

THE SOUTHWEST COUNCIL, INC.

AUDIT REPORT

**FOR THE YEARS ENDED
DECEMBER 31, 2019 AND 2018**

THE SOUTHWEST COUNCIL, INC.

TABLE OF CONTENTS

	<u>Page No.</u>
Independent Auditor's Report	1-2
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5-8
Statements of Cash Flows	9
Notes to Financial Statements	10-23
Supplementary Information:	
Independent Auditor's Report - Governmental Auditing Standards	24-25
Independent Auditor's Report on Single Audit	26-27
Schedule of Expenditures of Federal Awards	28
Notes to Schedule of Federal Awards	29
Schedule of Findings and Questioned Costs	
Part 1 - Summary of Auditor's Results	30-31
Part 2 - Schedule of Financial Statement Findings	33
Part 3 - Schedule of Federal Award Findings and Questioned Costs	33
Status of Prior Year Findings	33
Schedule of Budget to Actual	
Cumberland and Salem County Regional Coalition (1/1/19 - 12/31/19)	34
Gloucester County Regional Coalition (1/1/19 - 12/31/19)	34
Cumberland County Illegal Substance (1/1/19 - 12/31/19)	35
Cumberland County Underage Drinking (1/1/19 - 12/31/19)	35
Gloucester County Illegal Substance (1/1/19 - 12/31/19)	36
Gloucester County Underage Drinking (1/1/19 - 12/31/19)	36
Salem County Illegal Substance (1/1/19 - 12/31/19)	37
Salem County Underage Drinking (1/1/19 - 12/31/19)	37
Salem County Opiod Overdose Recovery Expansion (1/1/19 - 12/31/19)	38



Independent Auditor's Report

The Board of Directors
The Southwest Council, Inc.
Vineland, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of The Southwest Council, Inc. (a nonprofit corporation), which comprise the statements of financial position as of December 31, 2019 and 2018, 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 misstatements, 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 and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Southwest Council, Inc. (a nonprofit corporation) as of December 31, 2019 and 2018, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information listed in the table of contents and the 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 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 supplemental information listed in the table of contents and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic 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 July 10, 2020 on our consideration of The Southwest Council Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Southwest Council Inc.'s internal control over financial reporting and compliance.

Ford, Scott & Associates, L.L.C.

FORD, SCOTT & ASSOCIATES, L.L.C
CERTIFIED PUBLIC ACCOUNTANTS

July 10, 2020

THE SOUTHWEST COUNCIL, INC.
(a nonprofit corporation)
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,

	<u>2019</u>	<u>2018</u>
ASSETS:		
Current assets:		
Cash and Cash equivalents	\$ 610,476	434,102
Investments	121,187	110,449
Grants and Accounts Receivable	190,567	79,276
Employee Advances	552	465
Prepaid Expenses	36,430	10,852
Other Assets	<u>15,000</u>	<u>2,900</u>
Total current assets	974,212	638,044
Land, buildings and equipment, net of depreciation	554,977	578,963
Other Assets:		
Security Deposits	<u>7,095</u>	<u>4,095</u>
TOTAL ASSETS	<u><u>1,536,284</u></u>	<u><u>1,221,102</u></u>
LIABILITIES AND NET ASSETS:		
Current liabilities:		
Accounts Payable	29,478	60,036
Accrued Payroll Expenses	62,759	45,932
Deferred Revenue	2,552	15,061
Grant Advances	595,651	448,192
Other Current Liabilities	<u>11,129</u>	<u>6,955</u>
Total current liabilities	<u>701,569</u>	<u>576,176</u>
TOTAL LIABILITIES	<u>701,569</u>	<u>576,176</u>
NET ASSETS:		
Without Donor Restrictions :		
Undesignated	741,085	551,296
Designated for Capital Campaign	<u>93,630</u>	<u>93,630</u>
Total net assets	<u>834,715</u>	<u>644,926</u>
TOTAL LIABILITES AND NET ASSETS	<u><u>\$ 1,536,284</u></u>	<u><u>1,221,102</u></u>

The accompanying notes are an integral part of these financial statements

THE SOUTHWEST COUNCIL, INC.
(a nonprofit corporation)
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31,

	Without Donor Restrictions <u>2019</u>	Without Donor Restrictions <u>2018</u>
Changes in net assets:		
Public Support:		
State and Federal Grants	\$ 1,725,207	1,557,835
Revenue:		
Contracts	265,008	162,743
CCAR Training	6,942	-
IDRC Program Fees	203,152	174,130
Contributions	27,599	50,554
Interest Income	4,105	2,978
Miscellaneous	3,850	2,000
Total revenues, gains and other support	<u>2,235,863</u>	<u>1,950,240</u>
Expenses:		
Program Services	1,964,070	1,846,250
Support Services	82,004	27,783
Total expenses	<u>2,046,074</u>	<u>1,874,033</u>
(Decrease)/Increase in net assets	189,789	76,207
Net assets at beginning of year	644,926	568,719
Net assets at end of year	<u><u>\$ 834,715</u></u>	<u><u>644,926</u></u>

The accompanying notes are an integral part of these financial statements

THE SOUTHWEST COUNCIL, INC.
(a nonprofit corporation)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019
(with comparable totals for December 31, 2018)

	PROGRAM SERVICES												
	Gloucester County Regional Coalition	Salem/Cumberland County Regional Coalition	Cumberland County Illegal Substances	Cumberland County Underage Drinking	Gloucester County Illegal Substances	Gloucester County Underage Drinking	Salem County Illegal Substances	Salem County Underage Drinking	Salem County Opioid Overdose Recovery	Opioid Community Education Young Athletes	Gloucester County Partnership for Success	Salem County Partnership for Success	Cumberland County Partnership for Success
Salaries	\$ 99,567	120,841	70,537	61,135	77,617	49,224	33,234	35,469	268,839	18,746	35,277	42,150	41,315
Payroll taxes & benefits	46,902	25,709	10,667	9,496	24,251	10,750	8,206	8,731	56,669	3,102	4,728	12,898	12,130
Total salaries and related expenses	146,469	146,550	81,204	70,631	101,868	59,974	41,440	44,200	325,508	21,848	40,005	55,048	53,445
Consultants	5,095	6,711	79	59	85	47	35	44	518	11	1,174	1,172	1,177
Advertising	13,895	17,312					255	255		240	8,600	255	
Bank Service Charges	26	42	25	17	21	17	9	11	103	3	11	14	16
Supplies	2,465	3,340	2,198	1,240	2,011	1,426	994	971	12,573	388	1,136	1,445	1,225
Volunteer Expense													
Insurance	1,430	1,653	1,109	819	1,138	739	522	550	6,131	208	534	657	616
Telephone	934	1,251	818	614	896	517	366	413	8,571	164	335	508	504
Travel	2,995	2,747	689	483	617	282	131	189	1,565	24	429	508	386
Training	483	502	677	588	636	926	500	513	2,893	66	1,149	1,019	716
Dues and Subscriptions	585	1,070	458	337	454	296	212	217	2,290	62	269	285	240
Rent Expense	7,285	1,085	3,825	3,001	2,069	3,460	2,576	1,529	8,993	2,508	3,245	196	60
Postage	754	886	609	437	566	412	266	291	3,542	118	261	309	339
Meeting	12	13	96	7	9	5	4	4	46		4	4	5
Professional Fees	2,081	2,535	1,634	1,199	1,454	1,252	868	875	6,873	298	784	949	926
Program Materials	3,981	9,621	6,435	4,099	5,360	3,306	3,298	3,919	2,126	9,412	480	14,156	25
Miscellaneous													
Payroll Service	243	282	196	146	202	128	93	94	1,004	14	102	132	100
Utilities	1,829	899	1,175	906	933	875	647	524	3,952	150	719	328	288
Facility Expense	3,906	3,961	3,581	3,255	3,371	2,502	1,905	1,441	14,518	519	1,461	1,479	1,508
Total expenses before depreciation	194,468	200,460	104,808	87,838	121,690	76,164	54,111	56,040	401,206	36,033	60,698	78,464	61,576
Depreciation	932	1,173	742	545	788	475	337	373	3,926	163	282	460	448
Total Expenses	\$ 195,400	201,633	105,550	88,383	122,478	76,639	54,448	56,413	405,132	36,196	60,980	78,924	62,024

