

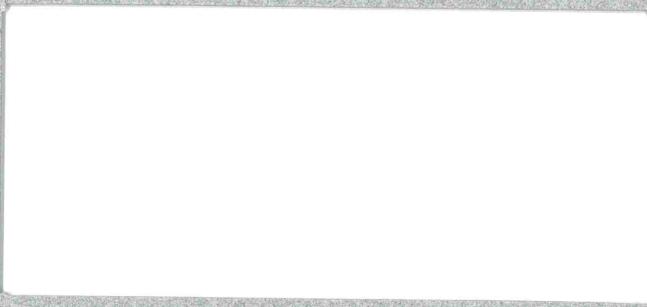
✓

D

SCANNED

2019

Initial: _____



ARTHUR WHITE & ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

RECEIVED BY

JAN 12 2015

SWMP OPERATIONS

**REGION D RECYCLING & WASTE
MANAGEMENT DISTRICT
CLARKSDALE, MISSOURI**

**FINANCIAL STATEMENTS
(With Independent Auditors'
Reports Thereon)**

JUNE 30, 2014 AND 2013

**REGION D RECYCLING & WASTE MANAGEMENT DISTRICT
CLARKSDALE, MISSOURI**

TABLE OF CONTENTS

	<u>Page</u>
SECTION I: FINANCIAL STATEMENTS	
Independent Auditors' Report	1
Statements of Net Assets – Cash Basis	2
Statements of Activities – Cash Basis	3 - 4
Balance Sheets – Governmental Funds– Cash Basis	5
Statements of Receipts, Disbursements, and Changes in Fund Balances – Governmental Funds – Cash Basis	6 - 7
Notes to Financial Statements	8 - 12
SECTION II: INTERNAL CONTROL AND COMPLIANCE	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <u>Government Auditing Standards</u>	13
Summary Schedule of Prior Audit Findings	14
SECTION III: SUPPLEMENTAL INFORMATION	
Supplemental Schedules of Receipts, Disbursements, and Net Change in Fund Balance – Governmental Funds – Budget and Actual – Cash Basis	15 - 16
Supplemental Schedules of Receipts and Disbursements – All Special Revenue Projects	17 - 18
Supplemental Schedule of Receipts and Disbursements of State Awards – Cash Basis	19 - 20

SECTION I
FINANCIAL STATEMENTS

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

INDEPENDENT AUDITORS' REPORT

January 8, 2015

Board of Directors
Region D Recycling &
Waste Management District
Clarksdale, Missouri 64430

Report on the Financial Statements

We have audited the accompanying financial statements of governmental activities and each major fund, of Region D Recycling & Waste Management District, Clarksdale, Missouri (the District) as of and for the years ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the District's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in note 1.B; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position-cash basis of the governmental activities and each major fund of Region D Recycling & Waste Management District, Clarksdale, 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 15-20 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 January 8, 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.

**REGION D RECYCLING & WASTE MANAGEMENT DISTRICT
CLARKSDALE, MISSOURI**

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

	<u>Governmental Activities</u>	
	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 208,508	\$ 256,622
Certificates of deposit	<u>75,090</u>	<u>74,558</u>
Total current assets	<u>283,598</u>	<u>331,180</u>
TOTAL ASSETS	<u>\$ 283,598</u>	<u>\$ 331,180</u>
<u>NET ASSETS</u>		
NET ASSETS - CASH BASIS:		
Restricted for grant projects	\$ 234,895	\$ 281,824
Unrestricted	<u>48,703</u>	<u>49,356</u>
TOTAL NET ASSETS - CASH BASIS	<u>\$ 283,598</u>	<u>\$ 331,180</u>

See Notes to Financial Statements.

**REGION D RECYCLING & WASTE MANAGEMENT DISTRICT
CLARKSDALE, 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 Assets</u>
		<u>Operating Grants and Contributions</u>	<u>Primary Governmental Activities</u>
Functions and Programs			
Primary Government:			
Governmental Activities:			
Recycling and waste management	<u>\$ 174,585</u>	<u>\$ 124,734</u> *	\$ (49,851)
General Receipts:			
Unrestricted investment earnings			1,573
Miscellaneous			696
Total general receipts			<u>2,269</u>
Change in net assets			(47,582)
Net Assets - Cash Basis - Beginning of year			<u>331,180</u>
Net Assets - Cash Basis - End of year			<u>\$ 283,598</u>

* 124,334
124,696

* 38.-

See Notes to Financial Statements.

