
**REPORT OF
OZARK RIVERS SOLID WASTE
MANAGEMENT DISTRICT
JUNE 30, 2009 AND 2008**

**RECEIVED BY
JAN 28 2010
SWMP OPERATIONS**

**VERKAMP & MALONE, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS
401 W. FIFTH STREET
ROLLA, MISSOURI 65401**

TABLE OF CONTENTS

Independent Auditors' Report	1 – 2
Management's Discussion and Analysis	3 – 8
Statements of Net Assets	9
Statements of Activities	10
Balance Sheets	11
Statements of Revenues, Expenditures and Changes in Fund Balances	12
Notes to Financial Statements	13 – 16
SUPPLEMENTAL INFORMATION	17
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual for 2009	18
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual for 2008	19
Schedule 1 ~ Schedule of Revenues, Expenditures and Changes in Fund Balances – Special Revenue Funds – By Grant	20
Schedule 2 ~ Schedule of Subgrant Expenditures - Special Revenue Fund	21 – 23
Schedule 3 ~ Statement of Deferred Revenue – Special Revenue Fund	24
Schedule 4 ~ Schedule of Revenues and Expenditures Missouri Department of Natural Resources 2007 Grant Program	25
Schedule 5 ~ Schedule of Revenues and Expenditures Missouri Department of Natural Resources 2008 Grant Program	26
Schedule 6 ~ Schedule of Revenues and Expenditures Missouri Department of Natural Resources 2009 Grant Program	27
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on An Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	28 – 29



VERKAMP & MALONE, LLC

Certified Public Accountants

DAVE VERKAMP, CPA, CFP
MOLLY MALONE, CPA

Accounting
Auditing
Tax Services
Management Services

INDEPENDENT AUDITORS' REPORT

To the Commissioners of
Ozark Rivers Solid Waste Management District

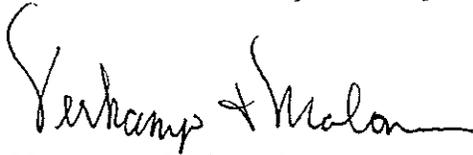
We have audited the accompanying financial statements of the governmental activities of the Ozark Rivers Solid Waste Management District (the "District"), as of and for the years ended June 30, 2009 and 2008, which comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Ozark Rivers 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 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 audit 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 the 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Ozark Rivers 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 accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2009, on our consideration of the Ozark Rivers 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 grant agreements and other matters. 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 audit.

The management's discussion and analysis and supplemental information on pages 3 through 8 and 18 through 27, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in cursive script that reads "Verkamp & Malone". The signature is written in black ink and is positioned above the printed name of the firm.

Verkamp & Malone, LLC
Rolla, Missouri
December 23, 2009

OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT

Required Supplementary Information Management's Discussion and Analysis June 30, 2009

The management of the Ozark Rivers Solid Waste Management District offers readers of our financial statements the following narrative overview and analysis of our financial activities for the year ended June 30, 2009. Please read it in conjunction with the District's basic financial statements.

Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements.

Our basic financial statements are prepared using fund accounting that uses the same basis of accounting as private-sector business enterprises. Under this method of accounting, an economic resources measurement focus and a modified accrual basis of accounting is used. Under this basis, the District records revenues when susceptible to accrual i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Expenses are recorded when the liability is incurred.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are categorized as governmental funds.

The District maintains one governmental fund – special revenue fund. The special revenue fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes, such as waste reduction, educational outreach and household hazardous waste programs. Grant revenues are recorded only to the extent allowable grant expenditures have been incurred. Grant funds received in excess of revenues earned are recorded as deferred revenues.

The basic financial statements include a statement of net assets, statement of activities, balance sheet and statement of revenues, expenses and changes in fund balance. These statements are followed by notes to the financial statements. In addition to the basic financial statements, this report also contains required supplementary information pertaining to compliance and internal control.

OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT

Required Supplementary Information
Management's Discussion and Analysis
June 30, 2009

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the District's assets and liabilities at June 30, 2009, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net assets changed during the fiscal year ended June 30, 2009. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods.

