

Yoakum, Lovell & Co., PLC
CERTIFIED PUBLIC ACCOUNTANTS

Central Arkansas Development Council
Financial Statements and Supplementary Information
For the Years Ended May 31, 2025 and 2024

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Yoakum, Lovell & Co., PLC

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Board of Directors of
Central Arkansas Development Council

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Central Arkansas Development Council (a nonprofit organization), which comprise the statements of financial position as of May 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial positions of Central Arkansas Development Council as of May 31, 2025 and 2024, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Central Arkansas Development Council 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 opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 generally accepted auditing standards 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards 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 Central Arkansas Development Council'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 Central Arkansas Development Council'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 audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying 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*, is presented for purposes of additional analysis and is not a required part of the financial statements. In addition, the accompanying supplementary information on pages 16 through 19 is presented for purposes of additional analysis as required by *Guidelines for Financial and Compliance Audits of Programs Funded by the Arkansas Department of Human Services*, and is also not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The accompanying supplementary information on pages 20 through 32 is presented for purposes of additional analysis, and is also not a required part of the financial statements. We have not applied auditing procedures to this information and, accordingly, express no opinion on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated September 25, 2025, on our consideration of Central Arkansas Development Council's internal control over financial reporting and 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 Central Arkansas Development Council'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 Central Arkansas Development Council's internal control over financial reporting and compliance.



Certified Public Accountants

Benton, Arkansas
September 25, 2025

Central Arkansas Development Council
 Statements of Financial Position
 May 31, 2025 and 2024

Assets	<u>2025</u>	<u>2024</u>
Current Assets		
Cash and Cash Equivalents	\$ 24,140,346	\$ 19,415,045
Grants and Contracts Receivable	7,931,519	8,493,643
Prepaid Expenses	460,563	585,414
Total Current Assets	<u>32,532,428</u>	<u>28,494,102</u>
Property and Equipment		
Land	528,750	528,750
Buildings	5,812,350	6,308,484
Equipment and Vehicles	12,445,807	15,328,254
Total Property and Equipment	<u>18,786,907</u>	<u>22,165,488</u>
Less: Accumulated Depreciation	13,577,406	16,429,890
Net Property and Equipment	<u>5,209,501</u>	<u>5,735,598</u>
Operating Lease Right of Use Assets	<u>699,730</u>	<u>824,905</u>
Total Assets	<u><u>\$ 38,441,659</u></u>	<u><u>\$ 35,054,605</u></u>
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable and Accrued Expenses	\$ 1,849,670	\$ 1,057,997
Accrued Salaries	295,373	359,101
Accrued Leave	476,706	568,665
Current Portion of Operating Lease Liabilities	291,922	258,543
Total Current Liabilities	<u>2,913,671</u>	<u>2,244,306</u>
Long-Term Liabilities		
Operating Lease Liabilities	<u>407,808</u>	<u>566,362</u>
Total Current and Long-Term Liabilities	<u>3,321,479</u>	<u>2,810,668</u>
Net Assets		
Without Donor Restrictions		
Property and Equipment	5,026,411	4,189,392
Other	29,493,598	26,000,480
With Donor Restrictions		
Property and Equipment	183,090	1,546,206
Other	417,081	507,859
Total Net Assets	<u>35,120,180</u>	<u>32,243,937</u>
Total Liabilities and Net Assets	<u><u>\$ 38,441,659</u></u>	<u><u>\$ 35,054,605</u></u>

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

Central Arkansas Development Council
Statement of Activities
For the Year Ended May 31, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and Support			
Grants and Contracts	\$ 190	\$ 20,224,352	\$ 20,224,542
Fees for Service	30,351,146	8,940,722	39,291,868
Donations/Program Income	174,787	7,096	181,883
Interest	817,315	315	817,630
Other	669,629	546,103	1,215,732
In-Kind	1,400,087	1,906,605	3,306,692
	<u>33,413,154</u>	<u>31,625,193</u>	<u>65,038,347</u>
Net Assets Released from Restrictions	33,079,087	(33,079,087)	
Total Revenues and Support	<u>66,492,241</u>	<u>(1,453,894)</u>	<u>65,038,347</u>
Expenses			
Program Services	59,614,722		59,614,722
Supporting Services			
Management and General	<u>2,547,382</u>		<u>2,547,382</u>
Total Expenses	<u>62,162,104</u>	<u>0</u>	<u>62,162,104</u>
Change in Net Assets	4,330,137	(1,453,894)	2,876,243
Net Assets - Beginning Of Year	<u>30,189,872</u>	<u>2,054,065</u>	<u>32,243,937</u>
Net Assets - End Of Year	<u>\$ 34,520,009</u>	<u>\$ 600,171</u>	<u>\$ 35,120,180</u>

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

Central Arkansas Development Council
Statement of Activities
For the Year Ended May 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support			
Grants and Contracts	\$ 235,627	\$ 29,290,506	\$ 29,526,133
Fees for Service	39,809,662	9,249,302	49,058,964
Donations/Program Income	400,315	5,832	406,147
Interest	440,246	1,748	441,994
Other	538,045	514,093	1,052,138
In-Kind	530,242	4,090,278	4,620,520
	<u>41,954,137</u>	<u>43,151,759</u>	<u>85,105,896</u>
Net Assets Released from Restrictions	45,171,282	(45,171,282)	
Total Revenues and Support	<u>87,125,419</u>	<u>(2,019,523)</u>	<u>85,105,896</u>
Expenses			
Program Services	76,858,629		76,858,629
Supporting Services			
Management and General	<u>2,288,400</u>		<u>2,288,400</u>
Total Expenses	<u>79,147,029</u>	<u>0</u>	<u>79,147,029</u>
Change in Net Assets	7,978,390	(2,019,523)	5,958,867
Net Assets - Beginning Of Year	<u>22,211,482</u>	<u>4,073,588</u>	<u>26,285,070</u>
Net Assets - End Of Year	<u>\$ 30,189,872</u>	<u>\$ 2,054,065</u>	<u>\$ 32,243,937</u>

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

Central Arkansas Development Council
 Statements of Functional Expenses
 For the Years Ended May 31, 2025 and 2024

