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Yoakum, Lovell & Co., PLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANTS' REPORT

BOARD OF DIRECTORS
SALINE COUNTY REGIONAL SOLID
WASTE MANAGEMENT DISTRICT
BAUXITE, ARKANSAS

WE HAVE PERFORMED THE PROCEDURES ENUMERATED BELOW, WHICH WERE AGREED TO BY THE SALINE COUNTY REGIONAL SOLID WASTE MANAGEMENT DISTRICT (AN INDEPENDENT GOVERNMENTAL UNIT), SOLELY TO ASSIST YOU WITH RESPECT TO THE TRIAL BALANCE OF SALINE COUNTY REGIONAL SOLID WASTE MANAGEMENT DISTRICT AS OF APRIL 20, 2011. SALINE COUNTY REGIONAL SOLID WASTE MANAGEMENT DISTRICT'S MANAGEMENT IS RESPONSIBLE FOR THE COMPANY'S TRIAL BALANCE. THIS AGREED-UPON PROCEDURES ENGAGEMENT WAS CONDUCTED IN ACCORDANCE WITH ATTESTATION STANDARDS ESTABLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS. THE SUFFICIENCY OF THESE PROCEDURES IS SOLELY THE RESPONSIBILITY OF THOSE PARTIES SPECIFIED IN THE REPORT. CONSEQUENTLY, WE MAKE NO REPRESENTATION REGARDING THE SUFFICIENCY OF THE PROCEDURES DESCRIBED BELOW EITHER FOR THE PURPOSE FOR WHICH THIS REPORT HAS BEEN REQUESTED OR FOR ANY OTHER PURPOSE.

OUR PROCEDURES AND FINDINGS ARE AS FOLLOWS:

1. CASH - WE REVIEWED BANK RECONCILIATIONS FOR ALL CASH ACCOUNTS AND MADE ANY ENTRIES THAT WERE NECESSARY. WE TRACED BALANCES ON THE RECONCILIATIONS TO THE BANK STATEMENTS.
2. ACCOUNTS RECEIVABLE - WE REVIEWED ACCOUNTS RECEIVABLE LISTING FROM THE DISTRICT'S ACCOUNTS RECEIVABLE SOFTWARE AND PAYMENTS RECEIVED SUBSEQUENT TO APRIL 20, 2011 THROUGH THE DATE OF THE REPORT. DISCUSSED COLLECTIBILITY ON LARGE ACCOUNTS WITH EXITING EXECUTIVE DIRECTOR. BASED ON THIS REVIEW AND DISCUSSION, THE ALLOWANCE FOR DOUBTFUL ACCOUNTS WAS ADJUSTED.
3. ACCOUNTS RECEIVABLE OTHER - WHILE REVIEWING DOCUMENTS RELATED TO THE SALE OF THE LANDFILL, IT WAS NOTED THERE WAS AN AMOUNT STILL OWED TO THE DISTRICT FROM THE SALE OF THE LANDFILL. THIS WAS RECORDED AS ACCOUNTS RECEIVABLE OTHER.
4. CAPITAL ASSETS - BASED ON A LIST PROVIDED TO US OF ASSETS MAINTAINED BY THE DISTRICT AFTER THE SALE OF THE LANDFILL, WE UPDATED THE DEPRECIATION SCHEDULE MAINTAINED BY OUR FIRM.
5. ACCOUNTS PAYABLE - WE EXAMINED ALL DISBURSEMENTS SUBSEQUENT TO APRIL 20, 2011 TO THE DATE OF THIS REPORT AND ADJUSTED ACCOUNTS PAYABLE BASED ON THAT REVIEW.
6. MISCELLANEOUS LIABILITIES - WE REVIEWED THE VARIOUS MISCELLANEOUS LIABILITY ACCOUNTS. IT WAS NOTED THE FIRST QUARTER 941 HAD AN UNDERPAYMENT OF APPROXIMATELY \$7,500. THIS UNDERPAYMENT WAS A RESULT OF MISCALCULATION OF WITHHOLDING PAYMENTS DUE TO THE NEW FICA PERCENTAGES FOR 2011. THE LIABILITY ACCOUNT WAS ADJUSTED TO SHOW THIS UNDERPAYMENT.

IT WAS ALSO NOTED THE STATE WITHHOLDING PAYMENT FOR MARCH HAD NOT BEEN MADE IN APRIL AND THE APRIL WITHHOLDING HAD NOT BEEN PAID IN MAY. THE LIABILITY ACCOUNT WAS ADJUSTED FOR THESE PAYMENTS OUTSTANDING.

AN ENTRY WAS NOT CREATED FOR ANY ACCRUED PAYROLL. IT WAS NOTED SUBSEQUENT TO APRIL 20, 2011, THE EXITING EXECUTIVE DIRECTOR WAS PAID APPROXIMATELY \$12,850 FOR HIS ACCRUED VACATION AND SICK TIME. NO TESTING

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WAS DONE ON THIS AND IT WAS NOT RECORDED AS A LIABILITY AT APRIL 20, 2011.

7. DEFERRED GRANT REVENUE - AT SEPTEMBER 30, 2010, THE DISTRICT HAD \$23,316 IN DEFERRED GRANT REVENUE. IN OCTOBER 2010, THE DISTRICT RECEIVED AN ADDITIONAL \$101,126. FOR THIS ENGAGEMENT, ALL OF THIS REVENUE WAS LISTED AS DEFERRED GRANT REVENUE AT APRIL 20, 2011.

