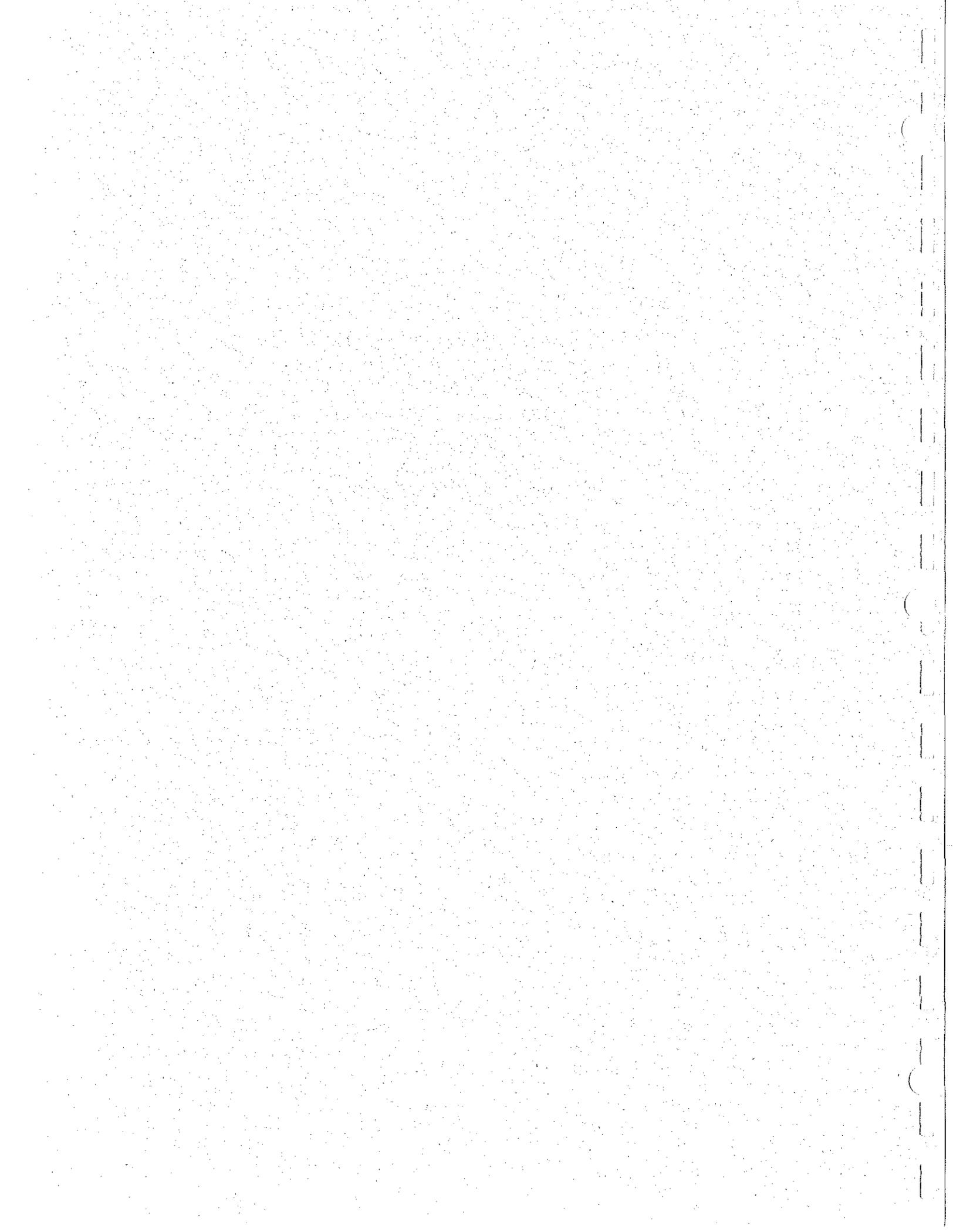


**QUAD-LAKES SOLID WASTE
MANAGEMENT DISTRICT
CLINTON, MISSOURI**

**FINANCIAL STATEMENTS
(With Independent Auditors'
Report Thereon)**

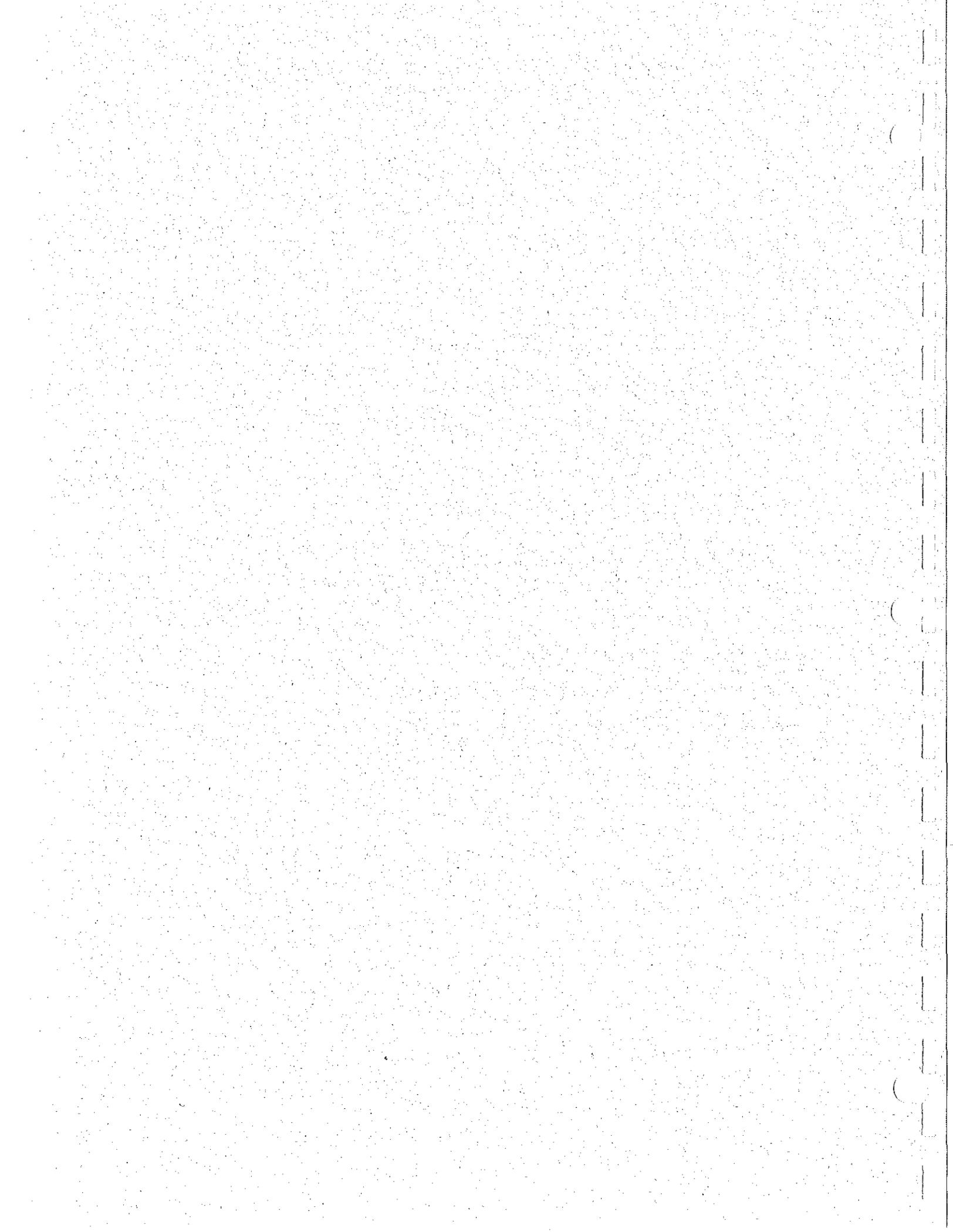
JUNE 30, 2009 AND 2008



**QUAD-LAKES SOLID WASTE MANAGEMENT DISTRICT
CLINTON, MISSOURI**

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SECTION I
FINANCIAL STATEMENTS

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

December 23, 2009

Executive Committee
Quad-Lakes Solid Waste
Management District
Clinton, Missouri

We have audited the financial statements of the governmental activities and each major fund of Quad-Lakes Solid Waste Management District as of and for the years ending June 30, 2009 and 2008, which collectively comprise Quad-Lakes Solid Waste Management District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Quad-Lakes Solid Waste Management District's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

Quad-Lakes Solid Waste Management District has not presented a management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

