



Central Arkansas Planning and Development District, Inc.  
Contents  
June 30, 2025

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## Independent Auditor's Report

Board of Directors  
Central Arkansas Planning and Development District, Inc.  
Lonoke, Arkansas

### ***Report on the Audit of the Combined Financial Statements***

#### ***Opinion***

We have audited the combined financial statements of Central Arkansas Planning and Development District, Inc. (Organization), which comprise the combined statement of financial position as of June 30, 2025 and the related combined statements of activities and cash flows for the year then ended and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of the Organization, as of June 30, 2025, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of the Organization, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Combined Financial Statements***

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued.

#### ***Auditor's Responsibilities for the Audit of the Combined Financial Statements***

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute

assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. 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 combined 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 combined 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 combined 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 Organization'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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying combining schedule of financial position, combining schedule of activities, and the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the combined financial statements.

The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2026 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 Organization's internal control over financial reporting or on compliance. That report

Board of Directors  
Central Arkansas Planning and Development District, Inc.

is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

**Forvis Mazars, LLP**

Little Rock, Arkansas  
January 13, 2026

Central Arkansas Planning and Development District, Inc.  
 Combined Statement of Financial Position  
 June 30, 2025

**ASSETS**

**Current Assets**

Cash	\$ 2,337,771
Grants receivable	<u>179,192</u>

**Total Current Assets** 2,516,963

**Assets Limited as to Use**

Restricted cash	970,219
Revolving loan fund notes receivable, net of allowance	<u>279,813</u>

**Total Assets Restricted as to Use** 1,250,032

**Property and Equipment, at Cost**

Building and land	475,563
Furniture, equipment, and vehicles	<u>701,136</u>
	1,176,699
Less accumulated depreciation	<u>720,714</u>

455,985

**Total Assets** \$ 4,222,980

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts payable	\$ 70,959
Accrued expenses	129,884
Deferred revenue	<u>769,006</u>

**Total Current Liabilities** 969,849

**Net Assets Without Donor Restriction** 3,253,131

**Total Liabilities and Net Assets** \$ 4,222,980

**Central Arkansas Planning and Development District, Inc.**  
**Combined Statement of Activities**  
**Year Ended June 30, 2025**

**Revenues, Gains, and Other Support Without Donor Restrictions**

Grant funds	
Department of Labor	\$ 1,541,294
Department of Commerce	70,000
Department of Justice	43,081
Environmental Protection Agency	25,633
Arkansas Department of Environmental Quality	127,234
Program administration	576,640
Rent income	18,752
Solid waste fee	174,009
Interest	24,198
Other income	150
	<u>2,600,991</u>

**Expenses**

Salaries and fringe benefits	1,791,274
Travel, meetings, and professional fees	253,887
Training	16,597
Equipment, supplies, and repairs	185,162
Rent expense	151,891
Telephone and utilities	68,035
Provision for uncollectible notes receivable	32,084
Other expenses	105,356
Depreciation	20,647
	<u>2,624,933</u>

**Change in Net Assets Without Donor Restrictions** (23,942)

**Net Assets, Beginning of Year** 3,277,073

**Net Assets, End of Year** \$ 3,253,131

Central Arkansas Planning and Development District, Inc.  
 Combined Statement of Cash Flows  
 Year Ended June 30, 2025

<b>Operating Activities</b>	
Change in net assets	\$ (23,942)
Items not requiring cash	
Depreciation	20,647
Provision for credit losses on notes receivable	32,084
Changes in	
Grants receivable	(69,872)
Accounts payable	8,969
Accrued expenses	7,098
	<u>(25,016)</u>
<b>Net Cash Used in Operating Activities</b>	<u>(25,016)</u>
<b>Investing Activities</b>	
Principal payments received on loans receivable	<u>164,502</u>
<b>Net Cash Provided by Investing Activities</b>	<u>164,502</u>
<b>Increase in Cash</b>	139,486
<b>Cash and Restricted Cash, Beginning of Year</b>	<u>3,168,504</u>
<b>Cash and Restricted Cash, End of Year</b>	<u><u>\$ 3,307,990</u></u>
Current assets – cash	\$ 2,337,771
Assets limited as to use – restricted cash	<u>970,219</u>
<b>Total Cash and Restricted Cash Shown in the Combined Statement of Financial Position</b>	<u><u>\$ 3,307,990</u></u>

**Note 1. Nature of Operations and Summary of Significant Accounting Policies**

***Nature of Operations***

Central Arkansas Planning and Development District, Inc. (Organization) is a nonprofit organization whose mission and principal activities are to provide a broad range of activities to promote economic development and employment assistance principally in the central Arkansas area. A synopsis of the more significant activities offered is described below.

