



GRABUSH, NEWMAN & CO., P.A.

Certified Public Accountants & Management Consultants

To the Board of Directors
The International Paruresis
Association, Inc.
Baltimore, Maryland

We have reviewed the accompanying statement of financial position of The International Paruresis Association, Inc. (a non-profit corporation) as of December 31, 2001, and the related statements of activities, functional expenses, and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of The International Paruresis Association, Inc.

A review consists principally of inquiries of Organization personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

Grabush, Newman & Co., P.A.

May 3, 2002

ASSETS

CURRENT ASSETS

Cash - unrestricted	\$ 17,258
Other receivable	<u>189</u>

Total assets	<u>\$ 17,447</u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accrued expenses	\$ 27
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NET ASSETS - UNRESTRICTED	<u>17,420</u>
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Total liabilities and net assets	<u>\$ 17,447</u>
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See accountants' review report and notes to financial statements.

THE INTERNATIONAL PARURESIS ASSOCIATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2001

PAGE 3

	<u>Unrestricted</u>
REVENUE	
Contributions	\$ 51,433
Workshops	28,878
Interest income	754
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Total revenue	81,065
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FUNCTIONAL EXPENSES	
Program services	80,959
Management and general	18,270
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Total functional expenses	99,229
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Decrease in net assets	(18,164)
NET ASSETS - Unrestricted	
Beginning of year	35,584
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End of year	\$ 17,420
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See accountants' review report and notes to financial statements.

THE INTERNATIONAL PARURESIS ASSOCIATION, INC.
 SCHEDULE OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Program services</u>	<u>Management and general</u>	<u>Total</u>
Advertisements	\$ 5,421	\$ -	\$ 5,421
Accounting	1,313	437	1,750
Bank charges	128	42	170
Books and pamphlets	4,503	-	4,503
Workshop expense	6,977	-	6,977
Copying	254	-	254
Meals/dining	1,474	492	1,966
Payroll fees	269	89	358
Consultant fees	16,800	-	16,800
Insurance	1,195	-	1,195
Lodging	3,665	-	3,665
Meeting rooms	2,255	-	2,255
Miscellaneous	543	-	543
Office supplies	2,548	1,274	3,822
Parking	242	-	242
Postage	1,052	526	1,578
Professional affiliations	280	-	280
Subscriptions	40	-	40
Telephone	351	175	526
Training	100	-	100
Travel	4,374	2,187	6,561
Educational tapes	327	-	327
Salaries	24,593	12,297	36,890
Payroll expense	<u>2,255</u>	<u>751</u>	<u>3,006</u>
Total functional expenses	\$ <u>80,959</u>	\$ <u>18,270</u>	\$ <u>99,229</u>

See accountants' review report and notes to financial statements.

THE INTERNATIONAL PARURESIS ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2001

PAGE 5

CASH FLOWS FROM OPERATING ACTIVITIES

Decrease in net assets	\$ <u>(18,164)</u>
Adjustment to reconcile decrease in net assets to net cash used in operating activities	
Decrease (increase) in operating assets	
Other receivable	(115)
Increase (decrease) in operating liabilities	
Accrued expenses	<u>(110)</u>
 Total adjustments	 <u>(225)</u>
 Net cash used in operating activities	 <u>(18,389)</u>
 Net decrease in cash	 (18,389)

CASH

Beginning of year	<u>35,647</u>
 End of year	 <u>\$ 17,258</u>

See accountants' review report and notes to financial statements.

NOTE 1 - ORGANIZATION

The International Paruresis Association, Inc. is an organization formed in 1996 to educate the public about paruresis, to be a clearinghouse and resource for treatment referrals, to facilitate the establishment of support groups, and to promote research to help identify clinically effective treatments.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of accounting - The financial statements of The International Paruresis Association, Inc. have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

B. Basis of presentation - Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

C. Use of estimates in preparing financial statements - Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual reports could vary from the estimates that were used.

D. Income taxes - The International Paruresis Association, Inc. qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is not subject to federal and state income taxes.

E. Statement of cash flows - For purposes of the cash flow statement, cash in the checking accounts, savings account, and short-term investments are considered to be cash. No interest or income taxes were paid in the current year.