

**Crawford-Sebastian
Community Development Council, Inc.**

Financial Statements
with Independent Auditor's Report

September 30, 2025

Crawford-Sebastian Community Development Council, Inc.

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**HINKLE &
COMPANY**

Strategic ^{PC}
Business Advisors

Independent Auditor's Report on Financial Statements

Board of Directors
Crawford-Sebastian Community Development Council, Inc.
Fort Smith, Arkansas

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Crawford-Sebastian Community Development Council, Inc. (CSCDC), which comprise the statement of financial position as of September 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audits 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CSCDC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Financial Statements

Management is responsible for the preparation and fair presentation of the 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 CSCDC's ability to continue as a going concern for one year after the date that the financial statements are issued.

5028 E. 101st Street

Tulsa, OK 74137

TEL: 918.492.3388

FAX: 918.492.4443

www.hinklecpas.com

Auditor's 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 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 financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CSCDC'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 CSCDC'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 basic financial statements as a whole. 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, and Supplementary Information beginning on page 15 are presented for purposes of additional analysis and are not a required part of the basic 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 audit 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 supplementary information is fairly stated in all material respects in relation to the 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 March 23, 2026, on our consideration of CSCDC'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 to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of CSCDC'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 CSCDC's internal control over financial reporting and compliance.

Hick & Company, PC

Tulsa, Oklahoma
March 23, 2026



Financial Statements

Crawford-Sebastian Community Development Council, Inc.

Statement of Net Position

September 30, 2025

Assets

Cash	\$ 4,514,146
Accounts receivable	707,193
Inventory	
Food and other materials	244,314
Property for sale	562,831
Prepaid expenses	22,530
Property and equipment, net	<u>2,168,009</u>
Total Assets	<u>\$ 8,219,023</u>

Liabilities

Accounts payable	\$ 693,803
Accrued expenses	<u>282,840</u>
Total Liabilities	<u>976,643</u>

Net Assets

Without donor restrictions	1,302,881
With donor restrictions	<u>5,939,499</u>
Total Net Assets	<u>7,242,380</u>
 Total Liabilities and Net Assets	 <u>\$ 8,219,023</u>

Crawford-Sebastian Community Development Council, Inc.

Statement of Activities For the Year Ended September 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues			
Contributions of cash	\$ 341,810	\$ 6,673,033	\$ 7,014,843
In-kind contributions	-	30,327,058	30,327,058
Donated services	2,388	358,918	361,306
Shared maintenance	-	535,479	535,479
Developer fees	60,142	218,643	278,785
Home sales revenue	268,317	254,765	523,082
Other revenue	296,608	11,427	308,035
Net assets released from restrictions	38,320,301	(38,320,301)	-
Total Revenues	<u>39,289,566</u>	<u>59,022</u>	<u>39,348,588</u>
Expenses			
Program expenses	38,121,296	-	38,121,296
Support services:			
Administrative expenses	1,007,988	-	1,007,988
Fundraising	103,797	-	103,797
Total Expenses	<u>39,233,081</u>	<u>-</u>	<u>39,233,081</u>
Change in Net Assets	56,485	59,022	115,507
Net Assets, Beginning of Year	<u>1,246,396</u>	<u>5,880,477</u>	<u>7,126,873</u>
Net Assets, End of Year	<u>\$ 1,302,881</u>	<u>\$ 5,939,499</u>	<u>\$ 7,242,380</u>

Crawford-Sebastian Community Development Council, Inc.

Statement of Functional Expenses For the Year Ended September 30, 2025

		Supporting Services		
	Program Expenses	General and Administrative	Fundraising Expenses	Total
Assistance to individuals	\$ 34,476,634	\$ -	\$ -	\$ 34,476,634
Salaries and wages	1,209,909	536,243	3,414	1,749,566
Employee benefits	283,562	107,423	495	391,480
Payroll taxes	92,032	40,997	252	133,281
Donated services	361,306	-	-	361,306
Fees for services	582,154	73,709	-	655,863
Advertising and promotion	6,235	8,742	-	14,977
Office expenses	71,129	49,537	-	120,666
Occupancy	18,346	73,797	-	92,143
Travel	156,768	5,295	-	162,063
Depreciation	288,198	-	-	288,198
Insurance	-	85,578	-	85,578
Tools and equipment	27,915	-	-	27,915
Repairs and maintenance	72,512	13,155	-	85,667
Supplies	176,745	1,591	-	178,336
Other expenses	297,851	11,921	99,636	409,408
Total Operating Expenses	<u>\$ 38,121,296</u>	<u>\$ 1,007,988</u>	<u>\$ 103,797</u>	<u>\$ 39,233,081</u>

Crawford-Sebastian Community Development Council, Inc.