	2025			2024		
	Program Services	Supporting Services	Total	Program Services	Supporting Services	Total
Expenses						
Salaries and Wages	\$ 12,155,044	\$ 811,630	\$ 12,966,674	\$ 16,759,549	\$ 832,435	\$ 17,591,984
Fringe Benefits	3,027,872	246,987	3,274,859	4,215,679	235,387	4,451,066
Contract Services	24,691,379	215,485	24,906,864	27,562,898	505,012	28,067,910
Equipment (Non-Capital)	770,426	11,836	782,262	270,143	11,585	281,728
Supplies	1,650,755	656,893	2,307,648	3,396,053	(150,432)	3,245,621
Communications	643,694	32,935	676,629	599,465	69,392	668,857
Vehicle Expense	3,140,880	10,683	3,151,563	3,437,720	(46,242)	3,391,478
Travel	73,186	3,984	77,170	96,722	12,878	109,600
Training	65,345	230	65,575	278,433	(2,490)	275,943
Rent and Utilities	651,394	15,029	666,423	815,025	19,996	835,021
Food Costs	423,327	7,442	430,769	2,092,674	457	2,093,131
Insurance	1,308,285	150,926	1,459,211	1,030,981	277,220	1,308,201
Direct Assistance	6,658,236		6,658,236	9,644,700	5,953	9,650,653
Scholarships	16,424		16,424	15,056		15,056
Building Maintenance	215,842	22,690	238,532	403,277	56,208	459,485
Other	261,112	24,857	285,969	570,453	17,094	587,547
Depreciation	1,755,492	333,544	2,089,036	1,751,093	443,947	2,195,040
In-Kind						
Personnel	744,177		744,177	2,147,620		2,147,620
Space	83,307	2,231	85,538	148,915		148,915
Materials	1,278,545		1,278,545	1,622,173		1,622,173
Total Expenses	\$ 59,614,722	\$ 2,547,382	\$ 62,162,104	\$ 76,858,629	\$ 2,288,400	\$ 79,147,029

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

Central Arkansas Development Council
 Statements of Cash Flows
 For the Years Ended May 31, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Change in Net Assets	\$ 2,876,243	\$ 5,958,867
Add (Deduct) Items Not Affecting Cash:		
Depreciation	2,089,036	2,195,040
In-Kind Donation of Vehicles (Note 1E)	(1,198,432)	(701,812)
(Increase) Decrease In:		
Accounts Receivable	562,124	224,526
Prepaid Expenses	124,851	(110,331)
Increase (Decrease) In:		
Accounts Payable and Accrued Expenses	791,673	(14,098)
Accrued Salaries	(63,728)	151,858
Accrued Leave	(91,959)	(2,775)
Deferred Revenue		(316,851)
Net Cash Provided by Operating Activities	5,089,808	7,384,424
Cash Flows from Investing Activities		
Purchases of Property and Equipment	(364,507)	(277,231)
Net Cash Used by Investing Activities	(364,507)	(277,231)
Net Increase in Cash and Cash Equivalents	4,725,301	7,107,193
Cash and Cash Equivalents - Beginning of Year	19,415,045	12,307,852
Cash and Cash Equivalents - End of Year	\$ 24,140,346	\$ 19,415,045

Supplemental Disclosure of Cash Flow Information

Noncash Investing and Financing Activities:		
In-Kind Donation of Vehicles (Note 1E)	\$ 1,198,432	\$ 701,812

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

Central Arkansas Development Council
Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies

Central Arkansas Development Council (CADC) is a nonprofit corporation organized to provide and develop programs for low income individuals using all available local, state, private and federal resources. These resources enable persons to attain skills, knowledge and motivation needed for them to become self-sufficient. Their major programs include a head start program that provides basic education and health needs to children under the age of six from low income families; a program that provides meals, transportation, and recreation to senior adults over the age of sixty; and a program that provides rural public bus transportation. CADC provided programs in the following Arkansas counties during the year: Clark, Hot Spring, Montgomery, Pike, Saline, Lonoke, Pulaski, Calhoun, Columbia, Dallas, Ouachita, Union, Hempstead, Howard, Lafayette, Little River, Miller, Nevada, and Sevier.

The significant accounting policies of the Organization are outlined below. The policies are presented to assist the reader in evaluating the financial statements and other data presented in this report.

- A. **Basis of Presentation** – CADC is required to report information regarding its financial position and activities according to two classes of net assets: Without Donor Restrictions and With Donor Restrictions. Net Assets With Donor Restrictions are those net assets subject to donor-imposed restrictions. All other net assets are considered Net Assets Without Donor Restrictions.
- B. **Basis of Accounting** – The financial statements are prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.
- C. **Cash and Cash Equivalents** – For the purposes of reporting cash flows, cash and cash equivalents include all cash on hand, deposited in financial institutions, or deposited in certificates of deposits.
- D. **Inventories** – Inventories are stated at the lower of cost or market as determined by the first-in first-out method.
- E. **Property and Equipment** – Property and equipment are recorded at cost. Any donated property is recorded at fair value on the date of the gift. Maintenance and repairs are charged directly to expenses as incurred. Additions, renewals, and betterments, which extend the useful lives of the assets, with a cost of at least \$1,000 are capitalized. Depreciation is provided on the straight-line method. Estimated useful lives are as follows:

Buildings and Improvements	25 Years
Furnishings and Equipment	10 Years
Vehicles	5 Years

Vehicles acquired with UMTA, Arkansas Energy Office, Arkansas Department of Transportation, and state cigarette tax funds are considered to be owned by CADC while used in the program. However, the funding sources have a reversionary interest in the vehicles, as well as, the right to determine the use of any proceeds from their sale. Many of these vehicles are purchased for less than fair value. However, the vehicles are capitalized at fair value, and in-kind revenue is recognized for the difference.

- F. **Income Taxes** – The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Therefore, no income tax provisions have been made. The Organization annually files form 990 and form 5500 tax returns. The tax years 2021, 2022, 2023, and 2024 are subject to examination by the IRS, generally for three years after they are filed. All required tax returns, including quarterly forms 941 relating to payroll taxes, have been timely filed.

Central Arkansas Development Council
Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies (cont'd)

- G. **Grants and Contracts Receivable** – Receivables represent consideration from state and local government agencies, of which the Organization has an unconditional right to receive. Receivables are stated at the amount that management expects to be collected from the outstanding balance. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual grants and contracts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to grants and contracts receivable. There were no receivables considered uncollectible at May 31, 2025 and 2024.
- H. **Revenues and Support** – Funding to CADC is provided through grants, contracts, and contributions. These funds are recognized when received or earned, as increases in net assets, depending on the existence and/or nature of any donor restrictions. If restricted, the funds unused at the end of an accounting period are carried in the applicable net assets until the donor restrictions have been met. When the restrictions have been met, the funds will be reported in the statement of activities as net assets released from restriction.
- I. **Deferred Revenue** – Funds received under exchange transactions for future use or contributions with conditions are deferred and recognized over the period to which the revenue relates. However, no funds were deferred as of May 31, 2025 and 2024.
- J. **In-Kind** – In-kind contributions include donated personnel, space, materials, and equipment. Donated personnel represents the services rendered by various volunteer persons. The value of the donated services is based upon the estimated rate normally paid for the level of services being provided. Donated space represents building space made available at no charge to CADC. The value of the donated space is based upon the fair rental value of the building space provided. Donated materials represents food commodities and other materials. The value of the donated materials is based upon the cost or fair market value of the materials and food commodities donated. In-kind is recognized both as support and costs in the accompanying financial statements and, therefore, do not increase or decrease the Organization's net assets, except for donated equipment that is capitalized (see Note 1E).
- K. **Expense Allocation** – The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents the natural classification of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include occupancy and depreciation, which are allocated on a square footage basis, as well as personnel costs, professional services, office expenses, information technology, insurance, and other, which are allocated on the basis of estimates of time and effort.
- L. **Estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, the 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.

