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**REPORT OF  
OZARK RIVERS SOLID WASTE  
MANAGEMENT DISTRICT  
AS OF JUNE 30, 2011 AND 2010**

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**KEAN & COMPANY, LLC  
CERTIFIED PUBLIC ACCOUNTANTS  
P.O. BOX 876, 704 WEST 2<sup>ND</sup> STREET  
ROLLA, MISSOURI 65402**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of the  
Ozark Rivers Solid Waste Management District  
Saint James, Missouri

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, 2011 and 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Ozark Rivers Solid Waste Management District's June 30, 2010 audit. In the report dated November 23, 2010, the auditors expressed an unqualified opinion on those financial statements.

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. 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 audit provides 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, 2011 and 2010, 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 29, 2011, 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 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 should be considered in 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 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 consist 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.



Kean & Company, LLC  
Rolla, Missouri  
November 29, 2011

# **OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT**

## **Required Supplementary Information Management's Discussion and Analysis June 30, 2011**

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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, 2011. 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.

The statement of net assets presents information on all of the District's assets and liabilities at June 30, 2011, with the difference between the two reported as net assets. Over time, increases

# OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT

## Required Supplementary Information Management's Discussion and Analysis

June 30, 2011

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or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statements of activities presents information showing how the District's net assets changed during the fiscal year ended June 30, 2011. 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. 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 14-17 of this report.

Condensed financial information from the governmental balance sheet and revenues as of June 30, 2011 and 2010, and the statement of revenue, expenses and changes in fund balance for the years ended June 30, 2011, and 2010 are as follows:

**OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT**  
 Required Supplementary Information  
 Management's Discussion and Analysis  
 June 30, 2011

Ozark Rivers Solid Waste Management District					
Balance Sheets					
				Governmental Funds	
				Special Revenue Fund	
				2011	2010
<b>Assets</b>					
Cash				\$ 383,388	\$ 377,563
Prepaid grant expenses					
Accounts Receivable				15,846	-
Due from Meramec Regional Planning Commission				-	-
<b>Total Assets</b>				<b>\$ 399,234</b>	<b>\$ 377,563</b>
<b>Liabilities</b>					
Grants Payable				\$ 210,252	\$ 203,243
Grants payable retention				17,105	8,762
Deferred Revenue				144,634	165,539
Accounts Payable				27,243	19
<b>Total Liabilities</b>				<b>399,234</b>	<b>377,563</b>
<b>Fund Balances</b>					
Unrestricted				-	-
Restricted				-	-
<b>Total Fund Balances</b>				<b>-</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>				<b>\$ 399,234</b>	<b>\$ 377,563</b>

Grants Payable increased due to increased funding and timing of sub-grantees request for reimbursement.



# OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT

## Required Supplementary Information Management's Discussion and Analysis June 30, 2011

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 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, 2011 (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, 2011.

### **Financial Highlights**

- The District ended the year June 30, 2011 with total assets for the district of \$399,234, all of which is restricted. The liabilities of the District were \$399,234, with \$144,634 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, 2011 with cash of \$383,388 and minimal outstanding accounts receivable of \$15,846 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 \$272,324 was approved for sub-grants for calendar year 2011. The District prepares its annual work plan and budget prior to the start of the fiscal year and fiscal year 2011-2012 total grant revenues are estimated at \$318,200. Fiscal year 2011-2012 District operations and planning projects are

**OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT**

**Required Supplementary Information  
Management's Discussion and Analysis**

**June 30, 2011**

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estimated at \$116,230. 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 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, 2011 AND 2010**

