

EAST CENTRAL MISSOURI SOLID
WASTE MANAGEMENT DISTRICT
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

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To the Board of Directors
East Central Solid Waste Management District
Warrenton, Missouri

I have audited the accompanying financial statements of the governmental activities and major fund of East Central Missouri Solid Waste Management District (the District) as of and for the years ended December 31, 2009 and 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose for expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, I express no such opinion. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of East Central Missouri Solid Waste Management District as of December 31, 2009 and 2008, and the respective changes in financial position, for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Charles E. Montgomery, CPA

December 16, 2010

EAST CENTRAL MISSOURI SOLID WASTE MANAGEMENT DISTRICT
GOVERNMENTAL FUNDS –
STATEMENTS OF NET ASSETS
DECEMBER 31, 2009 AND 2008

	2009	2008
ASSETS		
Cash	\$111,399	\$230,645
Cash – restricted	4,167	3,802
Total Assets	\$115,566	\$234,447
LIABILITIES		
Accounts payable	-0-	-0-
Deferred grant revenue	101,126	220,372
Total Liabilities	101,126	220,372
Fund Balances Restricted	\$ 4,167	\$ 3,802
Fund Balances Unrestricted	10,273	10,273
Total Net Assets	\$ 14,440	\$ 14,075

See notes to financial statements.

EAST CENTRAL MISSOURI SOLID WASTE MANAGEMENT DISTRICT
 STATEMENTS OF GOVERNMENTAL FUND REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE YEARS ENDED DECEMBER 31, 2009 AND DECEMBER 31, 2008

	2009	2008
REVENUES		
State grants	\$ -0-	\$296,056
Local dues	-0-	566
Interest income	365	221
Grant revenues (deferred) utilized	119,246	(220,372)
	119,611	76,471
EXPENDITURES - GRANTS		
Program grants	100,560	55,684
Insurance	222	222
Travel and other	-0-	2,604
Administrative Fees	18,464	35,925
	119,246	94,435
EXPENDITURES – LOCAL FUNDS		
Administrative Fees	-0-	-0-
	-0-	-0-
Total Expenditures	119,246	94,435
Excess of Revenues over Expenditures/ (Expenditures over Revenues)	365	(17,964)
Fund Balances – beginning of year	14,075	32,039
Fund Balances – end of year	\$ 14,440	\$ 14,075

See notes to financial statements.

EAST CENTRAL MISSOURI SOLID WASTE MANAGEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The East Central Missouri Solid Waste Management District (the District) was formed to develop and implement a plan for the reduction in solid waste. This plan has a goal set by the State to reduce solid waste by forty percent. The District is administered by a local board of directors.

The accounting policies of the District conform to generally accepted accounting principles applicable to governments. The following is a summary of the significant policies.

Reporting Entity

The District defines its reporting entity in accordance with the provisions of GASB Statement No. 14, The Financial Reporting Entity (GASB 14). GASB 14 requirements for inclusion of component units are based primarily upon whether the District's governing body has any significant amount of financial accountability for potential component units. The District is financially accountable if it appoints a voting majority of a potential component unit, or there is a potential for the potential component unit to provide specific financial benefits to, or impose specific financial burdens on, the District.

Based on these criteria, the District's financial statements include all funds, agencies, boards, commissions and authorities that are controlled by or dependent on the District.

Fund Accounting

The District has organized its accounts on the basis of funds. Each fund is considered a separate accounting entity. The operations of each fund are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures or expenses. District resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the fund financial statements. The District uses only one category of fund, which is the general fund.

Governmental Fund Types

Governmental funds are those through which governmental functions of the District are financed. The acquisition, use, and balances of the District's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income. The following is the District's major governmental fund:

EAST CENTRAL MISSOURI SOLID WASTE MANAGEMENT DISTRICT
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General

General Fund resources may be used for any District purpose. This fund is used to account for all financial resources except those required to be accounted for in another fund.

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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which governmental activities of the government-wide financial statements are prepared. For the District, the governmental fund financial statements and government-wide financial statements are the same.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available. The term available is defined as collectible within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. For the District, available means expected to be received within 60 days of year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Net Assets/Fund Balances

In the government-wide financial statements, net assets are classified as follows:

Unrestricted – the difference between the assets and liabilities that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

A governmental fund may set up “designations” of fund balance to indicate tentative plans for financial resource utilization in a future period. All of the District’s fund balance is unreserved – undesignated, except that amount that represents interest earned on grant funds while held in the District’s bank accounts.

EAST CENTRAL MISSOURI SOLID WASTE MANAGEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

Management's Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

2. BUDGETARY DATA

The District was not legally required to prepare or adopt a budget and, therefore, a budgetary comparison is not presented.

