



**SOUTH CENTRAL SOLID WASTE MANAGEMENT DISTRICT**

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**HISTORY AND ORGANIZATION**

## SOUTH CENTRAL SOLID WASTE MANAGEMENT DISTRICT HISTORY AND ORGANIZATION

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### Function of the District

Missouri's 20 solid waste management districts were created to foster regional cooperation among cities and counties in addressing solid waste management issues. The main function of a district is to develop a solid waste management plan with an emphasis on diverting waste from landfills and to assist with implementation of the plan. Plans should include provisions for a range of solid waste activities: waste reduction programs; opportunities for material reuse; recycling collection and processing services; compost facilities and other yard waste collection options; education in schools and for the general public; management alternatives for items banned from Missouri landfills and household hazardous waste; and prevention or remediation of illegal dumps. To help achieve their goals, districts administer grants to public and private entities in their district, made possible with monies from the Solid Waste Management Fund through the Missouri Department of Natural Resources.

### Organizational Structure of the District

The South Central Solid Waste Management District (Region P) was formed on February 9, 1992, and consists of seven counties in south central Missouri and 18 cities within these counties that have a population of 500 or more. The District is managed by a Council consisting of two members from each county and one member from each city with a population over 500 in accordance with RSMo Section 260.315. The Council appoints ten members to serve on the Executive Board. The District is not a subsidiary of a larger unit of government. The District hired a District Coordinator as an employee to perform all the duties of managing the District. This individual is paid a salary plus benefits on a monthly basis per a written contractual employment agreement. The counties that comprise the District and the cities with a population of 500 or more that are a part of the District are as follows:

| Counties | Cities      |                |                |
|----------|-------------|----------------|----------------|
| Douglas  | Alton       | Houston        | Thayer         |
| Howell   | Ava         | Licking        | West Plains    |
| Oregon   | Birch Tree  | Mansfield      | Willow Springs |
| Ozark    | Cabool      | Mountain Grove | Winona         |
| Shannon  | Eminence    | Mountain View  |                |
| Texas    | Gainesville | Norwood        |                |
| Wright   | Hartville   | Summersville   |                |

The District Council along with the appointed Executive Board members and their terms are as follows:

|                        |   |               |
|------------------------|---|---------------|
| Douglas County         | Donald Potter, Presiding Commissioner (1) | 1/1/05-1/1/07 |
|                        | Richard Mitchell, Associate Commissioner  | 1/1/06-1/1/08 |
| City of Ava            | Leon Harris, Mayor                        | 1/1/05-1/1/07 |
| Howell County          | Larry Spence, Presiding Commissioner      | 1/1/05-1/1/07 |
|                        | Mark Collins, Associate Commissioner (1)  | 1/1/06-1/1/08 |
| City of Mountain View  | VACANT                                    | 6/1/06-1/1/07 |
| City of West Plains    | Lou M. Citro, City Council Member         | 1/1/06-1/1/08 |
| City of Willow Springs | Jack Means, City Council Member           | 1/1/05-1/1/07 |

**SOUTH CENTRAL SOLID WASTE MANAGEMENT DISTRICT  
HISTORY AND ORGANIZATION (CONTINUED)**

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|   |   |  |
|---|---|--|
| Oregon County   | Leo Warren, Presiding Commissioner<br>John Wrenfrow, Associate Commissioner (1)   | 1/1/05-1/1/07<br>1/1/06-1/1/08                                   |
| City of Alton<br>City of Thayer   | Robert Martin, City Council Member<br>Allen Deckard, Mayor (1)  | 6/1/06-1/1/07<br>1/1/06-1/1/08                                   |
| Ozark County  | David Morrison, Presiding Commissioner<br>Gary Collins, Associate Commissioner (1)  | 1/1/05-1/1/07<br>1/1/06-1/1/08                                   |
| City of Gainesville   | VACANT  | 6/1/06-1/1/07  |
| Shannon County  | Tony Orchard, Presiding Commissioner (1)<br>Dale Counts, Associate Commissioner   | 1/1/05-1/1/07<br>1/1/06-1/1/08                                   |
| City of Birch Tree<br>City of Eminence<br>City of Winona                            | VACANT<br>Ernie Middleton, Mayor<br>VACANT  | 6/1/06-1/1/07<br>6/1/05-1/1/07<br>6/1/06-1/1/07                  |
| Texas County  | Linda Garrett, Associate Commissioner (1)<br>Joe Whetstone, Associate Commissioner  | 1/1/05-1/1/07<br>1/1/06-1/1/08                                   |
| City of Cabool<br>City of Licking<br>City of Houston<br>City of Summersville        | Ron Sheets, City Council Member<br>Mark Rinne, Mayor<br>Don Romines, City Council Member (2)<br>Ron Harper, Mayor             | 6/1/06-1/1/07<br>1/1/05-1/1/07<br>1/1/06-1/1/07<br>1/1/05-1/1/07 |
| Wright County   | Rex Epperly, Presiding Commissioner<br>Leon Pendergrass, Associate Commissioner(1)  | 1/1/05-1/1/07<br>1/1/06-1/1/08                                   |
| City of Hartville<br>City of Mansfield<br>City of Mountain Grove<br>City of Norwood | Donald Strauss, City Council Member<br>City Council Member VACANT<br>City Council Member VACANT<br>City Council Member VACANT | 6/1/06-1/1/08<br>1/1/05-1/1/07<br>1/1/05-1/1/07<br>6/1/06-1/1/08 |

(1) Executive Board consists of ten members; the two remaining board members are Dennis Sloan of West Plains as an At-Large member and Lynda Roehl, District Coordinator, of Eunice.

(2) Replaced the former City Council member upon his death and will fill out the unexpired term.

