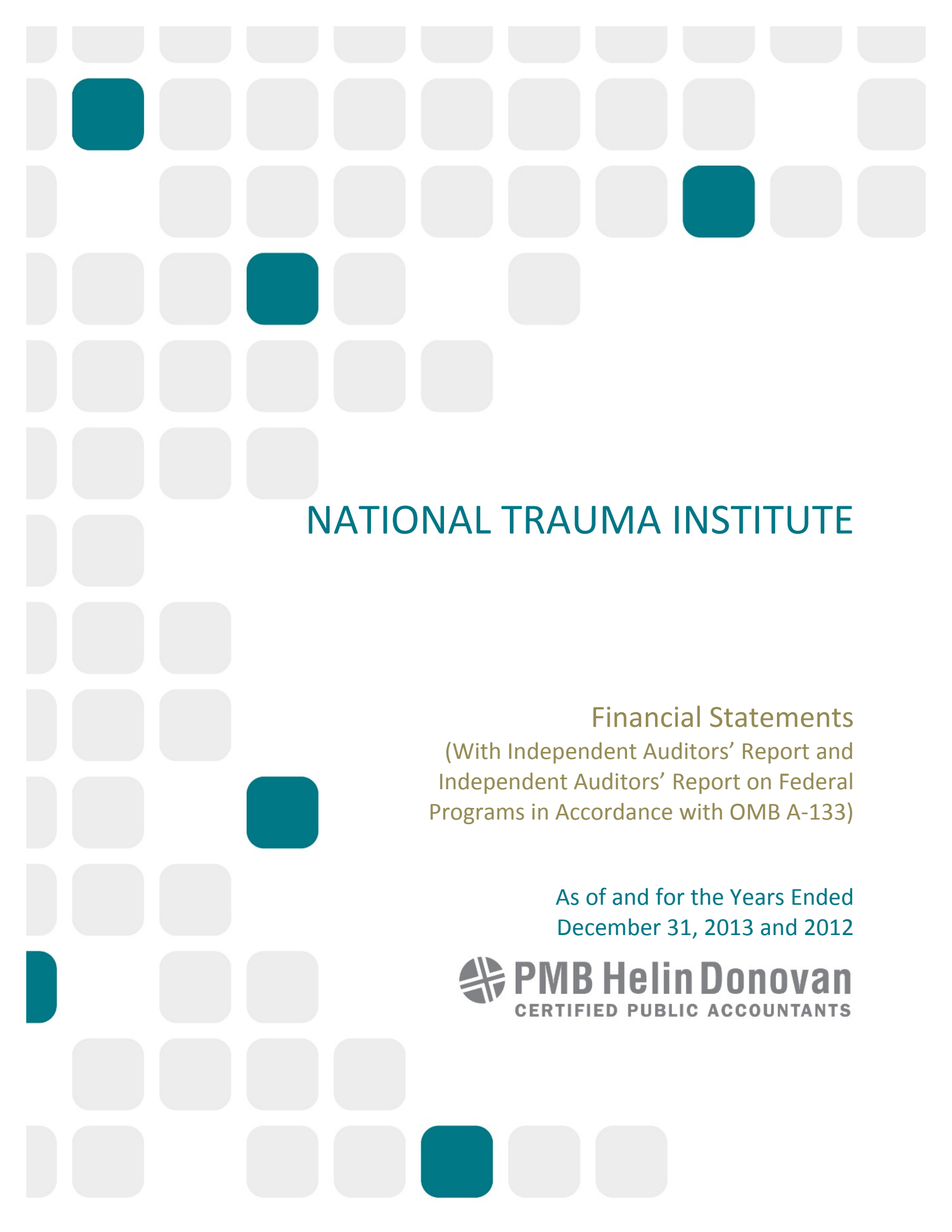




NATIONAL TRAUMA INSTITUTE

Financial Statements
(With Independent Auditors' Report and
Independent Auditors' Report on Federal
Programs in Accordance with OMB A-133)

As of and for the Years Ended
December 31, 2013 and 2012



PMB Helin Donovan
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Board of Directors
of National Trauma Institute
San Antonio, Texas:

Report on the Financial Statements

We have audited the accompanying financial statements of National Trauma Institute (a not-for-profit organization), which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities and cash flows for the years 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 the 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National Trauma Institute as of December 31, 2013 and 2012, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules of functional expenses on pages 9 and 10 are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2014, on our consideration of National Trauma Institute's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

PMB Helin Donovan, LLP*PMB Helin Donovan, LLP*

June 30, 2014
Austin, Texas

NATIONAL TRAUMA INSTITUTEStatements of Financial Position
As of December 31, 2013 and 2012

	2013	2012
Assets		
Cash and cash equivalents	\$ 1,819,859	\$ 3,232,336
Accounts receivable	11,122	7,651
Prepaid expenses and other	21,349	4,303
Total current assets	<u>1,852,330</u>	<u>3,244,290</u>
Property and equipment, net	<u>-</u>	<u>4,115</u>
Total assets	<u>\$ 1,852,330</u>	<u>\$ 3,248,405</u>
Liabilities and Net Assets		
Accounts payable	\$ 96,343	\$ 223,722
Accrued expenses	36,432	30,997
Deferred revenue	1,651,680	2,606,594
Total liabilities	<u>1,784,455</u>	<u>2,861,313</u>
Net assets		
Unrestricted	67,875	78,348
Temporarily restricted	<u>-</u>	<u>308,744</u>
Total net assets	<u>67,875</u>	<u>387,092</u>
Total liabilities and net assets	<u>\$ 1,852,330</u>	<u>\$ 3,248,405</u>

See accompanying notes and independent auditors' report.

NATIONAL TRAUMA INSTITUTE
Statements of Activities
Years Ended December 31, 2013 and 2012

	2013			2012		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue and Support						
Direct public	\$ 200	\$ -	\$ 200	\$ 6,138	\$ -	\$ 6,138
Government grants	954,914	-	954,914	1,467,713	-	1,467,713
Interest income	130	-	130	557	-	557
Other income	132,914	-	132,914	8,810	-	8,810
Net assets released from restrictions	<u>308,744</u>	<u>(308,744)</u>	<u>-</u>	<u>163,676</u>	<u>(163,676)</u>	<u>-</u>
Total revenue and support	<u>1,396,902</u>	<u>(308,744)</u>	<u>1,088,158</u>	<u>1,646,894</u>	<u>(163,676)</u>	<u>1,483,218</u>
Expenses						
Program services	1,040,486	-	1,040,486	1,345,600	-	1,345,600
Management and general	361,190	-	361,190	320,514	-	320,514
Fundraising	<u>5,699</u>	<u>-</u>	<u>5,699</u>	<u>54,905</u>	<u>-</u>	<u>54,905</u>
Total expenses	<u>1,407,375</u>	<u>-</u>	<u>1,407,375</u>	<u>1,721,019</u>	<u>-</u>	<u>1,721,019</u>
Change in net assets	(10,473)	(308,744)	(319,217)	(74,125)	(163,676)	(237,801)
Net assets at beginning of year	<u>78,348</u>	<u>308,744</u>	<u>387,092</u>	<u>152,473</u>	<u>472,420</u>	<u>624,893</u>
Net assets at end of year	<u>\$ 67,875</u>	<u>\$ -</u>	<u>\$ 67,875</u>	<u>\$ 78,348</u>	<u>\$ 308,744</u>	<u>\$ 387,092</u>

See accompanying notes and independent auditors' report.

NATIONAL TRAUMA INSTITUTE
Statements of Cash Flows
Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Decrease in net assets	\$ (319,217)	\$ (237,801)
Adjustments to reconcile decrease in net assets to net cash (used in) provided by operations:		
Loss on disposal of assets	3,086	-
Depreciation	1,029	2,058
(Increase) decrease in operating assets:		
Accounts receivable	(3,471)	(2,712)
Prepaid expenses and other	(17,046)	9,618
Increase (decrease) in operating liabilities:		
Accounts payable	(127,379)	(5,016)
Accrued expenses	5,435	(2,609)
Deferred revenue	(954,914)	454,788
Net cash (used in) provided by operating activities	<u>(1,412,477)</u>	<u>218,326</u>
Cash flows from investing activities:	<u>-</u>	<u>-</u>
Cash flows from financing activities:	<u>-</u>	<u>-</u>
Net (decrease) increase in cash and cash equivalents	(1,412,477)	218,326
Cash and cash equivalents at beginning of year	3,232,336	3,014,010
Cash and cash equivalents at end of year	<u>\$ 1,819,859</u>	<u>\$ 3,232,336</u>

See accompanying notes and independent auditors' report.