3. RESTRICTED CASH

Restricted cash consists of interest earned on revenues held in District bank accounts until expended. The cash and interest income is restricted to use under conditions specified in grant documents.

4. MISSOURI DEPARTMENT OF NATURAL RESOURCES GRANTS

District Grants

The District has been awarded annual grants from the local funds collected by MDNR that were generated from the tonnage fees imposed on landfills and transfer stations within the District's solid waste management region. These grants are passed-through from the District to recipients who are engaged in various waste reductions, education, recycling, composting and market development activities related to achieving Missouri's waste reduction goals.

Revenues derived from MDNR grant allocations accounted for 99.73% of total revenue in 2008. There were no grant allocations received in 2009.

EAST CENTRAL MISSOURI SOLID WASTE MANAGEMENT DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

5. DISTRICT OPERATIONS

The District contracts with Boonslick Regional Planning Commission (BRPC) to operate the District's program. As part of this contract BRPC reimburses sub grantees on projects and covers most operating expenses. BRPC is reimbursed for payments to sub grantees and is paid an administrative fee for operating the program and operating expenses.

6. CONTINGENT LIABILITIES

Use of federal, state, and local grant funds is subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grant. To the extent such disallowances involve expenditures under the subcontracted arrangements; The District generally has the right of recovery from such third parties. Based on prior experience, management believes The District will not incur significant losses on possible grant disallowances.

7. DEFERRED GRANT REVENUE

Deferred grant revenue liabilities represent funds received by the District on awards to sub-grantees that have not been paid to them as of the date of the balance sheet. These amounts for December 31, 2009 and 2008 were \$101,013 and \$201,573 respectively.

8. DISTRICT'S ELIGIBLE AREA

The following counties comprise the District's eligible area for grants: Lincoln, Warren, Montgomery and Franklin.

EAST CENTRAL MISSOURI SOLID WASTE MANAGEMENT DISTRICT
SCHEDULE OF OBLIGATED GRANTS
AS OF DECEMBER 31, 2008 AND 2009

Grantee	Grant Number	Award Amount	Award Funded	Award Paid	Award De-obligated	Deferred Revenue
Boonslick Regional Planning Commission	I2008-01	33,800	33,800	-0-	33,800	33,800
Beaufort Feed	I2008-02	15,000	15,000	15,000	-0-	-0-
City of Union	I2008-03	15,000	15,000	15,000	-0-	-0-
Route 66 Organic Waste	I2008-05	14,500	14,500	-0-	14,500	14,500
ECMSWMD	I2008-07	20,000	20,000	20,000	-0-	-0-
Lincoln County	I2009-01	25,000	25,000	25,000	-0-	-0-
Lincoln County	I2009-02	9,679	9,679	8,779	900	900
Montgomery County	I2009-03	11,913	11,913	11,013	900	900
Elsberry School District	I2009-04	25,000	25,000	25,000	-0-	-0-
City of St. Clair	I2009-05	8,841	8,841	8,841	-0-	-0-
Hawk Point Elementary	I2009-06	21,375	21,375	21,375	-0-	-0-
Kingdom Projects	I2009-07	15,017	-0-	-0-	-0-	-0-
Warren County Ext Council	I2009-08	10,000	10,000	1,181	8,819	8,819
City of Washington	I2009-09	25,000	22,148	-0-	-0-	22,148
Lincoln County	I2009-10	25,000	25,000	25,000	-0-	-0-
ECMSWMD	I2009-11	38,800	38,800	18,741	-0-	20,059
			296,056	194,930	58,919	101,126

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
East Central Missouri Solid Waste Management District

I have audited the general purpose financial statements of the East Central Missouri Solid Waste Management District, as of and for the years ended December 31, 2009 and 2008, and have issued my report thereon dated December 16, 2010. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Audit Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether East Central Missouri Solid Waste Management District general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control over Financial Reporting

In planning and performing my audit I considered East Central Missouri Solid Waste District's (District) internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be significant deficiencies or material weakness.

A control deficiency 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 misstatements of the District's financial statements on a timely basis. A control deficiency in design exists when a control necessary to meet a control objective is missing or an existing control is not properly designed so that, even if the control operates as designed, a control objective is not always met. A control deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or qualifications to perform the control effectively.

A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the District's financial statements will not be prevented or detected by the District's internal controls.

I noted no matters that I consider to be control deficiencies, significant deficiencies or material weaknesses.

This report is intended solely for the information and use of the audit committee, management, State of Missouri and its pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Charles E. Montgomery
Certified Public Accountant

December 16, 2010