash flows for the year 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 audit. The prior year summarized comparative information has been derived from American Leprosy Missions, Inc. (ALM International) 2003 financial statements and, in our report dated February 28, 2004, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 audit provides 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 American Leprosy Missions, Inc. (ALM International) at December 31, 2004, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements referred to in the first paragraph taken as a whole. The accompanying supplemental information for program service grants, Page 11, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Tait, Weller & Baker*

**Philadelphia, Pennsylvania**  
**March 5, 2005**

**AMERICAN LEPROSY MISSIONS, INC.  
(ALM INTERNATIONAL)**

**STATEMENT OF FINANCIAL POSITION**

**December 31, 2004 with summarized information for 2003**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	
				<u>2004</u>	<u>2003</u>
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 1,031,247	\$ 21,053	\$ -	\$ 1,052,300	\$ 359,107
Accrued interest receivable	-	10,169	-	10,169	8,545
Accounts receivable and advances	90,424	-	-	90,424	67,780
Bequest receivable	754,600	-	-	754,600	224,600
Pledges receivable ( <i>Note 2</i> )	46,516	191,167	-	237,683	280,797
Prepaid expenses and deposits	81,166	-	-	81,166	103,368
Due from other net assets	400,094	-	-	★	★
<b>Total current assets</b>	<u>2,404,047</u>	<u>222,389</u>	<u>-</u>	<u>2,226,342</u>	<u>1,044,197</u>
<b>OTHER ASSETS</b>					
Pledges receivable ( <i>Note 2</i> )	-	44,017	-	44,017	167,585
Real estate held for investment	100,000	-	-	100,000	100,000
Land, building and equipment ( <i>Note 3</i> )	875,285	-	-	875,285	965,816
Long-term investments ( <i>Note 4</i> )	4,059,588	1,305,551	678,859	6,043,998	5,713,021
Beneficial interest in perpetual trusts ( <i>Note 5</i> )	-	-	4,350,635	4,350,635	4,062,237
Other	33,450	-	-	33,450	32,118
<b>Total other assets</b>	<u>5,068,323</u>	<u>1,349,568</u>	<u>5,029,494</u>	<u>11,447,385</u>	<u>11,040,777</u>
<b>Total assets</b>	<u>\$ 7,472,370</u>	<u>\$ 1,571,957</u>	<u>\$ 5,029,494</u>	<u>\$ 13,673,727</u>	<u>\$ 12,084,974</u>
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ 204,557	\$ -	\$ -	\$ 204,557	\$ 150,198
Due to other net assets	-	306,329	93,765	★	★
<b>Total current liabilities</b>	<u>204,557</u>	<u>306,329</u>	<u>93,765</u>	<u>204,557</u>	<u>150,198</u>
<b>OTHER LIABILITIES</b>					
Refundable advance	-	46,896	-	46,896	95,228
Uni-trust and annuity obligations	-	871,939	-	871,939	923,035
<b>Total other liabilities</b>	<u>-</u>	<u>918,835</u>	<u>-</u>	<u>918,835</u>	<u>1,018,263</u>
<b>NET ASSETS</b>					
Unrestricted					
Operating	2,061,967	-	-	2,061,967	2,078,002
Reserve	5,205,846	-	-	5,205,846	3,824,824
Temporarily restricted ( <i>Note 5</i> )					
Life Income Agreements	-	346,793	-	346,793	318,722
Other	-	-	-	-	47,634
Permanently restricted ( <i>Note 5</i> )	-	-	4,935,729	4,935,729	4,647,331
<b>Total net assets</b>	<u>7,267,813</u>	<u>346,793</u>	<u>4,935,729</u>	<u>12,550,335</u>	<u>10,916,513</u>
<b>Total liabilities and net assets</b>	<u>\$ 7,472,370</u>	<u>\$ 1,571,957</u>	<u>\$ 5,029,434</u>	<u>\$ 13,673,727</u>	<u>\$ 12,084,974</u>

