

FAULKNER COUNTY SOLID WASTE
MANAGEMENT DISTRICT
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

FAULKNER COUNTY SOLID WASTE

MANAGEMENT DISTRICT

DECEMBER 31, 2023 AND 2022

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INDEPENDENT AUDITORS' REPORT

Faulkner County Solid Waste Management District
Conway, Arkansas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of Faulkner County 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 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 business-type activities of Faulkner County 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 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 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 opinions.

Responsibility 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 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 Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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 on pages 4–5 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 audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 accompanying supplementary information is presented for purposes of additional analysis and is 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 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 information 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, we have also issued our report dated January 17, 2025, on our consideration of Faulkner County 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 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 Faulkner County Solid Waste Management District's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

The financial statements of Faulkner County Solid Waste Management District's as of and for the year ended 2022 were audited by Conner & Sartain PLLC, who expressed an unmodified opinion on those statements in their report dated June 7, 2023. We were not engaged to audit, review, or apply any procedures to the financial statements of 2022, and, accordingly, we do not express an opinion or any other form of assurance on them.

Arkansas Accounting

Conway, Arkansas
January 22, 2025

FINANCIAL SECTION

FAULKNER COUNTY SOLID WASTE

MANAGEMENT DISTRICT

STATEMENTS OF NET POSITION

DECEMBER 31, 2023 AND 2022

ASSETS

	<u>2023</u>	<u>2022</u>
<u>Current Assets:</u>		
Cash in bank - Operating	\$ 383,063	\$ 300,112
Cash in bank - Haulers' Trust Fund	28,504	28,010
Cash in bank - Grant Account	93,654	128,647
Cash in bank - Grant E-Waste	128,954	152,136
Petty cash	200	200
Certificate of deposit	57,551	57,276
Prepaid assets	5,239	5,232
Total Current Assets	<u>697,165</u>	<u>671,613</u>
<u>Property and Equipment:</u>		
Equipment	563,071	563,071
Less: Accumulated depreciation	(512,023)	(476,239)
Total Property and Equipment	<u>51,048</u>	<u>86,832</u>
Total Assets	<u>\$ 748,213</u>	<u>\$ 758,445</u>

LIABILITIES, DEFERRED INFLOWS AND NET POSITION

<u>Current Liabilities:</u>		
Accounts payable	\$ -	\$ 0
Payroll tax liabilities	4,318	4,364
Total Current Liabilities	<u>4,318</u>	<u>4,364</u>
<u>Deferred Inflows of Resources:</u>		
Deferred inflows of resources from Recycling	79,797	78,648
Deferred inflows of resources from E-Waste	148,510	152,137
Total Deferred Inflows of Resources	<u>228,307</u>	<u>230,785</u>
Total Liabilities and Deferred Inflow of Resources	<u>232,625</u>	<u>235,149</u>
<u>Net Position:</u>		
Fund balance - unappropriated	515,588	523,296
Total Net Position	<u>515,588</u>	<u>523,296</u>
Total Liabilities, Deferral and Net Position	<u>\$ 748,213</u>	<u>\$ 758,445</u>

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

FAULKNER COUNTY SOLID WASTE

MANAGEMENT DISTRICT

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>Revenue:</u>		
Waste fee income, net	\$ 276,687	\$ 235,891
Grant income - ADEQ	126,047	112,969
Grant income - E-Waste	0	15,051
Interest income	10,794	3,280
Other income (expense)	23,574	897
	<hr/>	<hr/>
Total Revenue	437,101	368,088
	<hr/>	<hr/>
<u>Expenses:</u>		
Grant expenses - ADEQ	121,988	126,849
Grant expenses - E-Waste	4,867	36,740
Solid Waste Management District expense	295,508	233,791
	<hr/>	<hr/>
Total Expenses	422,362	397,380
	<hr/>	<hr/>
Excess Revenue Over (Under) Expenses	14,739	(29,292)
Net Position - Beginning of Year	500,849	530,141
	<hr/>	<hr/>
Net Position - End of Year	\$ 515,588	\$ 500,849
	<hr/> <hr/>	<hr/> <hr/>