Central Arkansas Development Council
Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies (cont'd)

M. **Liquidity and Availability** – CADC regularly monitors liquidity required to meet its operating needs and contractual commitments. There were no contractual limitations, donor-imposed restrictions, or board designations that limit the availability of the CADC's current assets to meet its cash needs for general expenditures within one year of the date of the statement of financial position. CADC had \$32,532,428 and \$28,494,102 in current assets as of May 31, 2025 and 2024, respectively.

Note 2: Employees Defined Contribution Pension Plan

CADC provides a defined contribution pension plan for certain eligible employees. CADC contributes 7% of the eligible employees' compensation. The employee may contribute at least 3%, and up to 13% of their compensation. However, the total contribution may not exceed a dollar amount that is set by law. The contributions to the plan for the year are:

	2025	2024
Employer Contributions	\$ 446,128	\$ 593,282
Employee Contributions	<u>361,497</u>	<u>456,514</u>
	<u>\$ 807,625</u>	<u>\$ 1,049,796</u>

The total value of the plan at May 31, 2025 and 2024, is \$6,992,118 and \$10,109,900, respectively.

Note 3: Net Assets With Donor Restrictions

As discussed in Note 1H, the funds received from certain funding sources are recognized when received, but will only be released from restriction upon meeting the stipulations by that funding source. The following is a schedule of the net assets, other than property and equipment, that remained restricted as of May 31:

	2025	2024
Child Development Program	\$	\$ 333,596
CSBG	15,488	11,140
HEAP/DOE Weatherization Program	294,671	
Tax Preparation Program	96,986	102,970
Better Beginnings		49,249
Arkansas Better Chance		3,093
Blue & You Foundation	1,000	1,000
Arvest Bank (Leadership Training)	2,496	2,496
Regions Bank (Financial Wellness)	1,000	1,000
Biscuit Boys	471	582
Feeding Commodity Volunteers	306	
Magnolia Ministers	<u>4,663</u>	<u>2,733</u>
	<u>\$ 417,081</u>	<u>\$ 507,859</u>

Net assets with donor restrictions from property and equipment represents the net book value of the property and equipment that was purchased with funds that restrict the use of those assets to certain programs (see Note 1E). The value of property and equipment that is restricted as of May 31, 2025 and 2024, is \$183,090 and \$1,546,206, respectively.

Note 4: Operating Lease Right of Use Assets and Liabilities

CADC has lease arrangements for building space and copiers. These leases typically have original terms not exceeding five years and can contain multi-year renewal options. Some of the leases are on month-to-month terms and are not classified as operating leases. For the year ended May 31, 2025, several leases have terms longer than one year and are recorded as a right of use asset and lease liability on the statements of financial position.

Central Arkansas Development Council
Notes to the Financial Statements

Note 4: Operating Lease Right of Use Assets and Liabilities (cont'd)

The weighted-average remaining lease term and discount rate related to CADC's operating building lease liabilities as of May 31, 2025 and 2024 were 2.73 and 3.67 years, respectively, and 4.82% and 4.78%, respectively. The discount rate used was the Applicable Federal Rate in the respective month the lease started.

Rent from operating building leases for the years ended May 31, 2025 and 2024 were \$397,245 and \$418,153, respectively. Future minimum lease payments under operating building leases that have remaining terms as of May 31, 2025, are:

May 31, 2026	\$ 271,496
May 31, 2027	208,396
May 31, 2028	134,096
May 31, 2029	<u>37,985</u>
Total Undiscounted Lease Payments	651,973
Less: Imputed Interest	<u>45,241</u>
Total Operating Lease Liabilities	606,732
Less: Current Portion	<u>247,835</u>
Long-Term Operating Lease Liabilities	<u>\$ 358,897</u>

The weighted-average remaining lease term and discount rate related to CADC's operating copier lease liabilities as of May 31, 2025 and 2024 were 2.55 and 1.54 years, respectively, and 5.32% and 4.03%, respectively. The discount rate used was the Applicable Federal Rate in the respective month the lease started.

Expense from operating copier leases for the years ended May 31, 2025 and 2024 were \$82,158 and \$97,724 for the years ended May 31, 2025 and 2024, respectively. Future minimum lease payments under operating copier leases that have remaining terms as of May 31, 2025, are:

May 31, 2026	\$ 47,827
May 31, 2027	31,313
May 31, 2028	10,770
May 31, 2029	9,032
May 31, 2030	<u>753</u>
Total Undiscounted Lease Payments	99,695
Less: Imputed Interest	<u>6,697</u>
Total Operating Lease Liabilities	92,998
Less: Current Portion	<u>44,087</u>
Long-Term Operating Lease Liabilities	<u>\$ 48,911</u>

Note 5: Concentration of Credit Risk

Financial instruments that potentially subject CADC to concentration of credit risk consist principally of cash deposits. CADC places its cash deposits with several financial institutions and limits the amount of credit exposure to any one financial institution. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000, plus pledged securities. CADC had uninsured cash deposits of \$2,870,705 and \$1,943,123 at May 31, 2025 and 2024, respectively.

Note 6: Inter-Program Revenues and Expenses

The following programs have matching-required transfers or inter-program revenues and expenses that have not been eliminated for the years ended May 31:

Central Arkansas Development Council
Notes to the Financial Statements

Note 6: Inter-Program Revenues and Expenses (cont'd)

	Revenues		Expenses			2025
	Fees for Service	Other	Contract Services	Food Costs	Other	Change in Net Assets
West Central SAC	\$ 436,881	\$ 14,502	\$	\$	\$	\$ 451,383
Central SAC	157,698	2,164				159,862
Medicaid			11,914,299			(11,914,299)
Agency	12,300,203		9,295,648			3,004,555
Admin and Acct	871					871
Child Development	88,118		191,402	13,520		(116,804)
SCAT	7,847,034		151,216			7,695,818
HEAP	691,013					691,013
CSBG				16,666		(16,666)
Commodity Dist.	40,042					40,042
Greyhound	5					5
Urban Transport.	4,220					4,220
2025 Total	<u>\$21,566,085</u>	<u>\$ 16,666</u>	<u>\$21,552,565</u>	<u>\$ 30,186</u>	<u>\$ 0</u>	<u>\$ 0</u>

	Revenues		Expenses			2024
	Fees for Service	Other	Contract Services	Food Costs	Other	Change in Net Assets
West Central SAC	\$ 138,205	\$ 87,016	\$	\$	\$ 5,610	\$ 219,611
Central SAC		12,984				12,984
Medicaid			15,189,271		332	(15,189,603)
NLR Electric			3,756			(3,756)
Agency	16,088,564	35,426	8,118,792		7,826	7,997,372
Admin and Acct					2,554	(2,554)
Child Development	405			138,205	12,180	(149,980)
SCAT	7,934,693		809,132		1,858	7,123,703
HEAP	71,767				592	71,175
CSBG	18,994			100,000	2,398	(83,404)
Weatherization	11,937		11,842		2,076	(1,981)
Commodity Dist.	26,566		45,515			(18,949)
Greyhound			2,226			(2,226)
Urban Transport.	27,608					27,608
2024 Total	<u>\$24,318,739</u>	<u>\$ 135,426</u>	<u>\$24,180,534</u>	<u>\$ 238,205</u>	<u>\$ 35,426</u>	<u>\$ 0</u>

If eliminated, these transactions would result in a decrease of revenues and expenses reported on the statement of activities.