The Officers of the Executive Board are as follows:

|               |                                       |
|---------------|---------------------------------------|
| Gary Collins  | District Chairman                     |
| Dennis Sloan  | District Vice-Chairman                |
| Linda Garrett | District Treasurer                    |
| Lynda Roehl   | Council and Executive Board Secretary |

**INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED UPON PROCEDURES**

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October 5, 2006

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED UPON PROCEDURES

Missouri Department of Natural Resources  
and  
South Central Solid Waste Management District  
Council and Executive Board Members

We have performed the procedures enumerated below, which were agreed to by the Missouri Department of Natural Resources (the "Department"), solely to assist you in evaluating the effectiveness of the South Central Solid Waste Management District's (the "District") compliance with state law, regulations, and policies, for the period July 1, 2004 through June 30, 2006. Management is responsible for the District's internal control over compliance with these requirements and the accompanying appendices.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

In accordance with Government Auditing Standards, we are required to report findings of deficiencies in internal control, violations of provisions of contracts or grant agreements, and abuse that are material to the District's solid waste management program and any fraud or illegal acts that are more than inconsequential that come to our attention. We are also required to obtain the views of management on those matters. Our agreed-upon procedures engagement disclosed certain findings that are required to be reported under Government Auditing Standards and those findings, along with the views of management, are described as follows:

### 1. History and Organization

**Criteria:** Review the District's organization for compliance with state law. Review the structure of the Council and Executive Board for compliance with state law and the District's policies and procedures for monitoring qualifications, terms, vacancies, and conflict of interest of the Council and Executive Board members. Review the District's by-laws for compliance with state laws and for proper approval.

MEMBER  
•  
American  
Institute of  
Certified  
Public  
Accountants  
•  
Missouri  
Society of  
Certified  
Public  
Accountants  
•

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED UPON PROCEDURES (CONTINUED)**

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**Procedures:** The District Coordinator retained the orders of the governing body of the counties that joined the District, the written notice to the Department of the formation of the District, and the Notification of Formation issued by the Department. We reviewed the structure of the Council and Executive Board and any potential conflicts of interest on being a member of the board. We reviewed the District's by-laws for proper approval and with compliance with state law.

**Results:** The orders of the governing body of each of the counties that joined the District were on file along with the written notice to the Department of the formation of the District, and the Notification of Formation issued by the Department. Also, signed instruments of the cities with a population over 500 that also joined the District were on file. We reviewed the structure of the Council and Executive Board of the

District noting that there were 2 members from each county and 1 member appointed from each city with a population over 500 that served on the Council. It was noted that not all cities had appointed a specific individual to serve on the Council, or an "Absent" position, but those cities were properly notified by the District of each of the Council meetings. The District's Executive Board consists of 8 members from the full Council, one at-large member, and the District Coordinator who serves as Secretary to the Council and the Executive Board. The District Coordinator is not a voting member of the Executive Board. The Executive Board size of ten members is not in accordance with state law which requires the appointment of only seven members.

It should be noted that three members of the Executive Board also serve on the board of the Oregon County Recycling Association, a not-for-profit organization that receives grants from the District. This association between the two boards does not violate state law (RSMo Section 260.320.5) or the District's by-laws (Article VIII Section 3) but presents the concern that the members must abstain from approving grants from the District to the Association (See matter in Section 2 below). A review of the District's by-laws noted no conflict with state laws and that proper approval and amendments were adhered to properly.

**Finding:** Executive Board Size Greater Than State Law Requirement

**Condition:** The District has a total of ten members on the Executive Board which is greater than the seven members allowed by state law since the District has a Council of greater than 12 members.

**Criteria:** RSMo Section 260.315.4(2) states that the council shall select seven persons to serve on the Executive Board, at least a majority of whom shall be selected from members of the council.

**Cause:** The District indicated that more representation was desired by the counties and cities within the District and, therefore, appointed more members and amended its by-laws accordingly.

**Effect:** The District did not properly follow state law in selecting the appropriate number of Executive Board members.

**Recommendation:**  
We recommend that the District pursue this matter with the Department for further consideration.

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED UPON PROCEDURES (CONTINUED)**

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Response: The Board will discuss this further with the Department.

**2. Board Minutes**

Criteria: Review the Council and Executive Board minutes for adherence to state laws and for pertinent facts and information.

Procedures: We reviewed the Council and Executive Board minutes for adherence to state laws and for pertinent facts and information for the two years ended June 30, 2006.

Results: The District had proper public notices and agendas for each Council and Executive Board meeting held that included the time, date, and location of the meetings. The agendas indicated that a closed session meeting would be held, if needed, but did not include a specific notation to various subsections of RSMo Section 610.021 in a paragraph. During the two years ended June 30, 2006, the Executive Board did not go into a closed session.

We noted that the Council and Executive Board minutes were not signed by the secretary to the Council and Executive Board or a Council and Executive Board member for attestation purposes after approval by the Council and Executive Board. We also noted that motions that were made and passed were mostly designated with the term "Motion Carried" instead of listing the yeas and nays of each board member or using the term "Motion Carried Unanimously" when all were in favor of the motion.

In one instance, in April 2006, we noted that an "at-large" member of the Executive Board seconded the motion to approve the listing of grants for the third quarter of FY 2006 to send to the Department for funding. The listing of grants voted upon included a grant to the Oregon County Recycling Association for which the member also served on that board. The "at-large" member did abstain from commenting on the Projects Evaluation Review Form when reviewing the grant since this member had a conflict with the grant.

Finding 1: Council and Executive Board Minutes Not Signed or Attested to by a Member

Condition: The Council and Executive Board minutes were not signed by the secretary to the Council and Executive Board and attested to by the Chairman or another member.

Criteria: Good business and management practices require that the minutes taken of meetings be signed by the secretary or person taking the minutes along with the attestation of the Chairman of the Executive Board or another board member.

Cause: The District stated they did not realize that this was considered necessary since the full Council or Executive Board approved the minutes.

Effect: The District could miss a potential problem with the minutes if someone is not responsible for the content of the minutes to ensure that the minutes are accurately stated and reflect all important information needed.

Recommendation:

We recommend that the District require the secretary and the Chairman of the Council and Executive Board or another board member to sign and attest to the accuracy of the board minutes.

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED UPON PROCEDURES (CONTINUED)**

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Response: The District board concurred with this recommendation. The District Coordinator started signing the board minutes in August 2006 but the minutes were not co-signed by a Council or Executive Board member.

Finding 2: Board Minutes Not Indicating Votes on Motions

Condition: The board minutes did not indicate the vote of each Council and Executive Board member when motions are voted upon. The wording included in the minutes was mainly that the "Motion carried".

