

NTM INFO & RESEARCH, INC.

Financial Statements

December 31, 2021

(With Independent Auditors'
Report Thereon)

NTM INFO & RESEARCH, INC.

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditors' Report	1 - 2
Financial statements:	
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 12

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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, 2021, and the related statements of activities and changes in net assets and functional expenses 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, 2021, 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 9, 2022

NTM INFO & RESEARCH, INC.
Statement of Financial Position
December 31, 2021

<u>Assets</u>	
Cash and cash equivalents	\$ 534,408
Assets restricted to investment in furniture and equipment, net	<u> -</u>
 Total assets	 <u><u>\$ 534,408</u></u>
 <u>Liabilities and Net Assets</u>	
Accounts payable	\$ <u> 379</u>
 Total liabilities	 379
 Net Assets:	
With donor restrictions	149,993
Without donor restrictions	<u>384,036</u>
 Total net assets	 <u>534,029</u>
 Total liabilities and net assets	 <u><u>\$ 534,408</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, 2021

Revenue:	
Contributions	\$ 581,324
Interest income	47
Other	<u>863</u>
Total Revenue	<u>582,234</u>
Program services	295,141
Management and general	92,994
Fundraising	<u>50,970</u>
Total program expenses	<u>439,105</u>
Changes in net assets	143,129
Net assets, beginning of year	<u>390,900</u>
Net assets, end of year	\$ <u><u>534,029</u></u>

See accompanying notes to financial statements.

NTM INFO AND RESEARCH, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2021

	<u>Program services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Grant and Allocation Exp.	9,110	-	-	9,110
Assistance to Individuals	-	-	-	-
Research Grants	5,400	-	-	5,400
Program Expense	112,075	-	-	112,075
Accounting Fees	-	6,125	-	6,125
Advertising	237	-	238	475
Bank Fees	-	889	-	889
Paypal fees	-	1,394	-	1,394
Legal	1,625	-	-	1,625
Computer Repairs	10,000	7,949	3,000	20,949
Office Supplies	1,450	3,383	-	4,833
Telephone Expense	416	415	415	1,246
Postage and Shipping Expense	591	-	591	1,182
Maintenance Exp	-	81	-	81
Occupancy	-	476	-	476
Equipment Rental	-	44	-	44
Parking	-	6	-	6
Licensing Expense	-	9,057	-	9,057
Printing Expense	6,279	-	-	6,279
Printing holiday mailing	-	-	1,699	1,699
Publications	4,253	-	-	4,253
Seminars & Educational Expense	22,250	-	-	22,250
Travel Expense	-	-	-	-
Conferences Expense	3,971	-	-	3,971
Fundraising	-	-	2,634	2,634
Meetings Expense	2,071	-	-	2,071
Insurance - Liability	2,191	2,191	2,191	6,573
Consulting Expense	76,720	51,985	33,120	161,825
Social Media	3,450	-	-	3,450
Website Development	33,052	7,082	7,082	47,216
Other Expense	-	1,917	-	1,917
Bad Debt Expense	-	-	-	-
Totals	<u>295,141</u>	<u>92,994</u>	<u>50,970</u>	<u>439,105</u>

See accompanying notes to financial statements.

NTM INFO & RESEARCH, INC.

Statement of Cash Flows

For the Year Ended December 31, 2021

Cash flows from operating activities:	
Decrease in net assets	\$ 143,129
Bad debt expense	-
Adjustment to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	-
Changes in operating assets and liabilities:	
Increase in accounts payable	<u>56</u>
Net cash provided by operating activities	<u>143,185</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	143,185
Cash and cash equivalents at beginning of year	<u>391,223</u>
Cash and cash equivalents at end of year	<u>\$ 534,408</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, 2021

(1) Summary of Significant Accounting Policies

(a) Organization

NTM Info & Research, Inc. ("NTMir") is a 501©(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

The financial statements are prepared on the accrual basis of accounting and are presented in accordance with accounting principles generally accepted in the United States of America.