Note 7: Subsequent Events

Subsequent events were evaluated through September 25, 2025, which is the date the financial statements were available to be issued.

Central Arkansas Development Council
Schedule of Expenditures of Federal Awards
For the Year Ended May 31, 2025

Federal Grantor, Pass-Through Grantor and Program Title	Federal CFDA Number	Federal Expenditures
<u>U.S. Department of Health and Human Services</u>		
Direct Programs		
Child Development Program (Head Start)	93.600	\$ 466,984
Pass-Through Arkansas Area Agencies on Aging		
Title III-D (Senior Activity Centers)		
West Central Arkansas Area Agency on Aging	93.043	12,142
COVID-19 - West Central Arkansas Area Agency on Aging	93.043	190
		<u>12,332</u>
Title III-B (Senior Activity Centers)		
Central Arkansas Area Agency on Aging	93.044	18,447
COVID-19 - Central Arkansas Area Agency on Aging	93.044	4,026
West Central Arkansas Area Agency on Aging	93.044	94,504
		<u>116,977</u>
Title III-C (Senior Activity Centers)		
Central Arkansas Area Agency on Aging	93.045	92,424
West Central Arkansas Area Agency on Aging	93.045	175,828
		<u>268,252</u>
Nutrition Services (Senior Activity Centers)		
Central Arkansas Area Agency on Aging	93.053	22,795
West Central Arkansas Area Agency on Aging	93.053	35,801
		<u>58,596</u>
Social Services Block Grant (Senior Activity Centers)		
Central Arkansas Area Agency on Aging	93.667	14,854
West Central Arkansas Area Agency on Aging	93.667	23,720
		<u>38,574</u>
Pass-Through Arkansas Department of Environmental Quality		
Low-Income Home Energy Assistance (Weatherization)	93.568	1,295,132
Low-Income Home Energy Assistance Program (HEAP)	93.568	8,319,476
		<u>9,614,608</u>
Pass-Through Arkansas Department of Human Services		
Community Services Block Grant (CSBG)	93.569	2,484,622
Pass-Through Arkansas Department of Human Services		
Child Care and Development Block Grant (Better Beginnings)	93.575	163
COVID-19 - Child Care and Development Block Grant (CCDBG)	93.575	301,245
		<u>301,408</u>
Total U.S. Department of Health and Human Services		<u>13,362,353</u>
<u>U.S. Department of Transportation</u>		
Pass-Through Arkansas Department of Transportation		
SCAT Program	20.507	6,744,142

Central Arkansas Development Council
Schedule of Expenditures of Federal Awards (Cont'd)
For the Year Ended May 31, 2025

Federal Grantor, Pass-Through Grantor and Program Title	Federal CFDA Number	Federal Expenditures
<u>U.S. Department of Energy</u>		
Pass-Through Arkansas Department of Environmental Quality Weatherization Assistance for Low-Income Persons	81.042	1,324,623
<u>U.S. Department of The Treasury</u>		
Tax Preparation Program (TCE)	21.006	25,000
Tax Preparation Program (VITA)	21.009	96,577
Total U.S. Department Of The Treasury		<u>121,577</u>
<u>U.S. Department of Agriculture</u>		
Pass-Through Arkansas Department of Human Services Commodity Supplemental Food Program (Commodities)	10.565	518,827
Commodity Supplemental Food Program (Administrative)	10.565	150,675
Emergency Food Assistance Program (Administrative)	10.568	45,343
Emergency Food Assistance Program (Commodities)	10.569	630,058
Total U.S. Department of Agriculture		<u>1,344,903</u>
Total Expenditures of Federal Awards		<u>\$ 22,897,598</u>

Note 1: Basis of Presentation - The schedule of expenditures of federal awards (the schedule) includes the federal award activity of Central Arkansas Development Council (CADC) under programs of the federal government for the year ended May 31, 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 CADC, it is not intended to and does not present the financial position, changes in net assets, or cash flows of CADC.

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 the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3: Indirect Cost Rates - CADC has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

Central Arkansas Development Council
Schedule of State Assistance
For the Year Ended May 31, 2025

State Grantor, Pass-Through Grantor and Program Title	State Revenue	State Expenditures
<u>Arkansas Department of Education</u>		
Arkansas Better Chance Program (ABC)	\$ 42,581	\$ 45,674
<u>Arkansas Department of Human Services</u>		
Pass-Through Arkansas Area Agencies on Aging Cigarette Tax (Senior Activity Centers)		
Central Arkansas Area Agency on Aging	17,408	17,408
West Central Arkansas Area Agency on Aging Elderchoice (Senior Activity Centers)		
Central Arkansas Area Agency on Aging	22,888	22,888
West Central Arkansas Area Agency on Aging	5,672	5,672
State Senior Centers (Senior Activity Centers)		
Central Arkansas Area Agency on Aging	(20,941)	(20,941)
West Central Arkansas Area Agency on Aging	(12,676)	(12,676)
Total Arkansas Department of Human Services	<u>12,351</u>	<u>12,351</u>
Total State Assistance	<u>\$ 54,932</u>	<u>\$ 58,025</u>

Note: The schedule of state assistance is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Arkansas Department of Human Services. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements. The organization recognized Medicaid funding of \$16,934,768 for the year ended May 31, 2025.

Central Arkansas Development Council
Schedule of Units of Service
For the Year Ended May 31, 2025

	06/01/24 thru 06/30/24 <u>Contract</u>	07/01/24 thru 10/31/24 <u>Contract</u>	<u>Total</u>
Title III			
West Central Arkansas Area Agency on Aging			
Congregate Meals	3,426	4,380	7,806
Home Delivered Meals		10,763	10,763
Transportation	721	2,283	3,004
Activities	3,598	13,436	17,034
Health Promotion	211	1,111	1,322
Central Arkansas Area Agency on Aging			
Congregate Meals	2,734	1,181	3,915
Home Delivered Meals	2,638	4,832	7,470
Transportation	458	368	826
Activities	478	1,231	1,709
Telephone Reassurance	804		804
Cigarette Tax			
Central Arkansas Area Agency on Aging			
Home Delivered Meals	365	1,148	1,513
Transportation		473	473
SSBG			
West Central Arkansas Area Agency on Aging			
Congregate Meals		244	244
Home Delivered Meals		1,402	1,402
Transportation		181	181
Activities		841	841
Central Arkansas Area Agency on Aging			
Congregate Meals		355	355
Home Delivered Meals	376	1,049	1,425
Activities	724		724

Central Arkansas Development Council
Schedule of Units of Service (cont'd)
For the Year Ended May 31, 2025