Criteria: Section 610.015, state law of Missouri, requires that all votes shall be recorded, and if a roll call is taken, as to attribute each "yea" and "nay" vote, or abstinence if not voting, to the name of the individual member of the public governmental body.

Cause: The District stated they did not know the exact law that prescribed this.

Effect: The District did not adequately document the results of the votes of each board member according to state law.

Recommendation:

We recommend that the District include the votes of each Council and Executive Board member when motions are made and voted upon, or note "Motion Carried Unanimously" when all are in favor of a motion.

Response: The District board concurred with this recommendation.

Finding 3: Board Agendas Regarding Closed Sessions

Condition: The agendas for Council and Executive Board meetings did not disclose that a meeting would be closed in accordance with the specific section of the law, although no closed sessions were held.

Criteria: Section 610.021, Missouri State Law, requires that members must cite in open session the specific statute and subsection allowing closure, and the agenda or public notice must cite the specific subsection of the law when a closed session is to be held.

Cause: The District stated they did not know that this specific law had to be addressed specifically in the agenda or the minutes.

Effect: The District Council and Executive Board did not fully follow the intent of the law for possibly holding closed session meetings, although no closed session meetings were held.

Recommendation:

We recommend that the District record in the open minutes and in the agendas the specific section of the law that pertains to the reason for holding a closed session meeting, and that the vote of each member on the question of closure be documented in the minutes.

Response: The District board concurred with this recommendation.

Finding 4: Possible Conflict of Interest on Approving Grant

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED UPON PROCEDURES (CONTINUED)**

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- Condition:** A possible conflict of interest situation occurred when an Executive Board member, who is also a board member of the Oregon County Recycling Association, did not abstain from voting in the board minutes for approving the Association's grants submitted for funding to the Department although the individual abstained in the evaluation of the grant for funding.
- Criteria:** State Rule 10 CSR 80-9.050 (1)(C)4 states "District grant funds will not be awarded for a project whose applicant is directly involved in the evaluation and ranking of that particular project".
- Cause:** The District did not realize that the board minutes needed to reflect the abstention of the voting since the board member abstained on the evaluation form for approving the grant to the association for which the individual is also a board member.
- Effect:** This resulted in a possible conflict of interest situation and possible conflict with state regulations.
- Recommendation:**  
We recommend that the District take necessary measures to ensure that the board members that are also members of the not-for-profit association abstain from not only evaluating the grant to the association but abstain from voting in the board minutes on the approval to submit the grant to the Department for funding.
- Response:** The District board concurred with this recommendation.

**3. Internal Controls**

- Criteria:** Review the District's internal control procedures to ensure that proper controls and reviews are in place.
- Procedures:** We reviewed the District's internal control procedures and the corresponding reviews made by the Executive Board. We reviewed the District's by-laws for control issues that are required.
- Results:** The District Coordinator performs all of the receipts, deposit, disbursement, and bookkeeping functions. However, this person is not able to sign checks or withdraw monies without proper Executive Board members' approval. There are three Executive Board members eligible to sign checks and two Executive Board members review the invoices and approve (sign) the monthly vouchers for all expenditures. We noted that there were 10 checks written during the year ended June 30, 2006 that had only one Executive Board member signature on them contrary to District policy. We also noted that the signature card at one depository bank had not been properly updated for current signatures of the Executive Board members applicable to sign checks.

The Secretary-Treasurer of the District, an officer of the Council, did not have a surety bond on file in accordance with Article XI Section 4 of the District's by-laws. There was also no bond coverage for the District Coordinator and for the Executive Board members that sign checks. The District Coordinator serves as Secretary to the Executive Board as per Article X Section 3 of the District's by-laws but is not the Treasurer as designated in the District's by-laws and does not have authority to sign checks.

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED UPON PROCEDURES (CONTINUED)**

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Finding 1: Checks Not Having Dual Signatures

Condition: The District wrote ten checks totaling \$10,851.08 during the year ended June 30, 2006, without having two signatures on the checks.

Criteria: Article XII Section 3 of the District's by-laws require that all checks, drafts, or other orders for the payment of money, notes, or other evidence of indebtedness issued in the name of the District shall be signed by two officers of the Executive Board.

Cause: The Executive Board did not realize that dual signatures were not obtained on the checks before payment was made.

Effect: The District did not follow the by-laws regarding disbursements and put themselves at a possible risk of loss of assets.

Recommendation:

We recommend that the District ensure all checks written have two signatures on them before payment is made as required by the by-laws.

Response: The District board concurred with this recommendation.

Finding 2: Signature Card at Depository Bank Not Updated

Condition: The signature card at one of the District's depository banks had not been properly updated for the signatures of the Executive Board members that sign checks.

Criteria: Good business and management practices require that banking information be properly updated to reflect the signatures of those board members that are authorized to sign checks.

Cause: The District did not realize that the signature card had not been updated.

Effect: The District put itself at a risk of loss in case any unauthorized checks were written.

Recommendation:

We recommend that the District update the signature card at the depository bank and ensure that all signature cards are properly updated in the future.

Response: The District board concurred with this recommendation and indicated that this has been implemented.

Finding 3: Surety Bond Not on File to Cover Board Members

Condition: A surety bond is not on file with the District to cover the Secretary, Treasurer and the other Executive Board members that are authorized to sign checks.

Criteria: The District's by-laws, Article XI Section 4, require that the Secretary-Treasurer shall give a bond for the faithful discharge of his/her duties in such sum and with such surety or sureties as the Executive Board shall determine.

Cause: The District did not realize that a surety bond was still not on file for the Secretary, Treasurer, and Executive Board members. An old bond was on file but no longer in force.

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED UPON PROCEDURES (CONTINUED)**

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**Effect:** The District put itself at a risk of loss by not properly insuring the members of the board that are authorized to sign checks.

**Recommendation:**  
We recommend that the District obtain a surety bond in a sufficient sum for the Secretary, Treasurer and Executive Board members of the District that are authorized to sign checks.

**Response:** The District board concurred with this recommendation.

**4. Review of Cash and Investments**

**Criteria:** Review the cash and investments balances of the District, review state funding and any local funding, review interest income earnings and any disbursement of interest for grants or other expenses, and the District's cash management process for forecasting cash needs. Review payroll checks to ensure checks are not cashed before the end of the payroll period.

