

WEST RIVER VALLEY REGIONAL
SOLID WASTE MANAGEMENT DISTRICT
DECEMBER 31, 2023 AND 2022

WEST RIVER VALLEY REGIONAL
SOLID WASTE MANAGEMENT DISTRICT
DECEMBER 31, 2023 AND 2022

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INDEPENDENT AUDITORS' REPORT

Board of Directors and Management
West River Valley Regional Solid Waste Management District
Clarksville, Arkansas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the West River Valley Regional Solid Waste Management District, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the West River Valley Regional Solid Waste Management District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the West River Valley Regional Solid Waste Management District, as of December 31, 2023 and 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the West River Valley Regional Solid Waste Management District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the West River Valley Regional Solid Waste Management 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.

Auditors' 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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 and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 West River Valley 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the West River Valley Regional Solid Waste Management 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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis pages 13-14 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, 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 audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the West River Valley Regional Solid Waste Management District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits 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 combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

There was no other information included in the annual report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2024, on our consideration of the West River Valley Regional Solid Waste Management 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 West River Valley Regional Solid Waste Management 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 West River Valley Regional Solid Waste Management District's internal control over financial reporting and compliance.

Jones and Lawton, CPAs, P.A.

Russellville, Arkansas
September 23, 2024

A handwritten signature in black ink that reads "Jones and Lawton". The signature is written in a cursive, flowing style.

WEST RIVER VALLEY REGIONAL SOLID WASTE MANAGEMENT DISTRICT
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

ASSETS

	2023	2022
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 776,812	\$ 661,994
Investments	35,138	35,067
Accounts Receivable	40,231	48,960
Deposits and Prepaid Expenses	1,500	1,500
Total Current Assets	853,681	747,521
 PROPERTY AND EQUIPMENT (NOTE 2)		
Purchased with Local Funds	3,701,726	3,701,726
Purchased with State Funds	1,098,450	1,098,450
Purchased by Recycle Works	680,565	680,565
	5,480,741	5,480,741
Less: Accumulated Depreciation	3,469,486	3,243,132
	2,011,255	2,237,609
	2,864,936	2,985,130
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current Maturities of Long-term Debt (Note 3)	186,880	261,829
Accounts Payable	35,358	57,183
Accrued Payroll Taxes Payable	1,178	2,156
	223,416	321,168
Deferred Revenues - State State Recycling Funds	841,803	901,790
Deferred Revenues - Local Local Assessments	1,633,310	1,410,170
Total Current Liabilities	2,698,529	2,633,128
 LONG-TERM DEBT (NOTE 3)	163,902	349,497
 NET ASSETS		
Temporarily Restricted Net Assets	(256,451)	(30,097)
Unrestricted Net Assets	258,956	32,602
	2,505	2,505
	\$ 2,864,936	\$ 2,985,130

See Independent Auditors' Report and Notes to Financial Statements

WEST RIVER VALLEY REGIONAL SOLID WASTE MANAGEMENT DISTRICT
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
REVENUE		
Local Revenue:		
Solid Waste Assessments	\$ 344,643	\$ 326,785
Hauling Fees, Rents & Permits	230,451	239,579
Sale of Recyclables	126,946	215,344
Mulch Sales	338,750	357,115
Tipping Fees	6,885	9,884
Local Tire	87,682	118,457
Interest and Other	451	196,926
Local Revenues Carried Forward - 2021 and 2020	1,410,120	1,352,344
Total Local Revenue Available	2,545,928	2,816,434
State Revenue		
State Tire Grants		
State Tire Grant - Received	814,432	819,323
Total State Tire Grant Funds Available	814,432	819,323
State Recycling Grants		
State Recycling Grant - Carried Forward - 2021 and 2020	901,790	945,916
State Recycling Grant - Received	388,934	381,410
Total State Recycling Funds Available	1,290,724	1,327,326
Total State Revenue Available	4,651,084	4,963,083
Less: Revenue Deferred to Year 2021 and 2020		
State Recycling Grant Administration	(841,803)	(901,790)
Local Assessment	(1,633,310)	(1,410,120)
	(2,475,113)	(2,311,910)
TOTAL REVENUES	2,175,971	2,651,173
EXPENDITURES		
Waste Tire Grant Expenditures	836,731	1,217,882
Recycling Grant Expenditures	448,921	425,536
E-Waste Grant Expenditures	55,298	80,049
Local Fund Expenses		
Tire Facility	395,592	521,949
Recycling	174,579	161,410
Administrative Expenses	243,810	223,332
Travel and Meetings	200	1,534
Auditing	7,000	6,500
Depreciation Expense	13,840	12,981
TOTAL EXPENDITURES	2,175,971	2,651,173
REVENUES OVER (UNDER) EXPENDITURES	\$ 0	\$ 0

