

**NORTH MISSOURI
SOLID WASTE MANAGEMENT
DISTRICT - REGION B
TRENTON, MISSOURI
FINANCIAL STATEMENTS
(With Independent Auditors'
Reports Thereon)
JUNE 30, 2014 AND 2013**

Received
FEB 27 2015
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**NORTH MISSOURI SOLID WASTE
MANAGEMENT DISTRICT – REGION B
TRENTON, MISSOURI**

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position-cash basis of the governmental activities and each major fund of the North Missouri Solid Waste Management District – Region B, Trenton, Missouri, as of June 30, 2014 and 2013, and the respective changes in financial position-modified cash basis for the years then ended in accordance with the basis of accounting as described in Note 1.B.

Basis of Accounting

We draw attention to Note 1.B. of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Other Matters

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements. The supplementary information, pages 13-15 is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary 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. Such 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 supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated February 23, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Arthur White & Associates, L.L.C.
ARTHUR WHITE & ASSOCIATES, L.L.C.

**NORTH MISSOURI SOLID WASTE
MANAGEMENT DISTRICT - REGION B
TRENTON, MISSOURI**

**STATEMENTS OF NET POSITION - CASH BASIS
JUNE 30, 2014 AND 2013**

	Governmental Activities	
	2014	2013
<u>ASSETS</u>		
CURRENT ASSETS:		
Unrestricted cash and cash equivalents	\$ 61,187	\$ 58,454
Restricted cash	66,637	136,975
Total current assets	127,824	195,429
TOTAL ASSETS	\$ 127,824	\$ 195,429
<u>NET POSITION</u>		
NET POSITION		
Unrestricted	\$ 61,187	\$ 58,454
Restricted	66,637	136,975
TOTAL NET POSITION	\$ 127,824	\$ 195,429

See Notes to Financial Statements.

**NORTH MISSOURI SOLID WASTE
MANAGEMENT DISTRICT - REGION B
TRENTON, MISSOURI**

**STATEMENT OF ACTIVITIES -
CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net Receipts and Change in Net Position</u>
		<u>Capital Grants and Contributions</u>	<u>Operating Grants and Contributions</u>	<u>Primary Governmental Activities</u>
Functions and Programs				
Primary Government:				
Governmental Activities:				
General Government	<u>\$ 175,792</u>	<u>\$ -</u>	<u>\$ 47,500</u>	<u>\$ (128,292)</u>
General Receipts:				
Investment earnings				282
Dues				9,283
Other				51,122
Total general receipts				<u>60,687</u>
Change in net position				(67,605)
Net Position - Beginning of year				<u>195,429</u>
Net Position - End of year				<u>\$ 127,824</u>

See Notes to Financial Statements.

**NORTH MISSOURI SOLID WASTE
MANAGEMENT DISTRICT - REGION B
TRENTON, MISSOURI**

**STATEMENT OF ACTIVITIES -
CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net Receipts and Change in Net Position</u>
		<u>Capital Grants and Contributions</u>	<u>Operating Grants and Contributions</u>	<u>Primary Governmental Activities</u>
Functions and Programs				
Primary Government:				
Governmental Activities:				
General Government	<u>\$ 171,319</u>	<u>\$ -</u>	<u>\$ 134,191</u>	<u>\$ (37,128)</u>
General Receipts:				
Investment earnings				304
Dues				9,540
Other				<u>46,615</u>
Total general receipts				<u>56,459</u>
Change in net position				19,331
Net Position - Beginning of year				<u>176,098</u>
Net Position - End of year				<u>\$ 195,429</u>

See Notes to Financial Statements.

2013		
<u>General</u>	<u>Special Revenue</u>	<u>Total Governmental Funds</u>
\$ 58,454 ✓	\$ 136,975 ✓	\$ 58,454 136,975
<u>58,454</u>	<u>136,975</u>	<u>195,429</u>
<u>\$ 58,454</u>	<u>\$ 136,975</u>	<u>\$ 195,429</u>

\$ 58,454	\$ 136,975	\$ 136,975 58,454
<u>\$ 58,454</u>	<u>\$ 136,975</u>	<u>\$ 195,429</u>

✓ ✓

See Notes to Financial Statements.

