

EAST CENTRAL MENTAL HEALTH –
MENTAL RETARDATION, INC.

FINANCIAL STATEMENTS

Years Ended September 30, 2018 and 2017

EAST CENTRAL MENTAL HEALTH - MENTAL RETARDATION, INC.
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MANAGEMENT'S DISCUSSION AND ANALYSIS

EAST CENTRAL MENTAL HEALTH – MENTAL RETARDATION, INC. MANAGEMENT’S DISCUSSION AND ANALYSIS

East Central Mental Health - Mental Retardation, Inc. (the Board) has presented a management’s discussion and analysis of the Board’s financial activities for the years ended September 30, 2018 and 2017.

This discussion and analysis is intended to serve as an introduction to the Board’s basic financial statements and supplementary information. The financial statements also include notes that explain information in the statements and provide additional detailed information.

Financial Highlights:

- The Board continued to operate Black Oak Apartments, LLC a ten unit apartment complex used for the housing of consumers.
- Assets exceeded liabilities resulting in a net position of \$2,349,037 and \$2,269,409 as of September 30, 2018 and 2017, respectively.
- Current assets exceeded current liabilities by \$1,781,517 and \$1,346,475 as of September 30, 2018 and 2017, respectively.
- Operating Revenues increased 4% and decreased 0.1% during the years ended September 30, 2018 and 2017, respectively.

Overview of the Financial Statements

The financial statements consist of two parts: Management’s Discussion and Analysis and the basic financial statements. The basic financial statements also include notes and supplementary information that explain in more detail some of the information in the financial statements.

Statements of Net Position

The Statements of Net Position presents information on all of the Board’s assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Board is improving or deteriorating. The assets and liabilities are presented in a classified format, which distinguishes between current and noncurrent assets and liabilities. Total assets increased during the year ended September 30, 2018 by \$215,615 and decreased by \$191,195 during the year ended September 30, 2017. Total liabilities increased by \$135,987 for the year ended September 30, 2018 and decreased by \$54,217 during the year ended September 30, 2017. Overall net position increased by \$79,628 and decreased by \$136,978 during the years ended September 30, 2018 and 2017, respectively. During the years ended September 30, 2018 and 2017, the Board had restricted assets of \$52,056 and \$49,036 respectively. These assets were restricted by the covenants related to the operations of Black Oak Apartments.

EAST CENTRAL MENTAL HEALTH – MENTAL RETARDATION, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS

Condensed Statements of Net Position are presented below:

	September 30			2017-2018	2016-2017
	2018	2017	2016	Change	Change
Assets					
Current Assets	\$ 2,345,676	\$ 2,057,837	\$ 2,175,397	\$ 287,839	\$ (117,560)
Noncurrent Restricted Assets	52,056	49,036	46,015	3,020	3,021
Capital Assets, net	1,688,654	1,763,898	1,840,554	(75,244)	(76,656)
Total Assets	4,086,386	3,870,771	4,061,966	215,615	(191,195)
Liabilities					
Current Liabilities	564,159	711,362	786,450	(147,203)	(75,088)
Non-Current Liabilities	1,173,190	890,000	869,129	283,190	20,871
Total Liabilities	1,737,349	1,601,362	1,655,579	135,987	(54,217)
Net Position					
Net Investment in Capital Assets	582,820	645,978	756,880	(63,158)	(110,902)
Restricted - Debt Covenant Reserves	52,056	49,036	46,015	3,020	3,021
Unrestricted	1,714,161	1,574,395	1,603,492	139,766	(29,097)
Total Net Position	\$ 2,349,037	\$ 2,269,409	\$ 2,406,387	\$ 79,628	\$ (136,978)
Increase (Decrease) in Net Position	\$ 79,628	\$ (136,978)	\$ 48,058	\$ 216,606	\$ (185,036)

For a more detailed understanding of the East Central Mental Health - Mental Retardation, Inc.’s net position, the reader should review the detailed Statements of Net Position and Notes to the Financial Statements.

Statements of Revenues, Expenses and Changes in Net Position

The Statements of Revenues, Expenses and Changes in Net Position present information showing how the Board’s net position changed during both fiscal years. The purpose of this statement is to present the revenues, both operating and nonoperating; and any other revenues, expenses, gains and losses to explain how the Board’s net position changed between fiscal years or accounting periods. Operating revenues are received for providing services to various clients of the Board.

EAST CENTRAL MENTAL HEALTH – MENTAL RETARDATION, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS

Operating expenses are paid to acquire or produce the goods and services necessary to operate the Board efficiently and effectively. Nonoperating revenues and expenses are items such as interest income, contributions and interest expense.

