

**PULASKI COUNTY REGIONAL SOLID WASTE  
MANAGEMENT DISTRICT**

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**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**For the Year Ended June 30, 2021**

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# COBB AND SUSKIE, LTD.

CERTIFIED PUBLIC ACCOUNTANTS

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Michael L. Cobb

Anne Suskie Pinyan

## Independent Auditors' Report

Board of Directors  
Pulaski County Regional Solid  
Waste Management District  
Little Rock, Arkansas

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of Pulaski County Regional Solid Waste Management District, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Pulaski County Regional Solid Waste Management District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Pulaski County Regional Solid Waste Management District  
Board of Directors  
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Pulaski County Regional Solid Waste Management District, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***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 4-6 and 27-29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Pulaski County Regional Solid Waste Management District's basic financial statements. The Schedule of Revenue and Expenses - Combined Governmental Funds by Program, Schedule of General and Administrative Revenue and Expenses, Schedule of Waste Tire Management Program Revenue and Expenses, Schedule of Recycling Grant Revenue and Expense, Schedule of C&D Feasibility Study Revenue and Expenditures, and Schedule of Electronic Recycling Grant Revenue and Expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Pulaski County Regional Solid Waste Management District  
Board of Directors  
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The Schedule of Revenue and Expenses-Combined Governmental Funds by Program, Schedule of General and Administrative Revenue and Expenses, Schedule of Waste Tire Management Program Revenue and Expenses, Schedule of Recycling Grant Revenue and Expense, Schedule of C&D Feasibility Study Revenue and Expenditures and Schedule of Electronic Recycling Grant Revenue and Expenses are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 combining and individual non - major fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Cobb and Siskie, Ltd.*

Certified Public Accountants  
March 17, 2022

**PULASKI COUNTY REGIONAL SOLID WASTE MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2021**

The discussion and analysis of Pulaski County Regional Solid Waste Management District's financial report provides a review of the District's financial activities for the year ended June 30, 2021. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the basic financial statements and notes to enhance understanding of the District's financial performance.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The annual report consists of a series of financial statements and notes to those statements. The notes will explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements.

The Statement of Net Assets and Statement of Activities are considered District-Wide statements. These provide information about the overall or District-Wide activities including short-term and long-term information and overall financial status. The Statement of Net Assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

Fund financial statements provide the next level of detail and focus on individual parts of the District telling how services were financed in the short-term as well as what remains for future spending.

Governmental fund statements tell how basic services, such as recycling, were financed and what remains for future spending. A comparison can be made as to the amount of funds spent in each area.

Pulaski County Regional Solid Waste Management District adopted Government Accounting Standard Board (GASB) 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement 27 during its fiscal year ended June 30, 2016. GASB Statement 68 established accounting and financial reporting standards for employers, including reporting of the net pension asset or liability on the statement of net position, and deferred inflows and outflows associated with investment, economic and demographic gains and losses associated with pension plans. GASB Statement 68 also provides guidance related to the calculation of pension expense.

The District is a special - purpose government engaged in a single governmental program.

**PULASKI COUNTY REGIONAL SOLID WASTE MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2021**

**FINANCIAL ANALYSIS OF THE DISTRICT**

**Statement of Net Position and Governmental Funds Balance Sheet**

The Statement of Net Position and Governmental Funds Balance Sheet present a picture of the District as of June 30, 2021. This document reports the District's assets, liabilities, and net assets/fund balance. The net position and fund balance are calculated by subtracting the liabilities from the assets. This change identifies whether the financial position of the District has improved or diminished.

**Assets** - The District's total assets at June 30, 2021 were \$1,897,666 and consisted of cash of \$1,702,842, accounts receivable of \$155,130, and net capital assets of \$39,694. At June 30, 2020, total assets were \$1,649,281, cash was \$1,461,849, accounts receivable were \$137,432, and net capital assets were \$50,000.

**Liabilities** - The District's total liabilities at June 30, 2021 were \$356,258. The liabilities consisted of payroll liabilities of \$3,182 and net pension liability of \$353,076. Additionally, there were deferred revenues of \$684,239 from recycling grants. The proceeds from the grants were received by the District, but at June 30, 2021, those funds had not been spent. At June 30, 2020, total liabilities amounted to \$344,667 which comprised of \$2,981 in payroll liabilities and \$341,686 in net pension liability.

**Net Assets** - The net assets at June 30, 2021, amounted to \$863,554 and at June 30, 2020, net assets were \$630,724.

**Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance**

The revenues and expenses for the year ended June 30, 2021, are accounted for in the Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance. All of the District's activities are reported as governmental activities. Recycling and tire recycling grants constitute approximately 17% of the revenue. This document also reports the changes in net assets/fund balance that result from the current period's activities.

**Program Revenues** - Program Revenues for the year ended June 30, 2021, were \$1,983,810. These revenues consisted of \$1,652,201 from the Waste Tire Management Program, with the balance from collection and recycling. For the year ended June 30, 2020, Program Revenues were \$2,311,565, including \$1,872,605 from the Waste Tire Program. The decrease in total revenue from 2020 to 2021 in the amount of \$327,755 is due primarily to less revenue from the Waste Tire Management and the Electronic Recycling Program.



