

SOUTH CENTRAL SOLID WASTE MANAGEMENT DISTRICT

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Year Ended June 30, 2008

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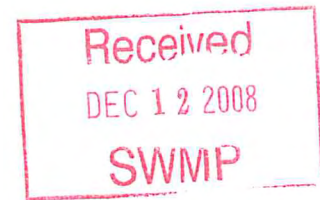


**SCHULTZ, DURHAM & RAPP, P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS CONSULTANTS  
MEMBER AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT**

October 30, 2008

South Central Solid Waste Management District  
Executive Board and District Council  
Eunice, MO 65468



Dear Members of the Board and Council:

We have audited the accompanying basic financial statements, as listed in the table of contents, of the South Central Solid Waste Management District as of and for the year ended June 30, 2008. Those financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on those financial statements based on our audit.

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 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 opinion.

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

In our opinion the basic financial statements referred to above present fairly, in all material respects, the financial position of the South Central Solid Waste Management District at June 30, 2008, and the results of its operations for the year then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2008, on our consideration of the South Central Solid Waste Management District's internal control over financial reporting and 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 should be considered in assessing the results of our audit.

The management's discussion and analysis is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying financial information listed as other supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the South Central Solid Waste Management District. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Schultz, Durham & Rapp, P.C.*

SOUTH CENTRAL SOLID WASTE MANAGEMENT DISTRICT  
Management's Discussion and Analysis  
June 30, 2008

The Management's Discussion and Analysis (MD&A) of the South Central Solid Waste Management District (the District) provides an overview and analysis of the District's financial activities for the fiscal years ended June 30, 2008 and 2007. The intent of the MD&A is to look at the District's financial performance as a whole. Readers should also review the financial statements found in the Financial Section starting on page 8, and the notes thereto to enhance their understanding of the District's financial performance.

The MD&A is an element of Required Supplementary Information specified in Governmental Accounting Standards Board (GASB) Statement No. 34 - *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* issued in 1999. Certain comparative information between the current year (2007-2008) (FY2008) and the prior year (2006-2007) (FY2007) is required to be presented in the MD&A.

### ***Financial Highlights***

Key financial highlights for the fiscal years ended June 30, 2008 and 2007 include the following:

The government-wide net assets decreased by \$23,373 at June 30, 2008 as compared to an increase of \$22,011 at June 30, 2007. The governmental funds ending fund balances decreased by \$19,328 at June 30, 2008 as compared to an increase of \$28,753 at June 30, 2007. The differences between the government-wide net assets increases/decreases and the governmental funds increases/decreases reflect the differences in the modified cash basis of accounting and the cash basis and are reconciled on page 11. The significant differences are capitalization and depreciation of fixed assets.

Program revenues made up 98% of the total revenues for the years ended June 30, 2008 and 2007, with general revenues making up the balance. These program revenues covered 92.6% and 100%, respectively, of the program expenditures for each of the years ended June 30.

### ***Using the Basic Financial Statements***

The District's basic financial statements consist of a series of financial statements and the associated notes to those statements. The statements are organized so the reader can understand the operations of the District as a whole, i.e., an entire operating entity. The "Basic Financial Statements" section, includes government-wide financial statements, fund financial statements and notes to financial statements.

The government-wide financial statement, consisting of the Government-Wide Statement of Net Assets and the Government-Wide Statement of Activities, provide highly consolidated financial information and render a government-wide perspective of the District's financial condition. They present an aggregate view of the District's finances. These statements seek to answer the question, "How did the District do financially during the 2007-2008 fiscal year?" In short, is the District better or worse financially this year than the prior year? These statements include assets and liabilities using the modified cash basis of accounting. This basis of accounting reflects revenues and expenses when received or paid, except for certain capital assets which are reflected as assets and are depreciated.



By showing the change in net assets for the years, the reader may ascertain whether the District's financial condition has improved or deteriorated. The changes which are discussed in the MD&A may be financial or non-financial in nature. Non-financial factors which may have an impact on the District's financial condition include increases in or erosion of the facilities, maintenance, and condition or other external factors.

To provide more in-depth reporting of the District's financial position and changes in financial position, fund basis financial information is presented in the "Fund Financial Statements" section beginning on page 10. These fund financial statements report governmental activities on more of a current rather than long-term basis, indicating sources and uses of funding, as well as sources available for spending in future periods.