WE WERE NOT ENGAGED TO, AND DID NOT, CONDUCT AN AUDIT, THE OBJECTIVE OF WHICH WOULD BE THE EXPRESSION OF AN OPINION ON THE ACCOUNTING RECORDS. ACCORDINGLY, WE DO NOT EXPRESS SUCH AN OPINION. HAD WE PERFORMED ADDITIONAL PROCEDURES, OTHER MATTERS MIGHT HAVE COME TO OUR ATTENTION THAT WOULD HAVE BEEN REPORTED TO YOU.

THIS REPORT IS INTENDED SOLELY FOR THE INFORMATION AND USE OF SALINE COUNTY REGIONAL SOLID WASTE MANAGEMENT DISTRICT AND ITS MANAGEMENT AND IS NOT INTENDED TO BE AND SHOULD NOT BE USED BY ANYONE OTHER THAN THOSE SPECIFIED PARTIES.

Upatum Lovell & Co. P.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

BENTON, ARKANSAS
MAY 11, 2011

**SALINE COUNTY REGIONAL SOLID WASTE MGMT DISTRICT
WORKING TRIAL BALANCE
APRIL 20, 2011**

Acct#	Description	DR	CR
Current Assets			
10500	Petty Cash	-	-
11000	Cash in Bank - FS Operating	1,334,593.70	-
11100	Cash in Bank - FS Revenue	385,067.15	-
11230	Capital Improv. FS	1,235,143.43	-
11300	Disability Disbursement Account	611.73	-
12000	Accounts Receivable: Customers	45,001.97	-
12010	Allowance for Bad Debts	-	31,562.01
12500	Accounts Receivable: Other	100,000.00	-
12600	Inventory	-	-
13000	Cash: Savings - FS Recycling	227,167.33	-
17200	Closure & Postclosure Trust Fd	1,280,802.82	-
17250	Adjust Investments to FMV	-	8,449.50
18800	Accrued Interest Rec - Debt Sc	8,610.51	-
Total Current Assets		4,576,987.13	
Capital Assets			
14800	Office Equipment	8,107.48	-
15000	Machinery & Equipment	180,407.54	-
15700	Vehicles	31,064.76	-
16000	Accumulated Depreciation	-	159,702.06
Total Capital Assets		59,877.72	
Total Assets		4,636,864.85	
Current Liabilities			
20500	Accounts Payable	-	12,289.33
22000	W/H Payable: Federal & Fica	-	7,514.00
22200	State Withholding Taxes	-	1,947.81
22260	Deferred Grant Revenue	-	124,441.55
Total Current Liabilities			146,192.69
Net Assets, Revenue & Expenses			
28000	Retained Earnings	-	417,602.82
28400	Contributed Capital	-	51,901.35
30500	Sales	-	1,020,791.14
31000	Permits - Revenue	-	3,325.00
31200	Recycling Revnue	-	39,738.45
34500	Miscellaneous Income	-	30,686.69
50100	Salaries	321,069.22	-
51400	FICA	33,358.96	-
53500	Bad Debts	93.78	-
54000	Bank Service Charges	30.00	-
55650	Contract Labor	11,611.20	-
56000	Fuel, Oil and Grease	49,677.41	-
56500	Employee Benefits	72,140.78	-
57000	Supplies Expense	31,890.77	-
58000	Workman Comp Insurance	19,782.00	-
58500	Recycling Expenses	15,055.72	-
59000	Lime Expense	25,515.65	-
59500	General Liability Ins.	6,671.50	-
60500	Licenses	79,231.56	-
61000	Miscellaneous Expense	14,554.45	-
61500	Office Expense	14,256.27	-

Acct#	Description	DR	CR
62500	Professional Fees	87,174.32	-
62550	Professional Dues & Membership	375.00	-
63000	Rent	891.26	-
63420	Leachate Disposal	10,318.80	-
63460	Sand/Gravel	5,320.26	-
63480	Stormwater Repairs	250.83	-
63490	Seeding Projects	9,233.07	-
63500	Repairs & Maintenance	89,774.57	-
63560	Outside Repairs	14,778.64	-
63570	Parts	621.66	-
63800	EQUIPMENT PURCHASES	78.48	-
64100	Water and Gas Testing	31,964.10	-
64550	SALES TAX	31,658.94	-
65500	Telephone	3,835.94	-
66000	Tire Expense	2,750.10	-
66500	Uniforms	4,081.16	-
67000	Utilities	10,045.60	-
67100	Pest Control Fees	860.00	-
68600	Depreciation	186,859.63	-
69000	Interest Expense	139,150.27	-
71000	Interest Income	-	24,894.15
71100	Unrealized Gain/Loss on Investments	18,988.06	-
71200	Trustee Fees	9,992.60	-
72000	Gain on Sale of Asset	-	4,255,675.12
73000	Tires	-	-
Total Net Assets, Revenues & Expenses			<u>4,490,672.16</u>
Total Liabilities, Nets Assets, Revenues & Expenses			<u>4,636,864.85</u>

Yoakum, Lovell & Co., PLC
CERTIFIED PUBLIC ACCOUNTANTS

SALINE COUNTY REGIONAL SOLID WASTE MANAGEMENT DISTRICT

AGREED-UPON PROCEDURES REPORT

APRIL 20, 2011

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