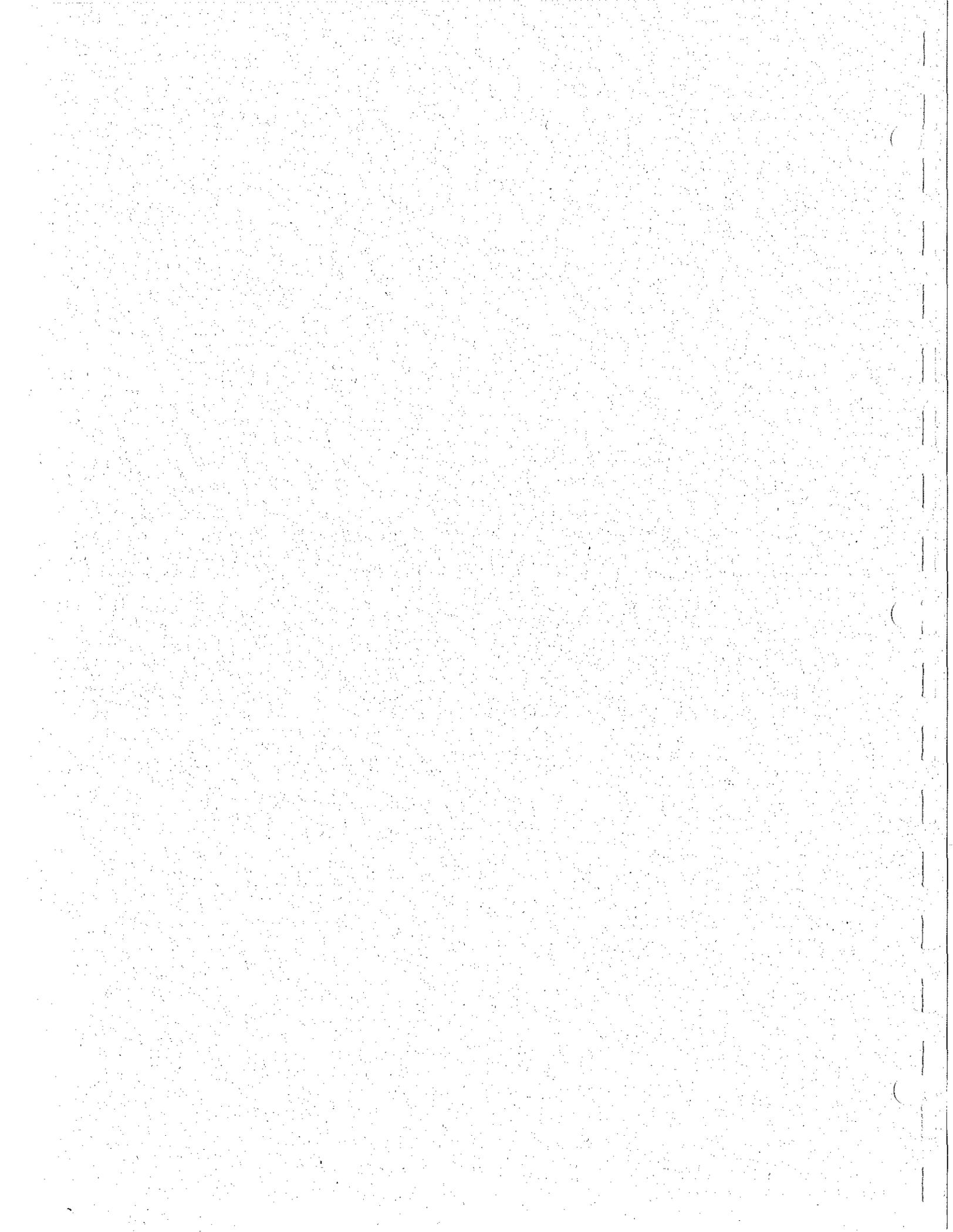
As described in Note 1D, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the governmental activities and each major fund of Quad-Lakes Solid Waste Management District as of June 30, 2009 and 2008, and the respective changes in financial position for the years then ended in conformity with the basis of accounting described in Note 1D.

In accordance with Government Auditing Standards, we have also issued a report dated December 23, 2009, on our consideration of Quad-Lakes Solid Waste Management District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards, and important for assessing the results of our audits.

Arthur White & Associates, L.L.C.

ARTHUR WHITE & ASSOCIATES, L.L.C.



**QUAD-LAKES SOLID WASTE MANAGEMENT DISTRICT
CLINTON, MISSOURI**

**STATEMENTS OF NET ASSETS - MODIFIED CASH BASIS
JUNE 30, 2009 AND 2008**

	<u>Primary Government Governmental Activities</u>	
	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash	\$ 82,239	\$ 82,332
Note receivable - related party	17,000	20,000
Total current assets	99,239	102,332
TOTAL ASSETS	\$ 99,239	\$ 102,332
<u>NET ASSETS</u>		
NET ASSETS - MODIFIED CASH BASIS:		
Unrestricted	\$ 99,239	\$ 102,332
TOTAL NET ASSETS - MODIFIED CASH BASIS	\$ 99,239	\$ 102,332

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JAN 27 2010
SWMP OPERATIONS

See Notes to Financial Statements.

**QUAD-LAKES SOLID WASTE MANAGEMENT DISTRICT
CLINTON, MISSOURI**

**STATEMENTS OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008**

Functions and Programs	2009			Net Revenue and Change in Net Assets Primary Government Governmental Activities
	<u>Expenditures</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Primary Government: Governmental Activities: Waste management	<u>\$ 107,768</u>	<u>\$ -</u>	<u>\$ 101,821</u>	<u>\$ (5,947)</u>
General Revenues: Interest				<u>2,854</u>
Total general revenues				<u>2,854</u>
Change in net assets				<u>(3,093)</u>
Net Assets - Modified Cash Basis - Beginning of year				<u>102,332</u>
Net Assets - Modified Cash Basis - End of year				<u>\$ 99,239</u>

2008				Net Revenue and Change in Net Assets
Functions and Programs	<u>Expenditures</u>	<u>Program Revenues</u>		<u>Primary Government Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Primary Government: Governmental Activities:				
Waste management	<u>\$ 118,952</u>	<u>\$ -</u>	<u>\$ 119,015</u>	<u>\$ 63</u>
General Revenues:				
Interest				<u>5,669</u>
Total general revenues				<u>5,669</u>
Change in net assets				5,732
Net Assets - Modified Cash Basis - Beginning of year				<u>96,600</u>
Net Assets - Modified Cash Basis - End of year				<u>\$ 102,332</u>

See Notes to Financial Statements.

**QUAD-LAKES SOLID WASTE MANAGEMENT DISTRICT
CLINTON, MISSOURI**

**BALANCE SHEETS - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
JUNE 30, 2009 AND 2008**

	2009		
	Governmental Funds		
	General	Special Revenue	Total
<u>ASSETS</u>			
ASSETS:			
Cash	\$ 39,743	\$ 42,496	\$ 82,239
Note receivable - related party	17,000		17,000
TOTAL ASSETS	\$ 56,743	\$ 42,496	\$ 99,239
<u>FUND EQUITY</u>			
FUND EQUITY:			
Fund balance - unreserved and undesignated	\$ 55,984	\$ 43,255	\$ 99,239
TOTAL FUND EQUITY	\$ 55,984	\$ 43,255	\$ 99,239

		2008		
		<u>Governmental Funds</u>		
		<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
<u>ASSETS</u>				
ASSETS:				
Cash		\$ 38,933	\$ 43,399	\$ 82,332
Note receivable - related party		20,000		20,000
TOTAL ASSETS		<u>\$ 58,933</u>	<u>\$ 43,399</u>	<u>\$ 102,332</u>
<u>FUND EQUITY</u>				
FUND EQUITY:				
Fund balance - unreserved and undesignated		<u>\$ 58,933</u>	<u>\$ 43,399</u>	<u>\$ 102,332</u>
TOTAL FUND EQUITY		<u>\$ 58,933</u>	<u>\$ 43,399</u>	<u>\$ 102,332</u>

See Notes to Financial Statements.

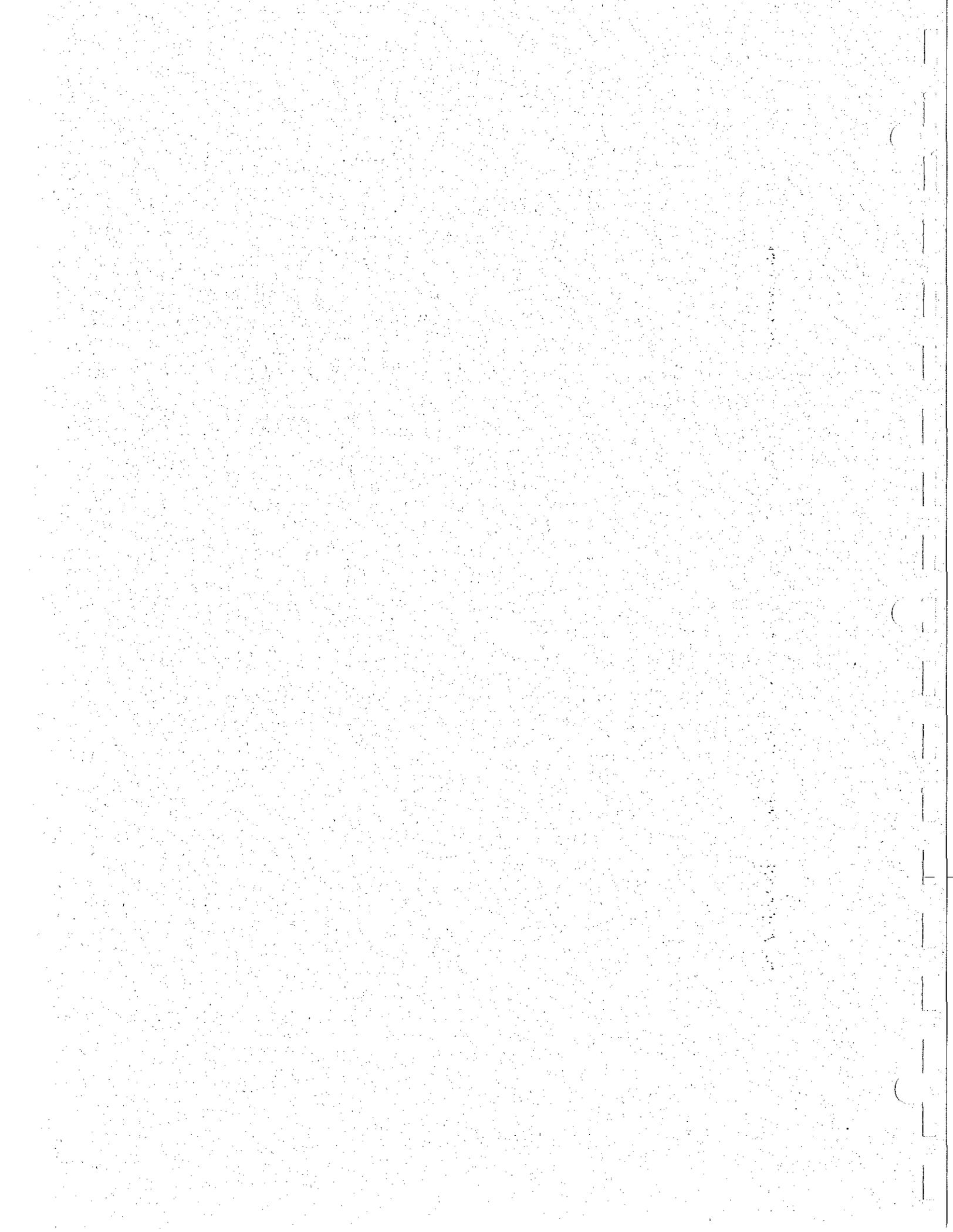
**QUAD-LAKES SOLID WASTE MANAGEMENT DISTRICT
CLINTON, MISSOURI**

**STATEMENTS OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL
FUNDS - MODIFIED CASH BASIS
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008**

