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MARK TWAIN SOLID
WASTE MANAGEMENT DISTRICT
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2014

RECEIVED BY

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SWMP OPERATIONS

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Mark Twain Solid Waste Management District

I have audited the accompanying financial statements of the governmental activities of Mark Twain Solid Waste Management District (the District) as of and for the year ended June 30, 2014, as listed in the table of contents. These financial statements are the responsibility of the District's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of Mark Twain Solid Waste Management District as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Management has elected to omit the management's discussion and analysis which is not a required part of the basic financial statements, but is required by the Governmental Accounting Standards Board.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information on pages 10-11 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

December 10, 2014



Charles E. Montgomery, CPA

Tracy

MARK TWAIN SOLID WASTE MANAGEMENT DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2014

	ASSETS
ASSETS	
Cash -- restricted	\$233,100 <i>SIC</i>
Capital assets, net of Accumulated depreciation	5,415
Total Assets	----- \$238,515 =====
 LIABILITIES	
Accounts payable	\$ 14,819
Unearned revenue	78,840
Total Liabilities	----- 93,659 =====
 NET ASSETS	
Restricted: Grant Obligations	144,856
Total Net Assets	----- \$144,856 =====

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

MARK TWAIN SOLID WASTE MANAGEMENT DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

	General Fund -----
REVENUES	
State grants	\$185,795
Interest income	45
Sale of forfeited assets	850

Total Program Revenues	186,690
EXPENDITURES	
Program grants	124,845 <i>✓</i>
Administrative salaries	30,978
Dues and subscriptions	1,250
Office expenses and data processing	1,011
Telephone	439
Professional fees	3,840
Travel and meeting expenses	4,365
Other expenses	3,934
Insurance	3,145
Training	4,259
Payroll taxes and benefits	5,931
Depreciation	- 845

Total Expenditures	184,842 <i>9/1/14 = 170,976</i>

INCREASE IN NET ASSETS	1,848
NET ASSETS – beginning of year	143,008

NET ASSETS -- end of year	<u><u>\$144,856</u></u>

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

MARK TWAIN SOLID WASTE MANAGEMENT DISTRICT
BALANCE SHEET – GOVERNMENTAL FUND
JUNE 30, 2014

	ASSETS
ASSETS	
Cash – restricted	\$233,100 <i>OK</i>
Total Assets	<u>-----</u> \$233,100 =====
 LIABILITIES	
Accounts payable	\$ 14,819
Unearned revenue	78,840
Total Liabilities	<u>-----</u> 93,659
 FUND BALANCE	
Restricted:	\$139,441
Total Fund Balance	<u>-----</u> \$139,441
Total Liabilities and Fund Balance	<u>-----</u> \$233,100 <i>OK</i> =====

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

MARK TWAIN SOLID WASTE MANAGEMENT DISTRICT
 GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2014

	General Fund -----
REVENUES	
State grants	\$185,795
Interest income	45
Sale of forfeited assets	850

Total Revenues	186,690
EXPENDITURES	
Program grants	124,845 <i>ok</i>
Salaries	39,978
Dues and subscriptions	1,250
Office expenses and data processing	1,011
Telephone	439
Professional fees	3,840
Travel and meeting expenses	4,365
Other expenses	4,259
Insurance	3,145
Occupancy costs	3,934
Payroll taxes and benefits	5,931
Capital expenditures	1,799

Total Expenditures	185,796
EXCESS OF REVENUES OVER EXPENDITURES	
	894
FUND BALANCE – beginning of year	138,547

FUND BALANCE -- end of year	\$139,441
	=====
RECONCILIATION OF EXCESS OF REVENUES OVER EXPENDITURES TO CHANGE IN NET ASSETS	
Excess of revenues over expenditures	\$ 894
Add: Capital expenditures	1,799
Less: Depreciation expense	(845) <i>X</i>

CHANGE IN NET ASSETS	\$ 1,848
	=====

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

REQUIRED SUPPLEMENTARY INFORMATION

MARK TWAIN SOLID WASTE MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

1. DESCRIPTION OF OPERATIONS

The Mark Twain Solid Waste Management District (the District) was formed in April 1992 to develop and implement a plan for the reduction in solid waste. This plan has a goal set by the State to reduce solid waste by forty percent. The District is administered by a local board of directors.

