



SOUTHWEST REGIONAL EMERGENCY  
& TRAUMA ADVISORY COUNCIL

FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT

June 30, 2018 and 2017

## CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT .....	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION.....	3
STATEMENTS OF ACTIVITIES .....	4
STATEMENTS OF CASH FLOWS .....	5
NOTES TO FINANCIAL STATEMENTS .....	6
SUPPLEMENTARY INFORMATION	
SCHEDULE OF FUNCTIONAL EXPENSES .....	9



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

October 5, 2018

Board of Directors  
Southwest Regional Emergency & Trauma Advisory Council  
Durango, Colorado

We have audited the accompanying financial statements of the Southwest Regional Emergency & Trauma Advisory Council (a Colorado not-for-profit corporation), which comprise the statement of financial position as of June 30, 2018 and the related statements of activities and cash flows for the year 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 of 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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.



Board of Directors  
Southwest Regional Emergency & Trauma Advisory Council  
Page Two

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Southwest Regional Emergency & Trauma Advisory Council as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Prior Period Financial Statements**

The 2017 financial statements were reviewed by us, and our report thereon, dated September 1, 2017, stated we were not aware of any material modifications that should be made to those statements for them to be in conformity with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements.

**Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 9 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.

*Chadwick, Steinkirchner, Davis & Co., P.C.*

Southwest Regional Emergency & Trauma Advisory Council

STATEMENTS OF FINANCIAL POSITION

June 30,

ASSETS		2018	Unaudited 2017
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		\$ 90,048	\$ 77,549
Grants receivable		7,920	-
	Total current assets	<u>97,968</u>	<u>77,549</u>
<b>PROPERTY, PLANT AND EQUIPMENT (net)</b>			
		<u>1,191</u>	<u>1,644</u>
	Total assets	<u>\$ 99,159</u>	<u>\$ 79,193</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable		\$ 3,850	\$ 2,171
Accrued liabilities		3,000	-
	Total current liabilities	<u>6,850</u>	<u>2,171</u>
	Total liabilities	6,850	2,171
<b>NET ASSETS</b>			
Unrestricted net assets		<u>92,309</u>	<u>77,022</u>
	Total liabilities and net assets	<u>\$ 99,159</u>	<u>\$ 79,193</u>

The accompanying notes are an integral part of these statements.

Southwest Regional Emergency & Trauma Advisory Council

STATEMENTS OF ACTIVITIES

Years ended June 30,

UNRESTRICTED NET ASSETS	2018	Unaudited 2017
Support and revenue		
Grant revenue	\$ 229,000	\$ 193,688
Contribution revenue	2,000	2,000
Interest and other income	38	379
	<u>231,038</u>	<u>196,067</u>
Expenses		
Program services	155,551	148,816
Supporting services – general and administrative	60,200	59,701
	<u>215,751</u>	<u>208,517</u>
Change in net assets	15,287	(12,450)
Net assets unrestricted, beginning of year	<u>77,022</u>	<u>89,472</u>
Net assets unrestricted, end of year	<u>\$ 92,309</u>	<u>\$ 77,022</u>

The accompanying notes are an integral part of these statements.

Southwest Regional Emergency & Trauma Advisory Council

STATEMENTS OF CASH FLOWS

Years ended June 30,

	2018	Unaudited 2017
Cash flows from operating activities:		
Change in net assets	\$ 15,287	\$ (12,450)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	453	559
(Increase) decrease in grants receivable	(7,920)	19,734
Increase (decrease) in accounts payable	1,679	-
Increase (decrease) in accrued liabilities	3,000	(3,178)
	<u>12,499</u>	<u>4,665</u>
Net cash provided (used) by operating activities		
	<u>12,499</u>	<u>4,665</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	12,499	4,665
Cash and cash equivalents at beginning of period	<u>77,549</u>	<u>72,884</u>
Cash and cash equivalents at end of period	<u>\$ 90,048</u>	<u>\$ 77,549</u>

The accompanying notes are an integral part of these statements.

Southwest Regional Emergency & Trauma Advisory Council

NOTES TO FINANCIAL STATEMENTS

June 30, 2018 and 2017

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

1. Organization

The Southwest Regional Emergency & Trauma Advisory Council (the Organization) was formed to provide direction, education, and tools to enhance the Emergency Medical and Trauma System within a five county region in Southwestern Colorado. Archuleta, Dolores, La Plata, Montezuma, and San Juan Counties are included in the region and represented on this regional council. The administrative office is located in Durango, Colorado.

The financial statements of the Organization have been prepared on the accrual basis of accounting. The significant accounting policies followed by the Organization are described below to enhance the usefulness of the financial statements.

2. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments, (except those held in trust), with a maturity of three months or less when purchased to be cash equivalents.

