

Mid-Missouri Solid Waste
Management District – Region H
June 30, 2014
Financial Statements

Prepared by:
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Certified Public Accountant
Columbia, MO

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INDEPENDENT AUDITOR'S REPORT IN 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

To Mid-Missouri Solid Waste Management District – Region H
701 East Broadway, 3rd Floor
Columbia, Missouri 65201

I have audited the accompanying financial statements of the governmental activities and General Fund of Mid-Missouri Solid Waste Management District – Region H (The District) as of and for the year ended June 30, 2014 and the related notes to the financial statements, which collectively comprise The District's basic financial statements, and have issued my report there on, dated October 31, 2014. I conducted my 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

In planning and performing my audit of the financial statements I considered The District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The District's internal control. Accordingly, I express no opinion on the effectiveness of The District's internal control.

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. A *significant deficiency* is a deficiency or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. I did not identify any deficiencies in internal control that I consider to be material weaknesses.

My consideration of internal control was for the limited purpose described in the first paragraph of this section, and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



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Compliance and Other Matters

As part of obtaining reasonable assurance about whether The District's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my testing disclosed no instances on noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entities internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entities internal control and compliance. Accordingly this communication is not suitable for any other purpose.

Lisa C. Wright, CPA

Lisa C. Wright, CPA
Columbia, MO
October 31, 2014

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MID-MISSOURI SOLID WASTE MANAGEMENT DISTRICT - REGION H
 STATEMENT OF NET POSITION - MODIFIED CASH BASIS
 JUNE 30, 2014

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 527,415
Capital Assets, Net of Accumulated Depreciation	4,085
Total Assets	531,500
LIABILITIES	
Deferred Grant Revenues	390,710
Unearned Revenue	75,308
Total Liabilities	466,018
NET POSITION:	
Invested in Capital Assets	4,085
Restricted	61,397
Total Net Position	\$ 65,482

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MID-MISSOURI SOLID WASTE MANAGEMENT DISTRICT - REGION H
 STATEMENT OF NET POSITION - MODIFIED CASH BASIS
 JUNE 30, 2014

Funtions/Programs	Expenses	Charges for Services	Operating Grants & Contributions	Net (Expense) Revenue and Changes in Net Position
Government Activities				
Program and subgrant expenditures-				
Solid Waste Services	\$ (411,447)	\$ 1,042	\$ 430,078	\$ 19,673
Intergovernmental - In-kind Contribut	(46,713)	-	46,713	-
Total Governmental Activities	(458,160)	1,042	476,791	19,673
General Revenues:				
				Interest Income
				<u>1,546</u>
Change in Net Position				21,219
Net Position, Beginning of Year, Restat				<u>44,263</u>
Net Position, End of Year				<u>\$ 65,482</u>

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MID-MISSOURI SOLID WASTE MANAGEMENT DISTRICT - REGION H
BALANCE SHEET
JUNE 30, 2014

	GENERAL FUND
ASSETS	
Cash and Cash Equivalents	\$ 527,415
Total Assets	527,415
 LIABILITIES AND FUND BALANCES	
Liabilities	
Deferred Grant Revenues	390,710
Deferred Revenues	75,308
Total Liabilities	466,018
 Fund Balances	
Restricted	61,397
Total Liabilities and Fund Balances	\$ 527,415

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO
THE STATEMENT OF NET POSITION

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 61,397
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Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

These assets consist of:	Trailer and equipment	22,904
	Accumulated depreciation	(18,819)
		4,085

TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 65,482
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The Accompanying Notes are an Integral Part of these Financial Statements

MID-MISSOURI SOLID WASTE MANAGEMENT DISTRICT - REGION H
STATEMENT OF REVENUES , EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2014

	GENERAL FUND
REVENUES COLLECTED	
Intergovernmental	\$ 409,158
Contributions	20,920
Charges for Services	1,042
Interest Income	1,546
Total Revenues Collected	432,666
EXPENDITURES PAID	
Administration	
Personnel Expense	60,645
Fringe Benefits	21,815
Contractual Services	50,516
Office Supplies and Materials	159
Travel and Training	940
Other	15,397
Total Administration	149,472
District Grant	
Equipment	126,358
Supplies	26,862
Other Expenditures	106,466
Total District Grant	259,686
Total Expenditures	409,158
Excess (Deficit) of Revenues Collected over Expenditures Paid	23,508
Fund Balance - July 1, Restated	37,889
Fund Balance - June 30	\$ 61,397
NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	23,508
<p>Amounts reported for governmental activities in the statement of activities are</p> <p>Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation was charged this year.</p>	
	(2,289)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 21,219