The accompanying notes are an integral part of these financial statements

	PROGRAM SERVICES							SUPPORT SERVICES		
	Cumberland County Older Adults	Gloucester County Older Adults	Salem County Older Adults	Treatment Services	Cumberland County Transportation	Cumberland County Healthy Communities Coalition	Salem County Intoxicated Driver Resource Center	Cumberland County Intoxicated Driver Resource Center	General And Administrative	Total Support Expenses
Salaries	3,253	2,075	1,098	12,585	58,824	79,100	10,660	71,106	28,488	1,221,140
Payroll taxes & benefits	1,099	594	246	1,654	14,052	23,988	1,379	8,526	5,538	281,315
Total salaries and related expenses	4,352	2,669	1,344	14,239	72,876	103,088	12,039	79,632	34,026	1,512,455
Consultants	3	2		37	104	76	227	95	68	16,819
Advertising			240			38,543			-	79,595
Bank Service Charges				23	28	21	2	94	365	848
Supplies	116	29	11	1,265	2,374	21,405	494	2,336	1,107	41,866
Volunteer Expense						21,405				36,062
Insurance	23	10	3	536	1,377	1,025	193	1,248	685	21,405
Telephone	16	3		379	2,173	786	203	20,519	21,204	20,928
Travel				166	137	5,073	21	16,887	369	16,909
Training	8	7	1	19	259	347	68	130	336	17,223
Dues and Subscriptions	15	5		714	523	450		11,507	3,704	28,773
Rent Expense	54	28		-	133	59	2,007	487	1,724	10,761
Postage	15	7	11	370	774	541		660	450	42,707
Meeting				3	11		1	10	272	11,595
Professional Fees										
Program Materials	43	22	11	823	3,134	1,358		3,433	4,703	30,991
Miscellaneous	1	1		446	5,638	3,398	4	75,725	2,058	30,991
Payroll Service				100	230	33			7,761	35
Utilities	11			222	801	182		217	123	14,672
Facility Expense	13	6		2,170	3,462	2,365	652	665	374	77,783
	34	20	4					3,111	1,310	7,761
Total expenses before depreciation	4,704	2,809	1,626	21,512	94,034	182,046	16,342	93,623	59,884	2,010,136
Depreciation	16	7	3	370	960	723	190	905	22,120	35,938
Total Expenses	4,720	2,816	1,629	21,882	94,994	182,769	16,532	94,528	82,004	2,046,074

(A) - see pages 3-4 for detail of 2018 expenditures

THE SOUTHWEST COUNCIL, INC.
(a nonprofit corporation)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	PROGRAM SERVICES												
	Gloucester County Regional Coalition	Salem/ Cumberland County Regional Coalition	Cumberland County Illegal Substances	Cumberland County Underage Drinking	Gloucester County Illegal Substances	Gloucester County Underage Drinking	Salem County Illegal Substances	Salem County Underage Drinking	Salem County Opiod Recovery	Opiod Community Education Young Athletes	Gloucester County Partnership for Success	Salem County Partnership for Success	Cumberland County Partnership for Success
Salaries	92,587	99,132	67,934	52,985	69,197	35,919	32,970	16,750	226,578	5,014	27,425	54,725	-
Payroll taxes & benefits	53,236	47,073	15,323	13,015	21,989	10,507	8,869	4,540	34,883	2,166	11,009	19,591	-
Total salaries and related expenses	145,823	146,205	83,257	66,000	91,186	46,426	41,839	21,290	261,461	7,180	38,434	74,316	-
Consultants	8,452	15,795	668	578	592	434	387	375	923	3,008	150	408	1,012
Advertising	2,357	3,253	212	157	288	98	140	30	787	9	21,417	17,395	
Bank Service Charges	87	106	76	65	97	27	48	11	245		23	29	
Supplies	2,775	3,074	2,463	1,877	2,226	1,269	1,031	511	8,686	106	1,149	1,810	
Volunteer Expense	1,777	1,829	1,492	1,158	1,430	760	700	328	4,166	79	695	1,098	
Insurance	880	1,255	922	706	818	468	318	172	5,514	48	369	675	
Telephone	1,679	1,687	757	618	877	532	274	280	678	1,039	106	288	
Travel	2,014	2,803	1,541	1,477	1,667	1,433	1,506	1,392	1,399		941	1,057	921
Dues and Subscriptions	397	407	328	254	319	173	154	101	873	8	157	250	
Rent Expense	7,484	270	4,248	3,150	1,614	2,231	3,343	1,538	6,212	59	1,929	-	
Postage	742	449	588	431	394	263	317	145	1,113	17	171	220	
Meeting	3	4	2	2	4	1			8				
Professional Fees	1,221	1,099	1,206	1,038	954	483	468	334	2,547	71	503	1,001	
Program Materials	7,660	12,524	7,175	4,200	4,988	3,755	3,755	4,030	6,750	13,824	4,558	4,782	
Miscellaneous	263	264	222	166	212	110	97	47	628	2	109	171	
Payroll Service	2,076	1,172	1,599	1,192	1,143	791	896	437	3,402	61	622	983	
Utilities	5,434	5,521	4,511	3,484	3,975	2,363	2,257	1,361	10,675	479	1,455	2,338	
Facility Expense													
Total expenses before depreciation	191,124	197,657	111,267	86,553	112,784	61,617	57,530	32,382	316,067	25,990	72,788	106,421	1,933
Depreciation	1,636	1,624	1,375	1,059	1,261	713	608	322	3,785	72	681	1,075	-
Total Expenses	\$ 192,760	\$ 199,281	\$ 112,642	\$ 87,612	\$ 114,045	\$ 62,330	\$ 58,138	\$ 32,704	\$ 319,852	\$ 26,062	\$ 73,469	\$ 107,496	\$ 1,933

THE SOUTHWEST COUNCIL, INC.
(a nonprofit corporation)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	PROGRAM SERVICES					SUPPORT SERVICES		
	Treatment Services	Military Family Night Out	Cumberland County Transportation	Cumberland County Healthy Communities Coalition	Salem County Intoxicated Driver Resource Center	Cumberland County Intoxicated Driver Resource Center	Total Program Expenses	Total Support Services Expenses
Salaries	52,935	2,388	40,942	68,353	25,123	64,758	1,035,715	5,587
Payroll taxes & benefits	9,342	741	11,926	34,765	4,434	10,662	314,071	471
Total salaries and related expenses	62,277	-	52,868	103,118	29,557	75,420	1,349,786	6,058
Consultants	364	37	285	360	616	465	33,897	21
Advertising	44	227	1,236	60	168	48,890	1	-
Bank Service Charges	25	3	91	83	25	67	1,108	1
Supplies	1,390	85	2,014	2,228	823	2,357	35,874	188
Volunteer Expense				43,511			43,511	-
Insurance	784	51	1,263	1,330	491	1,415	20,846	82
Telephone	554	22	1,998	864	319	906	16,808	101
Travel	107	28	34	7,942	24	276	17,226	101
Training	275	9	288	9,807	84	67	28,681	3,651
Dues and Subscriptions	724	3	286	287	108	312	5,141	42
Rent Expense	312	127	25	11	1,519	46	34,118	11
Postage	189	19	301	322	105	305	6,091	36
Meeting			4	4	1	2	35	-
Professional Fees	798	126	801	820		1,138	14,548	124
Program Materials	432	2,390	4,800	6,709			92,332	672
Miscellaneous							-	6
Payroll Service	119	6	190	193	76	208	3,083	15
Utilities	963	39	815	816	304	803	17,414	132
Facility Expense	2,756	114	3,155	3,328	1,198	3,366	57,770	461
Total expenses before depreciation	71,713	3,059	69,445	182,969	35,310	87,421	1,827,159	13,150
Depreciation	779	52	1,093	1,176	462	1,318	19,091	14,633
Total Expenses	72,492	3,111	70,538	184,145	35,772	88,739	1,846,250	27,783
								1,874,033

