

Financial Statements  
and Other Financial Information

Amputee Coalition of America, Inc.

*Years ended December 31, 2016 and 2015  
with Report of Independent Auditors*

Amputee Coalition of America, Inc.

Financial Statements and  
Other Financial Information

Years ended December 31, 2016 and 2015

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## Report of Independent Auditors

Board of Directors  
Amputee Coalition of America, Inc.

### Report on the Financial Statements

We have audited the accompanying financial statements of Amputee Coalition of America, Inc. (Amputee Coalition), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities, functional expenses, 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 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Amputee Coalition of America, Inc. as of December 31, 2016 and 2015, 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.

Board of Directors  
Amputee Coalition of America, Inc.

**Other Matters**

*Other 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* (CFR) 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 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 19, 2017, on our consideration of Amputee Coalition'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 on internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Amputee Coalition's internal control over financial reporting and compliance.

*Coulter & Justus, P. C.*

Knoxville, Tennessee  
June 19, 2017

Amputee Coalition of America, Inc.

Statements of Financial Position

	<b>December 31</b>	
	<b>2016</b>	<b>2015</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 1,440,125	\$ 884,162
Investments	469,793	305,321
Accounts receivable, net	11,840	110,957
Contributions receivable	322,795	153,994
Grants receivable	126,929	272,602
Other current assets	142,457	187,620
Total current assets	<u>2,513,939</u>	<u>1,914,656</u>
Property and equipment:		
Equipment and furniture	146,865	87,448
Leasehold improvements	6,703	6,703
Less accumulated depreciation	(78,857)	(47,088)
	<u>74,711</u>	<u>47,063</u>
Total assets	<u><u>\$ 2,588,650</u></u>	<u><u>\$ 1,961,719</u></u>
<b>Liabilities and net assets</b>		
Current liabilities:		
Accounts payable	\$ 85,900	\$ 211,350
Accrued expenses	129,521	104,005
Deferred revenues	-	67,232
Total current liabilities	<u>215,421</u>	<u>382,587</u>
Net assets:		
Unrestricted	1,479,753	825,484
Temporarily restricted	893,476	753,648
Total net assets	<u>2,373,229</u>	<u>1,579,132</u>
Total liabilities and net assets	<u><u>\$ 2,588,650</u></u>	<u><u>\$ 1,961,719</u></u>

*See accompanying Notes to Financial Statements.*

Amputee Coalition of America, Inc.

Statement of Activities

For the year ended December 31, 2016

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
Support and revenues:			
Grants	\$ 2,880,327	\$ -	\$ 2,880,327
Sponsorships	47,850	223,000	270,850
Contributions	126,268	293,750	420,018
Publication advertising	202,633	-	202,633
Memberships	141,649	-	141,649
Event registration	142,130	-	142,130
Educational material sales and other income	212,892	2,279	215,171
Estate distributions	49,018	-	49,018
Net assets released from restrictions	379,201	(379,201)	-
Total support and revenues	<b>4,181,968</b>	<b>139,828</b>	<b>4,321,796</b>
Expenses:			
Program services	2,598,061	-	2,598,061
Management and general	700,304	-	700,304
Fundraising	229,334	-	229,334
Total expenses	<b>3,527,699</b>	<b>-</b>	<b>3,527,699</b>
Increase in net assets	<b>654,269</b>	<b>139,828</b>	<b>794,097</b>
Net assets at beginning of year	<b>825,484</b>	<b>753,648</b>	<b>1,579,132</b>
Net assets at end of year	<b>\$ 1,479,753</b>	<b>\$ 893,476</b>	<b>\$ 2,373,229</b>

*See accompanying Notes to Financial Statements.*

Amputee Coalition of America, Inc.