	2009		
	Governmental Funds		
	General	Special Revenue	Total
REVENUES:			
Intergovernmental revenue:			
State revenue	\$ 30,000	\$ 65,000	\$ 95,000
Member assessments	6,821		6,821
Interest	2,095	759	2,854
Total	<u>38,916</u>	<u>65,759</u>	<u>104,675</u>
EXPENDITURES:			
Current:			
Program		65,903	65,903
Administration	33,152		33,152
Insurance	3,986		3,986
Miscellaneous	4,727		4,727
Total	<u>41,865</u>	<u>65,903</u>	<u>107,768</u>
NET CHANGE IN FUND BALANCE	(2,949)	(144)	(3,093)
FUND BALANCE - Beginning of year	<u>58,933</u>	<u>43,399</u>	<u>102,332</u>
FUND BALANCE - End of year	<u>\$ 55,984</u>	<u>\$ 43,255</u>	<u>\$ 99,239</u>

	2008		
	Governmental Funds		
	General	Special Revenue	Total
REVENUES:			
Intergovernmental revenue:			
State revenue	\$ 30,000	\$ 82,348	\$ 112,348
Member assessments	6,667		6,667
Interest	2,828	2,841	5,669
Total	<u>39,495</u>	<u>85,189</u>	<u>124,684</u>
EXPENDITURES:			
Current:			
Program		84,336	84,336
Administration	30,000		30,000
Insurance	2,116		2,116
Miscellaneous	2,500		2,500
Total	<u>34,616</u>	<u>84,336</u>	<u>118,952</u>
NET CHANGE IN FUND BALANCE	4,879	853	5,732
FUND BALANCE - Beginning of year	<u>54,054</u>	<u>42,546</u>	<u>96,600</u>
FUND BALANCE - End of year	<u>\$ 58,933</u>	<u>\$ 43,399</u>	<u>\$ 102,332</u>

See Notes to Financial Statements.



**QUAD-LAKES SOLID WASTE MANAGEMENT DISTRICT
CLINTON, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization:

The Quad-Lakes Solid Waste Management District (the District) is organized under the Missouri Solid Waste Management Law (Senate Bill 530, RSMo Chapter 260.200 through 260.432 and Chapter 477.071). The District operates under the direction of an Executive Board primarily composed of members who represent the local units of government within the boundaries of the region. The District provides the following services as authorized by its charter: cooperation for the planning, development, operation, and maintaining of solid waste disposal services and facilities for and on the behalf of the counties of Bates, Benton, Cedar, Henry, Hickory and St. Clair and the cities within these counties.

B. Principles Determining Scope of Reporting Entity:

The District's reporting entity includes the District's governing board and all related organizations for which the District exercises oversight responsibility.

The District has developed criteria to determine whether outside agencies should be included within its financial reporting entity. The criteria include, but are not limited to, whether the District exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The District has determined that no other outside agency meets the above criteria and, therefore, no other agency has been included as a component in the District's financial statements. In addition, the District is not aware of any entity which would exercise such oversight resulting in the District being considered a component unit of another entity.

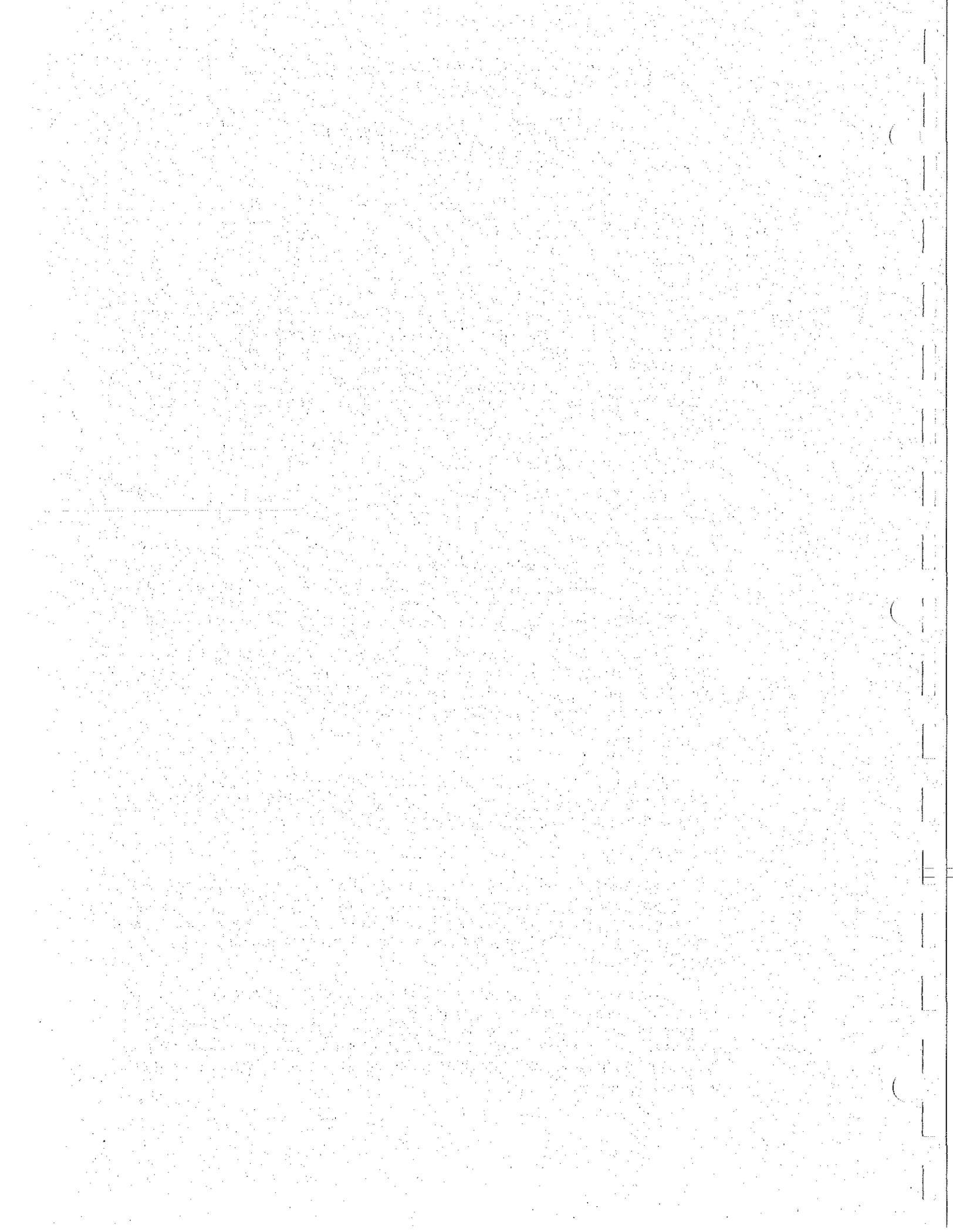
C. Accounting Estimates:

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

D. Basis of Presentation:

The accounting records are maintained on the modified cash basis of accounting. The modified cash basis of accounting generally omits recognition of accounts receivable, pre-paid expenses, accounts payable, and accrued expenses. These items would need to be recognized for the financial statements to be in accordance with accounting principles generally accepted in the United States of America.

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the District as a whole excluding fiduciary activities, with interfund activities removed. Governmental activities include programs supported primarily by taxes, state and federal grants, local sources, and other intergovernmental revenues. The District has no business-type activities that rely, to a significant extent, on fees and charges for support.



**QUAD-LAKES SOLID WASTE MANAGEMENT DISTRICT
CLINTON, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2009 AND 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

D. Basis of Presentation, Continued:

The Statement of Activities demonstrates the degree to which the direct expenditures of a given function are offset by program revenues. Direct expenditures are those clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants, contributions and interest on investments restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

The accounts of the District are organized on the basis of funds, each of which is a separate accounting entity. The operations of each fund are accounted for through a set of self-balancing accounts which comprise its assets, liabilities, fund equity, revenues, and expenditures. The following funds are used by the District:

Governmental Funds:

General Fund - The General Fund is the main operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund - The Special Revenue Fund is used to account for revenues derived from earmarked revenue sources that are restricted to disbursement for specified purposes.

The major sources of revenues are grants, state financial assistance, and other receipts as discussed below:

State Grant Revenue - Grant revenue is recognized in the period received, regardless of the period it is related to. Such revenue is subject to review by the funding agency and may result in disallowance in subsequent periods.