The Organization administers various federal programs, primarily under the *Workforce Innovation and Opportunity Act (WIOA)*, for the purpose of assisting with the employment and development of economically disadvantaged individuals and businesses. The Organization also assists in economic development activities under the Economic Development Administration.

Central Arkansas Regional Solid Waste Management Board (Solid Waste) was created pursuant to the provisions of *Arkansas Act 752 of 1991*. Solid Waste manages and administers a comprehensive solid waste system that includes elements of recycling, disposal, collection, education, waste reduction, and special material handling in central Arkansas. Solid Waste services certain counties in central Arkansas.

Solid Waste follows the accounting guidance for governmental entities as issued by the Governmental Accounting Standards Board. As such, certain revenue recognition criteria and presentation features are different from Financial Accounting Standards Board (FASB) revenue recognition criteria and presentation features. Modifications have been made to Solid Waste's financial information in the combined financial statements to report the financial information in accordance with FASB to be consistent with the financial information presented by the Organization.

***Principles of Combination***

The accompanying financial statements are the combined statements of the Organization and Solid Waste, which share common management and several members of the boards of directors (collectively, Organization). All material transactions between the Organization and Solid Waste have been eliminated. The combined financial statements of the Organization as of June 30, 2025 and for the year then ended have been prepared in accordance with accounting principles generally accepted in the United States of America. Accordingly, the accompanying combined financial statements have been prepared on the accrual basis of accounting and include the accounts of the Organization and Solid Waste.

***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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. Actual results could differ from those estimates.

***Cash***

At June 30, 2025, the Organization's cash accounts exceeded the federally insured limits by approximately \$3,100,000. The financial institution had pledged collateral, held by a third party, in the name of the Organization sufficient to insure the excess amounts at June 30, 2025. The Organization has not obtained a legal opinion regarding the enforceability of the pledged security arrangement.

***Assets Limited as to Use***

Assets limited as to use include revolving loan fund assets of restricted cash and notes receivable. The Organization must manage these assets in accordance with a revolving loan fund plan approved by the grantor.

**Central Arkansas Planning and Development District, Inc.**  
**Notes to Combined Financial Statements**  
**June 30, 2025**

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***Notes Receivable***

Notes that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at their outstanding principal balances adjusted for unearned income, charge-offs, the allowance for credit losses, any unamortized deferred fees, or costs on originated loans.

For notes amortized at cost, interest income is accrued based on the unpaid principal balance. Loan origination fees, net of certain direct origination costs, as well as premiums and discounts, are deferred and amortized as a level yield adjustment over the respective term of the notes.

The accrual of interest on notes receivable is discontinued at the time the loan is 90 days past due unless the credit is well-secured and in process of collection. Past-due status is based on contractual terms of the note. In all cases, loans are placed on nonaccrual or charged off at an earlier date if collection of principal or interest is considered doubtful.

Management's general practice is to proactively charge down notes individually evaluated for impairment to the fair value of the underlying collateral. Charge-offs on all notes are taken when specific notes, or portions thereof, are considered uncollectible.

The Organization promptly charges off notes, or portions thereof, when available information confirms that specific notes are uncollectible based on information that includes, but is not limited to, (1) the deteriorating financial condition of the borrower, (2) declining collateral values, and/or (3) legal action, including bankruptcy, that impairs the borrower's ability to adequately meet its obligations. For notes that are considered to be solely collateral dependent, a partial charge-off is recorded when a loss has been confirmed by an updated appraisal or other appropriate valuation of the collateral.

All interest accrued but not collected for notes that are placed on nonaccrual or charged off are reversed against interest income. The interest on these notes is accounted for on the cash-basis or cost-recovery method, until qualifying for return to accrual. Notes are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

***Allowance for Credit Losses***

The allowance for credit losses is established as losses are estimated to have occurred through a provision for uncollectible notes charged to income. Uncollectible notes are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed.

The allowance for uncollectible notes is evaluated on a regular basis by management and is based upon management's periodic review of the collectability of the notes in light of historical experience, adverse situations that may affect the borrower's ability to repay and prevailing economic conditions. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available.

The allowance consists of allocated and general components. The allocated component relates to loans that are classified as impaired. For those loans that are classified as impaired, an allowance is established when the discounted cash flows of the impaired note are lower than the carrying value of that note. The general component covers notes not considered impaired and is based on historical charge-off experience.