THE SOUTHWEST COUNCIL, INC.
(a nonprofit corporation)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Change in net assets	\$ 189,789	76,207
Adjustments to reconcile change in net assets to net cash provided by/(used in) operating activities:		
Depreciation	35,938	33,724
Interest Reinvested in Investments	(2,315)	(1,905)
(Increase)/Decrease in accounts receivable	(111,291)	17,402
(Increase) in employee advances	(87)	(465)
(Increase)/Decrease in prepaid expenses	(25,578)	5,153
(Increase) in other assets	(12,100)	(2,900)
(Increase) in security deposits	(3,000)	(907)
(Decrease)/Increase in accounts payable	(30,558)	985
Increase in accrued payroll expenses	16,827	6,521
(Decrease)/Increase in deferred revenue	(12,509)	15,061
Increase in grant advances	147,459	78,202
(Decrease)/Increase in other current liabilities	4,174	(3,326)
Net cash provided by operating activities	<u>196,749</u>	<u>223,752</u>
Cash flow from investing activities:		
Purchase of Certificate of Deposit	(119,999)	-
Redemption of Certificate of Deposit	111,576	-
Purchase of depreciable assets	(11,952)	(49,407)
Net cash (used in) investing activities	<u>(20,375)</u>	<u>(49,407)</u>
Net increase in cash and cash equivalents	176,374	174,345
Cash and cash equivalents at beginning of year	434,102	259,757
Cash and cash equivalents at end of year	<u>\$ 610,476</u>	<u>\$ 434,102</u>
Supplemental Information		
Interest paid	<u>\$ -</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

THE SOUTHWEST COUNCIL, INC.
(a nonprofit corporation)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Southwest Council, Inc. (the Agency) is a private nonprofit corporation dedicated to providing substance abuse services in the Counties of Cumberland, Gloucester and Salem, New Jersey.

Basis of Accounting

The Agency utilizes the accrual basis of accounting. Accordingly, revenues are recognized when they are earned and expenses, including depreciation, are recognized when they are incurred.

Basis of Presentation

The accompanying combined financial statements have been presented in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Council reports 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 Southwest Council management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Southwest Council 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.

It is the policy of the Agency to report donor-restricted contributions whose restrictions are met in the same reporting period as without donor restrictions.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and services benefited.

THE SOUTHWEST COUNCIL, INC.
(a nonprofit corporation)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Income Tax Exemption

The Agency is exempt from Federal income taxes under the Section 501(c)(3) of the Internal Revenue Code. The Agency is also exempt from State income taxes and is registered with the State of New Jersey under the New Jersey Charitable Registration and Investigation Act (CRI) of 1994. No provision has been made for federal or state income taxes.

The Agency regularly reviews and evaluates its tax positions taken in previously filed information returns and as reflected in its financial statements, with regard to issues affecting its tax exempt status, unrelated business income, and related matters. The Agency believes that in the event of an examination by taxing authorities, the Agency's positions would prevail based upon the technical merits of such positions. Therefore, the Agency has concluded that no tax benefits or liabilities are required to be recognized. The Agency is generally no longer subject to examination by the Internal Revenue Service for years before January 1, 2017. The Agency is generally no longer subject to examination by the New Jersey Attorney General for years before January 1, 2016.

Grant and Contract Support

The Agency recognizes funds from the State of New Jersey and other grant sources (cost reimbursable grants) as support, as costs are incurred. A receivable is recognized to the extent costs have been incurred but not reimbursed. Conversely, a liability is recorded when grant advances exceed eligible costs incurred. Advance payments that are received are managed and used when necessary.

Cash and Cash Equivalents

The Agency considers all short-term investments with an original maturity of three months or less to be cash equivalents.

In 2019, \$0 was paid for real estate taxes and \$0 was paid for interest. In 2018, \$0 was paid for real estate taxes and \$0 was paid for interest.

Use of 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Allowance for Doubtful Accounts

The Agency carries its accounts receivable at cost less an allowance for doubtful accounts. On a periodic basis, the Agency evaluates its accounts receivable and establishes an allowance for doubtful accounts. Based on the Agency's analysis, there was no requirement for an allowance as of December 31, 2019 and 2018.

The Agency's policy is not to accrue interest on delinquent accounts receivable.

THE SOUTHWEST COUNCIL, INC.
(a nonprofit corporation)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Property and Equipment

Depreciable assets are valued at historical cost or estimated fair market value for donated assets. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the agency reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Agency reclassifies net assets with restrictions to net assets without restrictions at that time. Depreciation is calculated based on the straight line method over five (5) or seven (7) years. It is the policy of the Agency to capitalize property and equipment with a cost of \$1,500 and \$1,500 or more in 2019 and 2018, respectively.

Expenditures for maintenance, repairs and minor renewals are charged to expense as incurred; additions and major renewals considered to be betterments are capitalized.

Fixed assets purchased with federal grant monies are restricted to agency use. If the use of the asset changes, a portion of the funds used to purchase the asset must be returned to the funding agent.

New Accounting Pronouncement

As of January 1, 2019, the Agency adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606), as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. Results for reporting the years ending December 31, 2019 and 2018 are presented under FASB ASC Topic 606. The ASU has been applied retrospectively to all periods presented, with no effect on net assets or previously issued financial statements.

During the year, the Agency also adopted the provisions of FASB ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958). This accounting standard is meant to help not-for-profit entities evaluate whether transactions should be accounted for as contributions or as exchange transactions and, if the transaction is identified as a contribution, whether it is conditional or unconditional. ASU 2018-08 clarifies how an organization determines whether a resource provider is receiving commensurate value in return for a grant. If the resource provider does receive commensurate value from the grant recipient, the transaction is an exchange transaction and would follow the guidance under ASU 2014-09 (FASB ASC Topic 606). If no commensurate value is received by the grant maker, the transfer is a contribution. ASU 2018-08 stresses that the value received by the general public as a result of the grant is not considered to be commensurate value received by the provider of the grant. Results for reporting the year ending December 31, 2019 are presented under FASB ASU 2018-08. The comparative information has not been restated and continues to be reported under the accounting standards in effect in those reporting periods. There was no material impact to the financial statements as a result of adoption. Accordingly, no

THE SOUTHWEST COUNCIL, INC.
(a nonprofit corporation)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

adjustment to opening net assets was recorded.

In 2019, the Agency adopted the provisions of FASB ASU 2016-18, Statement of Cash Flows (Topic 230). This ASU requires that a statement of cash flows explain the change during the period in the total cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The amendments in the ASU do not provide a definition of restricted cash or restricted cash equivalents. The Agency has applied the provisions of ASU 2016-18 to retrospectively to all periods presented with no effect on net assets or previously issued financial statements.

Effective for the Agency in 2019, FASB ASU 2016-01, Financial Instruments – Overall Recognition and Measurement of Financial Assets and Financial Liabilities (Topic 825-10) allows an NFP to choose, on an investment-by-investment basis, to report an equity investment without a readily determinable fair value, that does not qualify for the practical expedient fair value in accordance with FASB ASC 820-10-35-59, at its cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issue. The FASB ASU requires additional disclosures about those investments. Adoption of this accounting pronouncement had no effect on the Agency's 2018 and 2019 financial statements.

Recent Accounting Pronouncements

In July 2019, the Financial Accounting Standards Board issued Accounting Standards Update No. 2019-07, "Codification Updates to SEC Sections". The standard which is effective for years beginning after December 15, 2019 will not have an effect on the Agency's financial reporting.

In March 2019, the Financial Accounting Standards Board issued Accounting Standards Update No. 2019-03, "Not-for-Profit Entities (Topic 958): Updating the Definition of Collections". The standard which is effective for years beginning after December 15, 2019 will not have an effect on the Agency's financial reporting.

