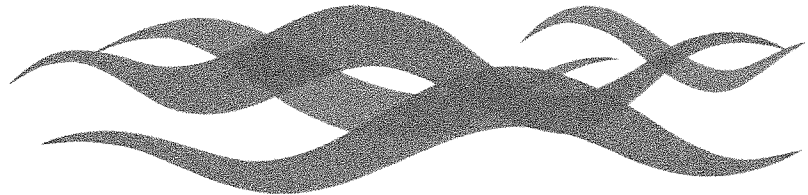


ASSOCIATION FOR
MENTAL HEALTH AND WELLNESS



To Advocate. To Educate. To Empower. Together.

**ASSOCIATION FOR MENTAL HEALTH AND WELLNESS,
INC. AND SUBSIDIARY**

**REPORT ON AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014



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**ASSOCIATION FOR MENTAL HEALTH AND WELLNESS, INC.
AND SUBSIDIARY**

**REPORT ON AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
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Independent Auditors' Report

Board of Directors
Association for Mental Health and Wellness, Inc. and Subsidiary
Ronkonkoma, New York

We have audited the accompanying consolidated financial statements of the Association for Mental Health and Wellness, Inc. and its subsidiary, Clubhouse Collective, Inc. (collectively the "Organization") which comprise the consolidated statements of financial position as of December 31, 2015 and 2014, and the related consolidated statements of activities and change in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Organization's preparation and fair presentation of the consolidated 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 Organization'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 consolidated financial statements.

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

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In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of December 31, 2015 and 2014, and the changes in its consolidated net assets and its consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidated statements of functional expenses for the years ended December 31, 2015 and 2014 and the consolidating statements of financial position and consolidating statements of activities and changes in net assets as of and for the years ended December 31, 2015 and 2014 are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Covin & Associates LLP

Bohemia, New York
May 10, 2016

ASSOCIATION FOR MENTAL HEALTH AND WELLNESS, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,

2015

2014

ASSETS (Note 5)

Current Assets:

Cash and cash equivalents.....	\$ 1,263,051	\$ 1,066,875
Restricted cash and cash equivalents.....	2,276	2,276
Contracts and accounts receivable, net (Note 2).....	1,641,319	1,566,373
Current portion of capital lease receivable.....	9,500	9,500
Prepaid expenses and other current assets.....	133,252	116,036
Total Current Assets	3,049,398	2,761,060

Long-term portion of capital lease receivable.....	7,916	17,416
Property and equipment, net (Notes 3 and 6).....	7,807,724	5,640,818
Security deposits.....	35,061	17,648
TOTAL ASSETS	\$ 10,900,099	\$ 8,436,942

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable and accrued expenses.....	\$ 1,086,576	\$ 795,585
Current portion of note payable (Note 6).....	36,993	-
Refundable advances (Notes 7 and 8).....	277,487	312,674
Current portion of unearned income.....	13,277	31,860
Security deposits payable.....	2,005	2,315
Current portion of mortgages payable (Note 6).....	91,698	64,365
Current portion of obligations under capital leases.....	16,861	33,948
Total Current Liabilities	1,524,897	1,240,747

Long-term portion of note payable (Note 6).....	159,990	-
Long-term portion of unearned income.....	1,388	3,055
Long-term portion of mortgages payable (Note 6).....	2,192,984	1,313,521
Long-term portion of obligations under capital leases.....	41,200	10,172
Total Liabilities	3,920,459	2,567,495

Commitments and contingencies (Notes 2, 3, 4, 5, 6, 7, and 8)

Net Assets:

Unrestricted.....	6,977,905	5,867,832
Temporarily restricted.....	1,735	1,615
Total Net Assets	6,979,640	5,869,447
TOTAL LIABILITIES AND NET ASSETS	\$ 10,900,099	\$ 8,436,942

ASSOCIATION FOR MENTAL HEALTH AND WELLNESS, INC. AND SUBSIDIARY

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Unrestricted	Temporarily Restricted	Total
Revenue:			
Program services (Notes 7 and 8):			
Fees for services.....	\$ 7,604,809	\$ -	\$ 7,604,809
Grant and contract support.....	2,481,594	-	2,481,594
Rental income.....	265,251	-	265,251
Net assets released from restrictions.....	300	(300)	-
Total Program Services Revenue	10,351,954	(300)	10,351,654
Other revenue/(expense):			
Contributions.....	373,799	420	374,219
Fundraising events.....	45,448	-	45,448
Direct expenses of fundraising events.....	(11,088)	-	(11,088)
Other income.....	74,418	-	74,418
Net gain on fixed asset disposal.....	4,932	-	4,932
Interest income.....	3,005	-	3,005
Total Other Revenue/(Expense), Net	490,514	420	490,934
Total Revenue, Net	10,842,468	120	10,842,588
Expenses:			
Program services:			
Housing.....	651,291	-	651,291
Community and referral.....	155,857	-	155,857
Workforce training.....	115,579	-	115,579
Shelter.....	574,517	-	574,517
Transportation.....	-	-	-
Eastern Suffolk Recovery Center.....	28,052	-	28,052
Peer services.....	178,245	-	178,245
Care management.....	3,242,871	-	3,242,871
Personalized Recovery Oriented Services.....	2,885,246	-	2,885,246
Other programs.....	311,330	-	311,330
Total Program Services	8,142,988	-	8,142,988
Supporting services:			
Administrative and overhead.....	1,578,597	-	1,578,597
Fundraising.....	10,810	-	10,810
Total Supporting Services	1,589,407	-	1,589,407
Total Expenses	9,732,395	-	9,732,395
Change in net assets.....	1,110,073	120	1,110,193
Net assets, beginning of year (Note 8).....	5,867,832	1,615	5,869,447
Net assets, end of year.....	\$ 6,977,905	\$ 1,735	\$ 6,979,640