A loan is considered impaired when, based on current information and events, it is probable that the Organization will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the note agreement. Factors considered by management in determining impairment include payment status and the probability of collecting scheduled principal and interest payments when due. Notes that experience insignificant payment delays and payment shortfalls generally are not classified as impaired.

**Central Arkansas Planning and Development District, Inc.**  
**Notes to Combined Financial Statements**  
**June 30, 2025**

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Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the note and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed.

***Property and Equipment***

Property and equipment acquisitions over \$5,000 are stated at cost less accumulated depreciation. Depreciation is charged to expense on a straight-line basis over the estimated useful life of each asset. Assets and leasehold improvements are depreciated over the shorter of the lease term or their respective estimated useful lives.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Buildings	50 years
Equipment and vehicles	5 years
Furniture and fixtures	10 years

Property acquired with grant funds is considered to be owned by the Organization while used in the program for which it was purchased or in future authorized programs. In addition, the federal government has a reversionary interest in the property. The disposition of property purchased, as well as any proceeds therefrom, is subject to federal regulation.

***Long-Lived Asset Impairment***

The Organization evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimate future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value, and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the year ended June 30, 2025.

***Net Assets***

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor or certain grantor restrictions.

Net assets with donor restrictions are subject to donor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization does not have any net assets with donor restrictions at June 30, 2025.

**Central Arkansas Planning and Development District, Inc.**  
**Notes to Combined Financial Statements**  
**June 30, 2025**

**Contributions**

Contributions are provided to the Organization either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts—with or without donor restrictions. The value recorded for each contribution is recognized as follows:

<u>Nature of the Gift</u>	<u>Value Recognized</u>
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on the Organization overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, i.e., the donor-imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment, and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor-stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statement of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment, and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

Conditional contributions having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

**Government Grants**

Support funded by grants is recognized as the Organization meets the conditions prescribed by the grant agreement, performs the contracted services, or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required. Grants are recognized as revenue and receivables when the award conditions on which they depend are substantially met. Grants received in advance of satisfaction of award conditions are reported as deferred revenues until the conditions are substantially met.

**Solid Waste Fee**

The Organization manages and administers a comprehensive solid waste system that includes elements of recycling, disposal, collection, education, waste reduction, and special material handling. The revenue and receivables for these services are recognized when the service is performed.

**Central Arkansas Planning and Development District, Inc.**  
**Notes to Combined Financial Statements**  
**June 30, 2025**

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***Income Taxes***

The Organization is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, the Organization is subject to federal income tax on any unrelated business taxable income. The Organization files tax returns in the U.S. federal jurisdiction. Solid Waste is exempt from income taxes as it is a governmental entity and does not file tax returns.

***Subsequent Events***

Subsequent events have been evaluated through January 13, 2026, which is the date the combined financial statements were available to be issued.

**Note 2. Liquidity and Availability**

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments while also striving to maximize its available funds.

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. Refer to the combined statement of cash flows, which identifies the sources and uses of the Organization's cash.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2025 comprise the following:

Financial assets at year-end	
Cash and restricted cash	\$ 3,307,990
Revolving loan fund notes receivable, net of allowance	279,813
Grants receivable	<u>179,192</u>
Total financial assets	<u>3,766,995</u>
Less amounts not available to be used within one year	
Restricted cash	970,219
Cash – general improvement funds	775,187
Revolving loan fund notes receivable, net of allowance	<u>279,813</u>
Financial assets not available to be used within one year	<u>2,025,219</u>
Financial assets available to meet general expenditures within one year	<u>\$ 1,741,776</u>

Central Arkansas Planning and Development District, Inc.  
Notes to Combined Financial Statements  
June 30, 2025

**Note 3. Grant Reimbursements Receivable and Future Commitments**

The Organization receives its grant support through periodic claims filed with the respective funding sources, not to exceed a limit specified in the funding agreement. Since the combined financial statements of the Organization are prepared on the accrual basis, all earned portions of the grants not yet received as of June 30, 2025 have been recorded as receivables. Following are the grant commitments that extend beyond June 30, 2025:

Grant	Term	Grant Amount	Earned Through 2025	Funding Available
WIOA – Adult Programs	7/1/2023–6/30/2026	\$ 1,013,080	\$ 895,704	\$ 117,376
WIOA – Youth Activities	4/1/2023–6/30/2026	1,705,166	1,457,797	247,369
WIOA – Dislocated Worker	10/1/2023–6/30/2026	593,611	544,454	49,157
Department of Commerce/ Economic Development Support for Planning Organizations	1/1/2023–12/31/2025	210,000	157,500	52,500
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	10/1/2023–9/30/2027	500,000	25,633	474,367
		<u>\$ 4,021,857</u>	<u>\$ 3,081,088</u>	<u>\$ 940,769</u>

