

SECTION I
FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

November 5, 2007 B-1d

Executive Board
North Missouri Solid Waste A-2
Management District – Region B A-1
Trenton, Missouri 64683

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the North Missouri Solid Waste Management District as of and for the years ended June 30, 2006 and 2005, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the North Missouri Solid Waste Management District's management. Our responsibility is to express an opinion on these financial statements based on our audits. A-10

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, North Missouri Solid Waste Management 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.

B1a — In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position – cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of the North Missouri Solid Waste Management District as of June 30, 2006 and 2005, and the respective changes in financial position – cash basis thereof 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 November 5, 2007, on our consideration of the North Missouri Solid Waste Management District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and 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 should be considered in assessing the results of our audits.

The management's discussion and analysis on pages 2 through 7 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 made for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental information on page 20 and the columns on the accompanying financial statements captioned "Totals (Memorandum Only)" are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information, except for the columns captioned "Total (Memorandum Only)", on which we express no opinion, has been subjected to the auditing procedures applied in the audit 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.

B-10 *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
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005

The discussion and analysis of North Missouri Solid Waste Management District Region B's financial performance provides an overview of the financial activity for fiscal years ending June 30, 2005 and June 30, 2006. Please read it in conjunction with the North Missouri Solid Waste Management District Region B's financial statements, notes to the financial statements, and other supplemental information, which immediately follow this section.

The Management 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 fiscal years offers readers a reporting model to assist in evaluating the financial performance of the North Missouri Solid Waste Management District.

FINANCIAL HIGHLIGHTS

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Key financial highlights for Fiscal Years Ended June 30, 2005 and June 30, 2006 are as follows:

1. The total unrestricted net asset balance was \$62,665 at June 30, 2005. The total unrestricted net asset balance was \$53,173 at June 30, 2006. This is a decrease of \$9,492 from the previous fiscal year. The difference is due to separating out the grant funds from the general funds and that not all grant funds were expended by the end of the fiscal year.
2. Total grant revenue from DNR was \$75,000 in fiscal year 2005 and \$91,824 in fiscal year 2006. This is an increase of \$16,824 for the fiscal year 2006. The increase in revenue was due to the District receiving a target grant from DNR for a textile trailer.
3. Total expenditures for the fiscal year 2005 were \$109,983 and \$99,686 in fiscal year 2006. This is a decrease of \$10,297 in fiscal year 2006. This decrease is due to the fact that the District had cash match for the textile grant.
4. Actual receipts of agency interest income were \$205 for the year ended June 30, 2005 and \$455 for the year ended June 30, 2006. This is an increase of \$250. For the year ended June 30, 2005, other revenue was \$9,800 and for the year ended June 30, 2006 other revenue was \$14,590. Other revenue increased by \$4,790. Other revenue involves fees charged to individuals participating in the textile collections, ink cartridge rebates, 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 North Missouri Solid Waste Management District's financial performance. Two types of financial statements used to assess fiscal accountability of the District are as follows:

1. Government-wide Financial Statements assists the financial statement user in assessing the medium- and long-term operational accountability of the North Missouri Solid Waste Management District. They are prepared using the accrual basis of accounting. Government-wide financial statements include the following:

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

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005

- a) **Government-wide statements of cash balances** report information on the North Missouri Solid Waste Management 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 cash receipt and disbursement activity** present information on the North Missouri Solid Waste Management District's revenue and expenses, with the variance between the two reported as a change in net assets. Revenues are recognized in the accounting period in which they are received, while expenses are recognized in the period expended.
2. **Fund Financial Statements** assists the financial statement user in assessing short-term fiscal accountability of the North Missouri Solid Waste Management 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 North Missouri Solid Waste Management District at a particular date.
 - b) **Statements of Receipts, Disbursements and Changes in Cash Balance** demonstrate how the North Missouri Solid Waste Management District's cash balance changed during the year.

The Notes to the Financial Statements provide additional information essential to fully understand the data provided in the North Missouri Solid Waste Management District's financial statements. The notes to the financial statements follow the order of the basic financial statements.

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

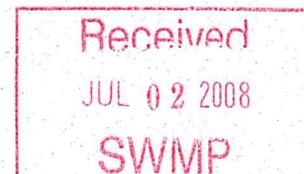
OVERVIEW OF SOLID WASTE CYCLES

Our analysis of the North Missouri Solid Waste Management 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 revenues and expenditures 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 2004-2005 and 2005-2006 fiscal years.