**PULASKI COUNTY REGIONAL SOLID WASTE MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2021**

**FINANCIAL ANALYSIS OF THE DISTRICT (CONTINUED)**

**Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance (Continued)**

**General Revenues** - General revenues, which were composed primarily of the tipping fees and landfill hosting, were \$763,058 for the year ended June 30, 2021, up from \$660,553 the prior year.

**Total Revenues** - Total revenues, consisting of program and general revenues were \$2,744,860 for the year ended June 30, 2021, down from \$2,971,918 in 2020.

**Program Expenses** - Total expenses, primarily by function, were \$2,514,038 in 2021, and \$2,576,248 in 2020.

The net revenue, which is a comparison of expenses to program revenues, reflected an excess \$232,830 for the year ended June 30, 2021. Net revenue for the year ended June 30, 2020, reflected an excess of \$395,670.

There were no special items to note.

The change in net assets for the year ended June 30, 2021, was an increase of \$232,830; and, on a budgetary basis, the District concluded with a positive budget variance of \$236,442 for the period.

**SUMMARY AND ECONOMIC OUTLOOK**

The Pulaski County Regional Solid Waste Management District is fiscally sound and solvent largely due to the close watch over the resources by the District's board.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, and granting agencies with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If there are questions about this report or need for additional financial information arises, contact Pulaski County Regional Solid Waste Management District, The 300 Spring Building, Suite 200, Little Rock, Arkansas, 72201 or telephone (501) 340-8787.

PULASKI COUNTY REGIONAL SOLID WASTE MANAGEMENT DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2021

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Current Assets:

Cash	\$ 1,702,842
Accounts Receivable	155,130
Total Current Assets	<u>1,857,972</u>

Capital Assets

Furniture and Equipment	1,802,926
Trucks and Vehicles	113,141
	<u>1,916,067</u>
Less Accumulated Depreciation	1,876,373
Net Capital Assets	<u>39,694</u>
 Total Assets	 <u>1,897,666</u>

DEFERRED OUTFLOWS OF RESOURCES

Pensions	<u>87,279</u>
Total Deferred Outflows of Resources	<u>87,279</u>

TOTAL ASSETS AND DEFERRED  
OUTFLOWS OF RESOURCES

\$ 1,984,945

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

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION**

**Current Liabilities:**

Payroll Liabilities	\$ 3,182
Total Current Liabilities	<u>3,182</u>

**Long Term Liabilities**

Net Pension Liabilities	<u>353,076</u>
Total Liabilities	<u>356,258</u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred Grant Revenue	684,239
Pensions	<u>80,894</u>
Total Deferred Inflows of Resources	<u>765,133</u>

**Net Position:**

Invested in Capital Assets, Net of Related Liabilities	39,694
Restricted	264,644
Unrestricted	<u>559,216</u>
Total Net Position	<u>863,554</u>

**TOTAL LIABILITIES, DEFFERED INFLOWS  
OF RESOURCES, AND NET POSITION**

**\$ 1,984,945**

PULASKI COUNTY REGIONAL SOLID WASTE MANAGEMENT DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021

<u>FUNCTIONS AND PROGRAMS</u>	<u>Expenses</u>	<u>Program Revenues</u>	<u>Net (Expenses) Revenue and Changes In Net Assets</u>
Governmental Activities:			
Waste Tire Management	\$ 1,360,634	\$ 1,652,201	\$ 291,567
Recycling	244,471	244,471	-
Electronic Recycling Program	107,476	87,138	(20,338)
C & D Feasibility Study	120	-	(120)
Total Governmental Activities	<u>1,712,701</u>	<u>1,983,810</u>	<u>271,109</u>
Support Services:			
General Administrative	792,660	-	(792,660)
Pension	(13,238)	-	13,238
Depreciation - Unallocated	<u>21,915</u>	-	<u>(21,915)</u>
Total Support Services	<u>801,337</u>	<u>-</u>	<u>(801,337)</u>
Total Governmental Activities	<u>\$ 2,514,038</u>	<u>\$ 1,983,810</u>	<u>(530,228)</u>
General Revenues:			
District Tipping Fee			570,810
Hauler Licenses			21,804
Interest and Investment Earnings			4,383
Administrative Set Aside			65,491
Grant Administration			<u>100,570</u>
Subtotal General Revenues			<u>763,058</u>
Excess (Deficiency) of Revenues and Expenses			232,830
Net Position, Beginning			<u>630,724</u>
Net Position, Ending			<u>\$ 863,554</u>

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

PULASKI COUNTY REGIONAL SOLID WASTE MANAGEMENT DISTRICT  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2021

OPERATIONS

Net Increase (Decrease) in Net Position	\$ 232,830
Adjustments Required to Net Cash Provided by Operations:	
Depreciation	21,915
Net (Increase) Decrease in Assets:	
Accounts Receivable	(17,698)
Net Increase (Decrease) in Liabilities:	
Payroll Liabilities	201
Net Increase (Decrease) in Deferred Resources:	
Deferred Grant Revenue	28,592
Pension Liability	<u>(13,238)</u>
Net Cash Inflows from Operations	<u>252,602</u>

INVESTING ACTIVITIES

Inflows (Outflows):	
Purchase of Property and Equipment	<u>(11,609)</u>
Net Cash (Outflows) from Investments	<u>(11,609)</u>

INCREASE (DECREASE) IN CASH EQUIVALENTS	240,993
BEGINNING CASH AND CASH EQUIVALENTS	<u>1,461,849</u>
ENDING CASH AND CASH EQUIVALENTS	<u>\$ 1,702,842</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash Paid During the Period for Interest	<u>\$ 0</u>
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The accompanying notes are an integral part of these financial statements.

