WEST CENTRAL ARKANSAS
PLANNING AND DEVELOPMENT DISTRICT, INC.

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

06/30/2024

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FINANCIAL SECTION

Independent Auditor's Report

To the Board of Directors of
West Central Arkansas Planning and Development District, Inc.
Hot Springs, Arkansas

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of West Central Arkansas Planning and Development District, Inc. (the "District") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, 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 financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2024, 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 audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (GAS)*, 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 the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted (GAAP) 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 District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 generally accepted auditing standards (GAAS) and *Government Auditing Standards (GAS)* 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 (GAAS) and *Government Auditing Standards (GAS)*, 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 District'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 District'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 financial statements as a whole. The accompanying supplementary information section, as listed in the table of contents, including 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*, is presented for purposes of additional analysis and is 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 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 section including the schedule of expenditures of federal awards 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 (GAS)*, we have also issued our report dated March 28, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Ellis & Moore, PLLC

Hot Springs, Arkansas
March 28, 2025

BASIC FINANCIAL STATEMENTS

WEST CENTRAL ARKANSAS PLANNING AND DEVELOPMENT DISTRICT, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2024

Assets	
Current assets	
Cash	$ 1,344,410
Certificate of deposit	266,511
Receivables:	
Contracts	403,006
Grants	320,120
Miscellaneous receivable	4,125
Prepaid expenses	23,130
Total current assets	2,361,302
Property and equipment	
Leasehold improvements	249,590
Office furniture and equipment	221,401
Land	200,000
Building	800,000
Less: accumulated depreciation	(321,803)
Net property and equipment	1,149,188
Total assets	**$ 3,510,490**

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

WEST CENTRAL ARKANSAS PLANNING AND DEVELOPMENT DISTRICT, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2024

Liabilities and net assets	
Current liabilities	
Accounts payable	$ 23,804
Credit card payable	11,382
Accrued compensated absences	53,344
Accrued payroll taxes and withholdings	7,864
Accrued property taxes	8,822
Other accrued expenses	88,140
Deferred revenue	54,202
Note payable - current	30,833
Total current liabilities	278,391
Long-term liabilities	
Note payable - non-current	179,167
Total liabilities	**457,558**
Net assets	
Without donor restrictions	3,027,700
With donor restrictions	25,232
Total net assets	3,052,932
Total liabilities and net assets	**$ 3,510,490**

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

WEST CENTRAL ARKANSAS PLANNING AND DEVELOPMENT DISTRICT, INC.
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	2024
Support and revenue			
Support			
Federal funding	$ 113,499	$ 1,533,328	$ 1,646,827
State funding – Act 118	60,000	-	60,000
Local match	34,682	25,904	60,586
Donations	901,864	-	901,864
Net assets released from restrictions	8,522	(8,522)	-
Total support	1,118,567	1,550,710	2,669,277
Revenue			
County assessments	107,325	-	107,325
Grant administration fees	603,125	-	603,125
Interest income - bank	40,495	-	40,495
Miscellaneous	4,861	-	4,861
Total revenue	755,806	-	755,806
Total support and revenue	**1,874,373**	**1,550,710**	**3,425,083**
Expenses			
Program services			
Grant administration contracts	231,761	-	231,761
EDA planning grant	93,210	-	93,210
EPA brownfield	7,677	-	7,677
Health and human services	380	-	380
Tri-Lakes MPO grant	-	97,477	97,477
Southwest central regional solid waste admin contract	42,023	-	42,023
Workforce innovation and opportunity act grants	-	1,190,564	1,190,564
Total program services	375,051	1,288,041	1,663,092
Support services			
General/administrative	231,779	267,545	499,324
Total operating expenses	**606,830**	**1,555,586**	**2,162,416**
Changes in net assets	1,267,543	(4,876)	1,262,667
Net assets - July 1, 2023	1,760,157	30,108	1,790,265
Net assets - June 30, 2024	**$ 3,027,700**	**$ 25,232**	**$ 3,052,932**

