

EAST ARKANSAS REGIONAL SOLID WASTE
MANAGEMENT DISTRICT
FINANCIAL STATEMENTS
(AUDITED)
JUNE 30, 2023

MEYER & WARD, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 1045
WYNNE, ARKANSAS 72396
PHONE 870-238-7971, FAX 870-238-7972

EAST ARKANSAS REGIONAL SOLID WASTE MANAGEMENT DISTRICT

TABLE OF CONTENTS

Independent Auditor's Report	1 -3
Statement of Net Position	4
Statement of Revenues, Expenses, and Changes in Net Position	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 9
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	10-11

Meyer & Ward, P.A.
Certified Public Accountants
P.O. Box 1045
Wynne, AR 72396

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
East Arkansas Regional Solid Waste Management District
Jonesboro, Arkansas 72403

Opinion

We have audited the accompanying financial statements of the business-type activities of East Arkansas Regional Solid Waste Management District which comprise the statement of financial position as of June 30, 2023, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of East Arkansas Regional Solid Waste Management District as of June 30, 2023 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 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 East Arkansas Regional Solid Waste Management 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 East Arkansas Regional Solid Waste Management District's ability to continue as a going concern for one year after the date the financial statements are available to be issued, 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements of the financial statements, whether due to fraud or error, and design and perform the 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 of the effectiveness of the East Arkansas Regional Solid Waste Management 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Entity's ability to continue as a going concern for a reasonable period of time.

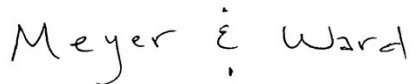
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control- related matters that we identified during the audit.

Supplementary Information

Management has omitted the management, discussion, and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2023, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Meyer & Ward". The signature is written in a cursive, slightly informal style.

Meyer & Ward, P.A.
Certified Public Accountants
Wynne, Arkansas 72396

November 30, 2023

EAST ARKANSAS REGIONAL SOLID WASTE MANAGEMENT DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS

Current Assets:

Cash	\$ 1,216,835
Accounts receivable- Related Parties	<u>69,392</u>
Total Current Assets	<u>1,286,227</u>

Property and Equipment:

Equipment	145,165
Less - accumulated depreciation	<u>(111,895)</u>
Net Property and Equipment	<u>33,270</u>
TOTAL ASSETS	<u>\$ 1,319,497</u>

LIABILITIES AND NET POSITION

Current Liabilities:

Accounts payable	<u>\$ 4,473</u>
Total Current Liabilities	<u>4,473</u>

Net Position

Invested in capital assets, net of related debt	33,270
Unrestricted	<u>1,281,754</u>
Total Net Position	<u>1,315,024</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 1,319,497</u>

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

**EAST ARKANSAS REGIONAL SOLID WASTE MANAGEMENT DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
JUNE 30, 2023**

Revenues:

Grants	\$ 196,233
Program Revenue	251,926
Other revenue	28,133
Interest Revenue	7,823
Total Revenues	<u>484,115</u>

Expenses:

Salaries and Payroll Tax	149,536
Employee Benefits	31,149
Recycling Services	27,639
Depreciation	18,878
Travel	70,798
Supplies	19,738
Contract services	1,200
Miscellaneous	2,224
Dues and Registration	3,570
Legal Fees	13,008
Accounting & Auditing	12,855
Insurance	16,954
Education & Training	265
Repairs	2,257
Telephone	697
Board Expense	140
Utilities	37,672
	<u>408,580</u>

Increase (Decrease) in Net Position	75,535
Beginning Net Position	<u>1,239,489</u>
Ending Net Position	<u><u>\$ 1,315,024</u></u>

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

EAST ARKANSAS REGIONAL SOLID WASTE MANAGEMENT DISTRICT
STATEMENT OF CASH FLOWS
JUNE 30, 2023

Cash flows from operating activities

Receipts from Grants and Contracts	\$ 476,292
Payments to suppliers	(246,519)
Interest Income	7,822
Payments to employees	(149,536)
Net Cash provided by operating activities	<u>88,059</u>

Cash flows from non-capital financing activities

Transfers to related parties	<u>(69,392)</u>
------------------------------	-----------------

Cash flows from capital and related financing activities

Purchase of property and equipment	<u>(14,829)</u>
------------------------------------	-----------------

Cash flows from investing activities

	<u>-</u>
--	----------

Net increase (decrease) in cash and cash equivalents	3,838
Cash and Cash equivalents - beginning of year	<u>1,212,997</u>
Cash and Cash equivalents - end of year	<u><u>\$ 1,216,835</u></u>

Reconciliation of change in net position to
net cash provided by operating activities