**REGION D RECYCLING & WASTE MANAGEMENT DISTRICT
CLARKSDALE, MISSOURI**

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

Functions and Programs	<u>Disbursements</u>	<u>Program Receipts</u> <u>Operating Grants and Contributions</u>	<u>Net Receipts and Change in Net Assets</u> <u>Primary Governmental Activities</u>
Primary Government:			
Governmental Activities:			
Recycling and waste management	\$ 126,453	\$ * 191,991	\$ 65,538
General Receipts:			
Unrestricted investment earnings			1,592
Miscellaneous			999
Total general receipts			<u>2,591</u>
Change in net assets			68,129
Net Assets - Cash Basis - Beginning of year			<u>263,051</u>
Net Assets - Cash Basis - End of year			<u>\$ 331,180</u>

* 191,991.
191,876.58

114.12

See Notes to Financial Statements.

**REGION D RECYCLING & WASTE MANAGEMENT DISTRICT
CLARKSDALE, MISSOURI**

**BALANCE SHEETS - GOVERNMENTAL FUNDS - CASH BASIS
JUNE 30, 2014 AND 2013**

	<u>2014</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
<u>ASSETS</u>			
ASSETS:			
Cash and cash equivalents	\$ 48,703	\$ 159,805	\$ 208,508
Certificates of deposit		<u>75,090</u>	<u>75,090</u>
TOTAL ASSETS	<u>\$ 48,703</u>	<u>\$ 234,895</u>	<u>\$ 283,598</u>
<u>FUND EQUITY</u>			
FUND EQUITY:			
Fund balance, restricted for grant projects		\$ 234,895	\$ 234,895
Fund balance, unassigned and unrestricted	<u>\$ 48,703</u>		<u>48,703</u>
TOTAL FUND EQUITY	<u>\$ 48,703</u>	<u>\$ 234,895</u>	<u>\$ 283,598</u>

2013		
<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
\$ 49,356	\$ 207,266 74,558	\$ 256,622 74,558
<u>\$ 49,356</u>	<u>\$ 281,824</u>	<u>\$ 331,180</u>
 \$ 49,356	 <u>\$ 281,824</u>	 <u>\$ 281,824</u> 49,356
<u>\$ 49,356</u>	<u>\$ 281,824</u>	<u>\$ 331,180</u>

See Notes to Financial Statements.

**REGION D RECYCLING & WASTE MANAGEMENT DISTRICT
CLARKSDALE, MISSOURI**

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

	Governmental Funds		
	General	Special Revenue	Total
RECEIPTS:			
State grants		\$ 124,734	\$ 124,734
Interest income	\$ 1,573		1,573
Miscellaneous		696	696
Total	<u>1,573</u>	<u>125,430</u>	<u>127,003</u>
DISBURSEMENTS:			
Current:			
Salaries and wages		38,563	38,563
Deferred compensation		1,500	1,500
Travel		1,810	1,810
Training		670	670
Board expenses		952	952
Telephone		1,242	1,242
Printing and postage		6,006	6,006
Supplies		12,501	12,501
Insurance		3,200	3,200
Dues and subscriptions		419	419
Advertising		3,400	3,400
Contractors and laborers		63,827	63,827
Office expense		1,176	1,176
Repairs and maintenance		49	49
Taxes		4,563	4,563
Rent		2,988	2,988
Professional fees		3,822	3,822
Capital outlay		27,897	27,897
Total	<u>-</u>	<u>174,585</u>	<u>174,585</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	1,573	(49,155)	(47,582)
OTHER FINANCING SOURCES (USES) - Operating transfers in (out)	<u>(2,226)</u>	<u>2,226</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(653)	(46,929)	(47,582)
FUND BALANCE - Beginning of year	<u>49,356</u>	<u>281,824</u>	<u>331,180</u>
FUND BALANCE - End of year	<u>\$ 48,703</u>	<u>\$ 234,895</u>	<u>\$ 283,598</u>

See Notes to Financial Statements.