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MID-MISSOURI SOLID WASTE MANAGEMENT DISTRICT – REGION H
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The accompanying financial statements present the activity of the Mid-Missouri Solid Waste Management District – Region H (the “District”). The District was formed pursuant to Section 260.305 of the Revised Statutes of Missouri, and its operation is under the control of an Executive Board and District Council under the oversight of the Missouri Department of Natural Resources. The District was formed in December 1991 and includes the counties of Audrain, Boone, Callaway, Cole, Cooper, Howard, Moniteau, and Osage. There are twenty-six cities within these counties that belong to the District. The District is not a component unit of another government organization.

B. Basis of Presentation

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues; however, the District does not receive any taxes but operates substantially under grants received from the Missouri Department of Natural Resources.

The General Fund is the primary and only fund of the district and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “how” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

In the Statement of Net Position and the Statement of Activities, the governmental activities are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

All governmental funds utilize a “current financial resources” measurement focus and the accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

MID-MISSOURI SOLID WASTE MANAGEMENT DISTRICT – REGION H
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Grant revenue and interest income associated with the current fiscal period are considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available when the District receives cash.

D. Assets, Liabilities, and Equity

Cash

For the purpose of financial reporting “cash” includes all demand and savings accounts. The District held three demand checking accounts of which two are interest-bearing. Petty cash of \$75 is also included in cash.

Capital Assets

The District’s accounting reports capital assets and reports depreciation where appropriate. The accounting treatment over capital assets depends on whether they are reported in the government-wide or fund financial statements. All capital assets are used in governmental operations and represent those assets owned by the District. The District’s capital assets consist of a trailer and additional equipment for the trailer.

Capital assets purchased through state grants by sub grantees are not included in the basic financial statements. The District must file a UCC-1 form; or, for those items that require a title through the Department of Revenue, the District must be listed as the lien holder to perfect its security interest for all assets in excess of \$5,000 purchased by sub grantees. The security interest in the equipment shall be equivalent to the amount of funding provided for the purchase of the equipment. The security interest period begins on the start date of the project for a period of four years that will decrease at the rate of 25% per year until the period is up and then the security interest is relinquished on the part of the state. The capital asset then belongs to the sub grantee. The District has not calculated the amount of security interest held in these capital assets as of June 30, 2014.

Government-Wide Statements

In the Government-Wide financial statements, capital assets owned by the District are accounted for as capital assets in the Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if the actual cost is unavailable.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets’ estimated useful lives using the straight-line method of depreciation. The District has established a capitalization threshold of \$10,000 for recording its capital assets. The estimated useful life used on the District’s equipment items is 10 years.

Fund Financial Statements

In the fund financial statements, capital assets acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

MID-MISSOURI SOLID WASTE MANAGEMENT DISTRICT – REGION H
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Deferred Grant Revenues

Deferred grant revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Grants or state awards from DNR received before the eligibility rudiments are met are reported as deferred grant revenues after liabilities have been incurred.

Net Position/Fund Balance Classifications

Government-Wide Statements

Net Position is classified as net assets and displayed in two components:

Restricted Net Position – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Net Investment in Capital Assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvements of those assets and adjusted for any deferred inflows and outflows of resources attributable to capital assets and related debt. The District has no outstanding debt.

The District has no unrestricted net position since all monies in the District's bank accounts are to be used for future grant projects in accordance with regulations of the Missouri Department of Natural Resources.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Fund balance is designated as restricted since these monies are to be used for future grant projects. The District has no non-spendable, committed, assigned, or unassigned fund balances.

E. REVENUES AND EXPENDITURES

Program Revenues

In the Statement of Activities, revenues that are derived directly from each activity or from parties outside the District are reported as program revenues. The District has only one program; Solid Waste Services. The program revenues are intergovernmental revenues from the state of Missouri for Solid Waste Services. All other governmental revenues are reported as general.