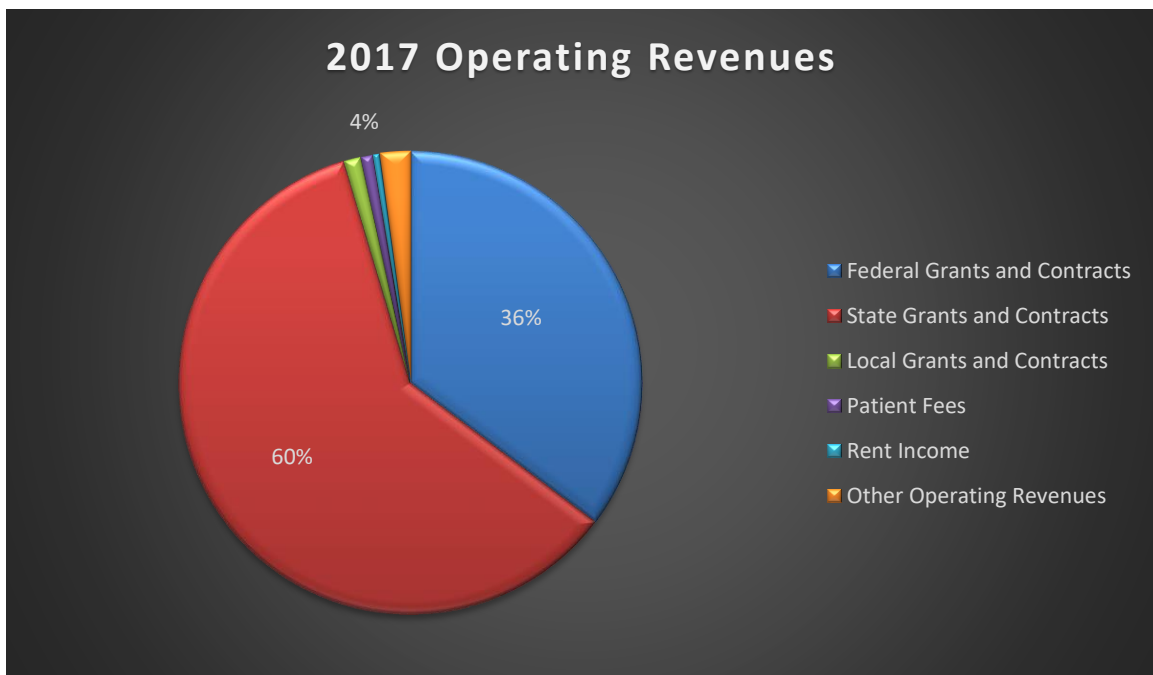
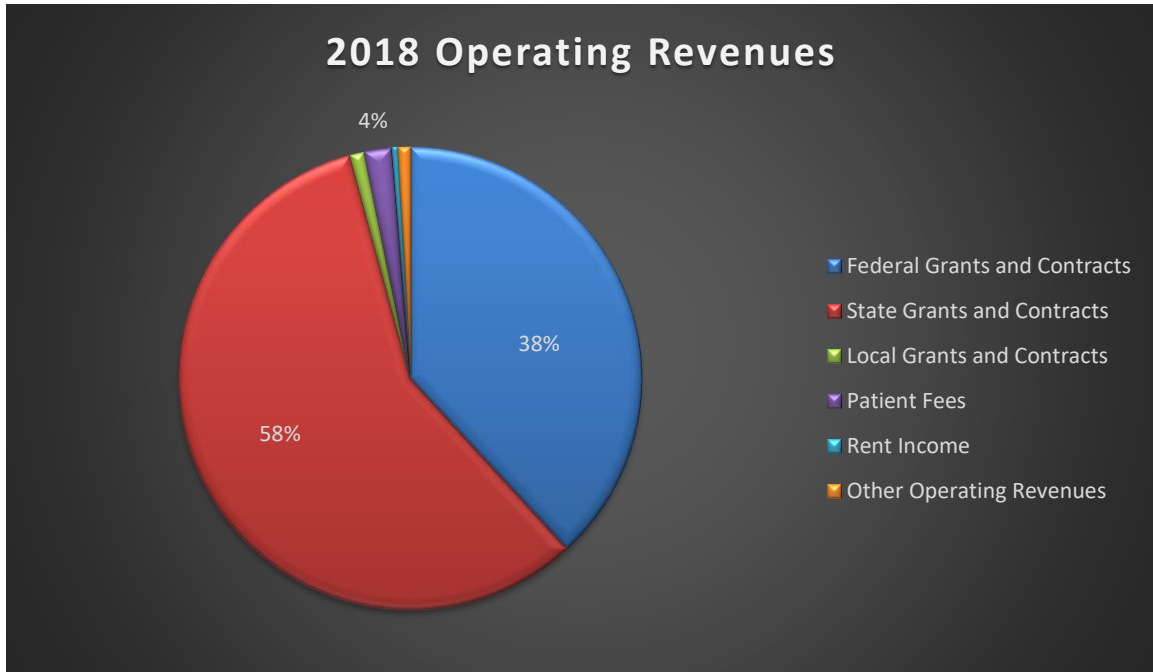
Condensed statements of revenues, expenses, and changes in net position for the Board are shown below:

	Years Ended September 30			2017-2018	2016-2017
	2018	2017	2016	Change	Change
Operating Revenues	\$ 8,401,346	\$ 8,068,289	\$ 8,075,520	\$ 333,057	\$ (7,231)
Operating Expenses	8,309,586	8,189,909	8,046,500	119,677	143,409
Operating Income (Loss)	91,760	(121,620)	29,020	213,380	(150,640)
Non-operating Revenues (Expenses)	(12,132)	(15,358)	19,038	3,226	(34,396)
Increase (Decrease) in Net Position	79,628	(136,978)	48,058	216,606	(185,036)
Net Position - October 1	2,269,409	2,406,387	2,358,329	(136,978)	48,058
Net Position - September 30	<u>\$ 2,349,037</u>	<u>\$ 2,269,409</u>	<u>\$ 2,406,387</u>	<u>\$ 79,628</u>	<u>\$ (136,978)</u>

Operating Revenues increased by \$333,057 and decreased by \$7,231 during the years ended September 30, 2018 and 2017, respectively. Operating expenses increased by \$ 119,677 and \$143,409 during the years ended September 30, 2018 and 2017, respectively. The Board realized an increase of \$79,628 and a decrease of \$136,978 in net position for the years ended September 30, 2018 and 2017, respectively. For a more detailed understanding of the Board’s financial activities, the reader should review the Statements of Revenues, Expenses and Changes in Net Position and the Notes to the Financial Statements.

EAST CENTRAL MENTAL HEALTH – MENTAL RETARDATION, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS

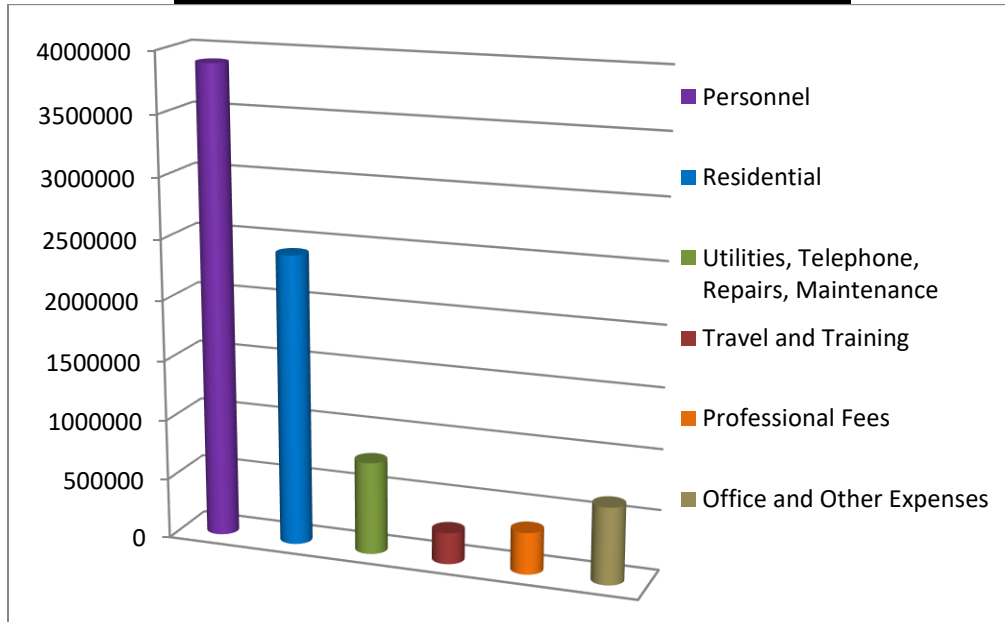
The graphs below depict the total operating revenues by type for the years ended September 30, 2018 and 2017:



