

**NORTH MISSOURI  
SOLID WASTE MANAGEMENT  
DISTRICT - REGION B  
TRENTON, MISSOURI  
FINANCIAL STATEMENTS  
(With Independent Auditors'  
Reports Thereon)  
JUNE 30, 2010 AND 2009**

**NORTH MISSOURI SOLID WASTE  
MANAGEMENT DISTRICT – REGION B  
TRENTON, MISSOURI**

**TABLE OF CONTENTS**

	<u>Page</u>
<b>SECTION I: FINANCIAL STATEMENTS</b>	
Independent Auditors' Report	1
Management's Discussion and Analysis	2 - 6
Statements of Net Assets – Cash Basis	7
Statements of Activities – Cash Basis	8 - 9
Balance Sheets – Cash Basis	10
Statement of Receipts, Disbursements and Changes in Fund Balances – Cash Basis	11 - 12
Statement of Receipts, Disbursements and Changes in Fund Balances – Budget to Actual Comparison – Cash Basis	13 - 14
Notes to Financial Statements	15 - 19
<b>SECTION II: SUPPLEMENTAL SCHEDULE</b>	
Supplemental Schedule of Subgrant Disbursements	20
<b>SECTION III: INTERNAL CONTROL AND COMPLIANCE</b>	
Independent Auditors' Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <u>Government Auditing Standards</u>	21 - 22

**SECTION I**

**FINANCIAL STATEMENTS**

**ARTHUR WHITE & ASSOCIATES, L.L.C.**

**CERTIFIED PUBLIC ACCOUNTANTS**

302 Main Street  
Tarkio, Missouri 64491  
Telephone (660) 736-5811  
Fax (660) 736-4364

2400 Frederick, Suite 500  
St. Joseph, Missouri 64506  
Telephone (816) 233-2855  
Fax (816) 233-8238

**INDEPENDENT AUDITORS' REPORT**

March 24, 2011

Executive Board  
North Missouri Solid Waste  
Management District – Region B  
Trenton, Missouri 64683

We have audited the accompanying financial statements of the governmental activities and each major fund of the North Missouri Solid Waste Management District, Trenton, Missouri (the District) as of and for the years ended June 30, 2010 and 2009, 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 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1E, the District prepares its financial statements on the cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the governmental activities and each major fund of the North Missouri 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 the basis of accounting described in Note 1E, and the respective budgetary comparison for the General Fund and the Major Special Revenue Fund.

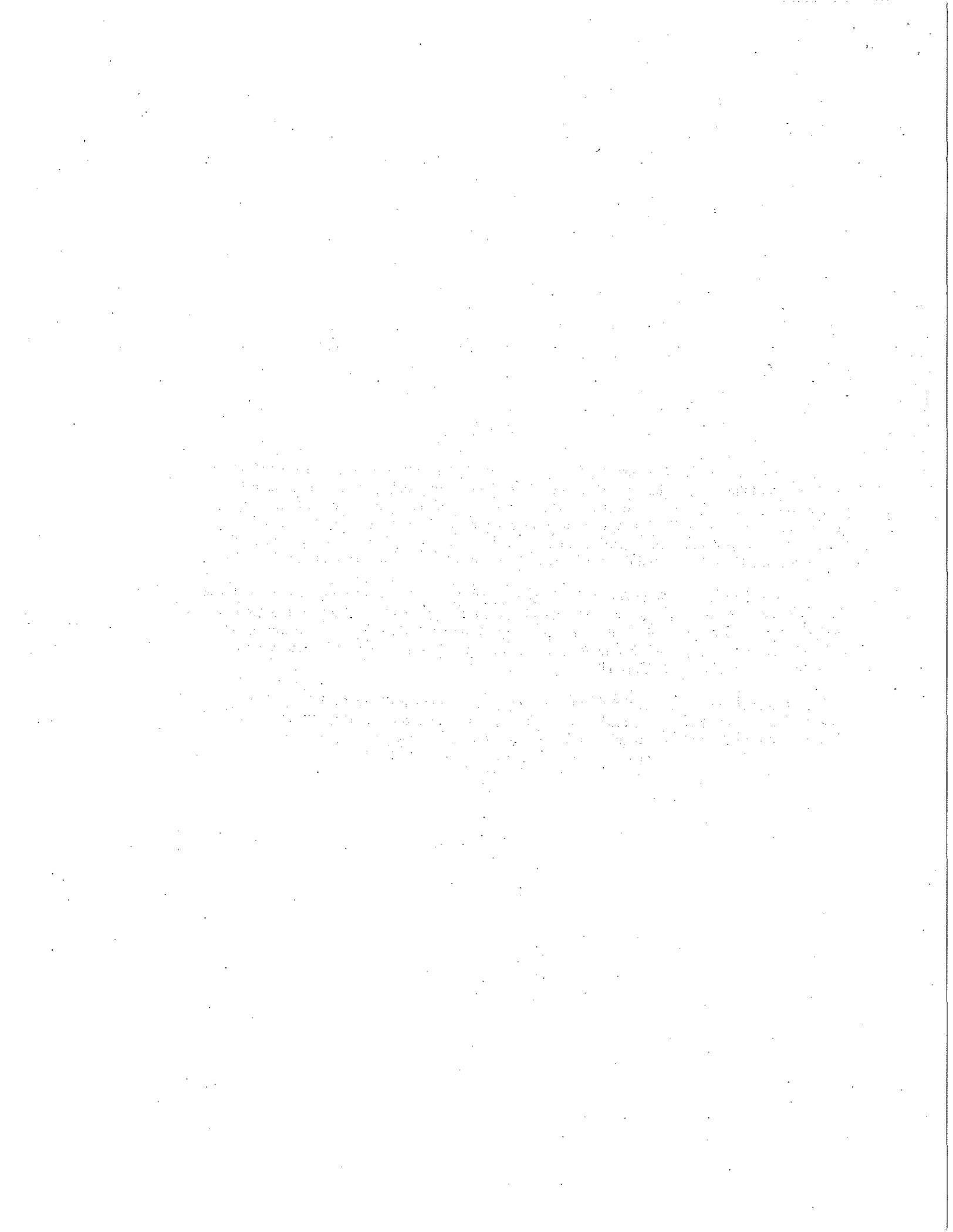
In accordance with Government Auditing Standards, we have also issued a report dated March 24, 2011, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and important for assessing the results of our audits.

The management's discussion and analysis on pages 2 through 6 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. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental information on page 20 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Arthur White & Associates, L.L.C.*

ARTHUR WHITE & ASSOCIATES, L.L.C.



**NORTH MISSOURI SOLID WASTE MANAGEMENT DISTRICT – REGION B  
TRENTON, MISSOURI**

**MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED  
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009**

This discussion and analysis of North Missouri Solid Waste Management District Region B's (District's) financial performance provides an overview of the financial activity for the years ending June 30, 2010 and 2009. Please read it in conjunction with the District's financial statements, notes to the financial statements, and other supplemental information, which immediately follow this section.