Fund financial statements also provide more in-depth data on the District's General Fund. This fund is considered a "major fund" under GASB Statement No. 34. The relationship between governmental activities reported in the government-wide financial statements and the governmental fund reported in the fund financial statements is reconciled in the financial statements on pages 11 and 13.

### ***Government-Wide Financial Analysis***

Net assets of the District reflect the excess of assets over liabilities. Net assets of the District at June 30 consist of the following:

	<u>2008</u>	<u>2007</u>
Current assets	\$ 224,061	243,389
Capital assets	6,067	10,112
Total assets	<u>230,128</u>	<u>253,501</u>
 Total liabilities	 <u>-</u>	 <u>-</u>
 Net assets:		
Invested in capital assets, net of related debt	6,067	10,112
Restricted	204,553	196,676
Unrestricted	<u>19,508</u>	<u>46,713</u>
 Total net assets	 <u>\$ 230,128</u>	 <u>253,501</u>

Net assets at June 30, 2008 and 2007 reflect an decrease of \$23,373 and an increase of \$22,011, respectively, from the prior year balances. Key elements of these changes consist of the following:

	<u>2008</u>	<u>2007</u>
Revenues:		
Program revenues:		
Charges for services	\$ -	-
Operating grants and contributions	400,775	362,110
Capital grants and contributions	-	-
General revenues:		
Investment earnings	8,492	6,319
Other	360	2,211
	<u>409,627</u>	<u>370,640</u>
Expenses:		
Grant expenses	345,137	305,640
Payroll and payroll taxes	37,498	17,762
Benefits	12,000	6,000
Office expense	5,965	1,605
Executive board	9,225	5,606
Dues and subscriptions	1,816	146
Travel	11,350	1,736
Utilities	1,164	592.00
Office space and storage	4,800	2,800
Depreciation	4,045	6,742
	<u>433,000</u>	<u>348,629</u>
Change in net assets	(23,373)	22,011
Net assets, beginning of year	<u>253,501</u>	<u>231,490</u>
Net assets, end of year	<u>\$ 230,128</u>	<u>253,501</u>

As reflected above the expenses of the District's government-wide activities for the years ended June 30, 2008 and 2007 are not all borne by the District. Of these amounts \$400,775 and \$362,110, respectively, were paid through the state grant from the Missouri Department of Natural Resources.



The table below shows the total cost of programs and the net cost of these programs (after deducting charges for services and grant revenue) of the various categories of expenses for the years ended June 30, 2008 and 2007. The "net cost" presentation allows the District to determine the remaining cost of the various categories which were paid from other general revenues, and allows them the opportunity to assess the cost of each of these functions in comparison to the perceived benefits received.

	2008		2007	
	Total Expense of Program	Net Expense (Revenue) of Program	Total Expense of Program	Net Expense (Revenue) of Program
Grant expenses	\$ 345,137	(55,638)	305,640	(56,470)
Payroll and payroll taxes	37,498	37,498	17,762	17,762
Benefits	12,000	12,000	6,000	6,000
Office expense	5,965	5,965	1,605	1,605
Executive board	9,225	9,225	5,606	5,606
Dues and subscriptions	1,816	1,816	146	146
Travel	11,350	11,350	1,736	1,736
Utilities	1,164	1,164	592	592
Office space and storage	4,800	4,800	2,800	2,800
Depreciation	4,045	4,045	6,742	6,742
Total	\$ 433,000	32,225	348,629	(13,481)

### Governmental Fund Financial Analysis

The District uses the fund to control and manage money for particular purposes. The fund basis financial statements allow the District to demonstrate its stewardship over and accountability for resources provided by grantees and other entities. These statements also allow the reader to obtain more insight into the financial workings of the District, and assess further the District's financial health.

The District completed the fiscal year ended June 30, 2008 with a fund balance for governmental funds (as presented in the balance sheet on page 10) of \$224,061 as compared to a fund balance of \$243,389 as of July 1, 2007, a decrease of \$19,328.

The major source of revenue for operations is a grant from the Missouri Department of Natural Resources amounting to \$400,775 and \$362,110 in 2008 and 2007, respectively.

	2008	2007
<u>Revenue</u>		
Grant revenue	\$ 400,775	362,110
Interest income	8,492	6,319
Other	360	2,211
Total revenues	\$ 409,627	370,640
<u>Expenditures</u>		
Grant expenses	\$ 345,137	305,640
Administration and support	83,818	36,247
Total expenditures	\$ 428,955	341,887

-continued-

## ***Capital Assets***

### ***Capital Assets***

At June 30, 2008, the District had \$6,067 (net of accumulated depreciation) invested in capital assets, which consisted of two vehicles.

