



Missouri Department of dnr.mo.gov

NATURAL RESOURCES

Eric R. Greitens, Governor

Carol S. Comer, Director

JAN 22 2018

Mr. Brady Wilson
Region K – Ozark Rivers Solid Waste Management District
P.O. Box 979
Rolla, Mo 65402

RE: Region K – Ozark Rivers Solid Waste Management District, FY2017 Audit Desk Review

Dear Mr. Wilson:

The Missouri Department of Natural Resources' Solid Waste Management Program (SWMP) has completed the desk review of the audited financial statements of Ozark Rivers Solid Waste Management District–Region K, conducted by Hochschild, Bloom & Company LLP, of Washington, Missouri for the year ended June 30, 2017.

The purpose of this desk review was to determine whether the financial audit report met applicable standards and requirements. The audit was received within the required 180-day timeframe and there appears to be no significant deficiencies per our review.

Please refer to the enclosed Audit Submittal Checklist for your next audit to confirm the completeness of audit reports. This will allow you to work with the audit firm to ensure future audited financial statements are in compliance.

We appreciate your efforts in fulfilling the audit reporting requirements. If you have any questions or concerns please contact Ms. Debbie Ickes at Missouri Department of Natural Resources, Solid Waste Management Program, P.O. Box 176, Jefferson City, MO 65102 or (573) 526-3937 or by email at debbie.ickes@dnr.mo.gov.

Sincerely,

SOLID WASTE MANAGEMENT PROGRAM

Jeffrey T. Heisler, Chief
Operations Section

JTH/dil

Enclosure

c: Ms. Tammy Snodgrass, Region K – Ozark Rivers Solid Waste Management District



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**OZARK RIVERS SOLID WASTE
MANAGEMENT DISTRICT**

**FINANCIAL REPORT
(Audited)**

Year Ended June 30, 2017

RECEIVED BY

DEC 27 2017

SWMP OPERATIONS

**OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT
FINANCIAL REPORT**

	Page
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	3
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Position	7
Statement of Activities	8
Fund Financial Statements:	
Balance Sheet - Governmental Fund	9
Statement of Revenues, Expenditures, and Change in Fund Balance - Governmental Fund	10
Notes to Basic Financial Statements	11
REQUIRED SUPPLEMENTAL INFORMATION	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Special Revenue Fund	15
Notes to Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	16
OTHER SUPPLEMENTAL INFORMATION	
Schedules of Receipts and Expenditures of State Awards - Special Revenue Fund	18
Notes to Schedule of Receipts and Expenditures of State Awards	23
INTERNAL CONTROL AND COMPLIANCE SECTION	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	25



Hochschild, Bloom & Company LLP
Certified Public Accountants
Consultants and Advisors

INDEPENDENT AUDITOR'S REPORT

November 28, 2017

The Board of Directors
OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities and the major fund, of the **OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT** (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic 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 accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion 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 audit to obtain reasonable assurance about whether the financial statements are free from 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 District'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 District'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.

- 15450 South Outer Forty Road, Suite 135, Chesterfield, Missouri 63017-2066, 636-532-9525, Fax 636-532-9055
- 1000 Washington Square, P. O. Box 1457, Washington, Missouri 63090-8457, 636-239-4785, Fax 636-239-5448

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District as of June 30, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplemental information, as listed on contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2017 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 and other matters. 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 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.

Nochschild, Bloom + Company LLP
CERTIFIED PUBLIC ACCOUNTANTS
Washington, MO

**OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

management of the Ozark Rivers Solid Waste Management District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2017.

FINANCIAL HIGHLIGHTS

- The assets of the District are equal to its liabilities for the most recent fiscal year. Assets and liabilities increased by \$133,994 from the previous year.
- The revenues of the District are equal to its expenditures for the most recent fiscal year. Revenues and expenditures increased by \$13,291 from the previous year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements include two kinds of statements that present different views of the District, which are the government-wide and fund financial statements. This report also contains notes to financial statements as well as required supplemental information.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and accrued vacation leave).

The government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include program and sub-grant expenditures. The District has no business-type activities.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The only fund of the District is a governmental fund. It should be noted that the District does not have any proprietary or fiduciary funds.

**OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of expendable resources as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financial decisions. As there are no reconciling items between the government-wide financial statements and the fund financial statements, the information presented is very similar.

The District maintains one governmental fund - Special Revenue Fund. The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes, such as waste reduction, educational outreach, and household hazardous waste programs. Grant revenues are recorded only to the extent allowable grant expenditures have been incurred. Grant funds received in excess of revenues earned are recorded as deferred revenues.