	06/01/24 thru 06/30/24 <u>Contract</u>	07/01/24 thru 10/31/24 <u>Contract</u>	<u>Total</u>
SGR			
Central Arkansas Area Agency on Aging			
Congregate Meals		1,330	1,330
Home Delivered Meals		1,195	1,195
Transportation		203	203
Activities		5,002	5,002
Telephone Reassurance		609	609
Non-Billable			
West Central Arkansas Area Agency on Aging			
Transportation	4	16	20
Congregate Meals	477	1,081	1,558
Activities	71	161	232
Elderchoice	705	2,330	3,035
Central Arkansas Area Agency on Aging			
Congregate Meals	36	163	199
Elderchoice	625	2,419	3,044
Other			
West Central Arkansas Area Agency on Aging			
Congregate Meals	1,274	14,912	16,186
Home Delivered Meals	9,773	21,367	31,140
Transportation	58	12	70
Activities	1,220	5,925	7,145
Health Promotion	16		16
Central Arkansas Area Agency on Aging			
Congregate Meals		8,665	8,665
Home Delivered Meals		1,033	1,033
Transportation		850	850
Activities	3,060	11,128	14,188
Telephone Reassurance		2,713	2,713
Total Units	<u>33,852</u>	<u>126,392</u>	<u>160,244</u>

Central Arkansas Development Council
Schedule of Units of Service (cont'd)
For the Year Ended May 31, 2025

	06/01/24 thru 06/30/24 <u>Contract</u>	07/01/24 thru 10/31/24 <u>Contract</u>	<u>Total</u>
USDA			
West Central Arkansas Area Agency on Aging			
Congregate Meals	5,177	19,536	24,713
Home Delivered	10,000	33,532	43,532
Central Arkansas Area Agency on Aging			
Congregate Meals	3,809	15,420	19,229
Home Delivered	<u>3,621</u>	<u>10,328</u>	<u>13,949</u>
Total USDA Units	<u><u>22,607</u></u>	<u><u>78,816</u></u>	<u><u>101,423</u></u>

Central Arkansas Development Council
Combining Statement of Program Activities - Without Donor Restrictions
For the Year Ended May 31, 2025

	West Central Senior Activity Centers	Central Senior Activity Centers	Medicaid
Revenues and Support			
Grants and Contracts	\$ 190	\$	\$
Fees for Service	771,872	320,717	16,934,768
Donations/Program Income	104,026	69,561	
Interest			
Other	57,962	9,833	(15,156)
In-Kind	130,347	69,077	1,198,432
Total Revenues and Support	<u>1,064,397</u>	<u>469,188</u>	<u>18,118,044</u>
Expenses			
Salaries and Wages	334,485	141,390	450,775
Fringe Benefits	94,562	30,724	143,856
Contract Services			14,832,889
Equipment (Non-Capital)	15,427		670,082
Supplies	7,664	1,789	(674,973)
Communications	28,286	1,223	168,040
Vehicle Expense	19,145	15,245	15,717
Travel	1,904		
Training	326		10,744
Rent and Utilities	61,384	17,839	32,407
Food Costs	222,129	146,430	14,428
Insurance	36,257	20,545	440,932
Building Maintenance	17,101	(1,434)	18,779
Admin and Accounting	67,092	21,877	740,871
Other	18,461	4,483	50,625
Depreciation			
In-Kind			
Personnel	54,413	7,715	
Space	17,500	10,000	
Materials	58,434	51,362	
Total Expenses	<u>1,054,570</u>	<u>469,188</u>	<u>16,915,172</u>
Excess (Deficit) of Revenues over Expenses	9,827		1,202,872
In-Kind Donation of Vehicles			(1,202,872)
Capital Acquisitions	(9,827)		
Net Capital Dispositions			
Change in Program Activities			
Carryover - May 31, 2024	(1,718,401)	(153,536)	
Transfer (To) From Agency	<u>1,718,401</u>	<u>153,536</u>	
Carryover - May 31, 2025	<u>\$</u>	<u>\$</u>	<u>\$</u>

Central Arkansas Development Council
Combining Statement of Program Activities - Without Donor Restrictions (cont'd)
For the Year Ended May 31, 2025

	Agency	Admin and Accounting	Property	Total
Revenues and Support				
Grants and Contracts	\$	\$	\$	\$ 190
Fees for Service	12,322,918	871		30,351,146
Donations/Program Income	1,200			174,787
Interest	817,315			817,315
Other	616,990			669,629
In-Kind	2,231			1,400,087
Total Revenues and Support	<u>13,760,654</u>	<u>871</u>		<u>33,413,154</u>
Expenses				
Salaries and Wages	(65,608)	877,238		1,738,280
Fringe Benefits	15,140	231,846		516,128
Contract Services	9,371,280	139,854		24,344,023
Equipment (Non-Capital)	7,010	4,825		697,344
Supplies	650,906	5,987		(8,627)
Communications	10,005	23,639		231,193
Vehicle Expense	3,412	7,271		60,790
Travel	809	3,176		5,889
Training		230		11,300
Rent and Utilities	36,430	1,625		149,685
Food Costs	7,442			390,429
Insurance	166,156	13,516		677,406
Building Maintenance	20,641	2,462		57,549
Admin and Accounting		(1,321,484)		(491,644)
Other	17,792	7,064		98,425
Depreciation			389,962	389,962
In-Kind				
Personnel				62,128
Space	2,231			29,731
Materials				109,796
Total Expenses	<u>10,243,646</u>	<u>(2,751)</u>	<u>389,962</u>	<u>29,069,787</u>
Excess (Deficit) of Revenues over Expenses	3,517,008	3,622	(389,962)	4,343,367
In-Kind Donation of Vehicles			1,202,872	
Capital Acquisitions	(10,660)	(3,622)	24,109	
Net Capital Dispositions				
Change in Program Activities	3,506,348		837,019	4,343,367
Carryover - May 31, 2024	27,732,921		4,189,392	30,050,376
Transfer (To) From Agency	(1,871,937)			
Carryover - May 31, 2025	<u>\$ 29,367,332</u>	<u>\$</u>	<u>\$ 5,026,411</u>	<u>\$ 34,393,743</u>

Central Arkansas Development Council
Combining Statement of Program Activities - With Donor Restrictions
For the Year Ended May 31, 2025