There were no assets which were capitalized as additions for 2008 and 2007. There were no disposals of assets in 2008 and 2007. Depreciation expense amounted to \$4,045 and \$6,742 for 2008 and 2007, respectively.

Additional information on the District's capital assets can be found in Note 3 on pages 16-17 of this report.

### ***Contacting the District's Financial Management***

While this Management's Discussion & Analysis is designed to provide a general overview of the financial condition and operations of the District, citizens groups, investors or creditors may want further details. To obtain such details, please contact District Coordinator Lynda Roehl at the District administration offices, 5436 Hwy 17, Eunice, MO 65468.



SOUTH CENTRAL SOLID WASTE MANAGEMENT DISTRICT  
Government-Wide Statement of Net Assets  
(Modified cash basis)  
June 30, 2008

Assets

Cash and cash equivalents	\$ 224,061
Capital assets, net of accumulated depreciation	<u>6,067</u>
Total assets	<u>230,128</u>

Liabilities

Liabilities	<u>-</u>
-------------	----------

Net Assets

Invested in capital assets	6,067
Restricted for grants	204,553
Unrestricted	<u>19,508</u>
Total net assets	<u>\$ 230,128</u>

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

**SOUTH CENTRAL SOLID WASTE MANAGEMENT DISTRICT**

Government-Wide Statement of Activities

(Modified cash basis)

Year Ended June 30, 2008

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities</b>					
Grant expenses	\$ 339,637	-	400,775	-	61,138
Payroll and payroll taxes	37,498	-	-	-	(37,498)
Benefits	17,500	-	-	-	(17,500)
Office expense	5,965	-	-	-	(5,965)
Executive board	9,225	-	-	-	(9,225)
Dues and subscriptions	1,816	-	-	-	(1,816)
Travel	11,350	-	-	-	(11,350)
Utilities	1,164	-	-	-	(1,164)
Office space and storage	4,800	-	-	-	(4,800)
Depreciation	4,045	-	-	-	(4,045)
<b>Total</b>	<b>\$ 433,000</b>	<b>-</b>	<b>400,775</b>	<b>-</b>	<b>(32,225)</b>
<b>General Revenues</b>					
					8,492
					360
					<u>8,852</u>
					<b>Change in Net Assets</b> (23,373)
					<u>253,501</u>
					<u>\$ 230,128</u>

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

SOUTH CENTRAL SOLID WASTE MANAGEMENT DISTRICT

Balance Sheet  
Governmental Funds  
(Cash basis)  
June 30, 2008

Assets

Cash and cash equivalents	\$ 224,061
	<u>224,061</u>

Liabilities and Equity

Liabilities	<u>-</u>
-------------	----------

Fund Equity	
Undesignated	<u>224,061</u>
Total Fund Balance	<u>224,061</u>
	<u>\$ 224,061</u>

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

SOUTH CENTRAL SOLID WASTE MANAGEMENT DISTRICT  
Reconciliation of the Balance Sheet - Governmental Funds  
to the Government-Wide Statement of Net Assets  
June 30, 2008

Amounts reported for governmental activities in the statement of net assets are different due to the following:

Total fund balance - Governmental Funds	\$ 224,061
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	6,067
	<hr/>
Total net assets - Government-Wide Statement of Net Assets	<u>\$ 230,128</u>

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

**SOUTH CENTRAL SOLID WASTE MANAGEMENT DISTRICT**  
 Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Governmental Funds  
 (Cash basis)  
 Year Ended June 30, 2008

<b>Revenues collected:</b>	
Grant income	\$ 400,775
Miscellaneous	360
Interest income	8,492
Total Revenues Collected	409,627
<b>Expenditures paid:</b>	
Grant expenses	339,637
Payroll and payroll taxes	37,498
Benefits	17,500
Office expense	5,965
Executive board	9,225
Dues and subscriptions	1,816
Travel	11,350
Utilities	1,164
Office space and storage	4,800
Total Expenditures Paid	428,955
Revenues collected over expenditures paid	(19,328)
Fund balance, beginning of year	243,389
Fund balance, end of year	\$ 224,061

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

**SOUTH CENTRAL SOLID WASTE MANAGEMENT DISTRICT**  
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund  
Balance - Governmental Funds to the Government-Wide Statement of Activities  
Year Ended June 30, 2008

Amounts reported for governmental activities in the statement of activities are different due to the following:

Net change in fund balance - Governmental Funds	\$ (19,328)
-------------------------------------------------	-------------

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense.