PULASKI COUNTY REGIONAL SOLID WASTE MANAGEMENT DISTRICT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2021

	<u>General Fund</u>	<u>Waste Tire Program</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash	\$ 1,438,198	\$ 264,644	\$ 1,702,842
Accounts Receivable	<u>155,130</u>	<u>-</u>	<u>155,130</u>
 Total Assets	 <u>\$ 1,593,328</u>	 <u>\$ 264,644</u>	 <u>\$ 1,857,972</u>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts Payable	\$ -	\$ -	\$ -
Payroll Liabilities	<u>3,182</u>	<u>-</u>	<u>3,182</u>
 Total Liabilities	 <u>3,182</u>	 <u>-</u>	 <u>3,182</u>
Fund Balances:			
Restricted	-	264,644	264,644
Unrestricted	<u>1,590,146</u>	<u>-</u>	<u>1,590,146</u>
Total Fund Balances	<u>1,590,146</u>	<u>264,644</u>	<u>1,854,790</u>
 Total Liabilities and Fund Balances	 <u>\$ 1,593,328</u>	 <u>\$ 264,644</u>	 <u>\$ 1,857,972</u>

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

PULASKI COUNTY REGIONAL SOLID WASTE MANAGEMENT DISTRICT  
STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN  
FUND BALANCE - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 2021

<u>REVENUE</u>	<u>General Fund</u>	<u>Waste Tire Program</u>	<u>Memo Totals</u>
ADEQ Grant	\$ 273,063	\$ 1,652,201	\$ 1,925,264
Waste Tire Processing Fees	-	-	-
Lease Income	-	-	-
District Tipping Fees	570,810	-	570,810
Hauler Licenses	21,804	-	21,804
Interest Income	3,907	476	4,383
Grants	87,138	-	87,138
Grant Administration	100,570	-	100,570
Other	-	-	-
Administrative Set Aside	65,491	-	65,491
Total Revenue	<u>1,122,783</u>	<u>1,652,677</u>	<u>2,775,460</u>
<u>OPERATING EXPENSES</u>	<u>1,144,727</u>	<u>1,360,634</u>	<u>2,505,361</u>
Revenue in Excess of (Under) Operating Expenses	<u>(21,944)</u>	<u>292,043</u>	<u>270,099</u>
<u>CAPITAL EXPENSES</u>	<u>11,609</u>	<u>-</u>	<u>11,609</u>
Revenue in Excess of (Under) Expenses	<u>(33,553)</u>	<u>292,043</u>	<u>258,490</u>
<u>OTHER INCREASES (DECREASES)</u>			
Transfer Out	-	(280,539)	(280,539)
Transfers In	280,539	-	280,539
Total Other Increase (Decrease)	<u>280,539</u>	<u>(280,539)</u>	<u>-</u>
NET INCREASE (DECREASE)	246,986	11,504	258,490
Fund Balance, Beginning of Year	<u>1,343,160</u>	<u>253,140</u>	<u>1,596,300</u>
Fund Balance, End of Year	<u>\$ 1,590,146</u>	<u>\$ 264,644</u>	<u>\$ 1,854,790</u>

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

PULASKI COUNTY REGIONAL SOLID WASTE MANAGEMENT DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
WITH THE STATEMENT OF NET POSITION  
JUNE 30, 2021

Amounts reported for governmental activities in the statement  
of net assets are different because:

Total Governmental Fund Balance	\$	1,854,790
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Capital assets used in governmental activities are not  
financial resources and therefore are not reported as  
assets in governmental funds

The Cost of Capital Assets	1,916,067	
Accumulated Depreciation	<u>1,876,373</u>	
Total Capital Assets		39,694

Deferred Outflows of Resources will not be amortized  
into the Statement of Activities in the current period and  
therefore are not current financial resources.

Deferred Outflows of Resources		
Pensions	<u>87,279</u>	
		87,279

Some liabilities and deferred inflows of revenues are  
not due and payable in the current and therefore are  
not reportable in the funds.  
Those items consist of:

Net Pension Liability	(353,076)	
Deferred Inflows of Resources related to Pensions	(80,894)	
Deferred Grant Revenues	<u>(684,239)</u>	
Total Liabilities and Deferred Inflows		<u>(1,118,209)</u>

Net Position of Governmental Activities	\$	<u>863,554</u>
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The accompanying notes are an integral part of these financial statements.



PULASKI COUNTY REGIONAL SOLID WASTE MANAGEMENT DISTRICT  
 RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF  
 REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 WITH THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2021

Net Change in Fund Balances - Total Governmental Funds	\$ 258,490
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Amounts Reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures.  
 However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.  
 In the current period, these amounts are:

Capital Outlay	\$ 11,609	
Depreciation Expense	<u>(21,915)</u>	
Capital Outlay Over (Less Than) Depreciation Expense		(10,306)
(Increase) Decrease in Deferred Outflows of Resources:		
(Increase) Decrease in Deferred Inflows of Revenues	<u>(28,592)</u>	
		(28,592)
(Increase) Decrease in Deferred Outflows of Pensions:	<u>13,238</u>	
		<u>13,238</u>
Change in Net Position of Governmental Activities		<u><u>\$ 232,830</u></u>

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

PULASKI COUNTY REGIONAL SOLID WASTE MANAGEMENT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Organization

On April 24, 1992, the Arkansas Pollution Control and Ecology Commission designated the formation of a single-county Regional Solid Waste Management District under the provisions of Act 752 of 1991. This district, designated as the Pulaski County Regional Solid Waste Management District, consisted of Pulaski County and six first class cities and municipalities within the county. The Pulaski County Regional Solid Waste Management District (the District) is administered by a seven person board, which is designated to conduct the solid waste planning and management responsibilities mandated by Act 752. The District also is authorized to adjudicate Certificates of Need, a necessary edict in the State's landfill permit procedure, and to assess landfill disposal fees. The District also administers the Inter-District Waste Tire Management Program.

