Trinity Town Council Council Minutes June 22, 2026

The Town of Trinity Mayor and Council met at a regularly scheduled meeting in the Trinity Municipal Building with Mayor Vaughn Goodwin calling the meeting to order at 5:34 p.m.

Members present were Beth Burden, Brandi Logston, Mayor Vaughn Goodwin, Lainie Alexander, and Gordon Burden. Absent was Jared Terry.

Motion made to approve the minutes of the Work Session June 8, 2026, by Beth with a 2nd by Brandi. All voted yes.

Motion made to approve the minutes of the Council Meeting June 8, 2026, by Brandi with a 2nd by Lainie. All voted yes.

Motion made to approve the bills in the amount of $28,071.30 by Lainie with a 2nd by Gordon. All voted yes.

Motion made to approve **Resolution 2026-10 Retiree Longevity Bonus** by Beth with a 2nd by Brandi. Voting yes were Beth, Brandi, Vaughn, Lainie, and Gordon. Voting no were none.

Motion made to approve allowing Nicholas Jones to become a member of the fire department by Gordon with a 2nd by Lainie. All voted yes.

Motion made to approve $2631.74 to Center for Municipal Solutions for work done on Cell Tower Permits by Brandi with a 2nd by Lainie. All voted yes.

Motion made to approve $5000.00 to NARCOG for administrative work done on LWCF Park Grant by Beth with a 2nd by Brandi. All voted yes.

Motion to approve $2500.00 to DLC Tree Service for cutting down 3 trees at Kimbrel Park by Lainie with a 2nd by Brandi. All voted yes.

Motion made to approve $19,900.00 to Cathcart Services for a replacement unit and labor to install the unit at the police department by Gordon with a 2nd by Lainie. All voted yes.

Motion to set a Public Hearing for July 27th at 5:30 p.m. in the Trinity Municipal Building for the purpose of discussing re-zoning property owned by Hickory Creek Properties between Old Trinity Road and Steed Road from A-O to M-2 by Beth with a 2nd by Lainie. All voted yes.

Mayor Goodwin updated the Council that the footing had been poured for the bathroom at Kimbrel Park and that everything should be progressing in the next few weeks as the weather allows.

*** Reminders - Back to School Sales Tax Holiday July 17-19; TrinityFest September 26, 2026

Motion made to adjourn by Brandi with a 2nd by Lainie at 5:40 p.m. All voted yes.

Respectfully submitted:

Ashley Patterson, Town Clerk

Approved by:

Mayor Vaughn Goodwin

Ashley C. Patterson
Notary Public, Alabama State at Large
My Commission Expires September 20, 2028

Motion to approve $60.00 to Tennessee Valley Media for West Morgan Homecoming ad by Jared with a 2nd by Brandi. All voted yes.

Motion made to approve $200.00 to West Morgan High School for ad in fall media guide by Brandi with a 2nd by Jared. All voted yes.

Motion made to approve $1000.00 allocation to the Mental Health Center of North Central Alabama for their 2026-2027 fiscal year by Brandi with a 2nd by Beth. All voted yes.

Motion made to approve $3625.00 to 10-8 Video for in-car system by Jared with a 2nd by Beth. All voted yes.

Motion made to approve $25,000.00 allocation to West Morgan High School, with the High School to reimburse $25,000.00 once they receive grant funding by Jared with a 2nd by Beth. All voted yes.

Motion made to allow Mayor Goodwin to contact ARDURRA about troubleshooting the SCADA system as well as other water projects by Jared with a 2nd by Brandi. All voted yes.

**Copies of Financial Reports were given to all members in attendance.
**Copies of Park Board minutes were given to all in attendance

Mayor Goodwin stated that DU had recently went up on their rates and that the Town would need to look at a rate increase soon.

Mayor Goodwin stated that the Public Hearing scheduled for July 27th at 5:30 had been cancelled due to ongoing communications with the property owners.

*** Reminders - Back to School Sales Tax Holiday July 17-19; Public Hearing July 27 @ 5:30
TrinityFest September 26, 2026

Motion made to adjourn by Jared with a 2nd by Brandi at 5:47 p.m. All voted yes.

Respectfully Submitted:

Ashley Patterson, Town Clerk

Approved by:

Mayor Vaughn Goodwin

Ashley C. Patterson
Notary Public, Alabama State at Large
My Commission Expires September 20, 2028

Trinity Town Council
June 22, 2026
Agenda

Call to Order: By VG at 5:34 p.m.
Roll Call: Beth Burden ✓, Brandi Logston ✓, Mayor Vaughn Goodwin ✓, Lainie Alexander ✓, Jared Terry ___, and Gordon Burden ✓.

Pledge of Allegiance
Invocation

1. Motion to approve the minutes of the Work Session June 8, 2026 by BB with a 2nd by BL. Vote: all
2. Motion to approve the minutes of the Council Meeting June 8, 2026 by BL with a 2nd by LA. Vote: all
3. Motion to approve the bills in the amount of $28,071.30 by LA with a 2nd by GB. Vote: all
4. Motion to approve **Resolution 2026-10 Retiree Longevity Bonus** by BB with a 2nd by BL. Vote: VVVV all
5. Motion to approve or deny allowing Nicholas Jones to become a member of the fire department by GB with a 2nd by LA. Vote: all
6. Motion to approve $2631.74 to Center for Municipal Solutions for work done on Cell Tower Permits by BL with a 2nd by LA. Vote: all
7. Motion to approve $5000.00 to NARCOG for administrative work done on LWCF Park Grant by BB with a 2nd by BL. Vote: all

19,900 - Comcast

New Business – PD unit, website, public hearing – July 27 / Aug 10

Old Business – Trucks, swing for Kimbrel Park & update, cameras – letter w/ Joe Wheeler

*** Reminders - Back to School Sales Tax Holiday July 17-19; TrinityFest September 26, 2026

13. Motion to adjourn by BL with a 2nd by LA at 5:40 p.m. Vote: all

Footings poured for bathroom @ Kimbrel

* Motion Trees Need Cutting (3) @ park - $2500 - to DLC LA 2nd BL - all
* Motion to approve 2/c 19.900 - to Comcast GB 2nd LA - all
* Motion to set public hearing July 27th Rezoning Eyesore @ 5:30 BB 2nd LA - all

Town	Amount	Description
Joe Wheeler	305.79	utilities
Richard Stover	200	driving school
Morgan County EMCD	1283.9	dispatch fees
Southern Accounting Systems	587.14	receipts and journals for office
Stone Hedge	412	monthly maintenance on parks
Verizon	973.85	cell phones and air cards
Regions	7655.65	fire dept (644.62), fire proof safe, poll workers lunch, postage for CCR calendars, cash drawer, pd uniforms, sd cards with adapter, office supplies - paper and ink, ammo, boots, batteries, wearable lights for pd

Court

Water

Core&Main	$	2,064.00	couplings and wrap
Joe Wheeler	$	73.81	utilities
West Morgan East Lawrence	$	14,515.16	purchased water
Total	**$**	**28,071.30**	

25,000.00

Regions General 25,000.00

Trinity Town Council
July 13, 2026
Agenda

Call to Order: By VG at 5:30 p.m.
Roll Call: Beth Burden ✓, Brandi Logston ✓, Mayor Vaughn Goodwin ✓, Lainie Alexander ____, Jared Terry ✓, and Gordon Burden ____.
Pledge of Allegiance
Invocation

1. Motion to approve the minutes of the Work Session June 22, 2026, by BB with a 2nd by BL. Vote: all - JT abs
2. Motion to approve the minutes of the Council Meeting June 22, 2026, by BB with a 2nd by BL. Vote: all - JT abs
3. Motion to approve the bills in the amount of $36,957.67 by JT with a 2nd by BB. Vote: all.
4. Motion to approve $1,110.00 to AAA State of Play for freight charges for the ADA swing frame and platform to be placed at Kimbrel Park by JT with a 2nd by BL. Vote: all
5. Motion to approve $1993.55 to GMC for work done on Kimbrel Park by BB with a 2nd by BL Vote: all
6. Motion to approve $129,200.00 to Great Southern Recreation for Park Equipment by BL with a 2nd by BB. Vote: all
7. Motion to approve $4800.00 to GMC for work done on Comprehensive Plan by JT with a 2nd by BL Vote: all
8. Motion to approve $700.00 to Valley Emergency Response Solutions for work done on Explorer by JT with a 2nd by BB Vote: all.
9. Motion to approve $710.00 to First Choice Printing for printing of newsletters by BL with a 2nd by JT. Vote: all
10. Motion to approve $2500.00 to Pitney Bowes for postage by BB with a 2nd by BL. Vote: all.
11. Motion to appoint Katherine "Katie" Denham as Magistrate by JT with a 2nd by BB. Vote: ____
12. Motion to appoint Anna Graves as Magistrate by JT with a 2nd by BB. Vote: all.
13. Motion to approve $3627.67 to Decatur Electronics Communications LLC for work done on Explorer & Tahoe by JT with a 2nd by BL. Vote: all
14. Motion to approve **Resolution 2026 – 11 Allowing Mayor Goodwin to sign annual contract with Morgan County EMCD** by BB with a 2nd by JT. Vote: VVV - all

15. Motion to temporarily suspend Robert's Rules of Order and take into immediate consideration **Ordinance 2026-01 Establishing a one-year moratorium on all property development approvals and permits for Data Center Campuses and similar high-impact facilities in the Town of Trinity** by JT with a 2nd by BL. Vote: VVVV - all

16. Motion to approve **Ordinance 2026-01 Establishing a one-year moratorium on all property development approvals and permits for Data Center Campuses and similar high-impact facilities in the Town of Trinity** by JT with a 2nd by BL Vote: VVVV - all

17. Motion to approve $60.00 to Tennessee Valley Media for West Morgan Homecoming ad by JT with a 2nd by BL. Vote: all

18. Motion to approve $200.00 to West Morgan High School for ad in fall media guide by BL with a 2nd by JT. Vote: all

19. Motion to approve $1000.00 allocation to the Mental Health Center of North Central Alabama for their 2026-2027 fiscal year by BL with a 2nd by KB Vote: all