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

ASSOCIATION FOR MENTAL HEALTH AND WELLNESS, INC. AND SUBSIDIARY

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Unrestricted	Temporarily Restricted	Total
Revenue:			
Program services (Notes 7 and 8):			
Fees for services.....	\$ 7,254,028	\$ -	\$ 7,254,028
Grant and contract support.....	2,338,776	-	2,338,776
Rental income.....	268,532	-	268,532
Net assets released from restrictions.....	-	-	-
Total Program Services Revenue	9,861,336	-	9,861,336
Other revenue/(expense):			
Contributions.....	252,045	560	252,605
Fundraising events.....	63,175	-	63,175
Direct expenses of fundraising events.....	(25,300)	-	(25,300)
Other income.....	12,909	-	12,909
Net gain on fixed asset disposal.....	7,885	-	7,885
Interest income.....	4,542	-	4,542
Total Other Revenue/(Expense), Net	315,256	560	315,816
Total Revenue, Net	10,176,592	560	10,177,152
Expenses:			
Program services:			
Housing.....	629,117	-	629,117
Community and referral.....	146,170	-	146,170
Workforce training.....	114,845	-	114,845
Shelter.....	497,898	-	497,898
Transportation.....	33,980	-	33,980
Eastern Suffolk Recovery Center.....	-	-	-
Peer services.....	147,381	-	147,381
Care management.....	2,480,338	-	2,480,338
Personalized Recovery Oriented Services.....	3,041,818	-	3,041,818
Other programs.....	275,275	-	275,275
Total Program Services	7,366,822	-	7,366,822
Supporting services:			
Administrative and overhead.....	1,363,311	-	1,363,311
Fundraising.....	10,074	-	10,074
Total Supporting Services	1,373,385	-	1,373,385
Total Expenses	8,740,207	-	8,740,207
Change in net assets.....	1,436,385	560	1,436,945
Net assets, beginning of year (Note 8).....	4,431,447	1,055	4,432,502
Net assets, end of year.....	\$ 5,867,832	\$ 1,615	\$ 5,869,447

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

ASSOCIATION FOR MENTAL HEALTH AND WELLNESS, INC. AND SUBSIDIARY

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,**

	2015	2014
Cash Flows from Operating Activities:		
Change in net assets.....	\$ 1,110,193	\$ 1,436,945
<u>Adjustments to reconcile change in net assets to net cash provided by operating activities:</u>		
Depreciation and amortization.....	330,104	303,330
Net gain on fixed asset disposal.....	(4,932)	(7,885)
Net (decrease)/increase in allowance for doubtful accounts.....	(63,253)	81,401
<u>Changes in operating assets and liabilities:</u>		
(Increase)/decrease in assets:		
Restricted cash and cash equivalents.....	-	363
Contracts and accounts receivable.....	(11,693)	342,471
Prepaid expenses and other current assets.....	(17,216)	(14,308)
Security deposits.....	(17,413)	(5)
Increase/(decrease) in liabilities:		
Accounts payable and accrued expenses.....	290,991	(49,904)
Refundable advances.....	(35,187)	-
Unearned income.....	(20,250)	(822,905)
Security deposits payable.....	(310)	(7)
Total adjustments.....	<u>450,841</u>	<u>(167,449)</u>
Net Cash Provided by Operating Activities	1,561,034	1,269,496
Cash Flows from Investing Activities:		
Purchases of property and equipment.....	(1,492,785)	(240,621)
Proceeds from property sale.....	-	74,900
Proceeds from disposal of property and equipment.....	11,372	22,628
Payments received for capital lease receivable.....	9,500	9,500
Net Cash Used in Investing Activities	<u>(1,471,913)</u>	<u>(133,593)</u>
Cash Flows from Financing Activities:		
Repayments of lines of credit.....	-	(598,549)
Proceeds from lines of credit.....	-	200,000
Repayments of note payable.....	(3,017)	-
Proceeds from note payable.....	200,000	-
Repayments of capital lease obligations.....	(21,724)	(44,077)
Repayment of mortgages payable.....	(68,204)	(58,248)
Net Cash Provided by/(Used in) Financing Activities	<u>107,055</u>	<u>(500,874)</u>
Net increase in cash and cash equivalents.....	196,176	635,029
Cash and cash equivalents, beginning of year.....	1,066,875	431,846
Cash and cash equivalents, end of year.....	<u>\$ 1,263,051</u>	<u>\$ 1,066,875</u>
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest.....	<u>\$ 94,681</u>	<u>\$ 99,175</u>
Non-cash acquisitions of property and equipment.....	<u>\$ 1,010,665</u>	<u>\$ 19,000</u>

**ASSOCIATION FOR MENTAL HEALTH AND WELLNESS, INC.
AND SUBSIDIARY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

1. Description of Organization and Summary of Significant Accounting Policies

This summary of significant accounting policies of the Association for Mental Health and Wellness, Inc. ("the Association") and its subsidiary, Clubhouse Collective, Inc. ("Collective"), (hereinafter collectively "the Organization") is presented to assist in understanding the Organization's consolidated financial statements. The consolidated financial statements and notes are representations of the Organization's management, who is responsible for the integrity and objectivity of the consolidated financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the consolidated financial statements.

Principles of consolidation - The accompanying consolidated financial statements for the year ended December 31, 2015 include the accounts of the Association and its subsidiary, Collective. The accompanying consolidated financial statements for the year ended December 31, 2014 include the accounts of the Association, Collective, Suffolk County United Veterans Halfway House Project, Inc. ("the Vets"), and the Mental Health Association in Suffolk County, Inc. ("the MHA"). The Vets and the MHA merged with the Association effective January 1, 2015. All intercompany accounts and transactions have been eliminated upon consolidation.