The Management's Discussion and Analysis is presented to financial readers in accordance with Statement No. 34 *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* issued by the Governmental Accounting Standards Board (GASB) in June 1999. Specific comparative information from both years offers readers a reporting model to assist in evaluating the financial performance of the District.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the years ended June 30, 2009 and 2010, are as follows:

1. The total unrestricted net asset balance was \$52,658 at June 30, 2009. The total unrestricted net asset balance was \$53,760 at June 30, 2010. This is an increase of \$1,102 from the previous fiscal year. The total restricted net asset balance of the grant fund was \$56,953 at June 30, 2009. The total restricted net asset balance of the grant fund was \$87,197 at June 30, 2010. This is an increase of \$30,244 from the previous fiscal year. The difference is due to the grant funds being invoiced and received through the Missouri Department of Natural Resources (DNR), but not being disbursed by the end of the year.
2. Total grant revenue from DNR was \$53,383 for the year ended June 30, 2009, and \$79,653 for the year ended June 30, 2010. This is an increase of \$26,270 for the year ended June 30, 2010. The increase in receipts was due to the District not awarding grants at the same time each year.
3. Total disbursements for the year ended June 30, 2009 and 2010, were \$121,472 and \$61,351, respectively. This is a decrease of \$60,121 for the year ended June 30, 2010. This decrease is due to the fact that the subgrantees had not expended all of their grant funds, due to the District awarding grants later in the year.
4. Actual receipts of interest income were \$975 for the year ended June 30, 2009, and \$617 for the year ended June 30, 2010. This is a decrease of \$358. For the year ended June 30, 2009, other revenue was \$13,962 and for the year ended June 30, 2010, other revenue was \$12,427. Other revenue decreased by \$1,535. Other revenue involves fees charged to individuals participating in the textile collections, ink cartridge rebates, fees charged at county collections, and dues collected by the District from their member cities and counties.

**OVERVIEW OF FINANCIAL STATEMENTS**

This financial section of the annual report consists of three parts:

1. Management's discussion and analysis (this section),
2. Financial statements including notes to the financial statements, and
3. Supplemental information.

This annual report consists of a series of financial statements that provide an array of data to assist in evaluating the District's financial performance. Two types of financial statements used to assess fiscal accountability of the District are as follows:

**NORTH MISSOURI SOLID WASTE MANAGEMENT DISTRICT – REGION B  
TRENTON, MISSOURI**

**MANAGEMENT’S DISCUSSION AND ANALYSIS, CONTINUED  
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009**

1. **Government-wide Financial Statements** assists the financial statement user in assessing the medium- and long-term operational accountability of the District. They are prepared using the cash basis of accounting. Government-wide financial statements include the following:
  - a) **Government-wide Statements of Net Assets - Cash Basis** report information on the District’s cash assets and net assets, that is, equity. Cash assets are presented in their order of liquidity. Namely, assets are presented in the order to their nearness to producing cash.
  - b) **Government-wide Statements of Activities-Cash Basis** present information on the District’s receipts and disbursements, with the variance between the two reported as a change in net assets. Receipts are recognized in the accounting period in which they are received, while disbursements are recognized in the period disbursed.
  
2. **Fund Financial Statements** assist the financial statement user in assessing short-term fiscal accountability of the District. They are prepared on the cash basis of accounting. Fund financial statements include the following:
  - a) **The Governmental Funds Balance Sheets – Cash Basis** consist of a listing of assets and fund balances and indicates the financial position of the District at a particular date.
  - b) **The Statements of Receipts, Disbursements and Changes in Fund Balances – Cash Basis** demonstrates how the District’s fund balances changed during the year.

The Notes to the Financial Statements provide additional information essential to fully understand the data provided in the District’s financial statements. The notes to the financial statements follow the order of the basic financial statements.

The financial statements and notes to the financial statements are followed by a section of **supplementary information and schedules** that further explain and support the financial statements.

**OVERVIEW OF SOLID WASTE CYCLES**

Our analysis of the District begins with explaining the project cycles which run parallel with other active project cycles throughout the District’s fiscal year. Understanding the cycles’ time period is crucial when trying to understand the receipts and disbursements which have occurred in the fiscal year. Due to projects’ cycles, a project may be active in more than one fiscal year.

**TABLE 1**

Table 1 provides a summary of the project cycles that were active during the years ended June 30, 2010 and 2009.

<b>Operating Cycle</b>	<b>Cycle Period</b>
Projects 2008	January 2008 – January 2009
Projects 2009	March 2008 – April 2009
Projects 2009	December 2008 – December 2009
Projects 2009	July 2009 – July 2010
Projects 2010	July 2009 – June 2010
Projects 2010	November 2009 – April 2011

**NORTH MISSOURI SOLID WASTE MANAGEMENT DISTRICT – REGION B  
TRENTON, MISSOURI**

**MANAGEMENT’S DISCUSSION AND ANALYSIS, CONTINUED  
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009**

**BUDGET ANALYSIS - TABLE 2**

Table 2 displays the overall budget for the District for the years ended June 30, 2010 and 2009. Each year, the District requests the amount of funds that District Operations, District Collections/Recycling, and Subgrant projects will need to function efficiently. However, there are some projects that do not expend all the funds that were allocated to the project. When this happens, DNR allows the District to carryover the remaining amount of funds into another eligible project.

Project	Budgeted Funds for Project	Funds Received from DNR	Funds Carried Forward to Project	Source, Carry Forward Funds	Actual Cost of Project	Remaining Funds Carried Forward	Project to Benefit from Remaining Funds
Banned Items B2006-05	\$23,934	\$23,934	\$16,653	05 Grant Funds	\$26,611	\$13,976	Carryover will be put towards next banned items grant
District Operations B2008-01	23,750	23,750	0	N/A	23,750	0	N/A
Plan Implementation B2008-02	23,750	23,750	0	N/A	23,750	0	N/A
Grundy County Recycling B2008-03	3,500	3,500	0	N/A	2,846	654	Deobligated – To be used for future projects.
City of Chula Banned Items Storage B2008-04	2,000	2,000	0	N/A	805	1,195	Deobligated – To be used for future projects.
City of Princeton Recycling B2008-05	4,500	4,500	0	N/A	4,151	349	Deobligated – To be used for future projects.
Caldwell County Recycling B2008-06	8,500	8,500	0	N/A	7,225	1,275	Deobligated – To be used for future projects.
Sullivan County/High Hope Box Van B2008-07	20,000	20,000	0	N/A	20,000	0	N/A
Banned Items B2008-08	35,474	35,474	0	N/A	28,873	6,601	Carryover will be put towards next banned items grant
District Operations B2009-01	29,230	29,230	0	N/A	27,771	1,459	Deobligated – To be used for future projects.
Plan Implementation B2009-02	9,353	9,353	0	N/A	9,039	314	Deobligated – To be used for future projects.
Marceline Recycling B2009-03	15,000	15,000	0	N/A	14,751	249	Deobligated funds will be used for future projects.
Trenton R-IX School B2009-04	1,800	1,800	0	N/A	0	1,800	Project Still Open
Harrison County Box Handler B2009-05	11,153	11,153	0	N/A	0	11,153	Project Still Open
Bethany Recycling B2009-06	4,000	4,000	0	N/A	3,247	753	Project Still Open
District Operations B2010-01	30,147	30,147	0	N/A	14,762	15,385	Project Still Open
Plan Implementation B2010-02	17,353	17,353	0	N/A	8,914	8,439	Project Still Open
Hope Haven Truck B2010-03	15,000	15,000	0	N/A	0	15,000	Project Still Open
Banned Items B2010-04			0		(195)	(195)	Project Still Open

