



NATIONAL TRAUMA INSTITUTE
Financial Statements
(With Independent Auditors' Report and Independent
Auditors' Report on Federal Programs)
As of and for the Years Ended
December 31, 2016 and 2015



Independent Auditors' Report

The Board of Directors of
National Trauma Institute

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, 2016 and 2015, 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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. Those standards require that we plan and perform the audits 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, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Information

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 10 and 11 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 the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), 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 schedules of functional expenses and schedule of expenditures of federal awards are 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 29, 2017, 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.

Bauer & Company, LLC

BAUER & COMPANY, LLC

Austin, Texas

June 29, 2017

NATIONAL TRAUMA INSTITUTE
STATEMENTS OF FINANCIAL POSITION
December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and cash equivalents	\$ 715,603	\$ 787,323
Accounts receivable	9,650	4,149
Prepaid expenses and other current assets	3,320	7,842
Total assets	<u>\$ 728,573</u>	<u>\$ 799,314</u>
 LIABILITIES AND NET ASSETS		
Accounts payable	\$ 135,726	\$ 50,349
Accrued expenses	69,163	48,013
Deferred revenue	586,689	693,871
Line of credit	121,950	41,950
Total liabilities	<u>913,528</u>	<u>834,183</u>
 Net Assets:		
Unrestricted	<u>(184,955)</u>	<u>(34,869)</u>
Total net assets	<u>(184,955)</u>	<u>(34,869)</u>
 Total liabilities and net assets	<u>\$ 728,573</u>	<u>\$ 799,314</u>

See accompanying notes and independent auditors' report.

NATIONAL TRAUMA INSTITUTE
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT:			
Direct public	\$ 772	\$ -	\$ 772
Government grants	1,339,780	-	1,339,780
Other income	218,701	-	218,701
Total revenue and support	<u>1,559,253</u>	<u>-</u>	<u>1,559,253</u>
EXPENSES:			
Program services	1,201,142	-	1,201,142
Management and general	508,197	-	508,197
Total expenses	<u>1,709,339</u>	<u>-</u>	<u>1,709,339</u>
CHANGE IN NET ASSETS	<u>(150,086)</u>	<u>-</u>	<u>(150,086)</u>
Net assets at beginning of year	(34,869)	-	(34,869)
Net assets at end of year	<u>\$ (184,955)</u>	<u>\$ -</u>	<u>\$ (184,955)</u>

See accompanying notes and independent auditors' report.

NATIONAL TRAUMA INSTITUTE
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT:			
Direct public	\$ 1,890	\$ -	\$ 1,890
Government grants	1,055,985	-	1,055,985
Other income	156,896	-	156,896
Total revenue and support	<u>1,214,771</u>	<u>-</u>	<u>1,214,771</u>
EXPENSES:			
Program services	935,311	-	935,311
Management and general	316,437	-	316,437
Total expenses	<u>1,251,748</u>	<u>-</u>	<u>1,251,748</u>
CHANGE IN NET ASSETS	<u>(36,977)</u>	<u>-</u>	<u>(36,977)</u>
Net assets at beginning of year	2,108	-	2,108
Net assets at end of year	<u>\$ (34,869)</u>	<u>\$ -</u>	<u>\$ (34,869)</u>

See accompanying notes and independent auditors' report.

NATIONAL TRAUMA INSTITUTE
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Change in net assets	\$ (150,086)	\$ (36,977)
Change in assets and liabilities:		
Accounts receivable	(5,501)	(3,717)
Prepaid expenses and other current assets	4,522	2,391
Accounts payable	85,377	(54,135)
Accrued expenses	21,150	12,270
Deferred revenue	(107,182)	(29,674)
Net cash used in operating activities	<u>(151,720)</u>	<u>(109,842)</u>
Cash flows from investing activities:	<u>-</u>	<u>-</u>
Cash flows from financing activities:		
Proceeds from line of credit	<u>80,000</u>	<u>-</u>
Net cash provided by financing activities	<u>80,000</u>	<u>-</u>
Net change in cash and cash equivalents	(71,720)	(109,842)
Cash and cash equivalents at beginning of year	<u>787,323</u>	<u>897,165</u>
Cash and cash equivalents at end of year	<u>\$ 715,603</u>	<u>\$ 787,323</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ 5,765</u>	<u>\$ 2,405</u>

See accompanying notes and independent auditors' report.