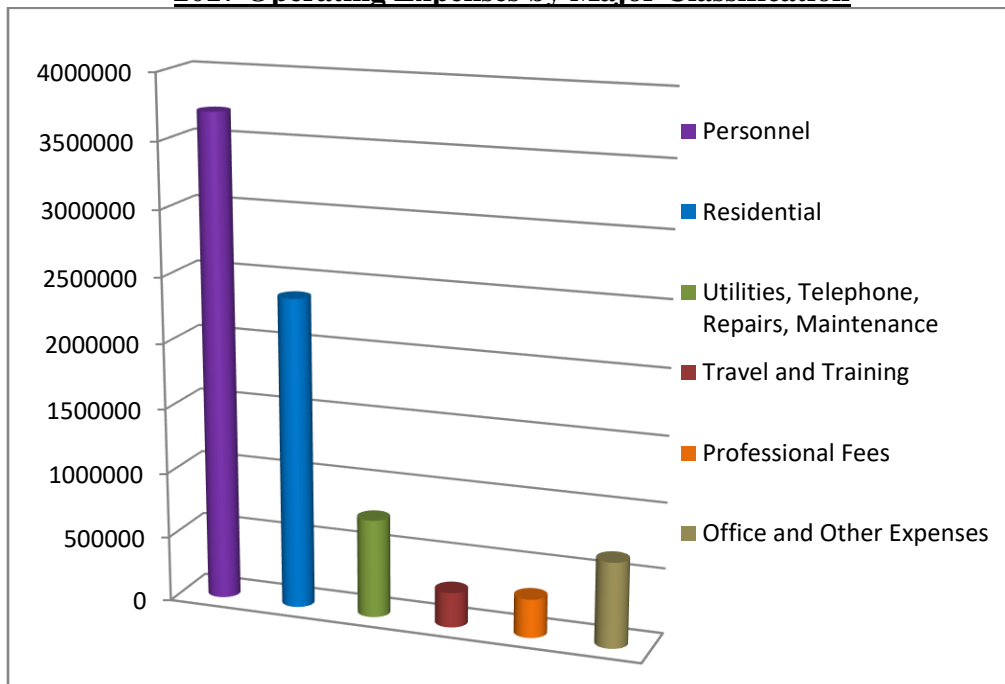
EAST CENTRAL MENTAL HEALTH – MENTAL RETARDATION, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS

The graphs below depict operating expenses by major classification type for the years ended September 30, 2018 and 2017. As you can see the major expense for the Board is personnel expenses such as salaries, wages and fringe benefits.

2018 Operating Expenses by Major Classification



2017 Operating Expenses by Major Classification



EAST CENTRAL MENTAL HEALTH – MENTAL RETARDATION, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS

The Statements of Cash Flows

The Statements of Cash Flows is to provide an understanding of the Board’s cash activity during the year and to assess an entity’s ability to generate future cash flows, meet obligations as they come due and any needs for external financing.

Condensed statements of cash flows for the Board are presented below:

	2018	2017	2016
Cash Provided (Used) By:			
Operating Activities	\$ 648,810	\$ (539,903)	\$ 286,479
Capital and Related Financing Activities	(137,548)	(63,279)	(95,636)
Investing Activities	21	21	21
Net Increase (Decrease) in Cash and Cash Equivalents	511,283	(603,161)	190,864
Cash and Cash Equivalents - Beginning of Year	311,451	914,612	723,748
Cash and Cash Equivalents - End of Year	<u>\$ 822,734</u>	<u>\$ 311,451</u>	<u>\$ 914,612</u>

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Investments are stated at cost or amortized cost. Cash increased by \$511,283 and decreased by \$603,161 during the years ended September 30, 2018 and 2017, respectively. For a more detailed understanding of the Statements of Cash Flows, the reader should review the Statements of Cash Flows and Notes to the Financial Statements.

Capital Assets and Debt Administration

As of September 30, 2018 and 2017, the Board had \$1,688,654 and \$1,763,898, respectively, invested in a variety of capital assets as reported in the following table. The Board had \$105,641 and \$82,938 in capital purchases for the years ended September 30, 2018 and 2017, respectively. Depreciation of capital assets for the years ended September 30, 2018 and 2017 was \$175,455 and \$158,805, respectively.

EAST CENTRAL MENTAL HEALTH – MENTAL RETARDATION, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS

A summary of capital assets and accumulated depreciation is shown below:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Land	\$ 165,525	\$ 153,755	\$ 153,755
Buildings and Improvements	2,759,157	2,759,157	2,759,157
Construction in Progress	11,555	2,035	-
Furniture, Equipment, Vehicles	1,009,129	956,757	942,009
	<u>3,945,366</u>	<u>3,871,704</u>	<u>3,854,921</u>
Less: Accumulated Depreciation	<u>(2,256,712)</u>	<u>(2,107,806)</u>	<u>(2,014,367)</u>
Net Capital Assets at September 30	<u>\$ 1,688,654</u>	<u>\$ 1,763,898</u>	<u>\$ 1,840,554</u>

As of September 30, 2018 and 2017, the Board had \$615,926 and \$636,444, respectively, in long-term debt outstanding which included accrued compensated absences of \$253,123 and \$249,997, respectively. Long-term debt decreased by \$20,518 and \$14,200 for the years ended September 30, 2018 and 2017, respectively. For more information regarding the Board’s capital assets and debt financing, please refer to the notes in the financial statements.

Request for Information

This financial report is designed to present users with a general overview of East Central Mental Health - Mental Retardation, Inc.’s finances and to demonstrate their accountability. If readers have questions concerning any of the information provided in this report or need additional financial information, please contact the Executive Director, Don Schofield, East Central Mental Health – Mental Retardation, Inc., 200 Cherry Street, Troy, Alabama 36081.

FINANCIAL STATEMENTS

EAST CENTRAL MENTAL HEALTH - MENTAL RETARDATION, INC.
 STATEMENTS OF NET POSITION
 September 30, 2018 and 2017

	2018	2017
ASSETS		
Current Assets		
Cash and Cash Equivalents - Unrestricted	\$ 759,724	\$ 251,956
Cash and Cash Equivalents - Restricted	10,954	10,459
Receivables, net	1,536,259	1,758,679
Prepaid Expenses	38,739	36,743
Total Current Assets	<u>2,345,676</u>	<u>2,057,837</u>
Noncurrent Assets		
Restricted Cash and Cash Equivalents	52,056	49,036
Capital Assets:		
Land	165,525	153,755
Construction in Progress	11,555	2,035
Depreciable Buildings, Property, and Equipment, net	1,511,574	1,608,108
Total Noncurrent Assets	<u>1,740,710</u>	<u>1,812,934</u>
Total Assets	<u>4,086,386</u>	<u>3,870,771</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	257,758	211,567
Accrued Salaries	118,185	-
Unearned Revenue	-	19,426
Security Deposits	2,200	2,200
Line of Credit	250	250
Long Term Debt - Current Portion	185,766	477,919
Total Current Liabilities	<u>564,159</u>	<u>711,362</u>
Noncurrent Liabilities		
Contingent Liabilities	743,030	731,475
Long Term Debt - Noncurrent Portion	430,160	158,525
Total Noncurrent Liabilities	<u>1,173,190</u>	<u>890,000</u>
Total Liabilities	<u>1,737,349</u>	<u>1,601,362</u>
NET POSITION		
Net Investment in Capital Assets	582,820	645,978
Restricted - Debt Covenant Reserves	52,056	49,036
Unrestricted	1,714,161	1,574,395
Total Net Position	<u>\$ 2,349,037</u>	<u>\$ 2,269,409</u>

