



**Thomas A. Schweich**  
Missouri State Auditor

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**Mid-Missouri Solid Waste  
Management District  
Region H**



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<http://auditor.mo.gov>



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# CITIZENS SUMMARY

## Findings in the audit of the Mid-Missouri Solid Waste Management District, Region H

Background	The state is divided into 20 solid waste management districts which assist the Department of Natural Resources (DNR) in implementing the state's solid waste management plan. The Mid-Missouri Solid Waste Management District, Region H, was recognized by the DNR on December 4, 1991, and consists of eight counties: Audrain, Boone, Callaway, Cole, Cooper, Howard, Moniteau, and Osage.
Findings	The district did not prepare accurate quarterly financial reports and reconcile these reports to the district accounting records. The cash balance reported on the June 30, 2012, quarterly report differed by \$8,230 from the total reconciled bank balances.

In the areas audited, the overall performance of this entity was **Good**.\*

American Recovery and Reinvestment Act (Federal Stimulus)	The Mid-Missouri Solid Waste Management District, Region H, did not receive any federal stimulus monies during the audit period.
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\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Mid-Missouri Solid Waste Management District

## Region H

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# THOMAS A. SCHWEICH

## Missouri State Auditor

Executive Board of Directors  
Mid-Missouri Solid Waste Management District - Region H  
Columbia, Missouri

We have audited certain operations of the Mid-Missouri Solid Waste Management District - Region H in fulfillment of our duties under Section 29.380, RSMo. The district engaged Casey-Beard-Boehmer PC, Certified Public Accountants (CPAs), to audit the district's financial statements for the years ended June 30, 2012 and 2011. The Department of Natural Resources engaged Casey-Beard-Boehmer, PC, CPAs, to conduct a performance audit of the district for the period July 1, 2008, through June 30, 2011. To minimize duplication of effort, we reviewed the reports of the CPA firm. The scope of our audit included, but was not necessarily limited to, the 2 years ended June 30, 2012. The objectives of our audit were to:

1. Evaluate the district's internal controls over significant management and financial functions.
2. Evaluate the district's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the district, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the district's management and was not subject to the procedures applied in our audit of the district.

For the areas audited, we identified (1) a deficiency in internal controls, (2) no significant noncompliance with legal provisions, and (3) no significant deficiencies in management practices and procedures. The accompanying Management Advisory Report presents our finding arising from our audit of the Mid-Missouri Solid Waste Management District - Region H.



Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor: Harry J. Otto, CPA  
Director of Audits: John Luetkemeyer, CPA  
Audit Manager: Mark Ruether, CPA  
In-Charge Auditor: Joyce Thomson  
Audit Staff: Mariam Ahmedbani  
Alex R. Prenger, M.S.Acct.

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# Mid-Missouri Solid Waste Management District

## Region H

### Management Advisory Report - State Auditor's Findings

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#### **Quarterly Financial Reports**

District quarterly financial reports were not properly reconciled to district accounting records and contained errors and omissions. The quarterly financial reports for the year ended June 30, 2012, did not agree to the district's bank balances or to the audited schedules of district receipts and disbursements. At June 30, 2012, the quarterly financial report indicated total balances of \$668,794 compared to total reconciled bank balances of \$677,024, for a difference of \$8,230. In addition, the quarterly reports did not separately identify unobligated district grant funds and interest income.

The quarterly financial reports are prepared by the district to document each grant project awarded to subgrantees, and to summarize total grant awards, total disbursements, and unspent balances for each grant project and other funding sources such as interest income.

The Department of Natural Resources requires preparation of accurate quarterly financial reports to document all district funds received from the Solid Waste Management Fund and other sources. Accurate financial reporting is necessary to ensure all district funds are accounted for properly.

A similar finding was noted in an independent financial audit of the district dated November 14, 2012, and an independent performance audit dated October 12, 2012.