Statement of Cash Flows **For the Year Ended September 30, 2025**

Cash Flows from Operating Activities

Increase in net assets	\$ 115,507
Adjustments to reconcile increase in net assets to net cash provided by operating activities	
Depreciation	288,198
Changes in	
Accounts receivable	(382,022)
Inventory	(110,423)
Prepaid expenses	8
Accrued expenses	10,701
Accounts payable	102,321
Net Cash Provided by Operating Activities	<u>24,290</u>

Cash Flows from Investing Activities

Purchase of capital assets	<u>(91,899)</u>
Net Cash Used in Investing Activities	<u>(91,899)</u>

Net Decrease in Cash (67,609)

Cash, Beginning of Year 4,581,755

Cash, End of Year \$ 4,514,146

Crawford-Sebastian Community Development Council, Inc.

Notes to Financial Statements

September 30, 2025

Note 1: Summary of Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

Background

Crawford-Sebastian Community Development Council, Inc. (CSCDC) is a community action agency whose purpose is to make improvements in the lives of low-income individuals, families, and the communities in which they live, with the goal for clients to achieve self-sufficient living. CSCDC currently serves Crawford, Sebastian, Franklin, Logan, Scott, Polk, Carroll, Johnson, Madison, Washington, Yell, and Benton counties in the State of Arkansas.

Basis of Accounting

The financial statements of CSCDC have been prepared on the accrual basis of accounting in accordance with the generally accepted accounting principles in the United States of America.

Financial Statement Presentation

CSCDC has adopted statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, CSCDC is required to report information regarding its financial position and activities based on the existence or absence of donor-imposed restrictions, as follows:

Net Assets without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions.

Net Assets with Donor Imposed Restrictions - Net assets subject to donor-imposed stipulations that can be met either by actions of CSCDC or the passage of time. Contributions with donor-imposed restrictions that are met in the same period as the contribution are accounted for as unrestricted contributions.

Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and disclosures in the notes thereto. Actual results could differ from those estimates.

Cash and Cash Equivalents

CSCDC defines cash and cash equivalents to be all cash and certificates of deposit with original maturities of three months or less. As of September 30, 2025, \$4,657,405 of cash was held in major local financial institutions.

Crawford-Sebastian Community Development Council, Inc.

Notes to Financial Statements

September 30, 2025

Note 1: Summary of Significant Accounting Policies (Continued)

Inventory - Food and Other Materials

Inventory primarily consists of contributed and purchased food items. United States Department of Agriculture (USDA) contributed food items are valued at per case amounts established by the USDA. Other contributed food items are valued at estimated weighted average wholesale amount per pound as determined by Feeding America. Purchased food items are stated at the lower cost (determined on the first-in, first-out method) or market. Direct program expenses include distributions of such items and includes spoilage and shrinkage (overage) for the years ended September 30, 2025.

Inventory - Property

Inventory property consists of lots and homes held for sale in connection with development programs of CSCDC.

Land, Building and Equipment

Fixed assets with unit costs over \$2,500 are capitalized at their historical costs. Improvements and repairs to fixed assets are capitalized if they cost more than \$2,500 and they increase the value and/or useful lives of the fixed assets. Depreciation on fixed assets is computed on the following estimated useful lives of the assets:

Buildings	30 years
Equipment	7 years
Office equipment	5 - 10 years

Shared Maintenance

CSCDC, through its River Valley Food Bank operation, receives fees from participating agencies to assist in the costs of distributing food. These shared maintenance fees are based upon predetermined rates published by Feeding America. As of September 30, 2025, CSCDC had shared maintenance receivables of \$52,202.

Allocated Expenses

Expenses by function have been allocated among program and supporting services classifications based on time records and on estimates made by CSCDC's management.

In-Kind Contributions

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create, or enhance, nonfinancial assets or that require special skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by the donation, are recorded at fair values in the period received.

Crawford-Sebastian Community Development Council, Inc.

Notes to Financial Statements

September 30, 2025

Note 1: Summary of Significant Accounting Policies (Continued)

In-Kind Contributions (Continued)

Dentists, dental assistants, dental hygienists, and administrative staff donate their services to CSCDC's dental clinic. The fair value of these services for the year ended September 30, 2025 was \$358,918.