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

WEST CENTRAL ARKANSAS PLANNING AND DEVELOPMENT DISTRICT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2024

	EDA Planning	Admin Contracts	Solid Waste	MPO Tri-Lakes	EPA Brownfield	WIOA Grants	Health & Human Services	Total Program Services	Local/ Gen Admin	Total Functional Expenses
Salaries	$ 54,929	$ 176,471	$ 32,611	$ 76,828	$ 5,903	$ 580,135	$ 286	$ 927,163	$ 175,755	1,102,918
Employee benefits	16,780	46,594	7,730	17,412	1,501	169,995	-	260,012	50,118	310,130
Furniture & equip purchases	350	-	217	-	-	5,835	94	6,496	(3,499)	2,997
Consulting services	-	-	-	-	-	-	-	-	62	62
Insurance	-	-	-	-	-	-	-	-	33,905	33,905
Maintenance and repair	478	132	173	1,022	-	1,845	-	3,650	16,954	20,604
Meeting expense	2,710	1,643	-	-	-	6,287	-	10,640	9,002	19,642
Contract service	-	-	-	-	-	78,475	-	78,475	531	79,006
Membership dues	5,415	-	-	1,209	-	2,925	-	9,549	6,385	15,934
Office expense	24	-	627	539	273	793	-	2,256	2,190	4,446
Professional fees	-	-	-	-	-	-	-	-	36,454	36,454
Rent expense	145	440	217	-	-	10,496	-	11,298	32,098	43,396
Interest expense	-	-	-	-	-	-	-	-	12,322	12,322
Depreciation	-	-	-	-	-	-	-	-	39,269	39,269
Supplies	67	769	323	163	-	6,124	-	7,446	11,757	19,203
Telephone	1,272	992	23	304	-	4,377	-	6,968	2,970	9,938
Travel	11,040	4,720	102	-	-	25,933	-	41,795	7,963	49,758
Utilities	-	-	-	-	-	5,810	-	5,810	17,368	23,178
Housing/vehicle expense	-	-	-	-	-	50,813	-	50,813	-	50,813
Real estate expense	-	-	-	-	-	-	-	-	13,037	13,037
Participant costs	-	-	-	-	-	240,721	-	240,721	-	240,721
Local match	-	-	-	-	-	-	-	-	34,683	34,683
Total before allocated cost pool	93,210	231,761	42,023	97,477	7,677	1,190,564	380	1,663,092	499,324	2,162,416
Allocation of ACP	22,397	71,846	13,278	31,364	2,404	236,181	114	377,584	(377,584)	-
Total expenses	**$ 115,607**	**$ 303,607**	**$ 55,301**	**$ 128,841**	**$ 10,081**	**$ 1,426,745**	**$ 494**	**$ 2,040,676**	**$ 121,740**	**$ 2,162,416**

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

WEST CENTRAL ARKANSAS PLANNING AND DEVELOPMENT DISTRICT, INC.
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2024

Operating activities	
Change in net assets	$ 1,262,667
Items not requiring (providing) cash:	
Depreciation	39,269
Changes in:	
Contracts receivable	(235,191)
Grants receivable	(66,349)
Member counties receivable	(4,987)
Prepaid expenses	(4,402)
Accounts payable	16,189
Various accruals	(13,751)
Defered revenue	(421)
Net cash provided by operating activities	**993,024**
Investing activities	
Purchase of property and equipment	(1,014,655)
Proceeds from investments	(11,144)
Net cash used in investing activities	**(1,025,799)**
Financing activities	
Proceeds from note payable	210,000
Net cash provided by financing activities	**210,000**
Increase in cash	177,225
Cash and cash equivalents, beginning of year	1,167,185
Cash and cash equivalents, end of year	**$ 1,344,410**
Supplemental cash flow information:	
Taxes paid	**$ -**
Interest paid	**$ 12,322**