★ *Interfund balances eliminated in combination*

**AMERICAN LEPROSY MISSIONS, INC.**  
**(ALM INTERNATIONAL)**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**

**Year ended December 31, 2004 with summarized information for 2003**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	
				<u>2004</u>	<u>2003</u>
<b>Public support and revenue</b>					
<b>Public support</b>					
Contributions	\$ 5,879,529	\$ 247,212	\$ -	\$ 6,126,741	\$ 5,883,821
Income from outside trusts	88,419	-	-	88,419	100,427
Legacies and bequests	<u>1,943,668</u>	<u>-</u>	<u>-</u>	<u>1,943,668</u>	<u>663,963</u>
<b>Total public support</b>	<u>7,911,616</u>	<u>247,212</u>	<u>-</u>	<u>8,158,828</u>	<u>6,648,211</u>
<b>Revenue</b>					
Investment income, net of expenses	60,210	29,660	-	89,870	38,676
Realized gain (loss) on investment transactions	129,527	(3,578)	-	125,949	(136,263)
Other	<u>11,912</u>	<u>-</u>	<u>-</u>	<u>11,912</u>	<u>7,334</u>
<b>Total revenue (loss)</b>	<u>201,649</u>	<u>26,082</u>	<u>-</u>	<u>227,731</u>	<u>(90,253)</u>
<b>Net assets released from restrictions (Note 5)</b>	<u>271,413</u>	<u>(271,413)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total support and revenue</b>	<u>8,384,678</u>	<u>1,881</u>	<u>-</u>	<u>8,386,559</u>	<u>6,557,958</u>
<b>Expenses</b>					
<b>Program services</b>					
Leprosy Treatment	2,319,364	-	-	2,319,364	2,313,790
Other Diseases	170,227	-	-	170,227	73,421
Training of Professionals	689,498	-	-	689,498	813,953
Socio-Economic Services	843,681	-	-	843,681	889,396
Research	<u>815,571</u>	<u>-</u>	<u>-</u>	<u>815,571</u>	<u>967,956</u>
<b>Total program services</b>	<u>4,838,341</u>	<u>-</u>	<u>-</u>	<u>4,838,341</u>	<u>5,058,516</u>
<b>Supporting services</b>					
Fund-raising	1,781,218	-	-	1,781,218	2,093,086
Management and general	<u>507,401</u>	<u>-</u>	<u>-</u>	<u>507,401</u>	<u>560,375</u>
<b>Total supporting services</b>	<u>2,288,619</u>	<u>-</u>	<u>-</u>	<u>2,288,619</u>	<u>2,653,461</u>
<b>Total expenses</b>	<u>7,126,960</u>	<u>-</u>	<u>-</u>	<u>7,126,960</u>	<u>7,711,977</u>
<b>Other changes in net assets</b>					
Actuarial loss on annuity and uni-trust obligations	-	(9,723)	-	(9,723)	(59,450)
Net unrealized gains (losses) on long-term investments	107,269	(11,721)	-	95,548	708,095
Change in beneficial interest in perpetual trusts	<u>-</u>	<u>-</u>	<u>288,398</u>	<u>288,398</u>	<u>645,920</u>
<b>Total other changes</b>	<u>107,269</u>	<u>(21,444)</u>	<u>288,398</u>	<u>374,223</u>	<u>1,294,565</u>
<b>Changes in net assets</b>	1,364,987	(19,563)	288,398	1,633,822	140,546
<b>Net assets</b>					
Beginning of year	<u>5,902,826</u>	<u>366,356</u>	<u>4,647,331</u>	<u>10,916,513</u>	<u>10,775,967</u>
<b>End of year</b>	<u>\$ 7,267,813</u>	<u>\$ 346,793</u>	<u>\$ 4,935,729</u>	<u>\$ 12,550,335</u>	<u>\$ 10,916,513</u>

**AMERICAN LEPROSY MISSIONS, INC.**  
**(ALM INTERNATIONAL)**

**STATEMENT OF FUNCTIONAL EXPENSES**

**Year ended December 31, 2004 with summarized information for 2003**

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	<u>Program Services</u>		
	<u>Leprosy Treatment</u>	<u>Other Diseases</u>	<u>Training of Professionals</u>
Salaries	\$ 204,201	\$ 14,987	\$ 60,705
Employee health, retirement, and other benefits	59,888	4,395	17,803
Payroll taxes	<u>14,467</u>	<u>1,062</u>	<u>4,301</u>
<b>Total salaries and related expenses</b>	278,556	20,444	82,809
Occupancy	20,671	1,517	6,145
Office supplies and program materials	2,639	194	784
Professional fees and contract service payments	-	-	-
Travel, conferences, conventions and meetings	42,510	3,120	12,637
Printing, postage and publications	36,264	2,662	10,781
Awards, grants and other program disbursements	1,906,313	139,912	566,708
Media	-	-	-
New donor costs	-	-	-
Depreciation	26,502	1,945	7,878
Miscellaneous	<u>5,909</u>	<u>433</u>	<u>1,756</u>
	<u>\$ 2,319,364</u>	<u>\$ 170,227</u>	<u>\$ 689,498</u>