The Attorney General of the State of New York, County of Suffolk, approved a Plan of Merger under Section 907-b of the Not-for-Profit Corporation Law and authorized the filing of a Certificate of Merger under Section 904 of the Not-for-Profit Corporation for the Association, the Vets, and the MHA.

Furthermore, pursuant to Article IV of the Plan of Merger, the Certificate of Incorporation of the Association, the remaining entity, was amended to change the official name of the Corporation from "Clubhouse of Suffolk" to "Association for Mental Health and Wellness."

Nature of operations - The Association provides psychiatric rehabilitation and support services to people who have been disabled by psychiatric disabilities who reside in Suffolk County, New York, and assists homeless and at-risk veterans and their families to transition to productive, independent roles following their transition from military service. Services include a range of housing services, including a homeless shelter, and other peer-support services, providing information and referral, workforce training and support, peer and mutual support groups, and mental health education and advocacy to individuals, companies, schools, and agencies in Suffolk County. Collective was established to hold real property for use in the Association's programs.

Basis of presentation - The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting. Revenue is recorded as earned and expenses are recorded as incurred.

Revenue recognition - Revenue received under government and private grants is restricted as to the use specified in the grant agreements. The Organization records grant awards accounted for as exchange transactions as refundable advances until related services are performed, at which time they are recognized as revenue. In addition, deficit-funded grants are recognized as revenue when reimbursable expenditures under qualified programs are incurred. Grant contracts are generally expended within a one-year cycle and as a result will be recorded as revenue in unrestricted net assets. Fee for service revenue is recognized when service is provided.

**ASSOCIATION FOR MENTAL HEALTH AND WELLNESS, INC.
AND SUBSIDIARY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

1. Description of Organization and Summary of Significant Accounting Policies (continued)

Donor-imposed restrictions - The Organization is required to report information regarding its consolidated financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Temporarily restricted assets expended within the same fiscal year of their receipt are generally reflected as unrestricted net assets. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities and change in net assets as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that must be maintained in perpetuity by the Organization. Generally, the donors of these assets would permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. At December 31, 2015 and 2014, the Organization did not maintain any permanently restricted net assets.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are in service.

Property and equipment, and depreciation and amortization - Purchased equipment and leasehold improvements are capitalized at cost when acquired. The Organization's capitalization policy is to capitalize all fixed asset purchases in excess of \$1,000. Depreciation of property and equipment is provided on the straight-line method over the estimated useful lives of the assets. Amortization of leasehold improvements is provided on the straight-line method over the term of the related lease or the estimated useful lives of the improvements, whichever is shorter. Estimated useful lives are as follows:

Buildings, Improvements, and Closing Costs	27.5 - 40 years
Furniture and Equipment	5 - 15 years
Vehicles	4 - 5 years

Income taxes - The Organization is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code and is publicly supported, as described in section 509(a). Donors may deduct contributions made to the Organization within the requirements of the Internal Revenue Code.

The Organization evaluated its activities for uncertain tax positions and has determined that there were no uncertain tax positions for 2015 and 2014.

**ASSOCIATION FOR MENTAL HEALTH AND WELLNESS, INC.
AND SUBSIDIARY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

1. Description of Organization and Summary of Significant Accounting Policies (continued)

The Organization files an IRS Form 990 and respective state and local tax returns. These tax returns are subject to review and examination by Federal, State, and local taxing authorities. Tax returns for the years ended December 31, 2012, 2013, 2014, and 2015 are open for examination by Federal, State, and local taxing authorities for the Association and its subsidiaries, Collective, the Vets, and the MHA. The Organization has determined that it has registered in all states where it is required to be registered.

Cash and cash equivalents - For the purposes of the consolidated statements of cash flows, the Organization considers all highly-liquid debt instruments with a maturity of three months or less at date of purchase to be cash equivalents.

Functional allocation of expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statements of activities and change in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of estimates - The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accounts receivable - Receivables are stated at net realizable amounts. Periodically, the accounts receivable balances are reviewed and evaluated as to their collectability. An allowance for doubtful accounts is then established based on these evaluations. A receivable balance is considered past due once it has not been received by its scheduled due date. The Organization closely monitors outstanding balances for all receivables and adheres to a standard set of protocols for collection activities to be undertaken at certain times based upon delinquency status. For the years ended December 31, 2015 and 2014 the Organization wrote off approximately \$93,000 and \$77,000 of uncollectible accounts receivables, respectively, in addition to other amounts set aside as allowances for doubtful accounts. Bad debt expense was approximately \$93,000 and \$158,000 for the years ended December 31, 2015 and 2014, respectively.

Rental income - The Organization charges veterans that reside in the transitional houses monthly rent based upon specific rates: set by the Suffolk County Department of Social Services, the Organization, or 30% of the veteran's Supplemental Security Income check. The Organization uses the allowance method to determine uncollectible accounts receivable. The allowance for doubtful accounts is based primarily on prior years' experience and management's analysis of specific account balances. The Organization does not assess interest or finance charges on accounts receivable balances. Collectability is assessed on an individual account basis, and uncollectible accounts are written off against the allowance after approval by the governing board.

Concentrations of credit risk and support - From time to time, the Organization may have cash on deposits with financial institutions that are in excess of Federal Deposit Insurance Corporation limits.

Events occurring after report date - The Organization has evaluated events and transactions that occurred between January 1, 2016 and May 10, 2016, which is the date the consolidated financial statements were available to be issued, for possible disclosure and recognition in the consolidated financial statements.