Central Arkansas Planning and Development District, Inc.  
Notes to Combined Financial Statements  
June 30, 2025

**Note 4. Revolving Loan Fund Notes Receivable**

Anna Grizzle; 4.0% per annum; payable in 120 monthly installments of \$1,012, including principal and interest; originally due November 23, 2019. Collateral consists of property located at 101 S. New York St., Brinkley, AR.	\$ 38,214
Efrem Jones, Jr. and Monica Jones; 4.0% per annum; payable in 120 monthly installments of \$1,012, including principal and interest; originally due February 28, 2024. Collateral consists of a lien on a building located at 318 Jacuzzi Lane, Lonoke, AR 72086.	8,948
Fredrick Jackson; 4.0% per annum; payable in 120 monthly installments of \$810, including principal and interest; due February 20, 2027. Collateral consists of a lien on two lots and one building located at 221 E. Broadway, North Little Rock, AR 72114.	81,172
Van and Sharin Robinson; 4.0% per annum; payable in 120 monthly installments of \$810, including principal and interest; due July 23, 2025. Collateral consists of liens on buildings located at 116 S. Allis Street, England, AR 72046 and 2501 West 16th Street, Little Rock, AR 72202.	67,286
Wade Finley and David Rottman d/b/a Furlow Wastewater Public Facilities; 4.0% per annum; payable in 120 monthly installments of \$1,012, including principal and interest; due March 1, 2031. Collateral consists of a security interest in equipment, inventory, and accounts receivable.	75,595
Johnny King d/b/a King's Paint, Inc.; 4.0% per annum; payable in 120 monthly installments of \$608, including principal and interest; due December 7, 2026. Collateral consists of a security interest in equipment and inventory.	30,910
Allied Lodging, Inc.; 3.0% per annum; payable in 60 monthly installments of \$1,797, including principal and interest; due April 24, 2026. Collateral consists of a personal guarantee by the president of Allied Lodging, Inc.	11,883
Affinity Tops and Cabinets, LLC.; 3.0% per annum; payable in 60 monthly installments of \$1,348, including principal and interest; due April 24, 2026. Collateral consists of a security interest in equipment.	72,016
Leader Publishing, Inc.; 3.0% per annum; payable in 60 monthly installments of \$1,797, including principal and interest; due April 26, 2026. Collateral consists of a personal guarantee by the president of Leader Publishing, Inc.	35,136
Ink Enterprises, Inc.; 3.0% per annum; payable in 60 monthly installments of \$1,797, including principal and interest; due April 29, 2026. Collateral consists of a building and land along with a personal guarantee by the president of Ink Enterprises, Inc.	17,724
Yogiji, Inc.; 3.0% per annum; payable in 60 monthly installments of \$1,797, including principal and interest; due July 14, 2026. Collateral consists of a building and land along with a personal guarantee by the president of Yogiji, Inc.	23,294

**Central Arkansas Planning and Development District, Inc.**  
**Notes to Combined Financial Statements**  
**June 30, 2025**

Mr. Keith's Gourmet-Kettle Corn LLC; 3.0% per annum; payable in 60-monthly installments of \$1,797, including principal and interest; due July 7, 2026. Collateral consists of a building and land along with a personal guarantee by the president of Mr. Keith's Gourmet Kettle Corn LLC.	\$ 14,808
Kingdom Made Treats LLC; 3.0% per annum; payable in 60 monthly installments of \$1,797, including principal and interest; due September 30, 2026. Collateral consists of a building and land along with a personal guarantee by the president of Kingdom Made Treats LLC.	<u>73,757</u>
Total	550,743
Less allowance for uncollectible notes	<u>270,930</u>
	<u>\$ 279,813</u>

Aggregate annual maturities of the revolving loan fund notes receivable are as follows at June 30, 2025:

2026	\$ 467,590
2027	29,628
2028	18,229
2029	10,654
2030	11,088
Thereafter	<u>13,554</u>
	<u>\$ 550,743</u>

The following table presents the balance in the allowance for uncollectible notes and the notes receivable based on the impairment method as of June 30, 2025:

<b>Allowance for Credit Losses</b>	
Balance, beginning of year	\$ 275,219
Provision charged to expense	32,084
Losses charged off	<u>(36,373)</u>
Balance, end of year	<u>\$ 270,930</u>

**Internal Risk Categories**

Loan grades are numbered 1 through 5. Grade 1 is considered a satisfactory grade. The grade of 2 (Special Mention) represents loans of lower quality and is considered criticized. The grades of 3 (Substandard) and 4 (Doubtful) refer to assets that are classified. The grade of 5 (Loss) refers to loans that have little value and are charged off.