	<b>Governmental Activities</b>	
	<b>2011</b>	<b>2010</b>
<b>ASSETS</b>		
Current Assets		
Restricted Cash	\$ 383,388	\$377,563
Accounts Receivable	15,846	\$0
<b>Total Current Assets</b>	<u>399,234</u>	<u>377,563</u>
<b>Total Assets</b>	<u>\$ 399,234</u>	<u>\$ 377,563</u>
<b>LIABILITIES</b>		
Current Liabilities		
Due to MRPC	\$ 14,402	\$ 13,035
Accounts payable	12,840	19
Deferred revenue	354,887	355,747
Grants payable retention	17,105	8,762
<b>Total Current Liabilities</b>	<u>399,234</u>	<u>377,563</u>
<b>NET ASSETS</b>	<u>-</u>	<u>-</u>
<b>Total net Assets</b>	<u>-</u>	<u>-</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 399,234</u>	<u>\$377,563</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, 2011 AND 2010**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>	<u>2010</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Revenue and</u>	
		<u>Services</u>	<u>Grants and</u>	<u>Changes in</u>	<u>Totals</u>
			<u>Contributions</u>	<u>Net Assets</u>	
				<u>Governmental</u>	
				<u>Activities</u>	
<b>Governmental Activities:</b>					
Program and subgrant expenditures	\$ 239,420	\$ -	\$ 239,420	\$ -	\$ 242,495
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, 2011 AND 2010**

	<b>Governmental Activities Special Revenue Fund</b>	
	<b>2011</b>	<b>2010</b>
<b>ASSETS</b>		
Current Assets		
Restricted Cash	\$ 383,388	\$ 377,563
Accounts Receivable	15,846	-
<b>Total Current Assets</b>	<u>399,234</u>	<u>377,563</u>
<b>Total Assets</b>	<u>\$ 399,234</u>	<u>\$ 377,563</u>
 <b>LIABILITIES AND FUND BALANCE</b>		
Current Liabilities		
Due to MRPC	\$ 14,402	\$ 13,035
Accounts payable	12,840	19
Deferred revenue	354,887	355,747
Grants payable retention	17,105	8,762
<b>Total Current Liabilities</b>	<u>399,234</u>	<u>377,563</u>
Fund Balance	<u>-</u>	<u>-</u>
<b>Total Fund Balance</b>	<u>-</u>	<u>-</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 399,234</u>	<u>\$ 377,563</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, 2011 AND 2010**

	<b>Governmental Activities Special Revenue Fund</b>	
	<b>2011</b>	<b>2010</b>
<b>Revenues</b>		
Grant revenue - State of Missouri	\$ 239,420	\$ 242,285
Other income	-	210
	<hr/>	<hr/>
Total revenues	239,420	242,495
	<hr/>	<hr/>
<b>Expenditures</b>		
Annual dinner	407	353
Advertising	676	618
Audit	2,500	2,100
Contract services	-	9,297
Contracted administration	102,423	97,906
Grants	128,596	127,005
Insurance	1,539	1,539
Supplies	1,217	1,184
Travel	140	817
Other	1,922	1,466
Contract services (paid by program income)	-	210
	<hr/>	<hr/>
Total expenditures	239,420	242,495
	<hr/>	<hr/>
Excess revenue over expenditures	-	-
Fund balance - beginning balance	-	-
	<hr/>	<hr/>
Fund balance - ending balance	\$ -	\$ -
	<hr/>	<hr/>

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

**OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010**

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**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 plan 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, 2011 AND 2010**

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**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, 2011 AND 2010**

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Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities for 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 2011 is for the fiscal year beginning July 1, 2010 and the approved budget for 2010 is for the fiscal year beginning July 1, 2009.

**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 \$102,423 and \$97,906 for the years ended June 30, 2011 and 2010, respectively. The accompanying statements of financial position include amounts payable to MRPC in the amount of \$14,402 for 2011 and \$13,035 for 2010.

**OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010**

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**G. Restricted Cash**

As of June 30, 2011 and 2010, the District has restricted cash balances in the amount of \$383,388 and \$377,563, 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 2011 and 2010, the District invested in interest-bearing checking accounts.