**REGION D RECYCLING & WASTE MANAGEMENT DISTRICT
CLARKSDALE, MISSOURI**

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

	Governmental Funds		
	General	Special Revenue	Total
RECEIPTS:			
State grants		\$ 191,991	\$ 191,991
Interest income	\$ 1,592		1,592
Miscellaneous		999	999
Total	<u>1,592</u>	<u>192,990</u>	<u>194,582</u>
DISBURSEMENTS:			
Current:			
Salaries and wages		40,480	40,480
Deferred compensation		1,500	1,500
Travel		3,177	3,177
Board expenses		300	300
Training and education		740	740
Telephone		1,329	1,329
Printing and postage		1,158	1,158
Supplies		13,598	13,598
Insurance		7,487	7,487
Dues and subscriptions		395	395
Advertising		3,257	3,257
Contractors and laborers		14,196	14,196
Office expense		4,885	4,885
Repairs and maintenance		161	161
Taxes		3,428	3,428
Rent		2,988	2,988
Professional fees		5,797	5,797
Capital outlay		21,577	21,577
Total	<u>-</u>	<u>126,453</u>	<u>126,453</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	1,592	66,537	68,129
OTHER FINANCING SOURCES (USES) - Operating transfers in (out)	<u>(55,124)</u>	<u>55,124</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(53,532)	121,661	68,129
FUND BALANCE - Beginning of year, as restated	<u>102,888</u>	<u>160,163</u>	<u>263,051</u>
FUND BALANCE - End of year	<u>\$ 49,356</u>	<u>\$ 281,824</u>	<u>\$ 331,180</u>

+114.12

See Notes to Financial Statements.

**REGION D RECYCLING & WASTE MANAGEMENT DISTRICT
CLARKSDALE, MISSOURI**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Region D Recycling & Waste Management District (the District) is organized under Chapter 260 (Environmental Control), Section 300 RSMo and serves the Missouri counties of Andrew, Clinton, and DeKalb. The District operates under the direction of an executive board appointed by a solid waste management council primarily composed of members who represent the political subdivisions within the boundaries of the region. The District provides the following services as authorized by its charter: review applications for permits for solid waste processing facilities and solid waste disposal areas, prepare a solid waste management plan for the District, identify illegal dump sites, educate the public of responsible waste management practices, establish procedures to minimize the introduction of small quantities of hazardous waste into the solid waste stream, and to assure adequate capacity to manage waste which is not otherwise removed from the solid waste stream. The following is a summary of the more significant accounting policies:

A. Principles Determining Scope of Reporting Entity:

The District's reporting entity includes the District's governing board and all related organizations for which the District is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The District would include in its financial reporting entity an organization where the District appoints a voting majority of the organization's governing body and it is either able to impose its will on that organization, or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the District.

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 accounting records are maintained on the **cash basis of accounting**. The cash basis of accounting generally omits recognition of accounts receivable, pre-paid expenses, accounts payable, and accrued expenses. These items would need to be recognized for the financial statements to be in accordance with accounting principles generally accepted in the United States of America.

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 taxes, state and federal 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.

The statement of activities demonstrates the degree to which the direct disbursements of a given function are offset by program receipts. Direct disbursements are those clearly identifiable with a specific function. Program receipts include grants, contributions and interest on investments restricted to meeting the operational or capital requirements of a particular function. Other items not properly included among program receipts are reported instead as general receipts.

**REGION D RECYCLING & WASTE MANAGEMENT DISTRICT
CLARKSDALE, MISSOURI**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

B. Basis of Accounting, Continued:

The accounts of the District are organized on the basis of funds, each of which is a separate accounting entity. The operations of each fund are accounted for through a set of self-balancing accounts which comprise its assets, liabilities, fund equity, receipts, and disbursements. The following funds are used by the District:

Governmental Funds:

General Fund - The General Fund is the main 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 receipts derived from earmarked receipt sources that are restricted for disbursement for specified purposes such as grant funds received from the State of Missouri Department of Natural Resources.

The major sources of receipts are grants and other receipts as discussed below:

State Grant Receipts - Grant receipts are recognized in the period received, regardless of the period it is related to. Such receipts are subject to review by the funding agency and may result in disallowance in subsequent periods.

Other Receipts - Other receipts are composed primarily of interest and miscellaneous receipts. Interest income and miscellaneous receipts are recorded as receipts when received.

C. Capital Assets:

Capital acquisitions are reflected as disbursements at cost in governmental funds when paid. Since accounting records are maintained on the cash basis of accounting, capital acquisitions are also reflected as disbursements on the government-wide statement of activities. No depreciation has been provided in conformity with the cash basis of accounting.