The District adopts an annual budget for administration and operation of the District and includes the grant expenditures paid to the sub-grantees by the District. An annual budget is not required by Missouri State Statute. A budgetary comparison schedule has been provided.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Supplemental information. In addition to the basic financial statements and accompanying notes, certain required and other supplemental information can be found after the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS - FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and liabilities are \$410,783 at the close of the most recent fiscal year, leaving a net position of \$0.

The largest portion of the District's assets is restricted cash of \$409,703. The largest portion of the District's liabilities is deferred revenues of \$167,531 from the State of Missouri grants, which will be allocated for specific projects and programs to be completed in future years.

A condensed version of the statement of net position is as follows:

**OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

	June 30	
	Governmental Activities	
	2017	2016
ASSETS	\$ 410,783	296,789
LIABILITIES	410,783	296,789
NET POSITION	\$ -	-

A condensed version of the statement of activities is as follows:

	For The Years Ended June 30	
	Governmental Activities	
	2017	2016
REVENUES		
Program revenues:		
Operating grants and contributions	\$ 309,847	296,556
EXPENSES		
Program and sub-grants	309,847	296,556
CHANGE IN NET POSITION	-	-
NET POSITION, JULY 1	-	-
NET POSITION, JUNE 30	\$ -	-

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

At the end of June 30, 2017, the nonspendable fund balance of the Governmental Fund was \$1,080 while the unassigned fund balance was \$(1,080). The total fund balance in the District's Governmental Fund remained the same as the previous year's total fund balance.

The District must disburse out, in the earliest grant cycle, any excess funds over \$20,000 per the maximum level of reserves as outlined in 10 CSR 80-9.

**OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

Each year the District receives grant funds from the state of Missouri from a \$2.11 fee collected on each ton of solid waste disposed in Missouri landfills. Quarterly, the state receives tonnage fees collected by permitted facilities within the state pursuant to RSMo 260.325. Currently, 61% of the tonnage fees collected through formula is allocated to the 20 solid waste management districts on a quarterly basis.

The District is one of the 20 districts funded by the state. The Executive Board for the District annually awards sub-grants to recipients throughout the 7 county areas. The Meramec Regional Planning Commission serves as the fiscal agent for the District and receives and disburses funds under the direction of the Executive Board.

The schedule of receipt and expenditures of state awards in the other supplemental information section provides a listing of the sub-grants for each fiscal year grant program and reports the current year expenses and the status as of June 30, 2017 (open or closed) for each sub-grant.

VARIANCES BETWEEN GOVERNMENTAL MAJOR FUND BUDGET AND ACTUAL AMOUNTS

Revenues were \$37,371 under budget. Expenditures were \$37,371 under budget.

ECONOMIC CONDITION AND NEXT YEAR'S PROGRAMS

Grant funds available to the District continue to be stable compared to previous fiscal years. State funds are accessible when the District formally requests the funds and submits budget plans. Generally, the District conducts a sub-grant solicitation process for waste reduction, reuse, and recycling projects each fall for the following calendar year. Approximately \$302,986 was approved for sub-grants for calendar year 2017. The District prepares its annual work plan and budget prior to the start of the fiscal year and fiscal year 2017 - 2018 total grant revenues are estimated at \$255,989 and excludes any other 2017 awarded grant outside of operations and plan implementation as they have not yet been determined. Fiscal year 2016 - 2017 District operations and planning projects are estimated at \$125,600. The District has discretion to modify its budget and hold additional grant solicitations as more funds become available.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Fiscal Officer and/or the Executive Director as fiscal agents of the District at Meramec Regional Planning Commission, 4 Industrial Drive, St. James, Missouri 65559.

OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2017

	<u>Governmental Activities</u>
ASSETS	
Restricted cash	\$ 409,703
Prepaid items	1,080
Total Assets	<u>410,783</u>
LIABILITIES	
Accounts payable	57,981
Grants payable	162,564
Deferred revenue	167,531
Grants payable retention	22,707
Total Liabilities	<u>410,783</u>
NET POSITION	
Unrestricted	<u>\$ -</u>

OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

		Program Revenues			Net Revenues (Expenses) And Changes In Net Position
	Expenses	Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities
FUNCTIONS/PROGRAMS					
Governmental Activities					
Program and sub-grants	✓ <u>\$ 309,847</u>	<u>-</u>	<u>309,847</u>	<u>-</u>	<u>-</u>
 CHANGE IN NET POSITION					 -
 NET POSITION, JULY 1					 <u>-</u>
 NET POSITION, JUNE 30					 <u>\$ -</u>

OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT

BALANCE SHEET - GOVERNMENTAL FUND

JUNE 30, 2017

	<u>Special Revenue</u>
ASSETS	
Restricted cash	✓ \$ 409,703
Prepaid items	1,080
	<hr/>
Total Assets	<u>\$ 410,783</u>
 LIABILITIES	
Grants payable	\$ 162,564
Accounts payable	57,981
Deferred revenue	167,531
Grants payable retention	22,707
Total Liabilities	<u>410,783</u>
 FUND BALANCE	
Nonspendable - prepaid items	1,080
Unassigned	(1,080)
Total Fund Balance	<u>-</u>
	<hr/>
Total Liabilities And Fund Balance	<u>\$ 410,783</u>

OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN
FUND BALANCE - GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

		<u>Special Revenue</u>
REVENUES		
Grant revenue - State of Missouri	240 -	\$ 309,447 <i>OK</i>
Miscellaneous		400
Total Revenues		<u>309,847</u>
EXPENDITURES		
Advertising		364
Annual dinner		334
Audit		2,200
Contracted administration		106,858
Grants		193,135
Insurance		1,535
Other		2,199
Supplies		1,492
Travel		1,730
Total Expenditures		<u>309,847</u>
CHANGE IN FUND BALANCE		-
FUND BALANCE, JULY 1		<u>-</u>
FUND BALANCE, JUNE 30		<u>\$ -</u>

OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE A - REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES

The **OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT** (the District) was formed pursuant to Section 260.305 of the Revised Statutes of Missouri on November 19, 1991. The District consists of Crawford, Gasconade, Maries, Phelps, Dent, Washington, and Pulaski Counties.

The District's purpose is to plan and provide for the safe and sanitary management of solid waste within all of the territory of the District. The District strives to fulfill this purpose by:

- Preparing and implementing a solid waste management plan that complies with the provision of Sections 260.220 and 260.325 of the Revised Statutes of the State of Missouri for the citizens of the participating cities and all of the incorporated and unincorporated territory of the District's counties.
- Establishing an educational program to inform the public.
- Establishing procedures to minimize the introduction of hazardous waste, including household hazardous waste, into the solid waste stream.
- Assuring adequate capacity to manage waste which is not otherwise removed from the solid waste stream.
- Promoting and assisting with resource recovery and recycling.

The District's accounting policies conform to accounting principles generally accepted in the United States of America, which are appropriate to local government units of this type. The District's significant accounting policies are as follows:

1. Principles Used to Determine Scope of Entity

The District has developed criteria to determine whether related organizations with activities which benefit the District should be included within its financial reporting entity. The criteria includes, but is not limited to, whether the District exercised oversight responsibility (which includes financial interdependence, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of service, and special financing relationships.

2. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the governmental activities (funds) of the District. The effect of inter-fund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE A - REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Government-wide and Fund Financial Statements (Continued)

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The District's funds are grouped into the governmental fund category for financial statement presentation purposes. The District reports the Special Revenue Fund as a major governmental fund. The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The District receives a variety of grants from the State of Missouri.

3. 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. 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified 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 for 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 in accrual accounting.

4. Deferred Revenue

The District's programs and activities are funded by grants from the State of Missouri. Grant revenue is earned as expenditures are incurred and all eligibility requirements imposed by the provider have been met. The cash inflow from the granting agencies varies from the expenditures resulting in deferred revenue balances, which are calculated on a grant-by-grant basis. Interest income is also included in deferred revenue until it is expended because those funds are required to be used for District projects. Interest received for the year ended June 30, 2017 was \$935, and was included in deferred revenue.

OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE A - REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Related Organization

The District contracts with Meramec Regional Planning Commission (MRPC) to provide for the District's administration. Some of the board members of the District are also board members of MRPC. The contracted services totaled \$106,858 for the year ended June 30, 2017.

The accompanying financial statements include amounts payable to MRPC in the amount of \$11,953 for 2017.

6. Restricted Cash

As of June 30, 2017, the District has restricted cash balances in the amount of \$409,703. The District's funds are all restricted for grant purposes.

7. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE B - DEPOSITS AND INVESTMENTS

The District is authorized to invest funds in, among other things, financial institutions and direct obligations of the Federal Government. During 2017, the District invested in interest-bearing checking accounts.