See Independent Auditors' Report and Notes to Financial Statements

WEST RIVER VALLEY REGIONAL SOLID WASTE MANAGEMENT DISTRICT
STATEMENTS OF NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>Temporarily Restricted</u>	<u>Unrestricted</u>
Beginning balance, December 31, 2021	\$ (106,004)	\$ 108,509
Investment in Net Assets	290,115	(290,115)
Transfer of Current Year Depreciation	<u>(214,208)</u>	<u>214,208</u>
Balance December 31, 2022	(30,097)	32,602
Investment in Fixed Assets	0	0
Transfer of Current Year Depreciation	<u>(226,354)</u>	<u>226,354</u>
Ending Balance December 31, 2023	<u><u>\$ (256,451)</u></u>	<u><u>\$ 258,956</u></u>

WEST RIVER VALLEY REGIONAL SOLID WASTE MANAGEMENT DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Local Revenue	\$ 1,135,622	\$ 1,464,090
Cash Received from Grants	1,203,366	1,200,733
Payments to Suppliers	(1,073,247)	(1,364,179)
Payments to Employees	(625,458)	(763,408)
Payments for Other Admin Costs	<u>(264,850)</u>	<u>(244,347)</u>
Net Cash Provided by Operating Activities	<u>375,433</u>	<u>292,889</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale of Equipment	0	3,500
Increase in Property and Equipment	0	(290,115)
Decrease (Increase) in Investments	(71)	(96)
Net Cash Used by Investing Activities	<u>(71)</u>	<u>(286,711)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES		
Reduction in Notes Payable	<u>(260,544)</u>	<u>(282,152)</u>
Net Cash Used by Financing Activities	<u>(260,544)</u>	<u>(282,152)</u>
 CHANGE IN CASH & CASH EQUIVALENTS	114,818	(275,974)
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>661,994</u>	<u>937,968</u>
 CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 776,812</u></u>	<u><u>\$ 661,994</u></u>
 <u>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</u>		
Cash Paid During Year for Interest	<u><u>\$ 24,664</u></u>	<u><u>\$ 32,253</u></u>

See Independent Auditors' Report and Notes to Financial Statements

WEST RIVER VALLEY REGIONAL SOLID WASTE MANAGEMENT DISTRICT
STATEMENTS OF CASH FLOWS (continued)
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Income from Operations	\$ 0	\$ 0
Adjustments to Reconcile Operating Income to Cash Provided by Operating Activities:		
Depreciation	226,354	214,208
(Gain) Loss on Sale of Equipment		(3,500)
(Increase) Decrease in Accounts Receivable	8,729	8,846
(Increase) Decrease in Deposits		89,209
Increase (Decrease) in Accounts Payable	(21,825)	(29,574)
Increase (Decrease) in Payroll Tax Payables	(978)	
Increase (Decrease) in Deferred Revenues	163,153	13,700
	375,433	292,889
Net Cash Provided by Operating Activities	\$ 375,433	\$ 292,889

See Independent Auditors' Report and Notes to Financial Statements

WEST RIVER VALLEY REGIONAL SOLID WASTE MANAGEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

West River Valley Regional Solid Waste Management District is chartered as a regional solid waste planning district by Arkansas State Statute 8-6-703 for the purpose of the disposal, treatment, or other handling of solid wastes for the counties of Crawford, Franklin, Johnson, Logan, Scott, Conway, Pope, Perry and Yell. A major source of funding is provided by grants from the State of Arkansas District of Pollution Control and Ecology.