The government-wide financial statements can be found on pages 9-10 of this report.

Fund Financial Statements

Governmental funds are used to account for essentially the same functions reported as the District's governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the District's governmental funds with similar information presented for the District's governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions.

The basic governmental fund statements can be found on pages 11-12 of this report.

The District adopts an annual budget for administration and operation of the District and includes the grant expenditures paid to the sub-grantees by the District. An annual budget is not required by state statute. Budgetary comparison schedules are not provided.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the fund financial statements. The notes to the basic financial statements can be found on pages 13-16 of this report.

OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT

Required Supplementary Information
Management's Discussion and Analysis
June 30, 2009

Condensed financial information from the balance sheet as of June 30, 2009 and 2008, and the statement of revenue, expenses and changes in fund balance for the years ended June 30, 2009 and 2008, are as follows:

Ozark Rivers Solid Waste Management District
Balance Sheets

	Governmental Funds	
	Special Revenue Fund	
	2009	2008
Assets		
Current assets	\$ 361,643	\$ 277,539
Total assets	<u>\$ 361,643</u>	<u>\$ 277,539</u>
Liabilities		
Current liabilities	361,643	277,539
Total liabilities	<u>361,643</u>	<u>277,539</u>
Fund balance		
Unrestricted	-	-
Total fund balance	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 361,643</u>	<u>\$ 277,539</u>

OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT
 Required Supplementary Information
 Management's Discussion and Analysis
 June 30, 2009

Ozark Rivers Solid Waste Management District
 Statements of Revenues, Expenditures and Changes in Fund Balance

	Governmental Funds	
	Special Revenue Fund	
	2009	2008
Revenues		
Grant revenue - State of Missouri	\$ 295,328	\$ 234,033
Other income	4,420	4,633
Total revenues	299,748	238,666
Expenditures		
Annual dinner	356	286
Advertising	3,679	3,212
Audit	1,700	1,500
Contract services	39,906	28,943
Contracted administration services	131,791	115,706
Grants	108,022	73,661
Small equipment purchases	646	4,042
Insurance	1,539	1,539
Supplies	4,518	1,686
Travel	910	826
Other	2,261	2,632
Contract services (paid by program income)	4,420	4,633
Total expenditures	299,748	238,666
Excess revenues over expenditures	-	-
Fund balance beginning balance before restatement	-	56,449
Cumulative effect of change in accounting principle	-	(56,449)
Fund balance end of year	\$ -	\$ -

The district must disburse out, in the earliest grant cycle, any excess funds over \$20,000 per the maximum level of reserves as outlined in 10 CSR 80-9.

OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT

Required Supplementary Information Management's Discussion and Analysis June 30, 2009

Each year, the District receives grant funds from the state of Missouri from a \$2.11 fee collected on each ton of solid waste disposed in Missouri landfills. Quarterly, the state receives tonnage fees collected by permitted facilities within the state pursuant to RSMo 260.325. Currently, sixty-one percent of the tonnage fees collected through formula is allocated to the twenty solid waste management districts on a quarterly basis.

The District is one of the twenty districts funded by the state. The Executive Board for the District annually awards sub-grants to recipients throughout the seven county areas. MRPC serves as the fiscal agent for the District and receives and disburses funds under the direction of the Executive Board.

Schedule 2 in the Supplemental Information section provides a listing of the sub-grants for each fiscal year grant program and reports the current year expenses and the status as of June 30, 2009 (open or closed) for each sub-grant.

The information contained in the condensed financial information table is used as the basis for the discussion presented on the following pages, surrounding the District's activities for the fiscal year ended June 30, 2009.

Financial Highlights

- The District ended the year June 30, 2009 with total assets for the District of \$361,643, all of which is restricted. The liabilities of the District were \$361,643, with \$343,958 of deferred revenues from state of Missouri grants. The deferred revenue consists of funds allocated for specific projects and programs to be completed in future years. The District has no long term debt.
- The District ended the year June 30, 2009 with cash of \$361,643 and no outstanding accounts receivable at year end.