**NORTH MISSOURI SOLID WASTE
MANAGEMENT DISTRICT - REGION B
TRENTON, MISSOURI**

**GOVERNMENTAL FUNDS STATEMENTS OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2014**

	Governmental Fund Types		
	General	Special Revenue	Total
RECEIPTS:			
Grant revenue		\$ 47,500	\$ 47,500
Dues	\$ 9,283		9,283
Interest income	65	217	282
Other revenue	48,310	2,812	51,122
Total Receipts	<u>57,658</u>	<u>50,529</u>	<u>108,187</u>
DISBURSEMENTS - current:			
District Operations (Administration):			
District administration	25,607	18,752	44,359
Plan implementation	29,308	29,174	58,482
Total District Operations Disbursements	<u>54,915</u>	<u>47,926</u>	<u>102,841</u>
Collections and Recycling:			
Banned items		15,745	15,745
Contractual		57,206	57,206
Total Collections and Recycling Disbursements	<u>-</u>	<u>72,951</u>	<u>72,951</u>
Total Disbursements	<u>54,915</u>	<u>120,877</u>	<u>175,792</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	2,743	(70,348)	(67,605)
OTHER FINANCING SOURCES (USES):			
Operating transfers in (out)	<u>(10)</u>	<u>10</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	2,733	(70,338)	(67,605)
FUND BALANCE - Beginning of year	<u>58,454</u>	<u>136,975</u>	<u>195,429</u>
FUND BALANCE - End of year	<u>\$ 61,187</u>	<u>\$ 66,637</u>	<u>\$ 127,824</u>

See Notes to Financial Statements.

**NORTH MISSOURI SOLID WASTE
MANAGEMENT DISTRICT - REGION B
TRENTON, MISSOURI**

**GOVERNMENTAL FUNDS STATEMENTS OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2013**

	Governmental Fund Types		
	General	Special Revenue	Total
RECEIPTS:			
Grant revenue		\$ 134,191	\$ 134,191
Dues	\$ 9,540		9,540
Interest income	84	220	304
Other revenue	43,170	3,445	46,615
Total Receipts	<u>52,794</u>	<u>137,856</u>	<u>190,650</u>
DISBURSEMENTS - current:			
District Operations (Administration):			
District administration	40,345	33,368	73,713
Plan implementation	13,024	15,520	28,544
Total District Operations Disbursements	<u>53,369</u>	<u>48,888</u>	<u>102,257</u>
Collections and Recycling:			
Contractual		53,577	53,577
Banned items		15,485	15,485
Total Collections and Recycling Disbursements	<u>-</u>	<u>69,062</u>	<u>69,062</u>
Total Disbursements	<u>53,369</u>	<u>117,950</u>	<u>171,319</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(575)	19,906	19,331
OTHER FINANCING SOURCES (USES):			
Operating transfers in (out)	(2,858)	2,858	-
NET CHANGE IN FUND BALANCE	(3,433)	22,764	19,331
FUND BALANCE - Beginning of year	<u>61,887</u>	<u>114,211</u>	<u>176,098</u>
FUND BALANCE - End of year	<u>\$ 58,454</u>	<u>\$ 136,975</u>	<u>\$ 195,429</u>

See Notes to Financial Statements.

**NORTH MISSOURI SOLID WASTE MANAGEMENT DISTRICT –
REGION B
TRENTON, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The North Missouri Solid Waste Management District - Region B (the District) was formed pursuant to RSMo. Section 260.305, and was officially recognized by the Missouri Department of Natural Resources in 1991. The District includes the counties of Caldwell, Carroll, Chariton, Daviess, Grundy, Harrison, Linn, Livingston, Mercer, Putnam, and Sullivan and their participating cities with a population of 500 or more. Participation in the District is voluntary and is formally established through a resolution of adoption filed with the District office by the member governments. The purpose of the District is to promote cooperation in solving solid waste management problems and to promote resource recovery and recycling. The District's responsibilities include planning requirements as established by the Solid Waste Management Program, and the administration of grant funds made available to the District from the Solid Waste Management Fund, in accordance with RSMo. Section 260.335.2.

