COALITION FOR NATIONAL TRAUMA RESEARCH

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

(With Comparative Totals for the Year ended December 31, 2022)

COALITION FOR NATIONAL
TRAUMA RESEARCH
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Coalition for National Trauma Research

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Coalition for National Trauma Research (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Coalition for National Trauma Research as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Coalition for National Trauma Research and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Coalition for National Trauma Research's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Coalition for National Trauma Research's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Coalition for National Trauma Research's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis 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 schedule of expenditures of federal awards 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 April 17, 2024, on our consideration of Coalition for National Trauma Research'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 solely 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 the effectiveness of Coalition for National Trauma Research's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Coalition for National Trauma Research's internal control over financial reporting and compliance.

Leal & Carter, P.C.

San Antonio, Texas
April 17, 2024

COALITION FOR NATIONAL TRAUMA RESEARCH

STATEMENTS OF FINANCIAL POSITION

December 31, 2023
(With Comparative Totals For December 31, 2022)

ASSETS

	2023	2022
Cash and cash equivalents	$ 246,501	$ 58,729
Accounts receivable - Grants	334,393	590,432
Prepaid expenses and other current assets	8,137	1,390
TOTAL ASSETS	$ 589,031	$ 650,551

LIABILITIES AND NET ASSETS

Accounts payable	$ 70,121	$ 403,882
Accrued expenses	115,169	96,340
Deferred revenue	252,253	35,579
Line of credit	-	45,000
Total Liabilities	437,543	580,801
Net Assets without Donor Restrictions	151,488	69,750
TOTAL LIABILITIES AND NET ASSETS	$ 589,031	$ 650,551

The accompanying notes are an integral part of these financial statements.

COALITION FOR NATIONAL TRAUMA RESEARCH

STATEMENTS OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2023
(With Comparative Totals for the Year Ended December 31, 2022)

	CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:	
OPERATING ACTIVITIES:	Totals	
	2023	2022
REVENUES AND OTHER SUPPORT:		
Government Grants	$ 888,930	$ 1,244,004
Nongovernment Grants - PCORI	258,626	608,859
Nongovernment Grants - Other	9,453	30,035
Contract Services	442,923	-
Other Income	204,855	184,658
TOTAL REVENUES & OTHER SUPPORT	1,804,787	2,067,556
EXPENSES:		
Program services	1,340,377	1,668,597
Management and general	382,672	390,306
TOTAL EXPENSES	1,723,049	2,058,903
CHANGE IN NET ASSETS	81,738	8,653
NET ASSETS (DEFICIT) AT BEGINNING OF YEAR	69,750	61,097
NET ASSETS (DEFICIT) AT END OF YEAR	$ 151,488	$ 69,750

The accompanying notes are an integral part of these financial statements.

COALITION FOR NATIONAL TRAUMA RESEARCH

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2023
(With Comparative Totals for the Year Ended December 31, 2022)

	Program Services	Supporting Services - Management and General	Totals 2023	Totals 2022
Salaries	$ 598,526	$ 222,780	821,306	$ 820,556
Employee benefits	62,419	19,687	82,106	81,003
Payroll taxes	43,788	14,991	58,780	58,128
Total salaries and related expenses	704,733	257,458	962,192	959,687
Awards and grants	532,859	-	532,859	951,526
Books and subscription	254	513	767	2,051
Insurance	5,876	4,458	10,333	10,381
Miscellaneous	1,119	7,878	8,997	4,900
Occupancy	-	1,034	1,034	1,159
Office supplies	3,978	9,294	13,272	16,194
Professional and contract fees	28,103	53,474	81,577	24,815
Service Fees	27,233	10,695	37,928	24,680
Telephone and telecommunications	2,249	15,718	17,967	18,789
Training, conferences and meetings	4,194	12,286	16,480	7,110
Travel	29,779	9,864	39,643	37,611
Total Expenses	$ 1,340,377	$ 382,672	$ 1,723,049	$ 2,058,903

The accompanying notes are an integral part of these financial statements.