Economic Condition and Next Year's Programs

Grant funds available to the District continue to be stable compared to previous fiscal years. However, tipping fees collected in the state have reduced since the fiscal year end. The state of Missouri has notified the District that there are licensed tipping fee collection sites that are non-compliant in their reporting. The state can only allocate funds it has actually received. The state has assured the District that measures are being taken to ensure the sites are compliant and, as a result, should not affect our funding except for the timing of available funds for award.

State funds are accessible when the District formally requests the funds and submits budget plans. Generally, the District conducts a sub-grant solicitation process for waste reduction, reuse, and recycling projects each fall for the following calendar year. Approximately \$276,733 was approved for sub-grants for calendar year 2009.

OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT

Required Supplementary Information
Management's Discussion and Analysis
June 30, 2009

The District prepares its annual work plan and budget prior to the start of the fiscal year and total grant revenues for fiscal year 2009-2010 are estimated at \$127,405. Fiscal year 2009-2010 administrative expenses are estimated at \$104,318 for District's operations and planning projects. The District has discretion to modify its budget and hold additional grant solicitations as more funds become available.

Requests for Information

This financial report is intended to provide an overview of the finances of the District for those with an interest in the organization. Questions concerning any information within this report may be directed to Linda Loughridge, Fiscal Officer, and Richard Cavender, Executive Director, as fiscal agents of the District, at Meramec Regional Planning Commission at (573) 265-2993.

OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT
STATEMENTS OF NET ASSETS
JUNE 30, 2009 AND 2008

	Governmental Activities	
	2009	2008
ASSETS		
Current Assets		
Restricted cash	\$ 361,643	\$ 277,517
Other receivables	-	22
Total Current Assets	361,643	277,539
Total Assets	\$ 361,643	\$ 277,539
 LIABILITIES		
Current Liabilities		
Due to MRPC	\$ 17,685	\$ 22,972
Accounts payable	-	4,964
Deferred revenue	323,230	249,603
Grants payable retention	20,728	-
Total Current Liabilities	361,643	277,539
 NET ASSETS	-	-
Total Net Assets	-	-
 Total Liabilities and Net Assets	\$ 361,643	\$ 277,539

The accompanying notes are an integral part of these financial statements.

**OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>	<u>2008</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Revenue and</u>	
		<u>Services</u>	<u>Grants and</u>	<u>Changes in</u>	
			<u>Contributions</u>	<u>Net Assets</u>	<u>Totals</u>
				<u>Governmental</u>	
				<u>Activities</u>	
Governmental Activities:					
Program and subgrant expenditures	\$ 299,748	\$ 4,420	\$ 295,328	\$ -	\$ -
Changes in net assets				-	-
Net assets - beginning balance before restatement				-	56,449
Cumulative effect of change in accounting principle				-	(56,449)
Net assets - beginning balance after restatement				-	-
Net assets - ending balance				<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

**OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT
BALANCE SHEETS
JUNE 30, 2009 AND 2008**

	Governmental Activities Special Revenue Fund	
	<u>2009</u>	<u>2008</u>
ASSETS		
Current Assets		
Restricted cash	\$ 361,643	\$ 277,517
Other receivables	-	22
Total Current Assets	<u>361,643</u>	<u>277,539</u>
 Total Assets	 <u>\$ 361,643</u>	 <u>\$ 277,539</u>
 LIABILITIES AND FUND BALANCE		
Current Liabilities		
Due to MRPC	\$ 17,685	\$ 22,972
Accounts payable	-	4,964
Deferred revenue	323,230	249,603
Grants payable retention	20,728	-
Total Current Liabilities	<u>361,643</u>	<u>277,539</u>
 Fund Balance	 -	 -
Total Fund Balance	<u>-</u>	<u>-</u>
 Total Liabilities and Fund Balance	 <u>\$ 361,643</u>	 <u>\$ 277,539</u>

The accompanying notes are an integral part of these financial statements.

**OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT
STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008**

	Governmental Activities Special Revenue Fund	
	2009	2008
	Revenues	
Grant revenue - State of Missouri	\$ 295,328	\$ 234,033 ✓
Other income	4,420	4,633 ✓
Total revenues	299,748	238,666
Expenditures		
Annual dinner	356	286 ✓
Advertising	3,679	3,212 ✓
Audit	1,700	1,500 ✓
Contract services	39,906	28,943 ✓
Contracted administration	131,791	115,706 ✓
Grants	108,022	73,661 ✓
Small equipment purchase	646	4,042 ✓
Insurance	1,539	1,539 ✓
Supplies	4,518	1,686 ✓
Travel	910	826 ✓
Other	2,261	2,632 ✓
Contract services (paid by program income)	4,420	4,633 ✓
Total expenditures	299,748	238,666
Excess revenues over expenditures	-	-
Fund balance - beginning balance before restatement	-	56,449
Cumulative effect of change in accounting principle	-	(56,449)
Fund balance - beginning balance after restatement	-	-
Fund balance - ending balance	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

**OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008**

NOTE 1 – REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Ozark Rivers Solid Waste Management District (the District) was formed pursuant to Section 260.305 of the Revised Statutes of Missouri on November 19, 1991. The District consists of Crawford, Gasconade, Maries, Phelps, Dent, Washington and Pulaski Counties.

The District's purpose is to plan and provide for the safe and sanitary management of solid waste within all of the territory of the District. The District strives to fulfill this purpose by:

- Preparing and implementing a solid waste management plant that complies with the provision of Sections 260.220 and 260.325 of the Revised Statutes of the State of Missouri for the citizens of the participating cities and all of the incorporated and unincorporated territory of the District's counties.
- Establishing an educational program to inform the public.
- Establishing procedures to minimize the introduction of hazardous waste, including household hazardous waste, into the solid waste stream.
- Assuring adequate capacity to manage waste which is not otherwise removed from the solid waste stream.
- Promoting and assisting with resource recovery and recycling.

Significant Accounting Policies

The District's accounting policies conform to generally accepted accounting principles, which are appropriate to local government units of this type.

A. Principles Used to Determine Scope of Entity

The District has developed criteria to determine whether related organizations with activities which benefit the District should be included within its financial reporting entity. The criteria includes, but is not limited to, whether the District exercised oversight responsibility (which includes financial interdependence, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of service and special financing relationships.

**OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008**

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements (i.e. the *Statement of Net Assets* and the *Statement of Activities*) report information on all of the governmental activities (funds) of the District. The effect of interfund activity has been removed from these statements.

The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Fund Financial Statements

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The District's funds are grouped into the governmental fund category for financial statement presentation purposes. The District reports the *special revenue fund* as a major governmental fund. The special revenue fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The District receives a variety of grants from the state of Missouri.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available.

OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as in accrual accounting.

D. Budget and Budgetary Accounting

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Article X of the bylaws, an annual budget is prepared under the direction of the Executive Board, which submits this budget to the county commissioners and city governments within the District for review and comment.
2. The budget is approved by the full council in June of each year.
3. If and when significant financial differences become apparent between the budget as adopted and the probable outcome of the year, the District's management submits a revised budget to the Executive Board. The Executive Board reviews such budget and, upon acceptance, submits it to the full council for action.
4. The approved budget for 2009 is for the fiscal year beginning July 1, 2008 and the approved budget for 2008 is for the fiscal year beginning July 1, 2007.

E. Deferred Revenue

The District's programs and activities are funded by grants from the state of Missouri. Grant revenue is earned as expenditures are incurred and all eligibility requirements imposed by the provider have been met. The cash inflow from the granting agencies varies from the expenditures resulting in deferred revenue balances, which are calculated on a grant-by-grant basis.