**NORTH MISSOURI SOLID WASTE MANAGEMENT DISTRICT – REGION B  
TRENTON, MISSOURI**

**MANAGEMENT’S DISCUSSION AND ANALYSIS, CONTINUED  
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009**

**ANALYSIS OF RECEIPTS AND DISBURSEMENTS**

**Grant Receipts**

The District receives grant receipts from the DNR. The schedule of receipts was shown in the preceding table. The subsequent table displays the sources of receipts and compares the two fiscal years.

**TABLE 3**

Table 3 totals the receipts the District received in the years ended June 30, 2010 and 2009.

Revenues	Year Ended June 30,		Difference
	2010	2009	
Grant Receipts	\$ 79,653	\$ 53,383	\$ 26,270
Interest Receipts	617	975	(358)
Other Receipts	12,427	13,962	(1,535)
<b>TOTALS</b>	<b>\$ 92,697</b>	<b>\$ 68,320</b>	<b>\$ 24,377</b>

**Disbursements**

The disbursements for the year ended June 30, 2010, have decreased in the amount of \$60,121 from the previous year. The increase in disbursements is due to the fact that the District awarded subgrants later in the fiscal year and the subgrantees have not turned in required paperwork for reimbursement. Table 4 shows the breakdown of disbursements into the two categories of district operations and collections/recycling.

**TABLE 4**

Table 4 totals the disbursements the District accumulated in the years ended June 30, 2009 and 2010.

Disbursements	Year Ended June 30,		Difference
	2010	2009	
District Operations	\$ 40,103	\$ 59,329	\$ (19,226)
Collections/Recycling/ Subgrantees	21,248	62,143	(40,895)
<b>TOTALS</b>	<b>\$ 61,351</b>	<b>\$ 121,472</b>	<b>\$ (60,121)</b>

Total disbursements for the years ended June 30, 2009, and June 30, 2010, consisted of the following:

- a. District Operations represent 49% of the total disbursements for the year ended June 30, 2009, and 65% for the year ended June 30, 2010. District Operations decreased by \$19,226 during the year ended June 30, 2010, due to paying 4<sup>th</sup> Quarter fiscal year 2010 disbursements in fiscal year 2011. District operations include rent and administrative disbursements contracted through Green Hills Regional Planning Commission.
- b. Collections and Recycling represent 51% of the total disbursements for the year ended June 30, 2009, and 35% for the year ended June 30, 2010. Collections and Recycling decreased by \$40,895 during the year ended June 30, 2010, which was due to the District awarding subgrant contracts later in the year and the subgrantees not filing required paperwork for reimbursement before the end of the year. Collections and Recycling include grants that are given to subgrantees and include disbursements such as travel, refreshments for volunteers at collections, supplies, recycling bins, advertising, and contractual expenses with waste haulers.

**NORTH MISSOURI SOLID WASTE MANAGEMENT DISTRICT – REGION B  
TRENTON, MISSOURI**

**MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED  
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009**

**TABLE 5**

Table 5 summarizes the various collections held in the eleven-county region.

<b>Collections</b>	<b>Kind of Collection</b>	<b>Counties who Participated</b>
Grundy County Recycling B2008-03	Recycling Collection for Paper, Cardboard, Tin, & Aluminum	Grundy County
Caldwell County Recycling B2008-06	Recycling Collection for Paper, Cardboard, Tin, & Aluminum	Caldwell County
District Collections Banned Items B2006-05, B2008-08, & B2010-04	White Goods, Waste Tires, Scrap Metal, Household Hazardous Waste, Textiles, and Electronics	Caldwell, Carroll, Harrison, Grundy, Livingston, Chariton, Linn, Putnam, Sullivan, Mercer, and Daviess
City of Marcelline Recycling B2009-03	Recycling Collection for Paper, Cardboard, Tin, & Aluminum	Linn County
City of Princeton Recycling B2008-05	Recycling Collection for Paper, Cardboard, Tin, & Aluminum	Mercer County
City of Bethany Recycling B2009-06	Recycling Collection for Paper, Cardboard, Tin, & Aluminum	Harrison County
City of Chula Recycling B2008-04	Appliances, Batteries, and tires	Livingston County

**TABLE 6**

Table 6 summarizes the equipment purchased for sub grantees. The unit price is what the equipment cost including in-kind match, but the grant awarded is the maximum amount the District would pay. The amount paid is the actual amount the District paid based on the actual cost of equipment and match met by the subgrantee.