**ASSOCIATION FOR MENTAL HEALTH AND WELLNESS, INC.
AND SUBSIDIARY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

2. Contracts and Accounts Receivable, Net

Contracts and accounts receivable by funding source are as follows as of December 31,:

	2015		2014
Due from New York State	\$ 71,296	\$	97,780
Due from Suffolk County	317,593		100,963
Due from Medicaid.....	1,230,955		1,417,731
Other.....	140,587		132,264
	<u>1,760,431</u>		<u>1,748,738</u>
Less: Allowance for Doubtful Accounts.....	(119,112)	(182,365)
Contracts and Accounts Receivable, Net.....	<u>\$ 1,641,319</u>	<u>\$</u>	<u>1,566,373</u>

3. Property and Equipment, Net

Property and equipment, net of accumulated depreciation, consisted of the following at December 31,:

	2015		2014
Buildings, Improvements, and Closing Costs	\$ 6,112,907	\$	6,055,034
Land.....	1,655,079		1,227,500
Construction in Progress	1,707,418		-
Furniture and Equipment.....	484,945		582,329
Vehicles.....	338,300		248,689
	<u>10,298,649</u>		<u>8,113,552</u>
Less: Accumulated Depreciation.....	(2,490,925)	(2,472,734)
Property and Equipment, Net	<u>\$ 7,807,724</u>	<u>\$</u>	<u>5,640,818</u>

The New York State Office of Mental Health and Suffolk County have the right to reclaim equipment purchased with grant funds if the programs in connection with which they are used are terminated.

4. Pension Plan

On January 1, 2012, the Association changed its defined contribution pension plan to a thrift plan under section 403(b) of the Internal Revenue Code. The thrift plan and the tax-deferred annuity plan are combined under a 403(b) thrift aggregated plan. All employees are eligible to make contributions to the plan; however, only employees over 21 years of age and who have completed one year of service are eligible to receive employer contributions. Participants are always 100% vested in their contributions plus actual earnings thereon. Participants are 100% vested in employer contributions after completing three years of vesting service. Contributions to the pension plan of eligible employees' salaries for the years ended December 31, 2015 and 2014 was 5%. Pension contributions were approximately \$187,000 and \$167,000 for the years ended December 31, 2015 and 2014, respectively.

The original defined contribution pension plan is still maintained by the Organization. The assets in this pension plan remain frozen until all outstanding loans have been repaid.

**ASSOCIATION FOR MENTAL HEALTH AND WELLNESS, INC.
AND SUBSIDIARY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

5. Lines of Credit

The Association has a bank line of credit of \$900,000 with interest payable at the bank's prime lending rate plus 1.00% (4.50% at December 31, 2015). The line is secured by substantially all assets of the Association.

The Vets had a line of credit with a bank allowing borrowings up to \$100,000, payable at an interest rate of prime plus 1.00% (4.25% at December 31, 2013), and due on demand. The line was secured by substantially all assets held by the Vets. In August 2014 the principal balance was paid in full and the line of credit was closed.

6. Debt Obligations

In November 2004, the Association entered into a mortgage agreement in the amount of \$700,000 related to the purchase of its Riverhead facility located at 1380 Roanoke Avenue, Riverhead, New York. The original mortgage required interest only, monthly payments calculated at a rate of 6.60%, until November 19, 2007. In February 2007, the Association borrowed an additional \$200,000 against this mortgage. In 2013, the Association paid \$100,000 of the principal mortgage balance. The mortgage is secured by the property in Riverhead. Interest expense for the years ended December 31, 2015 and 2014 was approximately \$47,000 and \$37,000, respectively. On February 1, 2014 the mortgage balance of \$800,000 was assigned. The mortgage requires payments of principal and interest (at a rate of 6%) of \$4,796 until maturity in January 2019.

In May 2003, the Association entered into a mortgage agreement in the amount of \$445,000 related to the purchase of sites in Central Islip and Riverhead, New York. The mortgage requires monthly payments of principal and interest (calculated at an annual rate of 5.95%) of \$3,743 until maturity in June 2018. The mortgage is secured by the underlying properties. Interest expense incurred pursuant to this mortgage totaled approximately \$7,400 and \$9,500 during the years ended December 31, 2015 and 2014, respectively.

In September 2005, the Association entered into a mortgage agreement in the amount of \$555,000 related to the purchase of a residential housing site in Ronkonkoma, New York. The mortgage requires monthly payments of principal and interest (calculated at an annual rate of 6.47%) of \$3,737 until maturity in October 2030. The mortgage is secured by the underlying property. Interest expense incurred pursuant to this mortgage totaled approximately \$28,000 and \$29,000 during the years ended December 31, 2015 and 2014, respectively.

On October 7, 2015 the Association entered into a mortgage agreement in the amount of \$975,000 related to the purchase of a commercial office site in Ronkonkoma, New York. The mortgage requires monthly payments of principal and interest (calculated at an annual rate of 4.010%) of \$5,152 (based on a twenty-five year amortization) until October 2025 at which time the second interest rate will be computed at a fixed rate equal to the ten year Interest Rate Index plus two hundred basis points. The principal and interest will be recomputed to fully amortize the then outstanding principal balance by October 2040. Final payment shall be due and payable on October 7, 2035, the maturity date. At no time shall the interest rate be less than four percent (4%) per annum. The mortgage is secured by the underlying property. Interest expense incurred pursuant to this mortgage totaled approximately \$6,500 during the year ended December 31, 2015 and was capitalized as part of construction in progress.

**ASSOCIATION FOR MENTAL HEALTH AND WELLNESS, INC.
AND SUBSIDIARY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

6. Debt Obligations (continued)

On November 30, 2015 the Association entered into a note payable in the amount of \$200,000 to partially fund building improvements related to the purchase of a commercial office site in Ronkonkoma. The note payable requires monthly payments of principal and interest (calculated at 4%) of \$3,683 until maturity in November 2020. The note is secured by the underlying property. Interest expense incurred pursuant to this note totaled \$667 during the year ended December 31, 2015 and was capitalized as part of construction in progress.

