

NTM INFO & RESEARCH, INC.

Financial Statements

December 31, 2020

(With Independent Auditors'
Report Thereon)

NTM INFO & RESEARCH, INC.

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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, 2020, 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.

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.

Auditors' 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, 2020, 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
February 2, 2021

NTM INFO & RESEARCH, INC.
Statement of Financial Position
December 31, 2020

<u>Assets</u>	
Cash and cash equivalents	\$ 391,223
Assets restricted to investment in furniture and equipment, net	<u> -</u>
 Total assets	 <u><u>\$ 391,223</u></u>
 <u>Liabilities and Net Assets</u>	
Accounts payable	\$ <u> 323</u>
 Total liabilities	 323
 Net Assets:	
With donor restrictions	-
Without restrictions	<u>390,900</u>
 Total net assets	 <u>390,900</u>
 Total liabilities and net assets	 <u><u>\$ 391,223</u></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, 2020

Revenue:	
Contributions	\$ 575,030
Interest income	1,627
Other	<u>663</u>
Total Revenue	<u>577,320</u>
Program Expenses:	
Grant expense	152,880
Travel expenses	-
Assistance to individuals	-
Social media	214
Website	44,251
Professional fees	6,118
Consulting fees	128,946
Publications	6,236
Conference expense	32,130
Office expense	4,431
Printing costs	3,419
Depreciation expense	120
Insurance	2,016
Bank charges	1,707
Licensing	7,897
Seminars, meeting and education	892
Fundraising costs	-
Postage and shipping	2,361
Computer costs	<u>310</u>
Total program expenses	<u>393,928</u>
Changes in net assets	183,392
Net assets, beginning of year	<u>207,508</u>
Net assets, end of year	<u>\$ 390,900</u>

See accompanying notes to financial statements.

NTM INFO & RESEARCH, INC.

Statement of Cash Flows

For the Year Ended December 31, 2020

Cash flows from operating activities:	
Decrease in net assets	\$ 183,392
Bad debt expense	-
Adjustment to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	120
Changes in operating assets and liabilities:	
Decrease in accounts payable	<u>(5,915)</u>
Net cash provided by operating activities	<u>177,597</u>
Cash flows from investing activities:	
Acquisition of furniture and equipment, net	<u>-</u>
Net cash used by investing activities	<u>-</u>
Net increase in cash and cash equivalents	177,597
Cash and cash equivalents at beginning of year	<u>213,626</u>
Cash and cash equivalents at end of year	<u>\$ 391,223</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, 2020

(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, 2020

(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. No concentration exists with any individual or corporate donors.

NTM INFO & RESEARCH, INC.
Notes to Financial Statements
December 31, 2020

(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. NTMir does file a form 990 with the Internal Revenue Service. Accordingly, no provision for income taxes is provided for in the accompanying financial statements. Management believes that it has appropriate support for any tax positions taken and as such does not have any uncertain tax positions that are material to the financial statements. NTMir is subject to routine audits by the taxing jurisdiction. However, there are currently no such audits in progress for any tax period.

(i) **Cash and Cash Equivalents**

For purposes of the statement of cash flows, cash and cash equivalents consists of cash in banks. Management monitors cash balances to ensure that FDIC coverage limits are not exceeded.

(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, 2020

(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.

(l) **Donated Facilities and Costs**

NTMir is domiciled in the offices of a board member. No rent is charged to the entity nor has a fair value been established for such benefit.

(m) **Concentration of Risk**

Following is a description of significant risks facing NTMir and how those risks are minimized:

Legal/Regulatory Risk - The risk that changes in the legal or regulatory environment in which NTMir operates can create additional loss, costs, or expenses not anticipated. NTMir attempts to minimize this risk by reviewing legislative and other regulatory changes and adjusting whenever possible.

Concentration Risk - Most of NTMir's revenues were derived from contributors. Accordingly, NTMir could be affected by adverse local conditions that may occur from time to time.

Credit/Cash Risk - At December 31, 2020, the NTMir's cash balances held with financial institutions were insured by the Federal Deposit Insurance Corporation (the "FDIC") up to \$250,000 at each participating financial institution without regard to the nature of the accounts. At December 31, 2020, the uninsured balances totaled \$0.

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

At December 31, 2020, furniture and equipment consists of the following:

Computer and equipment	\$	3,515
Less accumulated depreciation		<u>(3,515)</u>
	\$	<u><u>-</u></u>

Depreciation expense for 2020 amounted to \$120.

NTM INFO & RESEARCH, INC.

Notes to Financial Statements

December 31, 2020

3. Fair Value of Financial Instruments

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates do not reflect any premium or discount that could result from offering for sale at one time the entire holdings of a particular financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The carrying amounts of the following instruments, approximates their fair value at December 31, 2020 because of the short maturity of these instruments: cash and cash equivalents and accounts payable.

4. Subsequent Events

Subsequent events were evaluated through February 2, 2021, which is the date the financial statements were available to be issued. As of February 2, 2021, no events existed which would materially affect these financial statements.

No material events occurred since December 31, 2020 that require recognition or disclosure in the financial statements.