NATIONAL TRAUMA INSTITUTE
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

(1) ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

In 2014, NTI along with American Association for the Surgery of Trauma, Eastern Association for the Surgery of Trauma and Western Trauma Association formed the Coalition for National Trauma Research ("CNTR"). CNTR is engaged in advocacy work at the congressional and national agency level to achieve federal funding for trauma research, build trauma research infrastructure and develop a centralized research agenda to prioritize work in the discipline

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 assets, temporarily restricted assets, and permanently restricted 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 a purchase maturity date of three months or less to be cash equivalents.

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, 2016 and 2015, all such contract amounts were deemed to be fully collectible.

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:

Permanently Restricted - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization.

Temporarily Restricted - Net assets the use of which is subject to donor-imposed stipulations that can be fulfilled by actions of the Organization pursuant to those stipulations or that expire by the passage of time.

Unrestricted - Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be used for any purpose or designated for specific purposes by action of the Board of Directors of the Organization.

There were no temporarily or permanently restricted net assets as of and for the year ended December 31, 2016 and 2015.

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.

NATIONAL TRAUMA INSTITUTE
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015
(Continued)

Summary of Significant Accounting Policies (continued)

Income 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 2013. NTI is also exempt from state and local income taxes.

Use of Estimates - The preparation of financial statements in conformity with GAAP 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 carrying amounts of the Organization's financial instruments, which include cash and cash equivalents, accounts receivable, accounts payable and accrued expenses, approximate their fair values due to their short maturities. Based on borrowing rates currently available to the Organization for lines of credit with similar terms, the carrying value of the Organization's line of credit approximates fair value.

Date of Management Review - The Organization's management has evaluated subsequent events through June 29, 2017, the date the financial statements were available for issuance.

(2) COMMITMENTS AND CONTINGENCIES

Contract 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.

Lease arrangements - Beginning in November 2015, the Company entered into a non-cancelable operating leases. The lease terminates in December 2018. Future minimum lease payments under these leases as of December 31, 2016 are as follows:

Year ended December 31,	
2017	\$ 32,411
2018	33,046
	<u>\$ 65,457</u>

Rent expense on the Company's operating leases was approximately \$28,092 and \$5,117 for the years ended December 31, 2016 and 2015, respectively.

Litigation - The Company from time to time may be involved in litigation relating to claims arising out of its ordinary course of business. Management believes that there are no claims or actions pending or threatened against the Company, the ultimate disposition of which would have a material impact on the Company's financial position, results of operations or cash flows.

Risk Management - The Company is subject to various claims and liabilities in the ordinary course of business. The Company maintains various forms of insurance that the Company's management believes are adequate to reduce the exposure to these risks to an acceptable level.

NATIONAL TRAUMA INSTITUTE
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015
(Continued)

(3) LINE OF CREDIT

In September 2014, the Organization entered into a bank line of credit for up to \$350,000. The bank line of credit matures in August 2017 and bears interest at 6.35% annually. At December 31, 2016 and 2015, the bank line of credit had an outstanding balance of \$121,950 and \$41,950, respectively.

(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 with a bank that is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 as of December 31, 2016. 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, 2016 exceeded federally insured limits by \$468,823.

During the years ended December 31, 2016 and 2015, NTI recognized all grant revenue from sub-awards of the United States Department of Defense through the University of Texas Health Science Center.

(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 \$27,045 and \$13,825 to the plan during the years ended December 31, 2016 and 2015, respectively.

(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, 2016, this date was June 29, 2017.