#### **Recommendation**

The Executive Board ensure the quarterly financial reports are accurately prepared and reconciled to district bank balances and accounting records

#### **Auditee's Response**

*The District concurs and notes there were errors made prior to the current District Planner taking over. Corrections have been made and future quarterly reports will be prepared accurately and reconciled to the accounting records. These findings have already been addressed as a part of the prior audit that was done, and came up in both reports due to how close together the two reports were released.*

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# Mid-Missouri Solid Waste Management District

## Region H

### Organization and Statistical Information

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The establishment of solid waste management districts was authorized in 1990 by Senate Bill 530, as part of the state's solid waste management plan. Solid waste management districts are bodies corporate and politic and are governed by Sections 260.300 through 260.345, RSMo. The state is divided into 20 solid waste management districts which assist the Department of Natural Resources (DNR) in implementing the state's plan, with an emphasis on diverting waste from landfills. The Mid-Missouri Solid Waste Management District - Region H, was recognized on December 4, 1991, by the DNR and consists of eight counties: Audrain, Boone, Callaway, Cole, Cooper, Howard, Moniteau, and Osage.

The district is governed by a District Council and an Executive Board. The District Council consists of two members from each of the eight counties, one member from each city within a member county with a population over 500, and one member from each smaller city which elects to join the solid waste management district. The District Council consists of 41 members and meets at least twice a year to appoint members to the district's Executive Board and to review and act upon the district's solid waste management plan. The Executive Board consists of ten members; one member from each of the eight counties, and one member from each city that has a population greater than 35,000 - the City of Columbia and the City of Jefferson. The Executive Board members' terms shall be 2 years and can be recertified by the District Council at the end of their term. The duties of the Executive Board consist of: preparing a solid waste management plan for the district; identifying illegal dump sites; establishing an education program about responsible solid waste management practices; establishing bylaws, rules, and regulations for governing the district; entering into contracts with persons for services related to solid waste management; and approving expenditures for district operations and grants.

The district's funding comes from the Solid Waste Management Fund through the DNR. Tonnage fees from landfills in the state are deposited into the Solid Waste Management Fund. Funding for the 20 districts of the state are based on a formula set through legislation.

The Executive Board contracts with the City of Columbia to provide administrative staff for the district. District administrative staff consist of a district planner and an assistant.

American Recovery and  
Reinvestment Act 2009  
(Federal Stimulus)

The Mid-Missouri Solid Waste Management District - Region H did not receive any federal stimulus monies during the 2 years ended June 30, 2012.



Mid-Missouri Solid Waste Management District  
 Region H  
 Organization and Statistical Information

Financial Activity

A summary of the district's revenues, expenditures, and fund balances for the 2 years ended June 30, 2012, follows:

REVENUES	Year Ended June 30,	
	2012	2011
Intergovernmental	\$ 365,761	327,318
Intergovernmental-contributions	97,132	50,876
Charges for services	7,458	1,335
Other	0	650
Interest income	3,352	4,241
<b>Total Revenues</b>	<b>473,703</b>	<b>384,420</b>
<b>EXPENDITURES</b>		
<b>Administration</b>		
Personnel and fringe benefits	155,623	94,104
Contractual services	35,081	53,963
Supplies and materials	5,678	14,965
Travel	5,316	8,043
Other	25,179	23,456
<b>District grant expenditures</b>		
Personnel	4,000	2,437
Contractual services	15,784	16,107
Supplies and materials	2,058	414
Operating	0	7,965
Equipment	169,802	170,732
Other	38,464	893
<b>Total Expenditures</b>	<b>456,985</b>	<b>393,079</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>16,718</b>	<b>(8,659)</b>
<b>FUND BALANCE, JULY 1</b>	<b>58,054</b>	<b>66,713</b>
<b>FUND BALANCE, JUNE 30</b>	<b>\$ 74,772</b>	<b>58,054</b>

Source: Audited financial statements.