The District was organized to be comprised of a planner, an Executive Director, Board of Directors with a two year term or when the Director leaves elected office, and an Executive Board of eleven members with a one year term compiled from each county with the presiding commissioner appointing the Executive Board member. The ruling bodies of each member of the District appoint board members from each county or city. The District shall have a president, vice president, and secretary/treasurer as elected by the Board of Directors. The District's activities are administered by the Green Hills Regional Planning Commission, located in Trenton, Missouri.

The following is a summary of the more significant accounting policies:

A. Reporting Entity:

The District's reporting entity includes the District's governing board and all related organizations for which the District exercises oversight responsibility.

The District has developed criteria to determine whether outside agencies should be included within its financial reporting entity. The criteria include, but are not limited to, whether the District exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The District has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a component in the District's financial statements. In addition, the District is not aware of any entity which would exercise such oversight resulting in the District being considered a component unit of another entity.

B. Basis of Accounting:

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the District as a whole excluding fiduciary activities, with interfund activities removed. Governmental activities include programs supported primarily by state grants, local sources, and other intergovernmental revenues. The District has no business-type activities that rely, to a significant extent, on fees and charges for support.

**NORTH MISSOURI SOLID WASTE
MANAGEMENT DISTRICT – REGION B
TRENTON, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014 AND 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

B. Basis of Accounting, Continued:

The statement of activities demonstrates how other people or entities that participate in programs the District operates have shared in the payment of direct costs. The “capital grants and contributions” column includes amounts paid by organizations outside the District that are to be used to purchase, construct, or renovate capital assets associated with a specific program. The “operating grants and contributions” column includes amounts paid by organizations outside the District to help meet the operational requirements of a given function. If revenue is not program revenue, it is general revenue used to support all of the District’s functions.

The accounts of the District are organized on the basis of funds, each of which is a separate accounting entity with a self-balancing set of accounts. The various funds are grouped as follows:

Governmental Funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund - The Special Revenue Fund is used to account for revenues derived from earmarked revenue sources that are restricted to disbursement for specified purposes which include grant funds received from the State of Missouri Department of Natural Resources.

The government-wide financial statements are accounted for using the cash basis of accounting and use an economic resources measurement focus, as limited by the cash basis of accounting. Under this basis of accounting, receipts are recognized when received and disbursements are recognized when paid.

The governmental fund types (General Fund and Special Revenue Funds) use a current financial resources measurement focus and are accounted for using the cash basis of accounting.

The major source of revenue is state grants, as discussed below:

Grant Receipts - Grant receipts are recognized when received by the District. Such receipts are subject to review by the funding agency and may result in disallowance in subsequent periods.

C. Restricted Resources:

It is the District’s policy to use restricted resources first, then unrestricted resources as needed, when both restricted and unrestricted resources are available.

**NORTH MISSOURI SOLID WASTE
MANAGEMENT DISTRICT – REGION B
TRENTON, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014 AND 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

D. Capital Assets:

The District provides subgrants to recipients for the purpose of purchasing equipment, vehicles, and other capital assets for member communities and organizations with the proceeds from various grants, as part of its mission to encourage proper solid waste management. These capital assets are not reported as assets in the financial statements of the District. Once the capital assets are transferred to the recipient they remain the property of the recipient, with the District having only a security interest in the capital assets that cost more than \$5,000. If at any time the recipient of the assets should dispose of or otherwise forfeit the capital assets subgranted by the District, then the District will resume ownership.

A summary of the value of the District's security interest in capital assets at year end is as follows:

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Vehicles and equipment	\$161,920	\$ 133,286

Capital assets purchased for the use of the District are recorded as a disbursement when purchased.

E. Budgets and Budgetary Accounting:

In accordance with the District's policy, the Executive Board is responsible for preparing an annual budget. After being prepared, the annual budget will then be presented to the Board of Directors for approval at the June Meeting. The operating budget covers all funds and includes proposed receipts and disbursements for the upcoming cycle. The budget is prepared using the cash basis of accounting.

The District's primary funding source is state grants which have grant periods and cycles that may or may not coincide with the District's fiscal year. These grants normally are for an eighteen month period; however, they can be awarded for periods shorter or longer than eighteen months. ✓

Because of the District's dependency on grant funds, revenue estimates are based upon the best available information as to potential sources of funding.