20. Motion to approve $3625.00 to 10-8 Video for in-car system by JT with a 2nd by KB. Vote: all

** Financial Account listing MOTION 2nd KB for Tobe reimb. VJT

New Business – $25,000 allocation to West Morgan, park board minutes, EDA

Old Business – Trucks, swing for Kimbrel Park & update , cameras, website

*** Reminders - Back to School Sales Tax Holiday July 17-19; Public Hearing July 27 @ 5:30
TrinityFest September 26, 2026

13. Motion to adjourn by JT with a 2nd by BL at 5:47 p.m. Vote: all

- Motion to contract ARCOURRA help w/ SCADA & water projects JT 2nd BL

- look @ increase of meter rates

* Public Hearing cancelled

Town	Amount	Description
Alpha Torro	199	website
Flash Fiber	279.8	internet town hall and pd
ALEA	1092.5	LETS Access
City Machine	194.85	hose for fuel pump
City of Decatur	3332.7	landfill
Eddy Auto Parts	62.55	mosquito sprayer maintenance
Emergency Wear	488	hicks, hughes, garret
Gabe's	110.7	service call and lug nut
ICS	360.64	desk phones
Jat Oil, Inc.	4557.97	fuel
Joe Wheeler	4994.97	utilities
Lightwire	2581.78	regular IT, on site support, and emergency after hour call
Larry Madison	80	letter for Transit foods
Pest Management	245	pest control
Pitney Bowes	176.52	lease
Roberts Group	44.98	Water for PD
TransUnion	123	investigative software
The Tint Shop	260	tint on police vehicle
RJ Young	384.86	copier lease town hall and pd
Richard Stover	200	driving school
Flail-master	277	pins for ROW tractor
Verizon	1123.95	cell and air cards
Wilks	2439.52	oil change Namie, brake work Clark, tires and brakes for randall, oil change for Dean

Court

Patricia Crump	$	82.50	interpretor
Maggie Coan Witt	$	1,160.00	prosecutor
Morgan County Sheriff	$	1,084.80	June inmate fees

Water

D U	$	8,538.40	purchased water
Core&Main	$	670.52	nut assemblys and couplings
Joe Wheeler	$	1,811.16	utilities
Total	**$**	**36,957.67**	

Town of Trinity, Alabama
Balance Sheet
As of Jul 13, 2026

	Total
01-1111 Regions General	3,062,049.99
01-1112 Regions Special Fund	63,019.42
05-1111 Regions Municipal State	127,524.29
05-1112 Regions Corrections Fund	79,503.26
05-1113 Regions Municipal Bond	3,319.14
44-1111 Regions 4 cent	157,458.12
77-1111 Regions 7 Cent	24,326.49
98-1000 Regions Sewer	48,973.75
99-1111 Regions Water	174,025.49
Total for Bank Accounts	**$3,740,199.95**

Accrual Basis Monday, July 13, 2026 01:26 PM GMTZ

June 7, 2026

Town of Trinity Recreation Board

Spending

Business	Description	Amount
SportsEngine	Monthly Subscription	34.50
Sydney Melson	Softball reimbursement - gameballs	119.86
Lynn Smith	Baseball Ump Assignor Fee	168.00
Decatur Coca Cola	Concessions	134.40
	Baseball/softball/Tball	228.00
		129.60
		156.00
		249.60
		80.80

Deposits

Deposit	Date	Amount
Mrs. Lewis - Concessions	5/14	1644.00
Mrs. Lewis - Concessions/Gate	5/19	2276.81
Spring Reg. Football/Cheer (SportsEngine)		

Total Deposits (May 2026) - $

Town of Trinity Park Board

June 7th, 2026

The Town of Trinity Park Board met for a scheduled meeting June 7th, 2026, at the Trinity Municipal Building with Board Chair Corey Walker calling the meeting to order at 1:05 p.m.

Members present were Jon Clark, David Keenum, Corey Walker, Sydney Melson, Tyler Jones, Heather Turney, Mitchell Chance, and Jared Terry.

Motion was made by Jared Terry to approve $5,300.00 for new youth football helmets. 35 new helmets at $149.00 apiece. 2nd by Heather Turney. All in favor

Motion was made by Jared Terry to approve $300.00 to West Morgan High School Band to use concessions building for youth football home games. 2nd by Heather Turney. All is favor.

Motion was made by Sydney Melson to approve Park Board to use Park for baseball/softball camp. $50.00 a kid. 2nd by David Keenum. All in favor

- Need to find a date
- Need to find volunteers to run camp
- 2 nights from 6-8pm?
- Includes T-shirt?

Motion made by Jared Terry to approve spending ledger. 2nd by Jon Clark. All in favor

Other items discussed

- No concessions for soccer this year
- Food truck vendors during soccer
    - Who manages the schedule?
    - Who do vendors contact?
    - Trinity Parks website?
    - 10% of sales go to park?
    - A written agreement needs to be signed before vendors can come?
- Discussed refs for soccer. Right now, $40 a ref a game.
    - Are there better options out there?
    - Reach out to the guy over Jack Allen refs and see what he offers?
- Football & soccer in person sign ups on June 13th at Town Hall.
- How to track returned football equipment & other sports equipment too.
- $2,000 to use football field?
- Soccer, July 6th rosters must be in. June 21st is the last day of signups.

Meeting was adjourned at 2:50 p.m.

Respectfully submitted: Approved:

Secretary David Keenum

Chairman Corey Walker

All Park Board Meeting minutes will be presented to the Town Council for final approval.

May 3, 2026

Town of Trinity Recreation Board

Spending

Business	Description	Amount
Decatur Coca Cola	Concessions	1641.60
Thompson (A ONE Enterprises)	Concessions 3/20	1420.06
	Concessions 4/7	1648.56
	Concessions 4/17	435.85
	Concessions 4/24	1494.21
People's Bank	Credit card payment - Lowes Academy Sports D2 Sports On Deck Sports SP Portolite Pitching BestBuy	4378.34
Tyler Jones	Reimbursement for tournament rings	230.25
SportsEngine	Monthly Subscription	34.50

Deposits

Deposit	Date	Amount
Mrs. Lewis - Concessions	4/7	953.00
Mrs. Lewis - Concessions	4/13	1053.00
Mrs. Lewis - Concessions	4/22	840.00
Spring Reg. Football/Cheer (SportsEngine)		

Total Deposits (April 2026) - $2,846.00

Town of Trinity Park Board

May 9th, 2026

The Town of Trinity Park Board met at a special meeting May 9th, 2026, at the Trinity Municipal Building with Board Chair Corey Walker calling the meeting to order at 8:00 a.m.

Members present were Jon Clark, David Keenum, Corey Walker, Sydney Melson, Tyler Jones, Heather Turney, and Jared Terry. Absent was Mitchell Chance.

Motion was made by Jon Clark to approve Ven to Go machines at pickleball courts. This is to have Park Board present to council the idea for council approval. 2nd by Tyler Jones. All in favor

The motion also included the following details

- 15% goes back to Trinity
- All Cashless
- Monitored by camera
- Self – insured in case of theft
- Can stock more than drinks
    - Pickleballs
    - Batting gloves
    - QR code to request items

Discussed was this is also an idea for soccer fields over concessions

Motion was made by Tyler Jones to approve $230.25 for 10U boys rings for Morgan County Tournament hosted at Trinity. 2nd by Corey Walker. All in favor

Motion was made by Sydney Melson to approve $119.86 for softball game balls. 2nd by Jared Terry. All in favor

- This was a total of $306.55 approved

Motion made by Jared Terry to approve spending ledger. 2nd by Tyler Jones. All in favor

Other items discussed

- No issues as of now with Danville borrowed football helmets
- Laine to speak with Coach Phillips about reconditioning youth football helmets.

Meeting was adjourned at 9:00 a.m.

Respectfully submitted: Approved:

Secretary David Keenum

Chairman Corey Walker

All Park Board Meeting minutes will be presented to the Town Council for final approval.

50 North Ripley Street
Montgomery, AL 36130

revenue.alabama.gov

Alabama Department of Revenue

November 7, 2025

IMPORTANT **IMPORTANT**

2026 "Back-to-School" Sales Tax Holiday
July 17-19, 2026

According to our records, your locality is participating in the "Back-to-School" Sales Tax Holiday **each year** until such time your ordinance/resolution is rescinded. This information has been published on the ADOR website:

https://revenue.alabama.gov/sales-use/sales-tax-holidays/

Please notify the Alabama Department of Revenue of any change by sending a certified copy of any resolution, ordinance, or amendment adopted by your locality. If there is no change, NO RESPONSE is required.

Deadline to notify ADOR of any change for 2026: April 17, 2026

Notification can be faxed, mailed or emailed:

FAX: 334-242-8916

EMAIL: localtaxunit@revenue.alabama.gov
Pamela.spears@revenue.alabama.gov

MAIL: ALABAMA DEPARTMENT OF REVENUE
Attention: Pamela Spears
Sales & Use Tax Division
Post Office Box 327900
Montgomery, Alabama 36132-7900

QUESTIONS: 334-242-1443

375 South Ripley Street
Montgomery, AL 36104

revenue.alabama.gov

Alabama Department of Revenue

NOTICE
May 23, 2025

County and Municipal Sales and Use Tax Exemptions

Effective May 6, 2025, Act 2025-280 provides a standardized process for counties and municipalities to provide for corresponding exemptions that apply only to state sales and use taxes.

Pursuant to this act, any law that enacts or amends a sales and use tax exemption shall apply only to state sales and use taxes and shall not apply to county or municipal sales and use taxes, unless all of the following are satisfied:

1. The law provides for exemption of county or municipal sales and use taxes.
2. The exemption is approved by resolution or ordinance of the county or municipality.
3. The county commission or municipality provides notice of the resolution or ordinance to the Alabama Department of Revenue (ALDOR) by July 1 prior to the effective date of the exemption.