(b) Basis of Presentation

The financial statements of the District have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the authoritative standard-setting body for the establishment of governmental accounting and financial reporting principles.

(1) Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the District as a whole. These statements include all the financial activities of the primary government.

The statement of net assets presents the financial condition of the governmental activities of the District at period-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function.

PULASKI COUNTY REGIONAL SOLID WASTE MANAGEMENT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of Presentation (Continued)

(1) Government-Wide Financial Statements (Continued)

Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program.

Revenues, which are not classified as program revenues, are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

(2) Fund Financial Statements

During the period, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. There are no non-major funds.

(c) Governmental Fund Types

The District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. These are two categories of funds:

1. General Fund - The General Fund is the operating fund of the District. It is used to account for all financial resources arising from activities authorized by Act 752 and authorized by the District's board.
2. Waste Tire Program - The Waste Tire Program, established in 1993, reports revenues and related operating expenses pertaining to grant funds and waste tire processing fees collected under the auspices of the Arkansas Waste Tire Management Program.

PULASKI COUNTY REGIONAL SOLID WASTE MANAGEMENT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Cash

Cash includes amounts on hand and deposited in banks. For the purposes of reporting cash flows, cash also includes all highly liquid investments with an initial maturity of three months or less.

(e) Accounts Receivable

Accounts receivable are reported as the amount management expects to collect on balances outstanding at period-end. Accounts receivable at June 30, 2021, consisted of balances due from current funding sources. Based on management's assessment of the credit history of the grantors, it has concluded that these balances outstanding at period-end will be fully collectible.

(f) Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost and updated for additions and retirements during the period. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of five hundred dollars.

The District does not possess any infrastructures. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets, except for land and land improvements, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Furniture and Equipment	5 years
Trucks and Vehicles	5 years

PULASKI COUNTY REGIONAL SOLID WASTE MANAGEMENT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Deferred Inflows and Outflows of Resources

In accordance with Governmental Accounting Standards Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, outflows of resources that represent the consumption of a government's net assets that is applicable to a future period are reported as deferred inflows in the statement of net position. Inflows of resources that report the acquisition of net assets that are applicable to a future reporting period are reported as deferred outflows of resources. At June 30, 2021, deferred inflows of resources, which are reported separately from liabilities, consisted of deferred grant revenue and pensions. Deferred outflows consisted of pensions.

(h) Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

(i) Government Accounting Standards Board (GASB) Statement No. 68

The GASB issued the following three statements which became effective for the fiscal year ended June 30, 2016: Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, Statement No. 69, *Government Combinations and Disposals of Government Operations*, and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*. Management has determined that Statement No. 69 does not affect the Pulaski County Regional Solid Waste Management District. Statements No. 68 and No. 71 established standards of accounting and financial reporting for defined benefit pensions and defined contribution pensions. Details of the effect of these statements are discussed in detail in footnote 5.

PULASKI COUNTY REGIONAL SOLID WASTE MANAGEMENT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 2: CASH

As of the year ended June 30, 2021, the District had total cash of \$1,702,842, which consisted of checking account deposits with a balance of \$1,737,404 in one local depository bank. The carrying amount of total deposits, amount of the total bank balances and the credit risk as to insured and/or collateralized position for cash and investments in certificates of deposit are summarized as follows:

	<u>Carrying Value</u>	<u>Bank Balance</u>
Insured (FDIC) and Collateralized:		
Centennial Bank	\$ 1,702,842	\$ 1,737,404
Total Insured (FDIC) and Collateralized	1,702,842	1,737,404
Uninsured, Uncollateralized	-	-
 TOTAL	 \$ 1,702,842	 \$ 1,737,404

NOTE 3: CAPITAL ASSETS

Capital assets balance and activity for the year ended June 30, 2021, was as follows:

	<u>Balance</u> <u>6/30/2020</u>	<u>Additions</u>	<u>Balance</u> <u>6/30/2021</u>
Furniture and Equipment	\$ 1,791,317	\$ 11,609	\$ 1,802,926
Trucks and Vehicles	113,141	-	113,141
	1,904,458	11,609	1,916,067
Accumulated Depreciation	1,854,458	21,915	1,876,373
Net Furniture and Equipment	\$ 50,000	\$ (10,306)	\$ 39,694

All capital accounts are subject to depreciation.

