

NTM INFO & RESEARCH, INC.

Financial Statements

December 31, 2013

**(With Independent Auditors'
Report Thereon)**

NTM INFO & RESEARCH, INC.

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SMITH, BUZZI & ASSOCIATES, LLC.
CERTIFIED PUBLIC ACCOUNTANTS
2103 CORAL WAY, SUITE 305
MIAMI, FLORIDA 33145
TEL. (305) 285-2300
FAX (305) 285-2309

JULIO M. BUZZI, C.P.A.
JOSE E. SMITH, C.P.A.

MEMBERS:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
FLORIDA INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders of
NTM Info & Research, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of NTM Info & Research, Inc., (a non-profit organization), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NTM Info & Research, Inc. as of December 31, 2013, and its changes in net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles in the United States of America.

Smith, Burgin & Associates, LLC.

Miami, Florida
March 14, 2014

NTM INFO & RESEARCH, INC.
Statement of Financial Position
December 31, 2013

<u>Assets</u>	
Cash and cash equivalents	\$ 107,978
Assets restricted to investment in furniture and equipment, net	290
Organizational cost, net of accumulated amortization of \$469	<u>-</u>
Total assets	<u>\$ 108,268</u>
 <u>Liabilities and Net Assets</u>	
Accounts payable	\$ <u>-</u>
Total liabilities	-
Net Assets:	
Restricted to furniture and equipment	-
Unrestricted	<u>108,268</u>
Total net assets	<u>108,268</u>
Total liabilities and net assets	<u>\$ 108,268</u>

See accompanying notes to financial statements.

NTM INFO & RESEARCH, INC.

Statement of Activities and Changes in Net Assts

For the Year Ended December 31, 2013

Revenue:	
Contributions	\$ 107,055
Interest income	129
Other	<u>1,050</u>
Total Revenue	<u>108,234</u>
Expenses:	
Grants	10,200
Website	13,414
Professional fees	7,818
Consulting fees	66,003
Publications	3,642
Conference expense	7,653
Office expense	8,074
Printing costs	22,298
Depreciation expense	194
Insurance	1,866
Bank charges	136
Licensing	1,704
Seminars, Meeting and Education	72
Fundraising costs	44,520
Advertising costs	<u>967</u>
Total expenses	<u>188,561</u>
Decrease in net assets	(80,327)
Net assets, beginning of year	<u>188,595</u>
Net assets, end of year	<u>\$ 108,268</u>

See accompanying notes to financial statements.

NTM INFO & RESEARCH, INC.

Statement of Cash Flows

For the Year Ended December 31, 2013

Cash flows from operating activities:	
Increase in net assets	\$ (80,327)
Adjustment to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	194
Changes in operating assets and liabilities:	
Increase in accounts payable	<u>-</u>
Net cash used by operating activities	<u>(80,133)</u>
Cash flows from investing activities:	
Acquisition of furniture and equipment, net	<u>-</u>
Net cash used by investing activities	<u>-</u>
Net decrease in cash and cash equivalents	(80,133)
Cash and cash equivalents at beginning of year	<u>188,111</u>
Cash and cash equivalents at end of year	<u>\$ 107,978</u>
Supplementary disclosure of cash flow information:	
Cash paid during the year for interest	<u>\$ -</u>
Cash paid during the year for taxes	<u>\$ -</u>

See accompanying notes to financial statements.

NTM INFO & RESEARCH, INC.

Notes to Financial Statements

December 31, 2013

(1) **Summary of Significant Accounting Policies**

(a) **Organization**

NTM Info & Research, Inc. ("NTMir") is a 501(c)(3) non-profit organization formed on behalf of patients with pulmonary nontuberculous mycobacterial (NTM) disease for the purpose of patient support, medical education and research. NTMir serves patients and physicians concerned with NTM. As a national organization, it can advance a broad agenda more successfully than individual institutions by the collective constituency of patients and physicians.

The accounting policies that affect the significant elements of NTMir's financial statements are summarized below.