The food donated to CSCDC under the River Valley Regional Food Bank program is valued at its estimated fair value. The fair value of these food donations for the year ended September 30, 2025 was \$28,902,613.

Concentrations of Credit Risk

Financial instruments, which potentially subject CSCDC to concentrations of credit risk, consist primarily of cash and cash equivalents, short-term investments, and grants receivable. CSCDC places its cash and certificates of deposit with high quality financial institutions. CSCDC's management believes that the credit risk is adequately provided for to which it is exposed.

Advertising Expenses

Advertising expenses are expensed when incurred. CSCDC incurred advertising expenses of \$14,977 for the year ended September 30, 2025.

Subsequent Events

Subsequent events have been evaluated through March 23, 2026, which is the date the financial statements were issued.

Note 2: Cash and Investments

Deposits with banks and financial institutions are carried at cost. The table presented below is designed to disclose the level of custody credit risk assumed by CSCDC based upon how its deposits were insured or secured with collateral at September 30, 2025. The categories of credit risk are defined as follows:

Category 1 - Insured by FDIC or collateralized by securities held by CSCDC or by its agent in its name.

Category 2 - Uninsured but collateralized with securities held by the pledging financial institution's trust department or agent in CSCDC's name.

Category 3 - Deposits which are not collateralized or insured.

Crawford-Sebastian Community Development Council, Inc.

Notes to Financial Statements

September 30, 2025

Note 2: Cash and Investments (Continued)

A summary of the deposits at September 30, 2025 consisted of the following:

Type of Deposits	Total Bank Balance	Custody (Category 1)	Credit Risk (Category 2)	Uninsured (Category 3)
<u>Demand Deposits</u>				
Total Deposits	\$ 4,657,405	\$ 750,000	\$ -	\$ 3,907,405

Note 3: Accounts Receivable

Accounts receivable, consisting of advances to subgrantees and local project service contracts, are carried at cost. CSCDC did not recognize any allowance for uncollectible amounts at September 30, 2025.

Note 4: Fixed Assets

A summary of changes in fixed assets for the year ended September 30, 2025, is as follows:

	Balance 9/30/2024	Additions	Disposals	Balance 9/30/2025
Buildings	\$ 3,101,387	\$ -	\$ -	\$ 3,101,387
Equipment	1,478,115	91,899	(20,990)	1,549,024
Total Fixed Assets	4,579,502	91,899	(20,990)	4,650,411
Accumulated Depreciation	(2,215,194)	(288,198)	20,990	(2,482,402)
Fixed Assets, Net	\$ 2,364,308	\$ (196,299)	\$ -	\$ 2,168,009

Note 5: Net Assets

Net assets with donor restrictions at September 30, 2025 consist of the unused portion of contributions made by donors for specific programs. Net assets with donor restrictions are released from donor restrictions by incurring general expenses or by the occurrence of other events specified by donors satisfying the restricted purposes.

Crawford-Sebastian Community Development Council, Inc.

Notes to Financial Statements

September 30, 2025

Note 5: Net Assets (Continued)

Net assets with donor restrictions subject to expenditure for specified purposes as of September 30, 2025 were:

Dental Clinic	\$ 161,908
Community Services Block Grant (CSBG)	175,770
NeighborWorks America	10,462
Housing Counseling Assistance Program (HCAP)	13,224
River Valley Food Bank (RVFB)	3,878,689
The Emergency Food Assistance Program (TEFAP)	143,395
Weatherization Assistance for Low-Income Persons	194,892
HOME Investment Partnership Program	344,608
StoneBrook of Van Buren	571,303
Self-Help Homeownership Opportunity Program (SHOP)	137,369
Community Development Block Grant (CDBG)	<u>307,879</u>
	<u>\$ 5,939,499</u>

Net assets released from restrictions for the year ended September 30, 2025 were:

Dental Clinic	\$ 530,532
Community Services Block Grant (CSBG)	402,437
Child and Adult Care Food Program (CACFP)	671,425
NeighborWorks America	78,196
Housing Counseling Assistance Program (HCAP)	26,646
River Valley Food Bank (RVFB)	30,671,963
The Emergency Food Assistance Program (TEFAP)	1,494,990
Weatherization Assistance for Low-Income Persons	1,123,876
Low Income Home Energy Assistance	2,302,018
Rural Self-Help Housing Technical Assistance	242,325
HOME Investment Partnership Program	343,760
Self-Help Homeownership Opportunity Program (SHOP)	57
Community Development Block Grant (CDBG)	<u>432,076</u>
	<u>\$ 38,320,301</u>

Crawford-Sebastian Community Development Council, Inc.