The resolution or ordinance must include all of the following provisions:

1. An effective date of September 1 of a given year for the exemption.
2. The duration of the exemption, which must be in fiscal year increments or in perpetuity.

A county or municipality may rescind a county or municipal sales and use tax exemption by resolution or ordinance provided both of the following conditions are met:

1. The rescission is effective beginning on September 1 of a given fiscal year.
2. The county commission or municipality provides notice of the resolution or ordinance to ALDOR by July 1 prior to the effective date of the rescission.

ALDOR will publish and maintain a list of county and municipal sales and use tax exemptions that are adopted pursuant to the act.

Resolutions and ordinances may be provided to ALDOR through the local government portal, which may be accessed at revenue.alabama.gov/division/sales-use/ under Local Governments.

If you have any questions, contact ALDOR's Sales Tax Administration Section.

Contact
Sales and Use Tax Division
Sales Tax Administration Section
P.O. Box 327710
Montgomery, AL 36132
334-242-1490

Mental Health Center of North Central Alabama, Inc.

Serving Lawrence, Limestone and Morgan Counties
Lisa S. Coleman, LICSW, Cheif Executive Director

June 16, 2026

Town of Trinity
Mr. Vaughn Goodwin, Mayor
35 Preston Drive
Trinity, AL 35673

Dear Mayor Goodwin and members of Trinity Town Council:

This letter is to request continued financial support from the Town of Trinity. The Mental Health Center is an integral part of the Town of Trinity and provides critical psychiatric and mental health services for numerous Trinity residents.

The Mental Health Center and the Town of Trinity share a common mission: To serve the citizens of Trinity. To this end, I am reaching out to you Mayor Goodwin and members of the Trinity Town Council for financial support. It is my sincere hope that we can collaborate to address the psychiatric and mental health needs of Trinity residents that are struggling to cope with disabling psychiatric and mental health issues.

Last year the Mental Health Center provided psychiatric and/ or mental health treatment services for 91 Trinity residents.

Enclosed is a resolution from the Mental Health Center's board of directors authorizing a request from the Trinity Town Council in the amount of $1,000 for fiscal year 2026-2027. Funds provided by the Town of Trinity will make a positive difference in our ability to provide treatment services for financially indigent, mentally ill adults in Trinity. However, any amount of support that Trinity Town Council can provide is appreciated. Enclosed please find the Mental Health Center's most recent independent audit for your reference.

As always, thank you for supporting the Mental Health Center of North Central Alabama. Please call me with your questions or concerns. Thank you again.

Sincerely,

Lisa S. Coleman

Lisa S. Coleman, Chief Executive Officer
(256) 260-7324 | LColeman@mhcnca.org

Mental Health Center of North Central Alabama, Inc.

Serving Lawrence, Limestone and Morgan Counties
Lisa S. Coleman, LICSW, Cheif Executive Director

Board Resolution: Trinity_FY26-27

WHEREAS, the Mental Health Center of North Central Alabama, Inc. a public 501(c)(3) organization, was established in 1967 under state and federal acts for the purpose of providing psychiatric and mental health services for residents of north central Alabama; and

WHEREAS, Alabama Act 310 authorizes the appropriation of funds from local municipalities and county governments to facilitate said services; and

WHEREAS, it is the mission of the Mental Health Center of North Central Alabama, Inc. to provide the highest quality treatment, education and assistance to people affected by mental health and substance use issues; and

WHEREAS, funds allocated from the Town of Trinity are deemed critical and necessary for the delivery of psychiatric and mental health services for qualified residents of Trinity.

NOW, THEREFORE, be it resolved by the Board of Directors of the Mental Health Center of North Central Alabama, Inc. that an appropriation in the amount of $1,000 for fiscal year 2026-2027 from the Town of Trinity to be used exclusively for psychiatric and mental health services for qualified residents of Trinity has been approved.

Adopted this 18th day of June, 2026.

Signed: Henry A. White Date: 06/18/2026
Henry White, President

Attest: Lisa S Coleman Date: 06/18/2026
Lisa S. Coleman, Chief Executive Officer

Decatur-Morgan Counseling
4110 Hwy. 31 South
Decatur, AL 35603
Telephone: (256) 260-1691
Fax: (256) 260-7327

Albany Clinic for Children
1315 13th Avenue SE
Decatur, AL 35601
Telephone: (256) 260-7306
Fax: (256) 350-1661

Administrative Offices
1316 Somerville Rd. SE, Suite 1
Decatur, AL 35601
Telephone: (256) 355-6105
Fax: (256) 355-6092

Moulton-Lawrence Counseling
295 Hospital Street
Moulton, AL 35650
Telephone: (256) 974-6697
Fax: (256) 974-6685

Athens-Limestone Counseling
1307 East Elm Street
Athens, AL 35611
Telephone: (256) 232-3661
Fax: (256) 230-0139

Athens-Limestone Youth
1309 East Elm Street
Athens, AL 35611
Telephone: (256) 260-1559
Fax: (256) 260-1554

Mental Health Center of North Central Alabama, Inc.
Financial Statements
For the Years Ended
September 30, 2024 and 2023

MAULDIN & JENKINS

CPAs & ADVISORS

Independent Auditor's Report

Board of Directors
Mental Health Center of North Central Alabama, Inc.
Decatur, Alabama

Unmodified and Disclaimer of Opinions

We have audited the accompanying financial statements of the Mental Health Center of North Central Alabama, Inc. (the Center) as of and for the years ended September 30, 2024 and 2023, and the related notes to the financial statements. We were not engaged to audit the financial statements of the Foundation for Mental Health in North Central Alabama, Inc. (the Foundation), a discretely presented component unit of the Center. These financial statements collectively comprise the Center's basic financial statements, as listed in the table of contents.

Summary of Opinions

Opinion Unit	Type of Opinion
Mental Health Center of North Central Alabama, Inc.	Unmodified
Foundation for Mental Health in North Central Alabama, Inc.	Disclaimer

Disclaimer of Opinion on the Discretely Presented Component Unit

We do not express an opinion on the financial statements of the Foundation for Mental Health in North Central Alabama, Inc. Because of the significance of the matter described in the Basis for Disclaimer of Opinion on the Discretely Presented Component Unit section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the Foundation for Mental Health in North Central Alabama, Inc., a discretely presented component unit of the Center as of and for the year ended June 30, 2024.

Unmodified Opinion on the Mental Health Center of North Central Alabama, Inc.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Center, as of September 30, 2024 and 2023, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Disclaimer of Opinion on the Discretely Presented Component Unit

The financial statements of the Foundation have not been audited, and we were not engaged to audit the Foundation's financial statements as part of our audit of the Center's basic financial statements. The Foundation's financial activities are included in the Center's basic financial statements as a discretely presented component unit and represents 100% of the assets, net position, and revenues, respectively, of the Center's discretely presented component units.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6-15, schedule of changes in the net pension liability and related ratios on page 54, and the schedule of employer contributions on page 55, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

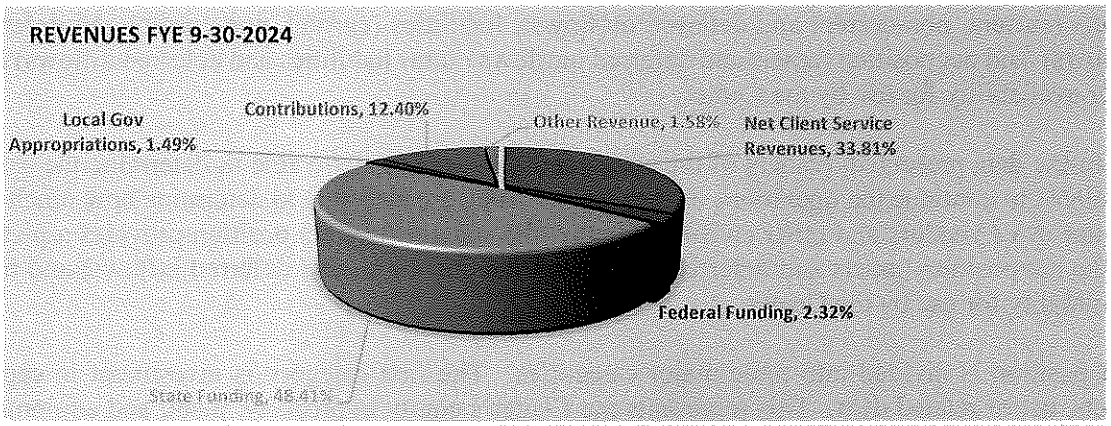
The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Mental Health Center of North Central Alabama Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Mental Health Center of North Central Alabama, Inc.'s internal control over financial reporting and compliance.

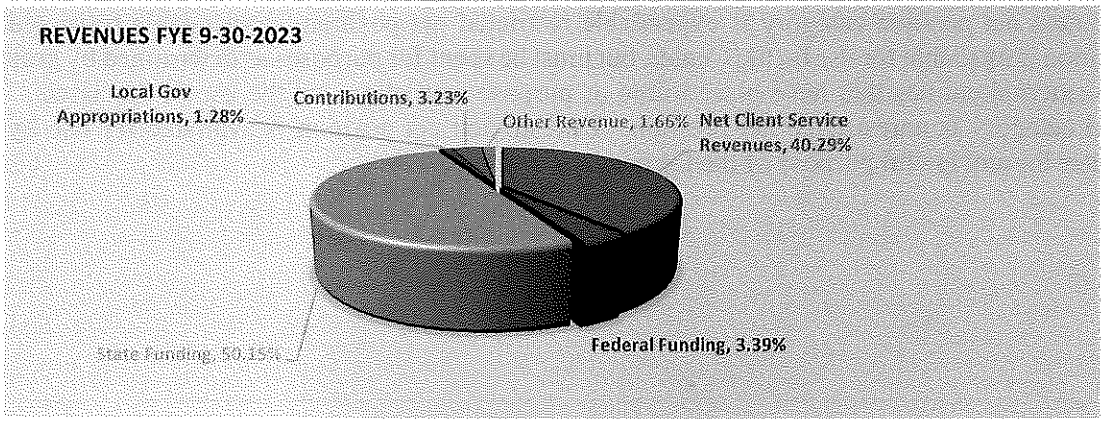
Mauldin & Jenkins, LLC

Athens, AL
October 2, 2025

The following charts provide a graphical presentation of the Center's revenue, by category, for fiscal year 2024, as well as fiscal year 2023.