*Custodial Credit Risk:* Restricted cash consists of interest-bearing demand deposit balances. At June 30, 2011, the carrying amount of the District's deposits was \$383,388. 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, 2011**

	<b>Governmental Funds</b>		
	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
<b>Revenues</b>			
Grants-State of Missouri	\$ 336,000	\$ 239,420	\$ (96,580)
Interest income	4,130	-	(4,130)
Other income	-	-	-
<b>Total Revenues</b>	<u>340,130</u>	<u>239,420</u>	<u>(100,710)</u>
 <b>Expenditures</b>			
Annual dinner	540	407	133
Advertising	1,200	676	524
Audit	2,500	2,500	-
Contracted administration	98,561	102,423	(3,862)
Grants	224,180	128,596	95,584
Supplies	2,050	1,217	833
Travel	550	140	410
Insurance	1,550	1,539	11
Other	4,869	1,922	2,947
<b>Total Expenditures</b>	<u>336,000</u>	<u>239,420</u>	<u>96,580</u>
 <b>Excess of Revenues Over Expenditures</b>	<u>\$ 4,130</u>	-	<u>\$ (4,130)</u>
 <b>Beginning Fund Balance</b>		<u>-</u>	
 <b>Ending Fund Balance</b>		<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, 2010**

	<b>Governmental Funds</b>		
	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
<b>Revenues</b>			
Grants-State of Missouri	\$ 281,288	\$ 242,285	\$ (39,003)
Interest income	4,130	-	(4,130)
Other income	1,000	210	(790)
<b>Total Revenues</b>	<u>286,418</u>	<u>242,495</u>	<u>(43,923)</u>
<b>Expenditures</b>			
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
<b>Total Expenditures</b>	<u>282,288</u>	<u>242,495</u>	<u>(39,793)</u>
<b>Excess of Revenues Over Expenditures</b>	<u>\$ 4,130</u>	-	<u>\$ (4,130)</u>
<b>Beginning Fund Balance</b>		<u>-</u>	
<b>Ending Fund Balance</b>		<u>\$ -</u>	



**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 Board of Directors 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, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 29, 2011. 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 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, the Board of Directors, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Kean & Company*

Kean & Company, LLC  
Rolla, Missouri  
November 29, 2011

## **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, 2011**

Schedule 1

	<u>Grant from FY 2009</u>	<u>Grant from FY 2010</u>	<u>Grant from FY 2011</u>	<u>Total</u>
<b>Revenues:</b>				
Grant revenue	\$ 24,776	\$ 85,039	\$ 129,606	\$ 239,420
Total revenues	<u>24,776</u>	<u>85,039</u>	<u>129,606</u>	<u>239,420</u>
<b>Expenditures:</b>				
Contractual services - subrecipient's expenditures:				
Annual dinner			407	407
Advertising			676	676
Audit			2,500	2,500
Contracted administration			102,423	102,423
Grants	24,776	85,039	18,782	128,596
Insurance			1,539	1,539
Supplies			1,217	1,217
Travel			140	140
Other			1,922	1,922
Total expenditures	<u>24,776</u>	<u>85,039</u>	<u>129,606</u>	<u>239,420</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, 2011**

Schedule 2

	<u>Year Ended June 30, 2011</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>
<b>FY 2009</b>						
#2009-4 MRPC school lab clean up						
State Revenue	7,154	-	7,154	7,154	-	Closed
#2009-5 Gasconade Co R-2 School District Recycling Works program						
State Revenue	487	9,274	9,761	9,761	-	Closed
#2009-12 MRPC Illegal Dump Cleanup program						
State Revenue	11,487	10,290	21,776	21,776	-	Closed
#2009-14 MRPC Special Waste Collection for Electronics, Waste Tires & White Goods						
State Revenue	-	20,230	20,230	20,230	-	Closed
District Match	5,648	13,884	19,531			
	5,648	34,114	39,762			
Total FY 2009 State Revenue	\$ 19,128	\$ 39,794	\$ 58,922	58,922	-	
Total FY 2009 District Match	5,648	13,884	19,531			
Past year State Revenue	-	165,620	165,620	165,620		
Past Year Match Revenue	-	15,963	15,963			
<b>TOTAL FY 2009 STATE REVENUE</b>	<b>\$ 19,128</b>	<b>205,414</b>	<b>224,542</b>	<b>224,542</b>		
<b>TOTAL FY 2009 MATCH REVENUE</b>	<b>\$ 5,648</b>	<b>29,847</b>	<b>35,494</b>			
	<b>24,776</b>	<b>235,261</b>	<b>260,036</b>			

**OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT  
SCHEDULE OF SUBGRANT EXPENDITURES -  
SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2011**

Schedule 2

	<u>Year Ended June 30, 2011</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>
<b>FY 2010</b>						
#2010-2 Maries Co Clean Road and Waterways Project						
State Revenue	<u>5,578</u>	<u>-</u>	<u>5,578</u>	5,578	-	Closed
#2010-3 Phelps County Tough on Trash program						
State Revenue	<u>8,228</u>	<u>4,336</u>	<u>12,564</u>	12,564	-	Closed
#2010-4 Phyto Forensics LLC						
State Revenue	<u>8,000</u>	<u>-</u>	<u>8,000</u>	8,000	-	Closed
#2010-5 University of MO						
State Revenue	<u>9,656</u>	<u>-</u>	<u>9,656</u>	9,656	-	Closed
#2010-6 MRPC - HHW Satellite						
State Revenue	<u>10,727</u>	<u>8,573</u>	<u>19,300</u>	19,300	-	Closed
#2010-7 MRPC - special waste collection						
State Revenue	<u>24,015</u>	<u>-</u>	<u>24,015</u>	33,500	9,485	Open
#2010-8 MRPC - illegal Dumping						
State Revenue	<u>4,737</u>	<u>3,795</u>	<u>8,532</u>	14,000	5,468	Open
#2010-9 City of Rolla recycling Mascott						
State Revenue	<u>5,000</u>	<u>-</u>	<u>5,000</u>	5,000	-	Closed
#2010-11 MRPC match to USDA illegal dump						
State Revenue	8,260	-	8,260	25,556	17,296	Open
District Match	<u>-</u>	<u>-</u>	<u>-</u>			
	8,260	-	8,260			
#2010-12 MRPC - website						
State Revenue	<u>837</u>	<u>-</u>	<u>837</u>	12,763	11,926	Open
Total FY 2010 State Revenue	\$ 85,039	\$ 16,704	\$ 101,742	145,918	44,175	
Total FY 2010 District Match	<u>-</u>	<u>-</u>	<u>-</u>			
Past year State Revenue	-	107,310	107,310			
Past Year Match Revenue	-	-	-			
<b>TOTAL FY 2010 STATE REVENUE</b>	<b>\$ 85,039</b>	<b>\$ 124,014</b>	<b>209,052</b>	<b>253,229</b>	<b>44,176</b>	
<b>TOTAL FY 2010 MATCH REVENUE</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>24,355</b>	<b>24,355</b>	
	<u>85,039</u>	<u>124,014</u>	<u>209,052</u>			

**OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT  
SCHEDULE OF SUBGRANT EXPENDITURES -  
SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2011**