Depreciation expense	<u>(4,045)</u>
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Change in net assets - Government-Wide Statement of Activities	<u>\$ (23,373)</u>
----------------------------------------------------------------	--------------------

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



## SOUTH CENTRAL SOLID WASTE MANAGEMENT DISTRICT

Notes to Financial Statements

June 30, 2008

### Note 1: Summary of Significant Accounting Policies

#### A. Principles Used to Determine Reporting Entity

The accompanying financial statements present the activity of the South Central Solid Waste Management District (the District). The District is established under statutory or administrative authority, and its operation is under the control of the Executive Board and District Council under the oversight of the State of Missouri Department of Natural Resources.

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

The District has developed criteria to determine whether outside agencies with activities which benefit the citizens of the District should be included within its financial reporting entity. The criteria include, but are not limited to, whether the District exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships. Based upon the application of these criteria, there were no component units included in the District's reporting entity.

#### B. Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

**Government-wide Financial Statements** - The statement of net assets and the statement of activities display information about the District as a whole. These statements include the nonfiduciary financial activities of the District. These statements report those activities of the District that are governmental (i.e. generally supported by intergovernmental revenues).

The statement of net assets presents the financial position of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities and the remaining revenues that are not directly associated with specific programs. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions (including related investment earnings) that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues.

**Fund Financial Statements** - The District maintains fund accounting in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at a more detailed level. The focus of governmental fund financial statements is on major funds.

SOUTH CENTRAL SOLID WASTE MANAGEMENT DISTRICT

Notes to Financial Statements (continued)

June 30, 2008

Note 1: Summary of Significant Accounting Policies (continued)

**Governmental Funds** - Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they are used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The District maintains only one fund, the General Fund, which accounts for the general activities of the District.

C. Basis of Accounting/Measurement Focus

The Government-Wide financial statements of the District have been prepared on the modified cash basis of accounting, which is a comprehensive basis other than accounting principles generally accepted in the United States of America as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting principles.

The measurement focus establishes the basis of accounting. The basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements. Differences in the modified cash and the cash basis of accounting arise in the recording of capital assets and the recognition of depreciation. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide financial statements and the governmental fund financial statements.

The government-wide financial statements are prepared using the flow of current financial resources measurement focus and the modified cash basis of accounting. Revenues are recorded when received and expenses are recorded when paid, except that capital assets are recorded as assets and are depreciated.

The governmental fund financial statements are prepared using a flow of current financial resources measurement focus and the cash basis of accounting. Revenues are recognized when received and expenditures are recorded when paid. Proceeds from issuance of long-term debt, if any, are recognized when received and payment of long-term debt principal is reported as an expenditure when paid. Capital asset purchases are recorded as expenditures and depreciation is not recognized.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include grants, entitlements and donations. Revenues from grants, entitlements and donations are recognized when received.

D. Cash and Cash Equivalents

Cash resources consist of a checking account and a certificate of deposit which is managed by the District Coordinator. These assets are carried at cost, which approximates market.

E. Other Revenues

The District mainly operated under grants received from the State of Missouri Department of Natural Resources. State grant aid is reported as revenue when the reimbursements are received. Unrestricted aid, interest income and miscellaneous revenues are reported as revenue in the fiscal year the cash is received.

-continued-

**SOUTH CENTRAL SOLID WASTE MANAGEMENT DISTRICT**

Notes to Financial Statements (continued)

June 30, 2008

**Note 1: Summary of Significant Accounting Policies (continued)**

**F. Capital Assets**

In the government-wide financial statements, capital assets are recorded at cost and updated for additions and retirements during the year. Donated assets are recorded at their estimated fair value as of the date received. Capital assets are depreciated over their useful lives of 5 to 40 years, using the straight-line method.

All capital assets purchased through state grants by sub grantees are excluded from the basic financial statements. The District files UCC-1 forms to perfect its security interest for all assets with purchase cost in excess of \$5,000 purchased by sub grantees. The security interest period runs for a period of four years with the secured value decreasing at the rate of 25% per year until the period is up, when the security interest is relinquished on the part of the state. The capital asset then belongs to the sub grantee.