When considering each category as a percentage of revenues for the year, net client service revenues had a decrease of 7.08%, federal funding decreased by 0.34%, state funding increased by 0.45%, local government appropriations increased by 0.25%, contributions increased by 7.29%, and other revenue had a decrease of 0.57%.





USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements prepared in accordance with the GASB Statements No. 34 and 35. One of the most important questions asked about the Center's finances is whether the Center is better or worse off as a result of the year's activities. The statement of net position and the statement of revenues, expenses, and changes in net position report information on the Center and its activities in a way that helps answer this question. These statements present financial information in a form similar to that used by corporations. Examining the Center's net assets is one way to evaluate the Center's financial health. Over time, increases or decreases in net assets are one indicator of whether its financial health is improving or deteriorating.

A condensed statement of net position for the Center for the fiscal years ending September 30, 2024, and September 30, 2023, is shown in the following table:

Statement of Net Position
September 30, 2024 and 2023

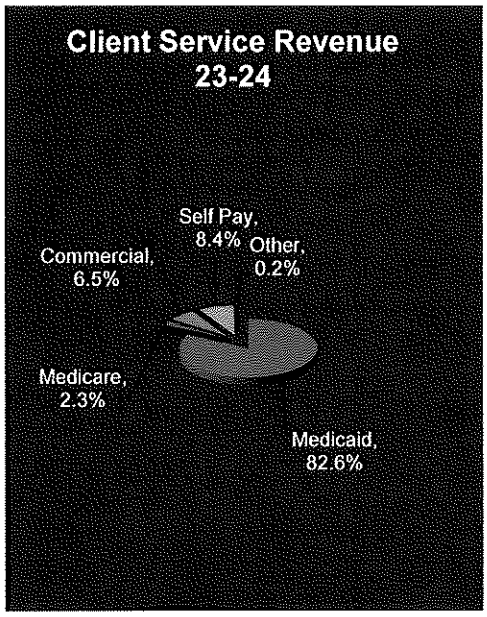
	2024	2023
Assets		
Current Assets	$ 8,837,121	$ 7,525,099
Non-current Assets	12,453	46,399
Capital Assets, Net of Depreciation	5,054,181	3,064,531
Deferred Outflows Related to Pensions	1,618,891	2,899,771
Total Assets and Deferred Outflows	15,522,646	13,535,800
Liabilities		
Current Liabilities	1,841,631	912,241
Non-current Liabilities	3,411,666	3,945,148
Deferred Inflows Related to Pensions	208,688	438,584
Total Liabilities and Deferred Inflows	5,461,985	5,295,973
Net Position		
Net Investment in Capital Assets	3,769,434	1,578,359
Restricted for Debt Service	65,636	63,008
Unrestricted	6,225,591	6,598,460
Total Net Position	$ 10,060,661	$ 8,239,827
Increase in Net Position	$ 1,820,834	$ 1,697,368

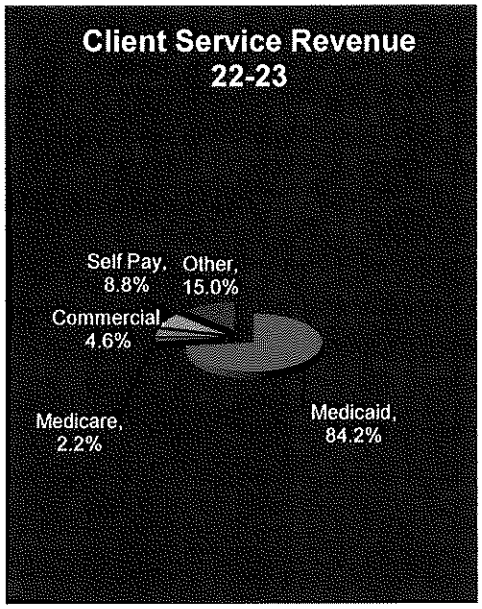
Total Assets and Deferred Outflows for the Center increased 14.7% in 2024. This is a result of an increase in cash, capital assets and deferred outflows.

Current Liabilities increased from prior year (up 101.9%), Non-Current Liabilities decreased 13.5%, while Deferred Inflows Related to Pensions decreased (down 52.4%) resulting in an overall increase of 3.1% to Total Liabilities. The increase in Current Liabilities was related to accounts payable and due to contractual agencies increases. The increase in Total Liabilities was primarily a result of a decrease in Net Pension Liability. For a more detailed understanding of the Center's net position, the reader should review the statement of net position and notes to financial statements.

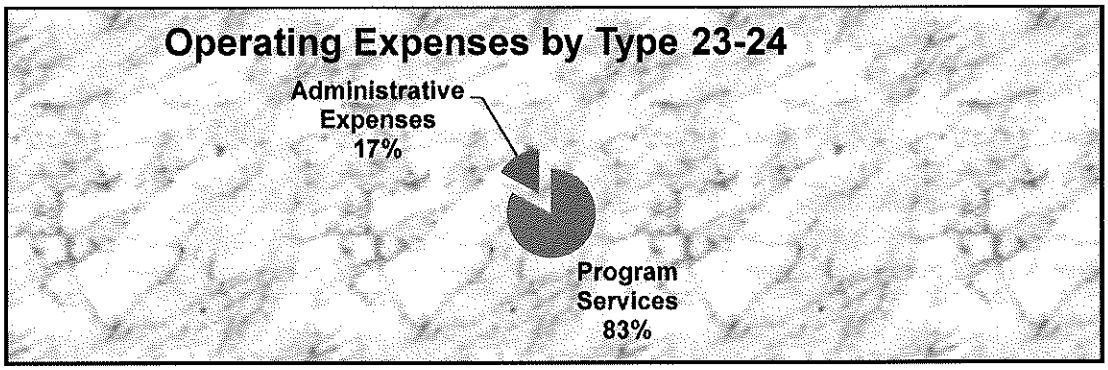
THE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

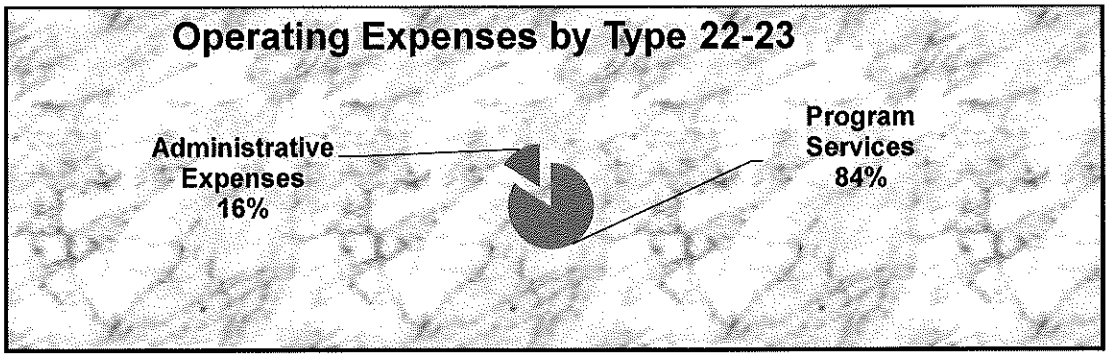
The statement of revenues, expenses, and changes in net position presents the revenues earned and expenses incurred during the year on an accrual basis. Activities on this statement are reported as either operating or non-operating. The utilization of capital assets is reflected as depreciation expense, which amortizes the cost of an asset over its estimated useful life.





Since operating expenses are one of the most significant items, additional information for the Center is graphically depicted in the following charts. Program and Administrative expenses remained proportionally steady.





A condensed statement of cash flows for the Center for the fiscal year ended September 30, 2024 and 2023 is shown in the following table:

Cash Flows for the Year		
	2023-2024	**2022-2023**
Cash Flows from Operating Activities	$ (1,635,479)	$ 1,805,079
Cash Flows from Noncapital Financing Activities	222,989	197,362
Cash Flows from Capital and Related Financing Activities	(1,465,698)	(438,971)
Cash Flows from Investing Activities	5,993	98,443
Net Increase in Cash and Cash Equivalents	(2,872,195)	1,661,913
Cash and Cash Equivalents, Beginning of Year	6,415,499	4,753,586
Cash and Cash Equivalents, End of Year	$ 3,543,304	$ 6,415,499

Cash includes petty cash funds, amounts in demand deposits and money market accounts. Cash Equivalents are short-term investments with an original maturity date of three months or less. For a more detailed understanding of the Center's cash activity, see the actual statement of cash flows. This statement is divided into three parts. The first part deals with operating cash flows and shows the net cash provided by the operating activities of the Center. The second section deals with cash flows from capital and related financing activities, such as cash used for the acquisition and construction of capital and related items. The third section reflects the cash flows from investing activities and shows investments purchased and sold and interest received from investing activities, which is followed by a summary of the overall change in cash and cash equivalents for the year.

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

The Foundation was incorporated for the sole benefit of the Center. The Foundation completed construction on a $2.4 million dollar office building in January 2004 that houses the Administrative Offices, Options program staff, and the Professional Development Center of the Mental Health Center. The Center was a guarantor on the existing debt of this facility. This debt was paid in full in March of 2024.

In addition, the economic outlook for the Center is closely tied to that of the State Department of Mental Health (DMH). The Center must be able to provide the required match from a state dollar to bill Medicaid. With Medicaid revenues dependent on the State contract, the Center's reliance on State and State controlled Federal contract dollars creates an economic dependence on state contracts. Revenues tied to these contracts account for 88% of the Center's revenues, which is consistent with the last three fiscal years where the numbers have fluctuated between 82% and 88%.

