

**SOUTHERN WASTE INFORMATION EXCHANGE, INC.
TALLAHASSEE, FLORIDA**

FINANCIAL STATEMENTS

JUNE 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Southern Waste Information Exchange, Inc.
Tallahassee, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Southern Waste Information Exchange, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Southern Waste Information Exchange, Inc. as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Southern Waste Information Exchange, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Southern Waste Information Exchange, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 Southern Waste Information Exchange, Inc.'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 Southern Waste Information Exchange, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance, as required by the *Florida Single Audit Act*, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance 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 March 10, 2025, on our consideration of Southern Waste Information Exchange, Inc.'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 Southern Waste Information Exchange, Inc.'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 Southern Waste Information Exchange, Inc.'s internal control over financial reporting and compliance.



LAW, REDD, CRONA & MUNROE, P.A.
Tallahassee, Florida
March 10, 2025

SOUTHERN WASTE INFORMATION EXCHANGE, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024

ASSETS

CURRENT ASSETS

Cash	\$ 9,172
Grants Receivable	172,444
Prepaid Expenses	43,440
Total Current Assets	225,056

PROPERTY AND EQUIPMENT, NET	962,990
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TOTAL ASSETS	\$ 1,188,046
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Line of Credit	\$ 118,047
Related Party Notes Payable	19,958
Current Portion of Long-Term Debt	146,029
Total Current Liabilities	284,034

LONG-TERM LIABILITIES

Long-Term Debt	235,212
Total Long-Term Liabilities	235,212

Total Liabilities	519,246
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NET ASSETS

Without Donor Restrictions	668,800
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TOTAL LIABILITIES AND NET ASSETS	\$ 1,188,046
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The accompanying notes are an integral part of these financial statements.

SOUTHERN WASTE INFORMATION EXCHANGE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions
SUPPORT AND REVENUE	
Grants	\$ 1,534,948
Contributions	1,359
Employee Retention Credit	19,894
Interest	84
Total Support and Revenue	1,556,285
 EXPENSES	
Program Services	
Recycling and Resource Conservation	622,007
Total Program Services	622,007
 Supporting Services	
General and Administrative	73,174
Fundraising	36,590
Total Expenses	731,771
CHANGE IN NET ASSETS	824,514
NET ASSETS - Beginning of the Year	(155,714)
NET ASSETS - End of the Year	\$ 668,800

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

SOUTHERN WASTE INFORMATION EXCHANGE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	Program Services	Supporting Services		
	Recycling and Resource Conservation	General and Administrative	Fundraising	Total
Salaries, payroll taxes and benefits	\$ 266,272	\$ 31,326	\$ 15,663	\$ 313,261
Contract services	115,439	13,581	6,791	135,811
Travel	11,592	1,364	682	13,638
Telephone and internet	4,685	551	276	5,512
Accounting and legal	25,002	2,941	1,471	29,414
Shipping	7,442	876	438	8,756
Insurance	26,452	3,112	1,556	31,120
Rent and utilities	17,484	2,057	1,028	20,569
Depreciation	97,640	11,487	5,743	114,870
Amortization of loan costs	7,650	900	450	9,000
Office equipment rental	4,679	551	275	5,505
Interest expense	9,364	1,102	551	11,017
Promotion	8,826	1,038	519	10,383
Subscriptions	2,012	237	118	2,367
Supplies	6,571	773	387	7,731
Training	5,185	610	305	6,100
Bank charges	2,110	248	124	2,482
Miscellaneous	3,602	420	213	4,235
Total	<u>\$ 622,007</u>	<u>\$ 73,174</u>	<u>\$ 36,590</u>	<u>\$ 731,771</u>