**Fiscal Year 2008-2009**

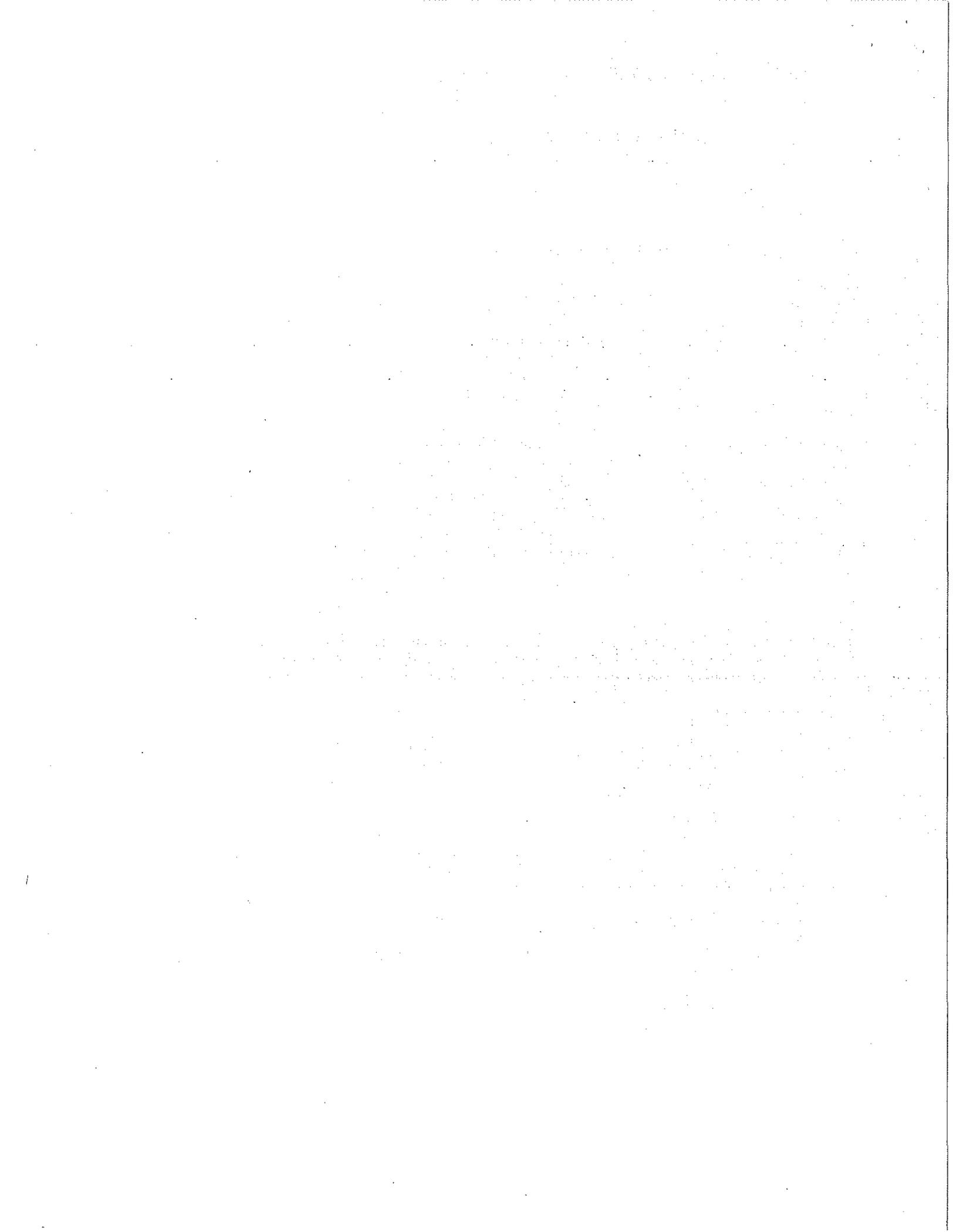
<b>Subgrantee</b>	<b>Equipment</b>	<b>Grant Awarded</b>	<b>Unit Price</b>	<b>Amount Paid</b>
High Hope Box Van B2010-07	Box Van	\$20,000	\$27,393	\$20,000

**ECONOMIC FACTORS**

The District operates in an eleven-county area of North Central Missouri and relies primarily on DNR grant funds to operate. The District expects to maintain the current level of funds from DNR and will maintain a similar budget for the upcoming fiscal year.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the District's constituents, residents and funding agency with a general overview of its finances and to demonstrate the accountability for funding it receives. Questions concerning any of the information provided in this report or request for additional information should be addressed North Missouri Solid Waste Management District – Region B, 1104 Main, Trenton, Missouri, 64683.



**NORTH MISSOURI SOLID WASTE  
MANAGEMENT DISTRICT - REGION B  
TRENTON, MISSOURI**

**STATEMENTS OF NET ASSETS - CASH BASIS  
JUNE 30, 2010 AND 2009**

	<u>Governmental Activities</u>	
	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
<b>CURRENT ASSETS:</b>		
Unrestricted cash and cash equivalents	\$ 53,760 ✓	\$ 52,658 ✓
Restricted cash	87,197 ✓	56,953 ✓
	140,957 ✓	109,611 ✓
Total current assets		
<b>TOTAL ASSETS</b>	<b>\$ 140,957 ✓</b>	<b>\$ 109,611 ✓</b>
	✓	✓
<u>NET ASSETS</u>		
<b>NET ASSETS:</b>		
Unrestricted	\$ 53,760	\$ 52,658
Restricted	87,197	56,953
	140,957 ✓	109,611 ✓
Total net assets		
<b>TOTAL NET ASSETS</b>	<b>\$ 140,957 ✓</b>	<b>\$ 109,611 ✓</b>
	✓	✓

✓ foots

~ - has 90 statement of activities

See Notes to Financial Statements.

NORTH MISSOURI SOLID WASTE  
MANAGEMENT DISTRICT - REGION B  
TRENTON, MISSOURI

STATEMENT OF ACTIVITIES -  
CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2010

Functions and Programs	<u>Disbursements</u>	Program Receipts		Net Receipts and Change in Net Assets
		<u>Capital Grants and Contributions</u>	<u>Operating Grants and Contributions</u>	<u>Primary Government Governmental Activities</u>
Primary Government: Governmental Activities:				
General Government	<u>\$ 61,351</u> ✓	<u>\$ -</u>	<u>\$ 79,653</u> ✓	<u>\$ 18,302</u>
General Receipts:				
Unrestricted investment earnings				617 ✓
Other				<u>12,427</u> ✓
Total general receipts				<u>13,044</u>
Change in net assets				31,346
Net Assets - Beginning of year				<u>109,611</u>
Net Assets - End of year				<u>\$ 140,957</u>

See Notes to Financial Statements.

**NORTH MISSOURI SOLID WASTE  
MANAGEMENT DISTRICT - REGION B  
TRENTON, MISSOURI**

**STATEMENT OF ACTIVITIES -  
CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2009**

Functions and Programs	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net Receipts and Change in Net Assets</u>
		<u>Capital Grants and Contributions</u>	<u>Operating Grants and Contributions</u>	<u>Primary Government Governmental Activities</u>
Primary Government: Governmental Activities:				
General Government	\$ 121,472 ✓	\$ -	\$ 53,383 ✓	\$ (68,089)
General Receipts:				
Unrestricted investment earnings				975 ✓
Other				13,962 ✓
Total general receipts				<u>14,937</u>
Change in net assets				(53,152)
Net Assets - Beginning of year				<u>162,763</u>
Net Assets - End of year				<u>\$ 109,611</u>

See Notes to Financial Statements.