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Organization

West Central Arkansas Planning and Development District, Inc. (the "District") is a nonprofit organization incorporated under the Arkansas Nonprofit Corporation Act. The District was formed in 1970 to advance and improve the economic, commercial, educational, civic, social, general business opportunity and growth in a ten-county region of West Central Arkansas and for the improvement and location of highway facilities, public recreation facilities, public health, and sanitation facilities. The ten-county region includes Clark, Conway, Garland, Johnson, Hot Springs, Montgomery, Perry, Pike, Pope, and Yell counties.

B. Estimates

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

C. Basis of Accounting

The District uses the full-accrual basis of accounting in all material respects. Under the full-accrual basis, gross revenue is recorded as due; and expenses are recognized when incurred. Under the government assistance programs, revenue is generally recognized as allowable program expenses are incurred. Revenue from government assistance programs not recognized in the current period is deferred to the subsequent and continuing-program periods.

D. Fair Values

Generally accepted accounting principles (GAAP) require disclosure of an estimate of fair value of certain financial instruments. The District's significant financial instruments are cash, certificate of deposit, accounts receivable and other short-term assets and liabilities for which the carrying value approximates fair values because of their short maturities.

E. Separate Bank Accounts

As required by certain grant agreements, the District follows all procedures to segregate funds.

F. Net Assets

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the District and changes therein are classified as follows:

<u>Net Assets Without Donor Restrictions.</u> These net assets are not subject to donor-imposed stipulations. The assets are available for general obligations to the District. This also includes assets previously restricted where restrictions have expired or been met.

<u>Net Assets With Donor Restrictions.</u> Assets subject to usage limitation based on donor-imposed restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by the actions of the District. Certain restrictions may need to be maintained in perpetuity.

G. Receivables

Receivables include amounts currently due from various agencies for grant funds, contracts, and fees requested at June 30, 2024. Under the FASB ASC 326-20 requirement, which went into effect for entities with years beginning after December 15, 2022, there is no material impact on how the District recognizes bad debts. No allowance for credit losses has been provided, as management has evaluated the accounts and believes they are all collectible. The District will continue to evaluate the allowance based on historical loss percentages and future anticipated losses in conformity with ASC 326-20 guidelines. As of June 30, 2024, and 2023, the accounts receivable balances were $727,767 and $421,610, respectively.

H. Revenue Recognition

The Financial Accounting Standard Board (FASB) issued guidance that created Topic 606, Revenue from Contracts with Customers, in the Accounting Standard Codification (ASC). Topic 606 superseded the revenue recognition requirements in FASB ASC 605, Revenue Recognition and the District adopted the standard as of July 1, 2021, using the modified retrospective approach.

Grants

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

1. **Grant Awards That Are Contributions**

   Grants that qualify as contributions are recorded as invoiced to the funding sources in accordance with the terms of the award. Revenue is recognized in the accounting period when the related expenses are incurred. Amounts received or receivable in excess of expenses are reflected as refundable advance liability.

2. **Grant Awards That Are Exchange Transactions**

   Exchange transactions are reimbursed based on a predetermined rate for services performed in accordance with the terms of the award. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the District expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability. The District has no grant awards that are exchange transactions.

Revenue from Contracts with Customers

Management fees - The District has contracts to provide grant management to various economic development administration and community service block grant projects in the local area. Grant management fees are recognized over time as the performance obligation is satisfied. The District believes that this method provides a faithful depiction of the transfer of service over the allocation of the contract. The transaction price does not include any price concessions. The District determined that there were no services provided without a contract in place and, therefore, has no expected adjustment to revenue.

Member Dues - The district receives dues from counties and cities that are part of their district. The dues collected are for the calendar year. Historically dues for the calendar year are collected in full. The District calculates a deferred revenue at fiscal year-end to reflect this deferred portion of the annual dues. At June 30, 2024, deferred revenue liability was $54,202.