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

SOUTHERN WASTE INFORMATION EXCHANGE, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ 824,514
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	114,870
Changes in Operating Assets and Liabilities:	
(Increase) Decrease in Operating Assets:	
Grants Receivable	(172,444)
Prepaid Expenses	(43,440)
Net Cash Provided by Operating Activities	<u>723,500</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Property and Equipment	<u>(1,077,860)</u>
Net Cash Used in Investing Activities	<u>(1,077,860)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from Long-Term Debt and Other	1,500,972
Payments on Long-Term Debt and Other	<u>(1,213,036)</u>
Net Cash Provided by Financing Activities	<u>287,936</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(66,424)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>75,596</u>
CASH AND CASH EQUIVALENTS - End of Year	<u><u>\$ 9,172</u></u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:	
Interest Paid	<u><u>\$ 11,017</u></u>

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

SOUTHERN WASTE INFORMATION EXCHANGE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization: Southern Waste Information Exchange, Inc. (the Organization) is a nonprofit corporation organized under the laws of the State of Florida in April 1997 to promote recycling and resource conservation in the State of Florida.

Income Taxes: The Organization is recognized as a nonprofit corporation under Section 501(c)(3) of the *Internal Revenue Code* and has not been classified as a private foundation under Section 509(a). Therefore, no provision for income taxes has been made in the accompanying financial statements.

A summary of the significant accounting policies and reporting practices followed by the Organization in the preparation of its financial statements is set forth below:

Basis of Accounting: The financial statements of the Organization have been prepared on the accrual basis. The Organization reports information regarding its financial position and activities according to two classes of net assets (net assets without donor restrictions and net assets with donor restrictions) based on the existence or absence of donor-imposed restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. The Organization did not have any net assets with donor restrictions as of June 30, 2024.

Cash: Cash consists of demand deposits held with financial institutions.

Grants Receivable: Grants receivable represents amounts due for services provided by the Organization under state grant funding. Management considers all grants receivable to be collectible. Grants receivable totaled \$0 and \$172,444 as of July 1, 2023 and June 30, 2024, respectively.

Any of the funding sources may, at its discretion, request reimbursement for expenses or return of funds, or both, as a result of non-compliance with the terms of the grants/contracts.

Property and Equipment: Property and equipment with a value greater than \$1,000 and an estimated useful life of at least one year are recorded at cost when purchased or at estimated fair value when donated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Repairs and maintenance, which are not considered improvements and do not extend the useful life of the property and equipment, are expensed as incurred.

Revenue Recognition: The Organization receives its grant revenue from the State of Florida on a cost reimbursement basis. The Organization recognizes grant revenue in the period which the corresponding reimbursable expenses were incurred.

SOUTHERN WASTE INFORMATION EXCHANGE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions: Contributions are considered to be without donor restrictions unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as with donor restrictions which increases that net asset class. However, if a restriction is fulfilled in the same time period in which the contribution is received, the entity reports the support as without donor restrictions.

Functional Allocation of Expenses: The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. Costs that can be identified with a specific program or support services are charged directly to that program or support service. Costs common to multiple functions have been allocated among the programs and supporting services benefited.

Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period, such as allowances for uncollectible accounts and depreciation, and allocation of expenses by function. Actual results could differ from those estimates.

NOTE 2 – CASH

The Organization maintains its cash and cash equivalents at four commercial banks. At times, the balances may exceed the current Federal Deposit Insurance Corporation (FDIC) limit of \$250,000 per bank. The Organization believes credit risk related to these balances is minimal. There were no uninsured balances at June 30, 2024.

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2024:

Equipment	\$ 916,500
Boat	161,360
	<hr/>
	1,077,860
Less: Accumulated Depreciation and Amortization	(114,870)
Property and Equipment, Net	<hr/> <u>\$ 962,990</u>

Depreciation expense for the year ended June 30, 2024 was \$114,870.