Increase in net position	\$ 75,535
Depreciation	18,878
(Increase) Decrease In Accounts Receivable Related Parties	-
Increase (Decrease) in :	
Accounts Payable	<u>(6,354)</u>
Net Cash Provided (used) by Operating Activities	<u><u>\$ 88,059</u></u>

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

EAST ARKANSAS REGIONAL SOLID WASTE MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Entity and Activities

East Arkansas Regional Solid Waste Management District was created pursuant to Act 870 of 1989 and the applicable laws of the State of Arkansas to protect the public health and the state's environmental quality through the development and maintenance of a solid waste district in east Arkansas.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation

East Arkansas Regional Solid Waste Management District prepares its financial statements in accordance with generally accepted accounting principles. The accrual basis of accounting is used for financial reporting purposes.

Cash Equivalents

Cash and cash equivalents include the Entity's checking and savings. Certificates of deposit and restricted cash are not considered to be cash equivalents.

Building and equipment

Buildings and equipment are recorded at historical cost. Depreciation is provided for in amounts sufficient to relate the cost of the depreciable assets to operations over their estimated useful service lives using the straight line method. Service lives of buildings are fifty years and equipment service lives (including furniture, office machines, etc.) range from seven to fifteen years.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from these estimates

EAST ARKANSAS REGIONAL SOLID WASTE MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE B – CASH (UNRESTRICTED AND RESTRICTED)

Cash in restricted funds is restricted by outside agencies and/or agreements. Unrestricted funds are those which the District has complete control and discretion. In some instances, the District is required to hold restricted cash in separate accounts. Cash from restricted funds is not available for general expenditures and is restricted externally or by agreement for specific purposes.

NOTE C – PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows:

	Cost	Accumulated Depreciation
Equipment	<u>\$ 145,165</u>	<u>\$ 111,895</u>
Total	<u><u>\$ 145,165</u></u>	<u><u>\$ 111,895</u></u>

Depreciation for the year ended June 30, 2023 was \$ 18,878 .

NOTE D – COMPENSATED ABSENCES

The Entity accrues vacation time on the same fiscal year as the accounting fiscal year. The Entity's policy is to not substitute pay for annual leave and any vacation time must be used prior to the end of the fiscal year. Sick pay accumulates, but does not vest. Pay for unused sick leave is not granted upon termination.

NOTE E – CONCENTRATION OF CREDIT RISK

The District's financial instruments that potentially subject the District to concentration of credit risk consist principally of cash in banks.

The District maintains bank accounts in an area financial institution located in Jonesboro, Arkansas.

The District's bank balance of cash deposits and investments are classified in three categories of risk:

- 1) Insured or collateralized with securities held by the Entity or by its agent in the Entity's name.
- 2) Collateralized with securities held by the pledging financial institution's trust department or agent in the Entity's name.
- 3) Uncollateralized

EAST ARKANSAS REGIONAL SOLID WASTE MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

NOTE E – CONCENTRATION OF CREDIT RISK – cont’d

	CATEGORY		
Total	1	2	3
\$ 1,216,835	\$ 250,000	\$ -	\$ 966,835

NOTE F- RETIREMENT PLAN

The Entity has a SIMPLE IRA retirement plan. Any employee who has attained age 21 and has completed one year of service is eligible to participate. For year ended June 30, 2023 total retirement plan expenses were \$ 4,476.

NOTE G – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of this report. No events were noted that require disclosure.

NOTE H – RELATED PARTY TRANSACTIONS

East Arkansas Planning and Development District (EAPDD) is an Arkansas nonprofit corporation. EAPDD is considered to be a related party due to common board members. EAPDD provides all administrative services to the East Arkansas Regional Solid Waste Management District. For the year ended June 30, 2023 the cost of these services was \$ 107,927. At year end, the East Arkansas Regional Solid Waste Management District had an account receivable from the district of \$ 69,392.

MEYER & WARD, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 1045
WYNNE, AR 72396

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
East Arkansas Regional Solid Waste Management District
Jonesboro, AR

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 East Arkansas Regional Solid Waste Management District (a nonprofit corporation), which comprise the statement of financial position as of June 30, 2023, and the related statements of revenues, expenses and changes in financial position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 30, 2023.

Internal Control over Financial Reporting

In planning and performing our audit, we considered East Arkansas Regional Solid Waste Management District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of the internal control. Accordingly, we do not express an opinion on the effectiveness of the East Arkansas Regional Solid Waste Management 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters:

As part of obtaining reasonable assurance about whether East Arkansas Regional Solid Waste Management District's financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of 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.

Meyer & Ward

Meyer & Ward, P.A.
Certified Public Accountants
Wynne, Arkansas 72396

November 30, 2023