The District purchases 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. The District is obligated, under state statutes, to keep and update an inventory listing of all equipment in which the District has a security interest. The District is also obligated to conduct a physical inventory at least every two years to verify grant recipients have maintained the equipment according to the grant agreements. If at any time the *recipient* of the assets should dispose of or otherwise forfeit the capital assets donated by the District, then the District will resume ownership.

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

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Vehicles and equipment	\$ 22,552	\$ 30,916

**REGION D RECYCLING & WASTE MANAGEMENT DISTRICT
CLARKSDALE, MISSOURI**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

D. Accumulated Compensated Absences:

Vacation time and sick leave are considered disbursements in the period paid. Vacation amounts which are unused and vested in the employee are payable upon termination. Sick leave amounts up to forty hours which are unused and vested in the employee are payable upon termination.

E. Budgets and Budgetary Accounting:

The budget committee submits to the full District membership a proposed annual operating budget for adoption at the District's annual meeting. The operating budget covers all funds and includes proposed revenues and expenditures for the upcoming year.

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

Because of the District's dependency on federal, state and local budgetary decisions, receipts estimates are based upon the best available information as to potential sources of funding at the time the budget is adopted.

The resultant annual budget is subject to 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. Fair Value:

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Cash deposits are reported at carrying amount, which reasonably approximates fair value.

G. Restricted Resources:

It is the District's policy to use restricted resources first, and then unrestricted as needed, when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

H. Governmental Fund Balances:

The District has applied the provisions of GASB Statement No. 54 as of June 30, 2013. 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 responsible for determining and rescinding any committed or assigned fund balances.

**REGION D RECYCLING & WASTE MANAGEMENT DISTRICT
CLARKSDALE, MISSOURI**

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

2. CASH AND INVESTMENTS

Missouri statutes require that all deposits with financial institutions must be collateralized in an amount at least equal to uninsured deposits. The District does not have a formally adopted deposit policy, but follows the requirements set forth in the state statutes. At June 30, 2014 and 2013, the District's deposits were fully covered by FDIC insurance, and thus no custodial credit risk exists.

The District may invest in certificates of deposit, bonds of the State of Missouri, any wholly-owned corporation of the United States, or in other short-term obligations of the United States. The District does not have a formally adopted investment policy, but follows the requirements set forth in the state statutes. The District had \$108,120 and \$107,335 invested in certificates of deposit at June 30, 2014 and 2013, respectively. All certificates of deposit were covered by federal depository insurance at June 30, 2014 and 2013.

3. TRANSFERS

The following is a summary of transfers in and out for all funds for the year ending June 30, 2014:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund		\$2,226
Special Revenue Fund	\$2,226	—
Totals	\$2,226	\$2,226

The following is a summary of transfers in and out for all funds for the year ending June 30, 2013:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund		\$55,124
Special Revenue Fund	\$55,124	—
Totals	\$55,124	\$55,124

The transfers reflect transfers of unobligated restricted money received.

4. FUND BALANCE RESERVES AND NET ASSET RESTRICTIONS

The District receives money allocated to specific grants from the Missouri Department of Natural Resources. The District is obligated to use the resources solely for the intended grants. The grant allocations remaining to be spent at the June 30, 2014 and 2013, are accounted for as restricted fund balances and net assets.

5. RELATED PARTY TRANSACTION

The District has entered into an operating lease for office space from the City of Clarksdale, Missouri. The lease went into effect November, 1995, and is renewed on a month-to-month basis. The District disbursed \$2,988 each year for rent to the City of Clarksdale, Missouri, during the years ended June 30, 2014 and 2013.

**REGION D RECYCLING & WASTE MANAGEMENT DISTRICT
CLARKSDALE, MISSOURI**

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

6. DEFERRED COMPENSATION PLAN

Following six months of employment, full-time employees are eligible to participate in the District's deferred compensation program. The District can contribute to a full-time employee's program. The plan is administered by Nationwide Life Insurance Company. Employee contributions were \$1,200 for each of the years ended June 30, 2014 and 2013. Employer contributions were \$1,500 for each of the years ended June 30, 2014 and 2013.

7. ECONOMIC DEPENDENCY

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

8. CONTINGENCY

The District receives state funding 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 expenditures disallowed under, or other noncompliance with, the terms of the grants and funding.

9. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; and natural disasters. These risks are covered by the purchase of commercial insurance by subgrantees for property and equipment purchased and transferred by the District to subgrantees. Public officials' errors and omissions insurance is obtained through Missouri Public Entity Risk Management.

