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Missouri State Auditor

Quad-Lakes Solid Waste Management District Region J



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CITIZENS SUMMARY

Findings in the audit of the Quad-Lakes Solid Waste Management District, Region J

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 Quad-Lakes Solid Waste Management District, Region J, was recognized by the DNR on December 4, 1991, and consists of six counties: Bates, Benton, Cedar, Henry, Hickory, and St. Clair.

Findings The audit identified no significant deficiencies in internal controls, no significant noncompliance with legal provisions, and no significant deficiencies in management practices and procedures. No findings resulted from our audit.

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

American Recovery and Reinvestment Act (Federal Stimulus) The Quad-Lakes Solid Waste Management District, Region J, did not receive any federal stimulus monies during the audit period.

*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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Region J
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Missouri State Auditor

Executive Board of Directors
Quad-Lakes Solid Waste Management District - Region J
Clinton, Missouri

We have audited certain operations of the Quad-Lakes Solid Waste Management District - Region J in fulfillment of our duties under Section 29.380, RSMo. The district engaged Arthur White & Associates, L.L.C., Certified Public Accountants (CPAs), to audit the district's financial statements for the 2 years ended June 30, 2011. To minimize duplication of effort, we reviewed the report 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) no significant deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) no significant deficiencies in management practices and procedures. No findings resulted from our audit of the Quad-Lakes Solid Waste Management District - Region J.



Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

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Quad-Lakes Solid Waste Management District

Region J

Organization and Statistical Information

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 Quad-Lakes Solid Waste Management District - Region J, was recognized on December 4, 1991, by the DNR and consists of six counties: Bates, Benton, Cedar, Henry, Hickory, and St. Clair.

The district is governed by a District Council and an Executive Board. The District Council consists of two members from each of the six 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 28 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 seven members; one member from each of the six counties, and one non-voting member from the solid waste management industry. 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 Kaysinger Basin Regional Planning Commission 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 Quad-Lakes Solid Waste Management District - Region J did not receive any federal stimulus monies during the 2 years ended June 30, 2012.



Quad-Lakes Solid Waste Management District
 Region J
 Organization and Statistical Information

Financial Activity

A summary of the district's receipts, disbursements, and cash and investment balances for the 2 years ended June 30, 2012, follows:

	Year Ended June 30,	
	2012	2011
RECEIPTS		
Intergovernmental	\$ 122,466	111,456
Member assessments	0	2,340
Repayments	12,321	13,653
Other	500	0
Interest	947	2,881
Total Receipts	136,234	130,330
DISBURSEMENTS		
District administration	1,316	610
Subgrants	118,923	101,444
Audit services	2,500	0
Insurance	2,775	1,669
Miscellaneous	1,253	1,866
Total Disbursements	126,767	105,589
RECEIPTS OVER (UNDER) DISBURSEMENTS	9,467	24,741
CASH AND INVESTMENTS, JULY 1	127,947	103,206
CASH AND INVESTMENTS, JUNE 30	\$ 137,414	127,947

Source: Audited financial statements for the year ended June 30, 2011, and district financial records for the year ended June 30, 2012.