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

FAULKNER COUNTY SOLID WASTE
MANAGEMENT DISTRICT
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>RECYCLING PROGRAM</u>	<u>E-WASTE PROGRAM</u>	<u>MANAGEMENT DISTRICT</u>	<u>2023 TOTAL</u>
Advertising	\$ -	\$ -	\$ 1,818	\$ 1,818
Office expenses	-	-	7,455	7,455
Building rental/lease	-	-	24,000	24,000
Utilities	-	-	6,963	6,963
Operating supplies	-	-	4,409	4,409
Professional fees	-	-	8,800	8,800
Fuel expense	-	-	20,759	20,759
Salaries	121,447	-	45,785	167,232
Payroll taxes	-	-	44,230	44,230
Truck expense	-	-	39,102	39,102
Dues	-	-	7,045	7,045
Contract labor	-	-	75	75
Meeting expense	-	-	678	678
Repairs & maintenance	-	-	722	722
Licenses & permits	-	-	-	-
Shipping	-	-	202	202
Insurance - general	-	-	7,469	7,469
County wide cleanup	-	-	37,215	37,215
CRT disposal fee	-	-	-	-
Equipment	-	-	751	751
Depreciation	541	4,867	30,376	35,784
Uniforms	-	-	3,401	3,401
Miscellaneous	-	-	4,252	4,252
Total Functional Expenses	<u>\$ 121,988</u>	<u>\$ 4,867</u>	<u>\$ 295,508</u>	<u>\$ 422,362</u>

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

FAULKNER COUNTY SOLID WASTE
MANAGEMENT DISTRICT
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>RECYCLING PROGRAM</u>	<u>E-WASTE PROGRAM</u>	<u>MANAGEMENT DISTRICT</u>	<u>2022 TOTAL</u>
Advertising	\$ -	\$ 500	\$ 1,898	\$ 2,398
Office expenses	-	166	8,152	8,318
Building rental/lease	-	-	24,000	24,000
Utilities	-	-	9,209	9,209
Operating supplies	-	14	-	14
Purchases expense	-	-	-	-
Professional fees	-	-	5,500	5,500
Fuel expense	-	-	28,450	28,450
Salaries	125,856	2,027	28,257	156,140
Payroll taxes	-	-	12,469	12,469
Truck expense	-	139	18,378	18,517
Dues	-	-	6,152	6,152
Contract labor	-	-	4,143	4,143
Administration	-	-	-	-
Meeting expense	-	-	1,606	1,606
Repairs & maintenance	-	-	5,243	5,243
Licenses & permits	-	-	150	150
Shipping	-	300	-	300
Insurance - general	-	-	7,452	7,452
Travel & mileage	-	-	-	-
Donations	-	-	-	-
County wide cleanup	-	-	32,724	32,724
CRT disposal fee	-	23,435	-	23,435
Equipment	-	1,645	3,401	5,046
Depreciation	993	8,514	34,659	44,166
Uniforms	-	-	1,919	1,919
Miscellaneous	-	-	29	29
Total Functional Expenses	<u>\$ 126,849</u>	<u>\$ 36,740</u>	<u>\$ 233,791</u>	<u>\$ 397,380</u>

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

FAULKNER COUNTY SOLID WASTE

MANAGEMENT DISTRICT

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>Cash Flows from Operating Activities:</u>		
Net Revenue Over (Under) Expenses	\$ 14,739	\$ (6,845)
Adjustments to Reconcile Net Income to Net Cash Provided (Used) by Operations:		
Depreciation expense	35,784	56,421
(Increase) decrease in accounts receivable	(275)	(396)
(Increase) decrease in prepaid assets	(7)	(63)
Increase (decrease) in accounts payable	(1)	38
Increase (decrease) in accrued expenses	(46)	(1,145)
Increase (decrease) in deferred inflow of resources	(2,478)	(57,007)
Net Cash Provided (Used) by Operating Activities	<u>47,716</u>	<u>(8,997)</u>
<u>Cash Flows from Investing Activities:</u>		
Sale (purchase) of fixed assets	<u>(24,505)</u>	<u>(61,555)</u>
Net Cash Provided (Used) by Investing Activities	<u>(24,505)</u>	<u>(61,555)</u>
Net Increase (Decrease) in Cash	23,211	(70,552)
Cash - Beginning of Period	<u>666,237</u>	<u>736,789</u>
Cash - End of Period	<u>\$ 689,448</u>	<u>\$ 666,237</u>
<u>Supplemental Disclosures:</u>		
Cash paid during the year for:		
Interest	<u>\$ -</u>	<u>\$ -</u>
Income Taxes	<u>\$ N/A</u>	<u>\$ N/A</u>

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

FAULKNER COUNTY SOLID WASTE

MANAGEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES:

Organization

Faulkner County Solid Waste Management District (the District) was created to protect the public health and the state's environmental quality through the development and maintenance of a solid waste district in Faulkner County, Arkansas.