Financial Reporting

The financial reporting policies of the District conform to generally accepted accounting principles. The District is a public corporation, legally separate and fiscally independent. As required by generally accepted accounting principles, these financial statements present the financial position and results of operations of West River Valley Regional Solid Waste Management District. There are no component units to be included herewith, but this report does include all funds, account groups, and programs which are controlled by the District's governing body. The accounts of the District are organized on the basis of funds or account groups, each of which is considered to be a separate accounting unit. The operations of each fund are reported as a separate set of self-balancing accounts which are comprised of each fund's assets, liabilities, net assets, revenues, and expenditures or expenses, as appropriate. Resources are allocated to and for individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accompanying financial statements were prepared on the accrual basis of accounting with revenues being recognized when earned and expenses being recognized when incurred.

Cash and Cash Equivalents

The District defines cash to include certificates of deposit, money market funds, savings accounts, and demand deposits and other short term securities with maturities or three months or less.

Investments

The District defines investments to include certificates of deposit with maturities greater than three months.

Accounts Receivable

The District uses the allowance method for bad debts by an evaluation of the net realizable value of all current receivables.

Property and Equipment

Property and Equipment is recorded at cost and depreciated over the estimated useful lives of the assets using the straight-line depreciation method, and ranging from 5 to 40 years. Depreciation expenses for the years ended December 31, 2023 and 2022 amounted to \$226,354 and \$214,208 respectively.

WEST RIVER VALLEY REGIONAL SOLID WASTE MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

The District is not subject to federal or state income taxes.

NOTE 2: PROPERTY AND EQUIPMENT

Property and Equipment at December 31, 2023 consists of the following:

	<u>12-31-2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>12-31-2023</u>
Purchased with Local Funds	\$ 3,701,726			\$ 3,701,726
Purchased with State Funds	1,098,450			1,098,450
Purchased by Recycle Works	680,565			680,565
	<u>\$ 5,480,741</u>			<u>\$ 5,480,741</u>

Property and Equipment at December 31, 2022 consists of the following:

	<u>12-31-2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>12-31-2022</u>
Purchased with Local Funds	\$ 3,411,611	\$ 290,115		\$ 3,701,726
Purchased with State Funds	1,098,450			1,098,450
Purchased by Recycle Works	680,565			680,565
	<u>\$ 5,190,626</u>	<u>\$ 290,115</u>		<u>\$ 5,480,741</u>

NOTE 2: LONG-TERM DEBT

Long-term debt at December 31, 2023 consists of the following:

	<u>12-31-2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>12-31-2023</u>
4.75% note payable to Centennial Bank, due in monthly installments of \$2,346, including interest, secured by equipment.	\$ 201,624		<u>\$ 17,870</u>	\$ 183,754
4.75% note payable to Centennial Bank due in monthly installments of \$21,422, including interest, secured by building and equipment.	<u>409,702</u>		242,674	167,028
	<u>\$ 611,326</u>		<u>\$ 260,544</u>	350,782
Less: Current maturities				186,880
				<u>\$ 163,902</u>

The aggregate maturities of long-term debt are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 186,880	\$ 11,270	\$ 198,150
2025	20,816	7,336	28,152
2026	21,827	6,325	28,152
2027	22,886	5,266	28,152
2028	23,997	4,155	28,152
2029	74,376	5,256	79,632
	<u>\$ 350,782</u>	<u>\$ 39,608</u>	<u>\$ 390,390</u>

JONES and LAWTON, CPAs, P.A.
A PROFESSIONAL ASSOCIATION
CERTIFIED PUBLIC ACCOUNTANTS

WEST RIVER VALLEY REGIONAL SOLID WASTE MANAGEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

NOTE 2: LONG-TERM DEBT (continued)

Long-term debt at December 31, 2022 consists of the following:

	12-31-2021	Additions	Reductions	12-31-2022
4.75% note payable to Centennial Bank, due in monthly installments of \$2,346, including interest, secured by equipment.	\$ 216,799		\$ 15,175	\$ 201,624
4.75% note payable to Centennial Bank due in monthly installments of \$21,422, including interest, secured by building and equipment.	643,568		233,866	409,702
4.95% note payable Arvest Equipment Finance, due in monthly installments of \$2,479, including interest, secured by equipment.	<u>33,111</u>		<u>33,111</u>	<u>0</u>
	<u>\$ 893,478</u>		<u>\$ 282,152</u>	<u>611,326</u>
Less: Current maturities				<u>261,829</u>
				<u>\$ 349,497</u>

