

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, 2017 AND 2016***

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*&* **LLP**  
**ASSOCIATES**  
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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, 2017 AND 2016  
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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, 2017 and 2016, 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.

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, 2017 and 2016, 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, 2017 and 2016 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, 2017 and 2016 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 audits 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.

*Cerini & Associates LLP*

Bohemia, New York  
April 16, 2018

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

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31,**

**2017**

**2016**

**ASSETS (Note 5)**

**Current Assets:**

Cash and cash equivalents.....	\$ 1,679,245	\$ 1,120,736
Restricted cash and cash equivalents.....	18,271	18,271
Contracts and accounts receivable, net (Note 2).....	1,482,276	1,546,832
Capital lease receivable.....	-	7,917
Prepaid expenses and other current assets.....	130,150	148,157
<b>Total Current Assets</b>	<b>3,309,942</b>	<b>2,841,913</b>
Property and equipment, net (Notes 3 and 6).....	7,943,873	8,067,555
Security deposits.....	29,789	29,976
Other assets (Note 4).....	176,702	137,000
<b>TOTAL ASSETS</b>	<b>\$ 11,460,306</b>	<b>\$ 11,076,444</b>

**LIABILITIES AND NET ASSETS**

**Current Liabilities:**

Accounts payable and accrued expenses.....	\$ 1,066,469	\$ 1,071,789
Current portion of note payable (Note 6).....	40,069	38,501
Refundable advances (Note 7).....	312,918	263,399
Unearned income.....	9,905	14,666
Security deposits payable.....	1,942	1,942
Current portion of mortgages payable (Note 6).....	78,741	96,936
Current portion of obligations under capital leases.....	42,858	26,239
<b>Total Current Liabilities</b>	<b>1,552,902</b>	<b>1,513,472</b>
Long-term portion of note payable (Note 6).....	81,420	121,489
Long-term portion of mortgages payable (Note 6).....	2,017,208	2,096,000
Long-term portion of obligations under capital leases.....	65,045	98,993
Deferred compensation payable (Note 4).....	111,703	72,000
<b>Total Liabilities</b>	<b>3,828,278</b>	<b>3,901,954</b>
Commitments and contingencies (Notes 2, 3, 4, 5, 6, and 7)		
<b>Net Assets:</b>		
Unrestricted.....	7,629,778	7,171,125
Temporarily restricted.....	2,250	3,365
<b>Total Net Assets</b>	<b>7,632,028</b>	<b>7,174,490</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 11,460,306</b>	<b>\$ 11,076,444</b>

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

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
<b>Revenue:</b>			
Program services (Note 7):			
Fees for services.....	\$ 7,804,728	\$ -	\$ 7,804,728
Grant and contract support.....	3,062,076	-	3,062,076
Rental income.....	284,856	-	284,856
Net assets released from restrictions.....	7,215	(7,215)	-
<b>Total Program Services Revenue</b>	<b>11,158,875</b>	<b>(7,215)</b>	<b>11,151,660</b>
Other revenue/(expense):			
Contributions.....	195,854	6,100	201,954
Fundraising events.....	54,102	-	54,102
Direct expenses of fundraising events.....	(36,434)	-	(36,434)
Other income.....	81,418	-	81,418
Net gain on fixed asset disposal.....	1,051	-	1,051
Interest income.....	4,719	-	4,719
<b>Total Other Revenue/(Expense), Net</b>	<b>300,710</b>	<b>6,100</b>	<b>306,810</b>
<b>Total Revenue, Net</b>	<b>11,459,585</b>	<b>(1,115)</b>	<b>11,458,470</b>
<b>Expenses:</b>			
Program services:			
Housing.....	751,936	-	751,936
Community and referral.....	184,217	-	184,217
Workforce training.....	132,471	-	132,471
Shelter.....	561,745	-	561,745
Eastern Suffolk Recovery Center.....	236,915	-	236,915
Peer services.....	273,716	-	273,716
Care management.....	3,818,327	-	3,818,327
Personalized Recovery Oriented Services.....	2,999,751	-	2,999,751
Community based services.....	100,598	-	100,598
Other programs.....	273,322	-	273,322
<b>Total Program Services Expenses</b>	<b>9,332,998</b>	<b>-</b>	<b>9,332,998</b>
Supporting services:			
Administrative and overhead.....	1,648,476	-	1,648,476
Fundraising.....	19,458	-	19,458
<b>Total Supporting Services Expenses</b>	<b>1,667,934</b>	<b>-</b>	<b>1,667,934</b>
<b>Total Expenses</b>	<b>11,000,932</b>	<b>-</b>	<b>11,000,932</b>
Change in net assets.....	458,653	(1,115)	457,538
Net assets, beginning of year.....	7,171,125	3,365	7,174,490
Net assets, end of year.....	\$ 7,629,778	\$ 2,250	\$ 7,632,028