Basis of Accounting

The accounting records of the District are maintained on the accrual basis. Additional, significant accounting policies are summarized below.

Cash

The District considers all highly liquid investments stemming from unrestricted cash with a maturity of three months or less to be cash.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

Property, Building, and Equipment

Assets contributed are recorded at fair value at the date contributed. Purchased assets are carried at cost of acquisition. The District capitalizes all expenditures for property and equipment in excess of \$500. Depreciation of all exhaustible fixed assets is charged as an expense against their operations and amounted to \$35,784 and \$44,166 for 2023 and 2022, respectively. Depreciation has been provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives are as follows:

	<u>Years</u>
Equipment	5 - 7

Income Taxes

The District, as a component of a local government, is exempt from federal and state income taxes.

FAULKNER COUNTY SOLID WASTE

MANAGEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Use of Estimates

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

Compensated Absences

The Council has not recorded a liability for compensated absences since, in management's opinion, the amounts cannot be reasonably determined.

Concentrations of Credit Risk Due to Temporary Cash Investments and Pledges Receivable

Financial instruments that potentially subject Faulkner County Solid Waste Management District to concentrations of credit risk consist principally of temporary cash investments. The District places its temporary cash investments with financial institutions and limits the amount of credit exposure to any one financial institution. As of December 31, 2023, the District had no significant concentrations of credit risk.

NOTE 2 - FAIR VALUE OF FINANCIAL INSTRUMENTS:

ASC Topic 820, *Fair Value Measurements*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Topic 820 also establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities.
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

FAULKNER COUNTY SOLID WASTE

MANAGEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

NOTE 2 - FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED):

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying balance sheet, as well as, the general classification of such assets and liabilities pursuant to the valuation hierarchy.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include common stock, mutual funds and United States Treasury obligations. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. The District did not hold any securities as of December 31, 2023 or 2022.

Cash and Cash Equivalents

The carrying amount of cash approximates fair value. For the statement of cash flows, all unrestricted investment instruments with original maturities of three months or less are considered cash equivalents.

Collateralization of Cash Balances:

The District's interest bearing cash accounts are federally insured under the FDIC up to \$250,000. The Waste Haulers Trust Fund is considered a fiduciary type account, and as such is separately insured under the FDIC limit. The carrying amounts of cash balances as of December 31, 2023 and 2022 were as follows:

Collateralization of Cash Balances:

	<u>2023</u>	<u>2022</u>
Cash in Bank, Fully Insured by FDIC	\$ 278,504	\$ 278,010
Cash in Bank, Collateralized	417,772	392,382
Cash in Bank, Uninsured, Uncollateralized	<u>-</u>	<u>-</u>
	<u>\$ 696,276</u>	<u>\$ 670,392</u>

Interest Income on Cash Balances:

Total investment return is comprised of interest income. The return on investments for 2023 and 2022 was \$10,794 and \$3,280, respectively.

FAULKNER COUNTY SOLID WASTE

MANAGEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

NOTE 3 - GRANT EXPENSES:

During the year ended December 31, 2023, the District did not expend grant funds for capital asset purchases.

NOTE 4 - PROPERTY, PLANT, EQUIPMENT:

	Balance December 31, 2022	Increases	Decreases	Balance December 31, 2023
Capital assets:				
Grant equipment	\$ 348,564	\$ -	\$ -	\$ 348,564
Other equipment & fixtures	<u>214,507</u>	<u>-</u>	<u>-</u>	<u>214,507</u>
Total Capital Assets, being Depreciated	<u>563,071</u>	<u>-</u>	<u>-</u>	<u>563,071</u>
Less accumulated depreciation for:				
Grant equipment	(336,671)	(5,408)	-	(342,079)
Other equipment & fixtures	<u>(139,568)</u>	<u>(30,376)</u>	<u>-</u>	<u>(169,944)</u>
Total accumulated depreciation	<u>(476,239)</u>	<u>(35,784)</u>	<u>-</u>	<u>(512,023)</u>
Total Capital Assets, Net	<u>\$ 86,832</u>	<u>\$ (35,784)</u>	<u>\$ -</u>	<u>\$ 51,048</u>

NOTE 5 - DEFERRED OUTFLOWS/INFLOWS OF RESOURCES:

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of resources that applies to a future period(s) and therefore will not be recognized as an outflow of resources (expense/expenditure) until then. The District did not have any items that qualify for reporting in this category.