Over the past several years, there have been multiple external factors that have affected both State and State controlled dollars. The largest factors have been the new dollars funded to community mental health providers as a part of the DMH Early and Periodic Screening, Diagnostic and Treatment (EPSDT) settlement agreement and dollars provided to assist with workforce recruitment and retention. The EPSDT funding is to both increase current children's services and implement new children's programs, while recruitment and retention funding has assisted providers in their efforts to combat the workforce shortages attributed to the national pandemic.

In addition, we continue to anticipate changes to our DMH contract. Community Mental Health Centers expect to see DMH contracts changes that will increase ambulatory line-item funding, as well as increase funding to target specific services and client populations aimed at keeping the state psychiatric hospital census at acceptable levels and providing services to persons in the least restrictive setting possible. This, along with national and state recognition that our overall mental health system is underfunded, could potentially result in an increase to our state contract funding stream. We expect DMH to fund a new crisis residential unit with construction beginning in fiscal year 2024.

The current overall funding environment seems to be improving from past years where there have been many unknowns. Recovery from the national pandemic continues, but workforce shortages seem to have become the norm for most industries. This could potentially impact our ability to generate future revenues. Management continues its efforts to identify ways to improve hiring and retention practices, improve efficiencies in our workflows, and increase revenues, while also increasing the quality of services provided to our clients.

These financial statements are designed to provide a general overview of the Center and its component unit's financial activities and to demonstrate the Center's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Melanie Reid, The Mental Health Center, 1316 Somerville Road, SE, Suite 1, Decatur, AL 35601.

Mental Health Center of North Central Alabama, Inc.
Statements of Net Position
September 30, 2024 and 2023

Liabilities	2024	2023
Current Liabilities		
Accounts Payable	$ 264,229	$ 98,467
Payroll Liabilities	134,783	200,547
Accrued Compensated Absences	265,406	321,341
Accrued Expenses	12,026	12,478
Client Funds Payable	85,553	70,446
Due to Contractual Agencies	873,493	7,538
Current Portion, Notes Payable	61,502	60,892
Current Portion, Lease Liabilities	144,639	140,532
Total Current Liabilities	1,841,631	912,241
Non-Current Liabilities		
Accrued Compensated Absences	75,636	91,576
Notes Payable	967,345	1,028,846
Lease Liabilities	111,262	255,902
Net Pension Liability	2,257,423	2,568,824
Total Non-Current Liabilities	3,411,666	3,945,148
Total Liabilities	5,253,297	4,857,389
Deferred Inflows		
Deferred Inflows of Resources Related to Pensions	208,688	438,584
Total Deferred Inflows	208,688	438,584
Net Position		
Net Investment in Capital Assets	3,769,434	1,578,359
Restricted:		
Expendable:		
Debt Service	65,636	63,008
Unrestricted	6,225,591	6,598,460
Total Net Position	$ 10,060,661	$ 8,239,827

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

Mental Health Center of North Central Alabama, Inc.
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended September 30, 2024 and 2023

	2024	2023
Operating Revenues		
Net Client Service Revenue (Net of Bad Debt of $284,907 in 2023 and $171,877 in 2023)	$ 3,983,287	$ 4,894,968
Federal Block Grant Funding	273,129	318,558
State Grant Funding	5,704,142	5,742,204
Contributed Facilities	308,221	304,825
Other Contributions	8,100	7,041
Other Revenue	174,144	158,589
Total Operating Revenues	10,451,023	11,426,185
Operating Expenses		
Administrative Expenses	1,693,472	1,659,788
Program Expenses	8,218,180	8,569,495
Total Operating Expenses	9,911,652	10,229,283
Operating Income	539,371	1,196,902
Non-Operating Revenues (Expenses)		
Stimulus Funds	1,097,382	250,612
County Appropriations	105,999	90,000
Municipal Appropriations	70,149	58,650
United Way Funds	46,841	48,712
Income on Investments	5,993	98,443
Gain on Disposal of Property and Equipment	5,600	-
Interest Expense	(50,501)	(45,951)
Total Non-Operating Revenues, Net	1,281,463	500,466
Increase in Net Position	1,820,834	1,697,368
Net Position, Beginning of Year	8,239,827	6,542,459
Net Position, End of Year	$ 10,060,661	$ 8,239,827

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

Mental Health Center of North Central Alabama, Inc.
Statements of Cash Flows
For the Years Ended September 30, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Cash Received from Clients and Other Funding Sources	$ 6,263,602	$ 11,764,434
Cash Payments to Suppliers and Contractual Agencies	(472,385)	(2,307,230)
Cash Payments to Employees for Services	(7,426,696)	(7,652,125)
Net Cash Provided by (Used In) Operating Activities	(1,635,479)	1,805,079
Cash Flows from Noncapital Financing Activities		
County and Municipal Appropriations	176,148	148,650
Donations	46,841	48,712
Net Cash Provided by Noncapital Financing Activities	222,989	197,362
Cash Flows from Capital and Related Financing Activities		
Purchase of Capital Assets	(1,218,921)	(188,445)
Proceeds from Disposal of Capital Assets	5,600	-
Interest Paid	(50,953)	(46,397)
Repayments on Notes Payable	(60,892)	(65,410)
Payments on Leases Liabilities	(140,532)	(138,719)
Net Cash Used in Capital and Related Financing Activities	(1,465,698)	(438,971)
Cash Flows from Investing Activities		
Income from Investments	5,993	98,443
Net Cash Provided by Investing Activities	5,993	98,443
Net Increase (Decrease) in Cash and Cash Equivalents	(2,872,195)	1,661,913
Cash and Cash Equivalents, Beginning of Year	6,415,499	4,753,586
Cash and Cash Equivalents, End of Year	$ 3,543,304	$ 6,415,499

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Center conform to GAAP as applied to governmental units. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies of the Center are described below.

Nature of the Organization

The Mental Health Center of North Central Alabama, Inc., formerly the North Central Alabama Mental Health Board, Inc., was incorporated to promote the mental health and general welfare of the people of the North Central Alabama area. This area includes Morgan, Limestone, and Lawrence counties. Although a system of fees has been established for those who are able to pay some or all of the cost of services, the Center does not operate as a for-profit entity.

Reporting Entity

The Center follows the GASB's Codification, *Determining Whether Certain Organizations are Component Units*. This Statement amends the former the GASB Statement No. 14, *The Financial Reporting Entity*, to provide additional guidance to determine whether certain organizations for which the Center is not financially accountable should be reported as component units based on the nature and significance of their relationship with the Center.

As defined by generally accepted accounting principles established by the GASB, the financial reporting entity consists of the Center, as well as its component unit, the Foundation for Mental Health in North Central Alabama, Inc.

Scope of Statements

The Foundation, was incorporated to benefit the Center. The Foundation accepts public donations and private charity for the support of the Center. The Foundation devotes all its income and profits, after paying its expenses, for the benefit of the Center.

Organizations that are legally separate, tax-exempt entities and that meet all of the following criteria should be discretely presented as component units. These criteria are:

The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.

The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables

Receivables include amounts due from clients for unpaid patient services and amounts due from third parties. As of September 30, 2024, and 2023, $443,701 and $209,051, respectively, have been reserved as uncollectible patient receivables based upon prior history of uncollected receivables from patient services.

Inventory

Inventory is valued at cost using the first-in/first-out (FIFO) method.

Capital Assets

Capital assets purchased or acquired with an original cost of $1,000 or more, are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received. Capital assets are shown at cost less accumulated depreciation in the financial statements.

Depreciation is provided on the straight-line basis over the estimated useful lives of the assets ranging from two to forty years. Depreciation expense for the years ended September 30, 2024 and 2023, was $186,271 and $162,658, respectively.

Leases

Lessee – The Center is a lessee for noncancellable leases of buildings and equipment. The Center recognizes a lease liability and an intangible right-to-use lease asset in the statement of net position.

At the commencement of a lease, the Center initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Center determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The Center uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Center uses its estimated incremental borrowing rate as the discount rate for leases.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions

The Employees' Retirement System of Alabama (the Plan or ERS) financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. Contributions are recognized as revenues when earned, pursuant to the plan requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Expenses are recognized when the corresponding liability is incurred, regardless of when the payment is made. Investments are reported at fair value. Financial statements are prepared in accordance with requirements of the GASB. Under these requirements, the Plan is considered a component unit of the State of Alabama and is included in the State's Comprehensive Annual Financial Report.

Operating Revenues and Expenses

The Center's statement of revenues, expenses, and changes in net position distinguishes between operating and non-operating revenues and expenses. Operating revenues result from exchange transactions associated with providing mental health services, the Center's principal activity.

Non-exchange revenues, excluding operating grants and contributions, are reported as non-operating revenues. Operating expenses are all expenses incurred to provide mental health services, other than financing costs.

Net Position

Net Position is required to be classified for accounting and reporting purposes into the following categories:

- *Net Investment in Capital Assets* – Capital assets, including restricted capital assets, reduced by accumulated depreciation and by outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. Any significant unspent related debt proceeds or inflows of resources at year end related to capital assets are not included in this calculation.
- *Restricted* –
    - *Nonexpendable* – Net Position subject to externally imposed stipulations that they be maintained permanently by the Center.
    - *Expendable* – Net Position whose use by the Center is subject to externally imposed stipulations that can be fulfilled by actions of the Center pursuant to those stipulations or that expire by the passage of time.