The resultant annual budget is subject to constant change within the fiscal year due to increases or decreases in actual grant awards from those estimated, changes in grant periods, unanticipated grant awards not included in the budget, and expected grant awards which fail to materialize.

F. Governmental Fund Balances:

The District has applied the provisions of GASB Statement No. 54 as of June 30, 2011. The District does not have any spendable, committed, or assigned fund balances. Restricted fund balances consist of amounts for future grant allocations. ✓

The board of directors is the responsible for determining and rescinding any committed or assigned fund balances.

**NORTH MISSOURI SOLID WASTE
MANAGEMENT DISTRICT – REGION B
TRENTON, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014 AND 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

G. Fair Value:

Cash deposits are reported at carrying amount, which reasonably approximates fair value.

2. CASH AND INVESTMENTS

The District is required to comply with various restrictions on deposits and investments which are imposed by state statute as follows:

A. Cash:

Deposits - All deposits with financial institutions must be collateralized in an amount at least equal to uninsured deposits. At June 30, 2014, the carrying amount of the District's deposits was \$127,824 and the bank balance was \$129,998. The bank balance was covered by federal depository insurance.

At June 30, 2013, the carrying amount of the District's deposits was \$195,429 and the bank balance was \$198,648. The bank balance was covered by federal depository insurance

B. Restricted Cash:

Cash is restricted to be used only for purposes as set forth in grant agreements with the Missouri Department of Natural Resources.

C. Investments:

The District may invest in certificates of deposit, bonds of the State of Missouri or any wholly-owned corporation of the United States, or in other short-term obligations of the United States. The District had no such investments at June 30, 2014 and 2013.

3. RELATED PARTY TRANSACTION ✓

The District is related to the Green Hills Regional Planning Commission (the Commission) by sharing office space. The District has entered into a contract with the Commission for administrative and accounting services.

Amount paid to the Commission for program administration and accounting:	2014	2013
Total	\$ 47,926	\$ 48,888

4. ECONOMIC DEPENDENCY

The District receives a substantial amount of its support from the Missouri Department of Natural Resources Waste Management Program. If a significant reduction in this level of government support were to occur, it may have an effect on the District's programs.

**NORTH MISSOURI SOLID WASTE
MANAGEMENT DISTRICT – REGION B
TRENTON, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014 AND 2013**

5. CONTINGENCY

The District receives funds from the Missouri Department of Natural Resources Solid Waste Management Program for specific purposes that are subject to review and audit. These reviews and audits could lead to requests for reimbursement or to withholding of future funding for disbursements disallowed under, or other noncompliance with, the terms of the grants and funding.

6. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in the years ended June 30, 2014 and 2013.

7. TRANSFERS

The following is a summary of transfers for all funds for the year ended June 30, 2014:

<u>Fund</u>	<u>Transfer Into</u>	<u>Transfer From</u>
General		\$ 10
Special Revenue	\$ 10	—
Totals	\$ 10	\$ 10

The following is a summary of transfers for all funds for the year ended June 30, 2013:

<u>Fund</u>	<u>Transfer Into</u>	<u>Transfer From</u>
General		\$ 2,858
Special Revenue	\$ 2,858	—
Totals	\$ 2,858	\$ 2,858

The purpose for the interfund transfers is to transfer general fund money to the grant account to cover administration and plan implementation costs.

Special Revenue Fund

Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
\$ 140,992	\$ 47,500	\$ 47,500	\$ -
200	208	217	9
1,500	2,812	2,812	-
<u>142,692</u>	<u>50,520</u>	<u>50,529</u>	<u>9</u>
18,834	18,743	18,752	(9)
32,979	29,174	29,174	-
<u>51,813</u>	<u>47,917</u>	<u>47,926</u>	<u>(9)</u>
19,174	15,745	15,745	-
95,036	57,206	57,206	-
<u>114,210</u>	<u>72,951</u>	<u>72,951</u>	<u>-</u>
<u>166,023</u>	<u>120,868</u>	<u>120,877</u>	<u>(9)</u>
(23,331)	(70,348)	(70,348)	-
<u>-</u>	<u>-</u>	<u>10</u>	<u>10</u>
<u>\$ (23,331)</u>	<u>\$ (70,348)</u>	<u>(70,338)</u>	<u>\$ 10</u>
		<u>136,975</u>	
		<u>\$ 66,637</u>	