COALITION FOR NATIONAL TRAUMA RESEARCH

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2023
(With Comparative Totals for the Year Ended December 31, 2022)

Cash Flows from Operating Activities:	2023	2022
Increase in Net Assets	$ 81,738	$ 8,653
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided By Operating Activities:		
(Increase) Decrease in Operating Assets		
Accounts receivable	256,039	(110,782)
Prepaid expenses and other current assets	(6,747)	1,993
Increase (Decrease) in Operating Liabilities		
Accounts payable	(333,761)	49,528
Accrued expenses	18,829	(25,490)
Deferred revenue	216,674	(127,556)
Net Cash Provided By Operating Activities	232,772	(203,654)
Cash Flows From (Used) For Investing Activities:	-	-
Cash Flows From (Used) For Financing Activities:		
Payments to line of credit	(260,000)	-
Proceeds from line of credit	215,000	45,000
Net Cash From (Used) For Financing Activities	(45,000)	45,000
Net Increase (Decrease) In Cash & Cash Equivalents	187,772	(158,654)
Beginning Cash & Cash Equivalents	58,729	217,383
Ending Cash & Cash Equivalents	$ 246,501	$ 58,729
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 6,013	$ 36

The accompanying notes are an integral part of these financial statements.

COALITION FOR NATIONAL TRAUMA RESEARCH

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

Note 1 – Organization and Summary of Significant Accounting Policies

Organization

The Coalition for National Trauma Research ("CNTR" or the "Organization") was formerly named National Trauma Institute (NTI). In November 2019, the board of NTI agreed to voluntarily change its name to the Coalition for National Trauma Research, and by-laws for CNTR were accepted on August 18, 2020.

The Organization is a Texas not-for-profit corporation that was established in January 2006 and its purpose is to promote the public health through the development, funding and implementation of clinical research related to trauma injury and the care of trauma patients. Further, the mission of CNTR is to enhance trauma research in the US by developing sustainable funding commensurate with the burden of disease; coordinating research efforts across professional organizations which span the continuum of injury care; and enhancing the infrastructure for multicenter investigation. CNTR's primary source of revenue is grants from the federal government. Additional sources of revenue in FY2023 include other nonfederal grants and fees for contract services provided.

According to CNTR's by-laws, there shall be three (3) levels of membership:

A. Core Members - The Core Members are American Association for Surgery of Trauma (AAST), American Burn Association, American College of Surgeons - Committee on Trauma (ACS-COT), and Eastern Association for the Surgery of Trauma (EAST).
B. Stakeholder Members - This level of membership shall be made available to any professional organization interested in supporting and collaborating in the mission of CNTR.
C. Affiliate Members - This level of membership shall be made available to any professional organization interested in supporting the CNTR mission.

Additionally, the Board of Directors of the Organization will be comprised as follows as of December 31, 2023: AAST, ABA, ACS-COT, and EAST shall each appoint two (2) representatives on the Board of Directors. Additional, Core Member representatives may be added in the future with the unanimous agreement of the founding Core Members. The Stakeholder Members may elect one representative to the Board of Directors.

Summary of Significant Accounting Policies

Income Taxes

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation. As such, CNTR pays no federal income taxes. Contributions to CNTR are deductible to the extent allowed by law. Management of CNTR 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. CNTR is also exempt from state and local income taxes.

Note 1 – Organization and Summary of Significant Accounting Policies (continued)

Financial Statement Presentation

The financial statements of the Organization have been prepared in accordance with U.S. Generally Accepted Accounting Principles (US GAAP), which require it to report information regarding its financial position and activities according to the following net asset classifications:

- Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

- Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grants. Some donor restrictions are temporary in nature; those restrictions would be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities. The Organization did not report net assets with donor restrictions as of December 31, 2023.

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing program services. Non—operating activities are limited to resources that generate return from investments and other activities considered to be a more unusual or nonrecurring nature.

Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believed that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

Government and Nongovernment Contracts and Grants Receivable

All government and nongovernment contracts and grants receivable are carried at original contract or grant award amounts, less any collections through the balance sheet date. Contracts and grants, which are included in accounts receivable, are individually analyzed for purposes of determining collectability at year end. As of December 31, 2023, and 2022, all such contract amounts were deemed to be fully collectible.

Note 1 – Organization and Summary of Significant Accounting Policies (continued)

Deferred Revenue

Deferred revenue represents advances received by CNTR from grants and under a contract services arrangement. When the corresponding expenditures have been made, the revenue will be recognized.