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

EAST CENTRAL MENTAL HEALTH - MENTAL RETARDATION, INC.
 STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 Years Ended September 30, 2018 and 2017

	2018	2017
OPERATING REVENUES		
Federal Grants and Contracts	\$ 3,206,468	\$ 2,845,522
State Grants and Contracts	4,840,612	4,849,824
Local Grants and Contracts	86,408	97,382
Patient Fees	161,587	128,624
Other Operating Revenues	70,342	110,838
Rent Income	35,929	36,099
Total Operating Revenues	<u>8,401,346</u>	<u>8,068,289</u>
OPERATING EXPENSES		
Salaries and Fringe Benefits	3,891,463	3,812,936
Consultants and Contractual Services	2,408,365	2,390,176
Advertising	24,924	20,286
Depreciation	175,455	158,805
Dues and Subscriptions	13,559	9,446
Insurance	155,412	150,542
Miscellaneous	399	270
Office Expenses	83,402	99,846
Professional Fees	346,167	338,381
Registration and Tuition	20,507	18,887
Rents	41,021	29,641
Repairs and Maintenance	528,669	539,077
Supplies	122,704	140,278
Travel and Training	259,709	255,188
Utilities and Telephone	237,830	226,150
Total Operating Expenses	<u>8,309,586</u>	<u>8,189,909</u>
Operating Income (Loss)	<u>91,760</u>	<u>(121,620)</u>
NONOPERATING REVENUES (EXPENSES)		
Contributions	11,770	-
Interest Income	21	21
Gain on Disposal of Capital Asset	905	3,515
Interest Expense	(24,828)	(18,894)
Total Nonoperating Expenses	<u>(12,132)</u>	<u>(15,358)</u>
Increase (Decrease) in Net Position	79,628	(136,978)
Net Position - Beginning of Year	<u>2,269,409</u>	<u>2,406,387</u>
Net Position - End of Year	<u>\$ 2,349,037</u>	<u>\$ 2,269,409</u>

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

EAST CENTRAL MENTAL HEALTH - MENTAL RETARDATION, INC.
 STATEMENTS OF CASH FLOWS
 Years Ended September 30, 2018 and 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Patients	\$ 8,424,755	\$ 7,235,157
Cash Received from Customers	35,929	36,099
Payments to Employees	(3,770,151)	(3,861,385)
Payments to Suppliers and Others	(4,198,473)	(4,217,651)
Other Receipts	156,750	267,877
Net Cash Provided (Used) by Operating Activities	<u>648,810</u>	<u>(539,903)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from Disposal of Capital Assets	905	4,307
Proceeds from Debt	20,431	70,103
Purchases of Capital Assets	(88,441)	(82,938)
Principal Paid on Debt	(45,615)	(35,857)
Interest Paid on Debt	(24,828)	(18,894)
Net Cash Used by Capital and Related Financing Activities	<u>(137,548)</u>	<u>(63,279)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Income	21	21
Net Cash Provided by Investing Activities	<u>21</u>	<u>21</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>511,283</u>	<u>(603,161)</u>
Cash and Cash Equivalents - Beginning of Year		
Unrestricted	251,956	858,633
Restricted	59,495	55,979
	<u>311,451</u>	<u>914,612</u>
Cash and Cash Equivalents - End of Year		
Unrestricted	759,724	251,956
Restricted	63,010	59,495
	<u>\$ 822,734</u>	<u>\$ 311,451</u>

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

EAST CENTRAL MENTAL HEALTH - MENTAL RETARDATION, INC.

STATEMENTS OF CASH FLOWS (Continued)

Years Ended September 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ 91,760	\$ (121,620)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation Expense	175,455	158,805
Accounts Receivable	216,088	(491,164)
Prepaid Expenses	(1,996)	2,542
Accounts Payable	46,191	(2,025)
Unearned Revenue	-	(37,992)
Accrued Payroll Liabilities	118,185	-
Compensated Absences	<u>3,127</u>	<u>(48,449)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 648,810</u>	<u>\$ (539,903)</u>

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

EAST CENTRAL MENTAL HEALTH – MENTAL RETARDATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 and 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of East Central Mental Health – Mental Retardation, Inc. have been prepared in accordance with accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board is the standard-setting body for governmental accounting and financial reporting. Pronouncements of the Financial Accounting Standard Board (FASB) issued after November 30, 1989 are not applied.

REPORTING ENTITY

Statements No. 14 and No. 34 of the Governmental Accounting Standards Board establishes standards for defining and reporting on the financial reporting entity. To fairly present the financial position and results of operations of the financial reporting entity, a government must determine whether its reporting entity consists of only the entity known as the “primary government” or one or more organizations called “component units”. Inclusion of a potential component unit in the primary government’s reporting entity depends primarily on the notion of financial accountability. A primary government is financially accountable for a legally separate agency, if its officials appoint a voting majority of that agency’s governing body and either it is able to impose its will on that agency or there is a potential for the agency to provide specific financial benefits to, or to impose specific financial burdens on, the primary government.

Based on the aforementioned criteria, Black Oak Apartments, LLC is considered a component unit of East Central Mental Health – Mental Retardation, Inc. The Apartments were organized on December 23, 2002 as a limited liability company under the Code of Alabama 1975. The limited liability company is engaged in business-type activities and exists for the single purpose of ownership and management of real property consisting of ten (10) units of affordable housing. The operations of the component unit for the fiscal years ended September 30, 2018 and 2017 are blended in with the operations of East Central Mental Health – Mental Retardation, Inc. as of September 30, 2018 and 2017.

BASIS OF PRESENTATION AND ACCOUNTING

East Central Mental Health – Mental Retardation, Inc. is a self-supporting entity and follows enterprise fund reporting. An enterprise fund is a proprietary type fund used to account for operations (a) that are financed and operated in a manner similar to private business enterprise where the intent of the governing body is that costs (expense, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and /or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

East Central Mental Health – Mental Retardation, Inc.’s financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied. All assets, liabilities, net position, revenues, and expenses of East Central Mental Health – Mental Retardation, Inc. are accounted for through a single proprietary (enterprise) fund with revenues recorded when earned and expenses recorded at the time liabilities are incurred.

EAST CENTRAL MENTAL HEALTH – MENTAL RETARDATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 and 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Board are federal, state, and local grant contract awards. Operating expenses for enterprise funds include cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting these criteria are reported as nonoperating revenues and expenses.

USE OF ESTIMATES

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

TAX AND CORPORATE STATUS

East Central Mental Health – Mental Retardation, Inc. is a tax exempt organization under the provision of Section 501(c)(3) of the Internal Revenue Code and the Code of Alabama 1975, 22-41-1 through 22-51-14. Accordingly, no provision for income taxes has been made.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents, for purposes of the statement of cash flows, include restricted and unrestricted cash on hand or on deposit and any investments with an original maturity of three months or less.

PATIENT RECEIVABLES

An amount for unpaid patient services is recorded as a receivable in the records of the Board. An appropriate amount has been reserved as uncollectible patient receivables based upon prior history of uncollected receivables from patient services.