Notes to Financial Statements

September 30, 2025

Note 6: Retirement Plan

CSCDC sponsors a 403(b) thrift plan covering substantially all its employees. Participation is voluntary and the employees may contribute up to 20% of their pay or as limited by the Internal Revenue Service. CSCDC matches employees' contributions up to a maximum of 4% of the qualifying wages. Employees become fully vested after two years of service. The total contributions made during 2025 were \$49,173.

Note 7: Related Party Transactions

CSCDC has three wholly owned subsidiaries by the names of Van Buren GP, LLC (Van Buren GP), Van Buren GP II, LLC (Van Buren GP II), and Fort Smith GP II, LLC (Fort Smith GP II). Van Buren GP owns .01% of Van Buren Housing Partners, LP (Van Buren Housing Partners) and acts as the general partner of the limited partnership. The remaining 99.9% of Van Buren Housing Partners is owned by an unrelated third party. Van Buren GP II owns .01% of Van Buren Housing Partners II, LP (Van Buren Housing Partners II) and acts as the general partner of the limited partnership. The remaining 99.9% of Van Buren Housing Partners II is owned by an unrelated third party. Fort Smith GP II owns .01% of Fort Smith Housing Partners II, LP (Fort Smith Housing Partners II) and acts as the general partner of the limited partnership. The remaining 99.9% of Fort Smith Housing Partners II is owned by an unrelated third party. The purpose of these entities is to build single family rental properties for low-income families and generate Federal Low-Income Housing Tax Credits to the 99.99% partner. CSCDC's responsibility is to oversee the construction of the single-family homes. Construction is complete for Van Buren GP, Van Buren GP II, and Fort Smith GP II.

Note 8: Economic Dependency

CSCDC receives a significant portion of its revenue from funds provided through federal and state grants. The grant amounts are appropriated each year by the federal and state agencies. If significant budget cuts are made at the federal and/or state level, the amount of the funds CSCDC receives could be reduced significantly and have an adverse impact on its operations.

Note 9: Commitments and Contingent Liabilities

In the normal course of operations, CSCDC participates in several federal and state assisted grant programs. These programs are subject to audit by the grantors or their representatives. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Presently, CSCDC has no such requests pending and in the opinion of management, any such amounts would not be considered material.

Crawford-Sebastian Community Development Council, Inc.

Notes to Financial Statements

September 30, 2025

Note 10: Liquidity and Availability of Financial Assets

CSCDC manages its liquid resources by focusing on compliance and fundraising efforts to ensure that it has adequate contribution revenue to cover the programs that are being conducted. The table below reflects CSCDC's financial assets, as of September 30, 2025, expected to be available within one year to meet the cash needs for general expenditures.

Financial Assets

Cash and cash equivalents	\$ 4,514,146
Accounts receivable	707,193
Less those unavailable for general expenditure within one year, due to:	
Government grant-imposed restrictions and donor-imposed restrictions	<u>4,492,135</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 729,204</u>

Supplementary Information

Crawford-Sebastian Community Development Council, Inc.
Combining Statement of Net Position
September 30, 2025

	General Fund	Dental Clinic	CSBG	CACFP	Neighbor Works	HCAP	RVFB	TEFAP
Assets								
Cash	\$ 716,751	\$ 11,988	\$ -	\$ 72,617	\$ 10,462	\$ 13,946	\$ 2,233,079	\$ 138,817
Accounts receivable	12,453	-	90,588	-	-	-	52,202	-
Inventory								
Food and other materials	-	-	-	-	-	-	231,787	4,978
Property for sale	299,350	-	-	-	-	-	-	-
Prepaid expenses	22,530	-	-	-	-	-	-	-
Property and equipment, net	474,712	157,016	96,947	-	-	-	1,412,990	1,943
Total Assets	<u>\$ 1,525,796</u>	<u>\$ 169,004</u>	<u>\$ 187,535</u>	<u>\$ 72,617</u>	<u>\$ 10,462</u>	<u>\$ 13,946</u>	<u>\$ 3,930,058</u>	<u>\$ 145,738</u>
Liabilities								
Accounts payable	\$ 34,606	\$ 3,762	\$ 1,260	\$ 70,084	\$ -	\$ -	\$ 30,504	\$ -
Accrued expenses	188,309	3,334	10,505	2,533	-	722	20,865	2,343
Total Liabilities	<u>222,915</u>	<u>7,096</u>	<u>11,765</u>	<u>72,617</u>	<u>-</u>	<u>722</u>	<u>51,369</u>	<u>2,343</u>
Net Assets								
Without Donor Restrictions	1,302,881	-	-	-	-	-	-	-
With Donor Restrictions	-	161,908	175,770	-	10,462	13,224	3,878,689	143,395
Total Net Assets	<u>1,302,881</u>	<u>161,908</u>	<u>175,770</u>	<u>-</u>	<u>10,462</u>	<u>13,224</u>	<u>3,878,689</u>	<u>143,395</u>
 Total Liabilities and Net Assets	 <u>\$ 1,525,796</u>	 <u>\$ 169,004</u>	 <u>\$ 187,535</u>	 <u>\$ 72,617</u>	 <u>\$ 10,462</u>	 <u>\$ 13,946</u>	 <u>\$ 3,930,058</u>	 <u>\$ 145,738</u>