PULASKI COUNTY REGIONAL SOLID WASTE MANAGEMENT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 4: FUND BALANCES

Fund Balances per the Fund Financial Statements at June 30, 2021, consisted of the following:

	General <u>Fund</u>	<u>Waste Tire</u>	<u>Total</u>
Net Assets:			
(a) <u>Restricted</u>			
Waste Tire Management Program:			
Pulaski County Regional			
Solid Waste Management District	\$ -	\$ 264,644	\$ 264,644
Saline County Solid Waste Management District	-	-	-
Central Solid Waste Management District	-	-	-
Southwest Central Solid Waste Management District	-	-	-
Faulkner County	-	-	-
Total Restricted	<u>\$ -</u>	<u>\$ 264,644</u>	<u>\$ 264,644</u>
(b) <u>Unrestricted</u>			
Unrestricted	\$ (1,228,073)	\$ -	\$ (1,228,073)
Recycling Grant	400,286	-	400,286
C & D Feasibility Study	1,887,899	-	1,887,899
Electronic Recycling	622,853	-	622,853
Waste Tire Admin Fund	(45,890)	-	(45,890)
Riverfest Recycling Fund	(46,929)	-	(46,929)
Total Unrestricted	<u>\$ 1,590,146</u>	<u>\$ -</u>	<u>\$ 1,590,146</u>

NOTE 5: DEFINED BENEFIT PENSION PLAN

As described in Note 1 (i), GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* established standards of accounting and financial reporting for defined benefit pensions and defined contribution pensions. Details of the effect of these statements are discussed on the following page.

PULASKI COUNTY REGIONAL SOLID WASTE MANAGEMENT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 5: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Arkansas Public Employees Retirement System (APERS) Plan Description

The District participates in a cost-sharing multiple-employer pension plan, administered by the Arkansas Public Employees Retirement System (APERS). APERS is a cost-sharing, multiple-employer, defined benefit plan which covers all State employees who are not covered by another authorized plan. The plan was established by the authority of the Arkansas General Assembly with the passage of Act 177 of 1957. The costs of administering the plan are paid out of investment earnings. The general administration and responsibility for the proper operation of the System is vested in the nine members of the Board of Trustees of the Arkansas Public Employees Retirement System (the Board). Membership includes three state and three non-state employees, all appointed by the Governor, and three ex-officio trustees, including the Auditor of the State, the Treasurer of the State and the Director of the Department of Finance and Administration.

Benefits Provided

Benefit provisions are set forth in Arkansas Code Annotated, Title 24, Chapters 5 and 6 and may only be amended by the Arkansas General Assembly. APERS provides retirement, disability, and death benefits. Retirement benefits are determined as a percentage of the member's highest 3 year average compensation times the member's years of service. The percentage used is based upon whether a member is contributory or non-contributory as follows:

Contributory, prior to 7/1/2005	2.07%
Contributory, on or after 7/1/2005	2.03%
Non – Contributory	1.72%

Members are eligible to retire with a full benefit under the following conditions:

- (a) At age 65 with 5 years of service,
- (b) At any age with 28 years actual service,
- (c) At age 60 with 20 years of actual service if under the old contributory plan (prior to July 1, 2005), or
- (d) At age 55 with 35 years of credited service for elected or public safety officials



PULASKI COUNTY REGIONAL SOLID WASTE MANAGEMENT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 5: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Benefits Provided (Continued)

Members may retire with a reduced benefit at age 55 with at least 5 years of actual service at age 55 or at any age with 25 years of service. Members are eligible for disability benefits with 5 years of service. Disability benefits are computed as an age and service benefit, based on service and pay at disability. Death benefits are paid to a surviving spouse as if the member had 5 years of service and the monthly benefit is computed as if the member had retired and elected the Joint & 75% Survivor option. A cost - of - living adjustment of 3% of the current benefit is added each year.

Contributions

Contribution requirements are set forth in Arkansas Code Annotated, Title 24, Chapter 4. The contributions are expected to be sufficient to finance the costs of benefits earned by members during the year and make a level payment that, if paid annually over a reasonable period of future years, will fully cover the unfunded costs of benefit commitments for services previously rendered (A.C.A. 24-2-701(a)). Members who began service prior to July 1, 2005 are not required to make contributions to APERS. Members who began service on or after July 1, 2005 are required to contribute 5% of their salary. Employers are required to contribute at a rate established by the Board of Trustees of APERS based on an actuary's determination of a rate required to fund the plan (A.C.A. 24-2-701(c)(3)). The District contributed 14.76% of compensation for the fiscal year ended June 30, 2021. The District's contributions for the year ended June 30, 2021 were \$38,534, equal to the required contribution for the year.

APERS Fiduciary Net Position

Detailed information about APERS' fiduciary net position is available in the separately issued APERS Financial Report available at <http://www.apers.org/annualreports>.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

At June 30, 2021, the District reported a liability of \$353,076 for its proportionate share of the net pension liability. The collective Net Pension Liability was measured as of June 30, 2020, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The District's proportion of the Net Pension Liability was based on the employer's share of contributions to the pension plan relative to the total contributions of all participating employers. The District's proportion was .0123975%.