PREPAID EXPENSES

Payments made to vendors for services that will benefit periods beyond year end are recorded as prepaid items.

CAPITAL ASSETS

Capital assets are defined by East Central Mental Health – Mental Retardation, Inc. as assets with an initial, individual cost of \$3,000 or more, and an estimated useful life in excess of one year. Such assets are recorded at historical cost or at valuations, which approximate cost. Gifts or contributions of property received are recorded at their estimated fair market value at the time received.

EAST CENTRAL MENTAL HEALTH – MENTAL RETARDATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 and 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Maintenance and repairs, which do not significantly extend the value or life of capital assets, are expensed as incurred.

Property, plant, and equipment are depreciated by the straight-line method. Depreciation is calculated using the following estimated useful lives:

Buildings	15 - 40 years
Equipment	3 - 20 years
Furniture and Fixtures	3 - 20 years

COMPENSATED ABSENCES

A liability has been recorded by East Central Mental Health – Mental Retardation, Inc. for annual leave accumulated but unpaid as of September 30, 2018 and 2017. Substantially all employees of East Central Mental Health – Mental Retardation, Inc. earn annual leave each year. The Board's annual leave policy was amended for the year ended September 30, 2018. The amendment stated that the maximum amount of annual leave an employee could accumulate was limited to 360 hours. In prior years, the accumulation of annual leave was limited to 60 days or 480 hours. Employees were paid for any hours earned over 360 up to the previous limit of 480 hours before the amendment became effective. Payment is made for up to 360 hours of unused annual leave at termination. No liability is recognized for sick leave since such accumulation is lost upon termination.

NET POSITION

Net position is reported on the proprietary statements and is required to be classified for accounting and reporting purposes into the following net position categories:

Net Investment in Capital Assets – Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. Any significant unspent related debt proceeds at year-end related to capital assets are not included in the calculation.

Unrestricted – Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of the Board.

Restricted – Constraints imposed on net position by external creditors, grantors, contributions, laws or regulations of other governments, or law through constitutional provision or enabling legislation. At September 30, 2018 and 2017, the Board had net position restricted for debt covenant reserves in the amount of \$52,056 and \$49,036, respectively.

When both restricted and unrestricted resources are available for use, it is the Board's policy to use restricted resources first, followed by unrestricted resources.

EAST CENTRAL MENTAL HEALTH – MENTAL RETARDATION, INC.
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2018 and 2017

NOTE 2 – DEPOSITS AND INVESTMENTS

Custodial Credit Risk – Custodial credit risk for deposits is the risk that, in event of a failure of a depository financial institution, the Board would not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Board’s deposits at year end were entirely covered by the federal depository insurance or by the Security for Alabama Funds Enhancement Program (SAFE Program). The SAFE Program was established by the Alabama Legislature and is governed by the provisions contained in the *Code of Alabama 1975*, Section 41-14A-3 and Section 41-14A-14. Under the SAFE Program, all public funds are protected through a collateral pool administered by the Alabama State Treasurer’s Office. Under this program, financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that financial institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depository Insurance Corporation (FDIC). If the securities pledged fail to produce adequate funds, every institution participating in the pool would share the liability for the remaining balance. Currently, the Board is not exposed to any interest rate or credit risks.

Restricted and unrestricted cash consisted of the following:

	September 30, 2018			
	Current		Noncurrent	Total
	Unrestricted	Restricted	Restricted	
Operating	\$ 759,724	\$ -	\$ -	\$ 759,724
Debt Covenant Reserves	-	-	52,056	52,056
Security Deposit	-	3,245	-	3,245
Taxes and Insurance Escrow	-	7,709	-	7,709
	<u>\$ 759,724</u>	<u>\$ 10,954</u>	<u>\$ 52,056</u>	<u>\$ 822,734</u>

	September 30, 2017			
	Current		Noncurrent	Total
	Unrestricted	Restricted	Restricted	
Operating	\$ 251,956	\$ -	\$ -	\$ 251,956
Debt Covenant Reserves	-	-	49,036	49,036
Security Deposit	-	3,245	-	3,245
Taxes and Insurance Escrow	-	7,214	-	7,214
	<u>\$ 251,956</u>	<u>\$ 10,459</u>	<u>\$ 49,036</u>	<u>\$ 311,451</u>

EAST CENTRAL MENTAL HEALTH – MENTAL RETARDATION, INC.
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2018 and 2017

NOTE 3 – RECEIVABLES

East Central Mental Health – Mental Retardation, Inc. bills the Alabama Department of Mental Health, Medicaid, Medicare, and other third-party providers for services rendered to patients.

The mix of patient accounts receivable as of September 30, 2018 and 2017 is as follows:

	<u>2018</u>	<u>2017</u>
Alabama Department of Mental Health	\$ 190,355	\$ 559,706
Medicaid	800,954	719,890
Medicare	216,917	153,754
Other Third Party Providers	187,595	174,195
Patients	<u>235,247</u>	<u>248,042</u>
	1,631,068	1,855,587
Less: Allowance for Doubtful Accounts	<u>(94,809)</u>	<u>(96,908)</u>
	<u>\$ 1,536,259</u>	<u>\$ 1,758,679</u>

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2018 was as follows:

	<u>Balance</u> <u>9/30/2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/2018</u>
<u>Depreciable Assets:</u>				
Buildings and Improvements	\$ 2,759,157	\$ -	\$ -	\$ 2,759,157
Furniture, Equipment, Vehicles	<u>956,757</u>	<u>78,921</u>	<u>(26,549)</u>	<u>1,009,129</u>
	3,715,914	78,921	(26,549)	3,768,286
Less: Accumulated Depreciation	<u>(2,107,806)</u>	<u>(175,455)</u>	<u>26,549</u>	<u>(2,256,712)</u>
	<u>1,608,108</u>	<u>(96,534)</u>	<u>-</u>	<u>1,511,574</u>
<u>Non-Depreciable Assets:</u>				
Land	153,755	17,200	(5,430)	165,525
Construction in Progress	<u>2,035</u>	<u>9,520</u>	<u>-</u>	<u>11,555</u>
	<u>155,790</u>	<u>26,720</u>	<u>(5,430)</u>	<u>177,080</u>
	<u>\$ 1,763,898</u>	<u>\$ (69,814)</u>	<u>\$ (5,430)</u>	<u>\$ 1,688,654</u>

EAST CENTRAL MENTAL HEALTH – MENTAL RETARDATION, INC.
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2018 and 2017

NOTE 4 – CAPITAL ASSETS (Continued)

Construction in progress as of September 30, 2018 in the amount of \$11,555 was related to the construction of a new 16 bed facility. Depreciation expense for the years ended September 30, 2018 and 2017 was \$175,455 and \$158,805, respectively.

NOTE 5 – SHORT TERM DEBT

The Board has an agreement with Troy Bank and Trust for a \$250,000 line of credit with an interest rate of 5.75 percent. At September 30, 2018 and 2017, the balance on the line of credit was \$250.