The use and application of these grades by the Organization will be uniform and shall conform to the Organization's policy.

**Pass (1)** Loans are of reasonable credit strength and repayment ability providing only a minimal credit risk.

**Central Arkansas Planning and Development District, Inc.**  
**Notes to Combined Financial Statements**  
**June 30, 2025**

**Other assets especially mentioned (Special Mention) (2)** A special mention asset has potential weaknesses that deserve management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the asset or in the institution's credit position at some future date. Special mention assets are not adversely classified and do not expose an institution to sufficient risk to warrant adverse classification. Ordinarily, special mention credits have characteristics which corrective management action would remedy.

**Substandard (3)** Loans are inadequately protected by the current sound worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified must have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the Organization will sustain some loss if the deficiencies are not corrected.

**Doubtful (4)** Loans classified as doubtful have all the weaknesses inherent in those classified Substandard with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of current known facts, conditions, and values, highly questionable and improbable.

**Loss (5)** Loans classified as loss are considered uncollectible and of such little value that their continuance as recordable assets is not warranted. This classification does not mean that the loan has absolutely no recovery or salvage value but rather it is not practical or desirable to defer writing off even though partial recovery may be affected in the future.

The following table presents the credit risk profile of the Organization's loan portfolio based on rating category and payment activity as of June 30, 2025:

Pass <sup>(1)</sup>	\$ -
Other assets especially mentioned <sup>(2)</sup>	185,551
Substandard <sup>(3)</sup>	187,676
Doubtful <sup>(4)</sup>	177,516
Loss <sup>(5)</sup>	-
	<u>\$ 550,743</u>

**Note 5. Pension Plan**

The Organization has a defined contribution plan covering substantially all employees. The board of directors annually determines the amount, if any, of the Organization's contribution to the plan. Pension expense for 2025 was approximately \$77,000.

**Central Arkansas Planning and Development District, Inc.**  
**Notes to Combined Financial Statements**  
**June 30, 2025**

**Note 6. Functional Expenses**

The costs of supporting the various programs and other activities have been summarized on a functional basis in the schedule below. The schedule presents the natural classification detail of expenses by function. Certain costs have been allocated among the program services and general and administrative categories based on the allocation of personnel expenses and other methods.

	<u>Program Services</u>	<u>Solid Waste Program Services</u>	<u>General and Administrative</u>	<u>Total</u>
Salaries and fringe benefits	\$ 1,022,772	\$ 115,873	\$ 652,629	\$ 1,791,274
Travel, meetings, and professional fees	182,802	48,588	22,497	253,887
Training	16,597	-	-	16,597
Equipment, supplies, and repairs	107,964	30,968	46,230	185,162
Rent expense	129,322	-	22,569	151,891
Telephone and utilities	32,699	25,862	9,474	68,035
Provision for uncollectible notes receivable	32,084	-	-	32,084
Other expenses	-	67,508	37,848	105,356
Depreciation	-	20,647	-	20,647
	<u>\$ 1,524,240</u>	<u>\$ 309,446</u>	<u>\$ 791,247</u>	<u>\$ 2,624,933</u>

**Note 7. Revenue From Contracts**

***Program Administration***

The Organization performs administrative services for various grants awarded to other entities. The revenue is recognized as performance obligations are satisfied, which is ratably over the term of the award.

In addition, revenue from contracts with members for annual dues is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing economic development services. Revenue is recognized as performance obligations are satisfied, which is ratably over the membership term. Generally, the Organization bills members annually.

***Transaction Price and Recognition***

The Organization determines the transaction price based on standard charges for services provided.

For the year ended June 30, 2025, the Organization recognized revenue of approximately \$751,000 from services that transfer to the customer over time and \$0 from services that transfer to the customer at a point in time.

Contract assets are recorded when the Organization has a right to consideration in exchange for good or services that the Organization has transferred to the customer.

**Central Arkansas Planning and Development District, Inc.**  
**Notes to Combined Financial Statements**  
**June 30, 2025**

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As of June 30, 2025, there were no contract liabilities. Contract liabilities represent the Organization's obligation to provide services to members when consideration has already been received from the member and are reported as deferred revenues until the conditions are substantially met.