PULASKI COUNTY REGIONAL SOLID WASTE MANAGEMENT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 5: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions (Continued)

For the year ended June 30, 2021, the District recognized a pension expense of \$25,296. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 4,687	\$ (234)
Changes of Assumptions	4,424	(6,049)
Net difference between projected and Actual Investment Earnings on Pension Plan Investments	37,360	-
Change in Proportion and Differences between Employer Contributions and Share of Contributions	2,274	(74,611)
Contributions Made subsequent to the measurement date	38,534	-
Total	<u>\$ 87,279</u>	<u>\$ (80,894)</u>

\$ reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in the financial statements as follows:

2020	\$ (35,531)
2021	\$ (10,691)
2022	\$ 3,524
2023	\$ 10,549
2024	\$ -
Thereafter	\$ -

PULASKI COUNTY REGIONAL SOLID WASTE MANAGEMENT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 5: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions

The total pension liability in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level of Percent of Payroll, Closed
Remaining Amortization Period	26 years
Asset Valuation Method	4-year smoothed market; 25% corridor
Actuarial Assumptions:	
Investment Rate of Return	7.15%
Inflation	3.25% wage inflation, 2.5% price inflation
Salary Increases	3.25 - 9.85% including inflation
Retirement Age	Experienced-based table of rates that are specific to the type of eligibility condition
Mortality Table	Based on RP-2000 Combined Health mortality table, projected to 2020 using Projection Scale BB, set-forward 2 years for males and 1 year for females
Average Service Life of All Members	4.0486

PULASKI COUNTY REGIONAL SOLID WASTE MANAGEMENT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 5: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates are rates of return for each major asset class included in the System's target asset allocation as of June 30, 2020, are summarized in the table below:

<u>ASSET CLASS</u>	<u>TARGET ALLOCATION</u>	<u>LONG-TERM EXPECTED REAL RATE OF RETURN</u>
Broad Domestic Equity	37%	6.22%
International Equity	24%	6.69%
Real Assets	16%	4.81%
Absolute Return	5%	3.05%
Domestic Fixed	18%	0.57%
Total	<u>100%</u>	

Total Real Rate of Return	4.93%
Plus: Price Inflation - Acuary Assumption	<u>2.50%</u>
Net Expected Return	7.43%

Discount Rate

A single discount rate of 7.15% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.15%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investment was applied to all periods of projected benefit payments to determine the total pension liability.

PULASKI COUNTY REGIONAL SOLID WASTE MANAGEMENT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 5: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15%) or 1-percentage-point higher (8.15%) than the current rate:

Sensitivity of Discount Rate		
1% Lower (6.15%)	Discount Rate (7.15%)	1% Increase (8.15%)
\$ 537,756	\$ 353,073	\$ 200,667

NOTE 6: RELATED PARTY TRANSACTIONS

During the year ended June 30, 2021 the District paid \$17,000 in advertising and promotion expenses to Recycling Research Resources, Inc., nonprofit organization that is exempt from federal income tax under Section 501 (c) 3 of the Internal Revenue Code. The executive director of the District is also the director, incorporator, and agent for Recycling Research Resources, Inc.

On July 15, 2021 the District entered into a service agreement with Recycling Research Resources, Inc. under which the latter would provide research and management services for recyclable commodities including, but not limited to, special commodities not regularly managed by the District, with payments not to exceed \$5,000 per fiscal year.

NOTE 7: RISKS AND UNCERTAINTIES

In February 2020, the COVID-19 virus began spreading in the United States, including areas in which the Organization operates. Business continuity and social activities have been severely impacted as government and citizens take significant and unprecedented measures to mitigate the consequences of the epidemic. Management has carefully monitored the situation and evaluated its options during this time. Although the effect of the outbreak is expected to be temporary, there is considerable uncertainty about its outcome, and the impact and duration cannot be reasonably estimated at this time.

PULASKI COUNTY REGIONAL SOLID WASTE MANAGEMENT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 8: SUBSEQUENT EVENTS

Pulaski County Regional Solid Waste Management District did not have any recognized or nonrecognized subsequent events occur after June 30, 2021, the date of the statement of financial position. Subsequent events have been evaluated through March 17, 2022, the date the financial statements were available to be issued.

PULASKI COUNTY REGIONAL SOLID WASTE MANAGEMENT DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under) Budget</u>
<b><u>REVENUE</u></b>			
Recycling Grant Income	\$ 260,000	\$ 273,063	\$ 13,063
Electronic Recycling Grant	-	87,138	87,138
ADEQ Grant	1,460,000	1,652,201	192,201
Waste Tire Processing Fee	-	-	-
Lease Income	-	-	-
District Tipping Fee	500,000	570,810	70,810
Hauler Licenses	30,000	21,804	(8,196)
Interest Income	2,155	4,383	2,228
Grant Administration	87,000	100,570	13,570
Other	-	-	-
Administrative Set Aside	102,200	65,491	(36,709)
Total Revenue	<u>2,441,355</u>	<u>2,775,460</u>	<u>334,105</u>
<b><u>OPERATING EXPENSES</u></b>			
Audit	4,000	3,750	(250)
Accounting	11,000	10,255	(745)
Administrative Set Aside	102,200	-	(102,200)
Attorney Fees	10,000	4,248	(5,752)
Auto	22,000	22,119	119
Bank Service Charge	1,740	1,930	190
Collection Site	-	-	-
Computer Network	18,000	23,296	5,296
Contract Services	-	64,098	64,098
East Ark	-	128,580	128,580
Education	-	8,888	8,888
Electronics Equipment	-	-	-
Equipment Lease & Maintenance	3,000	2,726	(274)
Green Stations	85,000	62,281	(22,719)
Household Chemical	-	-	-
Illegal Dump Program	-	-	-
Insurance - Liability	7,500	7,686	186
Legal Notices	2,800	-	(2,800)
Miscellaneous	2,000	6,426	4,426
Subtotal	<u>269,240</u>	<u>346,283</u>	<u>77,043</u>

See independent auditors' report on required supplementary information.