I. Property and Equipment

All property and equipment acquired by the District are recorded at cost. The District follows the practice of capitalizing all expenditures for property and equipment that have a useful life of more than one year and a cost greater than $500. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, generally as follows:

Buildings	40 years
Leasehold Improvements	20 years
Furniture and Equipment	5 years

Depreciation expense for the year ended June 30, 2024, was $39,269.

The District uses property and equipment in its operations, which is owned by the Department of Labor. This equipment is used in the Workforce Innovation and Opportunity Act (WIOA) programs. This equipment is not leased and is needed to fulfill the requirements of grants. The equipment has been paid for with funds from these grants and therefore is shown in the Program Status Reports accompanying the financial statements.

J. Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services based on payroll expense. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the District.

K. Income Taxes

As a nonprofit organization described in Section 501(c)(3) of the Internal Revenue Code, the District is exempt from income taxes. However, it is subject to federal income tax on any unrelated business taxable income. The District's Forms 990, *Return of Organization Exempt from Income Tax,* for the previous three years are subject to examination by the Internal Revenue Service, generally for three years after they are filed.

L. Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

M. Recent Accounting Pronouncements

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Material financial assets held by the district that are subject to the guidance in FASB ASC 326 were trade accounts receivable. The District adopted the standard effective July 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

N. Date of Management Review (Subsequent Events)

The District did not have any subsequent events through March 28, 2025, which is the date the financial statements were available to be issued.

NOTE 2 - CERTIFICATE OF DEPOSIT

During the year ended June 30, 2024, the District held a certificate of deposit with Bank OZK for $266,511 with an interest rate of 5.17% that matures December 22, 2024. This is over FDIC insurance limit by $16,511.

NOTE 3 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The District's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Financial assets at year end	
Cash	$ 1,344,410
Certificate of deposit	266,511
Receivables	727,767
Financial assets available to meet general expenditures within one year	$ 2,338,688

In the normal course of operations, the District has certain donor-restricted assets limited to use that are available for general expenditures within one year. Accordingly, these assets have been included in the qualitative information above for financial assets to meet general expenditures within one year.

As part of the District's liquidity management, it has a policy to structure its financial assets to be available as general expenditures, liabilities and other obligations come due.

NOTE 4 – CONCENTRATIONS

Deposits

The District's accounts with financial institutions are insured by Federal Deposit Insurance Corporation (FDIC) up to $250,000 at each institution. At June 30, 2024, the balances in excess of FDIC coverage were $1,152,632 which were collateralized with securities held by or for the pledging institution but not in the District's name. Total fair market value of collateral pledged equals $1,624,535. At June 30, 2024, the District had the following cash balances before uncleared reconciling items:

Bank of the Ozarks	$ 1,402,632
Petty cash	500
Total	$ 1,403,132

The amounts above exclude the certificate of deposit located in Note 2.

Federal/State Grants

The District is economically dependent on government grants and programs. During the fiscal year ended June 30, 2024, roughly 50% of the District's revenues were provided by these services.

NOTE 5 - ADMINISTRATIVE CONTRACTS

The District has entered into agreements and contracts with several cities, counties and schools to administer various grants. The following, major (over $20,000) remaining contracts were in effect at June 30, 2024:

Date	Grantee	Remaining Contract	Project Description
2020	Conway County	65,000	Levee District 6 EDA
2020	Conway County	35,000	Hazard Mitigation Plan Update
2020	Desha County	32,255	Property Acquisition ADEM
2022	U of A Morrilton	65,000	Economic Development Admin
2022	Clark County	40,000	HMU-BRIC* FEMA
2022	Hot Spring County	40,000	HMU-BRIC* FEMA
2022	Johnson County	40,000	HMU-BRIC* FEMA
2022	Montgomery County	40,000	HMU-BRIC* FEMA
2022	Garland County	65,000	Southwest Trail
2022	Perry County	40,000	HMU-BRIC* FEMA
2023	Danville	40,000	Sherriff Department Safe Room
2023	Johnson County	120,469	Forester Davis #2

*Building Resilient Infrastructure and Communities (BRIC) supports states, local communities, tribes, and territories as they undertake hazard mitigation projects, reducing the risks they face from disasters and natural hazards.