The aggregate maturities of long-term debt are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 261,829	\$ 23,387	\$ 285,216
2024	186,764	11,210	197,974
2025	20,873	7,279	28,152
2026	21,886	6,266	28,152
2027	22,949	5,203	28,152
2028-29	<u>97,025</u>	<u>9,142</u>	<u>106,167</u>
	<u>\$ 611,326</u>	<u>\$ 62,487</u>	<u>\$ 673,813</u>

NOTE 3: RETIREMENT PLAN

The District maintains a qualified deferred compensation plan under Section 401(k) of the Internal Revenue Code. Under the plan, employees may elect to defer up to 15% of their salary subject to Internal Revenue limits. The District contributes a matching 5% of an employee's salary. The District's contributions to the plan amounted to \$38,319 and \$39,249 for the years ended December 31, 2023 and 2022 respectively.

NOTE 4: CONCENTRATION OF CREDIT RISK

The District has concentrated its credit risk for cash by maintaining balances in excess of amounts covered by federal insurance, while securing pledged marketable securities from the bank to mitigate this risk. The amounts at risk on December 31, 2023 and 2022 were \$311,623 and \$294,193 respectively.

NOTE 5: USE OF ESTIMATES

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

WEST RIVER VALLEY REGIONAL SOLID WASTE MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 6: SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 23, 2024, which is the date the financial statements were available to be issued.

WEST RIVER VALLEY REGIONAL SOLID WASTE MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023

West River Valley Regional Solid Waste Management District's discussion and analysis is designed to:

- Assist the reader in focusing on significant financial issues
- Provide an overview of the District's financial activity
- Identify changes in the District's financial position
- Identify individual fund issues or concerns

Overview of the Financial Statements

The Financial Statements of the District reports information about the District using accounting methods similar to those used by private business enterprises. These statements provide both long-term and short-term information about the District's overall financial status. Following the financial statements are the Notes to the Financial Statements which provide explanations and additional detailed information.

The Statements of Financial Position present information on all the District's assets and liabilities with the difference between the two reported as net assets. The statements provide one way to measure the financial health of the District by providing the basis for evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

The Statements of Activities present information showing how the District's net assets changed during the most recent and current years. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows.

The Statements of Cash Flows report cash receipts and expenditures that result from operations, financing, and investing activities. These statements provide information regarding sources of cash and use of cash.

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

Financial Analysis of the District

The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$2,505 (net assets).

Total assets amounted to \$2,864,936 consisting of net capital assets of \$2,011,255 and other assets of \$853,681. Total assets decreased 4.03% or \$120,194 during the current fiscal year. This decrease was the result of an increase in the accumulated depreciation of \$226,354, offset by a net increase in other assets of \$106,160.

Total liabilities amounted to \$2,862,431 consisting of long-term liabilities of \$163,902, other liabilities of \$223,416 and deferred revenues of \$2,475,113. Total liabilities decreased 4.03% or \$120,194 during the current fiscal year. This net decrease was the result of a decrease in other liabilities of \$97,752, an increase in deferred revenues of \$163,153, and decrease in long term debt of \$185,595.

The District experienced an increase in total cash in the amount of \$114,818 during the current year. This increase was the net result of funds from operations in the amount of \$375,362 being offset by funds used from financing activities of \$260,544.

Economic Factors

The District indicated no changes related to current economic factors.

See Independent Auditors' Report

WEST RIVER VALLEY REGIONAL SOLID WASTE MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
YEAR ENDED DECEMBER 31, 2023

Request for Information

This report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the West River Valley Regional Solid Waste Management District, 24087 Hwy. 164, Clarksville, Arkansas 72830.

JONES and LAWTON, CPAs, P.A.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors and Management
West River Valley Regional Solid Waste Management District
Clarksville, 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 the West River Valley Regional Solid Waste Management District, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the West River Valley Regional Solid Waste Management District's basic financial statements, and have issued our report thereon dated September 23, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audits of the financial statements, we considered the West River Valley Regional Solid Waste Management 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the West River Valley Regional Solid Waste Management District's internal control. Accordingly, we do not express an opinion on the effectiveness of the West River Valley 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 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 audits 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 West River Valley Regional Solid Waste Management 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 audits, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Jones and Lawton, CPAs, P.A.

Russellville, Arkansas

September 23, 2024

A handwritten signature in black ink that reads "Jones and Lawton". The signature is written in a cursive, flowing style.