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MID-MISSOURI SOLID WASTE MANAGEMENT DISTRICT – REGION H
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Con't)

F. USE OF ESTIMATES

The preparation of financial statements in accordance with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as estimated useful lives in determining depreciation); accordingly, actual results could differ from those estimates and assumptions.

NOTE 2—STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

By its nature as a local governmental unit, the District is subject to various federal, state, and local laws and contractual regulations.

Insured and Collateralized Deposits

In accordance with state law, all uninsured deposits in financial institutions must be secured with acceptable collateral. Acceptable collateral includes certain U.S. Government bonds and certain state, city, county bonds; certain state or political subdivision debt obligations; surety bonds; or irrevocable standby letters of credit. The securities must be of the types specified by Section 30.270, RSMo, for the collateralization of state funds and held by either the entity or a financial institution other than the depository bank. At June 30, 2014, the District's deposits were entirely insured and collateralized.

Budgetary Compliance

The District is not required to adopt a legally enforceable budget by state law. A budget to actual schedule required by the Government Accounting Standards Board for required supplementary information will therefore not be presented. The District prepares an annual budget for operating purposes and a budget to actual schedule of revenues, expenditures, and change in cash balance is presented as additional supplementary information. The district prepares its budget on the accrual basis for recognizing depreciation expense.

NOTE 3—CASH AND INVESTMENTS

Deposits with financial institutions are demand, time, and savings accounts, including certificates of deposits and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions. Investments are securities and other assets acquired primarily for the purpose of obtaining income or profit.

Deposits and Investments

Section 67.085, RSMo, provides that excess public funds may be invested provided that the public entity meets the requirements for separate deposit insurance of public funds permitted by federal deposit insurance and in accordance with provisions of state law. The deposits must be insured by federal deposit insurance for one hundred percent of the principal and accrued interest of the deposit.

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MID-MISSOURI SOLID WASTE MANAGEMENT DISTRICT – REGION H
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2014

NOTE 3—CASH AND INVESTMENTS(Cont'd)

The District's policy is to only invest its monies in an interest-bearing checking account. The District's deposits at June 30, 2014, were not exposed to credit risk because they were covered by federal depository insurance (FDIC) for \$250,000 with the remaining deposits covered by additional collateral securities pledged by the custodian bank.

In addition, Section 30.950, RSMo, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation.

The District does not have an investment policy that describes the credit risk or concentration of credit risk and custodial credit risk along with the interest rate risk for the investment of excess funds in approved investment instruments according to state law.

Investments authorized by state law include United States Treasury Securities, United States Agency Securities, repurchase agreements, collateralized public deposits (certificates of deposit), bankers' acceptances, and commercial paper.

The District did not have any investments during the year ended June 30, 2014.

NOTE 4—CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2014, is as follows:

	July 1, 2013	Increases	Decreases	June 30, 2014
Trailer and Equipment	\$ 22,904	\$ - -	\$ - -	\$ 22,904
Total	\$ 22,904	\$ - -	\$ - -	\$ 22,904
Accumulated Depreciation:				
Trailer and Equipment	\$ (16,529)	\$ (2,289)	\$ - -	\$ (18,818)
Total Accumulated Depreciation	\$ (16,529)	\$ (2,289)	\$ - -	\$ (18,818)
Capital Assets, Net	\$ 6,375	\$ (2,289)	\$ - -	\$ 4,085

Depreciation expense for governmental activities of \$2,289 was charged to Solid Waste Services in the Statement of Activities.

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MID-MISSOURI SOLID WASTE MANAGEMENT DISTRICT – REGION H
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2014

NOTE 5—CONCENTRATION OF REVENUE

The District received approximately 88% of their annual revenue from the Missouri Department of Natural Resources and approximately 10% of their annual revenue as in-kind contributions from the City of Columbia. The remaining 2% of annual revenue was from charges for services and interest income.

NOTE 6—PARTICIPATION IN PUBLIC ENTITY RISK POOLS

Missouri Public Entity Risk Management Fund

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. MOPERM (Missouri Public Entity Risk Management) is a public entity risk pool currently operating as a common risk management and insurance program.

The District does not pay premiums to purchase insurance policies but pays an assessment to be a member of the self-sustaining risk sharing group. Part of the assessment is used to purchase excess insurance for the group as a whole. The pooling agreement requires the pool to be self-sustaining. District's management believes that it is not possible to estimate the range of contingent losses to be borne by the District.

