

**Southwest Central Regional  
Solid Waste Management District**

**Financial Statements  
and  
Supplementary Information  
December 31, 2024**

**(With Independent Auditor's Reports Thereon)**

# Southwest Central Regional Solid Waste Management District

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## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
Southwest Central Regional Solid Waste Management District  
Hot Springs, Arkansas

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of the governmental activities and the business-type activities of **Southwest Central Regional Solid Waste Management District** (the District) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the District, as of December 31, 2024, and the changes in financial position and cash flows thereof 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*, 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.

#### *Emphasis of Matter*

As discussed in Note 1 to the financial statements, certain beginning balances have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

#### *Responsibilities of Management for the Financial Statements*

The District's 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 District's ability to continue as a going concern for twelve 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and budgetary comparison information on pages 5 through 7 and 21 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 the 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

The Board of Directors  
Southwest Central Regional Solid Waste Management District

***Required Supplementary Information (Continued)***

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.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The schedule of governmental assistance – cash basis, as required by the State of Arkansas, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of governmental assistance – cash basis is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of governmental assistance – cash basis is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 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 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.

A handwritten signature in cursive script that reads "Landmark PLC".

Little Rock, Arkansas  
September 17, 2025

## **Management's Discussion and Analysis**

# Southwest Central Regional Solid Waste Management District

## Management's Discussion and Analysis December 31, 2024

This section of the annual financial report for the Southwest Central Regional Solid Waste Management District (the "District") is management's narrative discussion and analysis of the financial overview of the District for the year ended December 31, 2024. This discussion and analysis review the significant financial balances of the District as well as any capital asset activity. There was no capital asset activity during 2024.

### Financial Highlights

The District's assets of \$1,532,138 exceed its liabilities of \$628,390 by \$903,748. This is the District's net position balance. This is an increase of \$143,475 from the prior year as a result of the net increase (revenue over expenses) for the year. This was mainly due to the recognized recycling grants.

Total net position of the District consists of the following categories:

1. Restricted Net Position of \$45,880 that represents deferred grant revenue available to continue the recycling program of the District.
2. Unassigned Net Position of \$857,868 that represents the available net position to continue the operations of the District.

### Overview and Using This Annual Report

The District's annual report consists of two basic sections of financial information:

1. Financial Statements and Notes to the Financial Statements – This section on pages 8 through 15 covers all the financial balances and activity of the District for the year ended December 31, 2024. The notes to the financial statements provide additional information related to these financial statements, other significant transactions, and events. Also, in this section are additional details on the two operating divisions of the District: Management, Administration, and Planning and the Recycling Program.
2. Additional Information – The final areas of the report, on pages 21 through 25, provide budget information on the Recycling Program and a report on internal control and compliance.

# Southwest Central Regional Solid Waste Management District

## Management's Discussion and Analysis December 31, 2024

### Financial Analysis of the District as a Whole

During the year ended December 31, 2024, the District's net position increased by \$143,475; a summary of 2024 with comparison to 2023 is as follows:

	2024	2023
<b>ASSETS</b>		
<b>Assets</b>		
Cash	\$ 1,496,036	\$ 1,440,610
Accounts receivable	36,102	30,136
<b>TOTAL ASSETS</b>	<b>1,532,138</b>	<b>1,470,746</b>
<b>LIABILITIES AND NET POSITION</b>		
<b>Liabilities</b>		
Accounts payable	38,523	73,898
Unearned revenue	589,867	636,575
<b>Total Liabilities</b>	<b>628,390</b>	<b>710,473</b>
<b>Net Position</b>		
Unrestricted	857,868	729,059
Restricted	45,880	31,214
<b>Total Net Position</b>	<b>903,748</b>	<b>760,273</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 1,532,138</b>	<b>\$ 1,470,746</b>

For 2024 and 2023, the District's change in net position is summarized as follows:

	2024	Percent of Totals	2023	Percent of Totals
<b>OPERATING REVENUES</b>				
E Waste grants	\$ -	0.0%	\$ 76,478	16.8%
Hauler permits	3,475	0.8%	3,425	0.8%
Recycling grants	269,124	62.8%	225,654	49.5%
Tonnage fees	124,380	29.0%	128,915	28.3%
Interest income	31,610	7.4%	21,527	4.7%
<b>Total Operating Revenues</b>	<b>428,589</b>	<b>100.0%</b>	<b>455,999</b>	<b>100.0%</b>
<b>OPERATING EXPENSES</b>				
Administration	40,603	14.2%	72,311	18.9%
Annual recycling events	202,709	71.1%	165,417	43.3%
Other	-	0.0%	58,768	15.4%
Professional fees	15,990	5.6%	17,052	4.5%
Recycling	25,812	9.1%	68,399	17.9%
<b>Total Operating Expenses</b>	<b>285,114</b>	<b>100.0%</b>	<b>381,947</b>	<b>100.0%</b>
<b>INCREASE IN NET POSITION</b>	<b>\$ 143,475</b>		<b>\$ 74,052</b>	
<b>NET POSITION, BEGINNING OF YEAR</b>	<b>760,273</b>		<b>686,222</b>	
<b>NET POSITION, END OF YEAR</b>	<b>\$ 903,748</b>		<b>\$ 760,274</b>	

# Southwest Central Regional Solid Waste Management District

## Management's Discussion and Analysis

December 31, 2024

The District has two primary operating divisions related to providing services and facilities to the waste management industry. An analysis of these two divisions follows:

The District segregates its operations into two divisions that are briefly described as follows:

1. **Solid Waste Management, Administrative and Planning** - This is the basic operating fund of the District that collects the tonnage fees and hauler fees from waste hauled in the District. The revenue is then used to pay for the primary functions of the District; administrative costs for the District and support other divisions that are not structured to be financially self-supporting.
2. **Recycling Program** - The District historically receives both recycling and electronic waste grants (through 2023) and holds events and provides grants to support recycling within the district. The following activities are part of the recycling program: household hazardous waste, Spring Fling, education of students, disposal of electronic waste and specific grants for promotion of recycling.

### Revenue and Expense Analysis

1. The District experiences fluctuations in revenue and expenses mostly due to timing of expenditures related to grant revenues.
2. The District focuses on programs that encourage and support recycling in the member counties.

### Contacting the District's Financial Management

This financial report is designed to provide overview to citizens and other interested parties of the District's finances to demonstrate the District's commitment to accountability for the money it receives. If you have questions about this report or would like to request additional information, contact the District's Finance Department at 1000 Central Avenue, Hot Springs National Park, Arkansas 71901 or via mail at P.O. Box 6409, Hot Springs, Arkansas 71902.

## **Financial Statements**

# Southwest Central Regional Solid Waste Management District

## Statement of Net Position December 31, 2024

	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS</b>			
Cash and cash equivalents	\$ 671,196	\$ 824,840	\$ 1,496,036
Accounts receivable	-	36,102	36,102
<b>Total Assets</b>	671,196	860,942	1,532,138
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accrued expenses	36,849	1,674	38,523
<b>Total Liabilities</b>	36,849	1,674	38,523
<b>Deferred Inflow of Resources</b>			
Unearned grant revenue	588,467	-	588,467
Unearned hauler revenue	-	1,400	1,400
<b>Total Deferred Inflow of Resources</b>	588,467	1,400	589,867
<b>Net Position</b>	45,880	857,868	903,748
<b>Total Net Position</b>	\$ 45,880	\$ 857,868	\$ 903,748

See accompanying notes to financial statements.