Special Revenue Fund			
Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
\$ 203,933	\$ 134,191	\$ 134,191	\$ -
200	203	220	17
10,500	3,445	3,445	-
<u>214,633</u>	<u>137,839</u>	<u>137,856</u>	<u>17</u>
38,496	33,371	33,368	3
20,533	15,520	15,520	-
<u>59,029</u>	<u>48,891</u>	<u>48,888</u>	<u>3</u>
159,765	53,577	53,577	-
34,664	15,485	15,485	-
<u>194,429</u>	<u>69,062</u>	<u>69,062</u>	<u>-</u>
<u>253,458</u>	<u>117,953</u>	<u>117,950</u>	<u>3</u>
(38,825)	19,886	19,906	20
<u>8,000</u>	<u>2,861</u>	<u>2,858</u>	<u>(3)</u>
<u>(30,825)</u>	<u>22,747</u>	<u>22,764</u>	<u>\$ 17</u>
		<u>114,211</u>	
		<u>\$ 136,975</u>	

<u>2014 Disbursements</u>	<u>Program Income</u>	<u>Deobligated Amount</u>	<u>Remaining Award Amount Available</u>
			-
	4,603	11,752	-
			1,975
		811	-
			3,970
2,100		2,500	-
			1,500
	3,860	4,000	-
			-
		682	-
		5,000	-
			300
977			1
			3,030
			6,750
			1,000
15,562	5,932		4
15,795			4,205
			1,380
	17		-
4,094			235
17,000			3,000
16,284			3,457
18,760			74
25,079			3,587
			5,000
			3,500
			4,000
5,048			(5,048) *
178	325		10,147
<u>\$ 120,877</u>	<u>\$ 14,737</u>	<u>\$ 24,745</u>	<u>\$ 52,067</u>
	\$ 11,671		
	654		
	<u>2,245</u>		
			<u>14,570</u>
			<u>\$ 66,637</u>

14-1 INADEQUATE REVIEW OF QUARTERLY REPORTS, CONTINUED

✓ Cause: Management has not designed and implemented internal controls to ensure that quarterly reports are accurate.

Recommendation: We recommend that the District adopt internal control procedures to ensure quarterly reports accurately report amounts listed on reports.

District response: The mistake was within the breakdown of the individual subgrant line items. The amount was recorded in the wrong column. Since there was no activity on the grant, the mistake was not caught until the end of the year, when closing out records. The correction was made on the 1st quarter of the next fiscal year, instead of amending the reports. The District will submit amended reports to MDNR.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether North Missouri Solid Waste Management District's financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and which is described as item 14-2, below.

14-2 INACCURATE QUARTERLY REPORTS

Condition: The quarterly reports for the quarters ended March 31, 2014, and June 30, 2014, did not accurately report amounts of disbursements and program income. The District's report for the quarter ended March 31, 2014, overstated disbursements by \$722. The District's report for the quarter ended June 31, 2014, overstated program income and disbursements by \$713.

Criteria: Section 1.E.1. of the Missouri Department of Natural Resources' (MDNR) General Terms and Conditions states 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 subgrantee.

Effect: The District is not in compliance with MDNR's General Terms and Conditions.

✓ Cause: Inadequate internal control.

Recommendation: We recommend that the District amend quarterly reports for the quarters ended March 31, 2014 and June 30, 2014, to accurately report financial activity and submit those amended reports to MDNR.

District response: The District will amend reports to MDNR.

North Missouri Solid Waste Management District's Response to Findings

North Missouri Solid Waste Management district's responses to the findings identified in our audits are described in items 14-1 and 14-2, above. North Missouri Solid Waste Management District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on them.

Purpose of this Report:

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

Arthur White & Associates, L.L.C.
ARTHUR WHITE & ASSOCIATES, L.L.C.

**NORTH MISSOURI SOLID WASTE
MANAGEMENT DISTRICT – REGION B
TRENTON, MISSOURI**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2014 AND 2013**

✓ There were no prior audit findings.

