

**INTERNATIONAL SOCIETY FOR MEDICAL PUBLICATION
PROFESSIONALS, INC.**

**Financial Statements and Supplemental Schedules
Together with Report of Independent Public Accountants**

For the Years Ended December 31, 2013 and 2012

DECEMBER 31, 2013 AND 2012

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Trustees of
International Society for Medical Publication Professionals, Inc.

Report on the Financial Statements

We have audited the accompanying statements of financial position of the International Society for Medical Publication Professionals, Inc. (the Society) as of December 31, 2013 and 2012, and the related statements of activities and change in net assets and cash flows for the years then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the International Society for Medical Publication Professionals, Inc. as of December 31, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplemental schedules of functional expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Hunt Valley, Maryland
November 14, 2014

SB & Company, LLC

**INTERNATIONAL SOCIETY FOR MEDICAL PUBLICATION
PROFESSIONALS, INC.**

**Statements of Financial Position
As of December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,578,110	\$ 1,331,428
Prepaid expenses	<u>91,727</u>	<u>92,773</u>
Total Current Assets	1,669,837	1,424,201
Equipment, net	<u>10,681</u>	<u>14,408</u>
Total Assets	<u>\$ 1,680,518</u>	<u>\$ 1,438,609</u>
 LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 9,402	\$ 2,400
Accrued expenses	21,004	10,889
Deferred revenue	<u>360,478</u>	<u>291,391</u>
Total Current Liabilities	<u>390,884</u>	<u>304,680</u>
Net Assets		
Unrestricted	<u>1,289,634</u>	<u>1,133,935</u>
Total Liabilities and Net Assets	<u>\$ 1,680,518</u>	<u>\$ 1,438,615</u>

The accompanying notes are an integral part of these financial statements.

**INTERNATIONAL SOCIETY FOR MEDICAL PUBLICATION
PROFESSIONALS, INC.**

**Statements of Activities and Change in Net Assets
For the Years Ended December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
UNRESTRICTED NET ASSETS		
Revenue and Other Support		
Corporate support	\$ 272,208	\$ 281,458
Educational conferences	789,864	672,984
Membership dues	191,752	171,484
Credentialing income	100,865	110,320
Advertising income	17,090	9,675
Interest income	3,293	3,562
Total Revenue and Other Support	<u>1,375,072</u>	<u>1,249,483</u>
Expenses		
Program services:		
Educational conference	817,880	555,231
Examination credentialing	97,441	140,542
Total program services	<u>915,321</u>	<u>695,773</u>
Supporting services:		
Management and general	304,046	238,037
Total Expenses	<u>1,219,367</u>	<u>933,810</u>
Change in net assets	155,705	315,673
Net assets, beginning of year	1,133,935	818,262
Net Assets, End of Year	<u><u>\$ 1,289,640</u></u>	<u><u>\$ 1,133,935</u></u>

The accompanying notes are an integral part of these financial statements.

**INTERNATIONAL SOCIETY FOR MEDICAL PUBLICATION
PROFESSIONALS, INC.**

Statements of Cash Flows

For the Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 155,705	\$ 315,667
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	7,898	6,860
Effect of changes in non-cash operating assets and liabilities:		
Accounts receivable	-	1,335
Prepaid expenses	1,046	(78,710)
Accounts payable	7,002	(45,360)
Accrued expenses	10,115	(2,914)
Deferred revenue	69,087	133,924
Net Cash Flows from Operating Activities	<u>250,853</u>	<u>330,802</u>
Cash Flows Used In Investing Activities		
Purchases of equipment	<u>(4,171)</u>	<u>(9,697)</u>
Net change in cash and cash equivalents	246,682	321,105
Cash and cash equivalents, beginning of year	1,331,428	1,010,323
Cash and Cash Equivalents, End of Year	<u><u>\$ 1,578,110</u></u>	<u><u>\$ 1,331,428</u></u>

The accompanying notes are an integral part of these financial statements.