NOTE 6 – LONG TERM DEBT

The following is a summary of East Central Mental Health – Mental Retardation, Inc.’s general long-term debt:

	Balance 10/1/2017	Additions	Deletions	Balance 9/30/2018	Current Portion
Note Payable to Troy Bank & Trust Purchase of Vehicle Monthly payments of \$486 at 4.50% Matured in May, 2018	\$ 3,783	\$ -	\$ (3,783)	\$ -	\$ -
Note Payable to Troy Bank & Trust Purchase of Real property Monthly payments of \$3,540 at 5.75% Matures in October, 2027	321,622	-	(22,988)	298,634	25,980
Note Payable to Troy Bank & Trust Purchase of Vehicle Monthly Payments of \$650 at 4.50% Matures in January, 2022	30,580	-	(6,527)	24,053	6,860
Note Payable to Troy Bank & Trust Purchase of Vehicle Monthly Payments of \$805 at 4.50% Matures in February, 2021	30,462	-	(8,429)	22,033	8,848
Note Payable to Troy Bank & Trust Purchase of Vehicle Monthly Payments of \$471 at 5% Matures in March, 2022	-	20,431	(2,348)	18,083	4,861
Accrued Compensated Absences	249,997	99,402	(96,276)	253,123	139,217
	<u>\$ 636,444</u>	<u>\$ 119,833</u>	<u>\$ (140,351)</u>	<u>\$ 615,926</u>	<u>\$ 185,766</u>

EAST CENTRAL MENTAL HEALTH – MENTAL RETARDATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 and 2017

NOTE 6 – LONG TERM DEBT (Continued)

The following sets forth the principal maturities of general long-term debt for the next five years:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	185,766	\$ 19,047	\$ 204,813
2020	162,958	16,542	179,500
2021	45,946	13,967	59,913
2022	36,113	11,684	47,797
2023	32,681	9,799	42,480
Thereafter	<u>152,462</u>	<u>18,736</u>	<u>171,198</u>
Total	<u>\$ 615,926</u>	<u>\$ 89,775</u>	<u>\$ 705,701</u>

NOTE 7 – PENSION PLAN

Plan Description – East Central Mental Health – Mental Retardation, Inc. offers all eligible employees the opportunity to participate in a tax deferred annuity plan. The plan is established in accordance with Internal Revenue Code Section 403(b) and is funded with a group tax deferred annuity contract.

Under the provisions of the plan, employee contributions are tax deferred to the employee (up to statutory limitations) for both federal and state income tax purposes. East Central Mental Health - Mental Retardation, Inc. matches the employee contributions up to 5% of annual employee compensation. Amounts deposited in employee accounts, plus all earnings credited, are fully vested to the employee. Contributions made to the plan by East Central Mental Health - Mental Retardation, Inc. was \$60,366 and \$66,863, respectively for the fiscal years ended September 30, 2018 and 2017

NOTE 8 – CONTINGENCIES

East Central Mental Health – Mental Retardation, Inc. participates in a number of financial assistance programs that are subject to program compliance audits by federal and state agencies. Such audits could result in a request for reimbursement by the applicable agency for expenditures disallowed under the terms and conditions of the financial assistance programs. East Central Mental Health - Mental Retardation, Inc.'s management's opinion is that such disallowances, if any, would not be material to its general purpose financial statements.

The Alabama Housing Finance Authority (AHFA), a public corporation and instrumentality of the State of Alabama, acted solely in its capacity as the Administrator of the State of Alabama's HOME Investment Partnerships Program and provided partial financing for the Black Oaks Apartments Project in the amount of \$731,475 in Program funds. Black Oak Apartments, LLC recorded these funds as a contingent liability.

EAST CENTRAL MENTAL HEALTH – MENTAL RETARDATION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 and 2017

NOTE 8 – CONTINGENT LIABILITIES (Continued)

The loan agreement between Black Oak Apartments, LLC and AHFA states that the pre-default interest rate under the loan shall equal .5% and shall accrue and compound annually. Principal and accrued interest shall be repaid in full on September 8, 2024, the maturity date; however, the principal and interest due and payable shall be forgiven in its entirety and all obligations to the AHFA with respect to the loan shall be deemed satisfied and paid in full if Black Oak Apartments, LLC complies in all respects with the requirements of the loan agreement for a period commencing on the date of the loan and ending on the maturity date. The contingent liability is secured by real estate.

In August 2017, East Central Mental Health - Mental Retardation, Inc. entered into an agreement with the Alabama Mental Health Finance Authority (Authority) to provide partial funding for the construction of a new mental health facility. The Authority agreed to provide \$700,000 to the Board from their Series 2012 Limited Obligation Special Tax Bond funds. The funds will initially be recorded as a contingent liability for the Board pursuant to the agreement which states that the funds would have to be refunded if the new facility ceased to be used exclusively for the provision of mental health, substance disorder, or intellectual disability services at any time prior to the full retirement of the Authority's bonds. Estimated maturity date of the Authority's bonds is June 1, 2023. As of September 30, 2018, the Board's contingent liability balance related to these funds amounted to \$11,555.

NOTE 9 – RISK MANAGEMENT

East Central Mental Health - Mental Retardation, Inc. is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board maintains commercial insurance covering each of the above risks of loss. Management believes that the coverage is adequate to prevent significant uninsured risk exposure to East Central Mental Health - Mental Retardation, Inc.

NOTE 10 – REPORT RECLASSIFICATIONS

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with the current year's financial statements.

NOTE 11 – SUBSEQUENT EVENTS

As of September 30, 2018, East Central Mental Health – Mental Retardation, Inc. had recorded \$11,555 in construction in progress related to the construction of a 16 bed facility in Troy, Alabama. The facility will be used to provide services pursuant to a Forensic Secured Program agreement with the Alabama Department of Mental Health. The Board entered into a promissory note agreement with Troy Bank and Trust on April 29, 2019 for a total of \$714,666. The funds will be used for the construction of this 16 bed facility. As of the date of the report, the facility was still under construction.

Subsequent events have been evaluated through August 15, 2019, which is the date the financial statements were available to be issued.