NATIONAL TRAUMA INSTITUTE
Supplemental Schedule - Statement of Functional Expenses
For the Year Ended December 31, 2016

	<u>Program Expenses</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries	\$ 525,053	\$ 227,623	\$ -	\$ 752,676
Employee benefits	48,372	24,078	-	72,450
Payroll taxes	38,168	18,946	-	57,114
Total salaries and related expenses	<u>611,593</u>	<u>270,647</u>	<u>-</u>	<u>882,240</u>
 Awards and grants	 557,783	 893	 -	 558,676
Advertising	-	2,685	-	2,685
Books and Subscription	450	1047	-	1,497
Insurance	1,652	3,033	-	4,685
Occupancy	-	30,423	-	30,423
Office supplies	6,534	10,771	-	17,305
Operations	-	14,634	-	14,634
Postage & Printing	85	3,899	-	3,984
Professional and contract fees	-	90,290	-	90,290
Telephone and telecommunications	312	10,754	-	11,066
Training, conferences and meetings	-	22,745	-	22,745
Travel	22,733	46,376	-	69,109
 Total expenses	 <u>\$ 1,201,142</u>	 <u>\$ 508,197</u>	 <u>\$ -</u>	 <u>\$ 1,709,339</u>

See accompanying notes and independent auditors' report.

NATIONAL TRAUMA INSTITUTE
Supplemental Schedule - Statement of Functional Expenses
For the Year Ended December 31, 2015

	<u>Program Expenses</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries	\$ 438,285	\$ 89,799	\$ -	\$ 528,084
Employee benefits	37,569	14,317	-	51,886
Payroll taxes	29,114	5,113	-	34,227
Total salaries and related expenses	<u>504,968</u>	<u>109,229</u>	<u>-</u>	<u>614,197</u>
 Awards and grants	 407,738	 -	 -	 407,738
Advertising	352	1,757	-	2,109
Bank service charges	-	5,847	-	5,847
Insurance	1,652	2,387	-	4,039
Occupancy	-	17,848	-	17,848
Professional and contract fees	41	136,116	-	136,157
Supplies and hardware and software	(1,508)	2,439	-	931
Telephone and telecommunications	781	9,215	-	9,996
Training, conferences and meetings	6,932	10,628	-	17,560
Travel	14,355	20,971	-	35,326
 Total expenses	 <u>\$ 935,311</u>	 <u>\$ 316,437</u>	 <u>\$ -</u>	 <u>\$ 1,251,748</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***

The Board of Directors of
National Trauma Institute

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, 2016, 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 29, 2017.

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.

Bauer & Company, LLC

BAUER & COMPANY, LLC

Austin, Texas

June 29, 2017



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

The Board of Directors of
National Trauma Institute

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 U.S. Office of Management and Budget (OMB) 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, 2016. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's 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 and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance 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, 2016.

Report on 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 the Uniform Guidance, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Bauer & Company, LLC

BAUER & COMPANY, LLC

Austin, Texas

June 29, 2017

National Trauma Institute
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2016

<u>Cluster Name / Federal Grantor / Program Name / Pass-Through Entity</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 Military Medical Research and Development- National Trauma Coordinating Center	12.420	W81XWH-15-2-0089	\$ 1,089,284
Department of Defense United States Army Medical Research Acquisition Activity Military Medical Research and Development- National Trauma Coordinating Center	12.420	W81XWH-15-2-0039	\$ 33,559
Department of Defense United States Army Medical Research Acquisition Activity Military Medical Research and Development- National Trauma Coordinating Center	12.420	W81XWH-15-1-0709	\$ 78,283
Pass-through programs from: American Burn Association			
Military Medical Research and Development- National Trauma Coordinating Center	12.420	W81XWH-10-1-0194	75,777
Total Research and Development Cluster			\$ <u><u>1,276,903</u></u>

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

NATIONAL TRAUMA INSTITUTE
Notes to Schedule of Expenditure of Federal Awards
December 31, 2016

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Basis of Presentation

The Schedule presents total federal awards expended for each individual program in accordance with the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). 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.

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.

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 major programs:

- Material weakness(es) identified? **No**
- Significant deficiency(ies) identified? **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 .2 CFR 200.516a? **No**

Identification of major federal programs:

CFDA	
Number	Name of Federal Program or Cluster
Cluster	Research and Development

Dollar threshold used to distinguish between type A And type B programs: **\$750,000**

Auditee qualified as low-risk auditee: **Yes**

NATIONAL TRAUMA INSTITUTE
Schedule of Findings and Questioned Costs
Year Ended December 31, 2016

Section II - Financial Statement Findings

None reported

Section III – Federal Award Findings and Questioned Costs

None reported

Section IV – Prior Year Findings

None reported