ARTHUR WHITE & ASSOCIATES, L.L.C.

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2400 Frederick, Suite 500
St. Joseph, Missouri 64506
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January 24, 2013

To the Executive Board
North Missouri Solid Waste
Management District – Region B
Trenton, Missouri

We have audited the financial statements of the North Missouri Solid Waste Management District – Region B, Trenton, Missouri, (the District) as of and for the years ended June 30, 2012 and 2011, and have issued our report thereon dated January 24, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 15, 2012. Professional standards require that we provide you with the following information related to our audit.

Qualitative Aspects of Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. The District adopted policies related to Governmental Accounting Standards Board (GASB) Statement No. 54 relating to governmental fund balance classification and more fully described in item 1.f. in the notes to the financial statements. No other new accounting policies were adopted and the application of existing policies was not changed during the years ended June 30, 2012 and 2011. We noted no transactions entered into by the District 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. Because of the cash basis of accounting, in our judgment there were no sensitive estimates affecting the financial statements.

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

Difficulties Encountered in Performing the Audits

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We identified no such misstatements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's 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 attached management representation letter dated January 24, 2013.

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 the District's financial statements or a determination of the type of auditor's 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.

Issues Discussed Prior to Retention of Independent Auditors

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

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America as limited by the cash basis of accounting, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Executive Board and management of the North Missouri Solid Waste Management District - Region B, Trenton, Missouri, and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Arthur White & Associates, L.L.C.

ARTHUR WHITE & ASSOCIATES, L.L.C.

January 24, 2013

Arthur White & Associates, L.L.C.
302 Main Street
Tarkio, Missouri 64491

We are providing this letter in connection with your audits of the financial statements of the North Missouri Solid Waste Management District (the District) as of June 30, 2012 and 2011, and for the years then ended for the purpose of expressing opinions as to whether the financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the North Missouri Solid Waste Management District and the respective changes in financial position in conformity with the cash basis of accounting. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with the cash basis of accounting. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control, and preventing and detecting fraud.

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 the 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, as of January 24, 2013, the following representations made to you during your audit:

1. The financial statements referred to above are fairly presented in conformity with the cash basis of accounting and include all properly classified funds and other financial information of the primary government and all component units required by the cash basis of accounting to be included in the financial reporting entity.
2. We have made available to you all—
 - a. Financial records and related data and all audit or relevant monitoring reports, if any, received from funding sources.
 - b. Minutes of the meetings of the board of directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
4. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
5. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
6. We have no knowledge of any fraud or suspected fraud affecting the entity involving:
 - 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.

7. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, or others.
8. We have identified to you any previous financial audits, attestation engagements, or other studies related to the audit objectives and whether related recommendations have been implemented.
9. The District has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
10. The following, if any, have been properly recorded or disclosed in the financial statements:
 - a. Related party transactions, including receipts, disbursements, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - b. Guarantees, whether written or oral, under which the District is contingently liable.
 - c. All accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates and measurements. We believe the estimates and measurements are reasonable in the circumstances.
11. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts, or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
12. There are no—
 - a. Violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
 - b. Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with generally accepted accounting principles.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by generally accepted accounting principles.
13. As part of your audit, you assisted in the preparation of the financial statements and related notes. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
14. The District 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.
15. The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
16. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.

17. The financial statements properly classify all funds and activities.
18. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
19. Components of net asset (restricted and unrestricted) and equity amounts are properly classified and, if applicable, approved.
20. Disbursements have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
21. Receipts are appropriately classified in the statement of activities within program receipts, general receipts, contributions to term or permanent endowments, or contributions to permanent fund principal.
22. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
23. Deposits and investment securities are properly classified as to risk, and investments are properly valued.
24. We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available and have determined that net assets were properly recognized under the policy.
25. With respect to the supplementary information (SI):
 - a) We acknowledge our responsibility for presenting the SI in accordance with the cash basis of accounting, and we believe the SI, including its form and content, is fairly presented in accordance with the cash basis of accounting. The methods of measurement and presentation of the SI have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the SI is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditors' report thereon.
26. We have evaluated the District's ability to continue as a going concern and have included appropriate disclosures, as necessary, in the financial statements.
27. We have evaluated and classified any subsequent events as recognized or nonrecognized through the date of this letter. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.