NOTE 6 - WORKFORCE-INNOVATION AND OPPROTUNITY ACT PROGRAMS

The District serves as grant recipient, administrative entity, and one fiscal entity for the Workforce-Innovation and Opportunity Act programs (WIOA). These programs are under the Employment and Training Administration an agency within the U. S. Department of Labor. These funds can be used for workforce investment activities that increase the employment, retention and earnings of participants and increase occupational skill attainment by the participants. These programs are designed to increase employment and are for low-income adults, youths between 14 and 24 and dislocated workers. They provide core services that include outreach, job search and placement assistance, labor market information and intensive services, which include more comprehensive assessments, development of individual employment plans, counseling and career planning and training services linked to job opportunities in communities, including occupational training and training in basic skills. It also provides supportive services such as transportation and childcare assistance. Total expenditures for the WIOA programs for the year ended June 30, 2024, were $1,425,245.

NOTE 7 – LOAN ASSUMPTION AGREEMENT

On April 9, 2009, the District purchased a building for $263,423, at 1000 Central Avenue in Hot Springs, Arkansas, and obtained a construction loan for $450,000, from First National Bank with a maturity date of January 9, 2010, for the purchase of the building and major renovations. At the June 2009 board meeting, the District's board approved resolution #01-19 authorizing the transfer of this building and construction loan to West Central Arkansas Economic Development Services, Inc. (EDS), a nonprofit corporation.

During the September 18, 2014 board meeting, the District's board approved resolution #03-14 that authorized the purchase of real property for the purpose of adding parking space for the District and transfer of said property to West Central Arkansas Economic Development Services, Inc. (EDS).

The District had an agreement with EDS for the building and parking lot at 1000 Central Avenue, Hot Springs, Arkansas. Arkansas Development Finance Authority (ADFA) approved EDS for a bond issuance of $550,000. The borrowers are EDS (primary) and the District (guarantor). Under the bond provisions, the District must submit annually its audit to ADFA, and EDS must submit a copy of its Form 990 to be compliant.

On October 6, 2023, the District signed a loan assumption agreement to take the remainder of the $550,000 loan from EDS. The principal balance remaining was $232,500 at the time of signing. EDS continued making payments through January 25, 2024, and the District took over payments on the remaining $222,500 principal from this date. See note 9 – In-Kind Contribution, for more details.

NOTE 8 – IN-KIND CONTRIBUTION

During the year under audit the District terminated the above mentioned lease agreement and assumed the loan remaining on the property, taking ownership of the land and building. On February 1, 2024, the District had an opinion of price appraised for the building and lot located at 1000 Central Avenue at $1,000,000. Of this, 20% was allocated to land and 80% to the value of the building. To record the purchase, the land was capitalized at $200,000, the building was capitalized at $800,000, and $222,500 was attributable to the remaining loan principal that date the District took over payments on the property. The remaining $777,500 is recorded as an in-kind contribution and will be expensed through the statement of activities over 40 years through depreciation on the building, allocated to the administrative cost pool.