Custodial Credit Risk restricted cash consists of interest-bearing demand deposit balances. At June 30, 2017, the carrying amount of the District's deposits was \$410,703. Of the bank balance, \$250,000 was covered by federal depository insurance. The remaining cash balance was collateralized by pledged securities.

NOTE C - CONCENTRATION

The District receives a significant portion of its revenue from the Missouri Department of Natural Resources to plan and provide for the safe and sanitary management of solid waste within the territory of the District.

NOTE D - SUBSEQUENT EVENTS

Subsequent events have been evaluated through November 28, 2017, which is the date the financial statements were available to be issued.

OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION

REQUIRED SUPPLEMENTAL INFORMATION SECTION

OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES				
Grant revenue - State of Missouri	\$ 262,988	347,218	✓309,447	(37,771)
Miscellaneous	-	-	400	400
Total Revenues	<u>262,988</u>	<u>347,218</u>	<u>309,847</u>	<u>(37,371)</u>
EXPENDITURES				
Advertising	550	550	364	(186)
Annual dinner	350	350	334	(16)
Audit	2,200	2,200	2,200	-
Contracted administration	113,500	113,500	106,858	(6,642)
Grants	136,098	220,328	193,135	(27,193)
Insurance	1,600	1,600	1,535	(65)
Other	2,980	2,980	2,199	(781)
Supplies	2,760	2,760	1,492	(1,268)
Travel	2,950	2,950	1,730	(1,220)
Total Expenditures	<u>262,988</u>	<u>347,218</u>	<u>309,847</u>	<u>(37,371)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>-</u>	-	<u>-</u>
FUND BALANCE, JULY 1			<u>-</u>	
FUND BALANCE, JUNE 30			<u>\$ -</u>	

**OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION - NOTES
TO SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

Budgets and Budgetary Accounting

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

- a. In accordance with Article X of the bylaws, an annual budget is prepared under the direction of the Executive Board, which submits this budget to the county commissioners and city governments within the District for review and comment.
- b. The budget is approved by the full council in June of each year.
- c. If and when significant financial differences become apparent between the budget as adopted and the probable outcome of the year, the District's management submits a revised budget to the Executive Board. The Executive Board reviews such budget and, upon acceptance, submits it to the full council for action.

OTHER SUPPLEMENTAL INFORMATION SECTION

CLARK RIVERS SOLID WASTE MANAGEMENT DISTRICT
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF RECEIPTS AND
EXPENDITURES OF STATE AWARDS - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
	<u>Year Ended</u> <u>June 30, 2017</u>	<u>Prior</u> <u>Year(s)</u>	<u>Cumulative</u> <u>To Date</u>	<u>State Grant</u> <u>Award</u>	<u>State Grant</u> <u>Balance</u>	<u>Grant</u> <u>Status</u>
FY 2015						
#2015-03 Phelps County Tough on Trash State Revenue (returned \$302.94 to district for reallocation)	\$ 621.19	10,806.34	11,427.53	11,427.53	-	Closed
#2015-10 MRPC - Illegal Dump Cleanup State Revenue	14,046.62	6,049.16	20,095.78	20,095.78	-	Closed
#2015-11 MRPC - Special Waste Collection State Revenue	2,392.81	19,693.24	22,086.05	22,086.05	-	Closed
#2015-12 MRPC - Plan Update State Revenue	-	781.23	781.23	781.23	-	
*District Match	5,356.32	10,551.16	15,907.48	20,701.95	4,794.47	Open
#2015-13 MRPC - Community Outreach State Revenue	1,989.40	1,144.75	3,134.15	5,000.00	1,865.85	Open
#2015-14 Dixon High School State Revenue (returned \$643.49 to district for reallocation)	1,522.88	2,933.63	4,456.51	4,456.51	-	Closed
*Past Year State Revenue	-	259,189.25	259,189.25	-	-	
*Past Year Match Revenue	-	10,551.16	10,551.16	-	-	
Total FY 2015 State Revenue	20,572.90	259,189.25	279,762.15	281,628.00	1,865.85	
Total FY 2015 Match Revenue	5,356.32	10,551.16	15,907.48	20,701.95	4,794.47	
	<u>25,929.22</u>	<u>269,740.41</u>	<u>295,669.63</u>	<u>302,329.95</u>	<u>6,660.32</u>	✓

(Continued)