(Continued)

Crawford-Sebastian Community Development Council, Inc.
Combining Statement of Net Position
September 30, 2025
(Continued)

	Weatherization	Home Energy Assistance	Self-Help	HOME	Stonebrook of Van Buren	SHOP	CDBG	Grand Total
Assets								
Cash	\$ 39,995	\$ 165,742	\$ 14,844	\$ 81,519	\$ 571,303	\$ 137,369	\$ 305,714	\$ 4,514,146
Accounts receivable	171,237	380,713	-	-	-	-	-	707,193
Inventory								
Food and other materials	7,549	-	-	-	-	-	-	244,314
Property for sale	-	-	-	263,481	-	-	-	562,831
Prepaid expenses	-	-	-	-	-	-	-	22,530
Property and equipment, net	2,906	5,730	13,600	-	-	-	2,165	2,168,009
Total Assets	<u>\$ 221,687</u>	<u>\$ 552,185</u>	<u>\$ 28,444</u>	<u>\$ 345,000</u>	<u>\$ 571,303</u>	<u>\$ 137,369</u>	<u>\$ 307,879</u>	<u>\$ 8,219,023</u>
Liabilities								
Accounts payable	\$ 17,012	\$ 529,692	\$ 6,883	\$ -	\$ -	\$ -	\$ -	\$ 693,803
Accrued expenses	9,783	22,493	21,561	392	-	-	-	282,840
Total Liabilities	<u>26,795</u>	<u>552,185</u>	<u>28,444</u>	<u>392</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>976,643</u>
Net Assets								
Without Donor Restrictions	-	-	-	-	-	-	-	1,302,881
With Donor Restrictions	194,892	-	-	344,608	571,303	137,369	307,879	5,939,499
Total Net Assets	<u>194,892</u>	<u>-</u>	<u>-</u>	<u>344,608</u>	<u>571,303</u>	<u>137,369</u>	<u>307,879</u>	<u>7,242,380</u>
 Total Liabilities and Net Assets	 <u>\$ 221,687</u>	 <u>\$ 552,185</u>	 <u>\$ 28,444</u>	 <u>\$ 345,000</u>	 <u>\$ 571,303</u>	 <u>\$ 137,369</u>	 <u>\$ 307,879</u>	 <u>\$ 8,219,023</u>

See Accompanying Independent Auditor's Report.

Crawford-Sebastian Community Development Council, Inc.
Combining Statement of Activities
For the Year Ended September 30, 2025