NOTE 9 – NOTE PAYABLE

The District's long term debt consists of the note payable to Regions for their main building. The note is payable in monthly installments of varying amounts including interest, with interest rates ranging from 4.10% - 4.90%. For the year ended June 30, 2024, interest was 4.10%, through May 1, 2024, and increased to 4.50% through year end. The debt matures on April 25, 2030, and has a remaining balance of $210,000 at June 30, 2024. For the year ended the current and long-term portion of the note are as follows:

Current Portion	$30,833
Long-Term Portion	179,167
Total	**$210,000**

Principal payments maturing on the note is as follows:

2025	$30,833
2026	35,000
2027	35,000
2028	35,833
2029	40,000
2030	33,334
Total	**$210,000**

NOTE 10 - RETIREMENT PLAN

Under the plan, the District pays up to eight percent of an employee's compensation into the plan. The employees must contribute a minimum of two percent of compensation to the plan. The District's contribution to the plan was $68,153 for the year ended June 30, 2024.

NOTE 11 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following:

Workforce Innovation and Opportunity Act	$ 23,876
Tri-Lakes Metropolitan Planning Organization	1,356
Total Net Assets with Donor Restrictions	$ 25,232

NOTE 12 – CONTINGENT LIABILITY (ADWS LITIGATION)

The Arkansas Department of Workforce Services (ADWS), during the course of their annual monitoring for fiscal year ending June 30, 2022, asserted the lease between the District and West Central Arkansas Economic Development Services "EDS" was "less-than-arm's length," which would limit the amount of rent allocable to the Workforce Innovation and Opportunity Act Grants to actual costs incurred by EDS. The District refutes the "less-than-arm's length" assertion and holds that the allocation of rent was appropriate. The District as of June 30, 2024, had exhausted all avenues to dispute the "less-than-arm's length" assertion by ADWS, and has accrued a balance of $84,956 to cover the amount they have calculated will be due back to ADWS. The amounts were accrued as of:

June 30, 2022	$40,000
June 30, 2023	44,956
June 30, 2024	0
Total	$84,956

SUPPLEMENTARY INFORMATION SECTION

WEST CENTRAL ARKANSAS PLANNING AND DEVELOPMENT DISTRICT, INC.
PROGRAM STATUS REPORT
EDA PLANNING GRANT
For the Year Ended June 30, 2024

	2024
Revenue	
EDA	$ 80,925
Local matching revenue	34,682
Total revenue	115,607
Expenditures	
Salaries	54,929
Employee benefits	16,780
Furniture and equipment purchases	350
Maintenance and repair	478
Meeting expense	2,710
Membership dues	5,415
Office expense	24
Rent expense	145
Supplies	67
Telephone	1,272
Travel	11,040
Allocation of ACP	22,397
Total expenditures	115,607
Excess revenue over expenditures	**$ -**

See independent auditor's report.

WEST CENTRAL ARKANSAS PLANNING AND DEVELOPMENT DISTRICT, INC.
PROGRAM STATUS REPORT
TRI-LAKES METROPOLITAN PLANNING ORGANIZATION GRANT
For the Year Ended June 30, 2024

	Budget	Actual Current Period
Revenue		
Federal	$ 141,207	$ 103,615
State and local matching funds	35,301	25,904
Total revenue	176,508	129,519
Expenditures		
Program support and admin	52,953	43,336
General development and comp planning	44,127	26,794
Long range planning	26,476	16,908
Short range planning	26,476	18,540
Transportation improvement program	26,476	23,941
Total expenditures	176,508	129,519
Excess revenue over expenditures	**$ -**	**$ -**

See independent auditor's report.

WEST CENTRAL ARKANSAS PLANNING AND DEVELOPMENT DISTRICT, INC.
PROGRAM STATUS REPORT
GRANT ADMINISTRATION CONTRACTS
For the Year Ended June 30, 2024

	2024
Revenue	
Administrative contract fees	$ 544,907
Expenditures	
Salaries	176,471
Employee benefits	46,594
Furniture and equipment purchases	2,774
Maintenance and repair	132
Meeting expense	1,643
Rent expense	440
Supplies	769
Telephone	992
Travel	4,720
Allocation of ACP	71,846
Total expenditures	306,381
Excess revenue over expenditures	**$ 238,526**

See independent auditor's report.