**INTERNATIONAL SOCIETY FOR MEDICAL PUBLICATION
PROFESSIONALS, INC.**

**Notes to the Financial Statements
December 31, 2013 and 2012**

1. BACKGROUND OF THE ORGANIZATION

International Society for Medical Publication Professionals, Inc. (the Society) is a New Jersey not-for-profit organization, which was incorporated in 2005 to support medical publication professionals through education in fields associated with publication development and planning.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and highly liquid investment funds, which have a maturity of three months or less. Cash equivalents as of December 31, 2013 and 2012, consisted of money markets.

Equipment

Equipment over \$500 are recorded at cost and depreciated using the straight-line method over the estimated useful lives. Expenditures for major repairs and improvements are capitalized; expenditures for minor repairs and maintenance are expensed as incurred.

**INTERNATIONAL SOCIETY FOR MEDICAL PUBLICATION
PROFESSIONALS, INC.**

**Notes to the Financial Statements
December 31, 2013 and 2012**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets

Unrestricted net assets are assets and contributions that are not restricted by donors or for which restrictions have expired.

Temporarily restricted net assets are those whose use by the Society has been restricted by donors primarily for a specific time period or purpose. When a donor restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets. If a donor restriction is met in the same reporting period in which the contribution is received, the contribution (to the extent that the restrictions have been met) is reported as unrestricted net assets. There were no temporarily restricted net assets as of December 31, 2013 and 2012.

Permanently restricted net assets are those that are restricted by donors to be maintained by the Society in perpetuity. There were no permanently restricted net assets as of December 31, 2013 and 2012.

Restricted and Unrestricted Support and Revenue

Contributions received are recorded as unrestricted, temporarily or permanently restricted support, depending on the existence and/or nature of any donor imposed restrictions. Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction.

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when some stipulated time restriction ends or purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statements of activities and change in net assets as net assets released from restrictions.

Revenue Recognition

Membership dues are recognized as revenue in the membership period to which the dues relate. Accordingly, dues paid by members in advance of the membership period are reported as deferred revenue in the accompanying statements of financial position.

**INTERNATIONAL SOCIETY FOR MEDICAL PUBLICATION
PROFESSIONALS, INC.**

**Notes to the Financial Statements
December 31, 2013 and 2012**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition (continued)

Revenue and the related costs of the conference and continuing education are recognized in the year in which the conference or seminars are held. Accordingly, registrations, sponsorships, and exhibit space paid by sponsors in advance of the conference year are reported as deferred revenue in the accompanying statements of financial position.

Contributions and grants are reported as revenue in the year in which the payments are received and/or unconditional promises are made.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities and change in net assets. Accordingly, certain costs have been allocated among the program and supporting services that benefit from those costs. Management and general expenses include those expenses that are not directly identified with any other specific function but provide for the overall support and direction of the Society.

Income Taxes

The Society is exempt from Federal income taxes under Section 501(c)(6) of the Internal Revenue Code and is recognized as such by the Internal Revenue Service. The Society receives unrelated business income from advertising that is subject to the unrelated business income tax.

The provisions included in accounting principles generally accepted in the United States of America provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition of tax positions taken or expected to be taken in a tax return. The Society performed an evaluation of uncertain tax positions as of December 31, 2013, and determined that there were no matters that would require recognition in the financial statements or, which may have any effect on its tax-exempt status. As of December 31, 2013, the statute of limitations for fiscal years 2010 through 2013 remains open with the U.S. Federal jurisdiction or the various states and local jurisdictions in which the Society files tax returns. It is the Society's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expense.

**INTERNATIONAL SOCIETY FOR MEDICAL PUBLICATION
PROFESSIONALS, INC.**

**Notes to the Financial Statements
December 31, 2013 and 2012**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent Events

The Society evaluated the accompanying financial statements for subsequent events and transactions through November 14, 2014, the date these financial statements were available for issue and have determined that no material subsequent events have occurred that would affect the information presented in the accompanying financial statements or require additional disclosure.