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<u>Socio- Economic Services</u>	<u>Research</u>	<u>Total 2004</u>	<u>Supporting Services</u>			<u>Total Expenses</u>	
			<u>Fund Raising</u>	<u>Management And General</u>	<u>Total 2004</u>	<u>2004</u>	<u>2003</u>
\$ 74,279	\$ 71,804	\$ 425,976	\$ 307,650	\$226,811	\$ 534,461	\$ 960,437	\$ 898,972
21,785	21,059	124,930	88,947	72,021	160,968	285,898	303,111
<u>5,262</u>	<u>5,087</u>	<u>30,179</u>	<u>21,834</u>	<u>16,127</u>	<u>37,961</u>	<u>68,140</u>	<u>65,748</u>
101,326	97,950	581,085	418,431	314,959	733,390	1,314,475	1,267,831
7,519	7,269	43,121	27,238	29,917	57,155	100,276	105,293
960	928	5,505	2,986	4,033	7,019	12,524	8,633
-	-	-	2,662	25,250	27,912	27,912	70,358
15,463	14,948	88,678	28,551	22,917	51,468	140,146	129,820
13,191	12,752	75,650	303,022	2,314	305,336	380,986	356,699
693,432	670,329	3,976,694	-	-	-	3,976,694	4,262,851
-	-	-	386,858	-	386,858	386,858	855,733
-	-	-	568,923	-	568,923	568,923	408,852
9,640	9,319	55,284	28,954	39,551	68,505	123,789	163,667
<u>2,150</u>	<u>2,076</u>	<u>12,324</u>	<u>13,593</u>	<u>68,460</u>	<u>82,053</u>	<u>94,377</u>	<u>82,240</u>
<u>\$843,681</u>	<u>\$815,571</u>	<u>\$4,838,341</u>	<u>\$1,781,218</u>	<u>\$507,401</u>	<u>\$2,288,619</u>	<u>\$7,126,960</u>	<u>\$7,711,977</u>

**AMERICAN LEPROSY MISSIONS, INC.**  
**(ALM INTERNATIONAL)**

**STATEMENT OF CASH FLOWS**

**Years ended December 31, 2004 and 2003**

	<u>2004</u>	<u>2003</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
<i>Cash flows from operating activities</i>		
Cash received from contributors	\$ 7,628,597	\$ 6,896,307
Interest and dividends received	82,179	69,554
Grants paid	(3,955,328)	(4,167,734)
Cash paid for other expenditures	<u>(2,929,882)</u>	<u>(3,052,735)</u>
<b>Net cash provided by (used for) operating activities</b>	<u>825,566</u>	<u>(254,608)</u>
<i>Cash flows from investing activities</i>		
Purchase of equipment	(33,258)	(103,387)
Purchase of investments	(2,909,211)	(4,115,851)
Proceeds from sale of investments	2,562,336	3,697,392
Net change in cash and cash equivalents – long term	<u>327,425</u>	<u>734,622</u>
<b>Net cash provided by (used for) investing activities</b>	<u>(52,708)</u>	<u>212,776</u>
<i>Cash flows from financing activities</i>		
Payments made to annuitants	(76,952)	(71,820)
Payments made under trust agreements	(57,713)	(51,980)
Payments made on capital lease	-	(3,366)
Proceeds from contributions restricted for – Investment subject to annuity agreements	<u>55,000</u>	<u>41,120</u>
<b>Net cash used for financing activities</b>	<u>(79,665)</u>	<u>(86,046)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	693,193	(127,878)
<i>Cash and cash equivalents</i>		
Beginning of year	<u>359,107</u>	<u>486,985</u>
<b>End of year</b>	<u>\$ 1,052,300</u>	<u>\$ 359,107</u>

