




Arkansas Fire and Police Pension Review Board

Independent Auditor's Report and Financial Statements

December 31, 2025 and 2024



**Arkansas Fire and Police Pension Review Board
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December 31, 2025 and 2024**

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Independent Auditor's Report

Board Members
Arkansas Fire and Police Pension Review Board
Little Rock, Arkansas

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Arkansas Fire and Police Pension Review Board (PRB), as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the PRB's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Arkansas Fire and Police Pension Review Board as of December 31, 2025 and 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the years 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 (*Government Auditing Standards*). 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 the PRB, 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 opinions.

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 the PRB's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 opinions. 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 the PRB's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the PRB's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 13, 2026 on our consideration of PRB's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of PRB'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 PRB's internal control over financial reporting and compliance.

Forvis Mazars, LLP

**Little Rock, Arkansas
April 13, 2026**

**Arkansas Fire and Police Pension Review Board
Management's Discussion and Analysis
December 31, 2025 and 2024**

The management's discussion and analysis (MD&A) of the Arkansas Fire and Police Pension Review Board (hereafter referred to as the PRB) provides an overview of the financial activities for the years ended December 31, 2025 and 2024. For more detailed information regarding PRB financial activities, the reader should review the actual financial statements, including all notes.

The executive director and staff of Arkansas Local Police and Fire Retirement System (LOPFI) serve as executive director and staff for the PRB. LOPFI receives all revenue and pays all expenses for the PRB. The allocation of expenses is determined by each respective board through the use of an administrative services committee composed of members of both boards.

The basic financial statements consist of:

The *Balance Sheets* report the assets liabilities and net position at the end of the calendar year. The *Balance Sheets* are prepared on the accrual basis.

The *Statements of Revenues, Expenses, and Changes in Net Position* report the PRB's operating revenues, operating expenses, and net position at the end of the calendar year. The PRB is entitled to receive up to one percent (1%) of the total premium tax revenues for its administrative and premium tax allocation expenses. The net position, beginning of year, reflects the net position reported on the prior year's balance sheet as of the end of that fiscal year.

The *Statements of Cash Flows* show there is no cash generated by operating activities. The revenues and expenses attributable to the PRB are allocated to the PRB account on the LOPFI books. Due to this arrangement, the major asset of the PRB is a receivable from LOPFI.

The *Notes to Financial Statements* are an integral part of the PRB's financial statements and can be found on Page 10.

**Arkansas Fire and Police Pension Review Board
Management’s Discussion and Analysis
December 31, 2025 and 2024**

Summary Balance Sheets

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2025 Percent Change</u>	<u>2024 Percent Change</u>
Receivable from Arkansas Local Police and Fire Retirement System (LOPFI)	\$ 448,277	\$ 415,314	\$ 394,967	7.94%	5.15%
Total assets	<u>\$ 448,277</u>	<u>\$ 415,314</u>	<u>\$ 394,967</u>	<u>7.94%</u>	<u>5.15%</u>
Accrued expenses	\$ 9,095	\$ 2,837	\$ 6,379	220.59%	-55.53%
Total liabilities	<u>9,095</u>	<u>2,837</u>	<u>6,379</u>	<u>220.59%</u>	<u>-55.53%</u>
Total net position	<u>439,182</u>	<u>412,477</u>	<u>388,588</u>	<u>6.47%</u>	<u>6.15%</u>
Total liabilities and net position	<u>\$ 448,277</u>	<u>\$ 415,314</u>	<u>\$ 394,967</u>	<u>7.94%</u>	<u>5.15%</u>

December 31, 2025

LOPFI receives all revenue and pays all expenses for the PRB. For the year ended December 31, 2025, LOPFI paid more in PRB expenses than it received in revenue. This resulted in the receivable from LOPFI increasing by \$32,963 in 2025.

December 31, 2024

LOPFI receives all revenue and pays all expenses for the PRB. For the year ended December 31, 2024, LOPFI paid more in PRB expenses than it received in revenue. This resulted in the receivable from LOPFI increasing by \$20,347 in 2024.

**Arkansas Fire and Police Pension Review Board
Management’s Discussion and Analysis
December 31, 2025 and 2024**

Summary Statement of Revenues, Expenses, and Changes in Net Position

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2025 Percent Change</u>	<u>2024 Percent Change</u>
State Insurance Commission tax turnback – PRB operations	\$ 473,300	\$ 432,000	\$ 473,000	9.56%	-8.67%
State Insurance Commission tax turnback – UALR mapping project	-	-	131,512	0.00%	-100.00%
State Insurance Commission tax turnback – allocation report	56,000	60,000	54,000	-6.67%	11.11%
Operating revenue	<u>529,300</u>	<u>492,000</u>	<u>658,512</u>	<u>7.58%</u>	<u>-25.29%</u>
UALR mapping program	-	-	131,512	0.00%	-100.00%
Salaries	273,220	243,402	239,074	12.25%	1.81%
Actuarial expense	103,050	96,920	101,825	6.32%	-4.82%
Office supplies	29,102	26,045	16,591	11.74%	56.98%
Office equipment maintenance	26,832	31,050	57,729	-13.58%	-46.21%
Other expenses	70,391	70,694	71,737	-0.43%	-1.45%
Operating expenses	<u>502,595</u>	<u>468,111</u>	<u>618,468</u>	<u>7.37%</u>	<u>-24.31%</u>
Change in net position	<u>\$ 26,705</u>	<u>\$ 23,889</u>	<u>\$ 40,044</u>	<u>11.79%</u>	<u>-40.34%</u>

December 31, 2025

The PRB is entitled to receive a portion of insurance premium tax monies for administrative expenses, as defined in ACA § 24-11-203. Based on the 2025 budget, the PRB requested and received \$473,300 for PRB operations and \$56,000 for the premium tax allocation report during 2025.