In March 2019, the Financial Accounting Standards Board issued Accounting Standards Update No. 2019-01, "Leases (Topic 842): Codification Improvements". The standard which is effective for years beginning after December 15, 2019 could have an effect on the Agency's financial reporting.

In December 2018, the Financial Accounting Standards Board issued Accounting Standards Update No. 2018-20, "Lease (Topic 842) Narrow-Scope Improvements for Lessors". The standard which is effective for years beginning after December 15, 2019 will not have an effect on the Agency's financial reporting.

In November 2018, the Financial Accounting Standards Board issued Accounting Standards Update No. 2018-19, "Codification Improvements to Topic 326, Financial Instruments - Credit Losses". The standard which is effective for years beginning after December 15, 2020 will not have an effect on the Agency's financial reporting.

THE SOUTHWEST COUNCIL, INC.
(a nonprofit corporation)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

In November 2018, the Financial Accounting Standards Board issued Accounting Standards Update No. 2018-18, "Collaborative Arrangements (Topic 808)" The standard which is effective for years beginning after December 15, 2019 will not have an effect on the Agency's financial reporting.

In October 2018, the Financial Accounting Standards Board issued Accounting Standards Update No. 2018-17, "Consolidation (Topic 810)" The standard which is effective for years beginning after December 15, 2019 will not have an effect on the Agency's financial reporting.

In August 2018, the Financial Accounting Standards Board issued Accounting Standards Update No. 2018-15, "Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40)" The standard which is effective for years beginning after December 15, 2019 could have an effect on the Agency's financial reporting.

In August 2018, the Financial Accounting Standards Board issued Accounting Standards Update No. 2018-14, "Compensation—Retirement Benefits—Defined Benefit Plans—General (Subtopic 715-20)." The standard which is effective for years beginning after December 15, 2021 could have an effect on the Agency's financial reporting.

In August 2018, the Financial Accounting Standards Board issued Accounting Standards Update No. 2018-13, "Fair Value Measurement (Topic 820)." The standard which is effective for years beginning after December 15, 2019 will have an effect on the Agency's financial reporting.

In August 2018, the Financial Accounting Standards Board issued Accounting Standards Update No. 2018-12, "Financial Services—Insurance (Topic 944)." The standard which is effective for years beginning after December 15, 2020 will not have an effect on the Agency's financial reporting.

In July 2018, the Financial Accounting Standards Board issued Accounting Standards Update No. 2018-11, "Leases (Topic 842) Targeted Improvements." The standard which is effective for years beginning after December 15, 2019 will have an effect on the Agency's financial reporting.

In June 2018, the Financial Accounting Standards Board issued Accounting Standards Update No. 2018-07, "Compensation—Stock Compensation (Topic 718)." The standard which is effective for years beginning after December 15, 2019 will not have an effect on the Agency's financial reporting.

In January 2018, the Financial Accounting Standards Board issued Accounting Standards Update No. 2018-01, "Land Easement Practical Expedient for Transition to Topic 842." The standard which is effective for years beginning after December 15, 2019 will not have an effect on the Agency's financial reporting.

In November 2017, the Financial Accounting Standards Board issued Accounting Standards Update No. 2017-14, "Income Statement—Reporting Comprehensive Income (Topic 220), Revenue Recognition (Topic 605), and Revenue from Contracts with Customers (Topic 606)." The standard which is effective for years beginning after December 15, 2019 will not have an effect on the Agency's financial reporting.

THE SOUTHWEST COUNCIL, INC.
(a nonprofit corporation)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

In September 2017, the Financial Accounting Standards Board issued Accounting Standards Update No. 2017-13, "Revenue Recognition (Topic 605), Revenue from Contracts with Customers (Topic 606), Leases (Topic 840), and Leases (Topic 842)." The standard which is effective for years beginning after December 15, 2019 will not have an effect on the Agency's financial reporting.

In August 2017, the Financial Accounting Standards Board issued Accounting Standards Update No. 2017-12, "Derivatives and Hedging (Topic 815)", Targeted Improvements to Accounting for Hedging Activities. The standard which is effective for years beginning after December 15, 2019 will not have an effect on the Agency's financial reporting.

In July 2017, the Financial Accounting Standards Board issued Accounting Standards Update No. 2017-11, "Earnings Per Share (Topic 260), Distinguishing Liabilities from Equity (Topic 480), Derivatives and Hedging (Topic 815)". The standard which is effective for years beginning after December 15, 2019 will not have an effect on the Agency's financial reporting.

In March 2017, the Financial Accounting Standards Board issued Accounting Standards Update No. 2017-08, Receivables—Nonrefundable Fees and Other Costs (Subtopic 310-20)". The standard which is effective for years beginning after December 15, 2019 will not have an effect on the agency's financial reporting.

In January 2017, the Financial Accounting Standards Board issued Accounting Standards Update No. 2017-04, "Intangibles—Goodwill and Other (Topic 350)". The standard which is effective for years beginning after December 15, 2021 could have an effect on the agency's financial reporting.

In January 2017, the Financial Accounting Standards Board issued Accounting Standards Update No. 2017-03, "Accounting Changes and Error Corrections (Topic 250) and Investments—Equity Method and Joint Ventures (Topic 323)". The standard which is effective for years beginning after December 15, 2020 will not have an effect on the agency's financial reporting.

In August 2016, the Financial Accounting Standards Board issued Accounting Standards Update No. 2016-13, "Financial Instruments—Credit Losses". The standard which is effective for years beginning after December 15, 2020 will not have an effect on the agency's financial reporting.

NOTE 2: PROGRAM SERVICES

The following programs are provided by the Agency:

Keys to Innervision - This program consists of a comprehensive skill-building program for youths ages 12-18 to change the beliefs and behaviors that lead to violence, drug abuse and related behaviors.

LifeSkills Training (LST) - This program is a designed to be taught as a multi-year, multi-tiered program for middle school students. This skill-building program is meant to assist in learning skills in life areas, which include drug resistance and general social skills.

THE SOUTHWEST COUNCIL, INC.
(a nonprofit corporation)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Coping with Work and Family Stress - This program is a research-validated substance abuse prevention program proven to reduce the risks of alcohol, tobacco, drug abuse, and violence by targeting the major social and psychological factors that promote the initiation of substance use and other risky behaviors. This comprehensive and exciting program provides adults with the confidence and skills necessary to successfully handle challenging situations and to reduce stressors which can contribute to mental or physical health problems.

Keepin it R.E.A.L. - This program is a multi-cultural program grounded in students' cultural norms. It teaches youth how to live drug-free lives, by drawing on their personal strengths and cultural strengths of their families and communities. This program teaches communication and life skills that can combat negative peer pressure and other influences. The program extends resistance and life skills models by using a culturally based narrative and performance framework to enhance anti-drug norms and attitudes. Additionally it addresses the development of risk assessment, decision-making and resistance skills. Overall, the program produces significant effects in reducing gateway drug use (alcohol, tobacco and marijuana), increasing attitudes that support non-drug use, strengthening norms that support drug-free choices, and increasing resistance strategies.

Prevention Resource Center - Through this program, the Agency presents professional programs and technical assistance to various groups throughout the tri County area. The Resource Center also contains hundreds of books and films, and several thousand pamphlets and fact sheets on many topics related to substance abuse. The Resource Center is a free service and is open to the public.

Beginning Alcohol and Addictions Basic Education Studies (BABES) - Through this program, the Agency provides preschool and elementary school children with a unique and engaging six-week prevention program in which certified presenters use adorable puppets to teach children about such topics as increasing self esteem, decision-making, utilizing coping skills, and learning how to say no to alcohol, tobacco, and other drugs.

Footprints for Life - This interactive puppet program is appropriate for children in 2nd and 3rd grades. Lessons include feelings, "I messages", conflict resolution, making decisions, alcohol, tobacco and other drugs.