F. Related Organization

The District contracts with Meramec Regional Planning Commission (MRPC) to provide for the District's administration. Some of the board members of the District are also board members of MRPC. The contracted services amounted to \$131,791 and \$115,706 for the years ended June 30, 2009 and 2008, respectively. Grants payable in the accompanying statements of financial position includes amounts payable to MRPC in the amount of \$17,685 for 2009 and \$22,972 for 2008.

**OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008**

G. Restricted Cash

As of June 30, 2009 and 2008, the District has restricted cash balances in the amount of \$361,643 and \$277,517, respectively. The District's funds are all restricted for grant purposes.

H. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 – DEPOSITS AND INVESTMENTS

The District is authorized to invest funds in, among other things, financial institutions and direct obligations of the Federal Government. During 2009 and 2008, the District invested in interest-bearing checking accounts.

Custodial Credit Risk: Restricted cash consists of interest-bearing demand deposit balances. At June 30, 2009 and 2008, the carrying amounts of the District's deposits were \$361,668 and \$281,357, respectively. Of the bank balance, \$250,000 was covered by federal depository insurance as of June 30, 2009 and \$100,000 as of June 30, 2008. The remaining cash balance was collateralized by pledged securities for both 2009 and 2008.

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLE

During fiscal year 2009, the Missouri Department of Natural Resources informed the District that any interest earned or funds returned to the District should be reported as deferred revenue until the expenditures are incurred and all eligibility requirements imposed by the provider have been met. Therefore, the District should not have any net assets in the special revenue fund. The District has restated the 2008 financial statements to reflect this change in accounting principle, which resulted in a decrease in net assets of \$56,449.

NOTE 4 – CONCENTRATION

The District receives a significant portion of its revenue from the Missouri Department of Natural Resources to plan and provide for the safe and sanitary management of solid waste within the territory of the District.

SUPPLEMENTAL INFORMATION

**OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Governmental Funds</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Revenues			
Grants-State of Missouri	\$ 364,236	\$ 295,328	\$ (68,908)
Interest income	7,140	-	(7,140)
Other income	2,050	4,420	2,370
Total revenues	<u>373,426</u>	<u>299,748</u>	<u>(73,678)</u>
Expenditures			
Annual dinner	353	356	(3)
Advertising	4,749	3,679	1,071
Audit	1,700	1,700	-
Contract service	58,761	44,177	14,584
Contracted administration	121,382	131,791	(10,409)
Grants	162,373	108,022	54,351
Small equipment purchases	646	646	-
Supplies	5,785	4,667	1,118
Travel	1,367	910	457
Insurance	1,539	1,539	-
Other	10,998	2,261	8,737
Total expenditures	<u>369,653</u>	<u>299,748</u>	<u>(69,905)</u>
Excess of revenues over expenditures	<u>\$ 3,773</u>	-	<u>\$ (3,773)</u>
Beginning fund balance		<u>-</u>	
Ending fund balance		<u>\$ -</u>	

**OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Governmental Funds</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Revenues			
Grants-State of Missouri	\$ 402,697	\$ 234,033	\$ (168,664)
Interest income	6,040	-	(6,040)
Other income	3,000	4,633	1,633
Total revenues	<u>411,737</u>	<u>238,666</u>	<u>(173,071)</u>
 Expenditures			
Annual dinner	287	286	1
Advertising	3,565	3,212	353
Audit	1,500	1,500	-
Contract service	62,352	33,576	28,776
Contracted administration	114,890	115,706	(816)
Grants	218,445	73,661	144,784
Small equipment purchases	3,398	4,042	(644)
Supplies	3,236	1,686	1,550
Travel	2,058	826	1,232
Insurance	1,564	1,539	25
Other	8,244	2,632	5,612
Total expenditures	<u>419,539</u>	<u>238,666</u>	<u>(180,873)</u>
 Excess of revenues over expenditures	<u>\$ (7,802)</u>	-	<u>\$ 7,802</u>
 Beginning fund balance		56,449	
 Cumulative effect of change in accounting principle		<u>(56,449)</u>	
 Ending fund balance		<u>\$ -</u>	

OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
SPECIAL REVENUE FUND - BY GRANT
FOR THE YEAR ENDED JUNE 30, 2009

Schedule 1

	<u>Grant from FY 2007</u>	<u>Grant from FY 2008</u>	<u>Grant from FY 2009</u>	<u>Total</u>
Revenues:				
Grant revenue	\$ 13,036	\$ 151,333	\$ 130,959	\$ 295,328
Total revenues	<u>13,036</u>	<u>151,333</u>	<u>130,959</u>	<u>295,328</u>
Expenditures:				
Contractual services - subrecipient's expenditures:				
Annual dinner	-	-	356	356
Advertising	-	2,899	780	3,679
Audit	-	-	1,700	1,700
Contract services	-	39,906	-	39,906
Contracted administration	-	35,893	95,898	131,791
Grants	11,785	69,596	26,641	108,022
Small equipment purchase	-	646	-	646
Insurance	-	-	1,539	1,539
Supplies	1,251	1,803	1,464	4,518
Travel	-	409	501	910
Other	-	181	2,080	2,261
Total expenditures	<u>13,036</u>	<u>151,333</u>	<u>130,959</u>	<u>295,328</u>
Excess of expenditures over revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT
SCHEDULE OF SUBGRANT EXPENDITURES -
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2009

Schedule 2

	Year Ended June 30, 2009	Prior Year(s)	Cumulative to Date	State Grant Award	State Grant Balance	Grant Status
FY 2007						
#2007-7 Ozark Rivers SWMD - tire collections						
State Revenue	\$ 1,251	8,749	10,000	10,000	-	Closed
#2007-12 Meramec RPC - illegal dump clean-up project						
State Revenue	11,785	9,915	21,700	21,700	-	Closed
Past Year State Revenue	-	173,634	173,634	173,634	-	Closed
Total FY 2007	<u>\$ 13,036</u>	<u>192,298</u>	<u>205,334</u>			
Recap - State Revenue	\$ 13,036	192,298	205,334	<u>205,334</u>	<u>-</u>	
Recap - Match	-	-	-			
	<u>\$ 13,036</u>	<u>192,298</u>	<u>205,334</u>			
FY 2008						
#2008-2 Phelps County - Tough on Trash program						
State Revenue	11,089	3,233	14,322	14,322	-	Closed
#2008-3 City of St. Roberts - shredder						
State Revenue	16,625	-	16,625	16,625	-	Closed
#2008-4 Crawford County - resource recovery						
State Revenue	-	-	-	-	-	Closed
#2008-5 Enhancements, Inc. - sustainable paper recycling						
State Revenue	17,600	-	17,600	17,600	-	Closed
#2008-6 City of Rolla - recycled exhibits						
State Revenue	1,826	-	1,826	1,826	-	Closed
#2008-7 Ozark Rivers SWMD - waste tire collection						
State Revenue	10,260	-	10,260	12,000	1,740	Open
#2008-8 Ozark Rivers SWMD - school lab clean-up						
State Revenue	2,570	-	2,570	22,440	19,871	Open
#2008-9 Ozark Rivers SWMD - special waste						
State Revenue	22,706	6,454	29,160	29,160	-	Closed
#2008-10 Ozark Rivers SWMD - environmental educator						
State Revenue	8,114	584	8,698	8,698	-	Closed
#2008-11 Ozark Rivers SWMD - HHW collections						
State Revenue	-	2,672	2,672	2,672	-	Closed
District Match	17,946	2,877	20,823	-	-	Closed
	17,946	5,549	23,495			

OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT
SCHEDULE OF SUBGRANT EXPENDITURES -
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2009