The financial statement presentation follows the requirements of the Financial Accounting Standards Board ("FASB") in its Accounting Standards Codification ("ASC") No. 958 Not-for-Profit Entities (Topic 958)-Presentation of Financial Statement of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources and the lack of consistency in the type of information provided about expenses. NTMir classifies its net assets, revenues and expenses as without donor restrictions or with donor restrictions based on the absence or existence of donor imposed restrictions. These classifications are defined as follows:

Without Donor Restrictions

Represent available resources for the support of current operations that are either temporarily or permanently restricted and are not subject to any donor-imposed stipulations.

With Donor Restrictions

Represent resources whose use by NTMir is limited by donor-imposed stipulations that are permanent, expire with the passage of time or can be fulfilled or otherwise removed by actions of NTMir pursuant to those stipulations.

The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

December 31, 2021

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

(c) 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.

(d) Recognition of Revenues

NTMir has both reciprocal or nonreciprocal transactions, however most of the revenue transactions are grants and contributions which when scrutinized under ASU 2018-08 guidelines are non-reciprocal transactions. These are conditional contributions which are not subject to revenue recognition. The condition is met as the work is incurred in accordance with the grant agreement and any reporting requirements are administrative in nature and not a performance standard. The sources of grants and contributions give with the intention that the benefit is to the general public.

NTMir adopted ASC 606 using the modified retrospective method applied to all contracts not completed as of the prior year adoption date. Under this prior amounts continued to be reported in accordance with legacy GAAP. With the adoption of ASC 606 NTMir determined that the change did not result in an impactful change to the accounting of any revenue streams and, as such, no cumulative effect adjustment was recorded.

Under Accounting Standards Update ("ASU") 2018-08 NTMir transactions should be accounted for as a contribution or an exchange transaction. Transactions were evaluated to determine whether NTMir receives value in return for the resources transferred. NTMir also considered the ASU guidance to determine whether a contribution is conditional or not and how to better distinguish between donor-imposed conditions and donor-imposed restrictions. NTMir has taken ASU 2018-08 into consideration, when evaluating grants and contracts for applicability of ASC 606. The core principle of the new standard

NTM INFO & RESEARCH, INC.

Notes to Financial Statements

December 31, 2021

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

(d) Recognition of Revenues - (Cont.)

is that revenue recognition should "depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services" (ASC 606-10-05-3). The majority of NTMir's contracts/grants fall under the new guidance rules which applies to contracts that are non-reciprocal exchange transactions and therefore are evaluated as such.

To accomplish this objective, NTMir applied a five-step approach, as outlined in the ASU: Identify the contract with a customer; identify the performance obligations; determine the transaction price; allocate the transaction price to the performance obligations; recognize revenue when or as the entity satisfies performance obligations. Each of the above steps contains certain concepts and judgments that have had an impact on the revenue recognition process as described in ASC 606.

NTMir has been adhering to the rule that revenue is recognized when the performance obligation is satisfied.

Contributions of cash and other support are recognized in the period the contribution is received and are reported as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a donor lift the restriction or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and change in net assets as net assets released from restrictions. Contributions received and released from restriction in the same year are reported as revenue without donor restrictions in that year.

(e) 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.

(f) 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.

NTM INFO & RESEARCH, INC.
Notes to Financial Statements
December 31, 2021

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

(g) 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.

(h) 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.

(i) 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.

(j) 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.

(k) 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.

NTM INFO & RESEARCH, INC.

Notes to Financial Statements

December 31, 2021

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

(1) 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, 2021, 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, 2021, the uninsured balances totaled \$3,590.

2. Assets Restricted to Investment in Furniture and Equipment

At December 31, 2021, 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 2021 amounted to \$120.

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, 2021 because of the short maturity of these instruments: cash and cash equivalents and accounts payable.

NTM INFO & RESEARCH, INC.

Notes to Financial Statements

December 31, 2021

4. Subsequent Events

Subsequent events were evaluated through February 9, 2022, which is the date the financial statements were available to be issued. As of February 9, 2022, no events existed which would materially affect these financial statements.

No material events occurred since December 31, 2021 that require recognition or disclosure in the financial statements.