NATIONAL TRAUMA INSTITUTE

Notes to the Financial Statements

December 31, 2013 and 2012

NOTE 1 - ORGANIZATION

The National Trauma Institute ("NTI" or the "Organization") is a Texas not-for-profit corporation established in January 2006. The Organization's primary mission is to reduce injury, death, and disability by elevating trauma on the national research agenda, increasing scientific knowledge related to trauma, burns, and injury prevention, and changing clinical practice through the nation and world.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The Organization's financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America ("GAAP"). For financial statement purposes, the Organization distinguishes between contributions of unrestricted net assets and temporarily restricted net assets.

Cash and Cash Equivalents - For purposes of the statement of cash flows, cash and cash equivalents consist of cash held in bank deposit accounts and short-term, highly liquid investments with purchased maturities of 90 days or less.

Government Contracts and Grants Receivable - All government contracts and grants receivable are carried at original contract or grant award amounts, less any collections through the balance sheet date. Governmental contracts and grants which are included in accounts receivable, are individually analyzed for purposes of determining collectability at year end. As of December 31, 2013 and 2012, all such contract amounts were deemed to be fully collectible.

Property and Equipment - Property and equipment purchased for or exceeding \$5,000 is recorded at cost. Property and equipment are depreciated over the useful lives, generally three to seven years, using the straight-line method.

Deferred Revenue - Deferred revenue represents advances received by NTI from government grants. When the corresponding expenditures have been made, the revenue will be recognized.

Net Asset Classifications - In accordance with GAAP, the Organization classifies its net assets into three categories as follows:

Unrestricted Net Assets - Represent resources available for support of NTI operations and charitable purposes that are not subject to donor-imposed restrictions.

Temporarily Restricted Net Assets - Contributions whose use is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of NTI pursuant to those stipulations.

There were no temporarily restricted net assets as of and for the year ended December 31, 2013. Temporarily restricted net assets consisted of development of small rugged wireless portable vital signs monitors as of and for the year ended December 31, 2012.

Permanently Restricted - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. There were no permanently restricted net assets as of December 31, 2013 and 2012.

NATIONAL TRAUMA INSTITUTE

Notes to the Financial Statements

December 31, 2013 and 2012

(Continued)

Functional Expenses - The expense information contained in the statements of activities and functional expenses is presented on a functional basis. Accordingly, certain expenses are allocated between functional categories based on management's estimates.

Federal, State, and Local Taxes - NTI is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation. As such, NTI pays no federal income taxes. Contributions to NTI are deductible to the extent allowed by law. Management of NTI believes it has no material uncertain tax positions which require recognition or disclosure in the financial statements and notes, and accordingly, it has not recognized any liability for unrecognized tax benefits. The Organization's management believes it is no longer subject to income tax examinations for years prior to 2010. NTI is also exempt from state and local taxes.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimated.

Fair Value of Financial Instruments - The Organization's financial instruments consist primarily of cash and cash equivalents, accounts receivable, prepaid expenses and other assets, accounts payable, and accrued expenses. As of December 31, 2013 and 2012, the carrying values of these accounts approximated their respective fair values, based upon their short term nature.

NOTE 3 - COMMITMENTS AND CONTINGENCIES

Contracts with Grantors - The Organization is funded by contracts that are subject to review and audit by grantor agencies. These contracts have certain compliance requirements and if audits by the grantor agencies disclose any areas of substantial noncompliance, the Organization may be required to refund any disallowed costs. Management believes the Organization has complied with applicable requirements.

NOTE 4 - CONCENTRATIONS

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and source of revenue.

The Organization maintains multiple bank accounts in San Antonio, Texas. Accounts at the institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 as of December 31, 2013. At various times during the year there were balances in the bank that were over the FDIC limit. Cash and cash equivalents at December 31, 2013 exceeded federally insured limits by \$1,768,042.