PULASKI COUNTY REGIONAL SOLID WASTE MANAGEMENT DISTRICT  
BUDGETARY COMPARISON SCHEDULE (Continued)  
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under) Budget</u>
Balance Forward	\$ 269,240	\$ 346,283	\$ 77,043
Office Supplies	5,500	5,100	(400)
Postage	1,000	1,341	341
Printing and Copying	2,750	1,327	(1,423)
Professional Services	121,250	115,787	(5,463)
Promotion and Advertising	50,000	47,114	(2,886)
Recycling Education	90,000	116,924	26,924
Recycling Programs	75,000	42,406	(32,594)
Recycling Incentive Program	-	-	-
Rent	38,000	37,169	(831)
Roll Off Container Service	23,000	13,015	(9,985)
Salaries and Benefits	328,600	338,527	9,927
Seminars and Dues	10,000	3,087	(6,913)
Special Projects	10,000	56,737	46,737
Supplies	-	13	13
Telephone	10,500	21,299	10,799
Transportation	1,000	158	(842)
Travel	6,500	-	(6,500)
Waste Tire Contractor	<u>1,355,000</u>	<u>1,359,074</u>	<u>4,074</u>
Total Operating Expenses	<u>2,397,340</u>	<u>2,505,361</u>	<u>108,021</u>
Revenue in Excess of (Under)			
Operating Expenses	44,015	270,099	226,084
<u>CAPITAL EXPENSES</u>	<u>1,250</u>	<u>11,609</u>	<u>(10,359)</u>
NET INCREASE (DECREASE)	42,765	258,490	236,443
Fund Balance, Beginning of Year	<u>(3,859,819)</u>	<u>1,596,300</u>	<u>5,456,119</u>
Fund Balance, End of Year	<u>\$ (3,817,054)</u>	<u>\$ 1,854,790</u>	<u>\$ 5,692,562</u>

See independent auditors' report on supplementary schedules.



PULASKI COUNTY REGIONAL SOLID WASTE MANAGEMENT DISTRICT  
NOTE TO BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2021

**NOTE A - BUDGET-TO-ACTUAL RECONCILIATION**

An explanation of the differences between budgetary inflows and outflows and revenues and expenditures determined in accordance with generally accepted accounting principles follows:

**Uses / Outflows of Capital Resources:**

Actual Revenue (budgetary basis) from the budgetary comparison schedule	\$ 2,775,460
Differences - Budget to GAAP:	
Deferred Revenue at June 30, 2020	655,647
Deferred Revenue at June 30, 2021	<u>(684,239)</u>
Total Revenue as reported on the Statement of Activities	<u>2,746,868</u>
Differences - Budget to GAAP:	
Actual Expenses (budgetary basis) from the budgetary comparison schedule	2,516,970
Budgets for capital expenditures as an outflow of budgetary resources	(11,609)
Deferred Inflows from Pensions	(13,238)
Depreciation of capital items for GAAP purposes.	<u>21,915</u>
Total Expenditures as reported on the Statement of Activities	<u>2,514,038</u>
Change in Net Assets as reported on the Statement of Activities	<u><u>\$ 232,830</u></u>

PULASKI COUNTY REGIONAL SOLID WASTE MANAGEMENT DISTRICT  
SCHEDULE OF REVENUE AND EXPENSES - COMBINED  
GOVERNMENTAL FUND BY PROGRAM  
FOR THE YEAR ENDED JUNE 30, 2021

REVENUE

General and Administrative	\$ 760,301
Waste Tire Management	1,652,677
Recycling Grant	273,986
C & D Feasibility Study	328
Electronic Recycling	88,168
Total Revenue	<u>2,775,460</u>

OPERATING EXPENSES

General and Administrative	792,660
Waste Tire Management	1,360,634
Recycling Grant	244,471
C & D Feasibility Study	120
Electronic Recycling	107,476
Total Operating Expenses	<u>2,505,361</u>

Revenue in Excess of (Under) Operating Expenses	270,099
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<u>CAPITAL EXPENSES</u>	<u>11,609</u>
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Revenues in Excess of (Under) Expenses	<u>\$ 258,490</u>
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See independent auditors' report on supplementary schedules.

PULASKI COUNTY REGIONAL SOLID WASTE MANAGEMENT DISTRICT  
SCHEDULE OF GENERAL AND ADMINISTRATIVE REVENUE AND EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2021

REVENUE

District Tipping Fee	\$ 570,810
Hauler Licenses	21,804
Grant Administration	100,570
Administrative Set Aside	65,491
Interest Income	1,626
Total Revenue	<u>760,301</u>

OPERATING EXPENSES

Annual Audit	3,750
Accounting	10,255
Attorney Fees	4,248
Auto	22,119
Bank Service Charge	790
Computer Network	23,296
East Ark	128,580
Equipment Lease	2,726
Illegal Dump	-
Insurance	7,686
Legal Notices	-
Miscellaneous	5,286
Office Supplies	5,100
Postage	1,341
Printing and Copying	1,327
Professional Services	115,787
Promotion and Advertising	47,114
Rent	37,169
Roll Off Container Service	13,015
Salaries and Benefits	338,527
Seminars and Dues	3,087
Telephone	21,299
Transportation	158
Travel	-
Total Operating Expenses	<u>792,660</u>

Revenue in Excess of (Under) Operating Expenses (32,359)

CAPITAL EXPENSES

Revenue in Excess of (Under) Expenses \$ (43,968)

See independent auditors' report on supplementary schedules.