	Child Development	SCAT	HEAP	CSBG
Revenues and Support				
Grants and Contracts	\$ 434,633	\$ 6,744,142	\$ 7,358,172	\$ 2,488,970
Fees for Service	45,537	7,847,034	961,304	
Donations/Program Income	(2,446)			
Interest	250		58	
Other		545,779		
In-Kind		446,291		
Total Revenues and Support	<u>477,974</u>	<u>15,583,246</u>	<u>8,319,534</u>	<u>2,488,970</u>
Expenses				
Salaries and Wages	156,408	8,411,931	911,314	1,145,046
Fringe Benefits	43,713	1,976,464	252,596	348,084
Contract Services	224,907	166,810	35,624	87,251
Equipment (Non-Capital)	(4,481)	2,185	27,031	21,475
Supplies	185,483	28,906	73,895	12,210
Communications	22,679	171,527	112,598	122,752
Vehicle Expense	165	3,038,322	580	25,640
Travel	2,365	6,363	16,784	40,437
Training	2,794	12,218	444	29,425
Rent and Utilities	22,130	185,733	93,856	203,283
Food Costs	16,662			18,416
Insurance	6,162	589,007	285	124,876
Direct Assistance			6,614,159	44,077
Scholarships				
Building Maintenance	82,465	48,703	19,249	26,244
Admin and Accounting	17,582	141,759	138,795	136,907
Other	24,717	40,484	14,838	94,389
Depreciation				
In-Kind				
Personnel		401,410		
Space		33,492		
Materials		11,389		
Total Expenses	<u>803,751</u>	<u>15,266,703</u>	<u>8,312,048</u>	<u>2,480,512</u>
Excess (Deficit) of Revenues over Expenses	(325,777)	316,543	7,486	8,458
Capital Acquisitions	<u>(7,819)</u>	<u>(316,543)</u>	<u>(7,486)</u>	<u>(4,110)</u>
Change in Program Activities	(333,596)			4,348
Carryover - May 31, 2024	<u>333,596</u>			<u>11,140</u>
Carryover - May 31, 2025	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 15,488</u>

Central Arkansas Development Council
Combining Statement of Program Activities - With Donor Restrictions (cont'd)
For the Year Ended May 31, 2025

	HEAP/DOE Weatherization	Tax Preparation Program	Commodity Distribution
Revenues and Support			
Grants and Contracts	\$ 2,914,426	\$ 137,077	\$ 196,018
Fees for Service			40,041
Donations/Program Income		1,000	2,000
Interest			
Other			
In-Kind		109,216	1,351,098
Total Revenues and Support	<u>2,914,426</u>	<u>247,293</u>	<u>1,589,157</u>
Expenses			
Salaries and Wages	386,420	61,043	125,725
Fringe Benefits	95,381	14,778	17,995
Contract Services	236	900	45,613
Equipment (Non-Capital)	134	36,291	2,283
Supplies	1,998,474	2,750	13,980
Communications	1,812	8,364	3,716
Vehicle Expense	21,049		1,236
Travel		5,314	6
Training	9,394		
Rent and Utilities	5,525	1,092	4,181
Food Costs			4,602
Insurance	60,177		1,155
Direct Assistance			
Scholarships			
Building Maintenance	1,641	1,020	514
Admin and Accounting	33,074	7,674	15,853
Other	6,438	4,835	1,200
Depreciation			
In-Kind			
Personnel		78,426	202,213
Space		22,315	
Materials		8,475	1,148,885
Total Expenses	<u>2,619,755</u>	<u>253,277</u>	<u>1,589,157</u>
Excess (Deficit) of Revenues over Expenses	294,671	(5,984)	
Capital Acquisitions			
Change in Program Activities	294,671	(5,984)	
Carryover - May 31, 2024		102,970	
Carryover - May 31, 2025	<u>\$ 294,671</u>	<u>\$ 96,986</u>	<u>\$</u>

Central Arkansas Development Council
Combining Statement of Program Activities - With Donor Restrictions (cont'd)
For the Year Ended May 31, 2025

	Single Parent Scholarship	Better Beginnings	Saline Co. Urban Trans- portation	Arkansas Better Chance
Revenues and Support				
Grants and Contracts	\$	\$ (49,086)	\$	\$
Fees for Service			4,220	42,581
Donations/Program Income	3,000			
Interest	7			
Other	202		122	
In-Kind				
Total Revenues and Support	<u>3,209</u>	<u>(49,086)</u>	<u>4,342</u>	<u>42,581</u>
Expenses				
Salaries and Wages			561	29,946
Fringe Benefits				9,720
Contract Services				1,500
Equipment (Non-Capital)				
Supplies	15			58
Communications				1,988
Vehicle Expense			3,781	
Travel				12
Training				
Rent and Utilities		163		775
Food Costs				(35)
Insurance				143
Direct Assistance				
Scholarships	16,424			
Building Maintenance				1,147
Admin and Accounting				
Other				420
Depreciation				
In-Kind				
Personnel				
Space				
Materials				
Total Expenses	<u>16,439</u>	<u>163</u>	<u>4,342</u>	<u>45,674</u>
Excess (Deficit) of Revenues over Expenses	(13,230)	(49,249)		(3,093)
Capital Acquisitions				
Change in Program Activities	(13,230)	(49,249)		(3,093)
Carryover - May 31, 2024	<u>139,496</u>	<u>49,249</u>		<u>3,093</u>
Carryover - May 31, 2025	<u>\$ 126,266</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Central Arkansas Development Council
Combining Statement of Program Activities - With Donor Restrictions (cont'd)
For the Year Ended May 31, 2025

	Other Grants	Property	Total
Revenues and Support			
Grants and Contracts	\$	\$	\$ 20,224,352
Fees for Service	5		8,940,722
Donations/Program Income	3,542		7,096
Interest			315
Other			546,103
In-Kind			1,906,605
Total Revenues and Support	<u>3,547</u>		<u>31,625,193</u>
Expenses			
Salaries and Wages			11,228,394
Fringe Benefits			2,758,731
Contract Services			562,841
Equipment (Non-Capital)			84,918
Supplies	504		2,316,275
Communications			445,436
Vehicle Expense			3,090,773
Travel			71,281
Training			54,275
Rent and Utilities			516,738
Food Costs	695		40,340
Insurance			781,805
Direct Assistance			6,658,236
Scholarships			16,424
Building Maintenance			180,983
Admin and Accounting			491,644
Other	223		187,544
Depreciation		1,699,074	1,699,074
In-Kind			
Personnel			682,049
Space			55,807
Materials			1,168,749
Total Expenses	<u>1,422</u>	<u>1,699,074</u>	<u>33,092,317</u>
Excess (Deficit) of Revenues over Expenses	2,125	(1,699,074)	(1,467,124)
Capital Acquisitions		335,958	
Change in Program Activities	2,125	(1,363,116)	(1,467,124)
Carryover - May 31, 2024	<u>7,811</u>	<u>1,546,206</u>	<u>2,193,561</u>
Carryover - May 31, 2025	<u>\$ 9,936</u>	<u>\$ 183,090</u>	<u>\$ 726,437</u>

Central Arkansas Development Council
Statement of Program Activities
West Central Senior Activity Centers
For the Year Ended May 31, 2025

	06/01/24 thru 06/30/24	07/01/24 thru 10/31/24	Total
Revenues and Support			
Grants and Contracts	\$	\$ 190	\$ 190
Fees for Service	13,520	758,352	771,872
Donations/Program Income	24,511	79,515	104,026
Other	16,279	41,683	57,962
In-Kind	28,091	102,256	130,347
Total Revenues and Support	82,401	981,996	1,064,397
Expenses			
Salaries and Wages	66,671	267,814	334,485
Fringe Benefits	17,436	77,126	94,562
Equipment (Non-Capital)		15,427	15,427
Supplies	115	7,549	7,664
Communications	1,578	26,708	28,286
Vehicle Expense	1,715	17,430	19,145
Travel		1,904	1,904
Training		326	326
Rent and Utilities	7,101	54,283	61,384
Food Costs	34,435	187,694	222,129
Insurance	7,240	29,017	36,257
Building Maintenance	2,750	14,351	17,101
Admin and Accounting	12,440	54,652	67,092
Other	1,350	17,111	18,461
In-Kind			
Personnel	13,459	40,954	54,413
Space	3,500	14,000	17,500
Materials	11,132	47,302	58,434
Total Expenses	180,922	873,648	1,054,570
Excess (Deficit) of Revenues over Expenses	(98,521)	108,348	9,827
Capital Acquisitions		(9,827)	(9,827)
Change in Program Activities	(98,521)	98,521	
Carryover - May 31, 2024	98,521	(1,816,922)	(1,718,401)
Transfer (To) From Agency		1,718,401	1,718,401
Carryover - May 31, 2025	\$	\$	\$