In addition to liabilities, the Statement of Net Position and/or the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of resources that applies to a future period(s) and therefore will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. These relate to unexpended grant funds received from the Arkansas Department of Environmental Quality. Accordingly, these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become recognizable as revenue.

FAULKNER COUNTY SOLID WASTE

MANAGEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

NOTE 6 - LEASES:

The District leases its office building. The original lease agreement expired February of 2021, and has been on a month-to-month basis since then. An election has been made to not apply the lease recognition requirements of Topic 842 to this lease due to it being on a short-term basis. The lease has a cost of \$2,000 per month. Rent expense for 2023 and 2022 was \$24,000 and \$24,000, respectively.

NOTE 7 - SUBSEQUENT EVENTS:

No events occurring subsequent to year end, having a direct and material effect on the financial statements for the year ended December 31, 2023, have been determined as of the date of the audit report.

SUPPLEMENTAL INFORMATION

FAULKNER COUNTY SOLID WASTE

MANAGEMENT DISTRICT

ADEQ PROGRAM DETAIL

GRANT AWARD 7/1/22 - 6/30/23

	<u>ADEQ</u>		<u>TOTAL</u>
	<u>07-01-22</u>	<u>01-01-23</u>	<u>07-01-22</u>
	<u>TO</u>	<u>TO</u>	<u>TO</u>
	<u>12-31-22</u>	<u>06-30-23</u>	<u>06-30-23</u>
<u>SUPPORT AND REVENUE:</u>			
Grant income - ADEQ	\$ 106,241	\$ 6,728	\$ 112,969
Interest income - ADEQ	<u>12,655</u>	<u>805</u>	<u>13,460</u>
Total Support and Revenue	<u>118,896</u>	<u>7,533</u>	<u>126,429</u>
<u>EXPENSES:</u>			
ADEQ - Administrative	7,208	6,561	13,769
ADEQ - Recycling Programs	56,008	54,162	110,170
ADEQ - Depreciation	<u>497</u>	<u>271</u>	<u>768</u>
Total Expenses	<u>63,713</u>	<u>60,994</u>	<u>124,707</u>
Change in Net Position	55,183	(53,461)	1,722
Net Position, Beginning of Year	<u>(109,904)</u>	<u>(54,721)</u>	<u>(109,904)</u>
Net Position, End of Year	<u>\$ (54,721)</u>	<u>\$ (108,182)</u>	<u>\$ (108,182)</u>

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

FAULKNER COUNTY SOLID WASTE

MANAGEMENT DISTRICT

ADEQ PROGRAM DETAIL

GRANT AWARD PERIOD 7/1/23 - 12/31/23

	<u>ADEQ</u>
	07-01-23
	TO
	12-31-23
<u>SUPPORT AND REVENUE:</u>	
Grant income - ADEQ	\$ 119,319
Interest income - ADEQ	554
	<hr/>
Total Support and Revenue	119,873
	<hr/>
<u>EXPENSES:</u>	
ADEQ - Administrative	6,561
ADEQ - Recycling Programs	54,162
ADEQ - Depreciation	271
	<hr/>
Total Expenses	60,994
	<hr/>
Change in Net Position	58,879
Net Position, Beginning of Year	(108,182)
	<hr/>
Net Position, End of Year	\$ (49,303)
	<hr/> <hr/>

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

FAULKNER COUNTY SOLID WASTE

MANAGEMENT DISTRICT

ADEQ PROGRAM DETAIL

FISCAL YEAR 1/1/23- 12/31/23

	<u>ADEQ</u>		<u>TOTAL</u>
	<u>01-01-23</u>	<u>07-01-23</u>	<u>01-01-23</u>
	<u>TO</u>	<u>TO</u>	<u>TO</u>
	<u>06-30-23</u>	<u>12-31-23</u>	<u>12-31-23</u>
<u>SUPPORT AND REVENUE:</u>			
Grant income - ADEQ	\$ -	\$ 126,047	\$ 126,047
Interest income - ADEQ	805	554	1,359
	<hr/>	<hr/>	<hr/>
Total Support and Revenue	805	126,601	127,406
	<hr/>	<hr/>	<hr/>
<u>EXPENSES:</u>			
ADEQ - Administrative	6,561	6,561	13,122
ADEQ - Recycling Programs	54,162	54,162	108,324
ADEQ - Depreciation	271	271	542
	<hr/>	<hr/>	<hr/>
Total Expenses	60,994	60,994	121,988
	<hr/>	<hr/>	<hr/>
Change in Net Position	(60,189)	65,607	5,418
Net Position, Beginning of Year	<u>(54,721)</u>	<u>(114,910)</u>	<u>(54,721)</u>
Net Position, End of Year	<u>\$ (114,910)</u>	<u>\$ (49,303)</u>	<u>\$ (49,303)</u>