**Note 8. Short-Term Leases**

The Organization is party to various noncancelable operating leases for office space that are for 12-month periods ending June 30. The Organization also subleases some of its leased office space. Rental expense for all operating leases for the fiscal year ended June 30, 2025 was approximately \$150,000.

**Note 9. Related-Party Transactions**

The Organization paid approximately \$75,000 for leased office space owned by a board member.

**Note 10. Significant Estimates and Concentrations**

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

***Economic Dependency***

The Organization is economically dependent on revenues provided by the federal and state governments, primarily the U.S. Department of Labor (DOL). As of June 30, 2025, a grant receivable of approximately \$162,000 was due from the Arkansas Department of Workforce Services for the WIOA grant administered by the DOL. For the year ended June 30, 2025, 59% of the Organization's total revenues were provided by DOL programs.

***Allowance for Credit Losses***

As discussed in Notes 1 and 4, the Organization has recorded an allowance for credit losses in the revolving loan fund.

***Litigation and General Improvement Funds***

On February 12, 2016, an individual filed a complaint in the Circuit Court of Pulaski County, Arkansas, claiming the practice of granting State of Arkansas General Improvement Funds to the Organization and the re-granting by the Organization is unconstitutional. On November 1, 2016, the Circuit Judge announced he was finding against the plaintiff and in favor of the Organization.

His written order was entered on November 9, 2016. On November 15, 2016, the plaintiff filed a Notice of Appeal to the Arkansas Supreme Court. On October 5, 2017, the Supreme Court announced its decision reversing the trial court, holding that the legislation which appropriated the funds to the Arkansas Department of Finance and Administration, which subsequently granted the funds to the Organization, was illegal and unconstitutional for failure to state a "particular purpose" for the appropriation.

The case was returned to the Arkansas Circuit Court, and the plaintiff has filed a motion seeking return of the original appropriations to the Arkansas State Treasury and also seeking attorneys' fees of one-third of that total, with a declaration that no further grants may be funded. On March 29, 2018, the Organization settled the case and returned a total of \$969,800 of the outstanding general improvement funds to the State of Arkansas Treasurer. This resulted in \$756,362 in 2025 that had not been re-granted or returned to the State of Arkansas Treasurer and was recorded as deferred revenue in the combined statement of financial position.

***Supplementary Information***

**Central Arkansas Planning and Development District, Inc.**  
**Combining Schedule of Financial Position**  
**June 30, 2025**

	<b>Central Arkansas Planning and Development District, Inc.</b>	<b>Solid Waste</b>	<b>Total</b>	<b>Elimination</b>	<b>Combined Total</b>
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash	\$ 2,311,589	\$ 26,182	\$ 2,337,771	\$ -	\$ 2,337,771
Grants receivable	179,192	-	179,192	-	179,192
Interfund receivable	341,433	-	341,433	(341,433)	-
<b>Total Current Assets</b>	<b>2,832,214</b>	<b>26,182</b>	<b>2,858,396</b>	<b>(341,433)</b>	<b>2,516,963</b>
<b>Assets Limited as to Use</b>					
Restricted cash	970,219	-	970,219	-	970,219
Revolving loan fund receivable, net of allowance	279,813	-	279,813	-	279,813
<b>Total Assets Restricted as to Use</b>	<b>1,250,032</b>	<b>-</b>	<b>1,250,032</b>	<b>-</b>	<b>1,250,032</b>
<b>Property and Equipment, at Cost</b>					
Building and land	-	475,563	475,563	-	475,563
Furniture, equipment, and vehicles	539,689	161,447	701,136	-	701,136
	539,689	637,010	1,176,699	-	1,176,699
Less accumulated depreciation	539,689	181,025	720,714	-	720,714
	-	455,985	455,985	-	455,985
<b>Total Assets</b>	<b>\$ 4,082,246</b>	<b>\$ 482,167</b>	<b>\$ 4,564,413</b>	<b>\$ (341,433)</b>	<b>\$ 4,222,980</b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>Current Liabilities</b>					
Accounts payable	\$ 69,664	\$ 1,295	\$ 70,959	\$ -	\$ 70,959
Accrued expenses	128,313	1,571	129,884	-	129,884
Deferred revenue	769,006	-	769,006	-	769,006
Interfund payable	-	341,433	341,433	(341,433)	-
<b>Total Current Liabilities</b>	<b>966,983</b>	<b>344,299</b>	<b>1,311,282</b>	<b>(341,433)</b>	<b>969,849</b>
<b>Net Assets Without Donor Restriction</b>	<b>3,115,263</b>	<b>137,868</b>	<b>3,253,131</b>	<b>-</b>	<b>3,253,131</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 4,082,246</b>	<b>\$ 482,167</b>	<b>\$ 4,564,413</b>	<b>\$ (341,433)</b>	<b>\$ 4,222,980</b>