10. ENVIRONMENTAL CLEANUP RESPONSIBILITIES

In July, 2009, a contractor used by the District for transportation of materials collected at household hazardous waste collections, filed for bankruptcy. An inspection conducted by the Arkansas Department of Environmental Quality discovered leaking containers of hazardous waste at the contractor's facility. The cities of Cameron and Maysville, Missouri have been listed as potentially responsible parties for the clean-up of the facility. The household hazardous waste hauled from the cities of Cameron and Maysville were collected at events sponsored and paid for by the District. Any contingent liability that the District might have is uncertain.

SECTION II
INTERNAL CONTROL AND COMPLIANCE

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

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

January 8, 2015

Board of Directors
Region D Recycling &
Waste Management District
Clarksdale, Missouri 64430

We have audited the accompanying financial statements of the governmental activities and each major fund of Region D Recycling & Waste Management District as of and for the years ended June 30, 2014 and 2013, which collectively comprise the Region D Recycling & Waste Management District's financial statements and have issued our report thereon dated January 8, 2015. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Region D Recycling & Waste Management District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Region D Recycling & Waste Management District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Region D Recycling & Waste Management District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Region D Recycling & Waste Management District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weakness, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Region D Recycling & 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 audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the board of directors, management, others within the entity, and the state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Arthur White & Associates, L.L.C.

ARTHUR WHITE & ASSOCIATES, L.L.C.

**REGION D RECYCLING & WASTE MANAGEMENT DISTRICT
CLARKSDALE, MISSOURI**

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

There were no prior audit findings.

SECTION III
SUPPLEMENTARY INFORMATION

**REGION D RECYCLING & WASTE MANAGEMENT DISTRICT
CLARKSDALE, MISSOURI**

**SUPPLEMENTAL SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND NET
CHANGE IN FUND BALANCE - GOVERNMENTAL FUNDS -
BUDGET AND ACTUAL - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2014**

	Governmental Funds			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
RECEIPTS:				
State grants	\$ 65,167	\$ 65,167	\$ 124,734	\$ 59,567
Interest income			1,573	1,573
Miscellaneous			696	696
Total	<u>65,167</u>	<u>65,167</u>	<u>127,003</u>	<u>61,836</u>
DISBURSEMENTS - by program:				
2012-7 District collections			18,913	(18,913)
2013-1 District operations			1,414	(1,414)
2013-2 Andrew County			239	(239)
2014-1 District operations	33,073	33,073	34,259	(1,186)
2014-2 Plan implementation	32,093	32,093	27,841	4,252
2014-3 Andrew County	3,170	3,170	2,652	518
2014-4 Cameron	13,000	13,000		13,000
2014-5 Electronics collections	11,203	11,203	34,560	(23,357)
2014-6 Education	6,275	6,275	6,275	-
2014-7 Electronic collections	9,874	9,874	4,527	5,347
2014-8 Household hazardous waste	29,640	29,640	24,257	5,383
2014-9 Household hazardous waste	10,547	10,547	7,768	2,779
2014-10 Union Star	900	900	140	760
2014-11 Stewartsville recycling center	3,609	3,609	2,880	729
2015-1 District operations			8,860	(8,860)
Total	<u>153,384</u>	<u>153,384</u>	<u>174,585</u>	<u>(21,201)</u>
NET CHANGE IN FUND BALANCE	\$ (88,217)	\$ (88,217)	(47,582)	\$ 40,635
FUND BALANCE - Beginning of year			331,180	
FUND BALANCE - End of year			\$ 283,598	

**REGION D RECYCLING & WASTE MANAGEMENT DISTRICT
CLARKSDALE, MISSOURI**

**SUPPLEMENTAL SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND NET
CHANGE IN FUND BALANCE - GOVERNMENTAL FUNDS -
BUDGET AND ACTUAL - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2013**