Statement of Activities

For the year ended December 31, 2015

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
Support and revenues:			
Grants	\$ 2,355,231	\$ -	\$ 2,355,231
Sponsorships	76,825	225,000	301,825
Contributions	159,820	96,200	256,020
Publication advertising	215,192	-	215,192
Memberships	117,450	-	117,450
Event registration	115,258	-	115,258
Educational material sales and other income	158,183	1,103	159,286
Net assets released from restrictions	241,459	(241,459)	-
Total support and revenues	<u>3,439,418</u>	<u>80,844</u>	<u>3,520,262</u>
Expenses:			
Program services	2,278,689	-	2,278,689
Management and general	684,530	-	684,530
Fundraising	186,353	-	186,353
Total expenses	<u>3,149,572</u>	<u>-</u>	<u>3,149,572</u>
Increase in net assets	289,846	80,844	370,690
Net assets at beginning of year	535,638	672,804	1,208,442
Net assets at end of year	<u>\$ 825,484</u>	<u>\$ 753,648</u>	<u>\$ 1,579,132</u>

*See accompanying Notes to Financial Statements.*

Amputee Coalition of America, Inc.

Statement of Functional Expenses

For the year ended December 31, 2016

	Total Program Services	Supporting Services		Totals
		Management and General	Fundraising	
Salaries	\$ 734,732	\$ 383,922	\$ 97,256	\$ 1,215,910
Fringe benefits	243,318	84,391	31,109	358,818
Advertising	100,717	-	4,152	104,869
Communications	27,031	234	1,563	28,828
Contractual costs	483,232	66,007	11,419	560,658
Depreciation	18,423	13,156	1,790	33,369
Events	222,947	15,293	5,297	243,537
Insurance	9,882	9,706	1,087	20,675
Minor capital costs	3,507	2,504	2,537	8,548
Postage	109,275	2,154	4,080	115,509
Printing	168,708	874	14,263	183,845
Rent	71,669	7,466	4,276	83,411
Repairs and maintenance	-	40,958	-	40,958
Supplies	54,162	4,421	5,156	63,739
Technology	51,727	13,409	4,500	69,636
Travel	258,027	43,315	13,437	314,779
Utilities	3,372	2,408	328	6,108
Other	37,332	10,086	27,084	74,502
	<b>\$ 2,598,061</b>	<b>\$ 700,304</b>	<b>\$ 229,334</b>	<b>\$ 3,527,699</b>

See accompanying Notes to Financial Statements.



Amputee Coalition of America, Inc.

Statement of Functional Expenses

For the year ended December 31, 2015

	<u>Supporting Services</u>			<b>Totals</b>
	<b>Total Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	
Salaries	\$ 629,572	\$ 279,913	\$ 89,876	\$ 999,361
Fringe benefits	215,690	85,679	29,781	331,150
Advertising	3,750	-	-	3,750
Communications	24,124	5,258	374	29,756
Contractual costs	510,213	209,205	17,000	736,418
Depreciation	14,085	8,709	619	23,413
Events	243,059	-	804	243,863
Insurance	8,021	4,302	-	12,323
Minor capital costs	8,021	2,467	434	10,922
Postage	87,194	2,674	4,676	94,544
Printing	142,425	577	6,713	149,715
Rent	40,897	30,885	1,951	73,733
Repairs and maintenance	-	17,707	-	17,707
Supplies	28,226	9,925	1,068	39,219
Technology	23,706	9,154	2,989	35,849
Travel	262,576	11,527	21,568	295,671
Utilities	2,668	2,032	144	4,844
Other	34,462	4,516	8,356	47,334
	<u>\$ 2,278,689</u>	<u>\$ 684,530</u>	<u>\$ 186,353</u>	<u>\$ 3,149,572</u>

*See accompanying Notes to Financial Statements.*

Amputee Coalition of America, Inc.