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

FAULKNER COUNTY SOLID WASTE

MANAGEMENT DISTRICT

COMBINED PROGRAMS

FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>ADEQ</u>	<u>OTHER</u>	<u>TOTAL</u>
	01-01-23	01-01-23	01-01-23
	TO	TO	TO
	12-31-23	12-31-23	12-31-23
<u>SUPPORT AND REVENUE:</u>			
Grant income - ADEQ	\$ 126,047	\$ -	\$ 126,047
Grant income - E-Waste	-	-	-
Waste fees, net	-	276,687	276,687
Interest income - ADEQ	1,359	9,435	10,794
Interest income	-	-	-
Other income	-	23,574	23,574
	<hr/>	<hr/>	<hr/>
Total Support and Revenue	127,406	309,695	437,101
	<hr/>	<hr/>	<hr/>
<u>EXPENSES:</u>			
ADEQ - Administrative	13,122		13,122
ADEQ - Recycling Programs	108,324	-	108,324
Depreciation	541	35,243	35,784
E-Waste Expense	-	-	-
District Expense	-	265,132	265,132
	<hr/>	<hr/>	<hr/>
Total Expenses	121,988	300,375	422,362
	<hr/>	<hr/>	<hr/>
Change in Net Position	5,419	9,321	14,739
Net Position, Beginning of Year	(54,721)	555,570	500,849
	<hr/>	<hr/>	<hr/>
Net Position, End of Year	\$ (49,302)	\$ 564,891	\$ 515,588
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

FAULKNER COUNTY SOLID WASTE
MANAGEMENT DISTRICT
GRANT RECONCILIATION
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>ADEQ</u>		<u>E-Waste</u>
	01-01-23 TO 12-31-23		01-01-23 TO 12-31-23
Grant income - ADEQ	\$ 126,047	Grant income - E-Waste	\$ -
Increase (decrease) in grant deferral	<u>1,149</u>	Increase (decrease) in grant deferral	<u>(3,627)</u>
ADEQ Grant Received	<u><u>\$ 127,196</u></u>	E-Waste Grant Received	<u><u>\$ (3,626.82)</u></u>

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

FAULKNER COUNTY SOLID WASTE

MANAGEMENT DISTRICT

ADEQ PROGRAM DETAIL

GRANT AWARD 7/1/21 - 6/30/22

	<u>ADEQ</u>		<u>TOTAL</u>
	07-01-21 TO 12-31-21	01-01-22 TO 06-30-22	07-01-21 TO 06-30-22
<u>SUPPORT AND REVENUE:</u>			
Grant income - ADEQ	\$ 103,306	\$ 6,728	\$ 110,034
Interest income - ADEQ	267	232	499
	<hr/>	<hr/>	<hr/>
Total Support and Revenue	103,573	6,960	110,533
	<hr/>	<hr/>	<hr/>
<u>EXPENSES:</u>			
ADEQ - Administrative	8,429	7,724	16,153
ADEQ - Recycling Programs	54,083	54,916	108,999
ADEQ - Depreciation	497	496	993
	<hr/>	<hr/>	<hr/>
Total Expenses	63,009	63,136	126,145
	<hr/>	<hr/>	<hr/>
Change in Net Position	40,564	(56,176)	(15,612)
Net Position, Beginning of Year	(94,292)	(53,728)	(94,292)
	<hr/>	<hr/>	<hr/>
Net Position, End of Year	\$ (53,728)	\$ (109,904)	\$ (109,904)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