	Governmental Funds			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
RECEIPTS:				
State grants	\$ 69,403	\$ 69,403	\$ 191,991	\$ 122,588
Interest income			1,592	1,592
Miscellaneous			999	999
Total	<u>69,403</u>	<u>69,403</u>	<u>194,582</u>	<u>125,179</u>
DISBURSEMENTS - by Program:				
2012-1 District operations			1,230	(1,230)
2012-3 Clinco upgrade			4,672	(4,672)
2012-4 Education			3,275	(3,275)
2012-6 HHW & ag collection			2,199	(2,199)
2012-8 Stewartsville			299	(299)
2012-9 Waste tires			2,227	(2,227)
2013-1 District Operations	69,403 ✓	69,403	69,466	(63)
2013-2 Andrew County Truck	16,500 ✓	16,500	16,500	-
2013-3 City of Cameron	12,350 ✓	12,350	-	12,350
2013-4 Clinco upgrade	7,432 ✓	7,432	7,432	-
2013-5 Electric collections	19,400 ✓	19,400	18,319	1,081
2013-6 MORA conference	1,000 ✓	1,000	834	166
2014-1 District operations			-	-
2014-2 Plan implementation			-	-
Total	<u>126,085</u>	<u>126,085</u>	<u>126,453</u>	<u>(368)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (56,682)</u>	<u>\$ (56,682)</u>	68,129	<u>\$ 124,811</u>
FUND BALANCE - Beginning of year			<u>263,051</u>	
FUND BALANCE - End of year			<u>\$ 331,180</u>	

124,771

**REGION D RECYCLING & WASTE MANAGEMENT DISTRICT
CLARKSDALE, MISSOURI**

**SUPPLEMENTAL SCHEDULE OF RECEIPTS, DISBURSEMENTS AND NET
CHANGE IN FUND BALANCE - ALL SPECIAL REVENUE PROJECTS
FOR THE YEAR ENDED JUNE 30, 2014**

PROJECT	2012-6 HHW & Ag Collections	2012-9 Waste Tires	2013-1 District Operations	2014-1 District Operations	2014-2 Plan Imple- mentation	2014-3 Andrew County
RECEIPTS:						
Miscellaneous				\$ 10	\$ 36	
Intergovernmental revenue:						
State grants	\$ -	\$ -	\$ -	-	-	\$ -
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>10</u>	<u>36</u>	<u>-</u>
DISBURSEMENTS:						
Current:						
Salaries and wages				17,821	20,742	
Deferred compensation				1,500		
Travel				941	457	
Training					670	
Board expenses			239	34	679	
Telephone				1,242		
Printing and postage				189	31	
Supplies		108		476	687	1,829
Insurance				3,200		
Dues and subscriptions					419	
Advertising		646			1,854	
Contractors and laborers	18,913	660				
Office expense				1,176		
Repairs and maintenance				49		
Taxes				3,761	802	
Rent				2,739		
Professional fees				877	1,500	
Capital outlay				254		823
Total	<u>18,913</u>	<u>1,414</u>	<u>239</u>	<u>34,259</u>	<u>27,841</u>	<u>2,652</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>\$ (18,913)</u>	<u>\$ (1,414)</u>	<u>\$ (239)</u>	<u>\$ (34,249)</u>	<u>\$ (27,805)</u>	<u>\$ (2,652)</u>

2014-5	2014-6	2014-7	2014-8	2014-9	2014-10	2014-11	2015-1	2015-2	2015-3	2015-4	2015-5	2015-6	2015-7	2015-8	Unobligated Receipts	Total
Clinco Densifier	Education	Electronics	HHW	HHW Feasibility Study	STAR Project	City of Stewartsville	District Operations	Plan Implementation	Cameron Recycling Project	Stewartsville Bins	Clinco Tires & Bins	Education	Electronics	HHW		
			\$ 132												\$ 518	\$ 696
\$ -	\$ -	\$ -	-	-	\$ 900	\$ -	\$ 35,745	\$ 24,819	\$ 8,250	\$ 995	\$ 3,562	\$ 3,925	\$ 16,710	\$ 29,790	38	124,734
-	-	-	132	-	900	-	35,745	24,819	8,250	995	3,562	3,925	16,710	29,790	556	125,430
		300	112													38,563
																1,500
																1,810
																670
																952
																1,242
																6,006
7,740	1,275	2,893	2,893												56	12,501
		293	37													3,200
																419
																3,400
																63,827
															8,485	1,176
																49
																4,563
																2,988
								249								3,822
								70								27,897
26,820	1,375															
34,560	6,275	4,527	24,257	7,768	140	2,880	319								8,541	174,585
\$ (34,560)	\$ (6,275)	\$ (4,527)	\$ (24,125)	\$ (7,768)	\$ 760	\$ (2,880)	\$ 35,426	\$ 24,819	\$ 8,250	\$ 995	\$ 3,562	\$ 3,925	\$ 16,710	\$ 29,790	\$ (7,985)	\$ (49,155)