Statements of Cash Flows

	<b>Year ended December 31</b>	
	<b>2016</b>	<b>2015</b>
<b>Cash flows from operating activities</b>		
Increase in net assets	\$ 794,097	\$ 370,690
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	33,370	23,413
Changes in operating assets and liabilities:		
Receivables	75,989	(128,719)
Other assets	45,163	(72,087)
Accounts payable and accrued expenses	(99,934)	89,999
Deferred revenues	(67,232)	2,581
Net cash provided by operating activities	<u>781,453</u>	<u>285,877</u>
<b>Cash flows from investing activities</b>		
Purchases of equipment	(61,018)	(26,400)
Net (purchases) sales of investments	<u>(164,472)</u>	<u>3,208</u>
Net cash used for investing activities	<u>(225,490)</u>	<u>(23,192)</u>
Net increase in cash and cash equivalents	555,963	262,685
Cash and cash equivalents at beginning of year	884,162	621,477
Cash and cash equivalents at end of year	<u>\$ 1,440,125</u>	<u>\$ 884,162</u>

*See accompanying Notes to Financial Statements.*

# Amputee Coalition of America, Inc.

## Notes to Financial Statements

December 31, 2016

### 1. Organization and Nature of Activities

The Amputee Coalition of America, Inc. (Amputee Coalition) is a not-for-profit organization whose mission is to reach out and empower people across the United States of America affected by limb loss to achieve their full potential through education, support, and advocacy, and to promote limb loss prevention. Amputee Coalition's primary funding sources are federal grants, donor contributions, membership dues, publication advertising, and sponsorships.

### 2. Summary of Significant Accounting Policies

#### Basis of Accounting and Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and provide for the accrual basis of accounting.

Amputee Coalition reports information regarding its financial position and activities according to the following classes of net assets:

*Unrestricted net assets* include unrestricted revenue and contributions received without donor-imposed restrictions.

*Temporarily restricted net assets* include revenue and contributions subject to donor-imposed stipulations that limit the use of the donated assets and where the restriction is not met within the same fiscal year. When a donor restriction expires in a subsequent fiscal year, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Donor restricted gifts are classified as unrestricted if the restriction expires in the same fiscal year. Temporary restrictions primarily relate to purpose restrictions such as camp attendance, well-being initiatives and scholarships as well as time restrictions for sponsorships.

At December 31, 2016 and 2015, cash and contributions receivable equal to temporarily restricted net assets are donor restricted.

#### Cash and Cash Equivalents

Amputee Coalition considers highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash on deposit at financial institutions is federally insured to certain limits or otherwise collateralized.

Amputee Coalition of America, Inc.  
Notes to Financial Statements (continued)

**2. Summary of Significant Accounting Policies (continued)**

**Investments and Fair Value Measurements**

The investment portfolios are held and managed by investment advisors and stated at fair value based upon quoted prices in an active market (*Note 4*). Investment income, including unrealized gains and losses, is reported as an increase in unrestricted or temporarily restricted net assets, depending upon donor stipulations, if any.

Financial Accounting Standards Board Accounting Standards Codification 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy (in order of priority) are described below:

Level 1	Quoted prices in active markets for identical investments.
Level 2	Significant other observable inputs.
Level 3	Significant unobservable inputs.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. All of Amputee Coalition's investments are in mutual funds that are valued at the net asset value (NAV) of shares held, which is based on exchange traded closing prices (Level 1).

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although Amputee Coalition believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**Accounts Receivable**

Due to the nature of the activities and services, Amputee Coalition's policies do not require collateral for receivables. The allowance method is used to determine uncollectible accounts receivable, if any, based on prior years' experience and management's analysis of specific accounts receivable. Credit losses, when realized, have been within management's expectations.

Amputee Coalition of America, Inc.  
Notes to Financial Statements (continued)

**2. Summary of Significant Accounting Policies (continued)**

**Property and Equipment**

Significant property and equipment additions are capitalized and stated at cost. The cost of maintenance and repairs is recorded as expenses are incurred, betterments are capitalized, and gains and losses from disposition are included in revenues or expenses. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets. For property and equipment additions reimbursed by the grantor, revenue is recognized at the time of purchase.

**Revenue Recognition**

For grant awards that are on a cost reimbursement basis, revenue is recognized to the extent cost has been incurred.

Contributions are recognized as revenue when cash is received or the donor makes an unconditional promise to give. They are recorded at fair value as unrestricted or temporarily restricted support, depending on the absence or existence of donor-imposed restrictions.