NOTE 2. CAPITAL ASSETS

Capital assets consist of the following at September 30, 2024:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets being depreciated:					
Land Improvements	$ 146,860	$ 5,000	$ -	$ -	$ 151,860
Buildings & Improvements	3,916,021	30,418	-	-	3,946,439
Equipment	1,709,105	193,616	(132,304)	30,852	1,801,269
Manufactured Housing	7,417	-	-	-	7,417
Leasehold Improvements	155,757	-	-	-	155,757
Total capital assets being depreciated	5,935,160	229,034	(132,304)	30,852	6,062,742
Capital assets not being depreciated:					
Land	671,320	-	-	-	671,320
Work in Progress	241,725	2,087,269	-	(30,852)	2,298,142
Total capital assets not being depreciated	913,045	2,087,269	-	(30,852)	2,969,462
Less accumulated depreciation:					
Land Improvements	92,787	7,096	-	-	99,883
Buildings & Improvements	2,443,216	77,648	-	-	2,520,864
Equipment	1,535,953	94,898	(132,304)	-	1,498,547
Manufactured Housing	4,673	296	-	-	4,969
Leasehold Improvements	91,838	6,333	-	-	98,171
Total capital assets being depreciated	4,168,467	186,271	(132,304)	-	4,222,434
Total capital assets, net	$ 2,679,738	$ 2,130,032	$ -	$ -	$ 4,809,770

During the year ended September 30, 2024, the Center entered into an agreement with Limestone County to support the provision of mental health services in Limestone County, AL. This agreement allowed for the construction of a new children's outpatient clinic located in Limestone County. It is anticipated that the cost to construct the clinic will be approximately $1,200,000. The Agreement provided that Limestone County will cover $600,000 of the costs associated with design and construction through funds received under the Coronavirus Aid, Relief, and Economic Security Act of 2020 (CARES Act), and the Center will cover the remaining costs. As of September 30, 2024, the Center recorded $1,097,382 in stimulus funds related to this Agreement.

NOTE 3. RIGHT TO USE LEASE ASSETS

Right to use lease assets consist of the following at September 30, 2024:

	Beginning Balance	Additions	Decreases	Ending Balance
Buildings	$ 564,144	$ -	$ -	$ 564,144
Equipment	177,294	-	-	177,294
Total	741,438	-	-	741,438
Less Accumulated Amortization	(356,645)	(140,382)	-	(497,027)
Total Capital Assets, Net	$ 384,793	$ (140,382)	$ -	$ 244,411

Right to use lease assets consist of the following at September 30, 2023:

	Beginning Balance	Additions	Decreases	Ending Balance
Buildings	$ 564,144	$ -	$ -	$ 564,144
Equipment	177,294	-	-	177,294
Total	741,438	-	-	741,438
Less Accumulated Amortization	(208,357)	(148,288)	-	(356,645)
Total Capital Assets, Net	$ 533,081	$ (148,288)	$ -	$ 384,793

NOTE 4. TAX AND CORPORATE STATUS

The Center is exempt from paying income tax under Section 501(c)(3) of the Internal Revenue Code and the Code of Alabama 1975, S22-51-1 through 22-51-14. Accordingly, there is no provision for federal or state income taxes.

NOTE 5. PENSION

General Information about the Pension Plan

Plan description

The Employees' Retirement System of Alabama (ERS), an agent multiple-employer public employee retirement plan, was established as of October 1, 1945, pursuant to the *Code of Alabama 1975, Title 36, Chapter 27* (Act 515 of the Legislature of 1945). The purpose of the ERS is to provide retirement allowances and other specified benefits for state employees, State Police, and, on an elective basis, to all cities, counties, towns, and quasi-public organizations.

NOTE 5. PENSION (CONTINUED)
General Information about the Pension Plan (Continued)
Benefits provided (Continued)

benefit. Under the formula method, members of the ERS (except State Police) are allowed 2.0125% of their average final compensation (highest 3 of the last 10 years) for each year of service. State Police are allowed 2.875% for each year of State Police service in computing the formula method.

Act 377 of the Legislature of 2012 established a new tier of benefits (Tier 2) for members hired on or after January 1, 2013. Tier 2 ERS members are eligible for retirement after age 62 (56 for State Police) with 10 years or more of creditable service and are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a formula method. Under the formula method, Tier 2 members of the ERS (except State Police) are allowed 1.65% of their average final compensation (highest 5 of the last 10 years) for each year of service up to 80% of their average final compensation. State Police are allowed 2.375% for each year of State Police service in computing the formula method.

Members are eligible for disability retirement if they have 10 years of credible service, are currently in-service, and determined by the RSA Medical Board to be permanently incapacitated from further performance of duty. Preretirement death benefits equal to the annual earnable compensation of the member as reported to the Plan for the preceding year ending September 30 are paid to the beneficiary.

Act 132 of the Legislature of 2019 allowed employers who participate in the ERS pursuant to *Code of Alabama 1975, Section 36-27-6* to provide Tier 1 retirement benefits to their Tier 2 members. Tier 2 members of employers adopting Act 2019-132 will contribute 7.5% of earnable compensation for regular employees and 8.5% for firefighters and law enforcement officers. A total of 608 employers adopted Act 2019-132 as of September 30, 2023.

Act 316 of the Legislature of 2019 allows employees at the time of retirement to receive a partial lump sum (PLOP) distribution as a single payment not to exceed the sum of 24 months of the maximum monthly retirement allowance the member could receive. This option may be selected in addition to the election of another retirement allowance option at a reduced amount based upon the amount of partial lump sum distribution selected.

The ERS serves approximately 884 local participating employers. The ERS membership includes approximately 113,079 participants. As of September 30, 2023, membership consisted of:

Retirees and beneficiaries currently receiving benefits	31,481
Terminated employees entitled to but not yet receiving benefits	2,350
Terminated employees not entitled to a benefit	20,556
Active Members	58,659
Post-DROP Retired Members Still in Active Service	33
Total	113,079

NOTE 5. PENSION (CONTINUED)
General Information about the Pension Plan (Continued)
Contributions (Continued)

For the years ended September 30, 2024 and 2023, the Center's active employee contribution rate was 5% (Tier 1) and 6% (Tier 2) of covered employee payroll. For the year ended September 30, 2024, the Center's average contribution rate to fund the normal and accrued liability costs was 3.47% (Tier 1) and 1.02% (Tier 2) of covered employee payroll. For the year ended September 30, 2023, the Center's average contribution rate to fund the normal and accrued liability costs was 3.44% (Tier 1) and 0.84% (Tier 2) of covered employee payroll.

The Center's contractually required contribution rate for the year ended September 30, 2024, was 3.45% of pensionable pay for Tier 1 employees, and 1.00% of pensionable pay for Tier 2 employees. These required contribution rates are based upon the actuarial valuation as of September 30, 2021, a percent of annual pensionable payroll, and actuarially determined as an amount that, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, with an additional amount to finance any unfunded accrued liability.

The Center's contractually required contribution rate for the year ended September 30, 2023 was 3.28% of pensionable pay for Tier 1 employees, and 0.68% of pensionable pay for Tier 2 employees. These required contribution rates are based upon the actuarial valuation dated September 30, 2020, a percent of annual pensionable payroll, and actuarially determined as an amount that, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, with an additional amount to finance any unfunded accrued liability. Total employer contributions to the pension plan from the Center were $26,323 and $35,102 for the years ended September 30, 2024 and 2023, respectively.

NOTE 5. PENSION (CONTINUED)
Net Pension Liability (Continued)

Actuarial assumptions

The total pension liability as of September 30, 2023 and 2022, was determined based on the annual actuarial funding valuation report prepared as of September 30, 2023 and 2022, respectively. The key actuarial assumptions are summarized below:

Inflation	2.50% (2023 and 2022)
Salary increases	3.25% - 6.00% (2023 and 2022)
Investment rate of return*	7.45% (2023 and 2022)

**Net of pension plan investment expense, including inflation*

Mortality rates were based on the Pub-2010 Below-Median Tables, projected generationally using the MP-2021 scale, which is adjusted by 66-2/3% beginning with year 2019:

Group	Membership Table	Set Forward (+)/ Setback (-)	Adjustment to Rates
Non-FLC Service Retirees	General Healthy Below Median	Male: +2, Female: +2	Male: 90% ages < 65, 96% ages >= 65 Female: 96% all ages
FLC/State Police Service Retirees	Public Safety Healthy Below Median	Male: +1, Female: none	None
Beneficiaries	Contingent Survivor Below Median	Male: +2, Female: +2	None
Non-FLC Disabled Retirees	General Disability	Male: +7, Female: +3	None
FLC/State Police Disabled Retirees	Public Safety Disability	Male: +7, Female: none	None

The actuarial assumptions used in the September 30, 2021 valuation were based on the results of an actuarial experience study for the period October 1, 2015 – September 30, 2020.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

NOTE 5. PENSION (CONTINUED)
Net Pension Liability (Continued)

Changes in Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at September 30, 2021	$ 18,858,671	$ 20,820,325	$ (1,961,654)
Changes for the year:			
Service cost	434,141	-	434,141
Interest	1,359,061	-	1,359,061
Changes of assumptions	45,761	-	45,761
Difference between expected and actual experience	525,888	-	525,888
Contributions - employer	-	146,765	(146,765)
Contributions - employee	-	306,668	(306,668)
Net investment income	-	(2,619,060)	2,619,060
Benefits paid and refunds of employee contributions	(1,232,487)	(1,232,487)	-
Administrative expense	-	-	-
Transfers Among Employers	96,639	96,639	-
Balances at September 30, 2022	$ 20,087,674	$ 17,518,850	$ 2,568,824
Changes for the year:			
Service cost	445,660	-	445,660
Interest	1,446,237	-	1,446,237
Changes of benefit terms	-	-	-
Difference between expected and actual experience	405,264	-	405,264
Contributions - employer	-	81,921	(81,921)
Contributions - employee	-	306,850	(306,850)
Net investment income	-	2,219,791	(2,219,791)
Benefits paid and refunds of employee contributions	(1,350,183)	(1,350,183)	-
Administrative expense	-	-	-
Transfers Among Employers	120,569	120,569	-
Net changes	1,067,547	1,378,948	(311,401)
Balances at September 30, 2023	$ 21,155,221	$ 18,897,798	$ 2,257,423