REGION D RECYCLING & WASTE MANAGEMENT DISTRICT
CLARKSDALE, MISSOURI

SUPPLEMENTAL SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
NET CHANGE IN FUND BALANCE - ALL SPECIAL REVENUE PROJECTS
FOR THE YEAR ENDED JUNE 30, 2013

PROJECT	2012-1	2012-3	2012-4	2012-6	2012-8	2012-9
	District	Clinco		HHW &		
	Operations	Udgrade	Education	Ag	Stewartsville	Waste
				Collections		Tires
RECEIPTS:						
Miscellaneous				\$ 386		
Intergovernmental revenue:						
State grants	\$ -	\$ -	\$ -	-	\$ -	\$ -
Total	-	-	-	386	-	-
DISBURSEMENTS:						
Current:						
Salaries and wages						
Deferred compensation						
Travel				194		188
Board expenses						
Training and education						
Telephone						
Printing and postage						
Supplies		4,672	1,375	193		92
Insurance						
Dues and subscriptions						
Advertising				814		957
Contractors and laborers				998		990
Office expense						
Repairs and maintenance						
Taxes						
Rent						
Professional fees			1,900			
Capital Outlay	1,230				299	
Total	1,230	4,672	3,275	2,199	299	2,227
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	\$ (1,230)	\$ (4,672)	\$ (3,275)	\$ (1,813)	\$ (299)	\$ (2,227)

2013-1 District Operations	2013-2 Andrew County Truck	2013-3 City of Cameron Recycle	2013-4 Clinco Upgrade	2013-5 Electric Collection	2013-6 MORA Conference	2014-1 District Operations	2014-2 Plan Imple- mentation	2014-3 Andrew County	2014-5 Clinco Densifier	2014-6 Education	2014-7 Electronics	2014-8 HHW	2014-9 HHW Feasibility Study	2014-11 Unobligated Stewartsville Receipts	Total
\$ 74															\$ 999
-	\$ 13,085	\$ 11,475	\$ 7,432	\$ 19,400	\$ 1,000	\$ 33,073	\$ 32,093	\$ 3,170	\$ 11,203	\$ 6,275	\$ 9,874	\$ 29,640	\$ 10,547	\$ 3,609	\$ 539
74	13,085	11,475	7,432	19,400	1,000	33,073	32,093	3,170	11,203	6,275	9,874	29,640	10,547	3,609	115
															654
40,480															
1,500															
1,928				358	509										
300															
415					325										
1,329															
8				1,150											
2,973			3,884	109											
7,487														300	
395															
1,129				357											
140				12,068											
608				4,277											
161															
3,428															
2,988															
3,897															
	16,500		3,548												
69,166	16,500	-	7,432	18,319	834	-	-	-	-	-	-	-	-	-	-
															300
\$ (69,092)	\$ (3,415)	\$ 11,475	\$ -	\$ 1,081	\$ 166	\$ 33,073	\$ 32,093	\$ 3,170	\$ 11,203	\$ 6,275	\$ 9,874	\$ 29,640	\$ 10,547	\$ 3,609	\$ 354
															\$ 66,537