	General Fund	Dental Clinic	CSBG	CACFP	Neighbor Works	HCAP	RVFB	TEFAP
Revenues								
Contributions of cash	\$ 341,810	\$ 121,953	\$ 463,554	\$ 671,425	\$ -	\$ 39,870	\$ 1,026,606	\$ 66,700
In-kind contributions	-	-	-	-	-	-	28,902,613	1,424,445
Donated services	2,388	358,918	-	-	-	-	-	-
Shared maintenance	-	-	-	-	-	-	535,479	-
Developer fees	60,142	-	-	-	-	-	-	-
Home sales revenue	268,318	-	-	-	78	-	234	-
Match revenue	(441,168)	(2,730)	57,781	32,637	(78,196)	(545)	(4,487)	(1,814)
Other revenue	296,608	1	-	-	-	-	6,053	-
Total Revenues	<u>528,098</u>	<u>478,142</u>	<u>521,335</u>	<u>704,062</u>	<u>(78,118)</u>	<u>39,325</u>	<u>30,466,498</u>	<u>1,489,331</u>
Expenses								
Assistance to individuals	87,908	33,874	78,061	578,438	-	-	28,870,122	1,434,093
Salaries and wages	84,999	72,956	210,733	81,319	-	19,994	508,679	45,378
Employee benefits	40,152	11,178	39,086	13,620	-	4,670	113,521	9,475
Payroll taxes	6,581	5,517	15,977	6,373	-	1,437	39,654	3,252
Donated services	2,388	358,918	-	-	-	-	-	-
Fees for services	139,162	5,037	14,553	6,903	-	-	172,225	-
Advertising and promotion	622	76	304	38	-	-	5,419	-
Office expenses	2,319	3,596	11,554	2,892	-	-	73,399	-
Occupancy	21,381	-	17,533	3,665	-	-	29,729	-
Travel	4,031	9	4,593	6,736	-	-	110,840	81
Depreciation	40,449	21,808	34,958	-	-	-	180,160	897
Insurance	3,423	4,549	18,558	2,965	-	-	22,535	-
Tools and equipment	3,110	-	-	-	-	-	138	-
Repairs and maintenance	18,080	2,281	2,325	233	-	-	57,694	-
Supplies	3,689	3,247	5,603	83	-	-	125,867	-
Other expenses	13,319	4,756	6,380	797	-	-	357,493	-
Total Expenses	<u>471,613</u>	<u>527,802</u>	<u>460,218</u>	<u>704,062</u>	<u>-</u>	<u>26,101</u>	<u>30,667,475</u>	<u>1,493,176</u>
Change in Net Assets	56,485	(49,660)	61,117	-	(78,118)	13,224	(200,977)	(3,845)
Net Assets, Beginning of Year	<u>1,246,396</u>	<u>211,568</u>	<u>114,653</u>	<u>-</u>	<u>88,580</u>	<u>-</u>	<u>4,079,666</u>	<u>147,240</u>
Net Assets, End of Year	<u>\$ 1,302,881</u>	<u>\$ 161,908</u>	<u>\$ 175,770</u>	<u>\$ -</u>	<u>\$ 10,462</u>	<u>\$ 13,224</u>	<u>\$ 3,878,689</u>	<u>\$ 143,395</u>

(Continued)

Crawford-Sebastian Community Development Council, Inc.
Combining Statement of Activities
For the Year Ended September 30, 2025
(Continued)

	Weatherization	Home Energy Assistance	Self-Help	HOME	Stonebrook of Van Buren	SHOP	CDBG	Grand Total
Revenues								
Contributions of cash	\$ 1,307,508	\$ 2,299,354	\$ 242,225	\$ 416,714	\$ -	\$ -	\$ 17,124	\$ 7,014,843
In-kind contributions	-	-	-	-	-	-	-	30,327,058
Donated services	-	-	-	-	-	-	-	361,306
Shared maintenance	-	-	-	-	-	-	-	535,479
Developer fees	-	-	-	-	103,501	-	115,142	278,785
Home sales revenue	-	293	4	-	-	-	254,155	523,082
Match revenue	(10,407)	400,222	(35,538)	(1,391)	85,636	-	-	-
Other revenue	2,898	2,371	96	-	-	8	-	308,035
Total Revenues	<u>1,299,999</u>	<u>2,702,240</u>	<u>206,787</u>	<u>415,323</u>	<u>189,137</u>	<u>8</u>	<u>386,421</u>	<u>39,348,588</u>
Expenses								
Assistance to individuals	629,799	2,283,354	2,500	64,039	-	-	414,446	34,476,634
Salaries and wages	281,335	250,819	113,220	5,848	74,286	-	-	1,749,566
Employee benefits	62,301	55,577	32,446	1,254	8,200	-	-	391,480
Payroll taxes	21,254	19,054	10,611	421	3,150	-	-	133,281
Donated services	-	-	-	-	-	-	-	361,306
Fees for services	7,391	22,970	16,815	270,807	-	-	-	655,863
Advertising and promotion	114	8,271	133	-	-	-	-	14,977
Office expenses	5,767	16,779	4,360	-	-	-	-	120,666
Occupancy	6,634	13,201	-	-	-	-	-	92,143
Travel	22,127	4,833	8,813	-	-	-	-	162,063
Depreciation	2,373	3,023	3,400	-	-	-	1,130	288,198
Insurance	8,407	16,571	8,570	-	-	-	-	85,578
Tools and equipment	22,062	1,656	949	-	-	-	-	27,915
Repairs and maintenance	738	3,073	1,243	-	-	-	-	85,667
Supplies	36,171	59	3,617	-	-	-	-	178,336
Other expenses	6,996	3,000	110	-	-	57	16,500	409,408
Total Expenses	<u>1,113,469</u>	<u>2,702,240</u>	<u>206,787</u>	<u>342,369</u>	<u>85,636</u>	<u>57</u>	<u>432,076</u>	<u>39,233,081</u>
Change in Net Assets	186,530	-	-	72,954	103,501	(49)	(45,655)	115,507
Net Assets, Beginning of Year	<u>8,362</u>	<u>-</u>	<u>-</u>	<u>271,654</u>	<u>467,802</u>	<u>137,418</u>	<u>353,534</u>	<u>7,126,873</u>
Net Assets, End of Year	<u>\$ 194,892</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 344,608</u>	<u>\$ 571,303</u>	<u>\$ 137,369</u>	<u>\$ 307,879</u>	<u>\$ 7,242,380</u>

