

**IRA MARC MILLER & CO., PA**  
**CERTIFIED PUBLIC ACCOUNTANTS**

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, 2002, 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.

*Ira Marc Miller & Co., P.A.*

February 8, 2004

722 Dulaney Valley Road #274  
Towson, MD 21204  
410-602-3470 • Fax 410-602-3475

**THE INTERNATIONAL PARURESIS ASSOCIATION, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2002**

ASSETS

CURRENT ASSETS

Cash - unrestricted	\$ 33,080
Other receivable	165
Prepaid rent	<u>350</u>
 Total assets	 \$ <u><u>33,595</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	\$ -
 NET ASSETS - UNRESTRICTED	 <u>33,595</u>
 Total liabilities and net assets	 \$ <u><u>33,595</u></u>

See accountants' review report and notes to financial statement.

**THE INTERNATIONAL PARURESIS ASSOCIATION, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Unrestricted</u>
<b>REVENUE</b>	
Contributions	\$ 94,261
Workshops	30,070
Interest income	<u>255</u>
Total revenue	<u>124,586</u>
 <b>FUNCTIONAL EXPENSES</b>	
Program services	96,311
Management and general	<u>12,102</u>
Total functional expenses	<u>108,413</u>
Increase in net assets	16,173
 <b>NET ASSETS - Unrestricted</b>	
Beginning of year	<u>17,422</u>
End of year	<u>\$ 33,595</u>

See accountants' review report and notes to financial statements.

**THE INTERNATIONAL PARURESIS ASSOCIATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Program services</u>	<u>Management and general</u>	<u>Total</u>
<b>FUNCTIONAL EXPENSES</b>			
Advertisements	\$ 1,439	\$ -	\$ 1,439
Books and pamphlets	3,422	-	3,422
Consultant fees	5,700	-	5,700
Copying	56	-	56
Insurance	1,674	418	2,092
Lodging	3,289	-	3,289
Meals/dining	2,048	-	2,048
Office supplies and expenses	5,335	1,334	6,669
Parking	292	-	292
Payroll fees	745	186	931
Payroll taxes	2,950	737	3,687
PO Box Rental	32	8	40
Postage	862	215	1,077
Professional affiliations	1,007	-	1,007
Professional fees	1,400	350	1,750
Public relations	3,912	-	3,912
Rent	3,360	840	4,200
Salaries	27,993	6,998	34,991
Subscriptions	1,007	-	1,007
Telephone	3,550	887	4,437
Training	1,011	-	1,011
Travel	4,301	-	4,301
Utilities	515	129	644
Website	3,507	-	3,507
Workshop expense	16,904	-	16,904
	<u>\$ 96,311</u>	<u>\$ 12,102</u>	<u>\$ 108,413</u>

See accountants' review report.

**THE INTERNATIONAL PARURESIS ASSOCIATION, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in net assets	\$ <u>16,173</u>
Adjustments to reconcile increase in net assets to net cash provided by operating activities	
Decrease (increase) in current assets	
Other receivable	24
Prepaid rent	(350)
Decrease in current liabilities	
Accrued expenses	<u>(27)</u>
 Total adjustments	 <u>(353)</u>
 Net cash provided by operating activities	 <u>15,820</u>
 Net increase in cash	 15,820

CASH

Beginning of year	<u>17,260</u>
 End of year	 \$ <u><u>33,080</u></u>

See accountants' review report and notes to financial statements.

**THE INTERNATIONAL PARURESIS ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2002**

**NOTE 1 - ORGANIZATION**

The International Paruresis Association, Inc. (IPA) 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. Contributions – IPA accounts for contributions in accordance with the recommendations of the Financial Accounting Standards Board in SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence or nature of any donor restrictions. All net assets are unrestricted.
- D. Use of estimates in preparing financial statements - Management uses estimates and assumptions in preparing financial statements in accordance with the cash method of accounting. 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 results could vary from the estimates that were used.
- E. 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.
- F. Statement of cash flows - For purposes of the cash flows statement, cash in the checking accounts and savings accounts are considered to be cash. No interest or income taxes were paid in the current year.