WEST CENTRAL ARKANSAS PLANNING AND DEVELOPMENT DISTRICT, INC.
PROGRAM STATUS REPORT
WORKFORCE INNOVATION AND OPPORTUNITY ACT GRANTS
For the Year Ended June 30, 2024

	Program Year 2022			Program Year 2023			
	Adult	**DLW**	**Youth**	**Adult**	**DLW**	**Youth**	**Total**
Revenue	$ 397,719	$ 183,054	$ 399,928	$ 348,676	$ 26,135	$ 74,201	$ 1,429,713
Expenditures							
Salaries	148,257	98,627	177,795	120,363	7,266	27,827	580,135
Employee benefits	41,472	26,336	49,799	39,050	2,966	10,372	169,995
Furniture and equip purchases	2,122	498	1,486	1,159	570	-	5,835
Maintenance and repair	597	315	523	266	37	107	1,845
Meeting expense	2,072	1,008	2,887	478	124	(282)	6,287
Contract service	26,496	7,239	25,915	11,442	1,787	5,596	78,475
Membership dues	1,449	326	1,150	-	-	-	2,925
Office expense	241	29	229	35	198	61	793
Rent expense	338	3,051	2,552	3,964	322	269	10,496
Supplies	1,927	991	1,784	1,070	138	214	6,124
Telephone	1,355	697	1,306	700	120	199	4,377
Travel	5,970	3,324	5,460	5,003	1,233	4,943	25,933
Utilities	1,120	990	1,410	1,924	169	197	5,810
Vehicle expense	31,880	738	-	18,195	-	-	50,813
Participant costs	82,127	4,158	59,929	85,893	-	8,614	240,721
Allocation of ACP	50,296	34,727	67,703	59,134	8,237	16,084	236,181
Total expenditures	397,719	183,054	399,928	348,676	23,167	74,201	$ 1,426,745
Excess revenue over expenditures	**$ -**	**$ -**	**$ -**	**$ -**	**$ 2,968**	**$ -**	**$ 2,968**

See independent auditor's report.

WEST CENTRAL ARKANSAS PLANNING AND DEVELOPMENT DISTRICT, INC.
PROGRAM STATUS REPORT
SOUTHWEST CENTRAL REGIONAL SOLID WASTE ADMIN CONTRACT
For the Year Ended June 30, 2024

		2024
Revenue		
Administrative contract fees	$	56,499
Expenditures		
Salaries		32,611
Employee benefits		7,730
Furniture and equipment purchases		1,415
Maintenance and repair		173
Office expense		627
Rent expense		217
Supplies		323
Telephone		23
Travel		102
Allocation of ACP		13,278
Total expenditures		56,499
Excess revenue over expenditures	**$**	**-**

See independent auditor's report.

WEST CENTRAL ARKANSAS PLANNING AND DEVELOPMENT DISTRICT, INC.
PROGRAM STATUS REPORT
EPA BROWNFIELD
For the Year Ended June 30, 2024

	2024
Revenue	
Grant revenue	$ 10,081
Expenditures	
Salaries	5,903
Employee benefits	1,501
Office expense	273
Allocation of ACP	2,404
Total expenditures	10,081
Excess revenue over expenditures	**$ -**

See independent auditor's report.