Schedule 2

	Year Ended June 30, 2009	Prior Year(s)	Cumulative to Date	State Grant Award	State Grant Balance	Grant Status
#2008-12 Ozark Rivers SWMD - illegal dump clean-up State Revenue	19,136	9,352	28,488	31,215	2,727	Open
#2008-13 Ozark Rivers SWMD - surveillance camera State Revenue	1,005	2,121	3,126	3,126	-	Closed
#2008-14 Maries County - clean-up State Revenue	15,866	-	15,866	15,866	-	Closed
#2008-15 Rolla High School - Talking Trash program State Revenue	6,590	-	6,590	6,590	-	Closed
Past Year State Revenue	-	85,286	85,286	85,286	-	Closed
Total FY 2008	<u>\$ 151,333</u>	<u>\$ 112,579</u>	<u>\$ 263,912</u>			
Recap - State Revenue	\$ 133,387	109,702	243,089	<u>267,426</u>	<u>24,337</u>	
Recap - Match	17,946	2,877	20,823			
	<u>\$ 151,333</u>	<u>112,579</u>	<u>263,912</u>			
FY 2009						
#2009-1 Ozark Rivers SWMD - Reg K operations State Revenue	\$ 104,318	-	104,318	104,318	-	Closed
#2009-2 Phelps County - Tough on Trash program State Revenue	2,520	-	2,520	12,565	10,045	Open
#2009-3 Scenic Rivers Industries, Inc. - shredder State Revenue	-	-	-	10,567	10,567	Open
#2009-4 MRPC - school lab clean-up State Revenue	-	-	-	11,645	11,645	Open
#2009-5 Gasconade Co R-2 School District Recycling Works program State Revenue	-	-	-	9,761	9,761	Open
#2009-6 Maries Co Clean Road and Waterways project State Revenue	-	-	-	6,105	6,105	Open
#2009-7 Waynesville R-VI School District Going Green program State Revenue	-	-	-	9,206	9,206	Open
#2009-8 MO S&T Recycling Initiative Solid Waste Reduction program State Revenue	-	-	-	7,500	7,500	Open
#2009-9 Community Partnership & Rolla Area Shelter Workshop Recycling program State Revenue	7,000	-	7,000	7,000	-	Closed

**OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT
SCHEDULE OF SUBGRANT EXPENDITURES -
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2009**

Schedule 2

	<u>Year Ended June 30, 2009</u>	<u>Prior Year(s)</u>	<u>Cumulative to Date</u>	<u>State Grant Award</u>	<u>State Grant Balance</u>	<u>Grant Status</u>
#2009-10 City of Salem Recycling program State Revenue	<u>-</u>	<u>-</u>	<u>-</u>	10,000	10,000	Open
#2009-11 MRPC HHW Satellite Collection Centers District Match	<u>7,312</u>	<u>-</u>	<u>7,312</u>	-	-	Open
#2009-12 MRPC Illegal Dump Cleanup program State Revenue	<u>-</u>	<u>-</u>	<u>-</u>	21,776	21,776	Open
#2009-13 MRPC Environmental Educator State Revenue	<u>-</u>	<u>-</u>	<u>-</u>	3,660	3,660	Open
#2009-14 MRPC Special Waste Collection for Electronics, Waste Tires & White Goods State Revenue	<u>9,809</u>	<u>-</u>	<u>9,809</u>	20,230	10,421	Open
Total FY 2009	<u>\$ 130,959</u>	<u>-</u>	<u>130,959</u>			
Recap - State Revenue	\$ 123,647	-	123,647	<u>234,334</u>	<u>110,687</u>	
Recap - Match	<u>7,312</u>	<u>-</u>	<u>7,312</u>			
	<u>\$ 130,959</u>	<u>-</u>	<u>130,959</u>			
Total - State Funded Programs	<u>\$ 270,070</u>	<u>302,000</u>	<u>572,070</u>			
Total - Match	<u>\$ 25,258</u>	<u>2,877</u>	<u>28,135</u>			
Grand Total	<u>\$ 295,328</u>	<u>304,877</u>	<u>600,205</u>			

OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT
STATEMENT OF DEFERRED REVENUE -
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2009

Schedule 3

	<u>Cumulative Earned</u>	<u>Cumulative Received</u>	<u>Deferred Revenue</u>
FY 2007	\$ 205,334	\$ 205,334	\$ -
FY 2008	243,089	267,426	24,337
FY 2008 - District match	20,823	20,823	-
FY 2009	123,647	234,334	110,687
FY 2009 - District match	7,312	42,400	35,088
Funds available for grant award	-	153,118	153,118
Total	<u>\$ 600,205</u>	<u>\$ 923,435</u>	<u>\$ 323,230</u>

OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES
MISSOURI DEPARTMENT OF NATURAL RESOURCES
2007 GRANT PROGRAM
GRANT PERIOD FROM JANUARY 1, 2007 TO CLOSED

Schedule 4

	<u>Budget</u>	<u>Year Ended June 30, 2009</u>	<u>Prior Year(s)</u>	<u>Cumulative to Date</u>
Revenues:				
State grant	<u>\$ 205,334</u>	<u>\$ 13,036</u>	<u>\$ 192,298</u>	<u>\$ 205,334</u>
Total revenues	<u>205,334</u>	<u>13,036</u>	<u>192,298</u>	<u>205,334</u>
Expenditures:				
Solid waste management district grants	<u>205,334</u>	<u>13,036</u>	<u>192,298</u>	<u>205,334</u>
Revenues over expenditures	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES
MISSOURI DEPARTMENT OF NATURAL RESOURCES
2008 GRANT PROGRAM
GRANT PERIOD FROM JANUARY 1, 2008 TO OPEN

Schedule 5

	<u>Budget</u>	<u>Year Ended June 30, 2009</u>	<u>Prior Year(s)</u>	<u>Cumulative to Date</u>
Revenues:				
State grant	\$ 267,426	\$ 133,387	\$ 109,702	\$ 243,089
Total revenues	<u>267,426</u>	<u>133,387</u>	<u>109,702</u>	<u>243,089</u>
Expenditures:				
Solid waste management district grants	<u>267,426</u>	<u>133,387</u>	<u>109,702</u>	<u>243,089</u>
Expenditures over revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES
MISSOURI DEPARTMENT OF NATURAL RESOURCES
2009 GRANT PROGRAM
GRANT PERIOD FROM JANUARY 1, 2009 TO OPEN

Schedule 6

	<u>Budget</u>	<u>Year Ended June 30, 2009</u>	<u>Prior Year(s)</u>	<u>Cumulative to Date</u>
Revenues:				
State grant	\$ 234,334	\$ 123,647	\$ -	\$ 123,647
Total revenues	<u>234,334</u>	<u>123,647</u>	<u>-</u>	<u>123,647</u>
Expenditures:				
Solid waste management district grants	<u>234,334</u>	<u>123,647</u>	<u>-</u>	<u>123,647</u>
Expenditures over revenues	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>



VERKAMP & MALONE, LLC

Certified Public Accountants

DAVE VERKAMP, CPA, CFP
MOLLY MALONE, CPA

Accounting
Auditing
Tax Services
Management Services

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*

To the Commissioners of
Ozark Rivers Solid Waste Management District
St. James, Missouri

We have audited the financial statements of the Ozark Rivers Solid Waste Management District (the "District") as of and for the years ended June 30, 2009 and 2008, and have issued our report thereon dated December 23, 2009. We conducted our audit 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 Ozark Rivers Solid Waste Management District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the 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 entity'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 entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

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 entity'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 disclose

all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We believe that the following deficiency constitutes a material weakness:

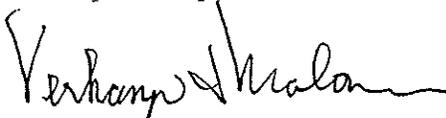
Account Reconciliations

The original financial statements were not reconciled to the general ledger or the District's grant tracking spreadsheet. The error was corrected using a journal entry; however, this reconciliation should be prepared prior to the commencement of the audit. We recommend that management implement procedures to ensure that all accounts are reconciled periodically throughout the year. These reconciliations should be reviewed by appropriate staff and any errors should be resolved at that time.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Ozark Rivers 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management and the Commissioners and is not intended to be and should not be used by anyone other than these specified parties.



Verkamp & Malone, LLC
Certified Public Accountants
December 23, 2009