**Procedures:** We reviewed the District's bank accounts and bank reconciliations, the amount of state funds received along with any local funds, and the amount of interest income earned on the District's bank accounts and investments. We reviewed the procedures for presigned checks and whether checks are issued in proper sequence. We reviewed for the possible early cashing of payroll checks. We reviewed how the District used interest income earned and its cash management process for forecasting cash needs.

**Results:** The District has two interest-bearing checking accounts, one for the administrative grants (Admin account) and one for the remainder of the grants from the state (Grant account) and one certificate of deposit. The certificate of deposit was purchased in 2000 and has been rolled over every six months with the interest on the certificate remaining with the principal. The bank accounts are properly reconciled monthly and agree with the accounting records maintained. The balances in the bank accounts and in the certificate of deposit at June 30, 2006 are noted in the accompanying Appendix II.

The District only receives state monies for grants and does not receive any local funding from counties or cities. The District does receive some monies for the sale of recycling bags and for fuel usage reimbursements from a county on behalf of a grant for its recycling efforts. There were no presigned checks held by the District. The checks were issued in numerical sequence and all checks were accounted for properly. No checks were cashed before the date written and payroll checks were written monthly and not cashed early.

The District received \$1,573 in interest during the year ended June 30, 2006 and used \$883 of the interest received on two subgrants (\$838 on 2005012 and \$45 on 2005009). This interest income was included on the quarterly report for the respective grants for the period January 1, 2006 to March 31, 2006 as being used. However, the original budgets for the grants were not amended and sent to the Department for approval. The District prepares its grant requests when needed to fulfill the intent of the grant and to ensure continued use of the administrative and technical assistance grants.

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED UPON PROCEDURES (CONTINUED)**

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- Finding:** Original Budgets Not Amended for Spending of Interest Income
- Condition:** The District received and spent interest income on two subgrants without amending the original budget and submitting them to the Department for approval. One grant used interest income (2005012) to complete the grant expenditures that exceeded the original grant funding amount while a second grant (2005009) used interest income for additional expenses.
- Criteria:** Interest income earned on state grants is considered state funds and the expenditure of interest income must be done pursuant to a state grant approved by the Missouri Department of Natural Resources (MDNR). The Department's Special Terms and Conditions 2. states: "Expenditure of income earned from interest on district grant agreement funds must be in compliance with 10 CSR 80-9.050 Solid Waste Management Fund (SWMF) - District Grants." State rule 10 CSR 80-9.050(1)(C)1 states: "Grant monies made available by this rule shall be allocated by the district for projects contained within the district's approved solid waste management plan. These funds will be used for solid waste management projects as approved by the department." MDNR's General Terms and Conditions 1.G.2. Budget and Scope of Work Revisions states: "For construction and non-construction projects, subgrantees shall obtain prior written approval from the MDNR for any budget revision which would result in the need for additional funds."
- Cause:** The District stated they did not know that the original budget had to be amended and was told by the Department to include the amount of interest on the quarterly reports.
- Effect:** The District did not follow Department guidelines on recognizing interest income as a part of the grant budget or to properly amend the original budget to receive Department approval.
- Recommendation:**  
We recommend the District amend the original grant budget document when interest income is spent on a project and also reflect this amount on its quarterly reports in the future.
- Response:** The District Coordinator indicated that she was told to include the interest income spent on the quarterly reports and not to amend the original budget.

**5. General and Special Terms and Conditions**

- Criteria:** Review the District's compliance with the General and Special Terms and Conditions to ensure compliance with statutory and administrative requirements.
- Procedures:** We reviewed the District's procedures and policies for compliance with the General and Special Terms and Conditions issued by the Department.
- Results:** The District follows the requirements of the General and Special Terms and Conditions to ensure that it is in compliance. The District tried to obtain a financial audit from a Certified Public Accountant (CPA) or a CPA firm but was not able to obtain an outside audit. The District then obtained a financial audit through contractual services provided by the Department. The District promotes equal employment opportunity and nondiscrimination, ensures that all subgrant recipients

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED UPON PROCEDURES (CONTINUED)**

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are in compliance with state and federal environmental laws and have the required permits, prohibits the expenditure of funds for lobbying purposes, uses the Department's name for its news releases and publications, uses recycled paper as required, and promotes the use of grant funds for small and minority firms when possible. The District monitors effectively the use of the grant monies received from the state and no unusual expenditure of state funds was noted during the review. The District does not generate any program income for its use.

The District has several capital assets that it owns or has title to, which mainly includes two trucks and two trailers used for hauling recycled materials. The trucks are the only capital assets that are valued at more than the capitalization policy of \$5,000 established by the Department. The District Coordinator retains records of the District's assets through titles and pictures of each asset along with the respective titles (the District is shown as the lien holder) and detailed pictures of the capital assets held by the respective subgrantees. Physical inspections of the capital assets are conducted by the District Coordinator.

The subgrantees sign an agreement stating that they will use the capital assets in accordance with the terms of the grant for a period of four years until the security interest has lapsed. The District, however, does not use the required UCC-1 form as prescribed by the Special Terms and Conditions of District Grants on buildings constructed with grant funds. Also, a detailed record or listing of each capital asset owned by the District or the subgrantees has not been maintained in accordance with Section I.H.2. of the General Terms and Conditions. There were no capital assets disposed of during the review period.

- Finding 1:** No Detailed Listing of Capital Assets Maintained
- Condition:** The District is not maintaining a detailed listing of capital assets that it owns or what the various subgrantees have purchased through grants.
- Criteria:** Section I.H.2. of the General Terms and Conditions require that property records be maintained that include a description of the equipment, a serial number or other identification number, the source of the property, the acquisition date, cost of the property, percentage of federal or state participation in the cost of the property, and the location, use and condition of the property.
- Cause:** The District Coordinator thought that physical inspections, pictures, and titles held were sufficient records for capital assets.
- Effect:** The District is not totally aware of all the capital assets held by the District or the subgrantees without a detailed inventory record being maintained. A listing prepared for the review originally excluded a truck owned by the District but subsequently was noted and had to be added to the listing to be shown in the financial audit report of the District.
- Recommendation:** We recommend that the District maintain a detailed listing of capital assets owned by the District and the subgrantees in accordance with the requirements of the General and Special Terms and Conditions.