NOTE 7—RELATED ORGANIZATION

The District contracts with the City of Columbia to provide for the District's administration. The District receives in-kind contributions from the city through the payment of personnel costs, intergovernmental services, rent, and utilities. The value of the contribution totaled \$37,474 during the year ended June 30, 2014. The revenues and expenditures have been adjusted accordingly as follows:

Revenues	Intergovernmental –In Kind contributions	\$ 46,713
Expenditures:	Personnel	\$ 1,7064
	Fringe benefits	9,239
	Supplies and materials	12,673
	Other	<u>7,737</u>
	Total Expenditures	\$ <u><u>46,713</u></u>

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MID-MISSOURI SOLID WASTE MANAGEMENT DISTRICT – REGION H
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 8-RESTATEMENT

Beginning Net Position and Beginning fund balances were restated to reflect prior year differences in deferred revenue accounts.

NOTE 9- SUBSEQUENT EVENT NOTE

Management has evaluated subsequent events through January 12, 2015, the date on which the financial Statements were available to be issued.

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MID-MISSOURI SOLID WASTE MANAGEMENT DISTRICT - REGION H
 SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2014

	Original and Final Budget	Actual	Over (Under) Budget
Revenues			
Solid Waste Grants from State	\$ 147,750	\$ 266,582	\$ 118,832
Administrative Grants from State	✓ 162,576	✓ 142,576	(20,000) <i>Moia</i>
Contributions	-	20,920	20,920
Interest Income	3,000	1,042	(1,958)
Charges for Services	-	1,546	1,546
Total Revenue	313,326	432,666	\$ 119,340
Expenditures			
Administration			
Personnel Expense	67,261	60,645	(6,616)
Fringe Benefits	30,196	21,815	(8,381)
Contractual Services	33,678	50,516	16,838
Office Supplies and Materials	300	159	(141)
Travel and Training	2,383	940	(1,443)
Other	8,935	15,397	6,462
District Grant			
Equipment	113,512	126,358	12,846
Supplies	24,408	26,862	2,454
Other	14,986	106,466	91,480
Total Expenditures	295,659	409,158	113,499
Revenues Over (Under) Expenditures	\$ 17,667	\$ 23,508	\$ 5,841
Fund Balance, July 1, Restated		37,889	
Fund Balance, June 30		\$ 61,397	

Note: The budget information presented does not include the in-kind contributions provided by the city of Columbia for the fiscal year.

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MID-MISSOURI SOLID WASTE MANAGEMENT DISTRICT - REGION H
 SCHEDULE OF REVENUES AND EXPENDITURES OF STATE AWARDS
 FOR THE YEAR ENDED JUNE, 2014