Signed: _____

Title: _____

Signed: _____

Title: _____

Ann Hamilton

SW Planner

ARTHUR WHITE & ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

302 Main Street
Tarkio, Missouri 64491
Telephone (660) 736-5811
Fax (660) 736-4364

2400 Frederick, Suite 500
St. Joseph, Missouri 64506
Telephone (816) 233-2855
Fax (816) 233-8238

February 23, 2015

To the Executive Board
North Missouri Solid Waste
Management District – Region B
Trenton, Missouri

We have audited the financial statements of the North Missouri Solid Waste Management District – Region B, Trenton, Missouri, (the District) as of and for the years ended June 30, 2014 and 2013, and have issued our report thereon dated February 23, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 24, 2014. Professional standards require that we provide you with the following information related to our audit.

Qualitative Aspects of Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District 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 the years ended June 30, 2014 and 2013. We noted no transactions entered into by the District 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. Because of the cash basis of accounting, in our judgment there were no sensitive estimates affecting the financial statements.

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

Difficulties Encountered in Performing the Audits

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We identified no such misstatements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's 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 attached management representation letter dated February 23, 2015.

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 the District's financial statements or a determination of the type of auditor's 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.

Issues Discussed Prior to Retention of Independent Auditors

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

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America as limited by the cash basis of accounting, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Executive Board and management of the North Missouri Solid Waste Management District - Region B, Trenton, Missouri, and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Arthur White & Associates, L.L.C.

ARTHUR WHITE & ASSOCIATES, L.L.C.

February 23, 2015

ARTHUR WHITE & ASSOCIATES, L.L.C.
302 MAIN STREET
TARKIO, MO 64491

This representation letter is provided in connection with your audits of the financial statements of Region B Solid Waste Management District, (the District), which comprise the respective financial position of the governmental activities and each major fund of the District as of June 30, 2014 and 2013, the changes in financial position for the years then ended, the budgetary comparisons, and the related notes to 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 the cash basis of accounting.

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 the 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, as of January 27, 2015, 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 September 14, 2014.
2. The financial statements referred to above are fairly presented in conformity with the cash basis of accounting and include all properly classified funds and other financial information of the primary government and all component units required by the cash basis of accounting to be included in the financial reporting entity.
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 are reasonable.
6. Related party relationships and transactions, including revenues, expenses, loans, transfers, leasing arrangements, guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of the cash basis of accounting.
7. All events subsequent to the date of the financial statements and for which the cash basis of accounting requires adjustment or disclosure have been adjusted or disclosed. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.
8. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with the cash basis of accounting.

9. Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

10. 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.
 - b. Additional information that you have requested from us for the purpose of the audits.
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the District Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
11. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
12. 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.
13. We have no knowledge of any fraud or suspected fraud that affects the entity 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.
14. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.
15. We have disclosed to you all known 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.
16. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
17. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

Government-specific

18. We have made available to you all financial records and related data.
19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
20. 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.

21. We have taken timely and appropriate steps to remedy violations of laws, regulations, contracts, or grant agreements that you have reported to us.
22. We have a process to track the status of audit findings and recommendations.
23. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
24. The District has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
25. We are responsible for compliance with laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified, and disclosed to you, all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts, or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
26. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance, except as made know to you.
27. As part of your audits, you assisted in preparation of the financial statements and related notes. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
28. The District 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.
29. The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
30. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
31. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
32. The financial statements properly classify all funds and activities.
33. All funds that meet the quantitative criteria in *GASB Statement Nos. 34 and 37* for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
34. Components of net position (net investment in capital assets, restricted, and unrestricted) and equity amounts are properly classified and, if applicable, approved.
35. Expenditures have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
36. Revenues are appropriately classified within the statement of activities, within program revenues and general revenues.
37. Deposits and investment securities are properly classified as to risk and are properly disclosed.

38. We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position was properly recognized under the policy.

39. We acknowledge our responsibility for the supplementary information (SI). The SI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the SI. ✓

Signed: _____

Signed: _____

Title: _____

Title: _____