SOUTHERN WASTE INFORMATION EXCHANGE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 – NOTES PAYABLE

Loan from related party, Organization’s Executive Director (see Note 7) to pay grant expenses for cost reimbursement contracts. There is no written loan agreement and 0% interest.	\$ 11,884
Loan from related party, company owned by the Organization’s Executive Director (see Note 7) to pay grant expenses for cost reimbursement contracts. There is no written loan agreement and 0% interest.	\$ 8,074
Small Business Administration (SBA) Disaster COVID-19 Economic Injury Loan dated May 7, 2020. No payments were due for 12 months from commencement of loan. Payments of \$615 were due monthly beginning May 7, 2021. Interest is charged at 2.75%. Due to COVID, SBA suspended payments for 30 month beginning March 15, 2022. The loan matures on May 8, 2050 at which time all remaining principal and interest is due.	\$ 144,415
Gibbs International loan of \$150,000 dated April 29, 2024 to purchase equipment to comply with cost reimbursement grant. The loan is collateralized by the equipment. No interest is being charged, but a \$5,000 loan origination fee was paid. All outstanding principal is due August 31, 2024.	\$ 113,440
Loan with commercial bank of \$128,000 dated March 28, 2024 to purchase boat to comply with cost reimbursement grant. Interest is charged at 7.25% and the loan is collateralized by the boat. Monthly payments of \$3,086 are due beginning April 2024 and the Organization must file annual financial statements and tax returns with the bank. The loan matures March 28, 2028.	\$ 123,386
Total notes payable	\$ 401,199
Less: Current Portion of Notes Payable	<u>(165,987)</u>
Long-Term Portion of Notes Payable	<u><u>\$ 235,212</u></u>

Principal maturities on long- term debt at June 30, 2024 were as follows:

2025	\$	165,987
2026		34,873
2027		37,324
2028		32,633
2029		3,756
Thereafter		126,626
Total	<u>\$</u>	<u><u>401,199</u></u>

Interest expense for the year ended June 30, 2024 totaled \$11,017.

SOUTHERN WASTE INFORMATION EXCHANGE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 – LINE OF CREDIT

The Organization has a \$50,000 line of credit at a commercial bank. Interest is charged at Prime Rate plus 1% (9.50% at June 30, 2024) and is due monthly. The principal balance is due on demand. The line of credit is collateralized by all accounts receivable of the Organization. Borrowings outstanding totaled \$31,430 at June 30, 2024.

The Organization has a \$200,000 line of credit at a commercial bank. Interest is charged at Prime Rate plus 1% (9.50% at June 30, 2024) and is due monthly. The principal balance and any outstanding interest is due on October 26, 2024. The line of credit is collateralized by equipment of the Organization. Borrowings outstanding totaled \$86,617 at June 30, 2024. The line of credit was not renewed at maturity.

NOTE 6 – SUPPORT FROM STATE AGENCIES

The Organization received approximately 98% of its support from State of Florida grants for the year ended June 30, 2024. Awards are reviewed and determined annually. At June 30, 2024, the Organization recorded accounts receivable of \$172,444 from state agencies for grants.

NOTE 7 – RELATED PARTY NOTES PAYABLE

The Executive Director loaned the Organization funds both personally and through a company owned by him to purchase goods and services needed to comply with grants. The grants are on the cost reimbursement basis. As of June 30, 2024, the Organization owed the Executive Director and his company \$11,884 and \$8,074, respectively. There is no interest being charged on the loans and no loan agreements.

NOTE 8 – LIQUIDITY AND AVAILABILITY OF RESOURCES

As of June 30, 2024, the Organization had approximately \$181,000 of liquid financial assets, consisting of cash totaling approximately \$9,000 and grants receivable of approximately \$172,000. None of these financial assets are subject to donor or other contractual restrictions that would make them unavailable for general expenditures within one year of the statement of financial position date. The grants receivable is expected to be collected within 30 days subsequent to the statement of financial position date.

SOUTHERN WASTE INFORMATION EXCHANGE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 9 – RETIREMENT PLAN

The Organization has a Simplified Employee Pension Plan (the “Plan”). Under the Plan, the Organization may provide discretionary contributions to the individual retirement account of all salaried employees who have completed a 90-day probationary period of employment. Employer contributions to the Plan during the year ended June 30, 2024 totaled \$20,109.

NOTE 10 – INCOME TAXES

For the year ended June 30, 2024, the Organization had no unrelated business income and, accordingly, has incurred no income tax liability from unrelated business activities.