During the years ended December 31, 2013 and 2012, NTI recognized all grant revenue from sub-awards of the United States Department of Defense through the University of Texas Health Science Center, respectively.

NATIONAL TRAUMA INSTITUTE

Notes to the Financial Statements

December 31, 2013 and 2012

(Continued)

NOTE 5 - RETIREMENT PLAN

In January 2010, NTI established a defined contribution retirement plan covering all full-time employees. NTI makes matching contributions to participating employees' retirement accounts up to three percent of their annual compensation, and an additional 50% of the employees' next two percent of compensation. NTI contributed \$3,514 and \$14,737 to the plan during the years ended December 31, 2013 and 2012, respectively.

NOTE 6 - SUBSEQUENT EVENTS

The Organization evaluates events that occur subsequent to the statement of financial position date, but before the financial statements are issued, for possible adjustment to such financial statements or other disclosure. This evaluation generally occurs through the date at which the Organization's financial statements are issued. For the financial statements as of and for the year ended December 31, 2013, this date was June 30, 2014.

NATIONAL TRAUMA INSTITUTE
Supplemental Schedule - Statement of Functional Expenses
For the Year Ended December 31, 2013

	Program Expenses			Support Services		
	State	Federal	Total Program Expenses	Management and General	Fundraising	Total Expenses
Salaries	\$ -	252,421	252,421	116,631	4,753	\$ 373,805
Employee benefits	-	18,141	18,141	14,867	327	33,335
Payroll taxes	-	19,175	19,175	8,597	379	28,151
Total salaries and related expenses	-	289,737	289,737	140,095	5,459	435,291
Awards and grants	219,018	519,556	738,574	-	-	738,574
Advertising	-	-	-	669	-	669
Bank service charges	-	-	-	1,402	-	1,402
Insurance	-	-	-	2,204	-	2,204
Occupancy	-	-	-	10,083	-	10,083
Professional and contract fees	-	-	-	169,412	240	169,652
Supplies and hardware and software	-	3,623	3,623	7,791	-	11,414
Telephone and telecommunications	-	468	468	6,891	-	7,359
Training, conferences, and meetings	750	818	1,568	5,097	-	6,665
Travel	1,044	5,472	6,516	16,517	-	23,033
Total expenses before depreciation	220,812	819,674	1,040,486	360,161	5,699	1,406,346
Depreciation	-	-	-	1,029	-	1,029
TOTAL EXPENSES	\$ 220,812	819,674	1,040,486	361,190	5,699	\$ 1,407,375

See accompanying notes and independent auditors' report.

NATIONAL TRAUMA INSTITUTE
Supplemental Schedule - Statement of Functional Expenses
For the Year Ended December 31, 2012

	Program Expenses			Support Services		
	State	Federal	Total Program Expenses	Management and General	Fundraising	Total Expenses
Salaries	\$ 9,972	386,119	396,091	98,224	7,233	\$ 501,548
Employee benefits	880	30,445	31,325	13,917	678	45,920
Payroll taxes	734	29,510	30,244	7,497	645	38,386
Total salaries and related expenses	<u>11,586</u>	<u>446,074</u>	<u>457,660</u>	<u>119,638</u>	<u>8,556</u>	<u>585,854</u>
Awards and grants	150,000	689,471	839,471	-	-	839,471
Advertising	1,745	14,540	16,285	501	-	16,786
Bank service charges	-	-	-	2,453	7	2,460
Insurance	-	-	-	2,130	-	2,130
Occupancy	-	-	-	15,362	-	15,362
Professional and contract fees	255	2,000	2,255	113,157	42,830	158,242
Supplies and hardware and software	17	3,278	3,295	5,432	-	8,727
Telephone and telecommunications	-	1,127	1,127	16,869	73	18,069
Training, conferences, and meetings	74	10,504	10,578	33,254	-	43,832
Travel	-	14,929	14,929	9,660	3,439	28,028
Total expenses before depreciation	<u>163,677</u>	<u>1,181,923</u>	<u>1,345,600</u>	<u>318,456</u>	<u>54,905</u>	<u>1,718,961</u>
Depreciation	-	-	-	2,058	-	2,058
TOTAL EXPENSES	<u>\$ 163,677</u>	<u>1,181,923</u>	<u>1,345,600</u>	<u>320,514</u>	<u>54,905</u>	<u>\$ 1,721,019</u>

See accompanying notes and independent auditors' report.