COMBINING STATEMENTS

EAST CENTRAL MENTAL HEALTH - MENTAL RETARDATION, INC.
 COMBINING STATEMENT OF NET POSITION
 September 30, 2018

	East Central Mental Health- Mental Retardation, Inc.	Black Oak Apartments, LLC	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents - Unrestricted	\$ 756,331	\$ 3,393	\$ 759,724
Cash and Cash Equivalents - Restricted	-	10,954	10,954
Receivables, net	1,536,259	-	1,536,259
Prepaid Expenses	38,739	-	38,739
Total Current Assets	<u>2,331,329</u>	<u>14,347</u>	<u>2,345,676</u>
Noncurrent Assets			
Restricted Cash and Cash Equivalents	-	52,056	52,056
Capital Assets:			
Land	137,945	27,580	165,525
Construction in Progress	11,555	-	11,555
Depreciable Buildings, Property, and Equipment, net	1,126,217	385,357	1,511,574
Total Noncurrent Assets	<u>1,275,717</u>	<u>464,993</u>	<u>1,740,710</u>
Total Assets	<u>3,607,046</u>	<u>479,340</u>	<u>4,086,386</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	253,098	4,660	257,758
Accrued Payroll Liabilities	118,185	-	118,185
Due To (From) Other Fund	(6,000)	6,000	-
Security Deposits	-	2,200	2,200
Line of Credit	250	-	250
Long Term Debt - Current Portion	185,766	-	185,766
Total Current Liabilities	<u>551,299</u>	<u>12,860</u>	<u>564,159</u>
Noncurrent Liabilities			
Contingent Liabilities	11,555	731,475	743,030
Long Term Debt - Noncurrent Portion	430,160	-	430,160
Total Noncurrent Liabilities	<u>441,715</u>	<u>731,475</u>	<u>1,173,190</u>
Total Liabilities	<u>993,014</u>	<u>744,335</u>	<u>1,737,349</u>
NET POSITION			
Net Investment in Capital Assets - (Deficit)	901,358	(318,538)	582,820
Restricted - Debt Covenant Reserves	-	52,056	52,056
Unrestricted	1,712,674	1,487	1,714,161
Total Net Position (Deficit)	<u>\$ 2,614,032</u>	<u>\$ (264,995)</u>	<u>\$ 2,349,037</u>

See Independent Auditors' Report.

EAST CENTRAL MENTAL HEALTH - MENTAL RETARDATION, INC.
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 Year Ended September 30, 2018

	East Central Mental Health- Mental Retardation, Inc.	Black Oak Apartments, LLC	Total
OPERATING REVENUES			
Federal Grants and Contracts	\$ 3,206,468	\$ -	\$ 3,206,468
State Grants and Contracts	4,840,612	-	4,840,612
Local Grants and Contracts	86,408	-	86,408
Patient Fees	161,587	-	161,587
Other Operating Revenues	70,342	-	70,342
Rent Income	-	35,929	35,929
Total Operating Revenues	<u>8,365,417</u>	<u>35,929</u>	<u>8,401,346</u>
OPERATING EXPENSES			
Salaries and Fringe Benefits	3,891,463	-	3,891,463
Consultants and Contractual Services	2,408,365	-	2,408,365
Advertising	24,924	-	24,924
Depreciation	153,203	22,252	175,455
Drug and Medical Supplies	13,293	-	13,293
Dues and Subscriptions	13,559	-	13,559
Grounds Maintenance	-	2,810	2,810
Insurance	150,147	5,265	155,412
Janitorial Supplies and Expense	77,971	-	77,971
Management Fees	(3,233)	3,233	-
Miscellaneous	299	100	399
Office Expenses	83,372	30	83,402
Professional Fees	342,128	4,039	346,167
Program Supplies	109,411	-	109,411
Registration and Tuition	20,507	-	20,507
Rents	41,021	-	41,021
Repairs and Maintenance	438,805	9,083	447,888
Telephone	121,806	1,701	123,507
Travel and Training	259,709	-	259,709
Utilities	103,838	10,485	114,323
Total Operating Expenses	<u>8,250,588</u>	<u>58,998</u>	<u>8,309,586</u>
Operating Loss	<u>114,829</u>	<u>(23,069)</u>	<u>91,760</u>
NONOPERATING REVENUES (EXPENSES)			
Noncash Contribution	11,770	-	11,770
Interest Income	-	21	21
Gain on Disposal	905	-	905
Interest Expense	(24,828)	-	(24,828)
Total Nonoperating Revenues (Expenses)	<u>(12,153)</u>	<u>21</u>	<u>(12,132)</u>
Decrease in Net Position	102,676	(23,048)	79,628
Net Position (Deficit) - Beginning of Year	<u>2,511,356</u>	<u>(241,947)</u>	<u>2,269,409</u>
Net Position (Deficit) - End of Year	<u>\$ 2,614,032</u>	<u>\$ (264,995)</u>	<u>\$ 2,349,037</u>

See Independent Auditors' Report.

EAST CENTRAL MENTAL HEALTH - MENTAL RETARDATION, INC.
 COMBINING STATEMENT OF CASH FLOWS
 Year Ended September 30, 2018

	East Central Mental Health- Mental Retardation, Inc.	Black Oak Apartments, LLC	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Patients	\$ 8,424,755	\$ -	\$ 8,424,755
Cash Received from Customers	-	35,929	35,929
Payments to Employees	(3,770,151)	-	(3,770,151)
Payments to Suppliers and Others	(4,166,079)	(32,394)	(4,198,473)
Other Receipts	156,750	-	156,750
Net Cash Provided by Operating Activities	<u>645,275</u>	<u>3,535</u>	<u>648,810</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Increase (Decrease) in Due to Other Fund	(2,000)	2,000	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(2,000)</u>	<u>2,000</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from Disposal of Capital Assets	905	-	905
Proceeds from Debt	20,431	-	20,431
Purchases of Capital Assets	(88,441)	-	(88,441)
Principal Paid on Debt	(45,615)	-	(45,615)
Interest Paid on Debt	(24,828)	-	(24,828)
Net Cash Used by Capital and Related Financing Activities	<u>(137,548)</u>	<u>-</u>	<u>(137,548)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Income	-	21	21
Net Cash Provided by Investing Activities	<u>-</u>	<u>21</u>	<u>21</u>
Net Increase in Cash and Cash Equivalents	<u>505,727</u>	<u>5,556</u>	<u>511,283</u>
Cash and Cash Equivalents - Beginning of Year			
Unrestricted	250,604	1,352	251,956
Restricted	-	59,495	59,495
	<u>250,604</u>	<u>60,847</u>	<u>311,451</u>
Cash and Cash Equivalents - End of Year			
Unrestricted	756,331	3,393	759,724
Restricted	-	63,010	63,010
	<u>\$ 756,331</u>	<u>\$ 66,403</u>	<u>\$ 822,734</u>

See Independent Auditors' Report.

EAST CENTRAL MENTAL HEALTH - MENTAL RETARDATION, INC.
 COMBINING STATEMENT OF CASH FLOWS (Continued)
 Year Ended September 30, 2018

	East Central Mental Health- Mental Retardation, Inc.	Black Oak Apartments, LLC	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 114,829	\$ (23,069)	\$ 91,760
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation Expense	153,203	22,252	175,455
Accounts Receivable	216,088	-	216,088
Prepaid Expenses	(1,996)	-	(1,996)
Accounts Payable	41,839	4,352	46,191
Accrued Payroll Liabilities	118,185	-	118,185
Compensated Absences	3,127	-	3,127
Net Cash Provided by Operating Activities	<u>\$ 645,275</u>	<u>\$ 3,535</u>	<u>\$ 648,810</u>

See Independent Auditors' Report.