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

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
<b>Revenue:</b>			
Program services (Note 7):			
Fees for services.....	\$ 7,421,682	\$ -	\$ 7,421,682
Grant and contract support.....	2,899,981	-	2,899,981
Rental income.....	263,860	-	263,860
Net assets released from restrictions.....	8,580	(8,580)	-
<b>Total Program Services Revenue</b>	<b>10,594,103</b>	<b>(8,580)</b>	<b>10,585,523</b>
Other revenue/(expense):			
Contributions.....	112,166	10,210	122,376
Fundraising events.....	57,564	-	57,564
Direct expenses of fundraising events.....	(10,234)	-	(10,234)
Other income.....	124,640	-	124,640
Net gain on fixed asset disposal.....	6,137	-	6,137
Interest income.....	2,722	-	2,722
<b>Total Other Revenue/(Expense), Net</b>	<b>292,995</b>	<b>10,210</b>	<b>303,205</b>
<b>Total Revenue, Net</b>	<b>10,887,098</b>	<b>1,630</b>	<b>10,888,728</b>
<b>Expenses:</b>			
Program services:			
Housing.....	656,325	-	656,325
Community and referral.....	182,021	-	182,021
Workforce training.....	138,693	-	138,693
Shelter.....	576,293	-	576,293
Eastern Suffolk Recovery Center.....	159,698	-	159,698
Peer services.....	247,180	-	247,180
Care management.....	3,723,699	-	3,723,699
Personalized Recovery Oriented Services.....	3,017,327	-	3,017,327
Community based services.....	-	-	-
Other programs.....	363,080	-	363,080
<b>Total Program Services Expenses</b>	<b>9,064,316</b>	<b>-</b>	<b>9,064,316</b>
Supporting services:			
Administrative and overhead.....	1,611,477	-	1,611,477
Fundraising.....	18,085	-	18,085
<b>Total Supporting Services Expenses</b>	<b>1,629,562</b>	<b>-</b>	<b>1,629,562</b>
<b>Total Expenses</b>	<b>10,693,878</b>	<b>-</b>	<b>10,693,878</b>
Change in net assets.....	193,220	1,630	194,850
Net assets, beginning of year.....	6,977,905	1,735	6,979,640
Net assets, end of year.....	\$ 7,171,125	\$ 3,365	\$ 7,174,490

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,**

	2017	2016
<b>Cash Flows from Operating Activities:</b>		
Change in net assets.....	\$ 457,538	\$ 194,850
<u>Adjustments to reconcile change in net assets to net cash provided by operating activities:</u>		
Depreciation and amortization.....	411,626	381,338
Net gain on fixed asset disposal.....	(1,051)	(6,137)
Net increase in allowance for doubtful accounts.....	91,355	20,887
<u>Changes in operating assets and liabilities:</u>		
(Increase)/decrease in assets:		
Restricted cash and cash equivalents.....	-	(15,995)
Contracts and accounts receivable.....	(26,799)	73,600
Prepaid expenses and other current assets.....	18,007	(14,905)
Security deposits.....	187	5,085
Other assets.....	(39,702)	(72,000)
Increase/(decrease) in liabilities:		
Accounts payable and accrued expenses.....	(5,320)	(14,787)
Refundable advances.....	49,519	(14,088)
Unearned income.....	(4,761)	1
Security deposits payable.....	-	(63)
Deferred compensation payable.....	39,703	72,000
Total adjustments.....	532,764	414,936
<b>Net Cash Provided by Operating Activities</b>	990,302	609,786
<b>Cash Flows from Investing Activities:</b>		
Purchases of property and equipment.....	(278,044)	(556,336)
Proceeds from disposal of property and equipment.....	1,051	21,104
Payments received for capital lease receivable.....	7,917	9,499
Ownership in Advanced Health Network.....	-	(65,000)
<b>Net Cash Used in Investing Activities</b>	(269,076)	(590,733)
<b>Cash Flows from Financing Activities:</b>		
Repayments of line of credit.....	-	(675,000)
Proceeds from line of credit.....	-	675,000
Repayments of note payable.....	(38,501)	(36,993)
Repayments of capital lease obligations.....	(27,229)	(32,629)
Repayment of mortgages payable.....	(96,987)	(91,746)
<b>Net Cash Used in Financing Activities</b>	(162,717)	(161,368)
Net change in cash and cash equivalents.....	558,509	(142,315)
Cash and cash equivalents, beginning of year.....	1,120,736	1,263,051
Cash and cash equivalents, end of year.....	\$ 1,679,245	\$ 1,120,736
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Cash paid for interest.....	\$ 124,184	\$ 133,450
Non-cash acquisitions of property and equipment.....	\$ 9,900	\$ 99,800