(b) **Basis of Presentation**

NTMir's financial statements have been prepared on the accrual basis of accounting and in conformity with the standards promulgated by the American Institute of Certified Public Accountants. The specialized accounting and reporting principles and practices contained in the Audit Guide are preferable accounting practices in accordance with Statement of Financial Accounting Standards Number 117, issued by the Financial Accounting Standards Board.

One of the sources of revenue for the NTMir consists of contributions from individuals and foundations which, absent a specific restriction, are considered to be available for unrestricted use. Contribution revenue includes only that portion of the contribution that was earned prior to the balance sheet date. All contributions received as of the statement of financial position date which are considered to be applicable to future periods are reflected as deferred revenue on the statement of financial position.

The costs of providing the various programs and other activities have been detailed in the accompanying Statement of Activities and Changes in Net Assets.

Expenses which are associated with a specific program are charged directly to that program. Expenses which benefit more than one program are allocated to the various programs based on the relative costs incurred. Administrative and other support expenses are allocated to the various programs based on each program's expense.

NTM INFO & RESEARCH, INC.

Notes to Financial Statements

December 31, 2013

(1) Summary of Significant Accounting Policies - (Cont.)

(c) Restricted Funds

This fund is used to account for resources available to the organization which are to be used for specific donor restricted program services as established to achieve any of NTMir's objectives.

(d) Assets Restricted to Investment in Furniture and Equipment

Assets restricted to Investment in Building, Furniture and Equipment are stated at cost and include expenditures for improvements and betterments which substantially increase the useful lives of existing property and equipment. Depreciation is provided on the straight-line basis over the estimated useful lives of the assets and includes the amortization of assets recorded under capital leases.

Donated furniture and equipment with values in excess of \$500 represent "in-kind" donations to NTMir from private organizations and are recognized as support when received. They are valued at fair market value and depreciated using the straight-line method over the estimated useful life of the assets, which is principally five (5) years. Maintenance and repairs are charged to operations as incurred.

(e) Grants and Contributions

Grants and contributions are recorded when earned or received by NTMir and are considered unrestricted as to Board of Director determination of use unless otherwise stated by the donor. Restricted grants, for specifically funded projects, are recognized as support to the extent the resources are utilized for the purposes specified by the donors. Any unexpended funds are recorded as deferred support.

NTM INFO & RESEARCH, INC.

Notes to Financial Statements

December 31, 2013

(1) **Summary of Significant Accounting Policies - (Cont.)**

(f) **Revenues and Expenses**

Interest income is recorded when earned. Expenses are recorded when incurred. Grants by NTMir to subrecipients are recorded as expense when approved or special conditions are met. Gifts other than cash are recorded at their estimated fair value at the date of contribution.

(g) **Allocation of Expenses**

Certain common expenses which benefit more than one program are allocated based on estimated of time of employees involved and on percentages of assets utilized and to the extent permitted in funding source contracts.

(h) **Income Taxes**

NTMir was organized as a non-profit organization and has received exemption under the provisions of Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is provided for in the accompanying financial statements.

(i) **Cash and Cash Equivalentents**

For purposes of the statement of cash flows, cash and cash equivalentents consists of cash in banks.

(j) **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NTM INFO & RESEARCH, INC.
Notes to Financial Statements
December 31, 2013

(1) **Summary of Significant Accounting Policies - (Cont.)**

(k) **Long-Lived Assets**

NTMir reviews the carrying values of its long-lived assets for possible impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. No adjustment has been provided for in the financial statements.

2. **Assets Restricted to Investment in Furniture and Equipment**

At December 31, 2013, furniture and equipment consists of the following:

Computer and equipment	\$ 2,926
Less accumulated depreciation	<u>(2,636)</u>
	<u>\$ 290</u>

Depreciation expense for 2013 amounted to \$194.

3. **Subsequent Events**

Subsequent events were evaluated through March 14, 2014, which is the date the financial statement were available to be issued. As of March 14, 2014, no events existed which would materially affect these financial statements.