See Accompanying Independent Auditor's Report.

Crawford-Sebastian Community Development Council, Inc.
Statement of Functional Expenses - River Valley Food Bank
For the Year Ended September 30, 2025

		Supporting Services		
	Program	General and	Fundraising	
	Expenses	Administrative	Expenses	Total
Assistance to individuals	\$ 28,870,122	\$ -	\$ -	\$ 28,870,122
Salaries and wages	411,813	93,452	3,414	508,679
Employee benefits	95,355	17,671	495	113,521
Payroll taxes	32,346	7,056	252	39,654
Fees for services	150,827	21,398	-	172,225
Advertising and promotion	5,039	380	-	5,419
Office expenses	68,133	5,266	-	73,399
Occupancy	9,909	19,820	-	29,729
Travel	110,386	454	-	110,840
Depreciation	180,160	-	-	180,160
Insurance	-	22,535	-	22,535
Tools and equipment	138	-	-	138
Repairs and maintenance	55,545	2,149	-	57,694
Supplies	125,867	-	-	125,867
Other expenses	256,437	1,420	99,636	357,493
Total Operating Expenses	\$ <u>30,372,077</u>	\$ <u>191,601</u>	\$ <u>103,797</u>	\$ <u>30,667,475</u>

Crawford-Sebastian Community Development Council, Inc.

Schedule of Units of Service Provided
For the Year Ended September 30, 2025

	<u>Units of Service</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	
Families obtain homes	7
Prepurchase counseling provided	141
HOME ENERGY ASSISTANCE PROGRAM	
Regular assistance applications taken	2,328
Regular assistance applications paid	2,121
Crisis assistance applications taken	2,378
Crisis assistance applications paid	2,158
RIVER VALLEY REGIONAL FOOD BANK AND OTHER FOOD ASSISTANCE	
Number of hunger agencies assisted by Food Bank	141
Families receiving commodities	104,653
WAP GRANT- WEATHERIZATION	
Houses weatherized	126

**Reports Required by *Government Auditing Standards* and
the Uniform Guidance**



**HINKLE &
COMPANY** PC
Strategic Business Advisors

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

Board of Directors
Crawford-Sebastian Community Development Council, Inc.
Fort Smith, 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, the financial statements of Crawford-Sebastian Community Development Council, Inc. (CSCDC), which comprise the statement of financial position as of September 30, 2025 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated March 23, 2026.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered CSCDC's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CSCDC's internal control. Accordingly, we do not express an opinion on the effectiveness of CSCDC'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether CSCDC'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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CSCDC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hick & Company, PC

Tulsa, Oklahoma
March 23, 2026





Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

Board of Directors
Crawford-Sebastian Community Development Council, Inc.
Fort Smith, Arkansas

Opinion on Each Major Federal Program

We have audited Crawford-Sebastian Community Development Council, Inc.'s (CSCDC's) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of CSCDC's major federal programs for the year ended September 30, 2025. CSCDC'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, CSCDC complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 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 (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 CSCDC 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 CSCDC'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 CSCDC'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 CSCDC'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 CSCDC'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 CSCDC'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 CSCDC'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 CSCDC'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 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.