Central Arkansas Development Council
Statement of Program Activities
Central Senior Activity Centers
For the Year Ended May 31, 2025

	Bryant		Benton		Total
	06/01/24 thru 06/30/24	07/01/24 thru 10/31/24	06/01/24 thru 06/30/24	07/01/24 thru 10/31/24	
Revenues and Support					
Fees for Service	\$ 3,675	\$ 128,953	\$ 6,325	\$ 191,764	\$ 320,717
Donations/Program Income	1,338	35,224	765	24,337	69,561
Other	13,626	5,040		2,690	9,833
In-Kind		55,451			69,077
Total Revenues and Support	18,639	224,668	7,090	218,791	469,188
Expenses					
Salaries and Wages	10,541	48,275	14,523	68,051	141,390
Fringe Benefits	2,194	9,353	3,307	15,870	30,724
Supplies	50	862	524	353	1,789
Communications		198	175	850	1,223
Vehicle Expense	418	9,888	140	4,799	15,245
Rent and Utilities			189	17,650	17,839
Food Costs	10,657	61,395	6,545	67,833	146,430
Insurance	1,593	6,372	2,516	10,064	20,545
Building Maintenance	181	1,038	(4,919)	2,266	(1,434)
Admin and Accounting	2,155	7,673	2,407	9,642	21,877
Other	129	1,258	277	2,819	4,483
In-Kind					
Personnel	1,831	5,884			7,715
Space	2,000	8,000			10,000
Materials	9,795	41,567			51,362
Total Expenses	41,544	201,763	25,684	200,197	469,188
Change in Program Activities	(22,905)	22,905	(18,594)	18,594	
Carryover - May 31, 2024	22,905	(101,388)	18,594	(93,647)	(153,536)
Transfer (To) From Agency		78,483		75,053	153,536
Carryover - May 31, 2025	\$	\$	\$	\$	\$

Central Arkansas Development Council
Statement of Program Activities
Child Development Program
For the Year Ended May 31, 2025

	Head Start and Early Head Start	AR Dept of Human Services		Total
		CCDBG COVID-19	CCDBG ARP Grants	
Revenues and Support				
Grants and Contracts	\$ 466,984	\$ (32,351)	\$	\$ 434,633
Fees for Service			45,537	45,537
Donations/Program Income	(2,446)			(2,446)
Interest	250			250
Total Revenues and Support	<u>464,788</u>	<u>(32,351)</u>	<u>45,537</u>	<u>477,974</u>
Expenses				
Salaries and Wages	156,408			156,408
Fringe Benefits	43,713			43,713
Contract Services	22,339	46,919	155,649	224,907
Equipment (Non-Capital)	(4,481)			(4,481)
Supplies	54,706	1,201	129,576	185,483
Communications	21,171		1,508	22,679
Vehicle Expense	115		50	165
Travel	2,365			2,365
Training			2,794	2,794
Rent and Utilities	18,086		4,044	22,130
Food Costs	16,662			16,662
Insurance	6,162			6,162
Building Maintenance	80,348		2,117	82,465
Admin and Accounting	17,573		9	17,582
Other	24,327		390	24,717
Total Expenses	<u>459,494</u>	<u>48,120</u>	<u>296,137</u>	<u>803,751</u>
Excess (Deficit) of Revenues over Expenses	5,294	(80,471)	(250,600)	(325,777)
Capital Acquisitions	<u>(5,294)</u>		<u>(2,525)</u>	<u>(7,819)</u>
Change in Program Activities		(80,471)	(253,125)	(333,596)
Carryover - May 31, 2024		<u>80,471</u>	<u>253,125</u>	<u>333,596</u>
Carryover - May 31, 2025	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Central Arkansas Development Council
Statement of Program Activities
South Central Arkansas Transit Program (SCAT)
For the Year Ended May 31, 2025

	Admin and Operations	Inter City	Program Operation Match	Capital	Total
Revenues and Support					
Grants and Contracts	\$ 6,316,062	\$	\$ 428,080	\$	\$ 6,744,142
Fees for Service	7,691,437			155,597	7,847,034
Other	545,779				545,779
In-Kind	445,078			1,213	446,291
Total Revenues and Support	<u>14,998,356</u>		<u>428,080</u>	<u>156,810</u>	<u>15,583,246</u>
Expenses					
Salaries and Wages	8,424,347	(12,416)			8,411,931
Fringe Benefits	1,980,853	(4,389)			1,976,464
Contract Services	15,594	22,746	128,470		166,810
Equipment (Non-Capital)	2,185				2,185
Supplies	29,021	(115)			28,906
Communications	172,738	(1,211)			171,527
Vehicle Expense	2,897,872			140,450	3,038,322
Travel	6,363				6,363
Training	12,218				12,218
Rent and Utilities	188,727	(2,994)			185,733
Insurance	589,007				589,007
Building Maintenance	49,304	(1,120)		519	48,703
Admin and Accounting	141,759				141,759
Other	40,985	(501)			40,484
In-Kind					
Personnel	401,410				401,410
Space	33,492				33,492
Materials	11,389				11,389
Total Expenses	<u>14,997,264</u>		<u>128,470</u>	<u>140,969</u>	<u>15,266,703</u>
Excess (Deficit) of Revenues over Expenses	1,092		299,610	15,841	316,543
Capital Acquisitions	<u>(1,092)</u>		<u>(299,610)</u>	<u>(15,841)</u>	<u>(316,543)</u>
Change in Program Activities					
Carryover - May 31, 2024					
Carryover - May 31, 2025	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Central Arkansas Development Council
Statement of Program Activities
Home Energy Assistance Program (HEAP)
For the Year Ended May 31, 2025