**REGION D RECYCLING & WASTE MANAGEMENT DISTRICT
CLARKSDALE, MISSOURI**

**SUPPLEMENTAL SCHEDULE OF RECEIPTS AND DISBURSEMENTS
OF STATE AWARDS - CASH BASIS
JUNE 30, 2014 AND 2013**

<u>Program</u>	<u>Cycle Period</u>	<u>Award Amount</u>	<u>Prior Period Disbursements</u>	<u>2013 Disbursements</u>
District collections 2010-7	Jul 11 - Jun 12	\$ -	\$ -	\$ -
District collections 2011-6	Jul 12 - Jun 13	55,859	31,796	
ShredFest 2011-7	Jul 12 - Jun 13			
City of Stewartsville 2011-8	Jul 12 - Jun 13			
District operations 2012-1	Jul 13 - Jun 14	72,812	59,982	1,230
Andrew County 2012-2	Jul 13 - Jun 14			
Clinco 2012-3	Jul 13 - Jun 14	7,761	3,089	4,672
Education 2012-4	Jul 13 - Jun 14	10,015	6,740	3,275
Electronics collections 2012-5	Jul 13 - Jun 14	16,050	15,583	
HHW & Ag Collections 2012-6	Jul 13 - Jun 14	20,725		2,199
Recycling Taxi 2012-7	Jul 13 - Jun 14			
City of Stewartsville 2012-8	Jul 13 - Jun 14	1,990	1,691	299
Waste tire collections 2012-9	Jul 13 - Jun 14	4,800	1,159	2,227
District operations 2013-1	Jul 14 - Jun 15	69,403		69,166
Andrew County Truck 2013-2	Jul 14 - Jun 15	16,500		16,500
City of Cameron 2013-3	Jul 14 - Jun 15	12,350		
Clinco upgrade 2013-4	Jul 14 - Jun 15	7,432		7,432
Electronic collection 2013-5	Jul 14 - Jun 15	19,400		18,319
MORA conference 2013-6	Jul 14 - Jun 15	1,000		834
District operations 2014-1	Jul 15-Jun 16	33,073 -		
Plan implementation 2014-2	Jul 15-Jun 16	32,093 -		
Andrew County 2014-3	Jul 15-Jun 16	3,170 -		
2014-4	Jul 15-Jun 16	do 13,000 -		
Clinco densifier 2014-5	Jul 15-Jun 16	do 34,560 -		
Education 2014-6	Jul 15-Jun 16	6,275 -		
Electronics collection 2014-7	Jul 15-Jun 16	do 16,560 -		
HHW 2014-8	Jul 15-Jun 16	29,640 -		
HHW feasibility study 2014-9	Jul 15-Jun 16	10,547 -		
STAR project 2014-10	Jul 15-Jun 16	900 -		
Stewartsville 2014-11	Jul 15-Jun 16	3,609 -		
District operations 2015-1	Jul 16-Jun 17	35,745 -		
Plan implementation 2015-2	Jul 16-Jun 17	do 24,888 -		
Cameron recycling 2015-3	Jul 16-Jun 17	8,250 -		

<u>2014 Disbursements</u>	<u>Program Income</u>	<u>Deobligated Amount</u>	<u>Remaining Award Amount Available</u>
\$ -	\$ -	\$ -	\$ -
	62	24,125	-
		11,600	-
		467	-
18,913	387		-
			-
1,414			-
239	74	72	-
			-
			12,350
		1,081	-
		166	-
33,080	166	157	2
27,841	36 ✓		4,288 ✓
2,652			518 ✓
			13,000 ✓
34,560			-
6,275			-
4,527			12,033 ✓
24,257	132 ✓		5,515 ✓
7,768			2,779 ✓
140			760 ✓
2,880			729 ✓
319			35,426 ✓
			24,888 ✓
			8,250 ✓

CONTINUED

**REGION D RECYCLING & WASTE MANAGEMENT DISTRICT
CLARKSDALE, MISSOURI**

**SUPPLEMENTAL SCHEDULE OF RECEIPTS AND DISBURSEMENTS
OF STATE AWARDS - CASH BASIS CONTINUED
JUNE 30, 2014 AND 2013**

<u>Program</u>	<u>Cycle Period</u>	<u>Award Amount</u>	<u>Prior Period Disbursements</u>	<u>2013 Disbursements</u>
Stewartsville bins 2015-4	Jul 16-Jun 17	\$ 995 -	\$ -	\$ -
Clinco tires and bins 2015-5	Jul 16-Jun 17	4,645 ✓		
Education 2015-6	Jul 16-Jun 17	3,925 ✓		
Electronics collections 2015-7	Jul 16-Jun 17	16,710 ✓		
HHW 2015-8	Jul 16-Jun 17	29,790 ✓		
Total		<u>\$ 624,472</u>	<u>\$ 120,040</u>	<u>\$ 128,166</u>

Unobligated carryover
Unobligated receipts

Total unobligated

Special revenue cash balance, June 30, 2014

Note A - Basis of Presentation

The accompanying schedule of receipts and disbursements of state awards - cash basis includes the state grant activity of Region D Recycling and Waste Management District and is presented on the cash basis of accounting.

<u>2014 Disbursements</u>	<u>Program Income</u>	<u>Deobligated Amount</u>	<u>Remaining Award Amount Available</u>
\$ -	\$ -	\$ -	\$ 995 ✓
			4,645 ✓
			3,925 ✓
			16,710 ✓
			29,790 ✓
<u>\$ 166,879</u>	<u>\$ 857</u>	<u>\$ 37,668</u>	<u>\$ 176,603</u> ✓
	1,851 ✓		
	<u>\$ 56,441</u> ✓		
			<u>58,292</u> ✓
			<u>\$ 234,895</u>