**Independent Auditors' Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on an Audit Of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Board of Directors
Of National Trauma Institute
San Antonio, Texas:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of National Trauma Institute (the "Organization"), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 30, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered National Trauma Institute's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of National Trauma Institute's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether National Trauma Institute's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PMB HELIN DONOVAN, LLP*PMB Helin Donovan, LLP*

June 30, 2014
Austin, Texas

**Independent Auditors' Report on Compliance for Each Major Program and on
Internal Control Over Compliance Required By OMB Circular A-133**

To the Board of Directors
Of National Trauma Institute
San Antonio, Texas:

Report on Compliance for Each Major Federal Program

We have audited National Trauma Institute's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of National Trauma Institute's major federal programs for the year ended December 31, 2013. National Trauma Institute's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of National Trauma Institute's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about National Trauma Institute's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of National Trauma Institute's compliance.

Opinion on Each Major Federal Program

In our opinion, National Trauma Institute complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

Internal Control Over Compliance

Management of National Trauma Institute is responsible for establishing and maintaining effective internal control over compliance with the requirements referred to above. In planning and performing our audit of compliance, we considered National Trauma Institute's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of National Trauma Institute's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be *material weaknesses* or *significant deficiencies*. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*. However, *material weaknesses* may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

PMB HELIN DONOVAN, LLP

PMB Helin Donovan, LLP

June 30, 2014
Austin, Texas

National Trauma Institute
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2013

<u>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</u>	<u>CFDA</u>	<u>Grant/Contract Award Number</u>	<u>Federal Expenditures</u>
Research and Development Cluster			
Department of Defense United States Army Medical Research Acquisition Activity			
Pass-through programs from:			
University of Texas Health Science Center at San Antonio			
Military Medical Research and Development: ICU Registry	12.420	W81XWH-08-1-0758	\$ 20,682
Military Medical Research and Development: National Trauma Coordinating Center	12.420	W81XWH-10-1-0924	32,286
Military Medical Research and Development: National Trauma Coordinating Center	12.420	W81XWH-11-1-0841	766,706
Total Research and Development Cluster			\$ 819,674

See accompanying notes to the schedule of expenditures of federal awards.

NATIONAL TRAUMA INSTITUTE
Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2013

(1) Summary of Significant Accounting Policies

(a) Reporting Entity

The Schedule of Expenditures of Federal Awards (the “Schedule”) includes the activity of all federal grant programs administered by National Trauma Institute (“NTI”). National Trauma Institute’s organization is defined in Note 1 of NTI’s basic financial statements.

(b) Basis of Presentation

The Schedule presents total federal awards expended for each individual program in accordance with the OMB A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The purpose of the schedule is to present, in summary form, federal awards expended by NTI, under contracts with various granting agencies. Because the Schedule of Expenditures of Federal Awards presents only a selected portion of the activities of NTI, it is not intended to, and does not, present the financial position, activities, or changes in net assets of NTI.

(c) Basis of Accounting

The expenditures for the federal financial assistance programs are presented on the accrual basis of accounting, which is defined in Note 2 of National Trauma Institute’s basic financial statements.

(2) Relationship to Financial Reports

The amounts reported in the financial reports agree with the amounts reported in the accompanying Schedule which is prepared on the basis explained in Note 2 of National Trauma Institute’s financial statements.

NATIONAL TRAUMA INSTITUTE
Schedule of Findings and Questioned Costs
Year Ended December 31, 2013

Section I - Summary of Auditors' Results

A Financial Statements

Type of auditors' report issued:	Unqualified opinion
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

B. Federal Awards

Internal control over compliance:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	No

Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
Cluster	Research and Development

Dollar threshold used to distinguish programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

Section II - Financial Statement Findings

None reported

Section III – Federal Award Findings and Questioned Costs

None reported

Section IV– Summary Schedule of Prior Audit Findings

None reported