An entity must recognize the impact of uncertain tax positions in the financial statements if it is more likely than not that a tax position taken for tax return purposes will not be sustained upon examination by taxing authorities. The Organization has concluded that it has no material uncertain tax positions and, accordingly, it has not recognized any liability for unrecognized tax benefits. The Organization has filed all required tax returns in all jurisdictions in which it operates. Tax years after 2019 remain subject to examination by the applicable taxing authorities.

NOTE 11 – EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through March 10, 2025, the date which the financial statements were available to be issued.

**OTHER REPORTS AND
SUPPLEMENTARY INFORMATION**

**SOUTHERN WASTE INFORMATION EXCHANGE, INC.
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2024**

	Assistance Listing Number	Contract Number	Expenditures
<u>Florida Department of Environmental Protection</u>			
Direct Program			
Southern Waste Information Exchange Clearinghouse	37.025	SWI24	\$ 277,509
<u>Florida Department of Agriculture and Consumer Services</u>			
Direct Program			
Storm Debris and Agricultural Plastic Waste Market Initiative	42.067	30221	1,245,780
TOTAL STATE FINANCIAL ASSISTANCE			\$ 1,523,289

NOTES:

- (1) The accompanying Schedule of State Financial Assistance (the Schedule) presents the activity of all state programs of the Organization for the year ended June 30, 2024. All expenditures related to state financial assistance received directly from state agencies, as well as state awards passed through other entities, are included in the accompanying Schedule. The information in this Schedule is presented in accordance with the requirements of Department of Financial Services Rules, Chapter 69I-5, Florida Administrative Code, State Financial Assistance.
- (2) The Schedule was prepared on the accrual basis of accounting.
- (3) There was no state financial assistance expended in non-cash assistance.
- (4) There was no state financial assistance transferred to subrecipients.
- (5) Total expenditures for the Storm Debris and Agricultural Plastic Waste Market Initiative above of \$1,245,780 contain capital outlay expenditures totaling \$965,040 which have been capitalized on the Statement of Financial Position as Property and Equipment, Net.

See independent auditor's report.

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

To the Board of Directors
Southern Waste Information Exchange, Inc.
Tallahassee, Florida

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 Southern Waste Information Exchange, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 10, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Southern Waste Information Exchange, Inc.'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Southern Waste Information Exchange, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Southern Waste Information Exchange, Inc.'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 the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-01 that we consider to be a material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Southern Waste Information Exchange, Inc.'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*.

Southern Waste Information Exchange, Inc.'s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Southern Waste Information Exchange, Inc.'s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Southern Waste Information Exchange, Inc.'s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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



LAW, REDD, CRONA & MUNROE, P.A.
Tallahassee, Florida
March 10, 2025

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR STATE PROJECT AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE *FLORIDA SINGLE AUDIT ACT***

To the Board of Directors
Southern Waste Information Exchange, Inc.
Tallahassee, Florida

Report on Compliance for Each Major State Project

Opinion on Major State Project

We have audited Southern Waste Information Exchange, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *State of Florida, Executive Office of the Governor Compliance Supplement* that could have a direct and material effect on Southern Waste Information Exchange, Inc.'s major state project for the year ended June 30, 2024. Southern Waste Information Exchange, Inc.'s major state project is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Southern Waste Information Exchange, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state project for the year ended June 30, 2024.

Basis for Opinion on Major State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Florida Single Audit Act*. Our responsibilities under those standards and the *Florida Single Audit Act* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Southern Waste Information Exchange, Inc. and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major state project. Our audit does not provide a legal determination of Southern Waste Information Exchange, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, federal and state statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Southern Waste Information Exchange, Inc.'s state project.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Southern Waste Information Exchange, Inc.'s compliance based on our audit. 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, *Government Auditing Standards*, and the *Florida Single Audit Act* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Southern Waste Information Exchange, Inc.'s compliance with the requirements of its major state project as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Florida Single Audit Act*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Southern Waste Information Exchange, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Southern Waste Information Exchange, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *Florida Single Audit Act*, but not for the purpose of expressing an opinion on the effectiveness of Southern Waste Information Exchange, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *Florida Single Audit Act*. Accordingly, this report is not suitable for any other purpose.



