

**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, 2014 and 2013**



**S B & COMPANY, LLC**  
KNOWLEDGE • QUALITY • CLIENT SERVICE

**DECEMBER 31, 2014 AND 2013**

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## **REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS**

To the Board of Trustees  
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, 2014 and 2013, 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, 2014 and 2013, 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 30, 2015

A handwritten signature in black ink that reads "SB &amp; Company, LLC". The signature is written in a cursive, flowing style.

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

**Statements of Financial Position  
As of December 31, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 881,706	\$ 1,578,110
Accounts receivable	10,030	-
Investments	850,319	-
Prepaid expenses	103,110	91,727
<b>Total Current Assets</b>	<b>1,845,165</b>	<b>1,669,837</b>
Equipment, net	4,433	10,681
<b>Total Assets</b>	<b>\$ 1,849,598</b>	<b>\$ 1,680,518</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 7,399	\$ 9,402
Accrued expenses	58,004	21,004
Deferred revenue	413,885	360,478
<b>Total Current Liabilities</b>	<b>479,288</b>	<b>390,884</b>
<b>Net Assets</b>		
Unrestricted	1,370,310	1,289,634
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,849,598</b>	<b>\$ 1,680,518</b>

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

**INTERNATIONAL SOCIETY FOR MEDICAL PUBLICATION  
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**Statements of Activities and Change in Net Assets  
For the Years Ended December 31, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
<b>UNRESTRICTED NET ASSETS</b>		
<b>Revenue and Other Support</b>		
Corporate support	\$ 308,785	\$ 272,208
Educational conferences	897,800	789,864
Membership dues	186,813	191,752
Credentialing income	145,120	100,865
Advertising income	20,566	17,090
Investment income, net	5,438	3,287
<b>Total Revenue and Other Support</b>	<u>1,564,522</u>	<u>1,375,066</u>
<b>Expenses</b>		
Program services:		
Educational conference	1,019,067	817,880
Examination credentialing	125,405	97,441
Total program services	<u>1,144,472</u>	<u>915,321</u>
Supporting services:		
Management and general	339,374	304,046
<b>Total Expenses</b>	<u>1,483,846</u>	<u>1,219,367</u>
Change in net assets	80,676	155,699
Net assets, beginning of year	1,289,634	1,133,935
<b>Net Assets, End of Year</b>	<u>\$ 1,370,310</u>	<u>\$ 1,289,634</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, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 80,676	\$ 155,699
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	6,248	7,898
Unrealized losses	30,739	-
Reinvested dividends/income	(33,820)	
Effect of changes in non-cash operating assets and liabilities:		
Accounts receivable	(10,030)	-
Prepaid expenses	(11,383)	1,046
Accounts payable	(2,003)	7,002
Accrued expenses	37,000	10,121
Deferred revenue	53,407	69,087
<b>Net Cash Flows from Operating Activities</b>	<u>150,834</u>	<u>250,853</u>
<b>Cash Flows Used In Investing Activities</b>		
Purchase of securities	(847,238)	-
Purchases of equipment	-	(4,171)
Net change in cash and cash equivalents	(696,404)	246,682
Cash, beginning of year	1,578,110	1,331,428
<b>Cash, End of Year</b>	<u>\$ 881,706</u>	<u>\$ 1,578,110</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, 2014 and 2013**

**1. BACKGROUND OF THE ORGANIZATION**

The 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.

**Equipment**

Equipment over \$500 is recorded at cost and an estimated useful life of more than one year are depreciated using the straight-line method over the estimated useful lives. Expenditures for major repairs and improvements are capitalized and expenditures for minor repairs and maintenance are expensed as incurred.



**INTERNATIONAL SOCIETY FOR MEDICAL PUBLICATION  
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**Notes to the Financial Statements  
December 31, 2014 and 2013**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Fair Value Measurement**

Accounting principles generally accepted in the United States of America provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Association has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Input to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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

**Notes to the Financial Statements  
December 31, 2014 and 2013**

**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, 2014 and 2013.

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, 2014 and 2013.

**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, 2014 and 2013**

**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.

Unrestricted 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 and functional expenses. 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, 2014, 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, 2014, the statute of limitations for tax years 2011 through 2014 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, 2014 and 2013**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Subsequent Events**

The Society evaluated the accompanying financial statements for subsequent events and transactions through November 30, 2015, the date these financial statements were available for issue, and has determined that no material subsequent events have occurred that would affect the information presented in the accompanying financial statements or require additional disclosure.

**3. INVESTMENTS**

As of December 31, 2014, Level 1 investments, which consisted of mutual funds, had a fair market value of \$850,319. There were no Level 2 and Level 3 investments as of December 31, 2014 and 2013. The Society had unrealized losses of \$30,739 as of December 31, 2014, there were no investments as of December 31, 2013.