Hike & Company, PC

Tulsa, Oklahoma
March 23, 2026



Crawford-Sebastian Community Development Council, Inc.
Schedule of Expenditures of Federal Awards
September 30, 2025

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
FEDERAL PROGRAMS				
U.S. Department of Health and Human Services				
<i>Arkansas Department of Human Services</i>				
Community Services Block Grant	93.569	4600055198	\$ 460,217	\$ -
<i>Arkansas Department of Energy and Environment</i>				
Low-Income Home Energy Assistance Program (LiHEAP)	93.568	2503ARLIEA/2025-AEO-07	1,384,466	-
Low-Income Home Energy Assistance Program (Weatherization)	93.568	2503ARLIEA/WAP/FY2025/AEO05	1,310,189	-
Total U.S. Department of Health and Human Services			<u>3,154,872</u>	<u>-</u>
U.S. Department of Agriculture				
Rural Self-Help Housing Technical Assistance	10.420		204,206	-
<i>Arkansas Department of Education</i>				
Emergency Food Assistance Program (Admin)	10.568		59,082	-
Emergency Food Assistance Program (Food Commodities)	10.569		1,434,093	1,434,093
Food Distribution Cluster Total			1,493,175	1,434,093
Child and Adult Care Food Program	10.558	D113, B9	704,062	578,438
Total U.S. Department of Agriculture			<u>2,401,443</u>	<u>2,012,531</u>
U.S. Department of Energy				
<i>Arkansas Department of Energy and Environment</i>				
Weatherization Assistance for Low-Income Persons	81.042	DE-EE0009889	1,113,470	-
Total U.S. Department of Energy			<u>1,113,470</u>	<u>-</u>
U.S. Department of Housing & Urban Development				
<i>Neighborhood Reinvestment Corporation</i>				
Housing Counseling Assistance Program	14.169	HC240011016	26,101	-
<i>City of Fort Smith</i>				
Community Development Block Grant (CDBG)	14.218	410724001-CS-DT	432,076	-
HOME Investment Partnership Program	14.239	G410724002-CS-DP	288,185	-
Total U.S. Department of Housing & Urban Development			<u>746,362</u>	<u>-</u>
U.S. Department of Treasury				
<i>Neighborhood Reinvestment Corporation</i>				
NeighborWorks America	21.000	8514	265,141	-
Total U.S. Department of Treasury			<u>265,141</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 7,681,288</u>	<u>\$ 2,012,531</u>

Crawford-Sebastian Community Development Council, Inc.

Notes to Schedule of Expenditures of Federal Awards

September 30, 2025

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal awards activity of Crawford-Sebastian Community Development Council, Inc. (CSCDC) under programs of the federal government for the year ended September 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 CSCDC, it is not intended to and does not present the financial position, changes in net position, or cash flows of CSCDC.

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.

Note 3: Indirect Cost Rate

CSCDC has not elected to use the 15 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance. Indirect costs are allocated among programs based on time reports and square footage.

Crawford-Sebastian Community Development Council, Inc.
Schedule of Findings and Questioned Costs
September 30, 2025

Summary of Auditor's Results

1. The opinion expressed in the independent auditor's report was:

☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimed

2. The independent auditor's report on internal control over financial reporting described:

Significant deficiencies? ☐ Yes ☒ None reported

Material weaknesses? ☐ Yes ☒ No

3. Noncompliance considered material to the financial statements was disclosed by the audit? ☐ Yes ☒ No

4. The independent auditor's report on internal control over compliance for major federal awards programs disclosed:

Significant deficiencies? ☐ Yes ☒ None reported

Material weaknesses? ☐ Yes ☒ No

5. The opinion expressed in the independent auditor's report on compliance for major federal awards was:

☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimed

6. The audit disclosed findings required to be reported by Uniform Guidance? ☐ Yes ☒ No

7. CSCDC's major program was:

<u>Cluster/Program</u>	<u>Federal Assistance Listing Number(s)</u>
Food Distribution Cluster	10.568, 10.569
Weatherization Assistance for Low-Income Persons	81.042

8. The threshold used to distinguish between Type A and Type B programs as those terms are defined in the Uniform Guidance was \$1,000,000.

9. CSCDC qualified as a low-risk auditee as that term is defined in the Uniform Guidance. ☒ Yes ☐ No

Crawford-Sebastian Community Development Council, Inc.

Schedule of Findings and Questioned Costs
September 30, 2025

Findings Required to be Reported by Government Auditing Standards

No matters are reportable.

Findings Required to be Reported by the Uniform Guidance

No matters are reportable.

Crawford-Sebastian Community Development Council, Inc.

Summary of Prior Audit Findings
September 30, 2025

Findings Required to be Reported by Government Auditing Standards

No prior year matters are reportable.

Findings Required to be Reported by the Uniform Guidance

No prior year matters are reportable.