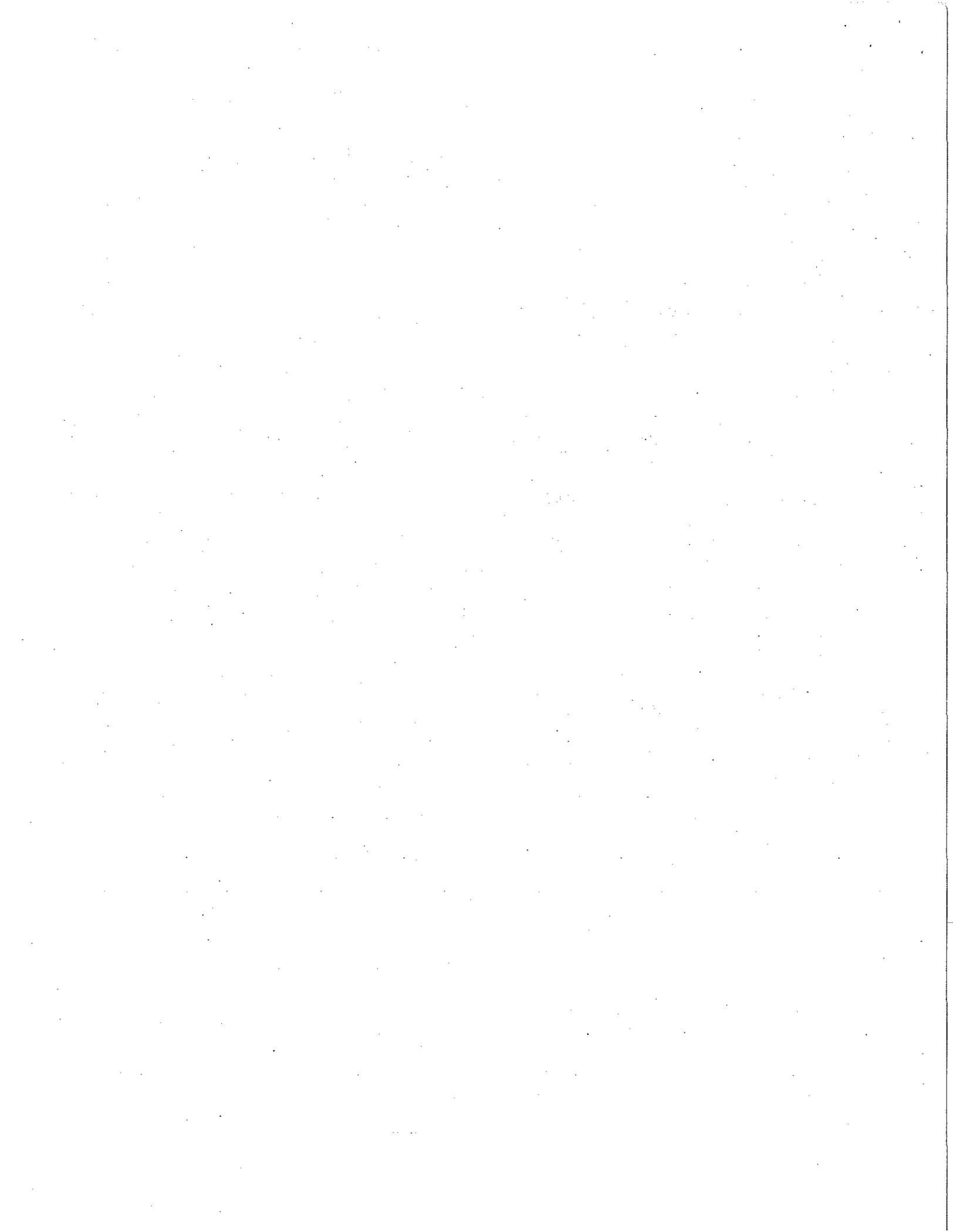
NORTH MISSOURI SOLID WASTE  
MANAGEMENT DISTRICT - REGION B  
TRENTON, MISSOURI

GOVERNMENTAL FUNDS BALANCE SHEETS - CASH BASIS  
JUNE 30, 2010 AND 2009

	2010		
	General	Special Revenue	Total Governmental Funds
<u>ASSETS</u>			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 53,760		\$ 53,760
Restricted cash		\$ 87,197	87,197
	53,760	87,197	140,957
Total current assets			
	53,760	87,197	140,957
TOTAL ASSETS	\$ 53,760	\$ 87,197	\$ 140,957
 <u>FUND BALANCES</u>			
FUND BALANCES:			
Unreserved and undesignated	\$ 53,760		\$ 53,760
Reserved for grant projects		\$ 87,197	87,197
	53,760	87,197	140,957
TOTAL FUND BALANCES	\$ 53,760	\$ 87,197	\$ 140,957

2009		
<u>General</u>	<u>Special Revenue</u>	<u>Total Governmental Funds</u>
\$ 52,658	\$ 56,953	\$ 52,658 56,953
<u>52,658</u>	<u>56,953</u>	<u>109,611</u>
\$ 52,658	\$ 56,953	\$ 109,611
\$ 52,658	\$ 56,953	\$ 52,658 56,953
<u>\$ 52,658</u>	<u>\$ 56,953</u>	<u>\$ 109,611</u>

See Notes to Financial Statements.



NORTH MISSOURI SOLID WASTE  
MANAGEMENT DISTRICT - REGION B  
TRENTON, MISSOURI

GOVERNMENTAL FUNDS STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES - CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2010

	Governmental Fund Types		
	General	Special Revenue	Total
RECEIPTS:			
Grant revenue		\$ 79,653	\$ 79,653
Interest income	\$ 150	467	617
Other revenue	9,863	2,564	12,427
Total Receipts	<u>10,013</u>	<u>82,684</u>	<u>92,697</u>
DISBURSEMENTS - current:			
District Operations (Administration):			
District administration		29,829	29,829
Plan implementation		10,054	10,054
Office expense	220		220
Total District Operations Disbursements	<u>220</u>	<u>39,883</u>	<u>40,103</u>
Collections and Recycling:			
Repairs	691		691
Contractual		20,557	20,557
Total Collections and Recycling Disbursements	<u>691</u>	<u>20,557</u>	<u>21,248</u>
Total Disbursements	<u>911</u>	<u>60,440</u>	<u>61,351</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	9,102	22,244	31,346
OTHER FINANCING SOURCES (USES):			
Operating transfers in (out)	(8,000)	8,000	-
NET CHANGE IN FUND BALANCES	1,102	30,244	31,346
FUND BALANCE - Beginning of year	52,658	56,953	109,611
FUND BALANCE - End of year	<u>\$ 53,760</u>	<u>\$ 87,197</u>	<u>\$ 140,957</u>

See Notes to Financial Statements.



**NORTH MISSOURI SOLID WASTE  
MANAGEMENT DISTRICT - REGION B  
TRENTON, MISSOURI**

**GOVERNMENTAL FUNDS STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CHANGES IN FUND BALANCES - CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2009**

	Governmental Fund Types		
	General	Special Revenue	Total
<b>RECEIPTS:</b>			
Grant revenue		\$ 53,383	\$ 53,383
Interest income	\$ 162	813	975
Other revenue	9,857	4,105	13,962
Total Receipts	<u>10,019</u>	<u>58,301</u>	<u>68,320</u>
<b>DISBURSEMENTS - current:</b>			
District Operations (Administration):			
District administration		40,658	40,658
Plan implementation		16,466	16,466
Building maintenance	2,200		2,200
Miscellaneous		5	5
Total District Operations Disbursements	<u>2,200</u>	<u>57,129</u>	<u>59,329</u>
Collections and Recycling:			
Trailer repairs	240		240
Contractual		61,903	61,903
Total Collections and Recycling Disbursements	<u>240</u>	<u>61,903</u>	<u>62,143</u>
Total Disbursements	<u>2,440</u>	<u>119,032</u>	<u>121,472</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>7,579</b>	<b>(60,731)</b>	<b>(53,152)</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers in (out)	<u>(12,500)</u>	<u>12,500</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(4,921)</b>	<b>(48,231)</b>	<b>(53,152)</b>
<b>FUND BALANCE - Beginning of year</b>	<b><u>57,579</u></b>	<b><u>105,184</u></b>	<b><u>162,763</u></b>
<b>FUND BALANCE - End of year</b>	<b><u>\$ 52,658</u></b>	<b><u>\$ 56,953</u></b>	<b><u>\$ 109,611</u></b>

See Notes to Financial Statements.