Parenting for Prevention - This is a highly effective six session skills building program to teach parents about such topics as empowering and not enabling, handling conflict with children, setting limits, reinforcing and rewarding children, and teaching youth how to resolve conflicts.

Intoxicated Driver Resource Center - This program is a 12 hour educational program for all individuals convicted of DWI in the State of New Jersey. Participants must attend the IDRC within their county of residence and undergo a substance abuse assessment, which may require a referral to an approved treatment program. Follow up and case management services are provided by the program staff. The program is funded by fees which are collected by each participant.

Evaluation, Assessment, and Treatment Services - The Agency provides professional substance abuse evaluations, assessment and treatment provided as a professional service for adolescents and adults.

THE SOUTHWEST COUNCIL, INC.
(a nonprofit corporation)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Camp Y.E.Y. (Youth Empowering Youth) - A free week-long youth leadership development camp for youngsters in grades four to twelfth who have participated in youth prevention/education programs conducted by the Southwest Council, Inc.

The Cumberland County Healthy Communities Coalition - CCHCC works to reduce substance abuse among youth in Cumberland County through the collaborative and coordinated efforts of key stakeholders from the entire community. The Coalition is a group of concerned community members of all ages and from all walks of life, including educators, law enforcement, parents, youth, faith leaders, health professionals, media, local government, and businesses. CCHCC also hosts the Cumberland County Youth Network for teens to participate in their efforts. Some of CCHCC's initiatives include producing a County-wide newsletter, participating in Rx Drug Take-Back events, providing Above the Influence activities to area youth, hosting the Youth Network, and providing trainings for community members in Cumberland County.

Employee Assistance Program - A valuable service provided to local businesses that helps to identify and to assist employees with substance abuse and related problems. Certified staff provide intervention services to employers to assist them with various concerns.

Family Nights Out (Strengthening Families) - This program for families includes children and family skill training sessions. Both parents and children learn and practice new behaviors separately, followed by working together so that appropriate responses to various behaviors become easier to incorporate into family interpersonal relations.

GRASP (Gloucester Regional Addictive Substances Prevention Coalition) - The Gloucester Regional Addictive Substance Prevention Coalition was formed to build healthy communities by reducing underage drinking, illegal substances with a special focus of opioids, and prescription medication across the lifespan. Our Coalition promotes coordination and partnership between organizations to create environments that are alcohol, tobacco and drug free. We build links between local organizations and individuals who are working to accomplish common goals. With the great partnerships of this coalition, we believe that we can crush the illegal use of prescription medication and underage drinking. It is a pleasure to work with the professionals and people of Gloucester County, to make the region of Gloucester County a safer and better place for our children's future.

SCRATCH (Salem Cumberland Regional Action Toward Community Health Coalition) - SCRATCH engages community partners in Cumberland and Salem Counties to establish and sustain the environmental changes necessary to eliminate substance use and abuse. We will consistently develop and promote healthy opportunities and permanent change for current and future generations.

Cumberland County Human Services Transportation Program - CCHSTP offers free of charge, non-emergency transportation for residents of Cumberland County who need transportation to the following services: Mental Health Counseling/Services, Family Support Services and Programs, Healthcare/Medical Appointments, Drug and Alcohol Counseling Services, Prevention Programs, Early Intervention Programs, Social Service Appointments, and Other Healthcare services.

THE SOUTHWEST COUNCIL, INC.
(a nonprofit corporation)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Partnerships for Success - The Partnerships For Success program in Cumberland, Salem, and Gloucester County programs' objective is to decrease youth underage drinking, marijuana use and misuse of prescription drugs/opioids by youth ages 9-20 and increase knowledge on the causes and effects of underage drinking, marijuana use, and misuse of prescription medications/opioids among youth, families and youth serving systems. Through the implementation of this initiative, policies and practices will be improved to reduce the risk factors and enhance the protective factors associated with behavioral health disorders. These objectives are accomplished through evidence based prevention, education, and training.

Salem County OORP (Opioid Overdose Recovery Program) - Engage individuals reversed from an opioid overdose to provide non-clinical assistance, recovery supports and appropriate referrals for assessment and substance use disorder treatment.

Too Good for Drugs program - Auto the Robot teaches kids not to be "Auto-matic" when they make decisions. 3rd graders will learn to identify and manage stress, communicate effectively, set goals, learn healthy habits and manage emotions during this 10-session program. Interactive activities, music, workbooks and an engaging robot are used to teach the lessons.

In addition, there are other smaller evidence based programs administered by the Agency that provide similar services to those described above.

County Tobacco Youth Action Groups - A program to establish and maintain a Youth Tobacco Action Group to advocate for tobacco policies, actively engage in tobacco prevention activities, and carry out activities associated with an educational awareness campaign in Cumberland, Gloucester and Salem Counties.

Alternative Approaches to Pain Management for Older Adults: AAPMOA - Provide a comprehensive outreach and educational program in Cumberland, Gloucester and Salem Counties specifically focused on providing older adults (age 60+) with practical information regarding (1) the appropriate use of non-opioid analgesic pain medication; and (2) non-pharmacological approaches to dealing with acute and chronic pain. The Agency shall utilize a two-prong approach in Cumberland, Salem, and Gloucester counties: (1) the facilitation of the evidence-based Wellness Initiative for Senior Education (WISE) program; and (2) raising community awareness through material/literature distribution, community seminars, presentations and health fairs.

Opioid Abuse Prevention for Young Athletes - Implement initiatives to reduce opioid use among young athletes. Address the risks of prescribing opioid analgesics to young athletes for sports-related injuries through the use of evidence-based educational curriculum and approaches that provide information about the risks of prescription opioid use in adolescents – particularly young athletes.

THE SOUTHWEST COUNCIL, INC.
(a nonprofit corporation)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 3: AVAILABILITY AND LIQUIDITY

The following represents the Agency's financial assets at December 31, 2019 and 2018:

Financial assets at year end:	2019	2018
Cash and cash equivalents	\$ 610,476	434,102
Grants and accounts receivable	190,567	79,276
Investments	121,187	110,449
Total financial assets	922,230	623,827
Less amounts not available to be used within one year:		
Net assets with donor restrictions	-	-
Financial assets available to meet general expenditures over the next twelve months	\$ 922,230	623,827

NOTE 4: INVESTMENTS

The Agency's investments consisted of the following certificate of deposit:

Institution	Fulton Bank CD
Term	25 Months
Maturity	August 23, 2021
Interest Rate	2.35%
Amount	\$121,187

Interest earned on the certificate of deposit is added to the principal balance on a quarterly basis.

NOTE 5: FAIR VALUE MEASUREMENTS

The Southwest Council's investments are reported at fair value in the accompanying statement of financial position.

Generally Accepted Accounting Principles establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, and Level 3 inputs have the lowest priority. The Southwest Council uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Southwest Council measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. No Level 1 or 3 inputs were available to the Southwest Council in years ended December 31, 2019 and 2018.

THE SOUTHWEST COUNCIL, INC.
(a nonprofit corporation)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Level 2 Fair Value Measurements

The fair value of investments is based on other than quoted market prices for similar assets held by the Southwest Council at year-end.

NOTE 6: FIXED ASSETS

A summary of fixed assets at December 31 is as follows:

	<u>2019</u>	<u>2018</u>
Land	\$ 180,300	\$ 180,300
Buildings	494,494	494,494
Furniture, Fixtures & Equipment	191,859	179,907
Vehicles	<u>135,919</u>	<u>135,919</u>
	1,002,572	990,620
Less: Accumulated Depreciation	<u>(447,595)</u>	<u>(411,657)</u>
Net Property and Equipment	<u><u>\$ 554,977</u></u>	<u><u>578,963</u></u>

NOTE 7: FEDERAL AND STATE GRANTS

The Agency receives revenue under the State of New Jersey Department of Human Services Primary Prevention of Alcohol and Drug Abuse Grant. The Agency also receives funds, as a subrecipient, from the County of Cumberland to provide specific services for residents in Cumberland County, Salem County, and Gloucester County. These programs are managed by the State of New Jersey Department of Human Services, Division of Addiction Services.