**AMERICAN LEPROSY MISSIONS, INC.**  
**(ALM INTERNATIONAL)**

*STATEMENT OF CASH FLOWS – (Continued)*

**Years ended December 31, 2004 and 2003**

	<u>2004</u>	<u>2003</u>
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>		
<i>Change in net assets</i>	\$ 1,633,822	\$ 140,546
<i>Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities</i>		
Depreciation	123,789	163,667
(Gain) loss on sale of investments	(125,949)	136,263
Actuarial loss on annuity obligations	9,723	59,450
Non-cash contributions	(90,030)	(20,079)
Change in unrealized (appreciation) depreciation	(95,548)	(708,095)
Contributions restricted for long-term investment	(23,419)	(18,142)
Change in beneficial interest in perpetual trusts	(288,398)	(645,920)
Interest and dividends restricted for long-term investment	(6,067)	31,919
(Increase) decrease in		
Accrued interest receivable	(1,624)	(1,043)
Accounts receivable and advances	(22,644)	92,308
Legacy receivable	(530,000)	40,000
Pledges receivable	166,682	238,983
Prepaid expenses and deposits	20,870	137,335
Increase (decrease) in		
Accounts payable	<u>54,359</u>	<u>98,200</u>
<i>Net cash used for operating activities</i>	<u>\$ 825,566</u>	<u>\$ (254,608)</u>

**AMERICAN LEPROSY MISSIONS, INC.  
(ALM INTERNATIONAL)**

***NOTES TO FINANCIAL STATEMENTS***

**December 31, 2004 and 2003**

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**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***ORGANIZATION AND PURPOSE***

American Leprosy Missions, Inc. (“*ALM*”) is incorporated pursuant to the provisions of the Not-for-Profit Corporation Law of the State of New York. As a non-profit organization, it is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The purpose of ALM is to preach the Gospel to persons affected by the disease known as Leprosy (also known as Hansen’s Disease), to persons affected by related or similar diseases and to persons indirectly affected by such diseases; to provide financial and other assistance to those who aid such persons through medical treatment, physical rehabilitation, social integration and the supply of their other needs; to educate the public concerning such diseases; to promote improved methods of diagnosis and treatment thereof; and to work to free to world of such diseases.

***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.

***CASH EQUIVALENTS***

All highly liquid investments purchased with a maturity of three months or less are considered to be cash equivalents.

***CONCENTRATION OF CREDIT RISK***

ALM occasionally maintains deposits in excess of federally insured limits. Statement of Financial Accounting Standards No. 105 identifies these items as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by maintaining all deposits in high quality financial institutions.

***REAL ESTATE HELD FOR INVESTMENT***

Donated real estate held for investment is stated at estimated fair market value at date of receipt plus subsequent capitalized expenses and betterment’s at cost.

***BUILDING AND EQUIPMENT***

Building and equipment is recorded at cost. Equipment acquired prior to January 1, 1974 is recorded at estimated fair market value. Depreciation is provided on the straight-line method over the estimated life of the asset – 3 to 10 years for equipment and 30 years for building.

***LONG-TERM INVESTMENTS***

Long-term investments consist of marketable securities which are stated at market.

**AMERICAN LEPROSY MISSIONS, INC.  
(ALM INTERNATIONAL)**

*NOTES TO FINANCIAL STATEMENTS – (Continued)*

**December 31, 2004 and 2003**

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***LIFE INCOME AGREEMENTS***

The funds held subject to life income provisions include amounts held subject to the payment to life beneficiaries of stated amounts in the case of gift annuities and uni-trusts. On maturity, the remainder interests revert to the organization. In accordance with provisions of the New York State Insurance Laws and the U.S. Internal Revenue Code, the assets of the segregated gift annuity are segregated from other assets of the organization.

The agreements with the donors of the revocable gift fund provide that the excess income from the investment of the fund assets, over stated interest rate payments to beneficiaries, is to be available for unrestricted use unless stated to the contrary. Under the terms of the gift agreements, the donors may request the return of the principal.

The actuarial valuations of the gift annuities and uni-trusts are recorded as annuity/uni-trust obligations and the entire revocable trust is recorded as a refundable advance due to the right of return of funds to the donor. The present value of the segregated gift annuities and other annuities and uni-trust agreements was determined using discount rates ranging from 3.2% to 8.2%.

***CONTRIBUTIONS***

ALM reports gifts of cash and other assets as unrestricted support if they are received with donor stipulations that limit the use of the donated assets and these donor stipulations are met in the same reporting period. However, contributions for life income agreements are recorded as restricted support. When the donor restriction expires, that is, when the stipulated time restriction ends, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

***PLEDGES RECEIVABLE***

Unconditional promises to give are included in the financial statements as pledges receivable and the related contribution revenue is recorded in the unrestricted net assets and temporarily restricted. Pledges are recorded net of an allowance for uncollectible pledges.

***FUNCTIONAL ALLOCATION OF EXPENSES***

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

***NET ASSETS***

ALM applies the Statement of Financial Accounting Standards No. 117, *“Financial Statements of Not-for-Profit Organizations”* (*“SFAS No. 117”*). Under the provisions of SFAS No. 117, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of ALM and changes therein are classified and reported as follows:

*Unrestricted net assets* include the revenues and expenses associated with the principal mission of ALM.