NORTH MISSOURI SOLID WASTE  
MANAGEMENT DISTRICT - REGION B  
TRENTON, MISSOURI

GOVERNMENTAL FUNDS STATEMENTS OF RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN NET ASSETS -  
BUDGET TO ACTUAL COMPARISON - CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2010

	General Fund			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
RECEIPTS:				
Grant revenue				
Interest income	\$ 1,000	\$ 150	\$ 150	\$ -
Other revenue	9,000	9,863	9,863	-
Total Receipts	<u>10,000</u>	<u>10,013</u>	<u>10,013</u>	<u>-</u>
DISBURSEMENTS - current:				
District Operations (Administration):				
District administration				
Plan implementation				
Office expense	950		220	(220)
Total District Operations	<u>950</u>	<u>-</u>	<u>220</u>	<u>(220)</u>
Collections and Recycling:				
Repairs		800	691	109
Contractual				
Total Collections and Recycling	<u>-</u>	<u>800</u>	<u>691</u>	<u>109</u>
Total Disbursements	<u>950</u>	<u>800</u>	<u>911</u>	<u>(111)</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	9,050	9,213	9,102	(111)
OTHER FINANCING SOURCES (USES):				
Operating transfers in (out)	<u>(8,000)</u>	<u>(8,000)</u>	<u>(8,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	1,050	1,213	1,102	(111)
FUND BALANCE - Beginning of year	<u>52,658</u>	<u>52,658</u>	<u>52,658</u>	<u>-</u>
FUND BALANCE - End of year	<u>\$ 53,708</u>	<u>\$ 53,871</u>	<u>\$ 53,760</u>	<u>\$ (111)</u>

Special Revenue Fund

Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
\$ 193,184	\$ 187,102	\$ 79,653	\$ (107,449)
700	700	467	(233)
3,000	3,000	2,564	(436)
<u>196,884</u>	<u>190,802</u>	<u>82,684</u>	<u>(108,118)</u>
38,147	38,668	29,829	8,839
17,353	19,353	10,054	9,299
<u>55,500</u>	<u>58,021</u>	<u>39,883</u>	<u>18,138</u>
133,452	130,931	20,557	110,374
<u>133,452</u>	<u>130,931</u>	<u>20,557</u>	<u>110,374</u>
188,952	188,952	60,440	128,512
7,932	1,850	22,244	20,394
8,000	8,000	8,000	-
15,932	9,850	30,244	20,394
56,953	56,953	56,953	-
<u>\$ 72,885</u>	<u>\$ 66,803</u>	<u>\$ 87,197</u>	<u>\$ 20,394</u>

See Notes to Financial Statements.

**NORTH MISSOURI SOLID WASTE  
MANAGEMENT DISTRICT - REGION B  
TRENTON, MISSOURI**

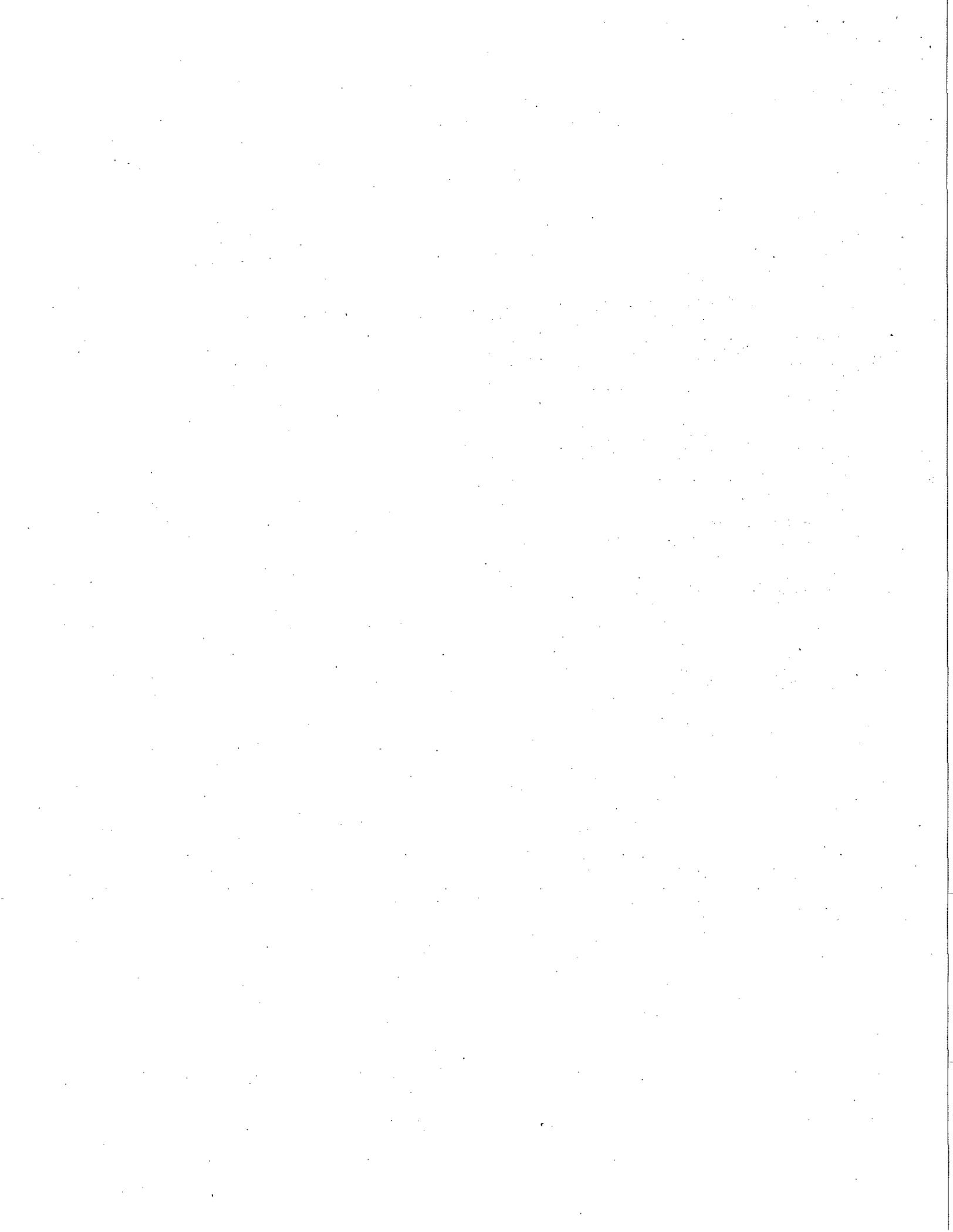
**GOVERNMENTAL FUNDS STATEMENTS OF RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN NET ASSETS -  
BUDGET TO ACTUAL COMPARISON - CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2009**