NOTE 8: GRANTS AND ACCOUNTS RECEIVABLE

Grants and Accounts receivable as of December 31 consist of the following due from program services:

	<u>2019</u>	<u>2018</u>
Grants Receivable	\$ 129,806	6,029
Accounts Receivable	<u>60,761</u>	<u>73,247</u>
Total Grants and Accounts Receivable	<u><u>\$ 190,567</u></u>	<u><u>79,276</u></u>

NOTE 9: DONATED SERVICES

During 2019 and 2018 the agency received donated services from the Cumberland County Healthy Communities Coalition in the amount of \$21,405 and \$43,511, respectively. Revenues for donated services are recorded as contributions and expenses are recorded as volunteer expense.

THE SOUTHWEST COUNCIL, INC.
(a nonprofit corporation)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 10: ACCRUED SICK AND VACATION

Employees of the Agency are permitted to accrue vacation time. A maximum of five (5) days are permitted to be carried to the following year. However, employees of the Agency are not permitted to accrue sick time. The employees will not be compensated for any unused sick time therefore; no liability for compensated absences is included in the financial statements. Employees are compensated for all earned vacation days upon separation and a liability has been established in the amount of \$11,129 and \$6,955 for years ended December 31, 2019 and 2018, respectively.

NOTE 11: PAYROLL TAXES

As of December 31, 2019 and 2018, the Agency was current with all payroll and related taxes.

NOTE 12: DEFERRED COMPENSATION PLAN

An employee deferral plan was approved by the Board of Directors and is provided through Morgan Stanley DW, Inc. This plan is a Savings Incentive Match Plan for Employees (SIMPLE) and is available to eligible employees as a salary reduction agreement. In order to be eligible the individual must have been employed by the Agency at least one year and earn at least \$5,000. The agency will match the employee's contribution up to 3% of an employee's annual gross salary.

The amounts contributed by the Agency during the years ended December 31, 2019 and 2018 were \$14,934 and \$15,521 and covered salaries were \$533,844 and \$548,598, respectively.

NOTE 13: CONCENTRATION OF RISK

As of December 31, 2019 and 2018, the Agency had cash equivalents at financial institutions and in money market funds, which exceeded federal insured limits by \$500,249 and \$212,129, respectively. These balances fluctuate during the year and can at times exceed the combined FDIC limitations.

NOTE 14: LEASE ARRANGEMENTS

Effective January 11, 2013, the Agency entered into a lease agreement to rent office space in Mantua, NJ. This is a five year lease beginning February 1, 2013 and ending January 31, 2018. The lease was renewed on November 31, 2017 for an additional five year term beginning February 1, 2018 and ending January 31, 2023 with monthly rent payments of \$3,297 including CAM and Water and Sewer of \$273 and \$294, respectively.

Effective November 1, 2019 the Agency entered into a lease agreement to rent the basement office space in Mantua, NJ. This lease begins November 1, 2019 and ends January 31, 2023 with monthly rent payments of \$400.

Effective November 1, 2019 the Agency entered into a lease agreement to rent the office space in Carneys Point, NJ. This is a three year lease beginning November 1, 2019 and ending

THE SOUTHWEST COUNCIL, INC.
(a nonprofit corporation)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

January 31, 2023 with monthly rent payments of \$2,400 in year one, \$2,460 in year two and \$2,516 in year three.

Future minimum payments under the lease as of December 31, 2019 are:

2020	\$	73,284
2021		73,995
2022		69,524
2023		3,697
		<hr/>
	\$	220,500
		<hr/>

NOTE 15: LINE OF CREDIT

On August 12, 2014, the Agency was approved for a \$250,000 promisory note with a revolving line of credit with Fulton Bank with a variable interest rate. Advances under the line of credit were used for short term working capital. The Line of Credit has a \$100,000 certificate of deposit pledged as collateral. Cash advances and payments were \$0 for 2019 and \$0 for 2018.

NOTE 16: GRANT ADVANCES

The Agency recognizes Federal Funds (cost reimbursable grants) as support, as costs are incurred. A receivable is recognized to the extent costs have been incurred but not reimbursed. Conversely, a liability is recorded when grant advances exceed eligible costs incurred. Advance payments that are received are managed and used when necessary. Upon final determination by the grantor, any excess revenue that was not deemed necessary for the program will be returned. As of December 31, 2019 and 2018 the amount due back to grantors is \$595,651 and \$448,192, respectively.

Detail of liability is as follows:

<u>Contract</u>	<u>Contractual Liability</u>
19-752	\$ 80,416
19-815	67,043
18-752	58,475
18-815	13,071
17-752	183,498
16-752	192,687
14-815	461
Total Due as of December 31, 2019	<hr/> <u>\$ 595,651</u>

THE SOUTHWEST COUNCIL, INC.
(a nonprofit corporation)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 17: NET ASSETS

Net assets without donor restrictions for the years ended December 31, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Undesignated	\$ 741,085	551,296
Board Designated	<u>93,630</u>	<u>93,630</u>
Total Net Assets Without Donor Restrictions	<u>\$ 834,715</u>	<u>644,926</u>

On March 22, 2005, the Board of Directors designated funds on deposit in the money market account for a capital campaign. As of December 31, 2019, the amount of designated net assets was \$93,630.

NOTE 18: RECLASSIFICATION OF PRIOR BALANCES

Certain accounts have been reclassified in the prior year to conform with categories established in the current fiscal year.

NOTE 19: SUBSEQUENT EVENTS

The Agency has evaluated subsequent events through July 10, 2020, the date which the financial statements were available to be issued. In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. On March 21, 2020, the Governor of New Jersey declared a health emergency and issued an order to close all nonessential businesses until further notice. Immediate impacts to the Agency's operations include a reduction in IDRC income if classes are not rescheduled by December 31, 2020 or if rescheduled at a reduced capacity. A \$3,000 reduction in a fee for service contract renewing on July 1, 2020 and increased cost for PPE/cleaning products (\$2,000 approximate total). If further government orders mandate that the Agency reduce or cease operations, the results of operations could be negatively affected, and the impact cannot be reasonably estimated at this time. No adjustments have been made to the financial statements due to this uncertainty.

SUPPLEMENTARY INFORMATION

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



Independent Auditor's Report

Board of Directors
The Southwest Council, Inc.
Vineland, New Jersey

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 The Southwest Council Inc., as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise The Southwest Council Inc.'s basic financial statements, and have issued our report thereon dated July 10, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Southwest Council Inc.'s 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Southwest Council Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of The Southwest Council's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This communication is intended solely for the information and use of management, Board of Directors, and others within the entity, and is not intended to be, and should not be, used by anyone other than these specified parties.

Ford, Scott & Associates, L.L.C.

FORD, SCOTT & ASSOCIATES, L.L.C
CERTIFIED PUBLIC ACCOUNTANTS

July 10, 2020



Independent Auditor's Report

Board of Directors
The Southwest Council, Inc.
Vineland, New Jersey

Report on Compliance for Each Major Federal Program

We have audited The Southwest Council, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of The Southwest Council, Inc.'s major federal programs for the year ended December 31, 2019. The Southwest Council, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of the grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of The Southwest Council, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about The Southwest Council, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, The Southwest Council, Inc. 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, 2019.

Report on Internal Control Over Compliance

Management of The Southwest Council, Inc. 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 The Southwest Council, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of The Southwest Council, Inc.'s internal control over compliance.

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

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

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

Ford, Scott & Associates, L.L.C.

**FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS**

July 10, 2020

THE SOUTHWEST COUNCIL, INC.
(a nonprofit corporation)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019

State Grantor / Pass-Through Grantor Program Title	Federal CFDA #/Grant Award #	Federal FAIN #	Grant Period	Program or Award Amount	Receipts or Revenue Recognized	Budgetary Expenditures				(MEMO) Passed Through to Sub-Recipients	(MEMO) Cumulative Expenditures
						Pass Through	Source	Direct	Total		
Federal Funds:											
Department of Health and Human Services											
Passed Through New Jersey Department of Human Services											
Division of Mental Health and Addiction Services											
Utilize Environmental Strategies to Achieve Population Level Change for Cumberland & Salem Counties	93.959	B08TI010036	1/1/19-12/31/19	\$ 202,000	\$ 202,000	202,000			202,000		202,000
Utilize Environmental Strategies to Achieve Population Level Change for Gloucester County	93.959	B08TI010036	1/1/19-12/31/19	\$ 196,000	196,000	196,000			196,000		196,000
Illegal Substance Cumberland County	93.959	B08TI010036	1/1/19-12/31/19	\$ 118,400	105,885	105,885			105,885		105,885
Underage Drinking Cumberland County	93.959	B08TI010036	1/1/19-12/31/19	\$ 100,000	88,649	88,649			88,649		88,649
Illegal Substance Gloucester County	93.959	B08TI010036	1/1/19-12/31/19	\$ 130,000	122,798	122,798			122,798		122,798
Underage Drinking Gloucester County	93.959	B08TI010036	1/1/19-12/31/19	\$ 78,000	76,930	76,930			76,930		76,930
Illegal Substances Salem County	93.959	B08TI010036	1/1/19-12/31/19	\$ 59,000	54,665	54,665			54,665		54,665
Underage Drinking Salem County	93.959	B08TI010036	1/1/19-12/31/19	\$ 57,000	56,597	56,597			56,597		56,597
Opiod Overdose Recovery Salem County	93.959	B08TI010036	1/1/19-12/31/19	\$ 255,750	212,210	212,210			212,210		212,210
Opiod Overdose Recovery Salem County Expansion	93.959	B08TI010036	1/1/19-6/30/19	\$ 143,034	143,034	143,034			143,034		213,841
Opiod Overdose Recovery Salem County Expansion	93.959	B08TI010036	7/1/19-12/31/19	\$ 128,306	57,875	57,875			57,875		128,682
Total Division of Mental Health and Addiction Services					1,316,643	1,316,643		-	1,316,643	-	1,458,257
Strategic Prevention Framework Partnerships for Success	93.243	U79SP023005	10/1/18-9/30/19	\$ 211,500	146,036	146,036			146,036		152,065
Strategic Prevention Framework Partnerships for Success	93.243	H79SP023017	10/1/19-9/30/20	\$ 628,313	56,169	56,169			56,169		56,169
Total Strategic Prevention Framework Partnerships for Success					202,205	202,205		-	202,205	-	208,234
Opiod Community Education - Young Athletes	93.243	U79SP023005	10/1/18-9/30/19	\$ 37,620	29,777	29,777			29,777		30,012
Opiod Community Education - Young Athletes	93.243	H79SP023017	10/1/19-9/30/20	\$ 37,620	6,594	6,594			6,594		6,594
Total Opiod Community Education - Young Athletes					36,371	36,371		-	36,371	-	36,606
Alternative Approaches to Pain Management - Older Adults	93.243	H79SP023017	10/1/19-9/30/20	\$ 225,000	9,169	9,169			9,169		9,169
Total Alternative Approaches to Pain Management - Older Adults					9,169	9,169		-	9,169	-	9,169
Total NJ Department of Human Services					1,564,388	1,564,388		-	1,564,388	-	1,712,266
<i>Direct Funding</i>											
Cumberland County Healthy Communities Coalition	93.276	SP017001	10/1/18-9/30/19	\$ 156,687	100,157	100,157			100,157		156,686
Cumberland County Healthy Communities Coalition	93.276	SP017001	10/1/19-9/30/20	\$ 135,732	60,662	60,662			60,662		60,662
Total Direct Funding					160,819	160,819		-	160,819	-	217,348
Total Federal Funds					\$ 1,725,207	1,564,388		160,819	1,725,207	-	1,929,814

THE SOUTHWEST COUNCIL, INC.
(a nonprofit corporation)
NOTES TO THE SCHEDULE OF FEDERAL AWARDS
DECEMBER 31, 2019

NOTE 1: GENERAL

The accompanying schedule of expenditures of federal awards present the activity of all federal awards of the Agency. The Agency is defined in Note 1 of the Notes to the Financial Statements. All federal awards passed through other governmental agencies are included on the schedules of expenditures of federal awards.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting. This basis of accounting is described in the Notes to the Agency's financial statements.

NOTE 3: RELATIONSHIP TO THE FINANCIAL STATEMENTS

Amounts reported in the accompanying schedule agree with amounts reported in the Agency's Financial Statements. Financial assistance revenues are reported in the Agency's financial statements on a GAAP basis as follows:

	Amount
Federal	\$ 1,725,207
Total	\$ <u>1,725,207</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports.

NOTE 5: INDIRECT COST RATES

The Agency has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Part I -- Summary of Auditor's Results

Type of auditor's report issued	Unmodified			
Internal control over financial reporting:				
• Material weakness(es) identified?	_____	yes	<u> X </u>	no
• Significant deficiency(ies) identified?	_____	yes	<u> X </u>	none reported
Noncompliance material to financial statements noted?		yes	X	no

Internal Control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

Unmodified

yes X no

Name of Federal Program or Cluster

Block Grants for Prevention and Treatment of Substance Abuse

\$ 750,000

X	yes	no
---	-----	----

THE SOUTHWEST COUNCIL INC.
(a nonprofit corporation)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(CONTINUED)

Part I -- Summary of Auditor's Results (continued)

State Awards

Not Applicable

Internal Control over major programs:

- Material weakness(es) identified? _____ yes _____ no
- Significant deficiency(ies) identified? _____ yes _____ none reported

Type of auditor's report issued on
compliance major programs _____

Any audit findings disclosed that are required to
be reported in accordance with NJ OMB Circular 15-08 _____ yes _____ no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Dollar Threshold used to distinguish between type A and
type B programs:

\$ _____

Auditee qualified as low-risk auditee? _____ yes _____ no

THE SOUTHWEST COUNCIL, INC.
(a nonprofit corporation)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2019

(CONTINUED)

Part 2 – Schedule of Financial Statement Findings

NONE

Part 3 – Schedule of Federal Award Findings and Questioned Costs

NONE

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE YEAR ENDED DECEMBER 31, 2019

STATUS OF PRIOR YEAR FINDINGS

NONE

THE SOUTHWEST COUNCIL, INC.
(a nonprofit corporation)
STATEMENT OF COSTS
YEAR ENDED DECEMBER 31, 2019

Cumberland and Salem County Regional Coalition
January 1, 2019 - December 31, 2019

Category	Final Budget	Expenditure Report Results	CPA Audited Results	Variance
Salaries & Fringe	\$ 121,192	132,426	132,426	-
Consultant & Professional	6,983	6,821	6,821	-
Materials & Supplies	16,530	5,382	5,382	-
Specific Assistance to Clients	3,160	7,595	7,595	-
Other Costs	33,117	26,852	26,852	-
Facility Costs	5,741	6,135	6,135	-
General and Admin Allocation	15,277	16,828	16,828	-
Equipment				-
	<u>\$ 202,000</u>	<u>202,039</u>	<u>202,039</u>	<u>-</u>

Gloucester County Regional Coalition
January 1, 2019 - December 31, 2019

Category	Final Budget	Expenditure Report Results	Current Year CPA Audited Results	Variance
Salaries & Fringe	\$ 132,357	134,415	134,415	-
Consultant & Professional	5,383	5,221	5,221	-
Materials & Supplies	8,655	6,569	6,569	-
Specific Assistance to Clients	3,160	-	-	-
Other Costs	22,259	21,800	21,800	-
Facility Costs	7,990	13,794	13,794	-
General and Admin Allocation	16,196	14,249	14,249	-
Equipment				-
	<u>\$ 196,000</u>	<u>196,048</u>	<u>196,048</u>	<u>-</u>

THE SOUTHWEST COUNCIL, INC.
(a nonprofit corporation)
STATEMENT OF COSTS
YEAR ENDED DECEMBER 31, 2019