Operating Cycle	Cycle Period
Projects 2004	July 2004 – June 2005
Projects 2005	July 2005 – June 2006
Textile Target Grant 2005	July 2005 – June 2006



NORTH MISSOURI SOLID WASTE MANAGEMENT DISTRICT - REGION B B-5
TRENTON, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005 B-5b

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BUDGET ANALYSIS - TABLE 2 B-5f

Table 2 displays the overall budget for the Solid Waste Management District for fiscal years of 2005-2006 and 2006-2007. 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.

(17) (2) (3) (4) (5) - (4)

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
Grundy County Recycling B2004-082	\$ 4,974	\$ 2,800	\$ 2,174	03 Grant Revenue	\$3,123	\$1,851	Carried forward to B2005-178 plus deobligated funds
Region B Banned Items B2004-083	19,539	-0-	19,539	03 Grant Revenue	16,567	2,972	Carried forward to B2005-180
Caldwell County Recycling B2004-084	9,600	9,600	-0-	N/A	5,199	4,401	Carried forward to B2005-179 plus deobligated funds
Region B Plan Implementation B2004-085	20,724	15,600	5,124	03 Grant Revenue	20,292	432	Deobligated funds will be used for future projects.
High Hope Trailer B2004-086	10,000	10,000	-0-	N/A	10,000	-0-	N/A
New Hope Baler Hook up B2004-087	4,600	4,600	-0-	N/A	4,600	-0-	N/A
Livingston County Recycling B2004-088	2,400	2,400	-0-	N/A	2,400	-0-	N/A
District Operations B2005-024	30,000	30,000	-0-	N/A	30,000	-0-	N/A
Livingston County Recycling B2005-176	5,304	5,304	-0-	N/A	5,304	-0-	N/A
Hope Haven Baler B2005-177	10,000	10,000	-0-	N/A	10,000	-0-	N/A
Grundy County Recycling B2005-178	2,490	-0-	2,490	04 Grant Revenue	1,201	1,289	Deobligated funds will be used for future projects.
Caldwell County Recycling B2005-179	8,381	2,500	5,881	04 Grant Revenue	6,090	2,291	Deobligated funds will be used for future projects.
Region B Banned Item Collection B2005-180	27,529	27,196	333	04 Grant Revenue	10,228	17,301	Carried forward to B2006-05
Textile Trailer Target Grant B2005-013	23,074	23,074	-0-	N/A	23,074	-0-	N/A
District Operations B2006-01	23,750	23,750	-0-	N/A	23,750	-0-	N/A

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005**

ANALYSIS OF REVENUE AND EXPENDITURES

Grant Revenue

The North Missouri Solid Waste Management District receives grant revenue from the Missouri Department of Natural Resources (DNR). The schedule of revenue was shown in the preceding table. The subsequent table displays the sources of revenue and compares the two fiscal years.

TABLE 3

Table 3 totals the revenues the District accumulated in fiscal year 2004-2005 and 2005-2006

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Revenues	Year Ended June 30,		Difference
	2005	2006	
Grant Revenue	\$ 75,000	\$ 91,824	\$ 16,824
Interest Income	205	455	250
Other Revenue	9,800	14,590	4,790
TOTALS	85,005	106,869	21,864

Expenditures

The expenses for fiscal year 2005-2006 have decreased in the amount of \$10,297 from the previous fiscal year 2004-2005. The decrease in expenditures is due to the fact that the District had cash match for the textile grant. Table 4 shows the breakdown of expenditures into the two categories of district operations and collections/recycling.

TABLE 4

Table 4 totals the expenditures the District accumulated in fiscal year 2004-2005 and 2005-2006.

Expenses	Year Ended June 30,		Difference
	2005	2006	
District Operations	\$ 41,039	\$ 29,265	\$ (11,774)
Collections/Recycling/ Subgrantees	68,944	70,421	1,477
TOTALS	109,983	99,686	(10,297)

Total expenditures for the years ended June 30, 2005, and June 30, 2006 were compiled of the following:

- a. District Operations represent 37% of the total expenditures for the year ended June 30, 2005 and 29% for the year ended June 30, 2006. District Operations decreased by \$11,774 during the fiscal year 2005-2006. District operations include rent and administrative expenses contracted through Green Hills Regional Planning Commission.
- b. Collections and Recycling represent 63% of the total expenditures for the year ended June 30, 2005 and 71% for the year ended June 30, 2006. Collections and Recycling increased by \$1,477 during fiscal year 2005-2006. Collections and Recycling include grants that are given to subgrantees and include expenses such as: travel, refreshments for volunteers at collections, supplies, recycling bins, advertising, and contractual expenses with waste haulers.