Functional Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents the natural classification of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include salaries and benefits, which are allocated on the basis of estimates of time and effort.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers cash held in bank deposit accounts and all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Compensated Absences

The Organization allows employees a maximum of 200 or 280 hours to be carried into the following year based on length of employment. The Organization's policy is to pay employees for their unused vacation if they are terminated, leaves employment, or converts to a part-time or contract basis as of the date of the change from full-time employment status provided the employee has completed 180 days of full-time service.

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.

Note 2 – Liquidity and Availability of Financial Assets

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its program activities to be general expenditures.

Note 2 – Liquidity and Availability of Financial Assets (continued)

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates under a budget and anticipates collecting sufficient revenue to cover its general expenditures.

The following represents the Organization's financial assets at December 31, 2023 and 2022:

Financial assets at year-end:	2023	2022
Cash	$ 246,501	$ 58,729
Accounts Receivable – Other	-	-
Accounts Receivable - Grants	334,393	590,432
Financial assets available to meet general expenditures over the next twelve months	$ 580,594	$ 649,161

Note 3 – 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**.**

Litigation

The Organization 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 Organization, the ultimate disposition of which would have a material impact on the Organization's financial position, results of operations or cash flows.

Risk Management

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

Potential for Government Reviews and Audits

The Organization is subject to possible examinations made by Federal and Local authorities who determine compliance with terms, conditions, laws and regulations governing grants given to the Organization in the current and prior years. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds.

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 with a bank that is insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. The Organization places its cash in such financial institutions and limits the amount of credit exposure, although it may from time-to-time have cash balances in excess of the insured amount by the FDIC. As of December 31, 2023, the Organization had balances of cash in bank that were $4,583 greater than FDIC, which may result in a loss if the subject deposit institution fails. The institution is within a geographic region which management believes has not encountered any substantial economic losses. Accordingly, management has not provided for any allowance from loss by a deposit institution failure within its financial statements.

During the years ended December 31, 2023 and 2022, CNTR recognized all grant revenue from sub-awards of the United States Department of Defense and the United States Department of Health and Human Services through Humacyte, Inc. and the Oregon Health & Science University, respectively.

A significant portion of the receivables and revenues of the Organization are received from government grants. Receipt of these funds is contingent upon the Organization's continued compliance with grant provisions and the continuance of the grant programs by governmental agencies.

Note 5 - Line of Credit

In October 2022, the Organization entered into a revolving bank line of credit for up to $150,000 with a maturity date on October 3, 2023. On September 25, 2023, the Organization renewed its bank line of credit for up to $150,000, with a variable interest rate, and maturity date of September 25, 2024. At December 31, 2023 and 2022, the bank line of credit had an outstanding balance of $0 and $45,000, respectively.

Note 6 – Retirement Plan

In January 2010, CNTR established a defined contribution retirement plan covering all full-time employees. CNTR 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. CNTR contributed $27,932 and $29,663 to the plan during the years ended December 31, 2023 and 2022, respectively.

Note 7 - COVID-19 financial statement impacts

The COVID-19 pandemic, whose effects first became known in January 2020, has had a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. CNTR is closely monitoring its liquidity and is actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on CNTR's operational and

Note 7 - COVID-19 financial statement impacts (continued)

financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on CNTR's employees and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact CNTR's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

Note 8 – Related Party Transactions

During the year ended December 31, 2023, the Core Members of CNTR made contributions to the CNTR totaling $140,000 as follows:

- American Association for Surgery of Trauma (AAST) - $35,000
- American College of Surgeons - Committee on Trauma (ACS-COT) - $35,000
- Eastern Association for the Surgery of Trauma (EAST) - $35,000
- American Burn Association (ABA) - $35,000

Additionally, the five stakeholder members of CNTR each made contributions of $5,000 during FY 2023 for a total of $25,000.

The total of these contributions made by core members and stakeholders of CNTR of $165,000 is included in Other Income that is reported on the accompanying Statement of Activities.

Note 9 – Subsequent Events

Management has evaluated subsequent events through April 17, 2024, the date the financial statements were available to be issued.

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INDEPENDENT AUDITOR'S 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
Coalition for National Trauma Research

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 Coalition for National Trauma Research (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, 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 April 17, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Coalition for National Trauma Research's internal control over financial reporting (internal control) as a basis for designing 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 Coalition for National Trauma Research's internal control. Accordingly, we do not express an opinion on the effectiveness of Coalition for National Trauma Research'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Coalition for National Trauma Research'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 financial statements. 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.