# Southwest Central Regional Solid Waste Management District

## Statement of Activities For the Year Ended December 31, 2024

	Governmental Activities	Business-Type Activities	Totals
<b>Expenditures</b>			
Administrative expense	\$ 40,603	\$ -	\$ 40,603
Recycling events	228,521	-	228,521
Professional fees	-	15,990	15,990
<b>Total Expenditures</b>	<u>269,124</u>	<u>15,990</u>	<u>285,114</u>
<b>Program Revenues</b>			
Recycling grants	269,124	-	269,124
<b>Total Program Revenues</b>	<u>269,124</u>	<u>-</u>	<u>269,124</u>
<b>General Revenues</b>			
Interest Income	14,666	16,944	31,610
Tonnage fees	-	124,380	124,380
Hauler permits	-	3,475	3,475
<b>Total General Revenues</b>	<u>14,666</u>	<u>144,799</u>	<u>159,465</u>
<b>Excess of Revenue over Expenditures/ Change in Net Position</b>	<u>14,666</u>	<u>128,809</u>	<u>143,475</u>
<b>Net Position, Beginning of Year</b>			
As Previously Reported	(17,136)	777,409	760,273
Correction of Error	48,350	(48,350)	-
<b>Net Position, Beginning of Year As Adjusted</b>	<u>31,214</u>	<u>729,059</u>	<u>760,273</u>
<b>Net Position, End of Year</b>	<u>\$ 45,880</u>	<u>\$ 857,868</u>	<u>\$ 903,748</u>

See accompanying notes to financial statements.

# Southwest Central Regional Solid Waste Management District

## Balance Sheet Governmental Funds December 31, 2024

	Recycling Program	Total Governmental Funds
<b>ASSETS</b>		
Cash and cash equivalents	\$ 671,196	\$ 671,196
<b>Total Assets</b>	\$ 671,196	\$ 671,196
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	36,849	36,849
Unearned grant revenue	588,467	588,467
<b>Total Liabilities</b>	625,316	625,316
<b>Total Fund Balances</b>	45,880	45,880
<b>Total Liabilities and Fund Balances</b>	\$ 671,196	\$ 671,196
 <b>Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position</b>		
<b>Fund Balances - Governmental Funds</b>		\$ 45,880
There are no differences between amounts reported for governmental activities in the statement of net position to amounts reported in the funds.		-
<b>Net Position of Governmental Activities</b>		\$ 45,880

See accompanying notes to financial statements.

# Southwest Central Regional Solid Waste Management District

## Statements of Revenues, Expenditures and Changes in Fund Balance Governmental Funds For the Year Ended December 31, 2024

	Recycling Program	Governmental Funds
<b>Revenues</b>		
Grant Revenue	\$ 269,124	\$ 269,124
Interest Income	14,666	14,666
<b>Total Revenues</b>	283,790	283,790
<b>Expenditures</b>		
Recycling events	228,521	228,521
Administrative expense	40,603	40,603
<b>Total Expenditures</b>	269,124	269,124
<b>Change in Fund Balance</b>	14,666	14,666
<b>Fund Balance, Beginning of Year, as Previously Reported</b>	(17,136)	(17,136)
<b>Correction of Error</b>	48,350	48,350
<b>Fund Balance, Beginning of Year, as adjusted</b>	31,214	31,214
<b>Fund Balance, End of Year</b>	\$ 45,880	\$ 45,880

### Reconciliation of the Statement of Revenues, Expenditures and Changes in - Governmental Funds Fund Balance - Governmental Funds to the Statement of Activities

<b>Net change in fund balance - governmental funds</b>	\$ 14,666
There are no differences between amounts reported for governmental activities in the statement of activities to amounts reported in the funds.	-
<b>Change in net position of governmental activities</b>	\$ 14,666

See accompanying notes to financial statements.

# Southwest Central Regional Solid Waste Management District

## Statement of Net Position Proprietary Funds December 31, 2024

### ASSETS

Cash and cash equivalents	\$ 824,840
Accounts receivable, net	<u>36,102</u>

**Total Assets** \$ 860,942

### LIABILITIES

Accounts payable	1,674
Deferred revenue	<u>1,400</u>
<b>Total Liabilities</b>	<u><u>3,074</u></u>

### Net Position

Unassigned	<u>857,868</u>
<b>Total Net Position</b>	<u><u>857,868</u></u>

**Total Liabilities and Net Position** \$ 860,942

See accompanying notes to financial statements.