Project Grant Number	Subgrant Period	Subgrantee Name	Subgrant Award Funded	Carryover & Interest Funds Obligated	Program Income Obligated	Prior Period Expenditures	Current Period Expenditures	Subgrant Amount Remaining Available
H2010-008	April '10 - Oct '12	Cole County Household Hazardous Waste Collection	\$ 26,825	\$ 10,000	\$ -	\$ 32,260	\$ -	\$ 4,565
H2010-009	April '10 - March '12	City of Fulton Household Hazardous Waste Collection	28,207	10,000	-	25,201	-	13,006
H2010-011	May '10 - June '12	Endless Options Expansion	9,000	-	-	7,965	-	1,035
H2010-013	April '10 - Sept '11	Linn State Technical College Going Green 101	67,730	10,270	-	70,743	-	7,257
H2011-006	April '11 - March '13	City of Tipton HHW Collection Facility	34,263	-	-	5,496	3,854	24,913
H2011-007	April '11 - Sept '12	City of Jefferson Ripple Glass	5,314	10,000	-	11,022	1,935	2,357
H2011-008	April '11 - March '13	City of Fayette Howard County HHW Facility	34,310	-	-	-	16,859	17,451
H2011-009	April '11 - Sept '12	City of Holts Summit Recycling Project	26,664	10,000	-	36,654	-	10
H2011-010	May '11 - Oct '12	City of Columbia Organic Compost Container Project	20,000	-	-	19,990	-	10
H2011-011	April '11 - Sept '12	City of Jefferson Alley Cat Trailers Special Event Recycling	2,414	-	12,000	12,240	2,150	24
H2011-013	Sept '11 - Feb '13	City of Columbia Recycling Drop Off Bins	5,000	-	-	3,991	-	1,009
H2011-015	July '11 - Sept '12	Endless Options Recycles-Hey Howard County EO Recycles	5,000	-	-	3,025	-	1,975
H2011-016	Sept '11 - Feb '13	City of Columbia Office Recycling Project	4,016	984	-	4,900	-	100
H2012-001	July '11 - June '12	MMSWMD District Operations	84,952	-	-	47,243	-	37,709
H2012-002	July '11 - Dec '12	MMSWMD Plan Implementation	90,050	-	-	63,828	-	26,222
H2012-004	Feb '12 - July '13	City of Jefferson Permanent Downtown Recycling Containers	5,000	-	-	-	4,978	22
H2012-005	Feb '12 - Aug '13	Boonslick Industries-Expansion of Moniteau and Howard County Routes	5,000	-	-	-	5,000	-
H2012-007	June '12 - June '13	Boonslick Industries-Vehicle for Additional Routes and Materials	70,000	-	-	59,500	10,500	-
H2012-008	June '12 - June '13	City of Fulton Putting the Cart Before the Horse	30,000	-	-	-	26,057	3,943
H2012-009	June '12 - June '13	City of Jefferson Parks, Recreation and Forestry Urban Forestry Tree Waste	32,000	-	-	23,394	7,788	818
H2012-010		FilterPave-Mobile Glass Processing	40,690	-	-	-	-	40,690
H2012-011	June '12 - Dec '13	Midwest Recycling Center Recycling E-scrap Service Expansion	-	35,200	-	24,225	4,275	6,700
H2012-012	Aug '12 - Feb '14	River City Habitat for Humanity, Cans Need a Home	1,875	-	-	577	378	920
H2012-013	Sept '12 - Oct '13	City of Columbia Recycling Drop Off Bins	5,000	-	-	-	4,990	10
H2012-014	Aug '12 - Sept '13	City of Columbia Outdoor Signs	5,000	-	-	-	-	5,000
H2012-015	July '12 - June '13	Lincoln University Composting Workshops	5,000	-	-	-	5,000	-
H2013-001	July '12 - June '13	MMSWMD District Operations	87,600	-	-	51,352	15,326	20,922
H2013-002	Jan '13 - June '14	MMSWMD Plan Implementation	94,908	-	-	55,061	30,471	9,376
H2013-004	Jan '13 - June '14	City of Columbia Recycling Roll-Off Project	4,000	-	-	-	-	4,000
H2013-005	Jan '13 - Dec '13	Lincoln University MANNRS Recycling	5,000	-	-	-	366	4,635
H2013-006	Feb '13 - Feb '14	City of Boonville Recycling Containers	3,668	-	-	-	2,576	1,092
H2013-007	Feb '13 - Aug '14	Boonslick Industries, Boonville Correctional Expansion	5,000	-	-	-	4,250	750
H2013-008	May '13 - May '14	Boonslick Industries, Skid Loader Attachments	5,000	-	-	-	3,871	1,129
H2013-009	April '13 - March '14	Midwest Recycling Center E-Cycling Awareness Project	46,400	-	-	-	13,106	33,294
H2013-010	April '13 - March '14	City of Columbia, Food Truck	53,500	-	-	-	-	53,500
H2013-011	Sept '13 - Jan '14	STL Green, Holiday Light Recycling Drive	7,120	-	-	-	-	7,120
H2013-012	April '13 - Oct '14	Allied Waste, Rural Cole City Single Stream Recycling	44,450	-	-	-	-	44,450
H2013-013	April '13 - Oct '14	Stephens College, Campus Wide Recycling Initiative	56,600	-	-	-	47,685	8,915
H2013-014	Sep '13-Mar '15	Boonslick Processing Line	56,455	-	-	-	47,978	8,477
H2014-001	July '14 - June '15	MMSWMD District Operations	73,605	-	-	-	52,756	20,849
H2014-002	July '14 - June '15	MMSWMD Plan Implementation	68,971	-	-	-	94,601	(25,630)
H2014-003	July '13-Jan '15	MORA Recycling Campaign	4,494	-	-	-	2,406	2,088
TOTALS			\$ 1,260,081	\$ 86,454	\$ 12,000	\$ 558,667	\$ 409,158	\$ 390,710