Future scheduled payments for the debt obligations are as follows for the years ending December 31,:

2016.....	\$	128,691
2017.....		135,437
2018.....		119,806
2019.....		102,498
2020.....		103,823
Thereafter		1,891,410
Total		<u>\$ 2,481,665</u>

7. Government Funding and Possible Rate Adjustments

Substantial funding of programs is provided to the Organization by State and local government agencies. Continuation of such funding is dependent on budgetary allocations from such agencies. In addition, reimbursements under contracts are subject to audit by various agencies on a regular basis. Liabilities, if any, resulting from these audits are not presently determinable. Changes in rates resulting from audit adjustments or rate appeals are reflected in the operations of the Organization when such rates are determined or can be reasonably estimated.

8. Medicaid Revenue Adjustment

The Organization generates a significant level of its revenue from Medicaid-funded programs and service delivery. In past years, certain statutory limitations existed on the levels of revenue that could be generated by the Organization's case management and health homes programs. As a result of these limitations, and in an effort to present its financial position and results of operations in a conservative manner, the Organization reflected a total of \$1,012,929 of refundable advances as of December 31, 2013.

During the year ended December 31, 2014, the Organization's 2013 Consolidated Fiscal Report, which reflected the \$1,012,929 of excess Medicaid income earned, was considered closed by the Suffolk County Department of Health, with no recoupment required. It is management's contention that the excess revenue has been properly reported to the applicable regulatory agencies, and that no recoupment has been requested. As such, the full \$1,012,929 liability has been removed and reflected as part of fees for services revenue in the accompanying statement of activities for the year ended December 31, 2014.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015

ASSOCIATION FOR MENTAL HEALTH AND WELLNESS, INC. AND SUBSIDIARY

	Program Services				Personalized				Supporting Services				Total	
	Housing and Referral	Community and Referral	Workforce Training	Shelter	Eastern Suffolk Recovery Center	Peer Services	Care Management	Recovery Oriented Services	Other Programs	Total Program Services	Administrative and Overhead	Fundraising		Supporting Services
Salaries	\$ 128,951	\$ 81,225	\$ 50,875	\$ 233,274	\$ -	\$ 122,669	\$ 1,746,995	\$ 1,590,094	\$ 181,003	\$ 4,137,086	\$ 733,341	\$ -	\$ 733,341	\$ 4,870,427
Payroll Taxes	18,335	10,337	6,138	38,206	-	20,981	242,075	177,764	27,696	541,532	74,682	-	74,682	616,214
Employee Benefits	21,584	11,650	11,471	45,774	-	5,315	278,775	296,122	4,471	675,162	140,000	-	140,000	815,162
Total Salaries and Related Expenses	168,870	103,212	68,484	317,254	-	148,965	2,269,845	2,063,980	213,170	5,353,780	948,023	-	948,023	6,301,803
Rent - Housing	200,754	-	-	-	-	-	-	-	-	200,754	-	-	-	200,754
Rent - Facility	4,699	547	495	9,235	-	-	34,475	-	5,214	54,695	38,640	-	38,640	93,335
Utilities - Facilities	1,020	560	464	22,557	-	-	17,908	55,261	506	98,276	10,038	-	10,038	108,314
Utilities - Housing	75,027	-	-	2,155	-	-	-	-	-	77,182	-	-	-	77,182
Repairs and Maintenance - Housing	20,020	-	-	43	-	-	-	-	-	20,063	-	-	-	20,063
Repairs and Maintenance	1,137	887	738	30,169	-	-	22,832	96,960	24	152,767	7,437	-	7,437	160,204
Insurance	19,432	681	436	15,081	-	-	2,598	34,107	-	108,147	31,533	-	31,533	139,680
Equipment	11	-	-	-	-	-	902	75	-	977	359	-	359	3,043
Telephone	3,760	3,417	1,102	7,307	-	-	39,550	30,316	10,712	97,066	45,730	-	45,730	142,796
Printing	550	467	489	381	-	-	7,085	1,633	1,121	12,934	3,887	129	4,016	16,950
Supplies and Educational Materials	8,029	3,923	4,625	16,703	-	-	54,640	128,134	32,872	259,999	31,031	-	31,031	291,030
Postage	67	177	388	247	-	-	1,686	1,778	45	4,388	4,503	-	4,503	8,891
Training	641	239	1,776	265	-	160	3,155	4,852	673	29,761	2,944	-	2,944	32,705
Conference and Events	525	18,464	22,220	790	-	142	6,519	11,778	42	60,480	5,071	-	5,071	65,551
Fundraising	-	-	-	-	-	-	-	11	-	11	-	972	-	972
Travel	3,573	732	927	5,570	-	5,375	32,805	7,969	13,057	70,008	6,010	-	6,010	76,018
Auto Expense	71	-	-	15,589	-	2	14,669	13,399	-	43,730	3,920	-	3,920	47,650
Garden Expense	-	-	-	-	-	-	-	1,939	-	1,939	-	-	-	1,939
Food	140	32	802	26,439	-	3,153	5,641	62,144	81	98,432	4,130	-	4,130	102,562
Social	116	-	(11)	2,208	-	8,551	7,493	9,025	95	27,477	-	9,308	9,308	36,785
Dues and Subscriptions	512	33	20	601	-	85	3,059	2,281	545	7,136	-	-	-	61,858
Outside Services - Administrative	1,273	3,208	7	507	-	1,750	361,303	27,527	288	402,163	199,072	-	199,072	601,235
Outside Services - Program	3,671	18,503	11,983	-	-	1,750	136,713	166,092	32,280	369,242	11,029	-	11,029	380,271
Public Relations	226	-	-	381	-	581	-	-	575	1,763	5,246	-	5,246	7,009
Professional Fees	750	-	-	-	-	-	30,231	4,775	-	35,756	93,374	-	93,374	129,130
Interest - Line of Credit	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest - Other	35,735	51	46	-	-	-	20,779	29,501	-	86,112	1,390	4	1,394	87,506
Bad Debts	31,817	-	-	6,290	-	-	373	54,061	-	92,541	27	-	27	92,568
Depreciation and Amortization	68,215	707	588	94,689	-	-	58,951	77,333	-	300,483	29,621	-	29,621	330,104
Scholarships	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service Dollars	-	-	-	-	-	-	72,181	-	-	72,181	-	-	-	72,181
Other	650	17	-	56	-	-	-	315	-	1,038	40,860	397	41,257	42,295
Total Expenses	\$ 651,291	\$ 155,857	\$ 115,579	\$ 574,517	\$ 28,052	\$ 178,245	\$ 3,242,871	\$ 2,885,246	\$ 311,330	\$ 8,142,988	\$ 1,578,597	\$ 10,810	\$ 1,589,407	\$ 9,732,395