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



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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

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**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 years ended December 31, 2017 and 2016 include the accounts of the Association and its subsidiary, Collective. All intercompany accounts and transactions have been eliminated upon consolidation.

*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.

*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 statements of activities and change in net assets as net assets released from restrictions.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

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

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, 2017 and 2016, 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 2017 and 2016.

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. 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.

The Organization maintains cash in bank accounts that are insured by the Federal Deposit Insurance Corp and Securities Investor Protection Corporation. From time to time, the Organization may have cash on deposit with financial institutions that are in excess of Federal Deposit Insurance Corporation and Securities Investor Protection Corporation limits.

*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.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

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

*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, 2017 and 2016 bad debt expense totaled approximately \$224,000 and \$70,000, 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. 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, 2018 and April 16, 2018, which is the date the consolidated financial statements were available to be issued, for possible disclosure and recognition in the consolidated financial statements.

**2. Contracts and Accounts Receivable, Net**

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

	2017	2016
Due from New York State .....	\$ 217,128	\$ 41,792
Due from Suffolk County .....	414,538	298,351
Due from Medicaid/Managed Care .....	897,029	1,048,086
Other.....	184,935	298,602
Gross Contracts and Accounts Receivable.....	1,713,630	1,686,831
Less: Allowance for Doubtful Accounts.....	( 231,354)	( 139,999)
Contracts and Accounts Receivable, Net.....	\$ 1,482,276	\$ 1,546,832

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

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**3. Property and Equipment, Net**

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

	2017	2016
Buildings, Improvements, and Closing Costs .....	\$ 8,168,114	\$ 8,136,426
Land.....	1,655,079	1,655,079
Construction in Progress.....	285,904	137,983
Furniture and Equipment.....	575,844	554,039
Vehicles.....	406,293	319,760
Gross Property and Equipment.....	11,091,234	10,803,287
Less: Accumulated Depreciation and Amortization .....	( 3,147,361)	( 2,735,732)
Property and Equipment, Net .....	\$ 7,943,873	\$ 8,067,555

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. Retirement Benefits**

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, 2017 and 2016 was 5%. Pension contributions were approximately \$238,000 and \$205,000 for the years ended December 31, 2017 and 2016, 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.

On November 1, 2016, the Organization adopted a 457(b) Eligible Deferred Compensation Plan for eligible executive employees with at least 20 years of service to the Organization. The plan is funded through non-elective contributions from the Organization, to be determined by the Executive Committee of the Board of Directors on an annual basis. Deferred amounts consist of payments of retirement benefits held in separate accounts in diversified mutual funds. These investments are classified as Level 1 investments for fair value reporting as the underlying investments are traded regularly in active markets. During the years ended December 31, 2017 and 2016, the Organization contributed \$30,000 and \$72,000, respectively, to eligible plan participants' accounts. Deferred compensation of \$111,703 and \$72,000 was recorded as a long-term liability on the accompanying consolidated statements of financial position at December 31, 2017 and 2016, respectively. These amounts were offset by investment balances totaling the same amount that are included as part of other assets on the accompanying consolidated statements of financial position.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

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**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, 2017). The line is secured by substantially all assets of the Association. The line of credit expires on November 30, 2019. There was no outstanding balance on the line as of December 31, 2017 and 2016.

**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, 2017 and 2016 was approximately \$46,000 and \$47,000, respectively. On February 1, 2014 the mortgage balance of \$800,000 was assigned. The mortgage now requires payments of principal and interest (at a rate of 6.00%) of \$4,796 until maturity in January 2019.

In May 2003, Collective 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 \$2,700 and \$5,100 during the years ended December 31, 2017 and 2016, respectively.