CASH	Interest Income - Accumulated	61,396
	Excess Income - 2014	43,659
	Excess Income - Prior Years	31,649
		<u>\$ 527,414</u>

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**MID MISSOURI WASTE MANAGEMENT DISTRICT-REGION H
SCHEDULE OF CAPITAL ASSETS HELD BY SUBGRANTEES**

June 30, 2014

H2008-006	City of Holts Summit	Asphalt Base, Tire tiles for playground	\$ 17,087
H2008-007	City of Columbia	Balers & Compactors	\$ 53,172
H2008-008	City of Columbia	Self cleaning magnet	\$ 11,663
H2008-009	*Boonslick Industries, Inc	Conveyor belt system, baler	\$ 48,267
H2008-010	River City Habitat 4-H	40x80ft canopy structure	\$ 49,725
H2009-006	City of Fulton	Dual Chamber Rear Loader	\$ 100,000
H2009-008	*Boonslick Industries, Inc	Horizontal Baler	\$ 54,841
H2009-009	City of Columbia	Dual chamber compactor Marathon Model DRC II	\$ 20,608
H2009-010	City of Columbia	2125 blue & 2125 green 18-gal recycling containers	\$ 22,800
H2009011	City of Columbia	2,4,6-yard rear load containers	\$ 16,427
H2010-008	Cole County/City of Jefferson	HHW Satellite Collection Facility	\$ 32,270
H2010-009	City of Fulton	HHW Satellite Collection Facility	\$ 25,201
H2010-010	Handi-Shop, Inc.	2010 Alleycat Recycle Trailer VIN#1D9RT2426AE	\$ 12,739
H2010-011	Endless Options, Inc.	(6) 95 gallon recycling carts	\$ 7,965
H2010-012	Boonslick Industries, Inc	25-yard Compactor Truck	\$ 51,710
H2010-012	*Boonslick Industries	(4) 2yd Dumpsters and (2) 4yd Dumpsters	\$ 51,710
H2010-013	Linn State Technical College	Truck, Hook Lift, Compactor	\$ 70,743
H2010-016	City of Columbia	University Recycling Truck	\$ 50,000
H2010-019	River Relief, Inc.	20-ft aluminum boat/trailer	\$ 10,109
H2010-020	IMS, LLC	Baler (Selco Model HV615) & 11' Incline Conveyor	\$ 10,109
H2011006	City of Tipton	HHW Satellite Collection Facility	\$ 5,496
H2011-007	City of Jefferson	(2) 20yd glass recycling roll off containers	\$ 12,967
H2011-008	City of Fayette	HHW Satellite Collection Facility	\$ 5,372
H2011-009	City of Holts Summit	(2) 30yd roll off recycling containers	\$ 11,515
H2011-011	City of Jefferson	(1) 8yd and (1) 9yd recycling trailer	\$ 14,400
H2011-012	University of Missouri	Compost Facility	\$ 35,000
H2012-007	Boonslick Industries, Inc	Compactor Truck	\$ 70,000
H2012-008	City of Fulton	600 recycling totes - various sizes	\$ 26,067
H2012-009	City of Jefferson Parks & Rec	Wood chipper	\$ 31,192
H2012-011	Midwest Recycling Center	Van , Box Truck ,Trailer	\$ 28,500
H2013-009	Midwest Recycling Center	112 cell phone recycling bins & 42 plastic totes	\$ 10,649
H2013-010	City of Columbia	Food waste collection truck	\$ 30,025
H2013-013	Stephens College	100 dual bin recycling bins	\$ 56,600
H2013-014	Boonslick Industries, Inc	Baler with conveyor and plastic perforator	\$ 52,945

TOTAL

\$ 1,107,873

*These assets purchased with grant funds and held by the subgrantee were lost in a fire in February 2012; however, the District and state still hold security interest in these assets.