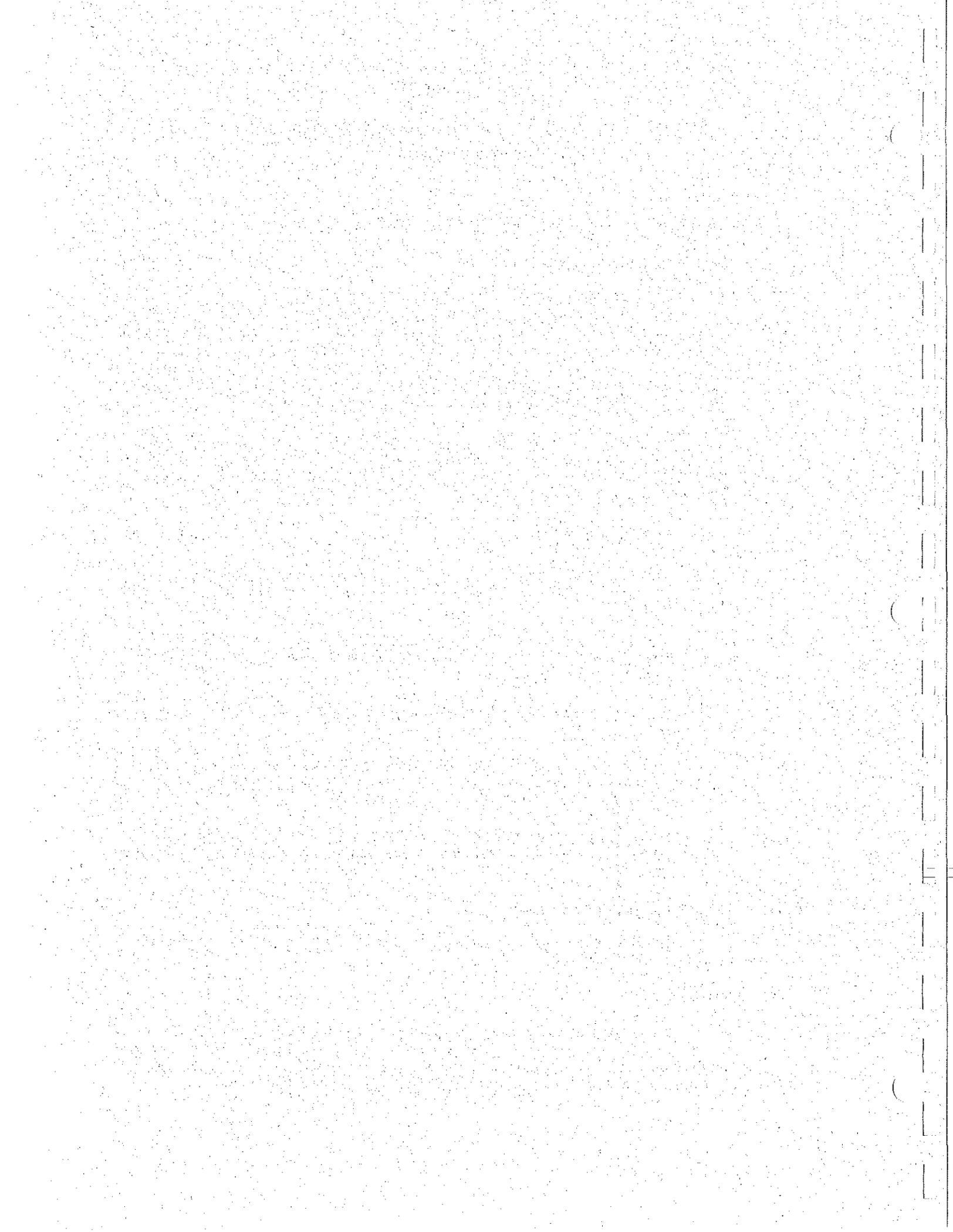
Other Revenues - Other revenues are composed primarily of interest and charges for services. Interest income and charges for services are recorded as revenue when received.

E. Allowance for Doubtful Accounts:

No allowance for doubtful accounts has been provided, as the District believes the receivable will be collected.

F. Capital Assets:

Purchased capital assets are recorded as expenditures in the fund for which the item is intended to be used. Since accounting records are maintained on the modified cash basis of accounting, capital acquisitions are also reflected as expenditures on the government-wide statement of activities. No depreciation has been provided on capital assets.



**QUAD-LAKES SOLID WASTE MANAGEMENT DISTRICT
CLINTON, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2009 AND 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

G. Restricted Resources:

It is the District's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

H. Budgets and Budgetary Accounting:

The District planner submits to the executive committee a proposed annual operating budget for adoption by the executive committee prior to the beginning of the fiscal year. The executive committee will also approve the budget and any budget amendments at the end of the fiscal year. The operating budget covers all funds and includes proposed revenues and expenditures for the upcoming year.

The District's primary funding source is state grants which have grant periods that may or may not coincide with the District's fiscal year. These grants normally are for a twelve-month period; however, they can be awarded for periods shorter or longer than twelve months.

Because of the District's dependency on federal, state and local budgetary decisions, revenue estimates are based upon the best available information as to potential sources of funding at the time the budget is adopted.

The resultant annual budget is subject to constant change within the fiscal year due to: increases or decreases in actual grant awards from those estimated, changes in grant periods, unanticipated grant awards not included in the budget, and expected grant awards which fail to materialize.

Expenditures of governmental funds for the year ended June 30, 2008, were in excess of budgeted expenditures.

I. Fair Value:

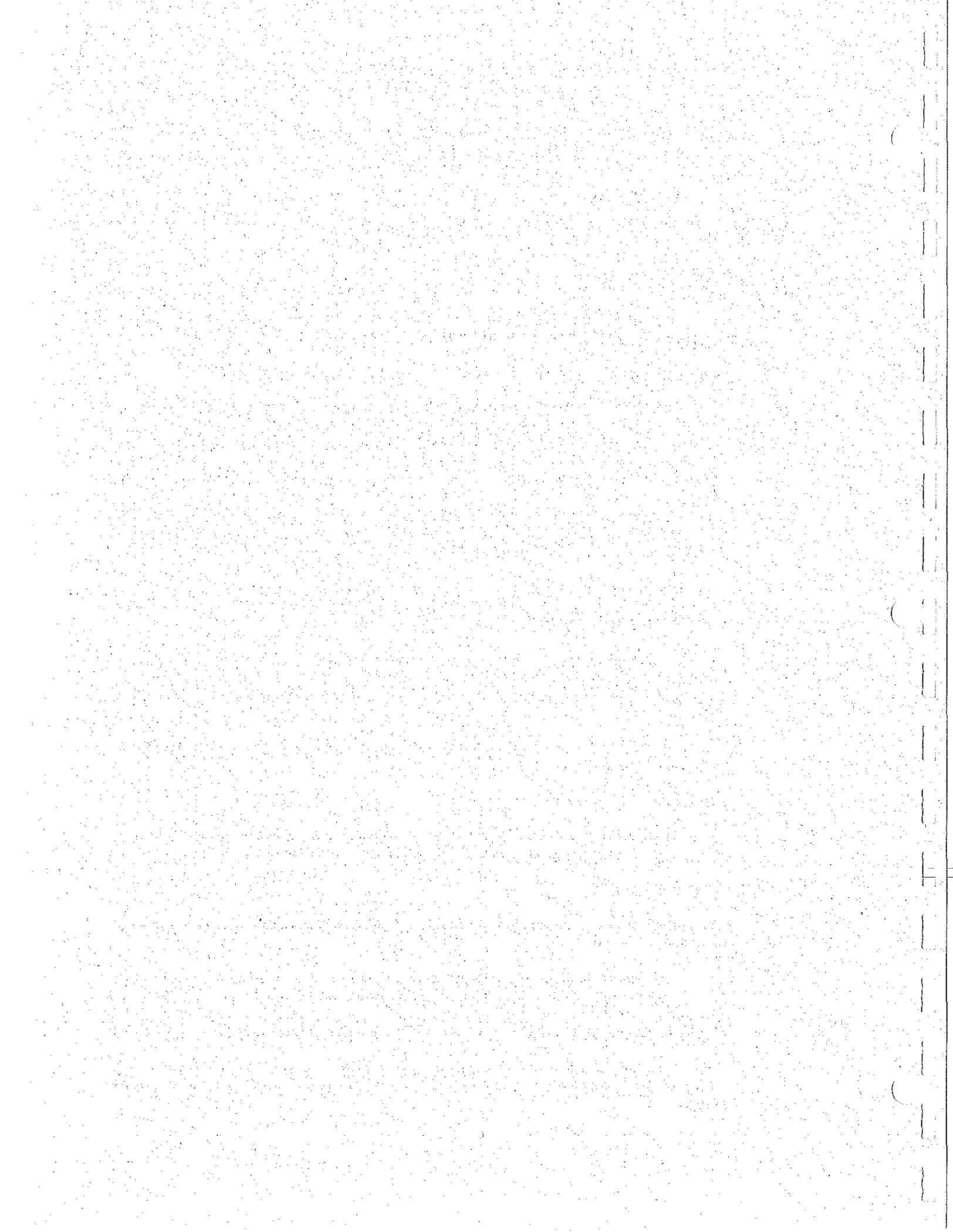
Cash deposits are reported at carrying amount, which reasonably approximates fair value. The note receivable is carried at cost which reasonably approximates fair value.

2. CASH AND INVESTMENTS

The District complies with various restrictions on deposits and investments which are imposed by state statute as follows:

All deposits with financial institutions must be collateralized in an amount at least equal to uninsured deposits. At June 30, 2009, the bank balance of the District's deposits was \$82,538, which was covered by federal depository insurance. At June 30, 2008, the bank balance of the District's deposits was \$87,875, which was covered by federal depository insurance.

The District may invest in certificates of deposit, bonds of the State of Missouri or any wholly owned corporation of the United States, or in other short-term obligations of the United States.



**QUAD-LAKES SOLID WASTE MANAGEMENT DISTRICT
CLINTON, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2009 AND 2008**

3. NOTE RECEIVABLE

The District has a note receivable from the Kaysinger Basin Regional Planning Commission (Commission) in the amount of \$17,000 and \$20,000 as of June 30, 2009 and 2008, respectively. This note bears an interest rate of 4.5% and has no maturity date. The note is unsecured.

4. RELATED PARTY TRANSACTIONS

The District is related to Kaysinger Basin Regional Planning Commission (Commission) by having the Commission provide administration services of the District's operations. Administration expenses of \$30,000 were paid to the Commission in each of the years ended June 30, 2009 and 2008.