In September 2005, Collective 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 \$26,000 and \$28,000 during the years ended December 31, 2017 and 2016, 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 4.01%) 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 (4.00%) 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. Interest expense for each of the years ended December 31, 2017 and 2016 totaled approximately \$38,000, of which, \$6,400 was capitalized as part of construction in progress during the year ended December 31, 2016.

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 4.00%) of \$3,683 until maturity in November 2020. The note is secured by the underlying property. Interest expense incurred pursuant to this note of \$667 was capitalized during the year ended December 31, 2015. Interest expense incurred pursuant

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

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**6. Debt Obligations (continued)**

to this note totaled \$5,700 and \$7,200 during the years ended December 31, 2017 and 2016, respectively, of which, \$1,300 was capitalized as part of construction in progress during the year ended December 31, 2016.

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

2018.....	\$ 118,810
2019.....	836,883
2020.....	90,153
2021.....	53,091
2022.....	55,895
Thereafter .....	1,062,606
Total .....	<u>\$ 2,217,438</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.

## **Supplementary Information**

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2017

	Program Services										Supporting Services				Total
	Eastern Suffolk					Personalized					Total	Administrative	Total		
	Housing	Community and Referral	Workforce Training	Shelter	Recovery Center	Peer Services	Care Management	Recovery Oriented Services	Community Based Services	Other Programs	Program Services	and Overhead	Fundraising	Supporting Services	
Salaries.....	\$ 142,095	\$ 107,745	\$ 63,412	\$ 218,667	\$ 152,449	\$ 177,144	\$ 2,246,245	\$ 1,639,236	\$ 60,737	\$ 145,293	\$ 4,953,023	\$ 918,414	\$ -	\$ 918,414	\$ 5,871,437
Payroll taxes.....	17,632	11,991	5,977	29,008	20,630	26,320	310,754	172,427	7,858	20,613	623,210	86,539	-	86,539	709,749
Employee benefits.....	22,996	15,337	12,082	34,327	20,178	17,738	406,505	294,904	10,130	19,934	854,131	163,667	-	163,667	1,017,798
Total salaries and related expenses.....	182,723	135,073	81,471	282,002	193,257	221,202	2,963,504	2,106,567	78,725	185,840	6,430,364	1,168,620	-	1,168,620	7,598,984
Rent - housing.....	234,271	-	-	-	-	-	-	-	-	5,721	239,992	-	-	-	239,992
Rent - facilities.....	4,888	-	-	10,448	-	-	-	-	-	-	15,336	-	-	-	15,336
Utilities - facilities.....	972	675	499	25,813	57	-	21,389	56,497	-	360	106,262	6,526	-	6,526	112,788
Utilities - housing.....	74,086	-	-	-	-	-	-	-	-	-	74,086	-	-	-	74,086
Repairs and maintenance - housing.....	57,964	-	-	-	-	-	-	-	-	-	57,964	-	-	-	57,964
Repairs and maintenance.....	1,234	1,272	908	29,374	126	-	54,027	114,872	-	-	201,813	15,134	-	15,134	216,947
Insurance.....	13,248	887	547	15,612	6,098	-	51,113	32,837	811	5	121,158	44,938	-	44,938	166,096
Telephone.....	4,425	4,537	1,477	5,610	2,943	2,067	67,044	35,499	1,024	11,492	136,118	25,055	304	25,359	161,477
Printing.....	627	97	68	641	118	2,228	7,940	4,046	1,200	923	17,888	858	-	858	18,746
Supplies and educational materials.....	14,357	1,829	1,825	12,465	4,044	897	34,180	59,920	6,318	17,729	153,564	12,718	741	13,459	167,023
Postage.....	21	21	120	373	98	-	1,936	31	-	11	2,611	3,330	549	3,879	6,490
Training.....	566	1,195	5,455	1,590	1,376	2,729	13,979	13,800	1,285	397	42,372	11,534	-	11,534	53,906
Conferences and events.....	371	17,606	27,480	-	1,246	-	-	-	-	3,574	50,277	-	-	-	50,277
Travel.....	3,443	355	177	3,353	1,866	5,405	36,257	4,262	3,441	9,913	68,472	2,242	-	2,242	70,714
Auto expense.....	-	-	-	8,172	2,279	-	11,070	10,391	301	-	32,213	1,765	-	1,765	33,978
Garden expense.....	-	-	-	-	-	-	-	2,505	-	-	2,505	-	222	222	2,727
Food.....	729	-	66	26,752	330	3,689	549	62,553	126	-	94,794	419	192	611	95,405
Social.....	50	4	3	1,931	1,671	9,590	2,075	10,155	100	-	25,579	349	10,240	10,589	36,168
Dues and subscriptions.....	1,607	278	188	2,166	517	693	8,014	6,068	-	1,694	21,225	4,153	-	4,153	25,378
Outside services - administrative.....	4,284	1,132	376	5,892	491	19,977	235,769	50,763	1,252	1,101	321,037	155,801	-	155,801	476,838
Outside services - program.....	-	17,844	10,983	-	5,091	1,033	46,557	231,768	-	21,535	334,811	14,752	-	14,752	349,563
Public relations.....	292	45	28	628	1,266	4,198	1,956	884	106	3,745	13,148	6,980	5,148	12,128	25,276
Professional fees.....	1,554	-	-	-	-	-	-	-	-	-	1,554	70,259	-	70,259	71,813
Interest.....	28,992	358	130	173	87	-	45,870	33,313	-	48	108,971	15,213	-	15,213	124,184
Bad debts.....	50,257	-	38	13,895	-	-	65,549	81,316	3,500	8,684	223,239	415	-	415	223,654
Depreciation and amortization.....	70,168	1,006	629	95,677	13,947	-	103,537	79,117	2,322	550	366,953	44,673	-	44,673	411,626
Scholarships.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service dollars.....	-	-	-	17,789	-	-	45,787	-	-	-	63,576	-	-	-	63,576
Other.....	807	3	3	1,389	7	8	225	2,587	87	-	5,116	42,742	2,062	44,804	49,920
Total expenses.....	\$ 751,936	\$ 184,217	\$ 132,471	\$ 561,745	\$ 236,915	\$ 273,716	\$ 3,818,327	\$ 2,999,751	\$ 100,598	\$ 273,322	\$ 9,332,998	\$ 1,648,476	\$ 19,458	\$ 1,667,934	\$ 11,000,932



CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2016

	Program Services										Supporting Services				Total
	Housing	Community	Workforce	Eastern Suffolk			Care	Personalized	Community	Other	Total	Administrative	Total		
		and Referral	Training	Shelter	Recovery	Peer Services	Management	Recovery	Based Services	Programs	Program	and	Fundraising	Supporting	
Salaries.....	\$ 124,433	\$ 100,097	\$ 62,532	\$ 233,758	\$ 86,244	\$ 181,060	\$ 2,216,152	\$ 1,706,978	\$ -	\$ 238,771	\$ 4,950,025	\$ 904,549	\$ -	\$ 904,549	\$ 5,854,574
Payroll taxes.....	12,092	8,812	5,064	22,413	10,851	21,414	263,308	154,087	-	22,463	520,504	75,290	-	75,290	595,794
Employee benefits.....	23,334	14,625	14,632	46,352	17,236	9,853	375,552	314,314	-	13,851	829,749	160,268	-	160,268	990,017
Total salaries and related expenses.....	159,859	123,534	82,228	302,523	114,331	212,327	2,855,012	2,175,379	-	275,085	6,300,278	1,140,107	-	1,140,107	7,440,385
Rent - housing.....	203,483	-	-	-	-	-	-	-	-	5,454	208,937	-	-	-	208,937
Rent - facilities.....	4,888	-	-	10,286	-	-	6,020	-	-	5,721	26,915	3,044	-	3,044	29,959
Utilities - facilities.....	990	770	490	25,609	19	-	37,716	55,830	-	357	121,781	16,844	-	16,844	138,625
Utilities - housing.....	70,594	-	-	-	-	-	-	-	-	-	70,594	-	-	-	70,594
Repairs and maintenance - housing.....	36,766	-	-	-	-	-	40	-	-	-	36,806	-	-	-	36,806
Repairs and maintenance.....	1,871	1,366	1,055	29,468	1,527	-	42,573	123,921	-	41	201,822	13,742	-	13,742	215,564
Insurance.....	22,284	855	521	15,240	4,381	-	52,462	35,762	-	112	131,617	33,428	-	33,428	165,045
Telephone.....	3,855	4,075	1,274	5,692	1,276	1,892	60,178	31,692	-	13,267	123,201	32,410	-	32,410	155,611
Printing.....	180	64	624	200	197	623	7,297	3,347	-	328	12,860	377	156	533	13,393
Supplies and educational materials.....	12,544	1,375	4,111	18,352	18,525	285	49,373	107,353	-	11,435	223,353	30,801	346	31,147	254,500
Postage.....	19	312	645	341	30	-	1,385	88	-	36	2,856	2,672	-	2,672	5,528
Training.....	1,577	829	2,794	848	3,641	1,810	11,903	5,940	-	933	30,275	5,075	-	5,075	35,350
Conferences and events.....	794	22,382	25,760	2,175	2,733	1,405	711	4,781	-	4,434	65,175	9,106	-	9,106	74,281
Travel.....	3,308	508	1,442	5,313	1,087	6,267	30,843	5,094	-	11,632	65,494	3,107	-	3,107	68,601
Auto expense.....	17	-	-	11,443	328	24	9,245	16,329	-	-	37,386	1,799	-	1,799	39,185
Garden expense.....	-	-	-	-	-	-	-	1,967	-	-	1,967	-	-	-	1,967
Food.....	231	7	1,013	26,378	279	3,103	3,022	70,639	-	68	104,740	1,488	-	1,488	106,228
Social.....	2	-	-	1,962	1,128	13,227	2,959	5,793	-	-	25,071	266	9,123	9,389	34,460
Dues and subscriptions.....	1,445	245	159	1,822	126	594	5,787	5,730	-	1,502	17,410	8,822	-	8,822	26,232
Outside services - administrative.....	2,169	2,855	8,191	3,084	756	1,348	295,584	41,213	-	4,195	359,395	129,702	-	129,702	489,097
Outside services - program.....	2,058	18,933	7,378	-	319	-	59,408	182,811	-	27,415	298,322	8,377	-	8,377	306,699