LAW, REDD, CRONA & MUNROE, P.A.
Tallahassee, Florida
March 10, 2025

**SOUTHERN WASTE INFORMATION EXCHANGE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED JUNE 30, 2024**

Section 1 – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified not considered to be material weaknesses?	None
Noncompliance material to financial statements noted?	No

State Financial Assistance

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	None
Type of auditor’s report issued on compliance for major programs?	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Rules of the Auditor General, Chapter 10.654(1)(h)4?	No

	<u>Assistance Listing</u>	
Identification of major programs:	<u>Number</u>	<u>Name of State Project</u>
	42.067	Florida Department of Agriculture and Consumer Services, Storm Debris and Agricultural Plastic Waste Market Initiative

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Findings required to be reported in a management letter pursuant to Rules of the Auditor General of the State of Florida, Chapter 10.654(1)e?	None

Management Letter	None issued. There were no items related to state financial assistance that are required to be reported not already included on this schedule.
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See independent auditor’s report.

**SOUTHERN WASTE INFORMATION EXCHANGE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED JUNE 30, 2024**

Section II – Financial Statement Findings

2024-01 Segregation of Duties and Oversight of Organization

Criteria: The basic premise is that no one employee should have access to both physical assets and the related accounting records or to all phases of a transaction.

Condition: The Executive Director maintains the general ledger and is an authorized signer on the bank accounts. He is the only authorized signer on two bank accounts and is the only individual with access to the QuickBooks file.

Cause: The size of the Organization’s staff precludes certain internal controls that would be preferred if the staff were large enough to provide optimum segregation of duties. This condition presents a control deficiency which may adversely affect the Organization’s ability to initiate, record, process, or report financial data reliably or to prevent or detect errors or fraud. The situation dictates that the Board of Directors remain involved in the financial affairs of the Organization to provide oversight and independent review functions.

Effect: Lack of controls increases the risk of fraud and financial reporting misstatements.

Recommendation: We recommend the Organization implement the following procedures:

1. A Board Member, independent of the accounting function, should receive all bank statements directly from the bank or obtain online access. Monthly bank statements along with the digital images of the checks should be reviewed for any unusual activity; paying particular attention to unusual vendors or amounts. Any unusual items should be investigated. The review should be documented on the face of the bank statement via initial or signature of the Board Member and date.
2. Add an additional board member as an authorized signer on the bank accounts that only contain the Executive Director.
3. Add an additional user to the QuickBooks file.
4. The monthly bank reconciliations are prepared by the Vice-President and her preparation is documented via signature and date on the reconciliation. We recommend the Executive Director review all reconciliations and statements and document his review via signature and date as reviewer on the face of the documents.
5. The current financial and regulatory environment places increased responsibility on the governing body and management of organizations for the oversight of internal control systems. As such, in order to fulfill that responsibility, we recommend the Board of Directors incorporate the tasks below into their duties:

See independent auditor’s report.

**SOUTHERN WASTE INFORMATION EXCHANGE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED JUNE 30, 2024**

1. Oversee financial reporting process
2. Monitor choice of accounting policies and principles
3. Monitor system of internal control
4. Ensure communication with management and external auditors
5. Oversee selection and performance of external auditors

In addition, to assist management and the Board of Directors in taking full responsibility for control systems and assessing fraud risk, Organization management should agenda a discussion at one meeting annually with the Board of Directors to discuss internal controls in place to prevent and/or detect human error or fraud relative to significant transaction cycles such as cash receipts, cash disbursements and payroll. This discussion will assist Board of Directors members in maintaining an awareness of control processes, facilitate brainstorming between members and management regarding potential internal control and fraud risk associated with changing financial environments, and facilitate fraud discussions between the Board of Directors and the independent auditors during the annual audit process. Additionally, any changes to existing policies and procedures and any new policies and procedures should be approved by the Board of Directors before implementation.