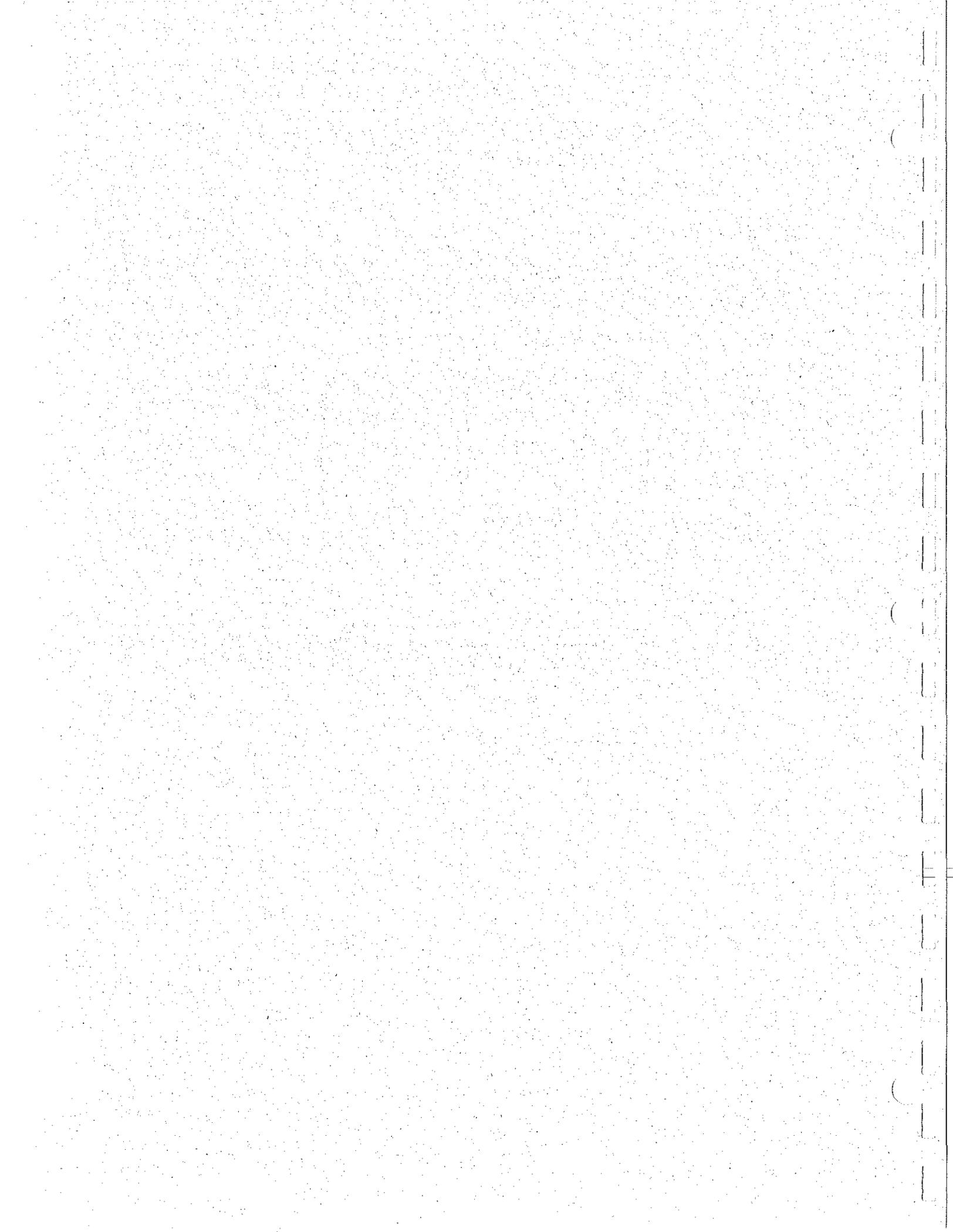
The note receivable discussed in Note 3 is also a related party transaction with the Commission.

5. ECONOMIC DEPENDENCY

The District receives a substantial amount of its support from the state government. If a significant reduction in this level of government support were to occur, it may have an effect on the District's programs.

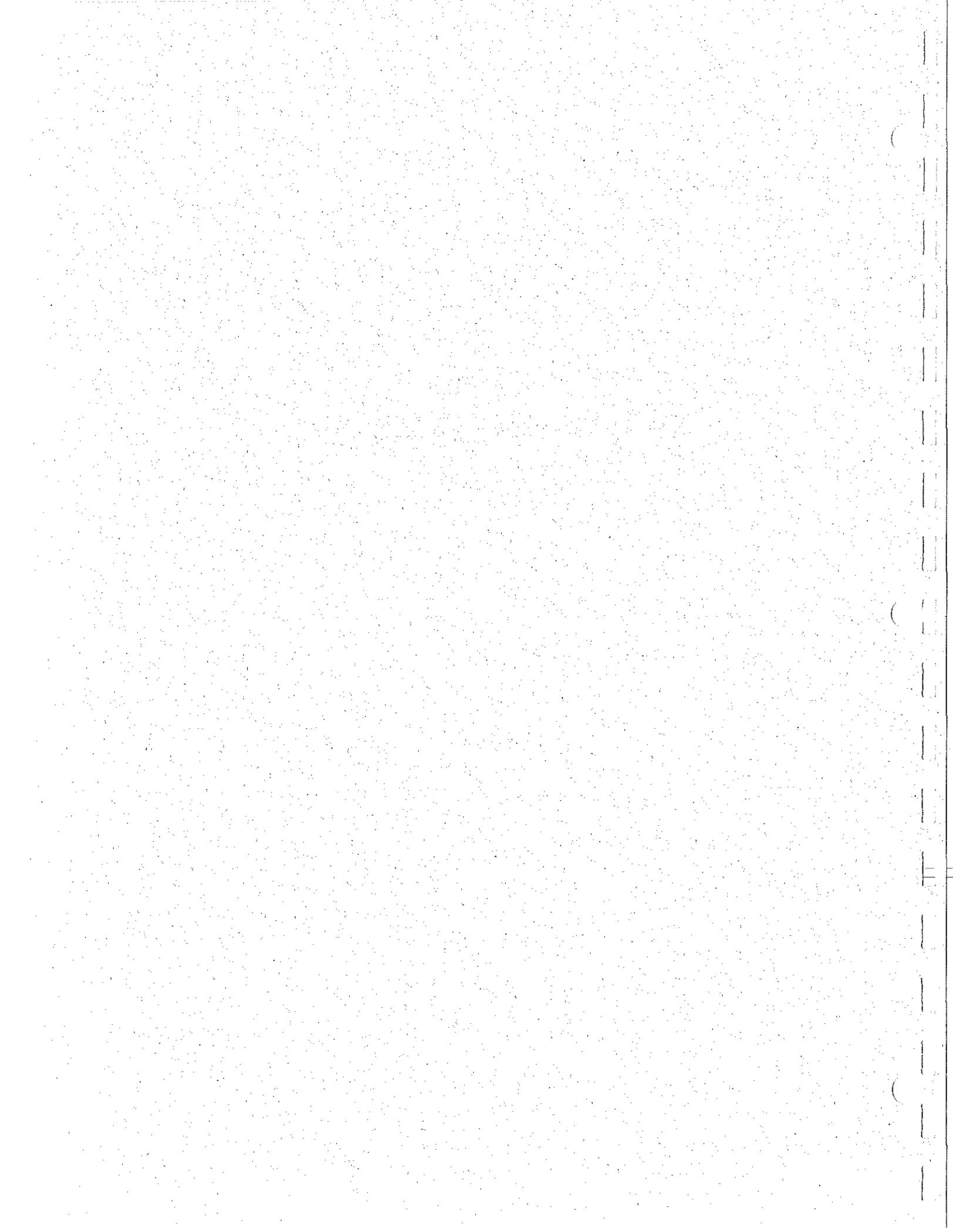
6. CONTINGENCY

The District receives state funding for specific purposes that are subject to review and audit. These reviews and audits could lead to requests for reimbursement or to withholding of future funding for expenditures disallowed under, or other noncompliance with, the terms of the grants and funding.



SECTION II

COMPLIANCE AND INTERNAL CONTROL



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**INDEPENDENT AUDITORS' 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**