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED UPON PROCEDURES (CONTINUED)**

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Response: The District board concurred with this recommendation.

Finding 2: UCC-1 Security Interest Forms not used by the District

Condition: The District is not using the required UCC-1 security interest forms as required on capital assets such as buildings constructed by the subgrantees to hold the security interest for the state.

Criteria: Section 4 of the Special Terms and Conditions for District Grants requires that the subgrantee shall grant to the District, its successors and assigns a security interest or lien in all building or site improvements purchased or constructed for \$5,000 or more, in whole or in part, with SWMF monies. The subgrantee shall sign the financing statement (form UCC-1) and return the form along with the financial assistance agreement to the District for processing.

Cause: The District thought that the written contractual agreement signed by the subgrantees for the use of the building for a period of four years over the life of the security interest was sufficient.

Effect: The District and the state were at a potential loss of state funds if the subgrantee would have suffered some type of loss after the construction of the building. The District and state are not considered a secured creditor against the property.

Recommendation:

We recommend that the District use and file the required UCC-1 form for the construction of buildings or site improvements for \$5,000 or more as required under the Special Terms and Conditions for the District Grants.

Response: The District board concurred with this recommendation.

**6. Review of District Grants**

Criteria: Review the District's grants received from the state and select a sample of grants to review the project proposals, the review and evaluation process for the projects, and review the accounting records for unspent funds. Review the reports filed with the state to ensure accuracy of the grant documentation.

Procedures: The state projects funded by the state for the fiscal years ended June 30, 2005 and 2006 were obtained from the Department. Six projects were selected for review and these grants were as follows:

|          |                                       |
|----------|---------------------------------------|
| 2005-009 | Technical Assistance                  |
| 2005-018 | Newer recycling vehicle-West Plains   |
| 2006-3   | Household Hazardous Waste Collections |
| 2006-5   | Electronic collections                |
| 2006-7   | Shannon County recycling              |
| 2006-10  | Douglas County-Employee and Building  |

Review the grant proposals and the evaluation of each grant award and review the reports filed with the Department for the grant projects.

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED UPON PROCEDURES (CONTINUED)**

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**Results:** The District sends project proposals to each county and city within the county over 500 in population through a mailing. The required proposals included the appropriate information concerning the projects along with a proposed budget. The procedures used by the Executive Board to review and rank the proposals are written and documented through a grant evaluation form. All of the proposals submitted appeared to be reviewed, evaluated, and ranked appropriately. There were no conflicts of interest with the Executive Board in regards to any of the six projects selected. We noted that the District Coordinator was paid mileage as approved by the Executive Board but in excess of the amount noted on her salary contract.

Expenditures for the six projects appeared appropriate and in line with the grant program specifications. No unusual items were noted and documentation of expenditures was appropriate. Written and documented time sheets of hours worked were obtained from Douglas County for payment of salary to an employee that works at the sheltered workshop. The building constructed for Douglas County had the contract for security interest signed but did not have the required UCC-1 form as noted earlier. It was noted that \$3,000 of the total grant for project 2005-018 had not been paid out as of June 30, 2006 because the city of West Plains had not given the District the appropriate title for the new vehicle and, therefore, the District withheld the payment of the remaining 15% of the budget amount until the next fiscal year when the title was obtained.

For the household hazardous waste and electronic collections, documentation of the sites for pick-ups, the amounts taken, or people that signed a required form for bringing the recyclables were maintained to support the project. Technical assistance grant monies were used to support the grant projects and for various conference fees, organization dues, educational materials, equipment, travel expenses, license fees, training, supplies, and professional services. The Shannon County recycling project was mainly for a new truck for the county but ended up owned by the District since the county did not use it.

None of these project grants had any unobligated monies remaining at June 30, 2006 but all of the monies were considered obligated for the remainder of the grant. A review of the quarterly reports noted that these six projects were properly reported; however, the reports generally submitted to the department were not accurate for all grants and the quarterly report ending June 30, 2006 misstated some expenditures for a few grants. Expenditures incurred in July 2006 had been included on some projects thereby misstating the total expenditures and the remaining balances in the grants. The report would also not balance to the remaining cash balances and the certificate of deposit held at June 30, 2006.

**Finding 1:** District Quarterly Reports to the Department not Accurately Presented

**Condition:** The District's quarterly reports to the Department were not accurately presented because the administration grant expenditures (2006-1) reflected the amount transferred to the admin bank account and not what was actually spent during the quarter or for the year. Also, the quarterly report for the period ended June 30, 2006 was not properly stated for three grants (2006-2; 2006-3; and 2006-4) because some expenditures incurred in July 2006 were improperly reflected as June 2006 expenditures. Therefore, the District's report did not accurately reflect the

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED UPON PROCEDURES (CONTINUED)**

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ending balance in each of the grant funds and the administration account and did not balance with the total of the reconciled cash balances for the checking accounts plus the amount held in the certificate of deposit.

**Criteria:** Section 1.E.1. of the General Terms and Conditions requires that accurate, current, and complete disclosure of financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the subgrant.

**Cause:** The District Coordinator did not realize that the administrative grant should actually show the amount expended for the required period versus just showing the transfer of the funds received from one bank account to another, and that the other grants were inappropriately misstated.

**Effect:** The District was not in total compliance with the General Terms and Conditions on reporting requirements related to grant projects and that the balances in all the grants did not properly reflect the amounts held in the checking accounts and in the certificate of deposit.

**Recommendation:**

We recommend that the District show the actual expenditures of each grant for the respective period of reporting and to ensure that the balance in all grants reconciles to the total of the cash in the checking accounts and to the certificate of deposit held.

**Response:** The District board concurred with this recommendation and would probably submit an amended quarterly report to the Department of Natural Resources.

**Finding 2: Mileage Paid to District Coordinator in Excess of Employment Contract**

**Condition:** During the review period, the District Coordinator was paid the standard mileage allowance approved by the Executive Board but more than what was approved in the employment contract.