	Assurance 16	HEAP	Total
Revenues and Support			
Grants and Contracts	\$	\$ 7,358,172	\$ 7,358,172
Fees for Service	339,497	621,807	961,304
Interest		58	58
Total Revenues and Support	<u>339,497</u>	<u>7,980,037</u>	<u>8,319,534</u>
Expenses			
Salaries and Wages	70,213	841,101	911,314
Fringe Benefits	17,583	235,013	252,596
Contract Services		35,624	35,624
Equipment (Non-Capital)		27,031	27,031
Supplies	1,767	72,128	73,895
Communications	26	112,572	112,598
Vehicle Expense		580	580
Travel		16,784	16,784
Training		444	444
Rent and Utilities		93,856	93,856
Insurance		285	285
Direct Assistance	236,832		236,832
Emergency Program		4,405,792	4,405,792
Regular Program		1,971,535	1,971,535
Building Maintenance		19,249	19,249
Admin and Accounting	13,076	125,719	138,795
Other		14,838	14,838
Total Expenses	<u>339,497</u>	<u>7,972,551</u>	<u>8,312,048</u>
Excess (Deficit) of Revenues over Expenses		7,486	7,486
Capital Acquisitions		<u>(7,486)</u>	<u>(7,486)</u>
Change in Program Activities			
Carryover - May 31, 2024			
Carryover - May 31, 2025	<u>\$</u>	<u>\$</u>	<u>\$</u>

Central Arkansas Development Council
Statement of Program Activities
Community Service Block Grant (CSBG)
For the Year Ended May 31, 2025

	06/01/24 thru 09/30/24	10/01/24 thru 05/31/25	Total
Revenues and Support			
Grants and Contracts	\$ 213,262	\$ 2,275,708	\$ 2,488,970
Expenses			
Salaries and Wages	285,327	859,719	1,145,046
Fringe Benefits	97,452	250,632	348,084
Contract Services	17,134	70,117	87,251
Equipment (Non-Capital)	484	20,991	21,475
Supplies	1,141	11,069	12,210
Communications	61,680	61,072	122,752
Vehicle Expense	6,190	19,450	25,640
Travel	39,347	1,090	40,437
Training	1,074	28,351	29,425
Rent and Utilities	77,582	125,701	203,283
Food Costs	17,204	1,212	18,416
Insurance	24,987	99,889	124,876
Direct Assistance	3,211	40,866	44,077
Building Maintenance	6,024	20,220	26,244
Admin and Accounting	43,642	93,265	136,907
Other	13,897	80,492	94,389
Total Expenses	<u>696,376</u>	<u>1,784,136</u>	<u>2,480,512</u>
Excess (Deficit) of Revenues over Expenses	(483,114)	491,572	8,458
Capital Acquisitions	<u> </u>	<u>(4,110)</u>	<u>(4,110)</u>
Change in Program Activities	(483,114)	487,462	4,348
Carryover - May 31, 2024	<u>483,114</u>	<u>(471,974)</u>	<u>11,140</u>
Carryover - May 31, 2025	<u>\$</u>	<u>\$ 15,488</u>	<u>\$ 15,488</u>

Central Arkansas Development Council
Statement of Program Activities
Commodity Distribution
For the Year Ended May 31, 2025

	<u>CSFP</u>	<u>TEFAP</u>	<u>Total</u>
Revenues and Support			
Grants and Contracts	\$ 150,675	\$ 45,343	\$ 196,018
Fees for Service	13,918	26,123	40,041
Donations/Program Income	1,000	1,000	2,000
In-Kind	<u>603,453</u>	<u>747,645</u>	<u>1,351,098</u>
Total Revenues and Support	<u>769,046</u>	<u>820,111</u>	<u>1,589,157</u>
Expenses			
Salaries and Wages	90,944	34,781	125,725
Fringe Benefits	11,882	6,113	17,995
Contract Services	33,600	12,013	45,613
Equipment (Non-Capital)	1,202	1,081	2,283
Supplies	6,501	7,479	13,980
Communications	3,536	180	3,716
Vehicle Expense	854	382	1,236
Travel	36	(30)	6
Rent and Utilities	3,816	365	4,181
Food Costs	1,968	2,634	4,602
Insurance	574	581	1,155
Building Maintenance	477	37	514
Admin and Accounting	9,987	5,866	15,853
Other	216	984	1,200
In-Kind - Personnel	84,626	117,587	202,213
In-Kind - Commodities	<u>518,827</u>	<u>630,058</u>	<u>1,148,885</u>
Total Expenses	<u>769,046</u>	<u>820,111</u>	<u>1,589,157</u>
Change in Program Activities			
Carryover - May 31, 2024	<u> </u>	<u> </u>	<u> </u>
Carryover - May 31, 2025	<u>\$ </u>	<u>\$ </u>	<u>\$ </u>

Yoakum, Lovell & Co., PLC

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' 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*

To the Board of Directors of
Central Arkansas Development Council

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 Central Arkansas Development Council (a nonprofit organization), which comprise the statements of financial position as of May 31, 2025 and 2024, and the related statements of activities and cash flows for the years then ended, and related notes to the financial statements, and have issued our report thereon dated September 25, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Central Arkansas Development Council'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of Central Arkansas Development Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Central Arkansas Development Council'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.

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 may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Central Arkansas Development Council's 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.

Yoakum, Lovell & Co., P.C.

Certified Public Accountants

Benton, Arkansas
September 25, 2025

Yoakum, Lovell & Co., PLC

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Directors of
Central Arkansas Development Council

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Central Arkansas Development Council's compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of Central Arkansas Development Council's major federal programs for the year ended May 31, 2025. Central Arkansas Development Council's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Central Arkansas Development Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended May 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Central Arkansas Development Council 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 each major federal program. Our audit does not provide a legal determination of Central Arkansas Development Council'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 Central Arkansas Development Council's federal programs.

Auditors' 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 Central Arkansas Development Council'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 generally accepted auditing standards, *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 Central Arkansas Development Council's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Central Arkansas Development Council'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 Central Arkansas Development Council'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 Central Arkansas Development Council'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.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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.

Yoakum, Lovell & Co., P.C.

Certified Public Accountants

Benton, Arkansas
September 25, 2025

Central Arkansas Development Council
Schedule of Prior Year Audit Findings
For the Year Ending May 31, 2025

There were no findings or questioned costs for the year ended May 31, 2024.

Central Arkansas Development Council
Schedule of Findings and Questioned Costs
For the Year Ended May 31, 2025

A. Summary of Audit Results

1. The auditors' report expresses an unqualified (unmodified) opinion on the financial statements of Central Arkansas Development Council.
2. No material weaknesses were identified during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Central Arkansas Development Council, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No material weaknesses were identified during the audit of the major federal award programs.
5. The independent auditors' report on compliance for the major federal award programs for Central Arkansas Development Council expresses an unqualified (unmodified) opinion.
6. Audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a) are reported in Part C of this schedule.
7. The programs tested as major programs included:

Weatherization Assistance for Low-Income Persons	81,042
Low-Income Home Energy Assistance Program	93,568

8. The threshold for distinguishing types A and B programs was \$750,000.
9. Central Arkansas Development Council was determined to be a low-risk auditee.

B. Findings – Financial Statements Audit

None noted for the current year.

C. Findings and Questioned Costs – Major Federal Award Programs Audit

None noted for the current year.

Central Arkansas Development Council
Supplement to the State of Arkansas

- 1 – Central Arkansas Development Council
P.O. Box 580
Benton, Arkansas 72025
- 2 – Phone Number – (501) 315-1121
- 3 – Chief Executive Officer – Randy Morris
- 4 – Contact Person – Randy Morris
- 5 – Cost of Audit – \$55,000
- 6 – Employer Identification Number – 71-0388673