December 31, 2024

The PRB is entitled to receive a portion of insurance premium tax monies for administrative expenses, as defined in ACA § 24-11-203. Based on the 2024 budget, the PRB requested and received \$432,000 for PRB operations and \$60,000 for the premium tax allocation report during 2024. In addition, there were no revenues or expenses for the UALR mapping project during 2024 due to a change the state law approved in the 2023 legislative session.

**Arkansas Fire and Police Pension Review Board
Balance Sheets
December 31, 2025 and 2024**

	2025	2024
ASSETS		
Receivable from Arkansas Local Police and Fire Retirement System (LOPFI)	\$ 448,277	\$ 415,314
Total Current Assets	448,277	415,314
Total Assets	\$ 448,277	\$ 415,314
LIABILITIES		
Accrued expenses	\$ 9,095	\$ 2,837
Total Current Liabilities	9,095	2,837
Total Liabilities	9,095	2,837
NET POSITION		
Net position	439,182	412,477
Total Net Position	439,182	412,477
Total Liabilities and Net Position	\$ 448,277	\$ 415,314

**Arkansas Fire and Police Pension Review Board
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended December 31, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
Operating Revenues		
State Insurance Commission tax turnback – PRB operations	\$ 473,300	\$ 432,000
State Insurance Commission tax turnback – allocation report	56,000	60,000
Total Operating Revenues	<u>529,300</u>	<u>492,000</u>
Operating Expenses		
Salaries	273,220	243,402
Office supplies	29,102	26,045
Office equipment maintenance	26,832	31,050
Postage	4,849	4,613
Telephone	23,849	23,464
Publications	1,091	971
Travel/professional/education/conference	17,534	20,192
Board supplies	716	665
Actuarial expense	103,050	96,920
Insurance	1,789	1,789
Audit fee	20,563	19,000
Total Operating Expenses	<u>502,595</u>	<u>468,111</u>
Change in Net Position	26,705	23,889
Net Position, Beginning of Year	<u>412,477</u>	<u>388,588</u>
Net Position, End of Year	<u>\$ 439,182</u>	<u>\$ 412,477</u>

**Arkansas Fire and Police Pension Review Board
Statements of Cash Flows
Years Ended December 31, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
Operating Activities		
Cash flows from operating activities	\$ -	\$ -
Noncapital Financing Activities		
Cash flows from noncapital financing activities	-	-
Capital and Related Financing Activities		
Cash flows from financing activities	-	-
Investing Activities		
Cash flows from investing activities	-	-
Change in Cash and Cash Equivalents	-	-
Cash and Cash Equivalents, Beginning of Year	-	-
Cash and Cash Equivalents, End of Year	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of Change in Net Position to Net Cash Provided by Operating Activities		
Change in net position	\$ 26,705	\$ 23,889
Adjustments to reconcile change in net assets to cash provided by operating activities		
Changes in		
Accrued expenses	6,258	(3,542)
Receivable from LOPFI	(32,963)	(20,347)
Net Cash Provided by Operating Activities	<u>\$ -</u>	<u>\$ -</u>

**Arkansas Fire and Police Pension Review Board
Notes to Financial Statements
December 31, 2025 and 2024**

Note 1. Reporting Entity and Summary of Significant Accounting Policies

The Arkansas Fire and Police Pension Review Board (PRB) was created by the State of Arkansas to establish a state pension review board for all municipal fire and police pension funds established under Act 1921, No.491, and Act 1937, No. 250, which shall oversee all requests for benefit increases and review the annual accountant's reports and annual actuarial valuations required by the enacting legislation.

Basis of Accounting

The accounting policies of the PRB have been established to conform to generally accepted accounting principles for state and local governments as promulgated by authoritative pronouncements issued by the Governmental Accounting Standards Board. The PRB is accounted for on an economic resources measurement focus using the accrual basis of accounting.

Note 2. Related-Party Transactions

The executive director and staff of Arkansas Local Police and Fire Retirement System (LOPFI) serve as executive director and staff for the PRB; LOPFI receives all revenue and pays all expenses for the PRB. The portion of revenues and expenses attributable to the PRB is allocated to the PRB account on the LOPFI books; due to this arrangement, the major asset of the PRB is a receivable from LOPFI, which amounted to \$448,277 and \$415,314 at December 31, 2025 and 2024, respectively. The allocation of expenses is determined by each respective board through the use of an administrative committee composed of members of both boards.

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

Board Members
Arkansas Fire and Police Pension Review Board
Little Rock, Arkansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Arkansas Fire and Police Pension Review Board (PRB), which comprise the PRB's balance sheet as of December 31, 2025, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 13, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the PRB'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 the PRB's internal control. Accordingly, we do not express an opinion on the effectiveness of the PRB'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the PRB'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 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 the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Forvis Mazars, LLP

**Little Rock, Arkansas
April 13, 2026**