Sponsorship revenues support specific activities of Amputee Coalition and are recognized when received or based upon the sponsor's specific commitment.

Membership dues are reported as deferred revenue when received and then recognized as revenue over the period of membership. Revenues from sales of materials, advertising, projects, and events for which the Amputee Coalition has been contracted to render services are recognized when earned.

Amputee Coalition is also a designated beneficiary in a planned giving arrangement of a certain individual retirement account. No amounts are recorded in connection with such arrangements until the point when the amount of the gift becomes determinable and not subject to revocation by the potential donor.

**Functional Expenses**

Expenses have been allocated between program and supporting services primarily on the basis of specific identification. Supporting services include management and general and fundraising expenses.

**Income Taxes**

Amputee Coalition is classified as an organization exempt from income tax under Internal Revenue Code Section 501(c)(3) as other than a private foundation. Accordingly, no provision for income taxes has been included in the accompanying financial statements.

Amputee Coalition of America, Inc.  
Notes to Financial Statements (continued)

**2. Summary of Significant Accounting Policies (continued)**

**Advertising**

Advertising costs are expensed as incurred and totaled \$104,869 and \$3,750 in 2016 and 2015, respectively.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and related disclosures. Accordingly, actual results could differ from those estimates.

**Reclassifications**

Certain amounts in 2015 have been reclassified to conform to 2016 classifications.

**Subsequent Events**

In preparation of the accompanying financial statements, management has evaluated subsequent events that have occurred since December 31, 2016 through June 19, 2017, the date the financial statements were available for issuance.

**3. Grant and Other Revenues**

Amputee Coalition receives grant revenues from the U.S. Department of Health and Human Services (HHS) Administration for Community Living (ACL). These revenues accounted for approximately 67% of total support and revenues in both 2016 and 2015. Grant receivables from ACL of \$126,929 and \$272,602 were recorded as of December 31, 2016 and 2015, respectively. The grants are cost reimbursement grants with costs subject to audit by ACL or its agents.

In addition to federal grants, Amputee Coalition has concentrations in revenue sources for publication advertising and contributions. In 2016 and 2015, 28% and 13% respectively, of publication advertising revenue was received from organizations that have employees serving on Amputee Coalition's board of directors. Contributions totaling \$297,976 and \$83,730 (with related contribution receivables of \$98,165 and \$44,940) in 2016 and 2015, respectively, were received directly from board members or employers of board members.

Amputee Coalition of America, Inc.  
Notes to Financial Statements (continued)

**4. Investments**

The cost and fair value of investments based on quoted market prices, a Level 1 hierarchy, are classified as available for sale and summarized as follows as of December 31, 2016:

	<u>Cost</u>	<u>Fair Value</u>
Mutual funds investing in domestic equity securities	\$198,045	\$203,408
Mutual funds investing in fixed income	108,349	103,034
Mutual funds investing in international equity securities	14,329	13,517
Certificates of deposit	136,000	136,061
Other mutual funds	16,157	13,773
Total investments	<u>\$472,880</u>	<u>\$469,793</u>

The cost and fair value of investments based on quoted market prices, a Level 1 hierarchy, are classified as available for sale and summarized as follows as of December 31, 2015:

	<u>Cost</u>	<u>Fair Value</u>
Mutual funds investing in domestic equity securities	\$202,082	\$191,294
Mutual funds investing in fixed income	82,527	78,368
Mutual funds investing in international equity securities	26,039	23,177
Other mutual funds	16,027	12,482
Total investments	<u>\$326,675</u>	<u>\$305,321</u>

**5. Employee Benefit Plan**

Amputee Coalition has a defined contribution retirement plan that covers all employees who meet eligibility requirements. After one year of employment, Amputee Coalition contributes 5% of each participant's compensation, as defined, to the plan. Retirement plan expense was \$39,109 and \$39,401 during 2016 and 2015, respectively.