For the year ended December 31, 2014, investment income consisted of the following:

Bank interest income	\$	2,357
Reinvested dividends/income		33,820
Unrealized losses, net		<u>(30,739)</u>
Total, Investment Income	\$	<u><u>5,438</u></u>

**4. EQUIPMENT**

As of December 31, 2014 and 2013, equipment consisted of the following:

	<u>2014</u>	<u>2013</u>	<u>Useful Lives</u>
Computer equipment	\$ 24,114	\$ 24,114	3 to 5 years
Computer software	<u>62,953</u>	<u>62,953</u>	3 years
	87,067	87,067	
Less: accumulated depreciation	<u>82,634</u>	<u>76,386</u>	
Property and equipment, net	<u><u>\$ 4,433</u></u>	<u><u>\$ 10,681</u></u>	

Depreciation expense for the years ended December 31, 2014 and 2013, was \$6,248 and \$7,898, respectively.

## **SUPPLEMENTAL INFORMATION**

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

**Schedule of Functional Expenses**

**For the Year Ended December 31, 2014, with Comparative Total for 2013**

	2014					2013 Total
	Program Services			Supporting Services		
	Educational Conference	Examination Credentialing	Total Program Services	Management and General	Total	
Salaries & wages	\$ 456,419	\$ 60,856	\$ 517,275	\$ 91,284	\$ 608,559	\$ 483,804
Payroll taxes	31,823	4,243	36,066	6,365	42,431	31,302
Payroll processing	-	-	-	2,937	2,937	2,641
Conferences	457,332	-	457,332	-	457,332	361,707
Workshops	7,621	-	7,621	-	7,621	3,487
Services outside	12,919	-	12,919	-	12,919	11,743
Office expense	-	518	518	59,565	60,083	43,641
Travel	855	-	855	9,331	10,186	8,021
Marketing expense	8,457	4,952	13,409	-	13,409	6,128
Webcast	29,354	-	29,354	-	29,354	22,600
Examination development and setup	-	42,050	42,050	-	42,050	32,612
Dues & subscriptions	-	-	-	9,232	9,232	9,489
Bank & merchant fees	-	2,763	2,763	34,194	36,957	38,620
Professional fees	14,287	10,023	24,310	89,290	113,600	105,750
Insurance	-	-	-	1,182	1,182	1,081
Annual meeting	-	-	-	6,770	6,770	13,126
Media monitoring	-	-	-	11,812	11,812	11,812
Ad hoc benefits	-	-	-	-	-	12,646
Miscellaneous	-	-	-	11,164	11,164	11,259
Depreciation expense	-	-	-	6,248	6,248	7,898
<b>Total Expenses</b>	<b>\$ 1,019,067</b>	<b>\$ 125,405</b>	<b>\$ 1,144,472</b>	<b>\$ 339,374</b>	<b>\$ 1,483,846</b>	<b>\$ 1,219,367</b>

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

**Schedule of Functional Expenses  
For the Year Ended December 31, 2013**

	<b>Program Services</b>			<b>Supporting Services</b>	
	<b>Educational Conference</b>	<b>Examination Credentialing</b>	<b>Total Program Services</b>	<b>Management and General</b>	<b>Total</b>
Salaries & wages	\$ 362,853	\$ 48,380	\$ 411,233	\$ 72,571	\$ 483,804
Payroll taxes	23,477	3,130	26,607	4,695	31,302
Payroll processing	-	-	-	2,641	2,641
Conferences	361,707	-	361,707	-	361,707
Workshops	3,487	-	3,487	-	3,487
Services outside	11,743	-	11,743	-	11,743
Office expense	-	301	301	43,340	43,641
Travel	1,077	-	1,077	6,944	8,021
Marketing expense	3,228	2,900	6,128	-	6,128
Webcast	22,600	-	22,600	-	22,600
Examination development and setup	-	32,612	32,612	-	32,612
Dues & subscriptions	-	-	-	9,489	9,489
Bank & merchant fees	-	-	-	38,620	38,620
Professional fees	15,062	10,118	25,180	80,570	105,750
Insurance	-	-	-	1,081	1,081
Annual meeting	-	-	-	13,126	13,126
Media monitoring	-	-	-	11,812	11,812
Ad hoc benefits	12,646	-	12,646	-	12,646
Miscellaneous	-	-	-	11,259	11,259
Depreciation expense	-	-	-	7,898	7,898
<b>Total</b>	<b>\$ 817,880</b>	<b>\$ 97,441</b>	<b>\$ 915,321</b>	<b>\$ 304,046</b>	<b>\$ 1,219,367</b>