Illegal Substance
Cumberland County
January 1, 2019 - December 31, 2019

Category	Final Budget	Expenditure Report Results	CPA Audited Results	Variance
Salaries	\$ 73,621	72,728	72,728	-
Consultant & Professional	500	221	221	-
Materials & Supplies	13,367	6,842	6,842	-
Specific Assistance to Clients	1,580	1,583	1,583	-
Other Costs	7,535	5,506	5,506	-
Facility Costs	6,803	8,841	8,841	-
General and Admin Allocation	14,994	10,164	10,164	-
Equipment				-
Total Expenditures	118,400	105,885	105,885	-
Less:				
Program cost funded by other revenue sources				-
Net Expenditures	\$ 118,400	105,885	105,885	-

Underage Drinking
Cumberland County
January 1, 2019 - December 31, 2019

Category	Final Budget	Expenditure Report Results	CPA Audited Results	Variance
Salaries	\$ 66,245	63,433	63,433	-
Consultant & Professional	192	221	221	-
Materials & Supplies	9,488	3,803	3,803	-
Specific Assistance to Clients	1,580	1,708	1,708	-
Other Costs	3,559	3,645	3,645	-
Facility Costs	6,912	7,458	7,458	-
General and Admin Allocation	12,024	8,381	8,381	-
Equipment				-
Total Expenditures	100,000	88,649	88,649	-
Less:				
Program cost funded by other revenue sources				-
Net Expenditures	\$ 100,000	88,649	88,649	-

THE SOUTHWEST COUNCIL, INC.
(a nonprofit corporation)
STATEMENT OF COSTS
YEAR ENDED DECEMBER 31, 2019

Illegal Substance
Gloucester County
January 1, 2019 - December 31, 2019

Category	Final Budget	Expenditure Report Results	CPA Audited Results	Variance
Salaries	\$ 93,516	92,132	92,132	-
Consultant & Professional	192	221	221	-
Materials & Supplies	4,477	5,807	5,807	-
Specific Assistance to Clients	1,580	1,583	1,583	-
Other Costs	6,906	4,899	4,899	-
Facility Costs	12,019	6,902	6,902	-
General and Admin Allocation	11,310	11,254	11,254	-
Equipment				-
Total Expenditures	130,000	122,798	122,798	-
Less:				
Program cost funded by other revenue sources				-
Net Expenditures	<u>\$ 130,000</u>	<u>122,798</u>	<u>122,798</u>	<u>-</u>

Underage Drinking
Gloucester County
January 1, 2019 - December 31, 2019

Category	Final Budget	Expenditure Report Results	CPA Audited Results	Variance
Salaries	\$ 46,726	54,158	54,158	-
Consultant & Professional	-	221	221	-
Materials & Supplies	3,386	3,182	3,182	-
Specific Assistance to Clients	1,580	1,583	1,583	-
Other Costs	6,715	3,678	3,678	-
Facility Costs	14,340	7,088	7,088	-
General and Admin Allocation	5,253	7,020	7,020	-
Equipment				-
Total Expenditures	78,000	76,930	76,930	-
Less:				
Program cost funded by other revenue sources				-
Net Expenditures	<u>\$ 78,000</u>	<u>76,930</u>	<u>76,930</u>	<u>-</u>

THE SOUTHWEST COUNCIL, INC.
(a nonprofit corporation)
STATEMENT OF COSTS
YEAR ENDED DECEMBER 31, 2019

Illegal Substance
Salem County
January 1, 2019 - December 31, 2019

Category	Final Budget	Expenditure Report Results	CPA Audited Results	Variance
Salaries	\$ 37,715	37,343	37,343	-
Consultant & Professional	383	221	221	-
Materials & Supplies	3,020	2,757	2,757	-
Specific Assistance to Clients	1,978	1,583	1,583	-
Other Costs	5,773	2,582	2,582	-
Facility Costs	2,443	5,318	5,318	-
General and Admin Allocation	7,688	4,861	4,861	-
Equipment				-
Total Expenditures	59,000	54,665	54,665	-
Less:				
Program cost funded by other revenue sources				-
Net Expenditures	<u>\$ 59,000</u>	<u>54,665</u>	<u>54,665</u>	<u>-</u>

Illegal Substance
Underage Drinking
Salem County
January 1, 2019 - December 31, 2019

Category	Final Budget	Expenditure Report Results	CPA Audited Results	Variance
Salaries	\$ 40,576	39,791	39,791	-
Consultant & Professional	192	221	221	-
Materials & Supplies	2,585	3,323	3,323	-
Specific Assistance to Clients	1,580	1,583	1,583	-
Other Costs	2,236	2,783	2,783	-
Facility Costs	4,167	3,695	3,695	-
General and Admin Allocation	5,664	5,201	5,201	-
Equipment				-
Total Expenditures	57,000	56,597	56,597	-
Less:				
Program cost funded by other revenue sources				-
Net Expenditures	<u>\$ 57,000</u>	<u>56,597</u>	<u>56,597</u>	<u>-</u>

THE SOUTHWEST COUNCIL, INC.
(a nonprofit corporation)
STATEMENT OF COSTS
YEAR ENDED DECEMBER 31, 2019

Opioid Overdose Recovery
Salem County
January 1, 2019 - December 31, 2019

Category	Final Budget	Expenditure Report Results	CPA Audited Results	Variance
Salaries	\$ 164,249	137,746	137,746	-
Consultant & Professional	-	-	-	-
Materials & Supplies	16,567	10,119	10,119	-
Specific Assistance to Clients	-	-	-	-
Other Costs	19,322	22,396	22,396	-
Facility Costs	31,783	20,477	20,477	-
General and Admin Allocation	23,829	21,472	21,472	-
Equipment	-	-	-	-
Total Expenditures	255,750	212,210	212,210	-
Less:				
Program cost funded by other revenue sources				-
Net Expenditures	<u>\$ 255,750</u>	<u>212,210</u>	<u>212,210</u>	<u>-</u>

Opioid Overdose Recovery Expansion
Salem County
Cumberland, Gloucester and Salem Counties
January 1, 2019 - December 31, 2019

Category	Final Budget	Expenditure Report Results	CPA Audited Results	Variance
Salaries	\$ 114,145	112,386	112,386	-
Consultant & Professional	-	-	-	-
Materials & Supplies	2,245	7,561	7,561	-
Specific Assistance to Clients	-	-	-	-
Other Costs	4	3,096	3,096	-
Facility Costs	544	4,962	4,962	-
General and Admin Allocation	26,096	15,029	15,029	-
Equipment	-	-	-	-
Total Expenditures	143,034	143,034	143,034	-
Less:				
Program cost funded by other revenue sources				-
Net Expenditures	<u>\$ 143,034</u>	<u>143,034</u>	<u>143,034</u>	<u>-</u>

THE SOUTHWEST COUNCIL, INC.
(a nonprofit corporation)
STATEMENT OF COSTS
YEAR ENDED DECEMBER 31, 2019

Opioid Overdose Recovery Expansion
Salem County
Cumberland, Gloucester and Salem Counties
January 1, 2019 - December 31, 2019

<u>Category</u>	<u>Final Budget</u>	<u>Expenditure Report Results</u>	<u>CPA Audited Results</u>	<u>Variance</u>
Salaries	\$ 25,028	42,805	42,805	-
Consultant & Professional	-	-	-	-
Materials & Supplies	3,058	3,413	3,413	-
Specific Assistance to Clients	-	-	-	-
Other Costs	94,400	2,822	2,822	-
Facility Costs	2,700	4,374	4,374	-
General and Admin Allocation	3,120	4,461	4,461	-
Equipment				
Total Expenditures	<u>128,306</u>	<u>57,875</u>	<u>57,875</u>	<u>-</u>
Less:				
Program cost funded by other revenue sources				-
Net Expenditures	<u>\$ 128,306</u>	<u>57,875</u>	<u>57,875</u>	<u>-</u>

See accompanying auditor's report.