Public relations.....	635	30	19	767	1,953	4,275	847	602	-	887	10,015	4,552	6,292	10,844	20,859
Professional fees.....	579	-	-	-	-	-	19,479	1,494	-	-	21,552	72,432	-	72,432	93,984
Interest.....	32,573	333	134	184	89	-	43,461	33,444	-	51	110,269	15,397	-	15,397	125,666
Bad debts.....	24,599	-	270	13,225	-	-	312	30,422	-	-	68,828	1,343	2	1,345	70,173
Depreciation and amortization.....	68,996	840	578	95,698	6,973	-	95,468	76,910	-	127	345,590	35,748	-	35,748	381,338
Scholarships.....	-	-	-	-	-	-	-	-	-	-	-	-	210	210	210
Service dollars.....	-	-	-	5,530	-	-	32,485	-	-	-	38,015	-	-	-	38,015
Other.....	9	2,708	7	153	-	-	129	786	-	-	3,792	40,838	1,956	42,794	46,586
Total expenses.....	\$ 656,325	\$ 182,021	\$ 138,693	\$ 576,293	\$ 159,698	\$ 247,180	\$ 3,723,699	\$ 3,017,327	\$ -	\$ 363,080	\$ 9,064,316	\$ 1,611,477	\$ 18,085	\$ 1,629,562	\$ 10,693,878

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

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2017**

ASSETS	CONSOLIDATED	ELIMINATING	ASSOCIATION	COLLECTIVE
<b>Current Assets:</b>				
Cash and cash equivalents.....	\$ 1,679,245	\$ -	\$ 1,400,879	\$ 278,366
Restricted cash and cash equivalents.....	18,271	-	18,271	-
Contracts and accounts receivable, net.....	1,482,276	-	1,476,276	6,000
Capital lease receivable.....	-	-	-	-
Due from affiliate.....	-	(225,037)	225,037	-
Prepaid expenses and other current assets.....	130,150	-	126,038	4,112
<b>Total Current Assets</b>	3,309,942	(225,037)	3,246,501	288,478
Property and equipment, net.....	7,943,873	-	7,200,602	743,271
Security deposits.....	29,789	-	29,789	-
Other assets.....	176,702	-	176,702	-
<b>TOTAL ASSETS</b>	<b>\$ 11,460,306</b>	<b>\$ (225,037)</b>	<b>\$ 10,653,594</b>	<b>\$ 1,031,749</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Current Liabilities:</b>				
Accounts payable and accrued expenses.....	\$ 1,066,469	\$ -	\$ 1,065,886	\$ 583
Current portion of note payable.....	40,069	-	40,069	-
Refundable advances.....	312,918	-	312,918	-
Unearned income.....	9,905	-	575	9,330
Due to affiliate.....	-	(225,037)	-	225,037
Security deposits payable.....	1,942	-	1,942	-
Current portion of mortgages payable.....	78,741	-	36,540	42,201
Current portion of obligations under capital leases.....	42,858	-	42,858	-
<b>Total Current Liabilities</b>	1,552,902	(225,037)	1,500,788	277,151
Long-term portion of note payable.....	81,420	-	81,420	-
Long-term portion of mortgages payable.....	2,017,208	-	1,647,034	370,174
Long-term portion of obligations under capital leases.....	65,045	-	65,045	-
Deferred compensation payable.....	111,703	-	111,703	-
<b>Total Liabilities</b>	3,828,278	(225,037)	3,405,990	647,325
<b>Net Assets:</b>				
Unrestricted.....	7,629,778	-	7,245,354	384,424
Temporarily restricted.....	2,250	-	2,250	-
<b>Total Net Assets</b>	7,632,028	-	7,247,604	384,424
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 11,460,306</b>	<b>\$ (225,037)</b>	<b>\$ 10,653,594</b>	<b>\$ 1,031,749</b>