San Antonio, Texas
April 17, 2024

LEAL & CARTER, P.C.

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

To the Board of Directors of
Coalition for National Trauma Research

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Coalition for National Trauma Research's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Coalition for National Trauma Research's major federal programs for the year ended December 31, 2023. Coalition for National Trauma Research's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Coalition for National Trauma Research 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, 2023.

Basis for Opinion on Each Major Federal Program

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 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Coalition for National Trauma Research and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Coalition for National Trauma Research's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Coalition for National Trauma Research's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Coalition for National Trauma Research's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Coalition for National Trauma Research's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Coalition for National Trauma Research's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Coalition for National Trauma Research's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Coalition for National Trauma Research's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

San Antonio, Texas
April 17, 2024

COALITION FOR NATIONAL TRAUMA RESEARCH
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2023

Federal Grantor/Pass Through Grantor/Program Title	Federal Assistance Listing Number	Grant/Contract Award Number	Passed through to Subrecipients	Total Federal Expenditures
Research and Development Cluster:				
U.S. DEPARTMENT OF DEFENSE				
Direct Programs:				
Military Medical Research and Development	12.420	W81XWH-17-2-0010	$ 39,701	$ 160,165
Military Medical Research and Development	12.420	W81XWH-18-C-0179	-	25,419
Military Medical Research and Development	12.420	W81XWH-20-2-0032	303,557	405,919
Passed through KeriCure Medical:				
Military Medical Research and Development	12.420	HT942523C0049	-	18,392
Passed through Washington University:				
Military Medical Research and Development	12.420	Subaward under Grant W81XWH-22-2-0075	-	78,308
Total Military Medical Research and Development				688,203
TOTAL U.S. DEPARTMENT OF DEFENSE				688,203
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Direct Programs:				
Research on Healthcare Costs, Quality and Outcomes	93.226	1R13HS028940-01A1	-	11,465
Research on Healthcare Costs, Quality and Outcomes	93.226	1R13HS029444-01	-	55,275
Total Research on Healthcare Costs, Quality and Outcomes				66,740
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				66,740
Total Research and Development Cluster				754,943
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through Oregon Health & Science University:				
Biomedical Advanced Research and Development Authority (BARDA) Biodefense Medical Countermeasure Development	93.360	1019000_CNTR	20,556	145,904
Total BARDA Biodefense Medical Countermeasure Development Program				145,904
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				145,904
Total Expenditures of Federal Awards				$ 900,847

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

COALITION FOR NATIONAL TRAUMA RESEARCH
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2023

NOTE A - BASIS OF PRESENTATION

1. The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Coalition for National Trauma Research (CNTR) under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of CNTR, it is not intended to and does not present the financial position, changes in net assets, or cash flows of CNTR.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

NOTE C – INDIRECT COST RATE

CNTR has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

COALITION FOR NATIONAL TRAUMA RESEARCH
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended December 31, 2023

SECTION II – FINANCIAL STATEMENT FINDINGS

No findings were reported for the year ended December 31, 2022.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings were reported for the year ended December 31, 2022.

COALITION FOR NATIONAL TRAUMA RESEARCH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2023

I. Summary of the Auditors' Results:

1. The auditors' report expresses an unmodified opinion on whether the financial statements of the Organization were prepared in accordance with GAAP.

2. No significant deficiencies or material weaknesses were identified during the audit of the financial statements of the Organization.

3. No instances of noncompliance material to the financial statements of the Organization.

4. No significant deficiencies or material weaknesses in internal control over major programs were identified during the audit.

5. The auditors' report on compliance for the major federal award programs for the Organization expresses an unmodified opinion on all major federal programs.

6. The audit did not disclose any audit findings that were required to be reported in accordance with 2 CFR section 200.516 (a).

7. The programs tested as a major program were:

Name of Federal Program	Assistance Listing Number
Research and Development Cluster -	
Military Medical Research and Development	12.420
Research on Healthcare Costs, Quality and Outcomes	93.226

8. The dollar threshold used to distinguish between Type A and Type B was $750,000.

9. The Organization was determined to be a low risk auditee.

II. Findings-Financial Statement Audit - None

III. Findings and Questioned Costs – Major Federal Award Programs Audit – None