FAULKNER COUNTY SOLID WASTE

MANAGEMENT DISTRICT

ADEQ PROGRAM DETAIL

GRANT AWARD PERIOD 7/1/22 - 12/31/22

	<u>ADEQ</u>
	07-01-22
	TO
	12-31-22
<u>SUPPORT AND REVENUE:</u>	
Grant income - ADEQ	\$ 106,241
Interest income - ADEQ	12,655
	<hr/>
Total Support and Revenue	118,896
	<hr/>
<u>EXPENSES:</u>	
ADEQ - Administrative	7,208
ADEQ - Recycling Programs	56,008
ADEQ - Depreciation	497
	<hr/>
Total Expenses	63,713
	<hr/>
Change in Net Position	55,183
Net Position, Beginning of Year	(109,904)
	<hr/>
Net Position, End of Year	\$ (54,721)
	<hr/> <hr/>

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

FAULKNER COUNTY SOLID WASTE

MANAGEMENT DISTRICT

ADEQ PROGRAM DETAIL

FISCAL YEAR 1/1/22 - 12/31/22

	<u>ADEQ</u>		<u>TOTAL</u>
	<u>01-01-22</u>	<u>07-01-22</u>	<u>01-01-22</u>
	<u>TO</u>	<u>TO</u>	<u>TO</u>
	<u>06-30-22</u>	<u>12-31-22</u>	<u>12-31-22</u>
<u>SUPPORT AND REVENUE:</u>			
Grant income - ADEQ	\$ 6,728	\$ 106,241	\$ 112,969
Interest income - ADEQ	232	12,655	12,887
Total Support and Revenue	<u>6,960</u>	<u>118,896</u>	<u>125,856</u>
<u>EXPENSES:</u>			
ADEQ - Administrative	7,724	7,208	14,932
ADEQ - Recycling Programs	54,916	56,008	110,924
ADEQ - Depreciation	496	497	993
Total Expenses	<u>63,136</u>	<u>63,713</u>	<u>126,849</u>
Change in Net Position	(56,176)	55,183	(993)
Net Position, Beginning of Year	<u>(53,728)</u>	<u>(109,904)</u>	<u>(53,728)</u>
Net Position, End of Year	<u>\$ (109,904)</u>	<u>\$ (54,721)</u>	<u>\$ (54,721)</u>

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

FAULKNER COUNTY SOLID WASTE

MANAGEMENT DISTRICT

COMBINED PROGRAMS

FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>ADEQ</u>	<u>OTHER</u>	<u>TOTAL</u>
	01-01-22	01-01-22	01-01-22
	TO	TO	TO
	12-31-22	12-31-22	12-31-22
<u>SUPPORT AND REVENUE:</u>			
Grant income - ADEQ	\$ 112,969	\$ -	\$ 112,969
Grant income - E-Waste	-	15,051	15,051
Waste fees, net	-	235,891	235,891
Interest income - ADEQ	12,887	-	12,887
Interest income	-	(9,607)	(9,607)
Other income	-	897	897
	<hr/>	<hr/>	<hr/>
Total Support and Revenue	125,856	242,232	368,088
	<hr/>	<hr/>	<hr/>
<u>EXPENSES:</u>			
ADEQ - Administrative	14,932	-	14,932
ADEQ - Recycling Programs	110,924	-	110,924
Depreciation	993	43,173	44,166
E-Waste Expense	-	28,226	28,226
District Expense	-	199,132	199,132
	<hr/>	<hr/>	<hr/>
Total Expenses	126,849	270,531	397,380
	<hr/>	<hr/>	<hr/>
Change in Net Position	(993)	(28,299)	(29,292)
Net Position, Beginning of Year	(53,728)	606,316	552,588
	<hr/>	<hr/>	<hr/>
Net Position, End of Year	\$ (54,721)	\$ 578,017	\$ 523,296
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

FAULKNER COUNTY SOLID WASTE
MANAGEMENT DISTRICT
GRANT RECONCILIATION
FOR THE YEAR ENDED DECEMBER 31, 2022

	ADEQ		E-Waste
	01-01-22 TO 12-31-22		01-01-22 TO 12-31-22
Grant income - ADEQ	\$ 112,969	Grant income - E-Waste	\$ 15,051
Increase (decrease) in grant deferral	-	Increase (decrease) in grant deferral	-
ADEQ Grant Received	\$ 112,969	E-Waste Grant Received	\$ 15,051

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

NON-FINANCIAL SECTION

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

Faulkner Count Solid Waste Management District
Conway, 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 business-type activities of Faulkner County 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 Faulkner County Solid Waste Management District's basic financial statements, and have issued our report thereon dated January 22, 2025.

Report on Internal Control over Financial Reporting

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

Purpose of this Report

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

Arkansas Accounting

Conway, Arkansas
January 22, 2025