See independent auditors' report.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014

ASSOCIATION FOR MENTAL HEALTH AND WELLNESS, INC. AND SUBSIDIARY

	Program Services										Supporting Services				Total
	Housing and Referral	Workforce Training	Shelter	Transportation	Eastern Suffolk Recovery Center	Peer Services	Care Management	Personalized Recovery Services	Other Programs	Total Program Services	Administrative and Overhead	Fundraising	Supporting Services	Total	
Salaries	\$ 127,470	\$ 77,623	\$ 51,198	\$ 189,441	\$ 14,509	\$ -	\$ 103,288	\$ 1,413,761	\$ 1,708,280	\$ 193,942	\$ 3,879,492	\$ 710,044	\$ -	\$ 710,044	\$ 4,589,536
Payroll Taxes	17,164	8,331	5,161	29,826	3,171	-	14,071	174,813	170,513	27,956	451,006	64,197	-	64,197	515,203
Employee Benefits	17,732	7,234	9,426	34,732	1,197	-	6,268	211,098	280,401	3,123	571,302	139,058	-	139,058	710,360
Total Salaries and Related Expenses	162,366	93,288	65,785	253,990	18,877	-	123,627	1,799,672	2,159,174	225,021	4,901,800	913,299	-	913,299	5,815,099
Rent - Housing	195,559	-	-	-	-	-	-	-	-	-	195,559	-	-	-	195,559
Rent - Facility	8,159	12,626	12,153	5,190	1,456	-	-	-	-	4,576	44,160	34,774	-	34,774	78,934
Utilities - Facilities	1,661	2,618	2,522	420	246	-	-	13,799	59,248	410	80,924	9,493	-	9,493	90,417
Utilities - Housing	80,483	-	-	21,528	-	-	-	-	-	-	102,011	-	-	-	102,011
Repairs and Maintenance - Housing	12,357	-	-	-	-	-	-	-	-	-	12,357	-	-	-	12,357
Repairs and Maintenance - Insurance	11,048	1,819	1,791	25,832	-	-	3	33,532	116,032	72	190,129	10,590	-	10,590	200,719
Equipment	395	1,317	1,269	-	2,451	-	334	26,944	34,207	-	96,466	30,466	-	30,466	126,932
Telephone	4,202	2,100	2,122	8,762	1,238	-	1,068	31,156	41,305	3,469	95,422	41,685	22	41,707	137,129
Printing	517	142	269	787	38	-	1,704	2,273	4,584	2,519	12,833	4,702	1,490	6,192	19,025
Supplies and Educational Materials	8,551	1,295	1,702	12,866	320	-	501	36,677	128,023	4,769	194,624	34,569	105	34,674	229,198
Postage	304	722	696	121	62	-	20	1,527	601	157	4,210	3,666	98	3,764	7,974
Training	1,177	3,404	2,306	866	-	-	1,157	6,434	12,889	140	28,373	15,117	-	15,117	43,490
Conference and Events	-	6,119	17,481	-	-	-	-	-	-	-	23,600	-	-	-	23,600
Fundraising	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel	3,134	1,551	2,499	1,390	-	-	546	20,519	3,516	3,577	36,732	2,617	-	2,617	39,349
Auto Expense	1,458	-	-	22,729	6,075	-	4,905	17,534	17,762	8,976	79,439	4,532	-	4,532	83,971
Garden Expense	-	-	-	-	-	-	-	-	4,200	-	4,200	-	-	-	4,200
Food	548	347	487	20,586	19	-	2,994	3,749	55,890	109	84,729	2,620	156	2,776	87,505
Social	115	420	412	1,800	-	-	3,871	7,474	14,903	680	29,675	8,830	6,983	15,813	45,488
Dues and Subscriptions	882	84	76	778	335	-	1,766	2,540	2,940	769	7,430	11,399	-	11,399	18,829
Outside Services - Administrative	1,418	101,039	122	2,524	231	-	3,855	179,497	18,065	6,101	221,922	89,204	-	89,204	311,126
Outside Services - Program	40	8,113	3,096	-	-	-	-	11,016	240,115	1,151	266,531	89,204	213	213	263,744
Public Relations	102	-	-	96	-	-	2,705	28	551	228	3,710	4,615	50	4,665	8,375
Professional Fees	1,250	-	-	-	-	-	-	52,353	835	10,000	64,438	74,590	-	74,590	139,028
Interest - Line of Credit	-	-	-	-	-	-	-	-	-	-	3,689	-	-	3,689	3,689
Interest - Other	38,933	-	-	422	587	-	-	19,233	27,818	-	86,993	8,032	39	8,071	95,064
Bad Debts	12,574	-	-	5,830	-	-	91	111,714	25,578	2,551	158,338	(174)	-	(174)	158,164
Depreciation and Amortization	68,493	-	-	90,921	1,845	-	-	41,621	73,602	-	276,482	26,848	-	26,848	303,330
Scholarships	-	-	-	-	-	-	-	-	-	-	-	-	300	-	300
Service Dollars	-	-	-	-	-	-	-	61,805	-	-	61,805	-	-	-	61,805
Other	1,379	96	57	122	-	-	-	15	380	-	2,049	28,110	618	-	28,728
Total Expenses	\$ 620,117	\$ 146,170	\$ 114,845	\$ 497,896	\$ 33,980	\$ -	\$ 147,381	\$ 2,480,338	\$ 3,041,818	\$ 275,275	\$ 7,366,822	\$ 1,363,311	\$ 10,074	\$ 1,373,385	\$ 8,740,207