**Central Arkansas Planning and Development District, Inc.**  
**Combining Schedule of Activities**  
**Year Ended June 30, 2025**

	<b>Central Arkansas Planning and Development District, Inc.</b>	<b>Solid Waste</b>	<b>Total</b>	<b>Eliminations</b>	<b>Combined Total</b>
<b>Revenues, Gains, and Other Support Without Donor Restrictions</b>					
Grant funds					
Department of Labor	\$ 1,541,294	\$ -	\$ 1,541,294	\$ -	\$ 1,541,294
Department of Commerce	70,000	-	70,000	-	70,000
Department of Justice	43,081	-	43,081	-	43,081
Environmental Protection Agency	25,633	-	25,633	-	25,633
Arkansas Department of Environmental Quality	-	127,234	127,234	-	127,234
Program administration	594,321	-	594,321	(17,681)	576,640
Rent income	18,752	-	18,752	-	18,752
Solid waste fee	-	174,009	174,009	-	174,009
Interest	24,198	-	24,198	-	24,198
Other income	150	-	150	-	150
	<u>2,317,429</u>	<u>301,243</u>	<u>2,618,672</u>	<u>(17,681)</u>	<u>2,600,991</u>
<b>Expenses</b>					
Salaries and fringe benefits	1,675,401	115,873	1,791,274	-	1,791,274
Travel, meetings, and professional fees	205,299	48,588	253,887	-	253,887
Training	16,597	-	16,597	-	16,597
Equipment, supplies, and repairs	154,194	30,968	185,162	-	185,162
Rent expense	151,891	-	151,891	-	151,891
Telephone and utilities	42,173	25,862	68,035	-	68,035
Provision for uncollectible notes receivable	32,084	-	32,084	-	32,084
Other expenses	55,529	67,508	123,037	(17,681)	105,356
Depreciation	-	20,647	20,647	-	20,647
	<u>2,333,168</u>	<u>309,446</u>	<u>2,642,614</u>	<u>(17,681)</u>	<u>2,624,933</u>
<b>Change In Net Assets Without Donor Restrictions</b>	(15,739)	(8,203)	(23,942)	-	(23,942)
<b>Net Assets, Beginning of Year</b>	<u>3,131,002</u>	<u>146,071</u>	<u>3,277,073</u>	<u>-</u>	<u>3,277,073</u>
<b>Net Assets, End of Year</b>	<u>\$ 3,115,263</u>	<u>\$ 137,868</u>	<u>\$ 3,253,131</u>	<u>\$ -</u>	<u>\$ 3,253,131</u>

**Central Arkansas Planning and Development District, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2025**

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Provided to Subrecipients</u>	<u>Total Federal Expenditures</u>
Department of Commerce/Economic Development Support for Planning Organizations	11.302		\$ -	\$ 70,000
Department of Justice/Arkansas Department of Finance and Administration/Comprehensive Opioid, Stimulant, and other Substances Use Program	16.838	222741-20X0	-	43,081
Environmental Protection Agency/ Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818		-	25,633
<b>Economic Development Cluster</b>				
Department of Commerce/Economic Adjustment Assistance	11.307		-	828,048
Department of Commerce/COVID-19 – Economic Adjustment Assistance	11.307		-	762,367
Total Economic Development Cluster			-	1,590,415
<b>WIOA Cluster</b>				
Department of Labor/Arkansas Department of Workforce Services/WIOA Adult Program	17.258	05-F24-Adult-90/05-P24- Adult-90/05-F25-Adult-90	-	624,933
Department of Labor/Arkansas Department of Workforce Services/WIOA Youth Activities	17.259	05-P23-Youth-90/05-P24- Youth-90	-	412,731
Department of Labor/Arkansas Department of Workforce Services/WIOA Dislocated Worker Formula Grants	17.278	05-F24-DLW-90/ 05-P24-DLW-90/05-F25- DLW-90	-	474,496
Department of Labor/Arkansas Department of Workforce Services/WIOA State Set Aside Funds	17.258/17.259/1 7.278	05-P23-OR-90/ 05-P23-HCY-90	-	29,134
Total WIOA Cluster			-	1,541,294
			<u>\$ -</u>	<u>\$ 3,270,423</u>

**Central Arkansas Planning and Development District, Inc.**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2025**

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**Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of Central Arkansas Planning and Development District, Inc. under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Central Arkansas Planning and Development District, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Central Arkansas Planning and Development District, Inc.

**Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note 3. Indirect Cost Rate**

Central Arkansas Planning and Development District, Inc. has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 4. Federal Loan Programs**

The federal loan programs listed subsequently are administered directly by Central Arkansas Planning and Development District, Inc., and balances and transactions relating to these programs are included in Central Arkansas Planning and Development District, Inc.'s basic combined financial statements. As of April 1, 2025, the revolving loans in the amount of \$828,048 were defederalized. Per federal guidelines, these loans are to remain on the Schedule in the year the defederalization occurred. These loans will no longer be presented on the Schedule in the future. The amounts presented on the Schedule consisted of the following at June 30, 2025:

<b>11.307 – Economic Adjustment Assistance</b>	
Outstanding balance at June 30, 2025	\$ 302,125
Restricted cash balance at June 30, 2025	463,244
Administrative expenses paid during the period ended June 30, 2025	26,306
Unpaid principal of all loans written off during the period ended	<u>36,373</u>
	<u>\$ 828,048</u>
<b>11.307 – COVID-19 – Economic Adjustment Assistance</b>	
Outstanding balance at June 30, 2025	\$ 249,097
Restricted cash balance at June 30, 2025	506,975
Administrative expenses paid during the year ended June 30, 2025	<u>6,295</u>
	<u>\$ 762,367</u>

**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**

**Independent Auditor's Report**

Board of Directors  
Central Arkansas Planning and Development District, Inc.  
Lonoke, Arkansas

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 (*Government Auditing Standards*), the combined financial statements of and its combined affiliate (Organization), which comprise the combined statement of financial position as of Central Arkansas Planning and Development District, Inc. and the related combined statements of activities and cash flows for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated January 13, 2026.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the combined financial statements, we considered the Organization'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 opinion on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 Organization's combined financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

***Report on Compliance and Other Matters***

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

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**Forvis Mazars, LLP**

Little Rock, Arkansas  
January 13, 2026

## **Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance**

### **Independent Auditor's Report**

Board of Directors  
Central Arkansas Planning and Development District, Inc.  
Lonoke, Arkansas

#### ***Report on Compliance for the Major Federal Program***

##### ***Opinion on the Major Federal Program***

We have audited Central Arkansas Planning and Development District, Inc.'s (Organization) compliance with the types of compliance requirements identified as subject to audit the *OMB Compliance Supplement* that could have a direct and material effect on the Organization's major federal program for the year ended June 30, 2025. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Central Arkansas Planning and Development District, Inc.'s basic financial statements include the operations of Central Arkansas Regional Solid Waste Management Board, which expended \$0 in federal awards. Our audit, described below, did not include the operations of Central Arkansas Regional Solid Waste Management Board because it was not subject to an audit in accordance with the Uniform Guidance.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2025.

##### ***Basis for Opinion on the Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Report on Internal Control Over Compliance***

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

Board of Directors  
Central Arkansas Planning and Development District, Inc.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

**Forvis Mazars, LLP**

Little Rock, Arkansas  
January 13, 2026

Central Arkansas Planning and Development District, Inc.  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2025

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**Section I – Summary of Auditor’s Results**

**Financial Statements**

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:  
 Unmodified       Qualified       Adverse       Disclaimer
2. Internal control over financial reporting:  
Material weakness(es) identified?       Yes       No  
Significant deficiency(ies) identified?       Yes       None reported
3. Noncompliance material to the financial statements noted?       Yes       No

**Federal Awards**

4. Internal control over major federal program:  
Material weakness(es) identified?       Yes       No  
Significant deficiency(ies) identified?       Yes       None reported
5. Type of auditor's report issued on compliance for major federal program:  
 Unmodified       Qualified       Adverse       Disclaimer
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?       Yes       No
7. Identification of major federal program:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
11.307	Economic Development Cluster

8. Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.
9. Auditee qualified as a low-risk auditee?       Yes       No

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**Section II – Financial Statement Findings**

Reference Number	Finding
	No matters are reportable.

**Section III – Federal Award Findings and Questioned Costs**

Reference Number	Finding
	No matters are reportable.

Central Arkansas Planning and Development District, Inc.  
Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2025

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Reference Number	Summary of Finding	Status
	No matters are reportable.	