**Note 2: Cash and Investments**

The District maintains a cash and temporary cash investment pool that is available for use by the general fund. This is displayed on the Governmental Funds balance sheet as "Cash and cash equivalents". Interest income received is recorded in the general fund.

Deposits - All deposits with financial institutions must be collateralized in an amount at least equal to uninsured deposits.

Investments - The District may purchase any investments allowed by the State Treasurer. These include (1) obligations of the United States government or any agency or instrumentality thereof maturing and becoming payable not more than five years from the date of purchase, (2) repurchase agreements maturing and becoming payable within ninety days secured by U.S. Treasury obligations or obligations of U.S. government agencies or instrumentalities of any maturity, as provided by law, (3) bankers' acceptances, and (4) commercial paper.

The District has not invested in any securities at June 30, 2008. At June 30, 2008, the District had bank balances of \$224,127. The bank balances were covered by federal depository insurance and by collateral held at the District's safekeeping bank agent, in the District's name.

**Note 3: Fixed Assets and Accumulated Depreciation**

A summary of changes in fixed assets for the year ended June 30, 2008 follows:

	Balances July 1, 2007	Additions	Deletions	Balances June 30, 2008
Furniture, Vehicles and Equipment	\$ 38,779	-	-	38,779
Total	\$ 38,779	-	-	38,779

-continued-

**SOUTH CENTRAL SOLID WASTE MANAGEMENT DISTRICT**

Notes to Financial Statements (continued)

June 30, 2008

**Note 3: Fixed Assets and Accumulated Depreciation (continued)**

A summary of changes in accumulated depreciation for the year ended June 30, 2008 follows:

	Balances July 1, 2007	Additions	Deletions	Balances June 30, 2008
Furniture, Vehicles and Equipment	\$ 28,667	4,045	-	32,712
Total	\$ 28,667	4,045	-	32,712

**Note 4: Employee Benefits**

The District contributes to an Individual Retirement Account and a Health Savings Account on behalf of the District Coordinator in addition to her salary. Contributions for 2008 totaled \$17,500.

**Note 5: Related Party Transactions**

The District has a contract with Backwoods Services, LLC (Backwoods) to provide services to the District for grant projects. Backwoods has been in business since 1984 and also provides real estate sales, construction, and general contracting services. The owners of the business are the District's Coordinator and her husband, who also performs work for the District and receives an hourly fee and expense reimbursements approved by the Executive Board. Backwoods serves as a bill payer in which it hires workers and pays the bills for the projects and presents the District detailed invoices each month for each project. The District then reimburses Backwoods for expenses paid on behalf of the District. The District also pays the District Coordinator \$400 per month for office space and rent. This amount is paid to Backwoods and Backwoods reimburses the District Coordinator.

During the year ended June 30, 2008, the District reimbursed Backwoods a total of \$196,550 for expenses paid on the District's behalf, including the office space and rent.

OTHER SUPPLEMENTARY INFORMATION

SOUTH CENTRAL SOLID WASTE MANAGEMENT DISTRICT  
 Schedule of Subgrant Expenditures by Grant Number  
 Year Ended June 30, 2008

<u>Grant Number</u>	<u>Grant Description</u>	<u>Expenditures</u>
2006-6	School chemical cleanouts	\$ 11,151
2006-7	Shannon County recycling	6,613
2007-1	Administration	36,209
2007-2	Technical assistance	33,384
2007-3	Household hazardous waste collections	12,077
2007-4	Electronics collections	12,102
2007-5	Waste tire amnesty	6,684
2007-6	Illegal dumping-identification and clean up	7,467
2007-7	Capital improvement - Ozark County	14,675
2007-9	Recycling bins - City of West Plains	3,270
2007-10	Equipment - Pickup truck	16,496
2007-11	Capital Improvements - Douglas County Sheltered Workshop, Inc	10,000
2007-12	Used oil systems - Eminence, Ava, Squires and Pomona	27,143
2007-13	Equipment - Chipper	7,111
2007-15	Baler - Oregon County Recycling Association	4,680
2008-1	Administration	43,925
2008-2	Technical assistance	31,774
2008-3	Household hazardous waste collections	18,344
2008-4	Electronics collections	22,074
2008-5	Waste tire collections	27,880
2008-6	Illegal dumping	15,867
2008-8	Wages - Ozark County	2,352
2008-9	Glass pulverizer - City of West Plains	28,059
2008-10	Shredder - Oregon County Sheltered Workshop	7,999
2008-11	Wages - Douglas County Sheltered Workshop, Inc.	2,373
2008-12	Glass pulverizer - Douglas County Sheltered Workshop, Inc.	8,766
2008-13	Wages - Shannon County	480
		<u>\$ 428,955</u>