CLARK RIVERS SOLID WASTE MANAGEMENT DISTRICT
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF RECEIPTS AND
EXPENDITURES OF STATE AWARDS - SPECIAL REVENUE FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Year Ended June 30, 2017</u>	<u>Prior Year(s)</u>	<u>Cumulative To Date</u>	<u>State Grant Award</u>	<u>State Grant Balance</u>	<u>Grant Status</u>
FY 2016						
#2016-03 Phelps County Tough on Trash State Revenue (returned \$1,986.66 to district for reallocation)	7,794.79	2,118.55	✓ 9,913.34	✓ 9,913.34	-	Closed
#2016-04 Maries County Commission State Revenue (returned \$2,409.01 to district for reallocation)	4,862.99	-	4,862.99	4,862.99	-	Closed
#2016-05 Dixon High School State Revenue (returned \$1,305.63 to district for reallocation)	6,384.37	-	✓ 6,384.37	✓ 6,384.37	-	Closed
#2016-06 MU Extension State Revenue (returned \$0.05 to district for reallocation)	9,999.95	-	✓ 9,999.95	9,999.95	-	Closed
#2016-07 In-the-Green Production Jack Kaufmann State Revenue	1,200.00	5,400.00	6,600.00	✓ 6,600.00	-	Closed
#2016-08 Dixon Caring Center State Revenue (returned \$1,180.11 to district for reallocation)	14,173.30	5,206.59	✓ 19,379.89	✓ 19,379.89	-	Closed
#2016-09 St. Robert and Waynesville State Revenue (returned \$2,410.78 to district for reallocation)	9,076.86	-	9,076.86	✓ 9,076.86	-	Closed
#2016-10 MRPC - Special Waste Collection State Revenue	24,484.18	-	24,484.18	✓ 24,484.18	-	Closed
District Match	563.42	-	563.42	563.42	-	
#2016-11 MRPC - HHW Collection District Match	23,066.65	7,274.63	30,341.28	✓ 35,687.68	5,346.40	Open

(Continued)

CLARK RIVERS SOLID WASTE MANAGEMENT DISTRICT
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF RECEIPTS AND
EXPENDITURES OF STATE AWARDS - SPECIAL REVENUE FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2017

	① Year Ended June 30, 2017	② Prior Year(s)	③ Cumulative To Date	④ State Grant Award	⑤ State Grant Balance	⑥ Grant Status
FY 2016 (Continued)						
#2016-12 MRPC - Education Awareness State Revenue	27,640.65	6,493.57	34,134.22	✓ 35,523.57	✓ 1,389.35	Open
#2016-14 Kaleidoscope Discovery State Revenue (returned \$178.52 to district for reallocation)	1,114.00	3,707.48	4,821.48	✓ 4,821.48	○ -	Closed
#2016-15 City of St. James State Revenue	9,916.61	-	9,916.61	✓ 9,916.61	✓ -	Closed
Past Year State Revenue	-	143,934.87	143,934.87	-	-	
Past Year Match Revenue	-	7,274.63	7,274.63	-	-	
Total FY 2016 State Revenue	116,647.70	143,934.87	260,582.57	261,971.92	1,389.35	
Total FY 2016 Match Revenue	23,630.07	7,274.63	30,904.70	36,251.10	5,346.40	
	<u>140,277.77</u>	<u>151,209.50</u>	<u>291,487.27</u>	<u>298,223.02</u>	<u>6,735.75</u>	
FY 2017						
#2017-01 ORSWMD - District Operations State Revenue (returned \$2,992.78 to district for reallocation)	87,497.22	-	87,497.22	87,497.22	○ -	Closed
#2017-02 ORSWMD Plan Implementation State Revenue (returned \$7,585.51 to district for reallocation)	28,814.49	-	28,814.49	28,814.49	○ -	Closed
#2017-03 MRPC - HHW Collection State Revenue	-	-	-	✓ 37,161.30	✓ 37,161.30	Open