**Criteria:** Good management practices require that employment contracts be properly updated to reflect the amount of mileage approved on a per diem basis by the Executive Board.

**Cause:** The District failed to amend the District Coordinator's annual employment contract when the mileage per diem increase was approved by the Executive Board.

**Effect:** The District Coordinator received compensation for mileage in excess of the signed employment contract of which grant funds were expended for mileage.

**Recommendation:**

We recommend that the District amend the employment contract to reflect the current mileage per diem amount approved by the Executive Board, and ensure that the future contracts are stated correctly.

**Response:** The District board concurred with this recommendation. The District board indicated that the current employment contract has been properly updated.

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED UPON PROCEDURES (CONTINUED)**

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We were not engaged to and did not conduct an examination or a review of the subject matter, the objectives of which would be the expression of an opinion or limited assurance on the subject matter. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Missouri Department of Natural Resources and the South Central Solid Waste Management District and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

*Casey and Company, LLC*

Casey and Company, L.L.C.  
Certified Public Accountants  
Columbia, Missouri

## SOUTH CENTRAL SOLID WASTE MANAGEMENT DISTRICT FOLLOW-UP ON PRIOR FINDINGS

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The District obtained a Grant Review and Summary of procedures and distribution of grant funds as of May 31, 2005 through an independent person (not a Certified Public Accountant) dated August 1, 2006. There were no findings included in this report.

The Department of Natural Resources Division of Administrative Support Internal Audit Program conducted a Limited Review of the District for fiscal years 1993 through 1995 dated November 1995. This report noted the following findings with the current status:

**Finding:** Inadequate Accounting Systems and Procedures

The District did not have an effective system of internal controls over accounting functions. The Executive Board treasurer is responsible for every aspect of District finances. No other person took an active role in the administration or review of the District's financial matters.

**Status:**

The District indicated that board members review accounting functions such as check signing, bank reconciliations, and budget reporting at District meetings. Only three board members are authorized to sign checks and all invoices and vouchers are reviewed and approved by two members of the board. A deficiency of dual signatures was noted on several checks issued during the review period and this finding is noted in the current report.

**Finding:** Inadequate Accounting/Bookkeeping System

The District did not have an accounting system that conforms with generally accepted accounting principles (GAAP), which accurately reflects all fiscal transactions, incorporates appropriate controls and safeguards and provides clear references to the projects.

**Status:**

The District indicated that a computerized accounting system is now used to account for all financial transactions related to all grant projects. No similar condition was noted during the two years ended June 30, 2006.

**Finding:** Inadequate Payroll Records

Payroll records for the District Coordinator, the District's only contractual employee, were not maintained. There were no records prepared to support the payroll payments or earnings records to support tax documents.

**Status:**

The District indicated that payroll records are now kept on the District computer and the detail of all salary and tax payments are presented monthly to the board for review, discussion, and approval. It was noted during the two years ended June 30, 2006 that the District Coordinator was paid mileage in excess of the amount allowed by the employment contract agreement but was in accordance with the established mileage rates approved by the board for all travel. This comment is noted in the current report.

**SOUTH CENTRAL SOLID WASTE MANAGEMENT DISTRICT  
FOLLOW-UP ON PRIOR FINDINGS (CONTINUED)**

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**Finding: Overpayment of Salary**

The District Coordinator is paid a monthly salary based upon a written agreement. Her salary was increased inadvertently by \$3.63 per month beginning in July 1994 and the overpayment through April 1995 totaled \$39.93. The amount of \$39.93 was to be paid back to the District by the District Coordinator.

**Status:**

The District indicated that this money was paid back by the District Coordinator. No similar condition was noted during the two years ended June 30, 2006.

**Finding: Inadequate Documentation of Expenditures**

The District did not maintain records to support payroll and other expenditures as required by the General Terms and Conditions which govern the administration of funds dispersed under the program. A total of \$16,407.12 in expenditures for fiscal years 1993 through 1995 were questioned for not having appropriate documentation to support the payments made.

**Status:**

The District indicated that additional records were obtained and reviewed by the Solid Waste Management Program and were considered satisfactory resolving the questioned costs. No similar condition was noted during the two years ended June 30, 2006.

**Finding: Inadequate Supporting Documentation for Reimbursements**

Payments were made to the District Coordinator for reimbursements of phone calls where no documentation was provided. Questioned costs totaling \$1,902.83 for fiscal years 1993 through 1995 were made for inadequate documentation of payments made.

**Status:**

The District indicated that copies of the phone bills and a complete explanation of the reimbursement process were given resolving the questioned costs. No similar condition was noted during the two years ended June 30, 2006.

**Finding: Altered Receipt Submitted for Reimbursement**

An altered receipt for postage was submitted for reimbursement by the District Coordinator. The receipt appears to have originally been for \$6.36 but was altered to \$36.36. \$29.20 was charged to the Household Hazardous Waste Education District grant while the remainder was charged to the District administrative grant. Hence, the \$29.20 was considered a question cost.

**Status:**

The District indicated that copies of the canceled check and deposit slip were submitted for the reimbursement of the \$29.20 resolving the questioned costs. No similar condition was noted during the two years ended June 30, 2006.

**Finding: No Documentation to Support Match for Administrative Grants**

**SOUTH CENTRAL SOLID WASTE MANAGEMENT DISTRICT  
FOLLOW-UP ON PRIOR FINDINGS (CONTINUED)**

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The District is required to provide a one-third match on the Administrative Grant. For fiscal year 1994, the District inappropriately used hours as a match that were incurred prior to the application for the grant. In fiscal year 1995, no time sheets were maintained to document the hours used by the board members for time spent on District activities. Therefore, the District may not be entitled to the state share of \$20,000 per year for the Administrative Grant.

Status:

The District indicated that it now maintains a log of time and sign-in sheets for District meetings. The District provided documentation for all hours designated as match. No similar condition was noted during the two years ended June 30, 2006.

Finding: Conflict of Interest

Six of twenty-five grants awarded during the review period were grants wherein a board member was listed as the contact person for the project. The board members also participated in the District's evaluation and ranking of the project in violation of state regulations. Therefore, a total of \$37,297 for six projects was considered questioned costs.