See independent auditors' report.

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

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2016**

ASSETS	CONSOLIDATED	ELIMINATING	ASSOCIATION	COLLECTIVE
<b>Current Assets:</b>				
Cash and cash equivalents.....	\$ 1,120,736	\$ -	\$ 842,394	\$ 278,342
Restricted cash and cash equivalents.....	18,271	-	18,271	-
Contracts and accounts receivable, net.....	1,546,832	-	1,540,832	6,000
Capital lease receivable.....	7,917	-	7,917	-
Due from affiliate.....	-	(219,583)	219,583	-
Prepaid expenses and other current assets.....	148,157	-	144,045	4,112
<b>Total Current Assets</b>	2,841,913	(219,583)	2,773,042	288,454
Property and equipment, net.....	8,067,555	-	7,293,961	773,594
Security deposits.....	29,976	-	29,976	-
Other assets.....	137,000	-	137,000	-
<b>TOTAL ASSETS</b>	<b>\$ 11,076,444</b>	<b>\$ (219,583)</b>	<b>\$ 10,233,979</b>	<b>\$ 1,062,048</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Current Liabilities:</b>				
Accounts payable and accrued expenses.....	\$ 1,071,789	\$ -	\$ 1,065,752	\$ 6,037
Current portion of note payable.....	38,501	-	38,501	-
Refundable advances.....	263,399	-	263,399	-
Unearned income.....	14,666	-	5,297	9,369
Due to affiliate.....	-	(219,583)	-	219,583
Security deposits payable.....	1,942	-	1,942	-
Current portion of mortgages payable.....	96,936	-	35,835	61,101
Current portion of obligations under capital leases.....	26,239	-	26,239	-
<b>Total Current Liabilities</b>	1,513,472	(219,583)	1,436,965	296,090
Long-term portion of note payable.....	121,489	-	121,489	-
Long-term portion of mortgages payable.....	2,096,000	-	1,683,574	412,426
Long-term portion of obligations under capital leases.....	98,993	-	98,993	-
Deferred compensation payable.....	72,000	-	72,000	-
<b>Total Liabilities</b>	3,901,954	(219,583)	3,413,021	708,516
<b>Net Assets:</b>				
Unrestricted.....	7,171,125	-	6,817,593	353,532
Temporarily restricted.....	3,365	-	3,365	-
<b>Total Net Assets</b>	7,174,490	-	6,820,958	353,532
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 11,076,444</b>	<b>\$ (219,583)</b>	<b>\$ 10,233,979</b>	<b>\$ 1,062,048</b>

