
**REPORT OF
OZARK RIVERS SOLID WASTE
MANAGEMENT DISTRICT
JUNE 30, 2010 AND 2009**

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**VERKAMP & MALONE, L.L.C.
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INDEPENDENT AUDITORS' REPORT

To the Commissioners of the
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, 2010 and 2009, which 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. Our responsibility is to express opinions on these financial statements based on our audits.

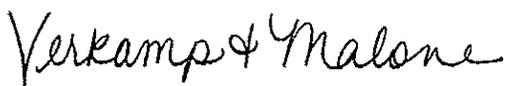
We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan 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, 2010 and 2009, 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 November 23, 2010, on our consideration of the 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 8 and 19 through 20 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplementary schedules on pages 24 through 31 are presented for purposes of additional analysis and are not a required part of the financial statements. These supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, the supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



Verkamp & Malone, LLC
Rolla, Missouri
November 23, 2010

OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT

Management's Discussion and Analysis

June 30, 2010

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, 2010. 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.

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.

OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT

Management's Discussion and Analysis

June 30, 2010

The statement of net assets presents information on all of the District's assets and liabilities at June 30, 2010, 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, 2010. 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 10-11 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 12-13 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.

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 14-17 of this report.

OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT

Management's Discussion and Analysis

June 30, 2010

Condensed financial information from the governmental balance sheets as of June 30, 2010 and 2009, and the statements of revenue, expenses and changes in fund balance for the years ended June 30, 2010, and 2009 are as follows:

Ozark Rivers Solid Waste Management District
Balance Sheets

	Governmental Funds	
	Special Revenue Fund	
	2010	2009
Assets		
Restricted cash	\$ 377,563	\$ 361,643
Total assets	<u>\$ 377,563</u>	<u>\$ 361,643</u>
Liabilities		
Due to MRPC	\$ 9,145	\$ 17,685
Accounts payable	19	-
Deferred revenue	355,747	323,230
Grants payable retention	8,762	20,728
Total Liabilities	<u>373,673</u>	<u>361,643</u>
Fund Balance	-	-
Total Fund Balances	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 373,673</u>	<u>\$ 361,643</u>

Deferred revenue increased due to increased funding and timing of sub-grantee requests for reimbursement.

OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT
 Management's Discussion and Analysis
 June 30, 2010

Ozark Rivers Solid Waste Management District
 Statements of Revenues, Expenditures and Changes in Net Assets

	Governmental Funds Special Revenue Fund	
	2010	2009
Revenues		
Grant revenue - State of Missouri	\$ 242,285	\$ 295,328
Other income	210	4,420
Total revenues	242,495	299,748
Expenditures		
Annual dinner	353	356
Advertising	618	3,679
Audit	2,100	1,700
Contract services	9,297	39,906
Contracted administration services	97,906	131,791
Grants	127,005	108,022
Small equipment purchases	-	646
Insurance	1,539	1,539
Supplies	1,184	4,518
Travel	817	910
Other	1,466	2,261
Contract services (paid by program income)	210	4,420
Total expenditures	242,495	299,748
Excess revenues over expenditures	-	-
Fund balance - beginning balance	-	-
Fund balance - ending balance	\$ -	\$ -

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.

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 260.325, RSMo. Currently, sixty-one percent of the tonnage fees collected is allocated to the twenty solid waste management districts on a quarterly basis.

OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT

Management's Discussion and Analysis

June 30, 2010

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, 2010 (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, 2010.

Financial Highlights

- The District ended the year June 30, 2010, with total assets for the District of \$377,563, all of which is restricted. The liabilities of the District were \$377,563, with \$355,747 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, 2010 with cash of \$377,563 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 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 \$292,525 was approved for sub-grants for calendar year 2010.

The District prepares its annual work plan and budget prior to the start of the fiscal year and fiscal year 2010-2011 total grant revenues are estimated at \$340,000. Fiscal year 2010-2011 District operations and planning projects are estimated at \$111,820. The District has discretion to modify its budget and hold additional grant solicitations as more funds become available.

OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT

Management's Discussion and Analysis

June 30, 2010

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 the Fiscal Officer and Executive Director as fiscal agents of the District at Meramec Regional Planning Commission, 4 Industrial Drive, St. James, Missouri 65559.