3. Support and Revenue

The Organization receives grant support primarily from state agencies for training, technological equipment and general management of daily operations. The Organization's operating grant from the Colorado Department of Public Health and Environment is paid to them monthly; for the fiscal years ended June 30, 2018 and 2017 the Organization recognized revenue of \$174,713 and \$170,000, respectively, from the operating grant. Many smaller grants are awarded on a reimbursable basis in that funds are received after the Organization pays for the expenditures; for the fiscal years ended June 30, 2018 and 2017 the Organization recognized revenue of \$54,286 and \$23,688 from reimbursable grants.

4. Property and Equipment

Property and equipment held is recorded at cost. Depreciation of property and equipment is provided using the straight-line method over the estimated useful lives of the assets, as follows:

Medical equipment	7 years
Office and computer equipment	3 – 7 years
Vehicles	5 years
Leasehold improvements	39 years

Property and equipment having an estimated useful life of greater than one year is capitalized. Maintenance, repairs and renewals that neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred.

Southwest Regional Emergency & Trauma Advisory Council

NOTES TO FINANCIAL STATEMENTS

June 30, 2018 and 2017

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

5. Contributed Facilities

Contributed facilities represent the estimated fair rental value of facilities contributed. Non-cash contributions of facilities for the Organization include facilities for monthly board meetings. The facilities provided for monthly board meetings are estimated to have a fair rental value of \$2,000 for the year. Cost of \$2,000 is reported as both revenue and expense on the Organization's financial statements for the years ended June 30, 2018 and 2017, respectively.

6. Compensated absences

The Organization's policy is to accrue annual leave for eligible employees on a monthly basis. Accrued vacation is monetarily compensated when employees terminate.

7. Income Taxes

The Organization is a nonprofit Colorado corporation under Internal Revenue Service Code Section 501(c)(3). Therefore, the Organization is generally exempted from federal and state income taxes. The Organization files its forms 990 information tax returns in the U.S. federal jurisdiction annually.

8. Use of Estimates

In preparing financial statements in accordance with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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 estimates.

**NOTE B – CASH DEPOSITS**

At June 30, 2018 and 2017 the bank balance of funds deposited with financial institutions was \$101,755 and \$51,313, respectively, all of which was covered by FDIC insurance.

Southwest Regional Emergency & Trauma Advisory Council

NOTES TO FINANCIAL STATEMENTS

June 30, 2018 and 2017

**NOTE C – PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment consist of the following:

	2018	2017
Computer equipment	\$ 9,852	\$ 9,852
Projector	550	550
Vehicle	24,950	24,950
Accumulated depreciation	35,352	35,352
	(34,161)	(33,708)
	\$ 1,191	\$ 1,644

Depreciation expense for 2018 and 2017 was \$453 and \$559, respectively.

**NOTE D – DISTRIBUTED TO OTHER COUNTIES**

A portion of the Organization's funding is distributed to counties and First Response Agencies for use in implementing their individual plans for improvement of emergency response and readiness. Amounts were distributed as follows:

	2018	2017
Archuleta County	\$ 4,240	\$ 12,000
Dolores County	9,627	10,164
La Plata County	7,761	12,000
Montezuma County	5,586	12,000
San Juan County	10,000	12,000
	\$ 37,214	\$ 58,164

**NOTE E – BOARD DESIGNATED NET ASSETS**

Board designated net assets were as follows as of June 30:

	2018	2017
Emergency reserves and contingencies	\$ 10,043	\$ 7,677
Capital replacement	35,314	29,496
	\$ 45,357	\$ 37,173

**NOTE F – SUBSEQUENT EVENTS**

Management has evaluated potential subsequent event disclosures through October 5, 2018 (date of availability of financial statements for issuance).

SUPPLEMENTARY INFORMATION

Southwest Regional Emergency & Trauma Advisory Council

SCHEDULE OF FUNCTIONAL EXPENSES

Years ended June 30,

	Program	General and Administrative	2018 Totals	2017 Totals
Salaries and benefits	\$ 58,525	\$ 19,508	\$ 78,033	\$ 74,255
Automobile expense	-	2,304	2,304	1,008
Bank service charges	-	1,154	1,154	1,077
Computer and software expenses	-	1,992	1,992	1,813
Conferences and meetings	-	972	972	1,498
Depreciation	-	453	453	559
Dues and subscriptions	-	-	-	54
Grants issued	37,214	-	37,214	58,164
Insurance	-	3,012	3,012	3,498
Office supplies	-	1,878	1,878	1,532
Postage and shipping	-	59	59	43
Professional fees	-	4,492	4,492	5,085
Regional medical director	30,773	-	30,773	26,088
Regional special projects	29,039	-	29,039	11,176
Rent and utilities	-	20,447	20,447	18,123
Telephone	-	2,506	2,506	2,552
Travel	-	1,423	1,423	1,992
Total expenses	<u>\$ 155,551</u>	<u>\$ 60,200</u>	<u>\$ 215,751</u>	<u>\$ 208,517</u>