	General Fund			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
<b>RECEIPTS:</b>				
Grant revenue				
Interest income	\$ 1,000	\$ 162	\$ 162	\$ -
Other revenue	9,150	9,857	9,857	-
Total	<u>10,150</u>	<u>10,019</u>	<u>10,019</u>	<u>-</u>
<b>DISBURSEMENTS - current:</b>				
District Operations (Administration)				
District administration	1,450			
Plan implementation				
Building maintenance		2,200	2,200	-
Miscellaneous				
Total District Operations	<u>1,450</u>	<u>2,200</u>	<u>2,200</u>	<u>-</u>
Collections and Recycling				
Trailer repairs	200	240	240	-
Contractual				
Total Collections and Recycling	<u>200</u>	<u>240</u>	<u>240</u>	<u>-</u>
Total	<u>1,650</u>	<u>2,440</u>	<u>2,440</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	8,500	7,579	7,579	-
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in (out)	<u>(8,500)</u>	<u>(12,500)</u>	<u>(12,500)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	(4,921)	(4,921)	-
<b>FUND BALANCE - Beginning of year</b>	<u>57,579</u>	<u>57,579</u>	<u>57,579</u>	<u>-</u>
<b>FUND BALANCE - End of year</b>	<u>\$ 57,579</u>	<u>\$ 52,658</u>	<u>\$ 52,658</u>	<u>\$ -</u>

Special Revenue Fund

Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
\$ 142,500	\$ 53,383	\$ 53,383	\$ -
300	813	813	-
<u>142,800</u>	<u>58,301</u>	<u>58,301</u>	<u>-</u>
6,912	40,658	40,658	-
8,568	16,466	16,466	-
40	5	5	-
<u>15,520</u>	<u>57,129</u>	<u>57,129</u>	<u>-</u>
68,561	61,903	61,903	-
<u>68,561</u>	<u>61,903</u>	<u>61,903</u>	<u>-</u>
84,081	119,032	119,032	-
58,719	(60,731)	(60,731)	-
	12,500	12,500	-
58,719	(48,231)	(48,231)	-
<u>105,184</u>	<u>105,184</u>	<u>105,184</u>	<u>-</u>
\$ 163,903	\$ 56,953	\$ 56,953	\$ -

See Notes to Financial Statements.



NORTH MISSOURI SOLID WASTE MANAGEMENT DISTRICT –  
REGION B  
TRENTON, MISSOURI

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2010 AND 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The North Missouri Solid Waste Management District - Region B (the District) was formed pursuant to RSMo. Section 260.305, and was officially recognized by the Missouri Department of Natural Resources in 1991. The District includes the counties of Caldwell, Carroll, Chariton, Daviess, Grundy, Harrison, Linn, Livingston, Mercer, Putnam, and Sullivan and their participating cities with a population of 500 or more. Participation in the District is voluntary and is formally established through a resolution of adoption filed with the District office by the member governments. The purpose of the District is to promote cooperation in solving solid waste management problems and to promote resource recovery and recycling. The District's responsibilities include planning requirements as established by the Solid Waste Management Program, and the administration of grant funds made available to the District from the Solid Waste Management Fund, in accordance with RSMo. Section 260.335.2.

The District was organized to be comprised of a planner, an Executive Director, Board of Directors with a two year term or when the Director leaves elected office, and an Executive Board of eleven members with a one year term compiled from each county with the presiding commissioner appointing the Executive Board member. The ruling bodies of each member of the District appoint board members from each county or city. The District shall have a president, vice president, and secretary/treasurer as elected by the Board of Directors. The District's activities are administered by the Green Hills Regional Planning Commission, located in Trenton, Missouri.

The following is a summary of the more significant accounting policies:

A. Reporting Entity:

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

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

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

B. Basis of Accounting:

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

NORTH MISSOURI SOLID WASTE  
MANAGEMENT DISTRICT – REGION B  
TRENTON, MISSOURI

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010 AND 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

B. Basis of Accounting, Continued:

The statement of activities demonstrates how other people or entities that participate in programs the District operates have shared in the payment of direct costs. The “capital grants and contributions” column includes amounts paid by organizations outside the District that are to be used to purchase, construct, or renovate capital assets associated with a specific program. The “operating grants and contributions” column includes amounts paid by organizations outside the District to help meet the operational requirements of a given function. If revenue is not program revenue, it is general revenue used to support all of the District’s functions.

The accounts of the District are organized on the basis of funds, each of which is a separate accounting entity with a self-balancing set of accounts. The various funds are grouped as follows:

Governmental Funds:

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

Special Revenue Fund - The Special Revenue Fund is used to account for revenues derived from earmarked revenue sources that are restricted to disbursement for specified purposes which include grant funds received from the State of Missouri Department of Natural Resources.

The government-wide financial statements are accounted for using the cash basis of accounting and use an economic resources measurement focus, as limited by the cash basis of accounting. Under this basis of accounting, receipts are recognized when received and disbursements are recognized when paid.

The governmental fund types (General Fund and Special Revenue Funds) use a current financial resources measurement focus and are accounted for using the cash basis of accounting.

The major source of revenue is state grants, as discussed below:

**Grant Receipts** - Grant receipts are recognized when received by the District. Such receipts are subject to review by the funding agency and may result in disallowance in subsequent periods.

C. Reserved Fund Balance:

Fund balance reserved on the governmental funds balance sheet – cash basis, is reserved for the payment of future grant program disbursements.

D. Restricted Resources:

It is the District’s policy to use restricted resources first, then unrestricted resources as needed, when both restricted and unrestricted resources are available.

NORTH MISSOURI SOLID WASTE  
MANAGEMENT DISTRICT – REGION B  
TRENTON, MISSOURI

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010 AND 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

E. Capital Assets:

The District provides subgrants to recipients for the purpose of purchasing equipment, vehicles, and other capital assets for member communities and organizations with the proceeds from various grants, as part of its mission to encourage proper solid waste management. These capital assets are not reported as assets in the financial statements of the District. Once the capital assets are transferred to the recipient they remain the property of the recipient, with the District having only a security interest in the capital assets that cost more than \$5,000. If at any time the recipient of the assets should dispose of or otherwise forfeit the capital assets subgranted by the District, then the District will resume ownership.

A summary of the value of the District's security interest in capital assets at year end is as follows:

	<u>June 30, 2010</u>	<u>June 30, 2009</u>
Vehicles and equipment	\$ 82,120	\$ 81,166

Capital assets purchased for the use of the District are recorded as a disbursement when purchased.

F. Budgets and Budgetary Accounting:

In accordance with the District's policy, the Executive Board is responsible for preparing an annual budget. After being prepared, the annual budget will then be presented to the Board of Directors for approval at the June Meeting. The operating budget covers all funds and includes proposed revenues and expenditures for the upcoming cycle. The budget is prepared using the cash basis of accounting.

