

October 27, 2022

To the Board of Trustees of the  
**National Waste & Recycling Association**

We have audited the financial statements of the National Waste & Recycling Association (NWRA) for the year ended December 31, 2021, and have issued our report thereon dated October 27, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit.

**Our Responsibility under U.S. Generally Accepted Auditing Standards**

As stated in our engagement letter dated November 19, 2021, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NWRA's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of NWRA solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions to be examined and the areas to be tested.

Our audit included obtaining an understanding of NWRA and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to NWRA or to acts by management or employees acting on behalf of NWRA. We generally communicate our significant findings at the conclusion of the audit. We also communicate any internal control related matters that are required to be communicated under professional standards.

As part of our audit, professional standards require us to perform risk assessment procedures that are sufficient to provide a reasonable basis for identifying and assessing the risks of material misstatement due to error or fraud, and designing further audit procedures. We are also required to determine whether any risks we have identified and assessed are significant risks that are risks that require special attention. Under auditing standards that were required to be adopted for years ending on or after December 31, 2021, the auditor is now required to specifically communicate significant risks identified during an audit to those charged with governance to help those charged with governance understand the significant risks and assist those charged with governance in fulfilling their responsibility to oversee the financial reporting process. Previously the auditor was required to identify significant risks, but there was no specific requirement to communicate significant risks to those charged with governance. Findings, if any, related to these risks are communicated in the letter below. Based on our risk assessment process we determined that the following risks are significant risks and our audit approach has incorporated these risks into our planned audit procedures:

- Management override of internal controls
- Improper revenue recognition.

Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by NWRA are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by NWRA during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

NWRA's allocation of fringe, overhead and fundraising expenses, calculation of the allowance for doubtful accounts; and determination of economic life of property and equipment represent particularly sensitive accounting estimates. We evaluated the key factors and assumptions used to develop these estimates and believe that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to the financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of NWRA's use of several programs under the CARES Act, including the payroll protection program and the employee retention tax credit, as, described in Note 8 to the financial statements, which includes the amounts received or expected to be received under these programs.

The financial statement disclosures are neutral, consistent, and clear.

#### Independence

During the year ended December 31, 2021, we were engaged to provide assistance in preparation of the financial statements and preparation and tax filing services. We reviewed the nature of the requested work, our role and management's role and determined that our independence would not be impaired, in fact or appearance.

#### Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We did not identify any material misstatements as a result of our audit procedures that were recorded by management. However, management provided an adjustment during the audit that we recorded as part of the audit process (see attached).

We did not identify any uncorrected misstatements.

#### Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

#### Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 27, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to NWRA’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as NWRA’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of Board of Trustees and management of NWRA and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

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

Marcum LLP

**National Waste & Recycling Association****Attachment**

Year End: December 31, 2021

Adjusting Journal Entries

Date: 1/1/2021 To 12/31/2021

<b>Number</b>	<b>Date</b>	<b>Name</b>	<b>Account No</b>	<b>Debit</b>	<b>Credit</b>
1	12/31/2021	ERTC Receivable	1232-000-000-000-000		19,872.34
1	12/31/2021	Employer Taxes	6025-OPS-990-000-000	19,872.34	
		PBC - To correct recording of payment of 2020 tax catch up during 2021.			
2	12/31/2021	Chapter Contributions	5205-CHP-700-MA0-106		30,000.00
2	12/31/2021	Consulting/Professional Svcs	6605-CHP-700-MA0-106	30,000.00	
		Reclassification - To reclassify chapter contributions to the correct account.			
				<b>49,872.34</b>	<b>49,872.34</b>

NATIONAL WASTE & RECYCLING ASSOCIATION  
1550 Crystal Drive, Suite 804  
Arlington, Virginia 22202

Marcum LLP  
Accountants & Advisors  
1899 L Street, NW, Suite 850  
Washington, DC 20036

This representation letter is provided in connection with your audit of the financial statements of National Waste & Recycling Association (referred to as NWRA) , which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes (collectively referred to as the “financial statements”) for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audits.

**Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated November 19, 2021, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
3. We acknowledge our responsibility 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

There have been no communications whether written or oral, nor have there been inquiries from any governmental or regulatory agencies concerning noncompliance with, or deficiencies in, applicable law or financial reporting practices nor any other matters.

Marcum LLP

Page 2

6. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
8. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
9. Material concentrations have been appropriately disclosed in accordance with U.S. GAAP.
10. Guarantees, whether written or oral, under which NWRA is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.
11. In regards to Financial statement preparation and tax services, NWRA's management has:
  - a. made all management decisions and performed all management functions relating to the non-attest services that you have provided
  - b. established and maintained internal controls including monitoring ongoing activities relating to the non-attest services that you have provided
  - c. evaluated the adequacy and results of the non-attest services performed and accepts responsibility for the results of the services that you have provided
  - d. designated a competent management level individual who possesses suitable skill, knowledge, and/or experience to oversee the services that you have provided

### **Information Provided**

12. We have provided you with:
  - a. access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters, and all audit or relevant monitoring reports, if any, received from funding sources.
  - b. additional information that you have requested from us for the purpose of the audit.
  - c. unrestricted access to persons within NWRA from whom you determined it necessary to obtain audit evidence.
  - d. minutes of the meetings of the governing board or summaries of actions of recent meetings for which minutes have not yet been prepared.
13. All material transactions have been recorded in the accounting records and are reflected in the financial statements.