Views of Responsible Official:

SWIX Response to Single Audit Findings and Recommendations

Management has carefully reviewed the auditor findings and recommendations. We acknowledge the importance of robust financial oversight and internal controls, and we are committed to ensuring that our systems and processes are aligned with regulatory expectations and best practices. Below are our detailed responses to each finding and the additional recommendations:

1. Oversee Financial Reporting Process

Management maintains overall responsibility for the financial reporting process. We have established a rigorous process that includes:

- Regular reviews of financial statements by senior finance personnel.
- Implementation of a quarterly review process to ensure timely and accurate reporting.
- Continuous monitoring of reporting timelines and accuracy through internal reconciliations and management reviews.

2. Monitor Choice of Accounting Policies and Principles

To ensure that our accounting policies and principles are current and compliant with Generally Accepted Accounting Principles (GAAP), management has:

- Instituted a periodic review process led by the Treasurer in consultation with the audit committee.
- Developed procedures for evaluating and updating policies in response to changes in accounting standards and regulatory requirements.
- Established a protocol for documenting policy decisions and justifications to ensure transparency and accountability.

See independent auditor's report.

**SOUTHERN WASTE INFORMATION EXCHANGE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED JUNE 30, 2024**

3. Monitor System of Internal Control

Recognizing the critical role of internal controls in safeguarding our assets and ensuring the accuracy of our financial reporting, management has:

- Implemented a comprehensive internal control system that is regularly assessed through risk-based evaluations.
- Scheduled annual internal audits to test the effectiveness of key control areas, including significant transaction cycles.
- Established corrective action protocols to address any identified control deficiencies promptly.

4. Ensure Communication with Management and External Auditors

Open and transparent communication is essential for effective oversight. To enhance our dialogue:

- We hold regular meetings between senior management and the external auditors to discuss audit findings, risk assessments, and control improvements.
- Our internal audit function provides periodic updates to both management and the Board of Directors, ensuring that any control issues are addressed in a timely manner.
- A structured communication plan has been implemented to ensure that all significant issues and updates are effectively shared with key stakeholders.

5. Oversee Selection and Performance of External Auditors

The selection and ongoing performance evaluation of our external auditors are conducted with a focus on objectivity and quality. Our process includes:

- A competitive bidding process to select external auditors based on expertise, independence, and performance history.
- Regular performance reviews and feedback sessions conducted by the audit committee, ensuring that the auditors meet our high standards of quality and reliability.
- Periodic evaluations of the audit process and outcomes to drive continuous improvement in external audit practices.

Additional Recommendations – Annual Board Discussion on Internal Controls and Fraud Risk

In response to the recommendation regarding enhanced Board involvement:

• **Annual Internal Controls and Fraud Risk Meeting:**

Management agrees to schedule an annual meeting with the Board of Directors dedicated to discussing internal controls and fraud risk. This meeting will:

- Review existing internal controls designed to prevent or detect human error and fraud in significant transaction cycles such as cash receipts, cash disbursements, and payroll.
- Facilitate a structured dialogue between the Board and management, fostering an environment for brainstorming and identifying potential risks amid evolving financial environments.
- Enable a collaborative discussion with the independent auditors during the annual audit process, ensuring that any identified risks are comprehensively addressed.

See independent auditor's report.

**SOUTHERN WASTE INFORMATION EXCHANGE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
STATE FINANCIAL ASSISTANCE PROJECTS
FOR THE YEAR ENDED JUNE 30, 2024**

- **Board Approval of Policy Changes:**

Additionally, management will ensure that any modifications to existing policies and procedures, as well as the introduction of new policies, will be presented to the Board of Directors for review and formal approval prior to implementation.

SWIX Management remains fully committed to maintaining a robust financial reporting framework and an effective system of internal controls. By addressing these findings and implementing the recommended Board discussions and approval processes, we are enhancing our oversight mechanisms and strengthening our risk management practices. We appreciate the auditor general's recommendations and will continue to take proactive steps to ensure compliance and accountability.

Section III – State Project Findings and Questioned Costs

We noted no matters involving noncompliance that are required to be reported in accordance with *Rules of the Auditor General, Chapter 10.654(1)(h)4*.

**SOUTHERN WASTE INFORMATION EXCHANGE, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024**

A state single audit was not required for the year ended June 30, 2023.

See independent auditor's report.