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

Because of the District's dependency on grant funds, revenue estimates are based upon the best available information as to potential sources of funding.

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

The District's general fund's actual disbursements were in excess of budgeted disbursements for the year ended June 30, 2010.

G. Fair Value:

Cash deposits are reported at carrying amount, which reasonably approximates fair value.

NORTH MISSOURI SOLID WASTE  
MANAGEMENT DISTRICT – REGION B  
TRENTON, MISSOURI

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010 AND 2009

2. CASH AND INVESTMENTS

The District is required to comply with various restrictions on deposits and investments which are imposed by state statute as follows:

A. Cash:

Deposits - All deposits with financial institutions must be collateralized in an amount at least equal to uninsured deposits. At June 30, 2010, the carrying amount of the District's deposits was \$140,957 and the bank balance was \$144,786. The bank balance was covered by federal depository insurance.

At June 30, 2009, the carrying amount of the District's deposits was \$109,611 and the bank balance was \$120,007. The bank balance was covered by federal depository insurance

B. Restricted Cash:

Cash is restricted to be used only for purposes as set forth in grant agreements with the Missouri Department of Natural Resources.

C. Investments:

The District may invest in certificates of deposit, bonds of the State of Missouri or any wholly-owned corporation of the United States, or in other short-term obligations of the United States. The District had no such investments at June 30, 2010 and 2009.

3. RELATED PARTY TRANSACTION

The District is related to the Green Hills Regional Planning Commission (the Commission) by sharing office space. The District has entered into a contract with the Commission for administrative and accounting services.

Amount paid to the Commission for program administration and accounting:	<u>2010</u>	<u>2009</u>
Total	\$ 39,883	\$ 57,129

4. ECONOMIC DEPENDENCY

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

NORTH MISSOURI SOLID WASTE  
MANAGEMENT DISTRICT – REGION B  
TRENTON, MISSOURI

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2010 AND 2009

5. CONTINGENCY

The District receives funds from the Missouri Department of Natural Resources Solid Waste Management Program for specific purposes that are subject to review and audit. These reviews and audits could lead to requests for reimbursement or to withholding of future funding for disbursements disallowed under, or other noncompliance with, the terms of the grants and funding.

6. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in the years ended June 30, 2010 and 2009.

7. TRANSFERS

The following is a summary of transfers for all funds for the year ending June 30, 2010:

<u>Fund</u>	<u>Transfer Into</u>	<u>Transfer Out Of</u>
General		\$ 8,000
Special Revenue	<u>\$ 8,000</u>	_____
Totals	<u>\$ 8,000</u>	<u>\$ 8,000</u>

The following is a summary of transfers for all funds for the year ending June 30, 2009:

<u>Fund</u>	<u>Transfer Into</u>	<u>Transfer Out Of</u>
General		\$ 12,500
Special Revenue	<u>\$ 12,500</u>	_____
Totals	<u>\$ 12,500</u>	<u>\$ 12,500</u>

The purpose for the interfund transfers is to transfer local matching money to the grant account.



NORTH MISSOURI SOLID WASTE  
MANAGEMENT DISTRICT - REGION B  
TRENTON, MISSOURI

SUPPLEMENTAL SCHEDULE OF SUBGRANT DISBURSEMENTS  
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	<u>Project Number</u>	<u>2010</u>	<u>2009</u>
Grundy County	2008-03	\$ 983	\$ 1,863
City of Chula	2008-04	121	684
City of Princeton	2008-05	623	3,528
Caldwell County	2008-06		7,225
Sullivan County	2008-07	3,000	17,000
Banned Items	2008-08	10,370	19,065
City of Marcelline	2009-03	2,213	12,538
City of Bethany	2009-06	3,247	
		<u>\$ 20,557</u>	<u>\$ 61,903</u>

**SECTION II**

**SUPPLEMENTAL SCHEDULE**

**ARTHUR WHITE & ASSOCIATES, L.L.C.**

**CERTIFIED PUBLIC ACCOUNTANTS**

302 Main Street  
Tarkio, Missouri 64491  
Telephone (660) 736-5811  
Fax (660) 736-4364

2400 Frederick, Suite 500  
St. Joseph, Missouri 64506  
Telephone (816) 233-2855  
Fax (816) 233-8238

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

March 24, 2011

Executive Board  
North Missouri Solid Waste  
Management District – Region B  
Trenton, Missouri

We have audited the financial statements of the governmental activities and each major fund of North Missouri Solid Waste Management District as of and for the years ended June 30, 2010 and 2009, which collectively comprise the North Missouri Solid Waste Management District's basic financial statements and have issued our report thereon dated March 24, 2011. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered North Missouri Solid Waste Management District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of North Missouri Solid Waste Management District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of North Missouri Solid Waste Management District's internal control over financial reporting.

A deficiency in internal control over financial reporting 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 combination of deficiencies, such that there is a reasonable possibility that a material misstatement of the North Missouri Solid Waste Management District'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 would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. However, we did identify the following deficiency in internal control over financial reporting that we consider to be a material weakness as defined above.

**SECTION III**

**INTERNAL CONTROL  
AND COMPLIANCE**

10-1 EXPENDITURES IN EXCESS OF BUDGETED AMOUNTS

Condition: The District's internal control over financial reporting did not detect that the actual expenditures exceeded the budgeted expenditures.

Criteria: As described in Government Auditing Standards, as issued by the Comptroller General of the United States, section 5.11, a deficiency in internal control over financial reporting exists when the deficiency "adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles."

Effect: The District made expenditures in excess of the authorized budget.

Recommendation: We recommend the District review the budgets and monitor expenditures to prevent expenditures in excess of budgeted amounts in the future.

Auditee's Response: The District will review budgets and monitor expenditures on a periodic basis and either make budget amendments or adjust anticipated expenditures as needed.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether North Missouri Solid Waste Management District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed the following instance of noncompliance that is required to be reported under Government Auditing Standards.

10-2 EXPENDITURES IN EXCESS OF BUDGETED AMOUNTS

Condition: As described in Note 1F, expenditures were in excess of budgeted amounts for the general fund for the year ended June 30, 2010.

Criteria: Section 67.040, RSMo., sets forth that, after any political subdivision has approved the budget for any year, the political subdivision shall not increase the total amount authorized for expenditure from any fund, unless the governing body adopts a resolution setting forth the facts and reasons making the increase necessary and approves or adopts an order, motion, resolution or ordinance to authorize the expenditures.

Effect: The District is not in compliance with Section 67.040, RSMo.

Recommendation: We recommend the District review the budgets and make amendments as necessary to prevent expenditures in excess of budgeted amounts in the future.

Auditee's Response: The District will review budgets and make amendments as needed.

We did not audit the District's responses to the findings identified in our audit, and, accordingly, we express no opinion on them.

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

*Arthur White & Associates, L.L.C.*

ARTHUR WHITE & ASSOCIATES, L.L.C.