Status:

The District indicated that it had submitted appropriate notarized affidavits by grant managers that participated in the grant evaluation process. It had also submitted a written description of the new process for the FY06 grants to avoid any appearance of conflict of interest in the future. A condition was noted during the current review in which a board member abstained from evaluating a grant that represented a conflict but the vote taken and approved in the board minutes did not indicate that the board member had abstained from approving the grant project. This condition is noted in the current report.

Finding: District Grant Evaluations Performed by District Coordinator as Recipient

The District Coordinator receives the subgrant proposals and performs a preliminary evaluation and then makes recommendations regarding the ranking of each proposal to the board of directors. Some of the subgrant projects are projects for which the District Coordinator may receive compensation, which appears to violate state regulations. This condition resulted in questioned costs of \$22,755.

Status:

The District indicated that the District Coordinator does not take part in the evaluation and ranking process for any District grant application resolving the questioned costs. No similar condition was noted during the two years ended June 30, 2006.

Finding: Inappropriate Match Considered During Evaluation of District Grants

Project grants are not required to provide any match. However, grant sponsored financial participation is preferred and additional evaluation points are given if a proposal indicates a matching contribution. In 1995, a project listing a matching contribution that was actually purchased in the previous fiscal year was considered an ineligible cost.

**SOUTH CENTRAL SOLID WASTE MANAGEMENT DISTRICT  
FOLLOW-UP ON PRIOR FINDINGS (CONTINUED)**

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Status:

The District indicated that a subgrant agreement and a budget for this project indicating no match was required for funding was presented and approved. The District also developed a procedure for ensuring that only eligible matching funds are considered in future grant proposals. No similar condition was noted during the two years ended June 30, 2006.

Finding: District Proposal Evaluation Forms do not Include all Required Criteria

The District's lists of criteria to evaluate project proposals for 1993 through 1995 grants were not complete. The lists did not include all of the criteria as required by state regulations.

Status:

The District indicated that new criteria evaluation forms were provided by the Solid Waste Management Program to all Districts. No similar condition was noted during the two years ended June 30, 2006.

Finding: Proposed Projects Approved without Containing all Required Information

Proposals submitted to the District for District grants are required to contain eight elements. In 1993, two proposed projects were funded without all of the required elements and some proposals for 1994 were also funded without the required elements.

Status:

The District indicated that a new form identifying the eight required elements for proposals were provided by the Solid Waste Management Program to all Districts. No similar condition was noted during the two years ended June 30, 2006.

Finding: Project Funded without Formal Evaluation Process Completed

The District board approved nine projects for 1994 in the board minutes and then later submitted a second District Grant Review list that showed funding for ten grants. One grant did not appear to go through the required evaluation process; therefore, the project cost of \$1,886 was questioned.

Status:

The District indicated no formal evaluation form was submitted for the questioned subgrant but that an evaluation had been completed. No similar condition was noted during the two years ended June 30, 2006.

Finding: District Grant Documentation Submitted Contained no Proof of Payment

The District requested funds for four subgrantees for 1993 totaling \$22,127 that were inadequately supported as valid and paid. For 1994 project grants, twenty of the thirty-eight request for funds totaling \$5,059 did not provide supporting documentation to the reimbursement claim. Therefore, the total costs of these unsupported grants for \$27,186 were questioned.

**SOUTH CENTRAL SOLID WASTE MANAGEMENT DISTRICT  
FOLLOW-UP ON PRIOR FINDINGS (CONTINUED)**

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Status:

The District indicated that the copies of invoices and canceled checks for paying the invoices were submitted and approved and acknowledged the need to improve this process. The Internal Audit Program staff reviewed the supporting documentation and deemed the information adequate thereby resolving the questioned costs. No similar condition was noted during the two years ended June 30, 2006.

Finding: Unallowable Costs Reimbursed by the District

A 1994 cycle District Grant subgrant was compensated for costs incurred before the allowable start date of the grant. The reimbursed expenses totaled \$991. Therefore, the amount of the reimbursed expenses of \$991 was questioned.

Status:

The District indicated they acted on information from the department in reimbursing costs incurred prior to the signing of a Financial Assistance Agreement (FAA) between DNR and the District. The District explained in writing the reason for the reimbursement of prior costs, substantiated that the costs were legitimate, formally requested approval of the prior costs from the department, and received a grant amendment signed by the department director authorizing the prior costs. The department processed an amended grant agreement signed by the District. No similar condition was noted during the two years ended June 30, 2006.

Finding: No Written Notification Sent to Governing Officials to Request Proposals

The District is required to send written notification of request for proposals to the governing officials of each county and each city over 500 in population in the District. No notification letters were found in the District records for the 1994 grant cycle.

Status:

The District indicated that it had used regular mail to notify the cities and counties. The District also indicated that it had adopted a procedure for documenting future notification mailings and provided this to the department. No similar condition was noted during the two years ended June 30, 2006.

Finding: Final Reports not Submitted in a Timely Manner

For 1994 grants, four instances were noted of final reports not submitted within thirty days of project completion as required by state regulations.

Status:

The department now allows Districts to submit subgrant final reports with the District's subsequent quarterly reports. No similar condition was noted during the two years ended June 30, 2006.

Finding: Quarterly Reports not Submitted

For the 1993 grant cycle, first quarter reports were submitted for three of the five projects, which also were considered final reports. One quarterly report was submitted in February 1995 but no

**SOUTH CENTRAL SOLID WASTE MANAGEMENT DISTRICT  
FOLLOW-UP ON PRIOR FINDINGS (CONTINUED)**

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quarterly reports were found for the remaining projects. Of the ten projects approved by the board for the 1994 cycle of District grants, first quarter reports were not submitted for seven of them and reports for the second quarter were not submitted for three of the projects.

Status:

The department now allows Districts to submit quarterly status reports on a timetable established by the date of the DNR Director's signature on the grant agreement. No similar condition was noted during the two years ended June 30, 2006.

Finding: Program Income Used Without Written Approval

According to the District's bank statements, a total of \$3,905.57 in interest was earned on grant funds from July 1992 through June 1995 and express written permission was not received from the Solid Waste Management Program to use the program income.