**SOUTH CENTRAL SOLID WASTE MANAGEMENT DISTRICT**

Schedule of Capital Assets Held by Subgrantees

Year Ended June 30, 2008

Asset	Cost	Project Number	Location
Four roll-off containers	14,769	2005-17	S&S Recycling - City of Mountain Grove
Truck	20,000	2005-18	City of West Plains
Storage shed	15,000	2005-19	OCRA - City of Thayer
Garage doors	2,100	2005-20	Ozark County Recycling Center
Alley Cat	1,000	2005-9	City of Houston, SCCC
Big flat bed trailer	1,700	2005-9	Do Co. Inc., Douglas County
Bobcat truck	630	2005-9	OCRA - City of Thayer
Mitsubishi truck	1,400	2005-9	Do Co. Inc., Douglas County
Shredder	1,227	2005-9	Oregon County Family Services
Storage shed	14,850	2006-10	Do Co. Inc., Douglas County
Recycling equipment	11,333	2006-11	West Plains Recycling
Two gooseneck trailers	9,026	2006-12	OCRA - City of Thayer
Paint trailers	4,445	2006-12	OCRA - City of Thayer
Horse trailer	3,200	2006-2	Hodgson Mill - Ozark County
Two home-made trailers	1,550	2006-2	Do Co. Inc., Douglas County
Recycling truck	30,000	2006-8	City of Mountain View
Recycling truck bed	30,000	2006-9	City of West Plains
Pickup truck	16,496	2007-10	City of Houston, SCCC
Electric and concrete work	10,000	2007-11	Do Co. Inc., Douglas County
Brush chipper	24,000	2007-14	Douglas County Commission
Storage shed	29,675	2007-7	Ozark County Recycling Center
500 curbside recycling bins	3,720	2007-9	City of West Plains
Used oil collection sites	6,000	2007-12	Douglas County - Ava
Used oil collection sites	6,000	2007-12	Douglas County - Squires
Used oil collection sites	6,000	2007-12	Shannon County Shed - Eminence
Used oil collection sites	2,000	2007-12	Midway Auto - Pomona, Howell County
Baler	15,000	2007-15	OCRA - City of Thayer
Glass Pulverizer, large	28,059	2008-9	City of West Plains
Paper shredder	8,000	2008-10	Oregon County Sheltered Workshop

Do Co Inc. - Douglas County Sheltered Workshop Incorporated

OCRA - Oregon County Recycling Association

SCCC - South Central Correctional Center

MRF - Materials Recovery Facility



**SCHULTZ, DURHAM & RAPP, P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS CONSULTANTS  
MEMBER AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

**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**

October 30, 2008

South Central Solid Waste Management District  
Executive Board and District Council  
Eunice, MO 65468

Dear Members of the Board and Council:

We have audited the basic financial statements of the South Central Solid Waste Management District, as of and for the year ended June 30, 2008, and have issued our report thereon dated October 30, 2008. Those basic financial statements were prepared on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. 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 South Central Solid Waste Management District's internal control over financial reporting as a basis for designing auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion of the effectiveness of the South Central Solid Waste Management District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the South Central Solid Waste Management District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control over financial reporting that we consider to be a significant deficiency.

The significant deficiency noted is as follows:

**SEGREGATION OF DUTIES (REPEAT) (Finding 07-1)**

In any system of internal accounting control, one primary goal is adequate segregation of duties. The District's bookkeeper is basically responsible for all areas of the accounting cycles; therefore, an adequate segregation of duties and responsibilities is not present.

The size and budget constraints of the District limit the application of adequate segregation of duties. These areas should be reviewed periodically and consideration given to improving the segregation of duties.

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 South Central Solid Waste Management District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the South Central Solid Waste Management District's financial statements that is more than inconsequential will not be prevented or detected by the South Central Solid Waste Management District's internal control. We consider the deficiency described above to be a significant deficiency in internal control over financial reporting.

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 South Central Solid Waste Management District's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is not a material weakness.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the South Central Solid Waste Management District's basic 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 the Board, management, the Missouri Department of Natural Resources, and other audit agencies and is not intended to be, and should not be, used by anyone other than those specified parties.

*Schultz, Durham & Rapp, P.C.*