PULASKI COUNTY REGIONAL SOLID WASTE MANAGEMENT DISTRICT  
SCHEDULE OF WASTE TIRE MANAGEMENT PROGRAM REVENUE AND EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2021

REVENUE

ADEQ - Grant	\$ 1,652,201
Waste Tire Processing Fee	-
Lease Income	-
Other	-
Interest Income	476
Total Revenue	<u>1,652,677</u>

OPERATING EXPENSES

Bank Service Charge	420
Miscellaneous	1,140
Waste Tire Contractor	1,359,074
Total Operating Expenses	<u>1,360,634</u>

Revenue in Excess of (Under) Operating Expenses	292,043
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CAPITAL EXPENSES

Revenue in Excess of (Under) Expenses	<u>\$ 292,043</u>
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See independent auditors' report on supplementary schedules.

PULASKI COUNTY REGIONAL SOLID WASTE MANAGEMENT DISTRICT  
SCHEDULE OF RECYCLING GRANT REVENUE AND EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2021

REVENUE

ADEQ	\$ 273,063
Interest Income	923
Administrative Set Aside	-
Total Revenue	<u>273,986</u>

OPERATING EXPENSES

Bank Charge	180
Recycling Education	116,924
Recycling Incentive	-
Recycling Programs	42,406
Green Stations	62,281
Special Projects	22,680
Total Operating Expenses	<u>244,471</u>

Revenue in Excess of (Under) Operating Expenses	29,515
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CAPITAL EXPENSES

Revenue in Excess of (Under) Expenses	<u>\$ 29,515</u>
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See independent auditors' report on supplementary schedules.

PULASKI COUNTY REGIONAL SOLID WASTE MANAGEMENT DISTRICT  
SCHEDULE OF C & D FEASIBILITY STUDY REVENUE AND EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2021

REVENUE

Interest Income	\$ 328
Total Revenue	<u>328</u>

OPERATING EXPENSES

Bank Charge	120
Miscellaneous	<u>-</u>
Total Operating Expenses	<u>120</u>

Revenue in Excess of (Under) Operating Expenses	208
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CAPITAL EXPENSES

Revenue in Excess of (Under) Expenses	<u>\$ 208</u>
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See independent auditors' report on supplementary schedules.

PULASKI COUNTY REGIONAL SOLID WASTE MANAGEMENT DISTRICT  
SCHEDULE OF ELECTRONIC RECYCLING GRANT REVENUE AND EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2021

REVENUE

Electronic Recycling Grant Income	\$ 87,138
Administrative Set Aside	-
Interest Income	1,030
Total Revenue	<u>88,168</u>

OPERATING EXPENSES

Bank Charge	420
Contract Services	64,098
Collection Site	-
Education	8,888
Electronics Equipment	-
Special Project	34,057
Supplies	13
Total Operating Expenses	<u>107,476</u>

Revenue in Excess of (Under) Operating Expenses (19,308)

CAPITAL EXPENSES

Revenue in Excess of (Under) Expenses \$ (19,308)

See independent auditors' report on supplementary schedules.

# COBB AND SUSKIE, LTD.

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Michael L. Cobb

Anne Suskie Pinyan

## Independent Auditors' Report on Internal Control

Board of Directors  
Pulaski County Regional Solid  
Waste Management District  
Little Rock, Arkansas

In planning and performing our audit of the financial statements of Pulaski County Regional Solid Waste Management District (the District) as of and for the year ended June 30, 2021, we considered its internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, 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 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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We also noted an internal control deficiency, which is further described in the accompanying schedule of Internal Control Deficiencies.

This report is intended solely for the information and use of the Board of Directors management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

*Cobb and Suskie, Ltd.*

Certified Public Accountants  
March 17, 2022



**PULASKI COUNTY REGIONAL SOLID WASTE MANAGEMENT DISTRICT  
SCHEDULE OF INTERNAL CONTROL DEFICIENCIES  
FOR THE YEAR ENDED JUNE 30, 2021**

- (1) During the year ended June 30, 2021 the District made two payments in the aggregate of \$17,000 to Recycling Research Resources, Inc., a nonprofit organization with which it shares common management. Although the payments were authorized, no documentation was available in support of these payments. Additionally, the disbursements were charged to Promotions & Advertising, although the check stubs listed them as "Foundation Contribution" and "Donation."

We recommend that all disbursements be adequately supported by documentation that describes the service rendered and how the amount due was determined. We also invite management to note the distinction between an exchange transaction, for which the payment is commensurate to the service performed, and a nonexchange transaction, for which a payment is made without condition and for which there was no consideration. The former is an expense, and the latter constitutes a contribution. For budgetary purposes, as well as management review and control, operating expenses and contributions should be reported separately.

The 2020-2021 audit of Pulaski County Regional Solid Waste Management District was hand delivered to the office of Division of Legislative Audit, attn: Marti Steel on this 30<sup>th</sup> day of March, 2022.

I acknowledge receipt of the above documents Ashley Hay  
Printed Name

Ashley Hay  
Signature

3:26pm  
Time

Delivered by: Desi Ledbetter