# Southwest Central Regional Solid Waste Management District

## Statements of Revenues, Expenditures and Changes in Net Position Proprietary Funds For the Year Ended December 31, 2024

<b>Operating Revenues</b>	
Tonnage fees	\$ 124,380
Hauler permits	3,475
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<b>Total Operating Revenues</b>	127,855
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<b>Operating Expenses</b>	
Audit fees	9,200
Legal fees	6,790
	<hr/>
<b>Total Operating Expenses</b>	15,990
	<hr/>
<b>Operating Income</b>	111,865
	<hr/>
<b>Non-Operating Revenues (Expenses)</b>	
Interest and investment revenue	16,944
	<hr/>
<b>Total Non-Operating Revenues (Expenses)</b>	16,944
	<hr/>
<b>Change in Net Position</b>	128,809
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<b>Net Position, Beginning of Year, as Previously Reported</b>	777,409
	<hr/>
<b>Correction of Error</b>	(48,350)
	<hr/>
<b>Net Position - Beginning of Year, as Adjusted</b>	729,059
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<b>Net Position - End of Year</b>	\$ 857,868
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See accompanying notes to financial statements.

# Southwest Central Regional Solid Waste Management District

## Statement of Cash Flows Proprietary Funds For the Year Ended December 31, 2024

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from fees	\$ 127,855
Cash paid to suppliers	(24,941)
<b>Net Cash Provided by Operating Activities</b>	<u>102,914</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest income	<u>16,944</u>
<b>Net Cash Provided by Investing Activities</b>	<u>16,944</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	119,858
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>704,982</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 824,840</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating Income	\$ 111,865
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Changes in assets and liabilities	
Accounts receivable, net	(5,966)
Accounts payable	(2,010)
Deferred revenue	(975)
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 102,914</u>

See accompanying notes to financial statements.

# Southwest Central Regional Solid Waste Management District

## Notes to Financial Statements December 31, 2024

### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Nature of Business**

Pursuant to Act 752 of the Acts of Arkansas of 1991, the Southwest Central Regional Solid Waste Management District (the District) and board were organized to protect the public health and environmental quality for its service area by establishing a regional solid waste management system in the Arkansas counties of Clark, Garland, and Hot Spring. The District's Board of Directors (the Board) is composed of representatives of the counties in the District and representatives of all first-class cities, of all cities with a population over 2,000 and of the largest city of each county in the District.

The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America (GAAP) for state and local governments as defined by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting and reporting policies of the District.

#### **Basis of Presentation**

The government-wide financial statements (i.e., the statement of net position and statement of activities) report information on the nonfiduciary activities of the District. Generally, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or identifiable activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or identifiable activity.

Separate financial statements are provided for governmental funds and proprietary funds.

#### **Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provided have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified-accrual basis of accounting. Revenues are recognized as soon as they are measurable and available. Revenues are considered available when they are collectible in the current period or soon enough thereafter to pay liability of the current period. For this purpose, the District considers revenues available if they are collected in 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred as under accrual accounting.

# Southwest Central Regional Solid Waste Management District

## Notes to Financial Statements December 31, 2024

### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### **Measurement Focus and Basis of Accounting (Continued)**

Permits and investment income associated with the current fiscal period are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available only when cash is received by the District.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from charges to customers or applicants for goods, services or privileges provided, operating grants and contributions, and capital grants and contributions. The principal operating revenues of the proprietary funds are charges to customers for permits and tonnage fees. Operating expenses for the District's proprietary funds include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### **Cash and Cash Equivalents**

For purposes of the presentation on the statements of cash flows, cash and cash equivalents include all demand deposit accounts and all highly liquid debt instruments purchased with an original maturity of three months or less.

State statutes require all time and demand deposits to be fully insured or collateralized. Accounts with under \$250,000 balance of either an interest-bearing account or a non-interest bearing account are covered by FDIC deposit insurance. The total cash held in demand deposits has been fully collateralized and meets statute requirements. At December 31, 2024, none of the District's bank balances were exposed to custodial credit risk, which is the risk that in the event of a bank failure, a government's deposits may not be returned to it.

#### **Receivables**

Receivables are amounts currently due from various city, commercial and county trucks for tonnage fees.

#### **Unearned Revenue**

Revenues are recorded when earned, and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. The District is awarded grant funds, and they are received in a lump sum. Therefore, the unearned revenues are grant funds received and not yet spent. Hauler permits are sold for each calendar year, and those sold in advance represent unearned income.

#### **Use of Estimates**

The preparation of the financial statements, in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and disclosed in the notes. Actual results could differ from those estimates.