3. EQUIPMENT

As of December 31, 2013 and 2012, equipment consisted of the following:

	2013	2012	Useful Lives
Computer equipment	\$ 24,114	\$ 19,943	3 to 5 years
Computer software	62,953	62,953	3 years
	87,067	82,896	
Less: accumulated depreciation	76,386	68,488	
Property and equipment, net	\$ 10,681	\$ 14,408	

Depreciation expense for the years ended December 31, 2013 and 2012, was \$7,898 and \$6,860, respectively.

SUPPLEMENTAL INFORMATION

**INTERNATIONAL SOCIETY FOR MEDICAL PUBLICATION
PROFESSIONALS, INC.**

Schedule of Functional Expenses

For the Year Ended December 31, 2013, with Comparative Total for 2012

	2013					
	Program Services			Supporting Services		
	Educational Conference	Examination Credentialing	Total Program Services	Management and General	Total	2012 Total
Salaries & wages	\$ 362,853	\$ 48,380	\$ 411,233	\$ 72,571	\$ 483,804	\$ 362,514
Payroll taxes	23,477	3,130	26,607	4,695	31,302	22,147
Payroll processing	-	-	-	2,641	2,641	2,198
Conferences	361,707	-	361,707	-	361,707	239,928
Workshops	3,487	-	3,487	-	3,487	7,626
Services outside	11,743	-	11,743	-	11,743	-
Office expense	-	301	301	43,340	43,641	38,248
Travel	1,077	-	1,077	6,944	8,021	4,819
Marketing expense	3,228	2,900	6,128	-	6,128	2,584
Webcast	22,600	-	22,600	-	22,600	18,066
Examination development and setup	-	32,612	32,612	-	32,612	44,597
Program management	-	-	-	-	-	4,077
Dues & subscriptions	-	-	-	9,489	9,489	4,001
Bank & merchant fees	-	-	-	38,620	38,620	29,083
Professional fees	15,062	10,118	25,180	80,570	105,750	122,016
Insurance	-	-	-	1,081	1,081	1,030
Annual meeting	-	-	-	13,126	13,126	6,178
Media monitoring	-	-	-	11,812	11,812	-
Ad hoc benefits	12,646	-	12,646	-	12,646	-
Miscellaneous	-	-	-	11,259	11,259	17,838
Depreciation expense	-	-	-	7,898	7,898	6,860
Total Expenses	\$ 817,880	\$ 97,441	\$ 915,321	\$ 304,046	\$ 1,219,367	\$ 933,810

**INTERNATIONAL SOCIETY FOR MEDICAL PUBLICATION
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**Schedule of Functional Expenses
For the Year Ended December 31, 2012**

	Program Services			Supporting Services	
	Educational Conference	Examination Credentialing	Total Program Services	Management and General	Total
Salaries & wages	\$ 271,886	\$ 36,251	\$ 308,137	\$ 54,377	\$ 362,514
Payroll taxes	16,610	2,215	18,825	3,322	22,147
Payroll processing	-	-	-	2,198	2,198
Conferences	239,928	-	239,928	-	239,928
Workshops	7,626	-	7,626	-	7,626
Office expense	-	-	-	38,248	38,248
Travel	1,115	3,704	4,819	-	4,819
Marketing expense	-	2,584	2,584	-	2,584
Webcast	18,066	-	18,066	-	18,066
Examination development and setup	-	44,597	44,597	-	44,597
Program management	-	4,077	4,077	-	4,077
Dues & subscriptions	-	-	-	4,001	4,001
Bank & merchant fees	-	-	-	29,083	29,083
Professional fees	-	47,114	47,114	74,902	122,016
Insurance	-	-	-	1,030	1,030
Annual meeting	-	-	-	6,178	6,178
Miscellaneous	-	-	-	17,838	17,838
Depreciation expense	-	-	-	6,860	6,860
Total Expenses	<u>\$ 555,231</u>	<u>\$ 140,542</u>	<u>\$ 695,773</u>	<u>\$ 238,037</u>	<u>\$ 933,810</u>