Schedule 2

	<u>Year Ended June 30, 2011</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>
<b>FY 2011</b>						
#2011-1 Ozark Rivers SWMD - Reg K operations						
State Revenue	<u>110,824</u>	<u>-</u>	<u>110,824</u>	110,824	-	Closed
#2011-2 MRPC HHW Satellite						
State Revenue	<u>1,420</u>	<u>-</u>	<u>1,420</u>	22,688	21,268	Open
#2011-3 MRPC illegal dumping tires						
State Revenue	<u>-</u>	<u>-</u>	<u>-</u>	14,000	14,000	Open
#2011-4 MRPC - Special Waste Collection						
State Revenue	<u>-</u>	<u>-</u>	<u>-</u>	2,183	2,183	Open
District Match	<u>-</u>	<u>-</u>	<u>-</u>			
#2011-5 City of Rolla						
State Revenue	<u>-</u>	<u>-</u>	<u>-</u>	5,620	5,620	Open
#2011-6 City of Salem						
State Revenue	<u>9,637</u>	<u>-</u>	<u>9,637</u>	19,000	9,363	Open
#2011-7 Crawford Co						
State Revenue	<u>-</u>	<u>-</u>	<u>-</u>	10,000	10,000	Open
#2011-8 Maries County						
State Revenue	<u>-</u>	<u>-</u>	<u>-</u>	6,266	6,266	Open
#2011-9 Phyto Forensics						
State Revenue	<u>-</u>	<u>-</u>	<u>-</u>	6,790	6,790	Open
#2011-10 Tough on Trash						
State Revenue	<u>7,725</u>	<u>-</u>	<u>7,725</u>	13,018	5,293	Open
#2011-12 Gasconade Co R-2						
State Revenue	<u>-</u>	<u>-</u>	<u>-</u>	27,220	27,220	Open
<b>TOTAL FY 2011 STATE REVENUE</b>	\$ 129,606	-	129,606	237,609	108,002	
<b>TOTAL FY 2011 DISTRICT MATCH</b>	\$ -	-	-	33,719	33,719	
	<u>129,606</u>	<u>-</u>	<u>129,606</u>			
 <b>Grand Total STATE FUNDED PROGRAMS</b>	\$ 233,773	\$ 329,428	\$ 563,201			
<b>Grand Total DISTRICT MATCH</b>	\$ 5,648	\$ 29,847	\$ 35,494			
 <b>GRAND TOTAL</b>	<u>239,420</u>	<u>359,274</u>	<u>598,695</u>			

**OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT  
 STATEMENT OF DEFERRED REVENUE -  
 SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED JUNE 30, 2011**

Schedule 3

	<u>Cumulative Earned</u>	<u>Cumulative Received</u>	<u>Deferred Revenue</u>
FY 2009	224,542	224,542	0
FY 2009 - District match	35,494	35,494	0
FY 2010	209,053	253,229	44,176
FY 2010 - District match	-	24,355	24,355
FY 2011	129,606	237,609	108,002
FY 2011 - District match	-	33,719	33,719
Funds available for grant award	-	144,634	144,634
<b>Total</b>	<b><u>\$ 598,694</u></b>	<b><u>\$ 953,582</u></b>	<b><u>\$ 354,887</u></b>

**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 CLOSED**

Schedule 4

	<u>Budget</u>	<u>Year Ended June 30, 2011</u>	<u>Prior Year(s)</u>	<u>Cumulative to Date</u>
Revenues:				
State grant	\$ 224,542	\$ 19,128	\$ 205,414	\$ 224,542
Total revenues	<u>224,542</u>	<u>19,128</u>	<u>205,414</u>	<u>224,542</u>
Expenditures:				
Solid waste management district grants	<u>224,542</u>	<u>19,128</u>	<u>205,414</u>	<u>224,542</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 5

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	<u>Budget</u>	<u>Year Ended June 30, 2011</u>	<u>Prior Year(s)</u>	<u>Cumulative to Date</u>
<b>Revenues:</b>				
State grant	\$ 253,229	\$ 85,039	\$ 124,014	\$ 209,053
Total revenues	253,229	85,039	124,014	209,053
<b>Expenditures:</b>				
Solid waste management district grants	253,229	85,039	124,014	209,053
Revenues over expenditures	\$ -	\$ -	\$ -	\$ -

**OZARK RIVERS SOLID WASTE MANAGEMENT DISTRICT**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**MISSOURI DEPARTMENT OF NATURAL RESOURCES**  
**2011 GRANT PROGRAM**  
**GRANT PERIOD FROM JANUARY 1, 2011 TO OPEN**

Schedule 6

	<u>Budget</u>	<u>Year Ended June 30, 2011</u>	<u>Prior Year(s)</u>	<u>Cumulative to Date</u>
<b>Revenues:</b>				
State grant	\$ 237,609	\$ 129,606	\$ -	\$ 129,606
Total revenues	<u>237,609</u>	<u>129,606</u>	<u>-</u>	<u>129,606</u>
<b>Expenditures:</b>				
Solid waste management district grants	<u>237,609</u>	<u>129,606</u>	<u>-</u>	<u>129,606</u>
Revenues over expenditures	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>