WEST CENTRAL ARKANSAS PLANNING AND DEVELOPMENT DISTRICT, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2024

Federal grantor/pass-through grantor/program title	Federal Assistance Listing No.	Program or Award Amount	Expenditures
U.S. Department of Labor - WIOA Cluster			
Passed Through Arkansas Department of Workforce Services			
Adult Program (05-P22-Adult-71)	17.258	$ 8,754	$ 8,754
Adult Program (05-F23-Adult-71)	17.258	388,966	388,966
Adult Program (05-P23-Adult-71)	17.258	80,756	80,756
Adult Program (05-F24-Adult-71)	17.258	267,919	267,919
Total Adult Program		746,395	746,395
Youth Program (05-P22-Youth-71)	17.259	399,928	399,928
Youth Program (05-P23-Youth-71)	17.259	74,201	74,201
Total Youth Program		474,129	474,129
Dislocated Workers (05-P22-DLW-71)	17.278	7,430	7,430
Dislocated Workers (05-F23-DLW-71)	17.278	175,624	175,624
Dislocated Workers (05-P23-DLW-71)	17.278	15,024	12,056
Dislocated Workers (05-F24-DLW-71)	17.278	11,111	11,111
Total Dislocated Workers Program		209,189	206,221
Total U.S. Department of Labor - WIOA Cluster		**1,429,713**	**1,426,745**
U.S. Department of Transportation			
Passed Through Arkansas Department of Transportation			
Tri-Lakes Metropolitan Planning Organization (AR-81-X026)	20.505	103,615	103,615
U.S. Department of Commerce			
EDA Planning Grant (ED23AIS3020002)	11.302	80,925	80,925
U.S. Environmental Protection Agency			
Brownsfield Assessment Grant (02F44501)	66.818	10,081	10,081
Total Federal Awards, Receipts, and Expenditures		**$ 1,624,334**	**$ 1,621,366**

See independent auditor's report.

WEST CENTRAL ARKANSAS PLANNING AND DEVELOPMENT DISTRICT, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2024

NOTE 1 - 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance),* wherein certain types of expenditures are not allowable or are limited to reimbursement.

NOTE 2 - BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards includes the federal award grant activities of the District and is presented on the accrual basis of accounting. The information in the 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 the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

NOTE 3 - MATCHING REQUIREMENTS

Certain federal programs require the District to contribute non-federal funds (matching funds) to support the federally funded programs. The District has met its matching requirements. The schedule does not include the expenditures of non-federal matching funds.

NOTE 4 - FEDERAL INDIRECT RATE

The District has elected not to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.

COMPLIANCE SCHEDULES AND REPORTS SECTION

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*

To the Board of Directors of
West Central Arkansas Planning and Development District, Inc.
Hot Springs, 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 West Central Arkansas Planning and Development District, Inc. ("the District")(a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 28, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District'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.

Ellis & Moore, PLLC

Hot Springs, Arkansas
March 28, 2025

Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Board Directors of
West Central Arkansas Planning and Development District, Inc.
Hot Springs, Arkansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited West Central Arkansas Planning and Development District, Inc.'s (the "District") 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 the District's major federal programs for the year ended June 30, 2024. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District 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 the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District'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 the District'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 the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District'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.

Ellis & Moore, PLLC

Hot Springs, Arkansas
March 28, 2025

WEST CENTRAL ARKANSAS PLANNING AND DEVELOPMENT DISTRICT, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified			
Internal control over financial reporting:				
Material weaknesses identified?		yes	X	no
Significant deficiencies identified?		yes	X	none reported
Noncompliance material to financial statements noted?		yes	X	no

Federal Awards

Internal control over major programs:				
Material weaknesses identified?		yes	X	no
Significant deficiencies identified?		yes	X	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)		yes	X	no

Identification of major programs:

ALN	Name of Federal Program or Cluster:
17.258	WIOA Adult Program
17.259	WIOA Youth Activities
17.278	WIOA Dislocated Worker

Dollar threshold used to distinguish between Type A and B programs:	$ 750,000			
Auditee qualified as low-risk auditee?		yes	X	no

Section II - Findings - Financial Statement Findings:

No current year audit findings reported.

Section III - Federal Award Findings and Questioned Costs

No current year audit findings reported.

WEST CENTRAL ARKANSAS PLANNING AND DEVELOPMENT DISTRICT, INC.
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2024

A. Findings – Financial Statement Audit:

There were none reported.

B. Federal Awards Findings and Questioned Costs

There were none reported.