

NTM INFO & RESEARCH, INC.

Financial Statements

December 31, 2012

(With Independent Auditors'
Report Thereon)

NTM INFO & RESEARCH, INC.

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditors' Report	1
Financial statements:	
Statement of Financial Position	2
Statement of Activities and Changes in Net Assets	3
Statement of Cash Flows	4
Notes to Financial Statements	5 - 8

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MEMBERS:
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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statement of financial position of NTM Info & Research, Inc. (a non-profit organization) as of December 31, 2012 and the related statements of activities and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the financial position of NTM Info & Research, Inc. as of December 31, 2012, its results of operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Smith, Buzzi & Associates, LLC.

Miami, Florida
April 2, 2013

NTM INFO & RESEARCH, INC.
Statement of Financial Position
December 31, 2012

<u>Assets</u>	
Cash and cash equivalents	\$ 188,111
Assets restricted to investment in furniture and equipment, net	484
Organizational cost, net of accumulated amortization of \$469	<u>-</u>
Total assets	<u>\$ 188,595</u>
 <u>Liabilities and Net Assets</u>	
Accounts payable	\$ <u>-</u>
Total liabilities	-
Net Assets:	
Restricted to furniture and equipment	484
Unrestricted	<u>188,111</u>
Total net assets	<u>188,595</u>
Total liabilities and net assets	<u>\$ 188,595</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, 2012

Revenue:	
Contributions	\$ 133,126
Interest income	-
Other	<u>(236)</u>
Total Revenue	<u>132,890</u>
Expenses:	
Grants	24,014
Website	14,067
Professional fees	5,200
Consulting fees	93,373
Publications	395
Conference expense	1,149
Office expense	8,232
Depreciation expense	1,401
Insurance	1,682
Bank charges	182
Licensing	6,235
Seminars, Meeting and Education	567
Fundraising costs	9,325
Advertising costs	<u>294</u>
Total expenses	<u>166,116</u>
Decrease in net assets	(33,226)
Net assets, beginning of year	<u>221,821</u>
Net assets, end of year	<u>\$ 188,595</u>

See accompanying notes to financial statements.

NTM INFO & RESEARCH, INC.

Statement of Cash Flows

For the Year Ended December 31, 2012

Cash flows from operating activities:	
Increase in net assets	\$ (33,226)
Adjustment to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	1,401
Changes in operating assets and liabilities:	
Increase in accounts payable	<u> -</u>
Net cash used by operating activities	<u>(31,825)</u>
Cash flows from investing activities:	
Acquisition of furniture and equipment, net	<u>(786)</u>
Net cash used by investing activities	<u>(786)</u>
Net decrease in cash and cash equivalents	(32,611)
Cash and cash equivalents at beginning of year	<u>220,722</u>
Cash and cash equivalents at end of year	<u>\$ 188,111</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, 2012

(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, 2012

(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, 2012

(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 Equivalents**

For purposes of the statement of cash flows, cash and cash equivalents 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, 2012

(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, 2012, furniture and equipment consists of the following:

Computer and equipment	\$ 2,926
Less accumulated depreciation	<u>(2,442)</u>
	<u>\$ 484</u>

Depreciation expense for 2012 amounted to \$1,401.