Status:

Changes to the Special Terms and Conditions allow Districts to use income generated from interest earned on grant agreement funds as long as they are reimbursable under the provisions in regulation and they directly benefit the District grant program.

Finding: No Time Records Kept by the District Coordinator

Salary payments made to the District Coordinator in accordance with a written agreement did not provide documentation to support the hours worked. The total paid on grants to the District Coordinator for fiscal year 1993 through 1995 was \$25,921.54 and was considered questioned since there was not supporting documentation of salary payments made.

Status:

The District indicated that a signed and notarized affidavit stating that the District Coordinator worked at least 24-hours per week for the time period in question had been submitted to the department for approval resolving the questioned costs. The District also indicated that it prepared and entered into a signed contract with the District Coordinator that makes no reference to hours worked, only the annual/monthly salary rate. No similar condition was noted during the two years ended June 30, 2006.

Finding: Prior Approval for Publications

The District and its subgrantees have published brochures and other material; however, there was no documentation that any of the material had ever been submitted to the Solid Waste Management Program for approval prior to printing in accordance with state regulations. The total costs for District grants for fiscal years 1992 through 1995 questioned was \$131,472.32.

Status:

The Department has allowed the Districts to review their own publications resolving the questioned costs. The Department made changes to the District Grant Special Terms and Conditions to formalize this arrangement and set criteria for District approval.

**APPENDICES**

**SOUTH CENTRAL SOLID WASTE MANAGEMENT DISTRICT  
SCHEDULE OF STATE FUNDING  
YEARS ENDED JUNE 30, 2006 AND JUNE 30, 2005**

| <u>Received</u>                 | <u>Total Amount</u> | <u>Grant No.</u> | <u>Amount</u> | <u>Purpose</u>                     |
|---------------------------------|---------------------|------------------|---------------|------------------------------------|
| <u>Year Ended June 30, 2006</u> |                     |                  |               |                                    |
| September 2005                  | \$120,000           | 2006-1           | \$70,000      | Administration                     |
|                                 |                     | 2006-2           | \$50,000      | Technical Assistance               |
| October 2005                    | \$ 74,000           | 2006-3           | \$30,000      | HHW Collections (1)                |
|                                 |                     | 2006-4           | \$28,000      | Tire Collections                   |
|                                 |                     | 2006-5           | \$16,000      | Electronic collections             |
| January 2006                    | \$125,355           | 2006-6           | \$30,000      | School clean-outs                  |
|                                 |                     | 2006-7           | \$26,000      | Shannon County                     |
|                                 |                     | 2006-8           | \$30,000      | City of Mountain View              |
|                                 |                     | 2006-9           | \$ 9,945      | West Plains                        |
|                                 |                     | 2006-10          | \$29,410      | DoCo, Inc.                         |
| April 2006                      | \$ 38,850           | 2006-11          | \$20,000      | Tribble-Equipment                  |
|                                 |                     | 2006-12          | \$18,850      | Oregon County- Trailers            |
| Total                           | \$358,205           |                  |               |                                    |
| <u>Year Ended June 30, 2005</u> |                     |                  |               |                                    |
| December 2004                   | \$110,950           | 2005-008         | \$62,000      | Administration                     |
|                                 |                     | 2005-009         | \$48,950      | Technical Assistance               |
| February 2005                   | \$166,447           | 2005-012         | \$14,473      | HHW Collections (1)                |
|                                 |                     | 2005-013         | \$20,000      | Illegal dumping-ID and<br>Clean up |
|                                 |                     | 2005-014         | \$24,000      | Tire Collections                   |
|                                 |                     | 2005-015         | \$14,000      | Electronic Collections             |
|                                 |                     | 2005-016         | \$15,000      | School clean-outs                  |
|                                 |                     | 2005-017         | \$16,000      | Roll-off dumpsters                 |
|                                 |                     | 2005-018         | \$20,000      | Vehicle                            |
|                                 |                     | 2005-019         | \$15,000      | Storage shed                       |
|                                 |                     | 2005-020         | \$ 3,200      | Fence                              |
|                                 |                     | 2005-021         | \$ 8,274      | Employee, fuel, etc.               |
|                                 |                     | 2005-022         | \$14,560      | Employee salary                    |
| 2005-023                        | \$ 1,940            | Recycling bins   |               |                                    |
| Total                           | \$277,397           |                  |               |                                    |

(1) HHW collections represent Household Hazardous Waste collections

Other receipts collected not used

| <u>Grant No.</u> | <u>Purpose</u>                      |            |           |
|------------------|-------------------------------------|------------|-----------|
| 2003014          | City of Willow Springs, worker (1)  |            | 7,390     |
| 2005013          | Illegal dumping-ID and clean up     | 6,747      |           |
| 2005016          | School clean-outs                   | 1,630      |           |
| 2005017          | Roll-off dumpsters                  |            | 1,231     |
| 2005018          | Newer recycling vehicle-West Plains | 3,000      |           |
| 2005021          | Employee, fuel, etc.-Shannon County | 932        |           |
| 2005023          | Recycling bins-Cabool               |            | 2         |
| 2006-1           | Administration (2)                  |            | 36,181    |
| 2006-2           | Technical assistance                |            | 38,664    |
| 2006-3           | HHW collections                     | 13,376     |           |
| 2006-4           | Waste tire amnesty                  | 11,442     |           |
| 2006-5           | Electronic collections              | 643        |           |
| 2006-6           | School chemical clean-outs          | 30,000     |           |
| 2006-7           | Shannon County recycling            | 8,189      |           |
| 2006-9           | Dump bed-West Plains                | 1,492      |           |
| 2006-10          | DoCo, Inc.-Employee and building    | 13,720     |           |
| 2006-11          | Tribble-equipment                   | 8,667      |           |
| 2006-12          | Oregon County-trailers              | 18,850     |           |
|                  | Totals                              | \$ 118,688 | \$ 95,948 |
|                  | Total Cash and Investments          | \$ 214,636 |           |

- (1) This grant was later closed and the balance was used to fund a new project.
- (2) This amount represents the balance in the Administration banking account at June 30, 2006 that is used for administrative purposes. The grant monies will continue to be used for expenses until the new Administration grant for FY 2007 is received.