**AMERICAN LEPROSY MISSIONS, INC.**  
**(ALM INTERNATIONAL)**

*NOTES TO FINANCIAL STATEMENTS – (Continued)*

**December 31, 2004 and 2003**

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*Temporarily restricted net assets* include gifts for which donor-imposed restrictions have not been met.

*Permanently restricted net assets* include gifts, trusts and pledges which require, by donor restriction, that the corpus be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions.

**RECLASSIFICATIONS**

Certain reclassifications were made to the 2003 financial statements to conform to the 2004 presentation

**(2) PLEDGES RECEIVABLE**

Unconditional promises to give are included in the financial statements as pledges receivable of the appropriate net asset category. Pledges are recorded after discounting to the present value of the future cash flows and after recording a reserve for doubtful accounts.

Unconditional promises to give at December 31, 2004 and 2003, respectively, are expected to be realized as follows:

	<u><b>2004</b></u>	<u><b>2003</b></u>
In one year or less	\$ 260,594	\$ 318,637
In one to five years	<u>57,395</u>	<u>216,125</u>
	317,989	534,762
Less discount to present value	13,378	28,333
Less reserve for doubtful accounts	<u>22,911</u>	<u>58,047</u>
Net pledges receivable	<u><u>\$ 281,700</u></u>	<u><u>\$ 448,382</u></u>

**(3) LAND, BUILDING AND EQUIPMENT**

Land, building and equipment at December 31 are summarized as follows:

	<u><b>2004</b></u>	<u><b>2003</b></u>
Land	\$ 285,675	\$ 285,675
Building and improvements	971,587	957,314
Equipment	<u>2,242,056</u>	<u>2,223,070</u>
	3,499,318	3,466,059
Less accumulated depreciation	<u>2,624,033</u>	<u>2,500,243</u>
	<u><u>\$ 875,285</u></u>	<u><u>\$ 965,816</u></u>

**AMERICAN LEPROSY MISSIONS, INC.**  
**(ALM INTERNATIONAL)**

*NOTES TO FINANCIAL STATEMENTS – (Continued)*

**December 31, 2004 and 2003**

**(4) LONG-TERM INVESTMENTS**

Cost and market values at December 31 are summarized as follows:

<u>Net Assets</u>	<u>2004</u>		<u>2003</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
<b>Unrestricted</b>	<u>\$ 3,612,170</u>	<u>\$ 4,059,588</u>	<u>\$ 3,123,413</u>	<u>\$ 3,489,665</u>
<b>Temporarily Restricted</b>				
Revocable Gift Agreements	53,333	53,772	68,092	100,263
Segregated Gift Annuity Agreements	734,732	717,066	783,381	777,438
Uni-trust and Annuity Agreements	<u>522,071</u>	<u>534,713</u>	<u>760,277</u>	<u>715,305</u>
	<u>1,310,136</u>	<u>1,305,551</u>	<u>1,611,750</u>	<u>1,593,006</u>
<b>Permanently restricted</b>	<u>559,121</u>	<u>678,859</u>	<u>536,715</u>	<u>630,350</u>
<b>Total</b>	<u>\$ 5,481,427</u>	<u>\$ 6,043,998</u>	<u>\$ 5,271,878</u>	<u>\$ 5,713,021</u>

The components of marketable securities at December 31 are:

	<u>2004</u>		<u>2003</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Cash and cash equivalents	\$ 461,247	\$ 461,247	\$ 788,672	\$ 788,672
U.S. Government Treasury securities	1,212,070	1,177,793	1,062,501	1,050,311
Corporate and municipal bonds	1,517,183	1,519,566	1,150,636	1,167,190
Common and preferred stocks	1,870,343	2,457,440	1,697,352	2,193,829
Mutual funds	<u>420,584</u>	<u>427,952</u>	<u>572,717</u>	<u>513,019</u>
	<u>\$ 5,481,427</u>	<u>\$ 6,043,998</u>	<u>\$ 5,271,878</u>	<u>\$ 5,713,021</u>

At December 31, 2004 and 2003, the portfolio of marketable securities had unrealized gains of \$562,571 and \$441,143, respectively

Investment income in the statement of activities and changes in net assets is shown net of \$52,959 and \$48,208 of investment management fees for the years ended December 31, 2004 and 2003, respectively.