Notes: The above included those equipment items that the District/State has security interest in for which there is a UCC-1 filed or a title filed with the Department of Revenue listing the district as the lien holder. The District does not maintain any listing of equipment items that are below the security interest purposes. This equipment was included in equipment and program services expenditures in the year the District issued the grant to a subgrantee

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Mid-Missouri Solid Waste Management District – Region H
701 East Broadway, Columbia, MO 65201

January 12, 2015

Lisa C. Wright, CPA
5860 E. Osage Ridge Lane
Columbia, MO 65201

This representation letter is provided in connection with your audit of the financial statements of the Mid-Missouri Solid Waste Management District-Region H (The District) which comprise the respective financial position of the governmental activities, the business-type activities, the aggregate discreetly presented component units, each major fund and the aggregate remaining fund information as of June 30, 2014 and the respective changes in financial position and, where applicable, cash flows for year then ended, and the related notes to the financial statements for the purpose of expressing opinions as to whether the financial statements present fairly, in all material respects, in accordance with the modified cash basis of accounting as described in Note 1 of these financial statements.

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

We confirm, to the best of our knowledge and belief, as of January 12, 2015, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities as set out in the terms of the audit engagement letter dated June 2, 2014, including our responsibility for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting.
2. The financial statements referred to above are fairly presented in conformity with the modified cash basis of accounting and include all properly classified funds and other financial information of the primary government and all component units required

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by generally accepted accounting principles 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, including those measured at fair value, are reasonable.
6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangement, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the modified cash basis of accounting.
7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questions costs.
8. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.
9. The effects of all known actual or possible litigation, claims and assessments have been accounted for and disclosed in accordance with the modified cash basis of accounting.
10. Guarantees, whether written or oral, under which the the District is contingently liable, have been properly recorded or disclosed.

Information Provided

11. We have provided you with:
 - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records,

documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.

- b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the the District from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the the District or summaries of actions of recent meetings for which minutes have not yet been prepared.
12. All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.
13. 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.
14. We have no knowledge of any fraud or suspected fraud that affects the District 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
15. We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, analysts, regulators, or others.
16. We have no knowledge of 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.
17. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims or assessments.
18. We have disclosed to you the identity of the District's related parties and all the related party relationships and transactions of which we are aware.

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Government Specific

19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
20. We have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that you have reported to us.
21. We have a process to track the status of audit findings and recommendations.
22. 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.
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 the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
26. We have identified and disclosed to you instances that have occurred or are likely to have occurred of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charges with governance.
27. We have identified and disclosed to you instances that have occurred or are likely to have occurred of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
28. We have identified and disclosed to you instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.

29. 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.
30. As part of your audit, you assisted with preparation of the financial statements and related notes and schedule of federal awards. We acknowledge our responsibility as it relates to those non audit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the serviced. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and schedule of federal awards.
31. 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.
32. 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.
33. 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.
34. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 24.
35. All funds that meet the quantitative criteria in GASB 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.
36. Components of net position (net investment in capital assets; restricted; and unrestricted) and components of fund balance (nonspendable, restricted, committed, assigned and unassigned) are properly classified and, if applicable, approved.

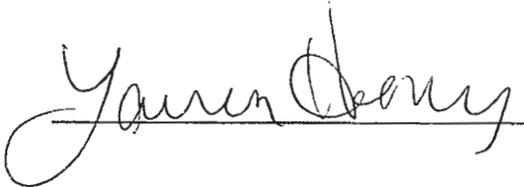
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37. Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
38. Provisions for uncollectible receivables have been properly identified and recorded.
39. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
40. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
41. Inter-fund, internal, and intra-entity activity and balances have been appropriately classified and reported.
42. Special and extraordinary items are appropriately classified and reported.
43. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
44. Capital assets, including infrastructure assets, are properly capitalized, reported and, if applicable, depreciated.
45. The government meets the GASB-established requirements for accounting for eligible infrastructure assets using the modified cash basis of accounting approach.
46. We have appropriately disclosed the District 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 is properly recognized under the policy.
47. We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or assigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
48. We acknowledge our responsibility for the required supplementary information (RSI). The RSI 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 RSI.

49. With respect to the supplementary information:

- a. We acknowledge our responsibility for presenting the required supplementary information (RSI) in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation for the supplementary information 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 supplementary information 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 auditor's report thereon.
- c. We acknowledge that we have omitted the Management Discussion and Analysis that accounting principles generally accepted in the United States of America required to be presented to supplement the basic financial statements.



Chairperson

Title

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