**6. Operating Lease**

Total lease expense for office space and equipment was \$83,411 and \$73,733, respectively for 2016 and 2015. Estimated future lease payments for operating leases as of December 31, 2016 are as follows:

2017	<u>\$ 85,931</u>
2018	<u>49,562</u>
Total	<u>\$135,493</u>

Amputee Coalition of America, Inc.  
 Schedule of Expenditures of Federal Awards  
 For the year ended December 31, 2016

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Entity Identifying Number	Federal Expenditures
<b>US Department of Health and Human Services:</b>			
Direct Program:			
Operation, Maintenance, and Expansion of the National Limb Loss Resource Center	93.325	90LL0001-01-00	\$ 942,400
Limb Loss	93.325	90LL0002-01-00	<u>1,937,927</u>
Total Expenditures of Federal Awards			<u>\$2,880,327</u>

**Notes to the Schedule of Expenditures of Federal Awards**

**Basis of Presentation**

The Schedule of Expenditures of Federal Awards includes the federal award related grant activity of Amputee Coalition of America, Inc. and is presented on the accrual basis of accounting. 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*.

Amputee Coalition did not elect to use the 10% de minimis indirect cost rate. Instead, Amputee Coalition elected to enter into a Nonprofit Rate Agreement with the US Department of Health and Human Services for a fixed 20.75% indirect cost rate.





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Report of Independent Auditors 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*

Board of Directors  
Amputee Coalition of America, Inc.

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 Amputee Coalition of America, Inc. (Amputee Coalition), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 19, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Amputee Coalition'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 Amputee Coalition's internal control. Accordingly, we do not express an opinion on the effectiveness of Amputee Coalition'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 the 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.

Board of Directors  
Amputee Coalition of America, Inc.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Amputee Coalition'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 the 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 Amputee Coalition's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Amputee Coalition's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Coulter & Justus, P.C.*

June 19, 2017  
Knoxville, Tennessee



## Report of Independent Auditors on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

Board of Directors  
Amputee Coalition of America, Inc.

### Report on Compliance for Each Major Federal Program

We have audited Amputee Coalition of America, Inc.'s (Amputee Coalition) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Amputee Coalition's major federal program for the year ended December 31, 2016. Amputee Coalition's major federal program is identified in the summary of auditor 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 applicable to its federal program.

### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Amputee Coalition's major federal program 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 the audit requirements of Title 2 *U.S. Code of Federal Awards 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 Amputee Coalition'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 Amputee Coalition's major federal program. However, our audit does not provide a legal determination of Amputee Coalition's compliance.

### Opinion on Major Federal Program

In our opinion, Amputee Coalition complied, in all material respects, with the types of compliance requirements referred to above that could have direct and material effect on its major federal program for the year ended December 31, 2016.

Board of Directors  
Amputee Coalition of America, Inc.

## Report on Internal Control Over Compliance

Management of Amputee Coalition is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Amputee Coalition's internal control over compliance with types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 Amputee Coalition'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 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.

*Coulter & Justus, P.C.*

Knoxville, Tennessee  
June 19, 2017

Amputee Coalition of America, Inc.  
 Schedule of Findings and Questioned Costs  
 For the year ended December 31, 2016

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued:	Unmodified
Internal control over financial reporting: Material weakness(es) identified?	None reported
Significant deficiencies(s) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	None reported

**Federal Awards**

Internal control over major programs: Material weakness(es) identified?	None reported
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 200.516 of the Uniform Guidance?	None reported
Identification of major programs:	CFDA 93.325 Operation, Maintenance, and Expansion of the National Limb Loss Resource Center  CFDA 93.325 Limb Loss
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

Amputee Coalition of America, Inc.  
Schedule of Findings and Questioned Costs (continued)

**Section II -- Financial Statement Findings**

None reported.

**Section III -- Federal Award Findings and Questioned Costs**

None reported.

Amputee Coalition of America, Inc.  
Summary Schedule of Prior Year Audit Findings and Corrective Action Plan  
For the year ended December 31, 2016

**Summary Schedule of Prior Year Audit Findings**

Not applicable as there were no prior year audit findings reported.

**Corrective Action Plan for 2016 Findings**

Not applicable as there were no 2016 findings reported.