SUPPLEMENTARY INFORMATION

EAST CENTRAL MENTAL HEALTH - MENTAL RETARDATION, INC.
 SCHEDULE OF REVENUES - EXCLUSIVE OF COMPONENT UNIT
 Year Ended September 30, 2018

	Federal Government	State Government	Local Government	Patient Fees	Other
U.S. Department of Health and Human Services Grants and Contracts	\$ 3,180,172	\$ -	\$ -	\$ -	\$ -
U.S. Department of Agriculture Grants and Contracts	26,296	-	-	-	-
AL Department of Mental Health Grants and Contracts	-	4,840,612	-	-	-
Counties and Municipalities:					
City of Troy	-	-	76,770	-	-
City of Brundidge	-	-	10,000	-	-
Pike County Commission	-	-	10,000	-	-
Pike County DHR	-	-	951	-	-
Bullock County Commision	-	-	457	-	-
Patient Fees, Insurance, Other 3rd Parties	-	-	-	161,587	-
Various Other Support	-	-	-	-	71,247
Total Revenues	<u>\$ 3,206,468</u>	<u>\$ 4,840,612</u>	<u>\$ 98,178</u>	<u>\$ 161,587</u>	<u>\$ 71,247</u>

See independent auditors' report.

EAST CENTRAL MENTAL HEALTH - MENTAL RETARDATION, INC.
 SCHEDULE OF REVENUES - EXCLUSIVE OF COMPONENT UNIT
 Year Ended September 30, 2017

	Federal Government	State Government	Local Government	Patient Fees	Other
U.S. Department of Health and Human Services Grants and Contracts	\$ 2,818,792	\$ -	\$ -	\$ -	\$ -
U.S. Department of Agriculture Grants and Contracts	26,730	-	-	-	-
AL Department of Mental Health Grants and Contracts	-	4,849,824	-	-	-
Counties and Municipalities:					
City of Troy	-	-	65,000	-	-
City of Brundidge	-	-	10,000	-	-
Pike County Commission	-	-	10,833	-	-
Pike County United Way	-	-	2,992	-	-
Pike County DHR	-	-	2,413	-	-
Bullock County DHR	-	-	1,144	-	-
Macon County Commission	-	-	5,000	-	-
Patient Fees, Insurance, Other 3rd Parties	-	-	-	128,624	-
Various Other Support	-	-	-	-	114,353
Total Revenues	<u>\$ 2,845,522</u>	<u>\$ 4,849,824</u>	<u>\$ 97,382</u>	<u>\$ 128,624</u>	<u>\$ 114,353</u>

See independent auditors' report.

EAST CENTRAL MENTAL HEALTH - MENTAL RETARDATION, INC.
SCHEDULE OF EXPENSES - EXCLUSIVE OF COMPONENT UNIT
Year Ended September 30, 2018

	Administrative Expenses	Program Expenses	Total Expenses
Salaries and Fringe Benefits	\$ 614,376	\$ 3,277,087	\$ 3,891,463
Consultants and Contractual Services	-	2,408,365	2,408,365
Advertising	12,945	11,979	24,924
Board Training	23,864	1,486	25,350
Building Maintenance	22,848	104,968	127,816
Depreciation	37,619	115,584	153,203
Drug and Medical Supplies	-	13,293	13,293
Dues and Subscriptions	4,731	8,828	13,559
Equipment Rental	4,289	20,074	24,363
Equipment Repairs and Maintenance	105,533	189,144	294,677
Food Purchases	8,458	90,280	98,738
Gas, Oil and Transportation	9,029	40,502	49,531
Insurance	19,499	130,648	150,147
Janitorial Supplies and Expenses	9,599	68,372	77,971
Management Fees	(3,233)	-	(3,233)
Miscellaneous	299	-	299
Office Supplies and IT Expense	18,303	28,895	47,198
Postage	7,085	16,477	23,562
Printing	-	8,801	8,801
Professional Fees	104,717	237,411	342,128
Program Supplies	154	10,519	10,673
Registration and Tuition	4,654	15,853	20,507
Rent	-	16,658	16,658
Small Equipment	213	3,598	3,811
Telephone	11,770	110,036	121,806
Travel	12,181	172,647	184,828
Vehicle Repair and Maintenance	1,835	14,477	16,312
Utilities	17,105	86,733	103,838
	<u>\$ 1,047,873</u>	<u>\$ 7,202,715</u>	<u>\$ 8,250,588</u>
Total Expenses	<u>\$ 1,047,873</u>	<u>\$ 7,202,715</u>	<u>\$ 8,250,588</u>

See independent auditors' report.

EAST CENTRAL MENTAL HEALTH - MENTAL RETARDATION, INC.
SCHEDULE OF EXPENSES - EXCLUSIVE OF COMPONENT UNIT
Year Ended September 30, 2017

	Administrative Expenses	Program Expenses	Total Expenses
Salaries and Fringe Benefits	\$ 600,341	\$ 3,212,595	\$ 3,812,936
Consultants and Contractual Services	-	2,390,176	2,390,176
Advertising	15,681	4,605	20,286
Board Training	16,727	1,159	17,886
Building Maintenance	28,579	114,567	143,146
Depreciation	29,441	107,112	136,553
Drug and Medical Supplies	11	22,734	22,745
Dues and Subscriptions	4,919	4,527	9,446
Equipment Rental	3,135	9,443	12,578
Equipment Repairs and Maintenance	92,125	183,209	275,334
Food Purchases	8,012	96,191	104,203
Gas, Oil and Transportation	7,784	37,122	44,906
Insurance	18,980	126,297	145,277
Janitorial Supplies and Expenses	7,819	67,876	75,695
Management Fees	(3,238)	-	(3,238)
Misc Expenses	-	170	170
Office Supplies and IT Expense	21,890	29,283	51,173
Postage	6,705	15,768	22,473
Printing	44	8,370	8,414
Professional Fees	60,925	273,872	334,797
Program Supplies	157	13,173	13,330
Registration and Tuition	931	17,956	18,887
Rent	300	16,763	17,063
Small Equipment	2,996	14,771	17,767
Telephone	11,575	105,456	117,031
Travel	17,554	174,842	192,396
Vehicle Repair and Maintenance	5,650	28,521	34,171
Utilities	13,993	84,319	98,312
Total Expenses	\$ 973,036	\$ 7,160,877	\$ 8,133,913

See independent auditors' report.

EAST CENTRAL MENTAL HEALTH - MENTAL RETARDATION, INC.
SCHEDULE OF BOARD OF DIRECTORS AND OFFICIALS
Year Ended September 30, 2018

Name	Title
Ms. JaNeen Roberts	President
Mr. Lawrence Bowden	Vice-President
Dr. Andrew Creamer	Secretary
Mrs. Betty Youngblood	Treasurer
Chief Randall Barr	Member
Mrs. Brenda Dubose	Member
Dr. Maria Bernardo	Member
Mrs. Tonya Gibson	Member
Mrs. Jennifer Ventress	Member
Mrs. Neara Reed	Member
Mrs. Elizabeth Smithart	Member
Ms. Gladys Washington	Member
Mr. Iverson Gandy, Jr.	Member
Mrs. Elizabeth Clausell	Member
Mr. Don V. Schofield	Executive Director
Ms. Malvia Frye	Assistant Director/Business Manager
Ms. Anita Ellis	Executive Secretary