① Ties in with Governmental Funds Stmt of Receipts, Disbursements and Changes in Cash Balance ✓ foots > c-19

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② Ties in with Governmental Funds Stmt of Receipts, Disbursements and Changes in Cash Balance ✓ cross foots

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005**

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TABLE 5

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

Collections	Kind of Collection	Counties who Participated
Grundy County Recycling B2004-082 & B2005-178	Recycling Collection for Paper, Cardboard, Tin, & Aluminum	Grundy County
Caldwell County Recycling B2004-084 & B2005-179	Recycling Collection for Paper, Cardboard, Tin, & Aluminum	Caldwell County
District Collections 2004-2005	Textiles, Household Hazardous Waste, Scrap Tire, & Electronics	Grundy, Carroll, Caldwell
District Collections 2005-2006	White Goods, Waste Tires, Scrap Metal, Household Hazardous Waste, Textile	Caldwell, Carroll, Harrison, Grundy, Livingston, Chariton, Linn, Putnam, Sullivan, Mercer, Daviess
Livingston County Recycling B2005-176	Recycling Collection for Paper, Cardboard, Tin, & Aluminum	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 North Missouri Solid Waste Management District would pay. The amount paid is the actual amount the North Missouri Solid Waste Management District paid based on the actual cost of equipment and match met by the subgrantee.

Fiscal Year 2004-2005

Subgrantee	Equipment	Grant Awarded	Unit Price	Paid
High Hope – B2004-086	Recycling Trailer	\$ 10,000	\$ 10,177	\$10,000
New Hope – B2004-087	Electric Hook Up for Baler	4,600	4,600	4,600

Fiscal year 2006-2007

Subgrantee	Equipment	Grant Awarded	Unit Price	Paid
Hope Haven – B2005-177	Marathon Baler	\$10,000	\$118,000	\$10,000

Table 6 shows differences between the grant award amount and the actual paid amount on the equipment.

ECONOMIC FACTORS

The North Missouri Solid Waste Management 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.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005

CONTACTING THE SERVICE UNIT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Solid Waste Management 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. A-4 A-3

**NORTH MISSOURI SOLID WASTE
MANAGEMENT DISTRICT - REGION B *B-2b*
TRENTON, MISSOURI**

**GOVERNMENT-WIDE STATEMENTS OF CASH BALANCES
JUNE 30, 2006 AND 2005 *B-2c***

	Governmental Activities	
<u>ASSETS</u>	2006	2005
CURRENT ASSETS:		
<i>B-2d</i> Unrestricted cash and cash equivalents	\$ 53,173	\$ 62,665
Restricted cash	16,675	
Total current assets	69,848	62,665
TOTAL ASSETS	\$ 69,848 <i>✓</i>	\$ 62,665 <i>✓</i>
NET ASSETS		
NET ASSETS:		
<i>B-2d</i> Unrestricted	\$ 53,173	\$ 62,665
Restricted	16,675	
Total net assets	69,848	62,665
TOTAL NET ASSETS <i>B-2a</i>	<i>Ⓛ</i> \$ 69,848 <i>✓</i>	\$ 62,665 <i>✓</i>

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✓ Foots B-2h

Ⓛ Ties in with Govt Wide Stmt of Cash Receipts + Disbursement Activities

See Notes to Financial Statements. *B-2g*

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

**GOVERNMENT WIDE STATEMENT OF CASH
RECEIPT AND DISBURSEMENT ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2006**

		Program Revenues		Net Revenue and Change in Net Assets
Functions and Programs	Expenses	Capital Grants and Contributions	Operating Grants and Contributions	Primary Government Governmental Activities
Primary Government: Governmental Activities:				
General Government	\$ 99,686	\$ 68,074	\$ 23,750 <i>Admin</i>	\$ (7,862) x
General Revenues:				
Unrestricted investment earnings				455
Other				14,590
Total general revenues				15,045 <i>B-2c</i>
Change in net assets				7,183 <i>✓</i>
Net Assets - Beginning of year				62,665
Net Assets - End of year				① \$ 69,848 <i>B-2f</i>