The accounting policies of the District conform to generally accepted accounting principles applicable to governments. The following is a summary of the significant policies.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The District defines its reporting entity in accordance with the provisions of GASB Statement No. 14, The Financial Reporting Entity (GASB 14). GASB 14 requirements for inclusion of component units are based primarily upon whether the District's governing body has any significant amount of financial accountability for potential component units. The District is financially accountable if it appoints a voting majority of a potential component unit, or there is a potential for the potential component unit to provide specific financial benefits to, or impose specific financial burdens on, the District.

Based on these criteria, the District's financial statements include all funds, agencies, boards, commissions and authorities that are controlled by or dependent on the District.

Fund Accounting

The District has organized its accounts on the basis of funds. Each fund is considered a separate accounting entity. The operations of each fund are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures or expenses. District resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the fund financial statements. The District uses only one category of fund, which is the general fund.

Governmental Fund Types

Governmental funds are those through which governmental functions of the District are financed. The acquisition, use, and balances of the District's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income. The following is the District's major governmental fund:

MARK TWAIN SOLID WASTE MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

General

General Fund resources may be used for any District purpose. This fund is used to account for all financial resources except those required to be accounted for in another fund.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which governmental activities of the government-wide financial statements are prepared. For the District, the governmental fund financial statements and government-wide financial statements are the same.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available. The term available is defined as collectible within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. For the District, available means expected to be received within 60 days of year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Net Assets

In the government-wide financial statements, net assets are reported in three categories:

Invested in capital assets, restricted not assets and
Unrestricted – the difference between the assets and liabilities that do not meet the
definition of “restricted” or “invested in capital assets, net of related debt.”

A governmental fund may set up “designations” of fund balance to indicate tentative plans for financial resource utilization in a future period. Restricted net assets represent grant awards not expended by the end of the fiscal year.

MARK TWAIN SOLID WASTE MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

Management's Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Budgetary Data

The District prepares a budget for administrative expenses only. That budget is used for obtaining the administrative grant from MODNR.

Restricted Cash

Restricted cash consists of cash received for grant purposes, but not yet expended. The cash and interest income is restricted to use under conditions specified in grant documents. All of the District's cash is restricted because it is grant revenue or interest earned on grant revenues, which has a specified purpose.

2. MISSOURI DEPARTMENT OF NATURAL RESOURCES GRANTS

District Grants

The District has been awarded annual grants from the local funds collected by MODNR that were generated from the tonnage fees imposed on landfills and transfer stations within the District's solid waste management region. These grants are passed-through from the District to recipients who are engaged in various waste reductions, education, recycling, composting and market development activities related to achieving Missouri's waste reduction goals.

Revenue derived from MODNR grant allocations accounts for 99.5% of total revenue.

3. GRANT CALLS

During the year covered by this audit report the District held one grant call. A grant call from the 2013 year had seven applications with six being approved. All of these grants were still open at the end of the current year. The grant call held during this fiscal year resulted in five applications. All five were accepted. One of the grants began before June 30, 2014.

MARK TWAIN SOLID WASTE MANAGEMENT DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

4. UNDER FUNDED GRANT OBLIGATIONS/DEFERRED REVENUE

As of June 30, 2014 there were no underfunded grant obligations by The District.

5. CONTINGENT LIABILITIES

Use of federal, state, and local grant funds is subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grant. To the extent such disallowances involve expenditures under the subcontracted arrangements; The District generally has the right of recovery from such third parties. The District currently is working to resolve non-compliance with a grant that may not be in compliance but amounts are not determinable at this time. Equipment was repossessed from a prior non-compliant grant. The equipment was sold for \$850.00. The District believes this will be all that can be recovered.