NOTE 5. PENSION (CONTINUED)
Net Pension Liability (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the years ended September 30, 2024 and 2023, the Center recognized pension expense (income) of $812,725 and $406,550, respectively calculated as follows:

	2024	2023
Service Cost	$ 445,660	$ 434,141
Interest on the Total Pension Liability	1,446,237	1,359,061
Current-period Benefit Changes	-	45,761
Expensed Portion of Current Period Difference Between Expected & Actual Experience in the Total Pension Liability	98,845	122,300
Expensed Portion of Current-Period Changes of Assumptions	-	-
Member Contributions	(306,850)	(306,668)
Projected Earnings on Plan Investments	(1,273,833)	(1,525,694)
Expensed Portion of Current-Period Differences Between Actual and Projected Earnings on Plan Investments	(189,192)	828,951
Transfers Among Employers	-	-
Recognition of Beginning Deferred Outflows of Resources as Pension Expense	821,754	146,468
Recognition of Beginning Deferred Inflows of Resources as Pension Expense	(229,896)	(697,770)
Pension Expense (Income)	$ 812,725	$ 406,550

At September 30, 2024, the Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 587,707	$ 208,688
Changes of Assumptions	210,181	-
Net Difference Between Projected and Actual Earnings on Earnings on Pension Plan Investments	794,680	-
Employer Contributions Subsequent to the Measurement Date	26,323	-
Total	$ 1,618,891	$ 208,688

NOTE 7. LONG-TERM DEBT

A schedule of changes in the Center's direct borrowings and lease liabilities for the year ended September 30, 2024 is as follows:

	Balance 10/01/2023	Additions	Payments	Balance 9/30/2024
Direct Borrowings:				
Note Payable – Cadence Bank	$ 357,750	$ -	$ (39,190)	$ 318,560
Note Payable – USDA	731,989	-	(21,702)	710,287
Lease Liabilities	396,433	-	(140,532)	255,901
	1,486,172	-	(201,424)	1,284,748
Less Current Portion	201,424			206,141
Total Long-Term Debt	$ 1,284,748			$ 1,078,607

A schedule of changes in the Center's direct borrowings and lease liabilities for the year ended September 30, 2023 is as follows:

	Balance 10/01/2022	Additions	Payments	Balance 9/30/2023
Direct Borrowings:				
Note Payable – Cadence Bank	$ 402,484	$ -	$ (44,734)	$ 357,750
Note Payable – USDA	752,665	-	(20,676)	731,989
Lease Liabilities	535,152	-	(138,719)	396,433
	1,690,301	-	(204,129)	1,486,172
Less Current Portion	200,904			201,424
Total Long-Term Debt	$ 1,489,397			$ 1,284,748

Direct Borrowings

The Center had a note payable agreement with Cadence Bank bearing interest at 4.75% and calling for monthly principal and interest payments of $3,319. During the year ended September 30, 2015, the balance on this note of $258,828 was consolidated with a new construction loan for a total principal amount of $577,456. This loan currently bears interest at 3.29% and calls for monthly principal and interest payments of $3,499. The new construction loan is a future advance mortgage and is secured by real estate. During the year ended September 30, 2017, the Center received $214,436 in associated loan proceeds. The loan matures in October 2031. At September 30, 2024 and 2023, the balance due on this note was $318,560 and $357,750, respectively.

NOTE 7. LONG-TERM DEBT (CONTINUED)
Lease Liabilities (Continued)

The equipment has a five-year estimated useful life and the value of the right to use asset as of the end of September 30, 2024 and 2023, was $46,961 and $73,796, respectively, and had accumulated amortization of $87,214 and $60,481 as of September 30, 2024 and 2023, respectively.

In September 2014, the Center entered into a lease agreement for a telephone system. Under the terms of this lease, the Center will pay monthly payments of $1,238 for 60 months. The Center has an option to purchase the system for $1 at the end of the lease term. During the year ended September 30, 2015, the capital lease agreement was amended resulting in an increase of $1,776 in the total obligation. The monthly payment under the amended capital lease agreement was $1,267 and the term of the lease did not change. In November 2018, The Center did a partial disposal and upgrade to the phone system. Under the new amendment, The Center will pay monthly payments of $719 for 60 months. An initial lease liability was recorded in the amount of $43,120. As of September 30, 2024 and 2023, the value of the lease liability was $- and $-, respectively. The lease has an interest rate of 5.50%. The equipment has a five-year estimated useful life and the value of the right to use asset as of the end of the September 30, 2024 and 2023 was $- and $1,316 respectively, and had accumulated amortization of $43,120 and $41,873 as of September 30, 2024 and 2023, respectively.

Interest incurred and charged to expense totaled $50,501 and $45,951 as of September 30, 2024 and 2023, respectively.

At September 30, 2024, scheduled principal and interest repayments on direct borrowings and lease liabilities are as follows:

Year Ending September 30,	Direct Borrowings		Lease Liabilities	
	Principal	Interest	Principal	Interest
2025	$ 61,502	$ 33,980	$ 144,639	$ 5,515
2026	63,582	31,899	111,262	1,354
2027	65,733	29,748	-	-
2028	67,941	27,540	-	-
2029	70,255	25,226	-	-
2030-2034	233,925	96,023	-	-
2035-2039	156,191	68,429	-	-
2040-2044	184,389	40,231	-	-
2045-2049	125,329	8,523	-	-
Total	$ 1,028,847	$ 361,598	$ 255,901	$ 6,869

NOTE 9. RELATED PARTY TRANSACTIONS (CONTINUED)

On August 29, 2003, the Mental Health Authority of Morgan County issued bonds totaling $1,859,000 (tax-exempt) and $541,000 (taxable) to finance the remaining cost of the building construction and to pay off the construction loan. The Foundation and the Mental Health Center of North Central Alabama, Inc. guarantee these bonds. The Foundation holds title to the property and is responsible for making the repayments on the bonds. The Center leases the majority of the space from the Foundation.

NOTE 10. RISK MANAGEMENT

The Center is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Center carries commercial insurance for all risks of loss, including worker's compensation, employees' health and accident insurance, professional liability, and comprehensive general liability. Settled claims resulting from these risks have not exceeded commercial insurance coverage for the years ended September 30, 2024 and 2023. Management is of the opinion that none of the current claims would exceed this coverage. Therefore, no provision for any such losses has been recorded in the accompanying financial statements.

NOTE 11. ECONOMIC DEPENDENCY

The Center receives a significant amount of its revenues under its contracts to provide mental health services with the State of Alabama Department of Mental Health and Mental Retardation. Funds received under these contracts include Medicaid and federal block grant funds. The total operating revenues received, or accrued under these contracts, for the fiscal years ended September 30, 2024 and 2023, were $9,221,739 and $10,239,165 or 88% and 90% of total operating revenues in each year, respectively.

NOTE 12. DISCRETE COMPONENT UNIT NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)

Summary of Significant Accounting Policies

Nature of the Organization

The Foundation was incorporated to benefit the Center. The Foundation accepts public donations and private charity for the support of the Center. The Foundation devotes all its income and profits, after paying its expenses, for the benefit of the Center. The Foundation is a component unit of the Center.

Since 1985 the Foundation has worked diligently to support services provided by the Center. Through direct requests, fundraising events, program development, grant writing and other activities the Foundation has been able to

NOTE 12. DISCRETE COMPONENT UNIT NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Foundation considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents. There were no cash equivalents at June 30, 2024.

Cash balances are maintained by two financial institutions. Balances may exceed insured amounts from time to time. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash balances.

Property, Plant and Equipment

Property, plant and equipment is stated at cost or, if donated, at the approximate fair market value at the date of donation. The cost of property, plant, and equipment in excess of $1,000 is capitalized. Additions, improvements or expenditures for repairs and maintenance that significantly add to the productivity or extend the economic life of the assets are capitalized. At the time items are retired or sold, the applicable cost and accumulated depreciation are removed from the accounts and the difference, net of proceeds, is charged or credited to operations. Expenses for repairs and maintenance are charged to operations as incurred.

Depreciation of property, plant and equipment is provided using the straight-line method over the estimated useful lives of the assets ranging from five to forty-five years.

In the absence of donor-imposed restrictions on the use of donated property, plant and equipment, the Foundation has adopted a policy of reporting these donations as unrestricted support.

Impairment of Long-Lived Assets

The Foundation reviews its property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed, if the undiscounted cash flows estimated to be generated by the property are less than its carrying amount, management compares the carrying amount of the property to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. No impairment losses have been recognized during the year ended June 30, 2024.

NOTE 12. DISCRETE COMPONENT UNIT NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

Summary of Significant Accounting Policies (Continued)

Income Taxes

The Foundation is exempt from paying tax under Section 501(c)(3) of the Internal Revenue Code and the Code of Alabama 1975, Section 10-3A-1 except on net income derived from unrelated business activities. The Foundation had no unrelated business activities that are subject to taxes. Accordingly, there is no provision for federal or state income taxes. The Foundation is a non-private, non-profit corporation. The Foundation's Federal Exempt Organization Business Income Tax Returns are subject to examination by the IRS, generally for three years after they were filed.

Cash

Cash includes amounts in demand deposit accounts. The Foundation maintains its cash balances with one financial institution. At June 30, 2024, the carrying amount of the Foundation's deposits was $102,713, which was less than the FDIC insurable limit.

Leases

On September 1, 2000, the Foundation entered into a lease agreement with the Center. The Center agreed to rent a commercial building located in Moulton, Alabama, to be used to house the Lawrence County Counseling Center. The original term of the lease was for a period of ten years, commencing on September 1, 2000, and ending on October 1, 2010. The Center agreed to pay $2,544 per month for a period of ten years. On March 18, 2004, this lease amount was renegotiated, and the lease payments were reduced to $875. The Center had the right to extend the term of this lease for an additional period of one year and then a month-to-month agreement became effective. As of June 30, 2024, the month-to-month agreement is still in effect. The cost of land and construction of this building was $175,088. The accumulated depreciation on this building was $130,349 at year end.