# Southwest Central Regional Solid Waste Management District

## Notes to Financial Statements December 31, 2024

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Use of Restricted Revenue**

When both restricted and unrestricted resources are available for use, generally it is the District’s policy to use restricted resources first. When a proposed expenditure is made with specified balances identified as the source of the funding, that specific fund balance is used.

**Reclassification**

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

**Restatement of Beginning Net Assets**

The District has restated beginning balances for net assets from amounts previously stated in 2023 financial statements to correctly state net assets.

	As Previously Reported	Adjustment	As Restated
Cash and cash equivalents, December 31, 2023:			
Governmental activities	\$ 687,278	\$ 48,350	\$ 735,628
Business type activities	753,332	(48,350)	704,982
Net position/fund balance, December 31, 2023:			
Governmental activities	(17,136)	48,350	31,214
Business type activities	777,409	(48,350)	729,059

**Risk Management**

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, and natural disasters for which the District or its contracted agencies carries commercial insurance.

**NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Each recycling grant has a budget that is submitted with the grant application and approved by the Board. The budget is used as a revenue and expenditure control feature in the District's management and accountability systems. The legal level of control is the fund level. The Board of Directors may make transfers of appropriations with the approval of the Arkansas Department of Environmental Quality.

# Southwest Central Regional Solid Waste Management District

## Notes to Financial Statements December 31, 2024

### **NOTE 3: ADMINISTRATION CONTRACT FEES**

The District has had an agreement with West Central Arkansas Planning and Development District, Inc. since 1998 for administrator fees for various programs related to solid waste management, as required by law in the three-county area of the District. The agreement states that the administrator fees will be reimbursed for direct charges for salaries and supplies related to services performed for the grantee and indirect costs as determined by the administrator's cost allocation plan. Total administration contract fees for the year ended December 31, 2024, were \$40,603.

### **NOTE 4: REVENUE**

The District received approximately 63% of its revenue from a grant funded through the Arkansas Department of Environmental Quality during the year ended December 31, 2024.

During the year ended December 31, 2024, the District had the following grant activity:

<b>Unearned grant revenue - beginning balance</b>	\$ 634,200
<b>Grants received:</b>	
Recycling grant SWC00-24	<u>223,391</u>
<b>Grant expenditures:</b>	
Recycling center grants	
SWC00-21	(187,778)
SWC00-22	<u>(81,346)</u>
Subtotal	<u>(269,124)</u>
<b>Unearned grant revenue - ending balance</b>	<u><u>\$ 588,467</u></u>

## **Required Supplementary Information**

# Southwest Central Regional Solid Waste Management District

## Budgetary Comparison Schedule – Recycling Program For the Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Grant revenue	\$ 229,779	\$ 229,779	\$ 269,124	\$ 39,345
Other revenue	-	-	14,666	14,666
<b>Total revenues</b>	229,779	229,779	283,790	54,011
<b>EXPENDITURES</b>				
Administrative contract fees	41,875	41,875	40,603	1,272
Education and public awareness	9,000	9,000	-	9,000
Recycling event	140,000	140,000	228,521	(88,521)
<b>Total expenditures</b>	190,875	190,875	269,124	(78,249)
<b>Excess of revenues over expenditures</b>	\$ 38,904	\$ 38,904	\$ 14,666	\$ 132,260

See Independent Auditor's Report.

## **Supplementary Information**

# Southwest Central Regional Solid Waste Management District

## Supplementary Information Schedule of Governmental Assistance – Cash Basis For the Year Ended December 31, 2024

<u>Department</u>	<u>Program</u>	<u>Assistance Listing Number</u>	<u>Governmental Assistance</u>
Arkansas Department of Environmental Quality	Recycling Program	N/A	\$ 223,391
<b>Total Governmental Assistance</b>			<u>\$ 223,391</u>

See Independent Auditor's Report.



**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***

The Board of Directors  
Southwest Central Regional Solid Waste Management District  
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 **Southwest Central Regional Solid Waste Management District** (the District), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated September 17, 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 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 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 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.

The Board of Directors  
Southwest Central Regional Solid Waste Management District

### **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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Landmark PLC". The signature is written in a cursive, flowing style.

Little Rock, Arkansas  
September 17, 2025