Marcum LLP

Page 3

14. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
15. We have no knowledge of any fraud or suspected fraud that affects NWRA and involves:
  - a. management,
  - b. employees who have significant roles in internal control, or
  - c. others where the fraud could have a material effect on the financial statements.
16. We have no knowledge of any allegations of fraud or suspected fraud affecting NWRA's financial statements communicated by employees, former employees, grantors, regulators, or others.
17. We have no knowledge of any instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse whose effects should be considered when preparing financial statements.
18. There are no significant deficiencies, including material weaknesses, in the design or operation of internal controls, including complementary user entity controls identified in SSAE 18 reports related to our use of service organizations, if applicable, which could adversely affect NWRA's ability to record, process, summarize, and report financial data.
19. We acknowledge our responsibility for adopting sound accounting policies, the design, implementation, and maintenance of internal control to prevent and detect fraud, and as such internal control relates to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
20. We have identified all accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates, and we believe the estimates are reasonable in the circumstances. There are no such estimates that may be subject to a material change in the near term that have not been properly disclosed in the financial statements.
21. We have evaluated our tax positions in accordance with ASC 740 "Income Taxes". *Specifically, we have determined* whether our tax positions would be sustained upon examination, including resolution of any related appeals or litigation, based on the technical merits of the positions (assuming the taxing authority has full knowledge of all information) based upon a "more-likely-than-not" (MLTN) threshold. If this threshold is not met, none of the tax benefit provided by the position is reflected in the financial statements. For a tax position that meets the MLTN recognition threshold, the benefit is measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. Additionally, related interest and penalties, if any, have been recorded in accordance with ASC 740 "Income Taxes".



Marcum LLP

Page 4


22. There are no:
  - a. instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered for disclosure in the financial statements, as a basis for recording a loss contingency, or otherwise considered when preparing the financial statements
  - b. other liabilities or gain or loss contingencies that are required to be accrued or disclosed by ASC 450 "Contingencies"
  - c. material transactions that have not been properly recorded in the accounting records underlying the financial statements
  - d. cybersecurity breaches or other cyber events whose effects should be considered for disclosure in the financial statements, as a basis for recording a loss contingency, or otherwise considered when preparing the financial statements.
23. We are not aware of any pending or threatened litigation, claims or assessments or unasserted claims that are required to be accrued or disclosed in accordance with ASC 450 "*Contingencies*" and we have not consulted a lawyer concerning litigation, claims or assessments.
24. We have disclosed to you the identity of NWRA's related parties and all the related party relationships and transactions of which we are aware.
25. NWRA has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
26. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.
27. We disclosed to you that we have no knowledge of any allegations of fraud or suspected fraud affecting NWRA's financial statements communicated by employees, former employees, grantors, regulators, or others.
28. We have disclosed to you that we have no knowledge of any noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the financial statements.
29. We have disclosed to you that we have no knowledge of any abuse that could be quantitatively or qualitatively material to the financial statements.
30. The National Waste and Recycling Association is an exempt organization under Section 501(c)(6) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize NWRA's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.

Marcum LLP

Page 5

31. We have reviewed ASC 820 “*Fair Value Measurement*”, and all assets and liabilities have been properly categorized into Level 1, 2, or 3 of the Fair Value Hierarchy, and all disclosure requirements have been complied with in all material respects.
32. Receivables recorded in the financial statements represent valid claims against members and donors for services performed or pledges made on or before the statement of financial position date and have been appropriately reduced to their estimated net realizable value.
33. You have provided us with all documents and records for both the current year and for prior years that are necessary to ensure that our books and records are complete.
34. NWRA’s Payroll Protection Program loan from the Small Business Administration (SBA) for \$351,042 was forgiven by the SBA and NWRA has documentation to support the forgiveness application, which was provided as part of the audit.
35. During the fiscal year ended December 31, 2021, NWRA recognized \$231,825 related to the Employee Retention Tax Credit (ERTC) as revenue and support in the statement of activities. NWRA believes it meets the requirements to receive ERTC credit.
36. In assessing the appropriateness of the going concern basis for NWRA, we have taken account of all relevant information covering a period of at least 12 months from the date of approval of the financial statements.
37. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

National Waste & Recycling Association

Signed:  \_\_\_\_\_  
70891355545E4F6...

Title: President & CEO \_\_\_\_\_

Date: October 27, 2022