In January 2002, the Foundation acquired land on Somerville Road in Decatur, Alabama. A portion of the land was purchased and the Mental Health Board of North Central Alabama, Inc. donated the remaining portion. The Foundation constructed a building on the land to be used as administrative offices as well as rental space.

On August 29, 2003, the Mental Health Authority of Morgan County issued bonds to finance the remaining cost of the building construction and to pay off the construction loan.

The Foundation and the Center guarantee these bonds. The Foundation will hold title to the property and is responsible for making the repayments on the bonds. On August 29, 2003, the Foundation entered into a lease agreement with the Center. The Center agreed to lease the new building, known as Somerville Place, until June 30, 2026. The amount of the lease payments required is equal to the debt service due on the related bonds minus

NOTE 12. DISCRETE COMPONENT UNIT NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

Long Term Debt (Continued)

The Foundation is responsible for the debt service on the bonds and has a mortgage with the bondholder, Regions Bank. The mortgage is secured by the Somerville Place building and land which have a net carrying amount of $1,702,694 at June 30, 2024. Payments on the debt service are made monthly.

Principal payments vary dependent on the bond redemption schedule. Interest payments vary and are based on LIBOR. In December 2010, the Foundation paid off the taxable revenue bond. During the year ended June 30, 2024, the Foundation paid off the tax-exempt revenue bonds.

Donated Services

The Foundation receives donated services from the Center's employees. The fair market value for these services has been recognized under GAAP. During the year ending June 30, 2024, the total value of these services was $6,111 which is included in the statement of activities as both non-cash donations and professional services expense.

Related Party

In addition to the lease income discussed in "Note 12, Cash" and the donated services discussed in "Note 12 Donated Services," the Foundation also made various payments during the year to the Center, of which it is a component unit, for the reimbursement of Foundation payroll, payroll taxes and related payroll benefits as well as other expenses. At June 30, 2024, the Foundation owes the Center $106,348, which is included in accounts payable on the statement of financial position.

Mental Health Center of North Central Alabama, Inc.
Schedule of Changes in the Net Pension Liability and Related Ratios (Unaudited)

	2025	2022	2021	2020	2019	2018	2017	2016	2015	2014
Service Cost	$ 445,660	$ 434,141	$ 385,248	$ 405,556	$ 375,715	393,930	424,625	483,164	482,621	522,528
Interest	1,446,237	1,359,061	1,351,175	1,313,148	1,283,248	1,242,657	1,277,041	1,263,434	1,229,980	1,149,460
Changes of benefit terms	–	45,761	–	–	–	–	–	–	–	–
Differences between expected and actual experience	405,264	525,888	(514,712)	(242,380)	(285,803)	(107,666)	(1,116,660)	(659,296)	(606,249)	–
Changes of assumptions	–	–	581,089	–	–	$8,051	–	398,098	–	–
Benefit payments, including refunds of employee contributions	(1,350,183)	(1,232,487)	(1,018,816)	(986,911)	(1,037,410)	(927,537)	(877,838)	(766,105)	(610,253)	(720,724)
Transfers among employers	120,569	96,639	17,546	20,405	27,315	(3,224)	(125,986)	21,596		
Net change in total pension liability	1,067,547	1,229,003	$01,530	509,818	363,065	686,211	(418,820)	740,891	496,099	951,264
Total pension liability - beginning	20,087,674	18,858,671	18,057,141	17,547,323	17,184,258	16,498,047	16,916,867	16,175,976	15,679,877	14,728,613
Total pension liability - ending (a)	$ 21,155,221	$ 20,087,674	$ 18,858,671	$ 18,057,141	$ 17,547,323	17,184,258	16,498,047	16,916,867	16,175,976	15,679,877
Plan fiduciary net position										
Contributions - employer	$ 81,921	$ 146,765	$ 137,707	$ 154,141	$ 163,444	203,339	236,342	260,024	280,780	303,683
Contributions - member	306,850	306,668	280,950	267,652	258,252	245,224	255,717	258,665	269,288	277,371
Net investment income	2,219,791	(2,619,060)	3,836,263	964,271	436,647	1,485,773	1,878,677	1,390,243	161,554	1,472,234
Benefit payments, including refunds of employee contributions	(1,350,183)	(1,232,487)	(1,018,816)	(986,911)	(1,037,410)	(927,537)	(877,838)	(766,105)	(610,253)	(720,724)
Transfers among employers Administrative expense	120,569	96,639	17,546	20,405	27,315	(3,224)	(125,986)	21,596	30,141	(79,975)
Net change in plan fiduciary net position	1,378,948	(3,301,475)	3,253,650	419,558	(151,772)	1,003,575	1,366,912	1,164,423	131,510	1,252,589
Plan net position - beginning	17,518,850	20,820,325	17,566,675	17,147,117	17,298,889	16,295,314	14,928,402	13,763,979	13,632,469	12,379,880
Plan net position - ending (b)	$ 18,897,798	$ 17,518,850	$ 20,820,325	$ 17,566,675	$ 17,147,117	17,298,889	16,295,314	14,928,402	13,763,979	13,632,469
Net pension liability (asset) - ending (a) - (b)	2,257,423	2,568,824	(1,961,654)	490,466	400,206	(114,631)	202,733	1,988,465	2,411,997	2,047,408
Plan fiduciary net position as a percentage of the total pension liability	89.33%	87.21%	110.40%	97.28%	97.72%	100.67%	98.77%	88.25%	85.09%	86.94%
Covered payroll*	$ 5,660,947	$ 5,686,994	$ 5,327,098	$ 5,148,447	$ 4,884,649	3,879,163	4,837,031	4,869,567	5,455,454	5,596,645
Net pension liability (asset) as a percentage of covered employee payroll	39.88%	45.17%	-36.82%	9.53%	8.19%	-2.96%	4.19%	40.83%	44.21%	36.58%

Notes to the Schedule of Changes in the Net Pension Liability and Related Ratios

This schedule presents ten years of trend information available at September 30, 2024.

* *Covered payroll during the measurement period is the total covered payroll. For FY 2024 the measurement period is October 1, 2022 - September 30, 2023*

SUPPLEMENTAL INFORMATION

Mental Health Center of North Central Alabama, Inc.
Schedule of Operating Expenses
For the Year Ended September 30, 2024

	Administrative Expenses	Program Expenses	Total Expenses
Salaries	$ 920,059	$ 4,523,760	$ 5,443,819
Employee Benefits and Retirement	382,751	1,462,487	1,845,238
Staff Development	9,008	30,248	39,256
Staff Travel	17,051	34,991	52,042
Rent	139,016	169,203	308,219
Utilities	23,466	177,937	201,403
Telephone	19,621	116,901	136,522
Janitorial	1,579	10,715	12,294
Repairs and Maintenance	27,375	278,069	305,444
Medical	-	331	331
Food Supplies	1,682	40,425	42,107
Other Supplies	10,379	90,483	100,862
Printing	2,002	7,740	9,742
Insurance and Bonding	34,967	246,068	281,035
Professional Fees	61,288	404,859	466,147
Contract Labor	4,769	243,122	247,891
Depreciation	7,600	178,671	186,271
Amortization	-	140,382	140,382
Marketing	213	6,706	6,919
Client Transportation	1,803	52,205	54,008
Donation Expense	6,234	-	6,234
Dues and Subscriptions	20,431	560	20,991
Miscellaneous Expense	2,178	2,317	4,495
Totals	$ 1,693,472	$ 8,218,180	$ 9,911,652

Mental Health Center of North Central Alabama, Inc.
Schedule of Board of Directors and Officials (Unaudited)
September 30, 2024

Name	Address	Title	Term Ends
Norwood, Dianne	200 Montgomery Dr Moulton, AL 35650	Secretary	7/1/2026
Stephenson, Freda	202 Montgomery Dr Moulton, AL 35650	Treasurer	6/1/2024

MAULDIN & JENKINS
CPAs & ADVISORS

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors
Mental Health Center of North Central Alabama, Inc.
Decatur, Alabama

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Mental Health Center of North Central Alabama, Inc. (the Center), as of and for the year ended September 30, 2024, and the related notes to the financial statements and have issued our report thereon dated October 2, 2025. Our report includes a disclaimer of opinion on the financial statements of the Foundation for Mental Health in North Central Alabama, Inc. (the Foundation). The financial statements of the Foundation were not audited in accordance with Government Auditing Standards, and accordingly, this report does not include reporting on internal controls over financial reporting or instances of reportable noncompliance associated with the Foundation.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Center's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control.

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

MAULDIN & JENKINS
CPAs & ADVISORS

Report on Compliance with the Department of Mental Health Contract

Board of Directors
Mental Health Center of North Central Alabama, Inc.
Decatur, Alabama

We have audited contract numbers G3-1357-24, G3-0335-49, G3-1357-24P, G3-4189-37, G3-3410-28, G3-3522-27, and G3-1357-75 between the Department of Mental Health (DMH) and the Mental Health Center of North Central Alabama, Inc. as of and for the year ended September 30, 2024.

Compliance with DMH contracts, Provider Agreement and all applicable laws, rules, and regulations applicable to the Mental Health Center of North Central Alabama, Inc. is the responsibility of the Mental Health Center of North Central Alabama, Inc.'s management. As part of obtaining reasonable assurance about whether the contracts, Provider Agreement and all applicable laws, rules, and regulations were complied with, we performed certain tests of transactions and made other determinations as outlined in each requirement of Section 12, Audit for Compliance with the Contract of the DMH Audit Guidelines. Revenues and expenditures were analyzed to determine if they were in compliance with applicable terms and conditions of the contracts. Funds claimed as match for federal programs were audited to determine if they were allowable and adequate to match the federal funds received.

The results of our tests disclosed no material instances of noncompliance with the DMH contract, Provider Agreement and all applicable laws, rules, and regulations.

This report is intended for the information of management and DMH. However, this report is a matter of public record, and its distribution is not limited.

Mauldin & Jenkins, LLC

Athens, AL
October 2, 2025