See independent auditors' report

Supplementary Information

ASSOCIATION FOR MENTAL HEALTH AND WELLNESS, INC. AND SUBSIDIARY

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015

	ASSETS		LIABILITIES AND NET ASSETS	
	CONSOLIDATED	ELIMINATING	ASSOCIATION	COLLECTIVE
Current Assets:				
Cash and cash equivalents.....	\$ 1,263,051	\$ -	\$ 986,146	\$ 276,905
Restricted cash and cash equivalents.....	2,276	-	2,276	-
Contracts and accounts receivable, net.....	1,641,319	-	1,633,819	7,500
Current portion of capital lease receivable.....	9,500	-	9,500	-
Due from affiliate.....	-	(220,628)	220,628	-
Prepaid expenses and other current assets.....	133,252	-	129,140	4,112
Total Current Assets	3,049,398	(220,628)	2,981,509	288,517
Long-term portion of capital lease receivable.....	7,916	-	7,916	-
Property and equipment, net.....	7,807,724	-	7,034,816	772,908
Security deposits.....	35,061	-	35,061	-
TOTAL ASSETS	\$ 10,900,099	\$ (220,628)	\$ 10,059,302	\$ 1,061,425
Current Liabilities:				
Accounts payable and accrued expenses.....	\$ 1,086,576	\$ -	\$ 1,085,993	\$ 583
Current portion of note payable.....	36,993	-	36,993	-
Refundable advances.....	277,487	-	277,487	-
Current portion of unearned income.....	13,277	-	3,908	9,369
Due to affiliate.....	-	(220,628)	-	220,628
Security deposits payable.....	2,005	-	2,005	-
Current portion of mortgages payable.....	91,698	-	34,210	57,488
Current portion of obligations under capital leases.....	16,861	-	16,861	-
Total Current Liabilities	1,524,897	(220,628)	1,457,457	288,068
Long-term portion of note payable.....	159,990	-	159,990	-
Long-term portion of unearned income.....	1,388	-	1,388	-
Long-term portion of mortgages payable.....	2,192,984	-	1,719,408	473,576
Long-term portion of obligations under capital leases.....	41,200	-	41,200	-
Total Liabilities	3,920,459	(220,628)	3,379,443	761,644
Net Assets:				
Unrestricted.....	6,977,905	-	6,678,124	299,781
Temporarily restricted.....	1,735	-	1,735	-
Total Net Assets	6,979,640	-	6,679,859	299,781
TOTAL LIABILITIES AND NET ASSETS	\$ 10,900,099	\$ (220,628)	\$ 10,059,302	\$ 1,061,425

ASSOCIATION FOR MENTAL HEALTH AND WELLNESS, INC. AND SUBSIDIARY

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2014

	CONSOLIDATED	ELIMINATING	ASSOCIATION	COLLECTIVE	THE VETS	THE MHA
ASSETS						
Current Assets:						
Cash and cash equivalents.....	\$ 1,066,875	\$ -	\$ 463,999	\$ 19,036	\$ 191,710	\$ 392,130
Restricted cash and cash equivalents.....	2,276	-	-	2,276	-	-
Contracts and accounts receivable, net.....	1,566,373	(166,816)	1,515,832	6,000	175,250	36,107
Current portion of capital lease receivable.....	9,500	-	-	9,500	-	-
Due from affiliates.....	-	(233,072)	203,700	29,372	-	-
Prepaid expenses and other current assets.....	116,036	-	77,109	13,472	10,834	14,621
Total Current Assets	2,761,060	(399,888)	2,260,640	67,880	389,570	442,858
Long-term portion of capital lease receivable.....	17,416	-	-	-	17,416	-
Property and equipment, net.....	5,640,818	-	2,895,492	794,741	1,941,552	9,033
Security deposits.....	17,648	-	16,193	-	1,455	-
TOTAL ASSETS	\$ 8,436,942	\$ (399,888)	\$ 5,172,325	\$ 862,621	\$ 2,349,993	\$ 451,891
LIABILITIES AND NET ASSETS						
Current Liabilities:						
Accounts payable and accrued expenses.....	\$ 795,585	\$ (166,816)	\$ 691,229	\$ 583	\$ 239,847	\$ 30,742
Current portion of note payable.....	-	-	-	-	-	-
Refundable advances.....	312,674	-	312,674	-	-	-
Current portion of unearned income.....	31,860	-	-	9,360	-	-
Due to affiliates.....	-	(233,072)	29,372	-	203,700	-
Security deposits payable.....	2,315	-	-	-	2,315	-
Current portion of mortgages payable.....	64,365	-	10,275	54,090	-	-
Current portion of obligations under capital leases.....	33,948	-	33,948	-	-	-
Total Current Liabilities	1,240,747	(399,888)	1,077,498	64,033	468,362	30,742
Long-term portion of note payable.....	-	-	-	-	-	-
Long-term portion of unearned income.....	3,055	-	-	-	3,055	-
Long-term portion of mortgages payable.....	1,313,521	-	782,412	531,109	-	-
Long-term portion of obligations under capital leases.....	10,172	-	10,172	-	-	-
Total Liabilities	2,567,495	(399,888)	1,870,082	595,142	471,417	30,742
Net Assets:						
Unrestricted.....	5,867,832	-	3,300,628	267,479	1,878,576	421,149
Temporarily restricted.....	1,615	-	1,615	-	-	-
Total Net Assets	5,869,447	-	3,302,243	267,479	1,878,576	421,149
TOTAL LIABILITIES AND NET ASSETS	\$ 8,436,942	\$ (399,888)	\$ 5,172,325	\$ 862,621	\$ 2,349,993	\$ 451,891