December 23, 2009

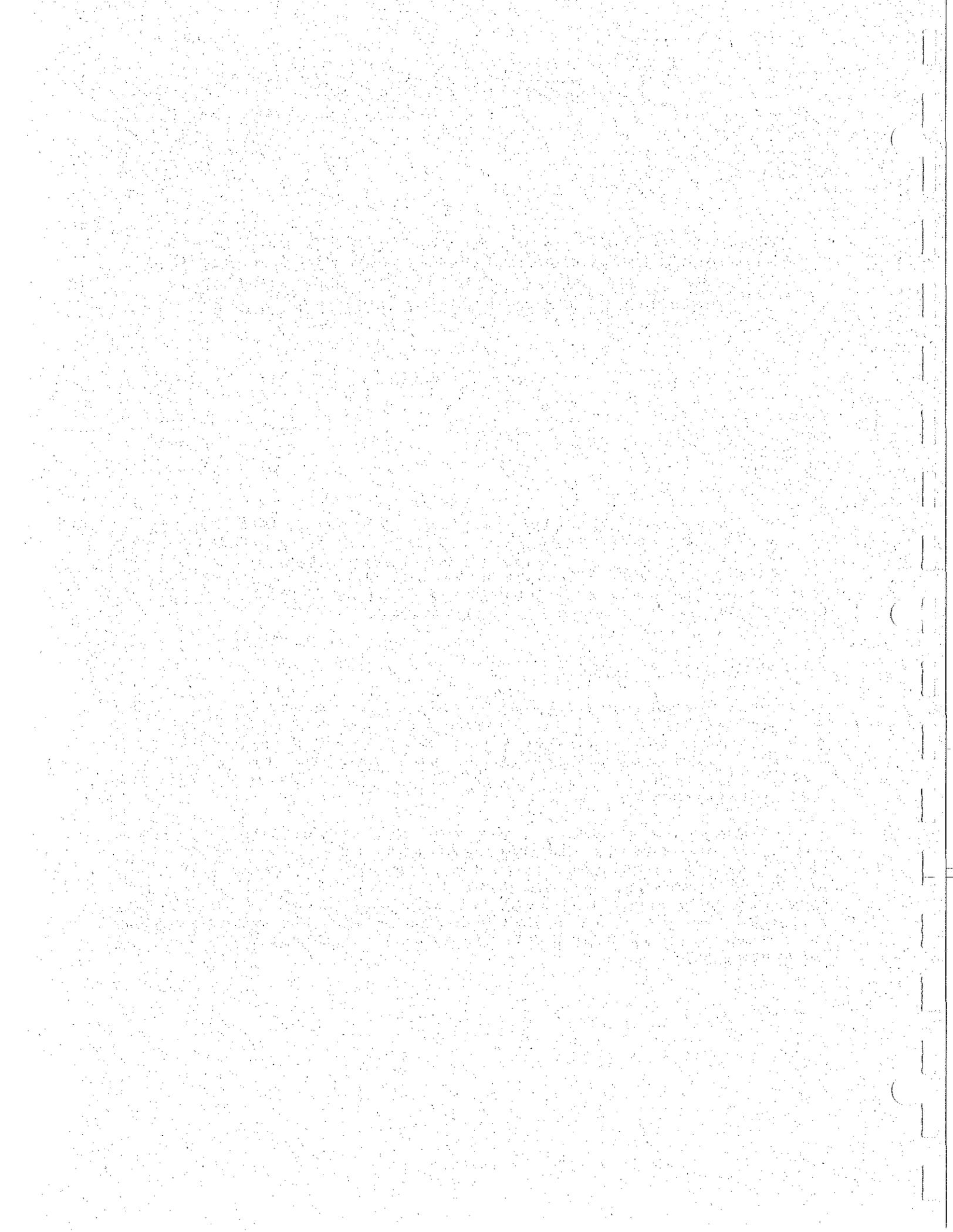
Executive Committee
Quad-Lakes Solid Waste
Management District
Clinton, Missouri

We have audited the financial statements of the governmental activities and each major fund of Quad-Lakes Solid Waste Management District as of and for the years ended June 30, 2009 and 2008, which collectively comprise the Quad-Lakes Solid Waste Management District's basic financial statements and have issued our report thereon dated December 23, 2009. We conducted our audits 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Quad-Lake Solid Waste Management District's internal control over financial reporting as a basis for designing our auditing procedures 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 Quad-Lake Solid Waste Management District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Quad-Lake Solid Waste Management District's internal control over financial reporting.

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 on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Quad-Lake Solid Waste Management 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 Quad-Lake Solid Waste Management District's financial statements that is more than inconsequential will not be prevented or detected by the Quad-Lake Solid Waste Management District's internal control.



Executive Committee
Quad-Lakes Solid Waste
Management District

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Quad-Lake Solid Waste Management's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Quad-Lakes Solid Waste Management District's financial statements are free of 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 instances of noncompliance or other matters, as described below, which are required to be reported under Government Auditing Standards.

BUDGETARY PRACTICES

Condition: As discussed in note 1H in the notes to the financial statements, expenditures were in excess of the approved budget for the year ended June 30, 2008.

Criteria: Section 67.080, RSMo, prohibits expenditures in excess of the approved budget

Effect: Quad-Lakes Solid Waste Management District was not in compliance with Section 67.080 RSMo.

Cause: District oversight.

Recommendation: We recommend Quad-Lakes Solid Waste Management District review the budget and make amendments so that expenditures will not be in excess of budgeted amounts.

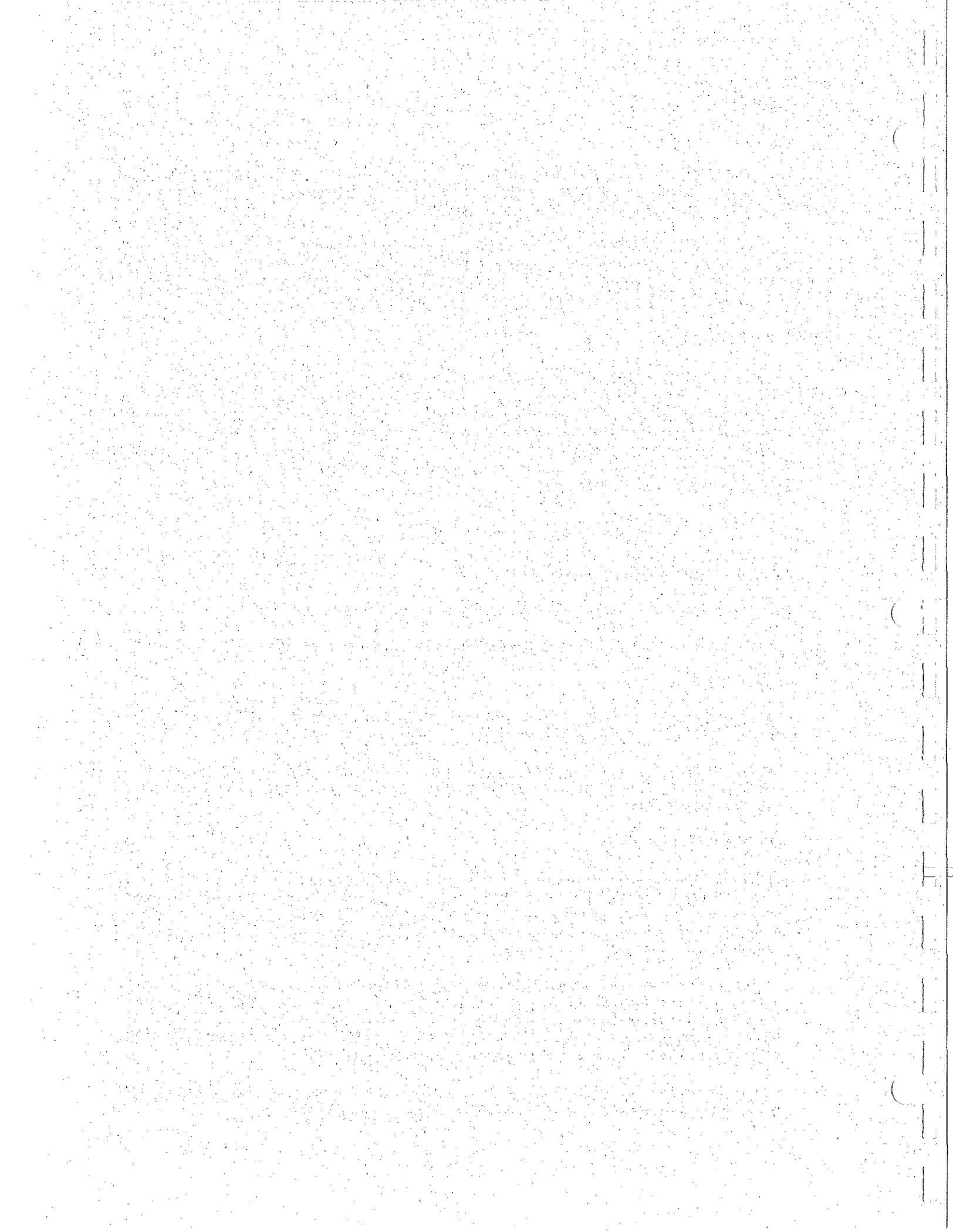
Response: Quad-Lakes Solid Waste Management District will review the budget more closely in the future and make amendments when necessary. Actual expenditures did not exceed budgeted expenditures for the year ended June 30, 2009.

CONFLICT OF INTEREST

Condition: Several members of the executive board and management council also are a part of the management structure of Kaysinger Basin Regional Planning Commission and Kaysinger Recycling and Disposal, Inc. These two entities receive a substantial portion of the District's funding. There was no documentation in the minutes of the board meetings that these members abstained from evaluating and voting on projects awarded to the two entities.

Criteria: 10 CSR 80-9.050(1) (C) 4 states that funds are not to be awarded to a project whose applicant is directly involved in the evaluation and selection of that project. Additionally, Missouri Department of Natural Resources General Terms and Conditions does not allow an applicant to participate in any decision related to a subgrant which could result in a real or apparent conflict of interest including "any decision which would affect their personal or pecuniary interest, directly or indirectly."

Effect: The District was not in compliance with the district grant rule and the Missouri Department of Natural Resources General Terms and Conditions with regard to the conflict of interest.



Cause: District oversight.

Recommendation: We recommend Quad-Lakes Solid Waste Management District update their conflict of interest policy to be in compliance with the district grant rule and Missouri Department of Natural Resources General Terms and Conditions.

Response: Quad-Lakes Solid Waste Management District executive board has adopted revised by-laws addressing the conflict of interest policy to be in compliance with the district grant rule and the Missouri Department of Natural Resources General Terms and Conditions.

UNAPPROVED LOAN TO KAYSINGER BASIN REGIONAL PLANNING COMMISSION

Condition: Quad-Lakes Solid Waste Management District extended a \$20,000 loan to the Kaysinger Basin Regional Planning Commission in September of 2005. The parties to the loan did not create and sign a legally binding agreement. No documentation is available showing approval by Missouri Department of Natural Resources.

Criteria: 10 CSR 80-9.050(4)(B) states that "Accounting records must be supported by source documentation such as cancelled checks, paid bills, payrolls, time and attendance records, contract, and agreement award documents."

Effect: Quad-Lakes Solid Waste Management District is not in compliance with 10CSR 80-9.050(4)(B).

Cause: District oversight.

Recommendation: We recommend Quad-Lakes Solid Waste Management District recover these funds.

Response: Quad-Lakes Solid Waste Management District did obtain a promissory note though it was deemed inadequate in identifying repayment terms and other important information. Quad-Lakes Solid Waste Management District is working with the Missouri Department of Natural Resources to resolve the issue.