**AMERICAN LEPROSY MISSIONS, INC.**  
**(ALM INTERNATIONAL)**

*NOTES TO FINANCIAL STATEMENTS – (Continued)*

**December 31, 2004 and 2003**

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**(5) NET ASSETS**

Temporarily restricted net assets are available for the following purposes:

	<u>2004</u>	<u>2003</u>
Life Income Agreements	\$ 346,793	\$ 318,722
Other	<u>-</u>	<u>47,634</u>
	<u>\$346,793</u>	<u>\$ 366,356</u>

Permanently restricted net assets are available for the following purpose:

	<u>2004</u>	<u>2003</u>
Investment in perpetuity, the income from which is expendable to support any activities of the organization	\$ 585,094	\$ 585,094
Beneficial interest in perpetual trusts	<u>4,350,635</u>	<u>4,062,237</u>
	<u>\$4,935,729</u>	<u>\$4,647,331</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

Research	\$200,000
Other	<u>71,413</u>
	<u>\$271,413</u>

**(6) PENSION PLANS**

ALM contributes to a defined contribution plan covering substantially all of its employees. Contributions to the plan are based upon earnings and are accrued and funded on a current basis. Pension expense was approximately \$102,900 and \$98,400 for the years ended December 31, 2004 and 2003, respectively.

## **SUPPLEMENTAL INFORMATION**

**AMERICAN LEPROSY MISSIONS, INC.  
(ALM INTERNATIONAL)**

***SCHEDULE OF PROGRAM SERVICE GRANTS AND OTHER DISBURSEMENTS***

**Year ended December 31, 2004 with summarized information for 2003**

	<u>Leprosy Treatment</u>	<u>Other Diseases</u>	<u>Training of Professionals</u>	<u>Socio- Economic Services</u>	<u>Research</u>	<u>Total</u>	
						<u>2004</u>	<u>2003</u>
<b><u>Africa</u></b>							
Angola	\$ 154,696	\$ -	\$ 59,474	\$ 5,986	\$ -	\$ 220,156	\$ 521,909
Cameroon	-	-	-	-	-	-	18,980
Congo	233,729	53,794	29,522	5,180	-	322,225	287,710
Cote D' Ivoire	-	68,578	-	-	-	68,578	50,000
Ethiopia	-	-	-	19,848	-	19,848	20,000
Ghana	-	-	52,202	-	-	52,202	152,500
Somalia	59,812	-	-	-	-	59,812	40,000
Tanzania	-	-	-	-	-	-	25,063
	<u>448,237</u>	<u>122,372</u>	<u>141,198</u>	<u>31,014</u>	<u>-</u>	<u>742,821</u>	<u>1,116,162</u>
<b><u>Asia and Pacific Islands</u></b>							
China	105,639	-	34,696	68,633	2,139	211,107	155,740
India	627,506	-	79,312	240,708	10,424	957,950	753,189
Myanmar	112,856	-	55,543	42,871	-	211,270	258,894
Nepal	73,832	-	20,690	3,756	-	98,278	129,584
Philippines	43,500	1,477	11,234	121,464	-	177,675	149,866
Thailand	-	-	-	5,802	-	5,802	47,523
	<u>963,333</u>	<u>1,477</u>	<u>201,475</u>	<u>483,234</u>	<u>12,563</u>	<u>1,662,082</u>	<u>1,494,796</u>
<b><u>The Americas</u></b>							
Brazil	119,773	-	52,683	29,807	-	202,263	290,161
Peru	30,572	-	-	-	-	30,572	96,089
	<u>150,345</u>	<u>-</u>	<u>52,683</u>	<u>29,807</u>	<u>-</u>	<u>232,835</u>	<u>386,250</u>
<b><u>Miscellaneous Grants and Disbursements</u></b>							
Vaccine Research	-	-	-	-	300,000	300,000	560,000
Other Research	-	-	-	-	266,742	266,742	283,582
Training and Other	344,398	16,063	171,352	149,377	91,024	772,214	422,061
	<u>344,398</u>	<u>16,063</u>	<u>171,352</u>	<u>149,377</u>	<u>657,766</u>	<u>1,338,956</u>	<u>1,265,643</u>
<b>Total grants</b>	<b><u>\$1,906,313</u></b>	<b><u>\$139,912</u></b>	<b><u>\$566,708</u></b>	<b><u>\$693,432</u></b>	<b><u>\$670,329</u></b>	<b><u>\$3,976,694</u></b>	<b><u>\$ 4,262,851</u></b>