C O A R K R I V E R S S O L I D W A S T E M A N A G E M E N T D I S T R I C T
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF RECEIPTS AND
EXPENDITURES OF STATE AWARDS - SPECIAL REVENUE FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Year Ended June 30, 2017</u>	<u>Prior Year(s)</u>	<u>Cumulative To Date</u>	<u>State Grant Award</u>	<u>State Grant Balance</u>	<u>Grant Status</u>
FY 2017 (Continued)						
#2017-04 MRPC - Special Waste Collection						
State Revenue	244.67	-	244.67	3,362.71	3,118.04	
District Match	-	-	-	24,633.89	24,633.89	Open
#2017-05 MRPC - Community Outreach						
State Revenue	-	-	-	5,000.00	5,000.00	Open
#2017-06 MRPC - Illegal Dump Cleanup						
State Revenue	7,760.45	-	7,760.45	8,910.70	1,150.25	Open
#2017-07 MRPC - Education Awareness						
State Revenue	-	-	-	33,553.53	33,553.53	Open
#2017-08 Phelps County Commission Tough on Trash						
State Revenue	2,278.03	-	2,278.03	8,970.00	6,691.97	Open
#2017-09 Dixon High School the Choice is Yours						
State Revenue	-	-	-	4,950.00	4,950.00	Open
#2017-10 Maries County Commission Recycling						
State Revenue	-	-	-	5,980.00	5,980.00	Open
#2017-11 Jack Kaufmann In-the-Green						
State Revenue	5,400.00	-	5,400.00	5,400.00	-	Closed
#2017-12 Dixon Area Caring Center						
State Revenue	3,666.76	-	3,666.76	28,637.20	24,970.44	Open

(Continued)

MARK RIVERS SOLID WASTE MANAGEMENT DISTRICT
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF RECEIPTS AND
EXPENDITURES OF STATE AWARDS - SPECIAL REVENUE FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Year Ended June 30, 2017</u>	<u>Prior Year(s)</u>	<u>Cumulative To Date</u>	<u>State Grant Award</u>	<u>State Grant Balance</u>	<u>Grant Status</u>
FY 2017 (Continued)						
#2017-13 Bourbon High School Vericomposting State Revenue	7,578.35	-	7,578.35	✓ 9,536.56	✓ 1,958.21	Open
Past Year State Revenue	-	-	-	-	-	
Past Year Match Revenue	-	-	-	-	-	
 Total FY 2017 State Revenue	143,239.97	-	143,239.97	267,773.71	124,533.74	
Total FY 2017 Match Revenue	-	-	-	24,633.89	24,633.89	
	<u>143,239.97</u>	<u>-</u>	<u>143,239.97</u>	<u>292,407.60</u>	<u>149,167.63</u>	
 Grand Total State Funded Programs	280,460.57	403,124.12	683,584.69	811,373.63	127,788.94	
Grand Total District Match	28,986.39	17,825.79	46,812.18	81,586.94	34,774.76	
	<u>280,460.57</u>	<u>403,124.12</u>	<u>683,584.69</u>	<u>811,373.63</u>	<u>127,788.94</u>	
	<u>28,986.39</u>	<u>17,825.79</u>	<u>46,812.18</u>	<u>81,586.94</u>	<u>34,774.76</u>	
 Grand Total	<u>\$ 309,446.96</u>	<u>420,949.91</u>	<u>730,396.87</u>	<u>892,960.57</u>	<u>162,563.70</u>	

Grants closed in previous years are not listed in detail though included in yearly totals.

exp.

**OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT
OTHER SUPPLEMENTAL INFORMATION - NOTES TO
SCHEDULE OF RECEIPTS AND EXPENDITURES
OF STATE AWARDS SPECIAL REVENUE FUND**

NOTE A - RECEIPTS AND EXPENDITURES OF STATE AWARDS

The Receipts and Expenditures of State Awards is presented on a basis consistent with GAAP for the Special Revenue Fund.

NOTE B - COMPLIANCE WITH THE MISSOURI DEPARTMENT OF NATURAL RESOURCES

The Missouri Department of Natural Resources requires a Schedule of Receipts and Expenditures with specific information required by Section 260.325 of the Missouri Statutes.

INTERNAL CONTROL AND COMPLIANCE SECTION



Hochschild, Bloom & Company LLP
Certified Public Accountants
Consultants and Advisors

**INDEPENDENT AUDITOR'S 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**

November 28, 2017

The Board of Directors
OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT

We have audited, in accordance with the 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, the financial statements of the governmental activities and the major fund of the **OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT** (the District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 28, 2017.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we 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 our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an 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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a 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.

- 15450 South Outer Forty Road, Suite 135, Chesterfield, Missouri 63017-2066, 636-532-9525, Fax 636-532-9055
- 1000 Washington Square, P. O. Box 1457, Washington, Missouri 63090-8457, 636-239-4785, Fax 636-239-5448

Our 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 material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the District's financial statements are free from 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*.

PURPOSE OF THIS REPORT

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

Hochschild, Bloom + Company LLP
CERTIFIED PUBLIC ACCOUNTANTS