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, 2017**

	<u>CONSOLIDATED</u>	<u>ELIMINATING</u>	<u>ASSOCIATION</u>	<u>COLLECTIVE</u>
<b>Revenue:</b>				
Program services:				
Fees for services.....	\$ 7,804,728	\$ -	\$ 7,804,728	\$ -
Grant and contract support.....	3,062,076	-	3,062,076	-
Rental income.....	284,856	(112,161)	284,856	112,161
<b>Total Program Services Revenue</b>	<b>11,151,660</b>	<b>(112,161)</b>	<b>11,151,660</b>	<b>112,161</b>
Other revenue/(expense):				
Contributions.....	201,954	-	201,954	-
Fundraising events.....	54,102	-	54,102	-
Direct expenses of fundraising events.....	(36,434)	-	(36,434)	-
Other income.....	81,418	-	81,418	-
Net gain on fixed asset disposal.....	1,051	-	1,051	-
Interest income.....	4,719	-	4,719	-
<b>Total Other Revenue/(Expense), Net</b>	<b>306,810</b>	<b>-</b>	<b>306,810</b>	<b>-</b>
<b>Total Revenue, Net</b>	<b>11,458,470</b>	<b>(112,161)</b>	<b>11,458,470</b>	<b>112,161</b>
<b>Expenses:</b>				
Program services:				
Housing.....	751,936	(112,161)	782,828	81,269
Community and referral.....	184,217	-	184,217	-
Workforce training.....	132,471	-	132,471	-
Shelter.....	561,745	-	561,745	-
Eastern Suffolk Recovery Center.....	236,915	-	236,915	-
Peer services.....	273,716	-	273,716	-
Care management.....	3,818,327	-	3,818,327	-
Personalized Recovery Oriented Services.....	2,999,751	-	2,999,751	-
Community based services.....	100,598	-	100,598	-
Other programs.....	273,322	-	273,322	-
<b>Total Program Services Expenses</b>	<b>9,332,998</b>	<b>(112,161)</b>	<b>9,363,890</b>	<b>81,269</b>
Supporting services:				
Administrative and overhead.....	1,648,476	-	1,648,476	-
Fundraising.....	19,458	-	19,458	-
<b>Total Supporting Services Expenses</b>	<b>1,667,934</b>	<b>-</b>	<b>1,667,934</b>	<b>-</b>
<b>Total Expenses</b>	<b>11,000,932</b>	<b>(112,161)</b>	<b>11,031,824</b>	<b>81,269</b>
Change in net assets.....	457,538	-	426,646	30,892
Net assets, beginning of year.....	7,174,490	-	6,820,958	353,532
Net assets, end of year.....	\$ 7,632,028	\$ -	\$ 7,247,604	\$ 384,424

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, 2016**

	<u>CONSOLIDATED</u>	<u>ELIMINATING</u>	<u>ASSOCIATION</u>	<u>COLLECTIVE</u>
<b>Revenue:</b>				
Program services:				
Fees for services.....	\$ 7,421,682	\$ -	\$ 7,421,682	\$ -
Grant and contract support.....	2,899,981	-	2,899,981	-
Rental income.....	263,860	(142,881)	263,860	142,881
<b>Total Program Services Revenue</b>	<b>10,585,523</b>	<b>(142,881)</b>	<b>10,585,523</b>	<b>142,881</b>
Other revenue/(expense):				
Contributions.....	122,376	-	122,376	-
Fundraising events.....	57,564	-	57,564	-
Direct expenses of fundraising events.....	(10,234)	-	(10,234)	-
Other income.....	124,640	-	124,640	-
Net gain on fixed asset disposal.....	6,137	-	6,137	-
Interest income.....	2,722	-	2,722	-
<b>Total Other Revenue/(Expense), Net</b>	<b>303,205</b>	<b>-</b>	<b>303,205</b>	<b>-</b>
<b>Total Revenue, Net</b>	<b>10,888,728</b>	<b>(142,881)</b>	<b>10,888,728</b>	<b>142,881</b>
<b>Expenses:</b>				
Program services:				
Housing.....	656,325	(142,881)	710,076	89,130
Community and referral.....	182,021	-	182,021	-
Workforce training.....	138,693	-	138,693	-
Shelter.....	576,293	-	576,293	-
Eastern Suffolk Recovery Center.....	159,698	-	159,698	-
Peer services.....	247,180	-	247,180	-
Care management.....	3,723,699	-	3,723,699	-
Personalized Recovery Oriented Services.....	3,017,327	-	3,017,327	-
Community based services.....	-	-	-	-
Other programs.....	363,080	-	363,080	-
<b>Total Program Services Expenses</b>	<b>9,064,316</b>	<b>(142,881)</b>	<b>9,118,067</b>	<b>89,130</b>
Supporting services:				
Administrative and overhead.....	1,611,477	-	1,611,477	-
Fundraising.....	18,085	-	18,085	-
<b>Total Supporting Services Expenses</b>	<b>1,629,562</b>	<b>-</b>	<b>1,629,562</b>	<b>-</b>
<b>Total Expenses</b>	<b>10,693,878</b>	<b>(142,881)</b>	<b>10,747,629</b>	<b>89,130</b>
Change in net assets.....	194,850	-	141,099	53,751
Net assets, beginning of year.....	6,979,640	-	6,679,859	299,781
Net assets, end of year.....	\$ 7,174,490	\$ -	\$ 6,820,958	\$ 353,532

See independent auditors' report.