INADEQUATE COLLATERALIZATION OF BANK ACCOUNTS

Condition: Quad-Lakes Solid Waste Management District at various times had bank deposits in excess of the FDIC depository insurance.

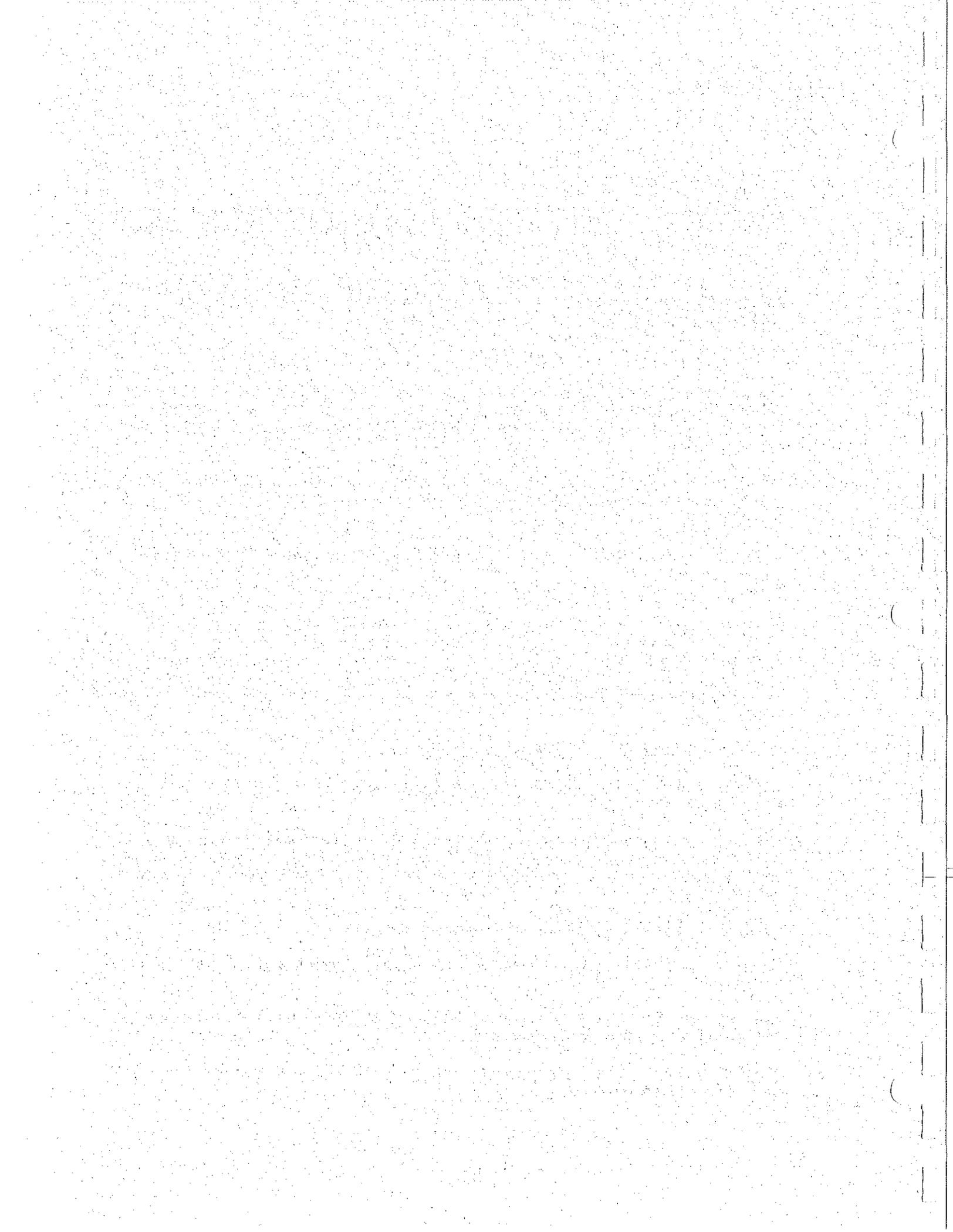
Criteria: Missouri Department of Natural Resources General Terms and Conditions state that "Effective control and accountability must be maintained for all subgrantee cash, real and personal property, and other assets. Subgrantees must adequately safeguard all such property and must assure that it is used solely for authorized purposes."

Effect: Quad-Lakes Solid Waste Management District was at risk of loss.

Cause: District was unaware of how to secure collateralization of funds in excess of FDIC depository insurance.

Recommendation: We recommend Quad-Lakes Solid Waste Management District monitor bank balances and safeguard balances in excess of FDIC coverage.

Response: Quad-Lakes Solid Waste Management District will more closely monitor bank balances and obtain collateralization if necessary.



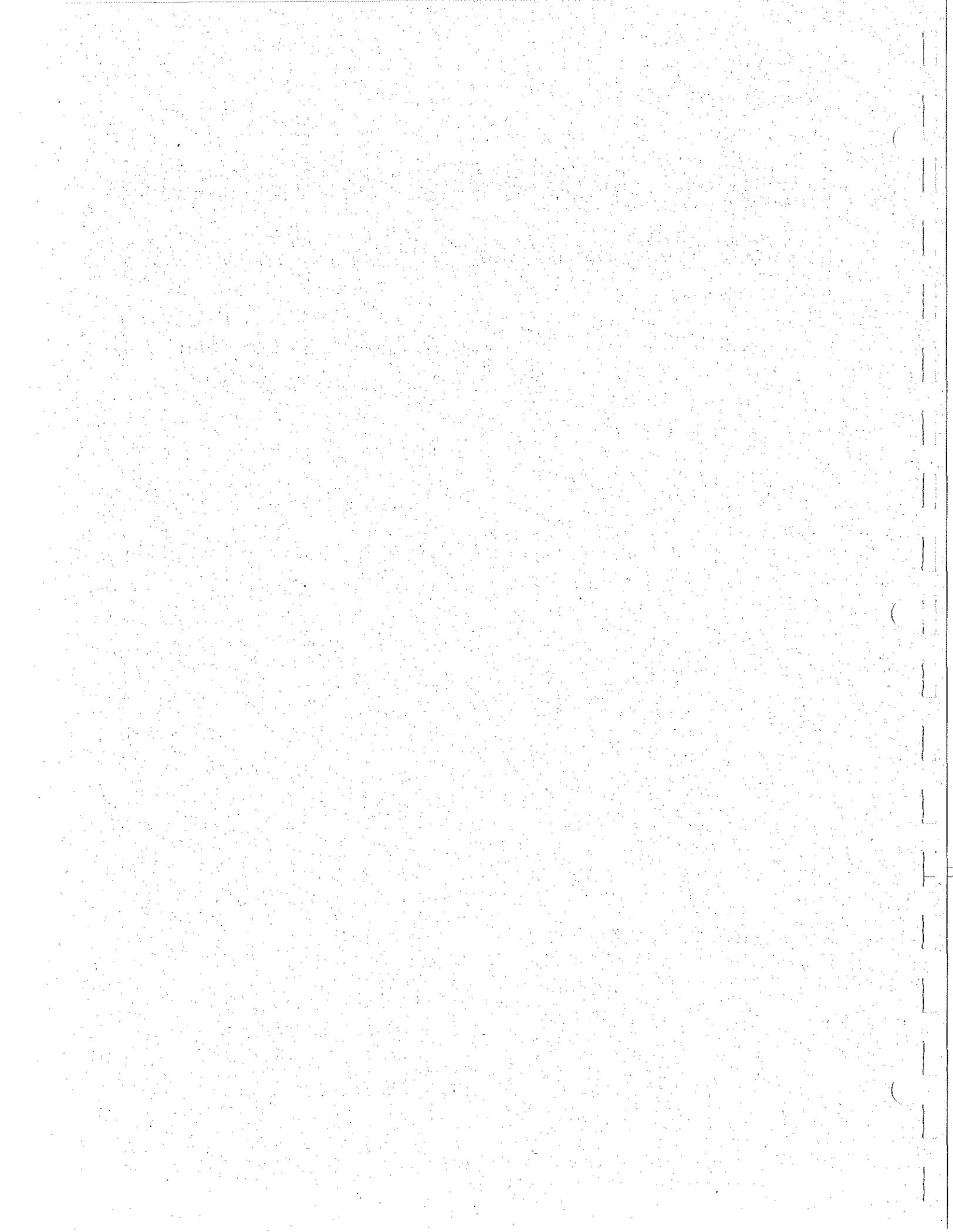
Executive Committee
Quad-Lakes Solid Waste
Management District

Quad-Lakes Solid Waste Management District's responses to the findings identified in our audit are described above. We did not audit Quad-Lakes Solid Waste Management District's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the executive committee, management, and the state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Arthur White & Associates, L.L.C.

ARTHUR WHITE & ASSOCIATES, L.L.C.



**QUAD-LAKES SOLID WASTE MANAGEMENT DISTRICT
CLINTON, MISSOURI**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008**

06-01 Failure of District to Comply with District By-laws

Condition: The District did not adopt an annual budget.