BASIC FINANCIAL STATEMENTS

OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT
STATEMENTS OF NET ASSETS
JUNE 30, 2010 AND 2009

	Governmental Activities	
	2010	2009
ASSETS		
Current Assets		
Restricted cash	\$ 377,563	\$ 361,643
Total Current Assets	<u>377,563</u>	<u>361,643</u>
Total Assets	<u>\$ 377,563</u>	<u>\$ 361,643</u>
LIABILITIES		
Current Liabilities		
Due to MRPC	\$ 13,035	\$ 17,685
Accounts payable	19	-
Deferred revenue	355,747	323,230
Grants payable retention	8,762	20,728
Total Current Liabilities	<u>377,563</u>	<u>361,643</u>
NET ASSETS	<u>-</u>	<u>-</u>
Total Net Assets	<u>-</u>	<u>-</u>
Total Liabilities and Net Assets	<u>\$ 377,563</u>	<u>\$ 361,643</u>

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, 2010 AND 2009**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>	<u>2009 Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	
Governmental Activities:					
Program and subgrant expenditures	\$ 242,495	\$ 210	\$ 242,285	\$ -	\$ -
Changes in net assets				-	-
Net assets - beginning balance				-	-
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, 2010 AND 2009**

	Governmental Activities Special Revenue Fund	
	2010	2009
ASSETS		
Current Assets		
Restricted cash	\$ 377,563	\$ 361,643
Total Current Assets	377,563	361,643
 Total Assets	\$ 377,563	\$ 361,643
 LIABILITIES AND FUND BALANCE		
Current Liabilities		
Due to MRPC	\$ 13,035	\$ 17,685
Accounts payable	19	-
Deferred revenue	355,747	323,230
Grants payable retention	8,762	20,728
Total Current Liabilities	377,563	361,643
 Fund Balance	-	-
Total Fund Balance	-	-
 Total Liabilities and Fund Balance	\$ 377,563	\$ 361,643

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, 2010 AND 2009**

	Governmental Activities Special Revenue Fund	
	2010	2009
Revenues		
Grant revenue - State of Missouri	\$ 242,285	\$ 295,328
Other income	210	4,420
Total revenues	<u>242,495</u>	<u>299,748</u>
Expenditures		
Annual dinner	353	356
Advertising	618	3,679
Audit	2,100	1,700
Contract services	9,297	39,906
Contracted administration	97,906	131,791
Grants	127,005	108,022
Small equipment purchase	-	646
Insurance	1,539	1,539
Supplies	1,184	4,518
Travel	817	910
Other	1,466	2,261
Contract services (paid by program income)	210	4,420
Total expenditures	<u>242,495</u>	<u>299,748</u>
Excess revenues over expenditures	-	-
Fund balance - beginning balance	-	-
Fund balance - ending balance	<u>\$ -</u>	<u>\$ -</u>

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

**OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009**

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, 2010 AND 2009

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, 2010 AND 2009

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 2010 is for the fiscal year beginning July 1, 2009 and the approved budget for 2009 is for the fiscal year beginning July 1, 2008.

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 totaled \$97,906 and \$131,791 for the years ended June 30, 2010 and 2009, respectively. The accompanying statements of financial position include amounts payable to MRPC in the amount of \$13,035 for 2010 and \$17,685 for 2009.

**OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009**

G. Restricted Cash

As of June 30, 2010 and 2009, the District has restricted cash balances in the amount of \$377,563 and \$361,643, 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 2010 and 2009, the District invested in interest-bearing checking accounts.

Custodial Credit Risk: Restricted cash consists of interest-bearing demand deposit balances. At June 30, 2010, the carrying amount of the District's deposits was \$377,563. Of the bank balance, \$250,000 was covered by federal depository insurance. The remaining cash balance was collateralized by pledged securities.

NOTE 3 – 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.

REQUIRED SUPPLEMENTAL SCHEDULES

**OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010**

	Governmental Funds		
	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Revenues			
Grants-State of Missouri	\$ 281,288	\$ 242,285	\$ (39,003)
Interest income	4,130	-	(4,130)
Other income	1,000	210	(790)
Total revenues	<u>286,418</u>	<u>242,495</u>	<u>(43,923)</u>
Expenditures			
Annual dinner	540	353	187
Advertising	1,600	618	982
Audit	2,100	2,100	-
Contract service	23,192	9,507	13,685
Contracted administration	97,817	97,906	(89)
Grants	148,070	127,005	21,065
Supplies	2,150	1,184	966
Travel	800	817	(17)
Insurance	1,550	1,539	11
Other	4,469	1,466	3,003
Total expenditures	<u>282,288</u>	<u>242,495</u>	<u>(39,793)</u>
Excess of revenues over expenditures	<u>\$ 4,130</u>	-	<u>\$ (4,130)</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, 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	1,070
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	0
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>	



VERKAMP & MALONE, LLC

Certified Public Accountants

DAVE VERKAMP, CPA, CFP
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Accounting
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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 the
Ozark Rivers Solid Waste Management District

We have audited the financial statements of the governmental activities of the Ozark Rivers Solid Waste Management District (the "District"), as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 23, 2010. 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 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 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 *deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 the 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

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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, Commissioners and others within the entity and is not intended to be and should not be used by anyone other than these specified parties.