6. UNEARNED REVENUE

As of June 30, 2014 The District had drawn \$78,840 from MODNR to fund the 2014-15 grants over the amount expended on those grants. This amount is reported on the balance sheet of The District as unearned revenue.

7
77,634.00 7/30/14

MARK TWAIN SOLID WASTE MANAGEMENT DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014

7. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2013 was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance

Governmental activities:				
Capital assets being depreciated				
Office equipment	\$ 5,540	\$ 1,799	\$ -0-	\$7,339
Total accumulated depreciation	1,079	(845)	-0-	1,924

Governmental activities				
Capital assets, net	\$ 4,461	\$ 954	\$ -0-	\$5,415
=====				

8. DISTRICT'S ELIGIBLE AREA

The following counties comprise the District's eligible area for grants: Macon, Marion, Monroe, Pike, Ralls, Randolph and Shelby.

9. SUBSEQUENT EVENTS

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through December 10, 2014 the date the financial statements were available to be issued.

10. RELATED PARTY TRANSACTIONS

The administration of the District is performed by the Mark Twain Regional Council of Governments. The administration is performed under a grant from The District that is bid each year. The District and The Council of Governments have several board members in common.

MARK TWAIN SOLID WASTE MANAGEMENT DISTRICT
 SCHEDULE OF OBLIGATED GRANTS
 AS OF JUNE 30, 2014

Grantee Obligation	Grant Number	Award Amount	Carryover From 2013	Award Funded 6/30/14	Paid deobligated(d) 6/30/14	Unfunded
Shelby County	2014-02	43,300	N/A	43,300	33,554	9,746
Macon County Econ. Dev.	2014-03	18,414	N/A	18,414	3,926	14,488
Monroe City Sheltered WS	2014-04	17,491	N/A	17,491	14,867	2,624
Pike County Sheltered WS	2014-05	38,214	N/A	38,214	27,886	10,328
City of Clarence, MO	2014-06	3,304	N/A	3,304	2,548	756
Macon Sheltered WS	2014-08	22,500	N/A	22,500	18,169	4,331
Mark Twain Regional C o G	2014-10	75,000	N/A	-0-	-0-	-0-
Monroe County Sheltered WS	2014-11	8,976	N/A	-0-	-0-	-0-
NEMO Sheltered WS	2014-12	30,000	N/A	-0-	-0-	-0-
Randolph County Sheltered Indus.	2014-13	17,558	N/A	-0-	-0-	-0-
Vanessa Thomas	2014-14	30,500	N/A	30,500	23,895	6,605
Total All Grants		\$305,267	\$ -0-	\$173,723	\$124,845	\$48,878

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MARK TWAIN SOLID WASTE MANAGEMENT DISTRICT
 BUDGETARY COMPARISON SCHEDULE – ADMINISTRATIVE EXPENSES
 FOR THE YEAR ENDED JUNE 30, 2014

	Final Budget	Actual	Variance Positive (Negative)
	-----	-----	-----
REVENUES			
State grants - Admin	2014-01 = \$ 77,634 only	\$ 60,950	\$(16,684)
Interest income	-0-	45	45
	-----	-----	-----
Total Revenues	77,634	60,995	(16,639)
EXPENDITURES			
Salaries	39,753	30,978	8,775
Dues and subscriptions	1,250	1,250	-0-
Office expenses and data processing	3,149	1,011	2,138
Telephone	500	439	61
Professional fees	4,141	3,840	301
Travel and meeting expenses	4,649	4,365	284
Other expenses	9,700	3,934	5,766
Insurance	3,145	3,145	-0-
Training	2,500	4,259	(1,759)
Payroll taxes and benefits	8,847	5,931	2,916
Depreciation	-0-	845	(845)
	-----	-----	-----
Total Expenditures	77,634	59,997	17,637
	-----	-----	-----
	✓	46,131.10	
EXCESS OF REVENUES OVER EXPENDITURES			
	\$ -0-	\$ 998	\$ 998
	=====	=====	=====

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