ASSOCIATION FOR MENTAL HEALTH AND WELLNESS, INC. AND SUBSIDIARY

**CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	CONSOLIDATED	ELIMINATING	ASSOCIATION	COLLECTIVE
Revenue:				
Program services:				
Fees for services.....	\$ 7,604,809	\$ -	\$ 7,604,809	\$ -
Grant and contract support.....	2,481,594	-	2,481,594	-
Rental income.....	265,251	(119,651)	265,251	119,651
Total Program Services Revenue	10,351,654	(119,651)	10,351,654	119,651
Other revenue/(expense):				
Contributions.....	374,219	-	374,219	-
Fundraising events.....	45,448	-	45,448	-
Direct expenses of fundraising events.....	(11,088)	-	(11,088)	-
Other income.....	74,418	-	74,418	-
Net gain on fixed asset disposal.....	4,932	-	4,932	-
Interest income.....	3,005	-	3,005	-
Total Other Revenue/(Expense), Net	490,934	-	490,934	-
Total Revenue, Net	10,842,588	(119,651)	10,842,588	119,651
Expenses:				
Program services:				
Housing.....	651,291	(119,651)	683,593	87,349
Community and referral.....	155,857	-	155,857	-
Workforce training.....	115,579	-	115,579	-
Shelter.....	574,517	-	574,517	-
Transportation.....	-	-	-	-
Eastern Suffolk Recovery Center.....	28,052	-	28,052	-
Peer services.....	178,245	-	178,245	-
Care management.....	3,242,871	-	3,242,871	-
Personalized Recovery Oriented Services.....	2,885,246	-	2,885,246	-
Other programs.....	311,330	-	311,330	-
Total Program Services	8,142,988	(119,651)	8,175,290	87,349
Supporting services:				
Administrative and overhead.....	1,578,597	-	1,578,597	-
Fundraising.....	10,810	-	10,810	-
Total Supporting Services	1,589,407	-	1,589,407	-
Total Expenses	9,732,395	(119,651)	9,764,697	87,349
Change in net assets.....	1,110,193	-	1,077,891	32,302
Net assets, beginning of year.....	5,869,447	-	5,601,968	267,479
Net assets, end of year.....	\$ 6,979,640	\$ -	\$ 6,679,859	\$ 299,781

See independent auditors' report.

ASSOCIATION FOR MENTAL HEALTH AND WELLNESS, INC. AND SUBSIDIARY

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2014

	CONSOLIDATED	ELIMINATING	ASSOCIATION	COLLECTIVE	THE VETS	THE MHA
Revenue:						
Program services:						
Fees for services.....	\$ 7,254,028	\$ -	\$ 7,245,338	\$ -	\$ 882	\$ 7,808
Grant and contract support.....	2,338,776	(191,030)	1,375,522	-	796,818	357,466
Rental income.....	268,532	(136,212)	83,822	136,212	184,710	-
Total Program Services Revenue	9,861,336	(327,242)	8,704,682	136,212	982,410	365,274
Other revenue/(expense):						
Contributions.....	252,605	-	61,983	-	189,704	918
Fundraising events.....	63,175	-	28,668	-	7,008	27,499
Direct expenses of fundraising events.....	(25,300)	-	(10,825)	-	(3,310)	(11,165)
Other income.....	12,909	(131,236)	131,602	-	12,543	-
Net gain on fixed asset disposal.....	7,885	-	(3,628)	-	11,513	-
Interest income.....	4,542	-	290	-	2,501	1,751
Total Other Revenue/(Expense) Net	315,816	(131,236)	208,690	-	219,959	19,003
Total Revenue, Net	10,177,152	(458,478)	8,912,772	136,212	1,202,369	384,277
Expenses:						
Program services:						
Housing.....	629,117	(136,212)	412,369	89,856	240,404	22,700
Community and referral.....	146,170	-	-	-	-	146,170
Workforce training.....	114,845	-	-	-	-	114,845
Shelter.....	497,898	-	-	-	497,898	-
Transportation.....	33,980	-	-	-	33,980	-
Eastern Suffolk Recovery Center.....	-	-	-	-	-	-
Peer services.....	147,381	-	-	-	147,381	-
Care management.....	2,480,338	-	2,480,338	-	-	-
Personalized Recovery Oriented Services.....	3,041,818	-	3,041,818	-	-	-
Other programs.....	275,275	(191,030)	335,882	-	112,231	18,192
Total Program Services	7,366,822	(327,242)	6,270,407	89,856	1,031,894	301,907
Supporting services:						
Administrative and overhead.....	1,363,311	(131,236)	1,298,597	-	135,777	60,173
Fundraising.....	10,074	-	7,474	-	1,512	1,088
Total Supporting Services	1,373,385	(131,236)	1,306,071	-	137,289	61,261
Total Expenses	8,740,207	(458,478)	7,576,478	89,856	1,169,183	363,168
Change in net assets.....	1,436,945	-	1,336,294	46,356	33,186	21,109
Net assets, beginning of year.....	4,432,502	-	1,965,949	221,123	1,845,390	400,040
Net assets, end of year.....	\$ 5,869,447	\$ -	\$ 3,302,243	\$ 267,479	\$ 1,878,576	\$ 421,149

See independent auditors' report.