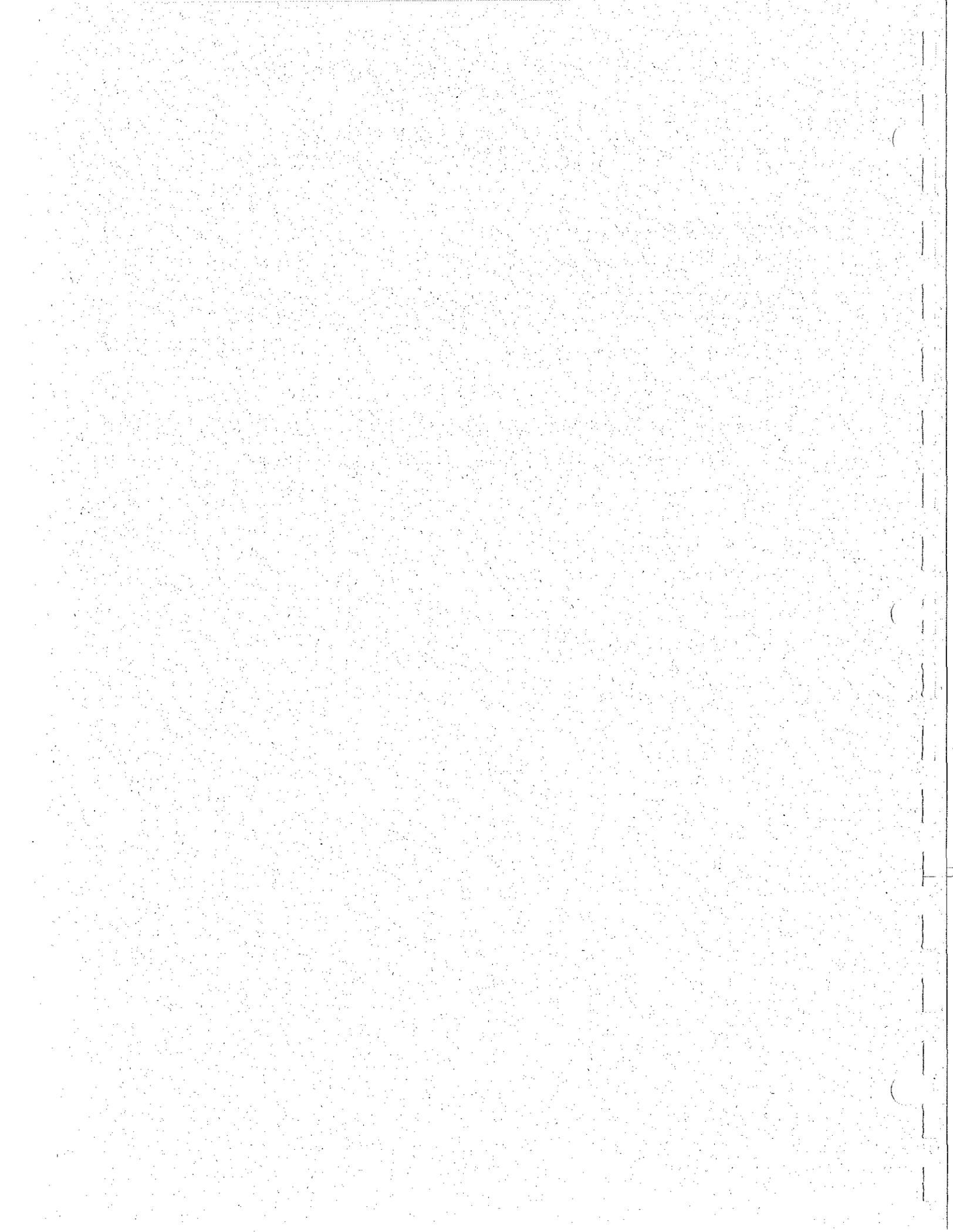
Criteria: Article IV, A, 2, K, (2) of Quad-Lakes Solid Waste Management District by-laws specifies that the Budget and Finance Committee shall review and recommend an annual program budget.

Effect: The District was not in compliance with its by-laws.

Cause: Board oversight.

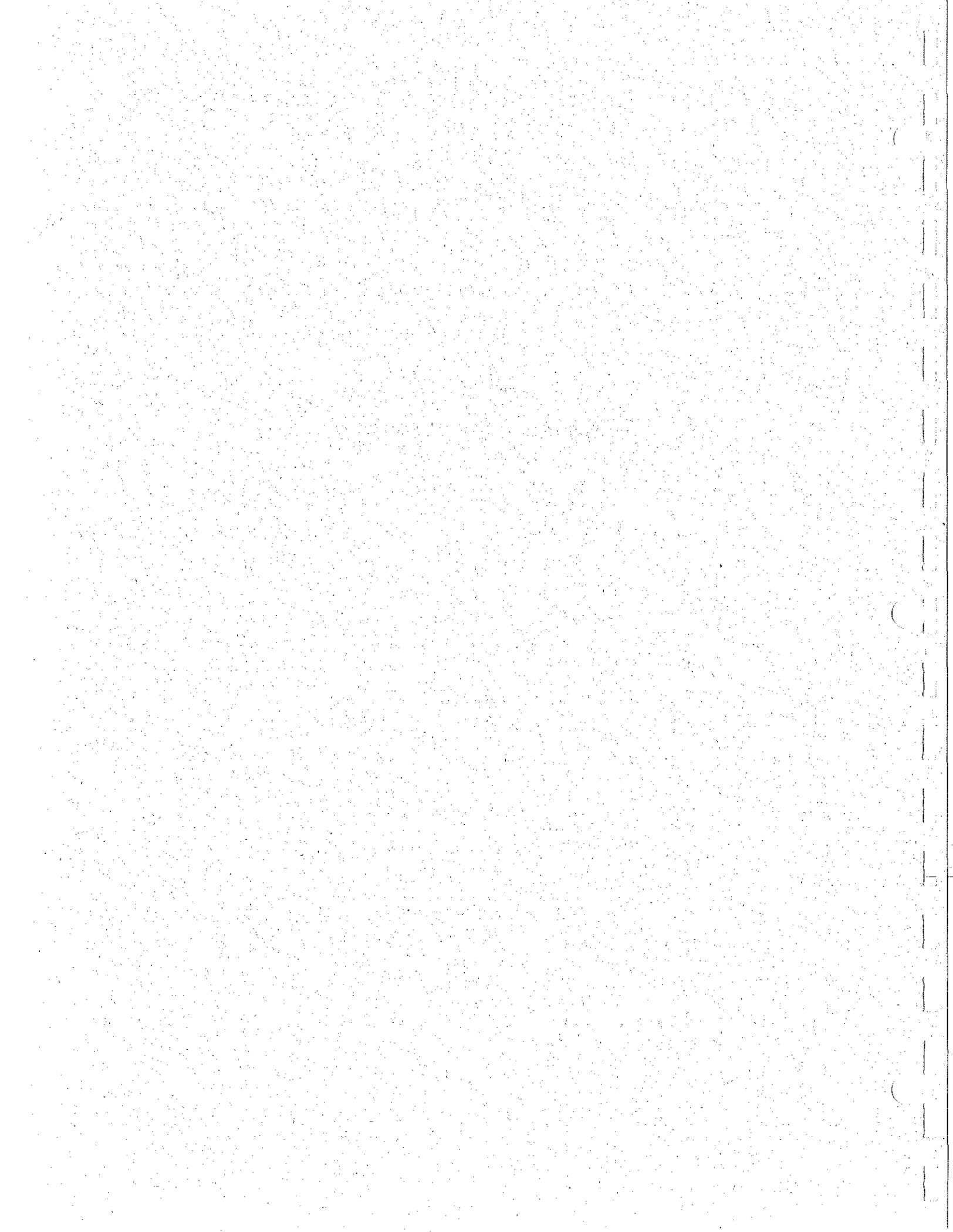
Recommendation: We recommended that the District monitor to ensure that by-laws are complied with.

Status: The District started adopting an annual budget for the year ended June 30, 2007.



SECTION III

SUPPLEMENTAL SCHEDULES



ARTHUR WHITE & ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

302 Main Street
Tarkio, Missouri 64491
Telephone (660) 736-5811
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2400 Frederick, Suite 500
St. Joseph, Missouri 64506
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**INDEPENDENT AUDITORS' REPORT ON
REQUIRED SUPPLEMENTARY INFORMATION**

December 23, 2009

Executive Committee
Quad-Lakes Solid Waste
Management District
Clinton, Missouri

Our report on our audit of the basic financial statements – modified cash basis of Quad-Lakes Solid Waste Management District for the years ended June 30, 2009 and 2008, appears on page 1. This audit was conducted for the purpose of forming opinions on the basic financial statements taken as a whole. The required supplementary information on page 16 is not a required part of the basic financial statements, but is supplementary information required by the modified cash basis of accounting. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Arthur White & Associates, L.L.C.

ARTHUR WHITE & ASSOCIATES, L.L.C.

**QUAD-LAKES SOLID WASTE MANAGEMENT DISTRICT
CLINTON, MISSOURI**

**SUPPLEMENTAL SCHEDULES OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET VS. ACTUAL -
GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008**

	2009		
	Original & Final Budget	Actual	Variance
REVENUES:			
Intergovernmental revenue:			
State revenue	\$ 95,000	\$ 95,000	\$ -
Membership assessments	6,667	6,821	154
Interest	2,726	2,854	128
Total	<u>104,393</u>	<u>104,675</u>	<u>282</u>
EXPENDITURES:			
Current:			
Program	103,708	65,903	37,805
Administration	30,000	33,152	(3,152)
Insurance	4,033	3,986	47
Professional fees	1,700		1,700
Miscellaneous	5,794	4,727	1,067
Total	<u>145,235</u>	<u>107,768</u>	<u>37,467</u>
NET CHANGE IN FUND BALANCE	<u>\$ (40,842)</u>	<u>(3,093)</u>	<u>\$ 37,749</u>
FUND BALANCE - Beginning of year		<u>102,332</u>	
FUND BALANCE - End of year		<u>\$ 99,239</u>	

	2008		
	Original & Final Budget	Actual	Variance
REVENUES:			
Intergovernmental revenue:			
State revenue	\$ 82,348	\$ 112,348	\$ 30,000
Membership assessments	6,667	6,667	-
Interest		5,669	5,669
Total	<u>89,015</u>	<u>124,684</u>	<u>35,669</u>
EXPENDITURES:			
Current:			
Program	52,348	84,336	(31,988)
Administration	30,000	30,000	-
Insurance	2,770	2,116	654
Miscellaneous	794	2,500	(1,706)
Total	<u>85,912</u>	<u>118,952</u>	<u>(33,040)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 3,103</u>	5,732	<u>\$ 2,629</u>
FUND BALANCE - Beginning of year		<u>96,600</u>	
FUND BALANCE - End of year		<u>\$ 102,332</u>	