Verkamp & Malone

Verkamp & Malone, LLC
Rolla, Missouri
November 23, 2010

SUPPLEMENTAL SCHEDULES

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, 2010

Schedule 1

	<u>Grant from FY 2008</u>	<u>Grant from FY 2009</u>	<u>Grant from FY 2010</u>	<u>Total</u>
Revenues:				
Grant revenue	\$ 13,970	\$ 104,301	\$ 124,014	\$ 242,285
Total revenues	<u>13,970</u>	<u>104,301</u>	<u>124,014</u>	<u>242,285</u>
Expenditures:				
Contractual services - subrecipient's expenditures:				
Annual dinner	-	-	353	353
Advertising	-	-	618	618
Audit	-	-	2,100	2,100
Contract services	9,297	-	-	9,297
Contracted administration	4,673	-	93,233	97,906
Grants	-	104,301	22,704	127,005
Insurance	-	-	1,539	1,539
Supplies	-	-	1,184	1,184
Travel	-	-	817	817
Other	-	-	1,466	1,466
Total expenditures	<u>13,970</u>	<u>104,301</u>	<u>124,014</u>	<u>242,285</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, 2010**

Schedule 2

	<u>Year Ended June 30, 2010</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>
FY 2008						
#2008-7 Ozark Rivers SWMD - waste tire collection						
State Revenue	\$ 1,740	10,260	12,000	12,000	-	Closed
#2008-8 Ozark Rivers SWMD - school lab clean-up						
State Revenue	9,503	2,570	12,073	12,073	-	Closed
#2008-12 Ozark Rivers SWMD - illegal dump clean-up						
State Revenue	2,727	28,488	31,215	31,215	-	Closed
Past Year State Revenue	-	201,771	201,771	201,771	-	
Past Year Match Revenue	-	20,823	20,823			
Total FY 2008	<u>\$ 13,970</u>	<u>263,912</u>	<u>277,882</u>			
RECAP - STATE REVENUE	<u>\$ 13,970</u>	243,089	257,059	<u>257,059</u>	<u>-</u>	
RECAP - DISTRICT MATCH	<u>-</u>	20,823	20,823			
	<u>\$ 13,970</u>	<u>263,912</u>	<u>277,882</u>			

**OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT
SCHEDULE OF SUBGRANT EXPENDITURES -
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2010**

Schedule 2

	Year Ended June 30, 2010	Prior Year(s)	Cumulative to Date	State Grant Award	State Grant Balance	Grant Status
FY 2009						
#2009-2 Phelps County - Tough on Trash program						
State Revenue	\$ 8,765	2,520	11,285	11,285	-	Closed
#2009-3 Scenic Rivers Industries, Inc. - shredder						
State Revenue	10,567	-	10,567	10,567	-	Closed
#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	9,274	-	9,274	9,761	487	Open
#2009-6 Maries Co Clean Road and Waterways project						
State Revenue	6,105	-	6,105	6,105	-	Closed
#2009-7 Waynesville R-VI School District Going Green program						
State Revenue	8,986	-	8,986	8,986	-	Closed
#2009-8 MO S&T Recycling Initiative Solid Waste Reduction program						
State Revenue	7,500	-	7,500	7,500	-	Closed
#2009-10 City of Salem Recycling program						
State Revenue	9,018	-	9,018	9,018	-	Closed
#2009-11 MRPC HHW Satellite Collection Center						
District Match	8,651	7,312	15,963	-	-	Closed
#2009-12 MRPC Illegal Dump Cleanup program						
State Revenue	10,290	-	10,290	21,776	11,486	Open
#2009-13 MRPC Environmental Educator						
State Revenue	841	-	841	841	-	Closed
#2009-14 MRPC Special Waste Collection for Electronics, Waste Tires & White Goods						
State Revenue	10,421	9,809	20,230	20,230	-	Open
District Match	13,884	-	13,884			
	24,305	9,809	34,114			
Past Year State Revenue	-	111,318	111,318	111,318	-	
Past Year Match Revenue	-	-	-			
Total FY 2009	<u>\$ 104,302</u>	<u>\$ 130,959</u>	<u>\$ 235,261</u>			
RECAP - STATE REVENUE	\$ 81,767	123,647	205,414	<u>229,032</u>	<u>23,618</u>	
RECAP - DISTRICT MATCH	22,535	7,312	29,847			
	<u>\$ 104,302</u>	<u>130,959</u>	<u>235,261</u>			

**OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT
SCHEDULE OF SUBGRANT EXPENDITURES -
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2010**

Schedule 2

	Year Ended June 30, 2010	Prior Year(s)	Cumulative to Date	State Grant Award	State Grant Balance	Grant Status
FY 2010						
#2010-1 Ozark Rivers SWMD - Reg K operations State Revenue	\$ 101,310	-	101,310	101,310	-	Closed
#2010-2 Maries Co Clean Road and Waterways Project State Revenue	-	-	-	6,357	6,357	Open
#2010-3 Phelps County Tough on Trash program State Revenue	4,336	-	4,336	15,665	11,329	Open
#2010-4 Phyto Forensics LLC State Revenue	-	-	-	8,000	8,000	Open
#2010-5 University of MO State Revenue	-	-	-	10,000	10,000	Open
#2010-6 MRPC - HHW Satellite State Revenue	8,573	-	8,573	22,449	13,876	Open
#2010-7 MRPC - special waste collection State Revenue	-	-	-	33,501	33,501	Open
#2010-8 MRPC - illegal Dumping State Revenue	3,795	-	3,795	14,000	10,205	Open
#2010-9 City of Rolla recycling Mascott State Revenue	-	-	-	5,000	5,000	Open
#2010-10 Jack Kaufmann State Revenue	6,000	-	6,000	6,000	-	Closed
#2010-11 MRPC match to USDA illegal dump State Revenue	-	-	-	25,556	25,556	Open
#2010-12 MRPC - website State Revenue	-	-	-	12,763	12,763	Open
RECAP - STATE REVENUE	124,014	-	124,014	<u>260,601</u>	<u>136,587</u>	
RECAP - DISTRICT MATCH	-	-	-			
	<u>124,014</u>	<u>-</u>	<u>124,014</u>			
Total - State Funded Programs	\$ 219,751	366,736	586,487			
Total - District Match	22,535	28,135	50,670			
GRAND TOTAL	<u>\$ 242,286</u>	<u>394,871</u>	<u>637,157</u>			

Schedule 3

OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT
STATEMENT OF DEFERRED REVENUE -
SPECIAL REVENUE FUND
~~FOR THE YEAR ENDED JUNE 30, 2010~~

	<u>Cumulative Earned</u>	<u>Cumulative Received</u>	<u>Deferred Revenue</u>
FY 2008	\$ 257,059	\$ 257,059	\$ -
FY 2008 - District match	20,823	20,823	-
FY 2009	205,414	229,032	23,618
FY 2009 - District match	29,847	35,495	5,648
FY 2010	124,014	260,601	136,587
FY 2010 - District match	-	24,355	24,355
Funds available for grant award	-	165,539	165,539
Total	<u>\$ 637,157</u>	<u>\$ 992,904</u>	<u>\$ 355,747</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 CLOSED

Schedule 4

	<u>Budget</u>	<u>Year Ended June 30, 2010</u>	<u>Prior Year(s)</u>	<u>Cumulative to Date</u>
Revenues:				
State grant	\$ 257,059	\$ 13,970	\$ 243,089	\$ 257,059
Total revenues	<u>257,059</u>	<u>13,970</u>	<u>243,089</u>	<u>257,059</u>
Expenditures:				
Solid waste management district grants	<u>257,059</u>	<u>13,970</u>	<u>243,089</u>	<u>257,059</u>
Expenditures over revenues	<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
2009 GRANT PROGRAM
GRANT PERIOD FROM JANUARY 1, 2009 TO OPEN

Schedule 5

	<u>Budget</u>	<u>Year Ended June 30, 2010</u>	<u>Prior Year(s)</u>	<u>Cumulative to Date</u>
Revenues:				
State grant	\$ 229,032	\$ 81,767	\$ 123,647	\$ 205,414
Total revenues	<u>229,032</u>	<u>81,767</u>	<u>123,647</u>	<u>205,414</u>
Expenditures:				
Solid waste management district grants	<u>229,032</u>	<u>81,767</u>	<u>123,647</u>	<u>205,414</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
2010 GRANT PROGRAM
GRANT PERIOD FROM JANUARY 1, 2010 TO OPEN

Schedule 6

	<u>Budget</u>	<u>Year Ended June 30, 2010</u>	<u>Prior Year(s)</u>	<u>Cumulative to Date</u>
Revenues:				
State grant	\$ 260,601	\$ 124,014	\$ -	\$ 124,014
Total revenues	<u>260,601</u>	<u>124,014</u>	<u>-</u>	<u>124,014</u>
Expenditures:				
Solid waste management district grants	<u>260,601</u>	<u>124,014</u>	<u>-</u>	<u>124,014</u>
Revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>