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✓ Foots
✗ Cross Foots B-2h

① Ties in with Govt Wide Stmt of Cash Balance

See Notes to Financial Statements. *B-2g*

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

**GOVERNMENT WIDE STATEMENT OF CASH
RECEIPT AND DISBURSEMENT ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2005**

		Program Revenues		Net Revenue and Change in Net Assets
Functions and Programs	Expenses	Capital Grants and Contributions	Operating Grants and Contributions	Primary Government Governmental Activities
Primary Government: Governmental Activities:				
General Government	\$ 109,983	\$ 45,000	\$ 30,000 <i>Admin</i>	\$ (34,983) ✓
General Revenues:				
Unrestricted investment earnings				205
Other				9,800
Total general revenues				10,005
Change in net assets				(24,978) ✓
Net Assets - Beginning of year				87,643
Net Assets - End of year				\$ 62,665 ✓

✓ Foots.
✗ Crossfoots.

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See Notes to Financial Statements.

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

GOVERNMENTAL FUNDS BALANCE SHEETS - CASH BASIS
JUNE 30, 2006 AND 2005

	2006		
	General	Special Revenue	Total (Memoran- dum Only)
<u>ASSETS</u>			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 53,173		⑤ \$ 53,173 ✓
Restricted cash		\$ 16,675	④ 16,675 ✓
Total current assets	53,173 ✓	16,675 ✓	69,848 ✓
TOTAL ASSETS	\$ 53,173 ✓	\$ 16,675 ✓	\$ 69,848 ✓
 <u>FUND BALANCES</u>			
FUND BALANCES:			
Unreserved and undesignated	\$ 53,173		⑤ \$ 53,173 ✓
Reserved for grant projects		\$ 16,675	⑥ 16,675 ✓
TOTAL FUND BALANCES	\$ 53,173 ✓	\$ 16,675 ✓	\$ 69,848 ✓

✓ Foots.
✗ CrossFoots.

1-6 All tie in with Gov't-Wide Struts of Cash Balances

2005		
General	Special Revenue	Total (Memorandum Only)
\$ 62,665	\$ -	\$ 62,665 ✓
<u>62,665</u> ✓	<u>-</u> ✓	<u>62,665</u> ✓
\$ 62,665 ✓	\$ - ✓	\$ 62,665 ✓
<u>\$ 62,665</u> ✓	<u>\$ -</u> ✓	<u>\$ 62,665</u> ✓
<u>\$ 62,665</u> ✓	<u>\$ -</u> ✓	<u>\$ 62,665</u> ✓
\$ 62,665 ✓	\$ - ✓	\$ 62,665 ✓
<u>\$ 62,665</u> ✓	<u>\$ -</u> ✓	<u>\$ 62,665</u> ✓

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See Notes to Financial Statements.

NORTH MISSOURI SOLID WASTE *B-3b*
MANAGEMENT DISTRICT - REGION B
TRENTON, MISSOURI

**GOVERNMENTAL FUNDS STATEMENT OF RECEIPTS,
DISBURSEMENTS AND CHANGES IN CASH BALANCES** *B-3a*
FOR THE YEAR ENDED JUNE 30, 2006 *B-3c*

	Governmental Fund Types		Total (Memo- randum Only)
	General	Special Revenue	
RECEIPTS:			
Grant revenue		\$ 91,824	\$ 91,824 ✓
Interest income	\$ 455		455 ✓
Other revenue	14,590		14,590 ✓
Total	<u>15,045</u>	<u>91,824</u>	<u>106,869</u> ✓ <i>B-3d</i>
DISBURSEMENTS:			
District Operations (Administration):			
District administration	134	23,782	23,916 ✓
Grant administration	438		438 ✓
Travel	2,411		2,411 ✓
Rent	2,500		2,500 ✓
Total District Operations Disbursements	<u>5,483</u>	<u>23,782</u>	<u>29,265</u> ✓ <i>B-3e</i>
Collections and Recycling:			
Trailer	8,938	23,074	32,012 ✓
Utilities	1,200		1,200 ✓
Repairs	825		825 ✓
Supplies	5		5 ✓
Advertising	922		922 ✓
Contractual	7,164	28,293	35,457 ✓
Total Collections and Recycling Disbursements	<u>19,054</u>	<u>51,367</u>	<u>70,421</u> ✓
Total	<u>24,537</u>	<u>75,149</u>	<u>99,686</u> ✓
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(9,492) ✓	16,675 ✓	7,183 ✓ <i>(2)</i>
CASH BALANCE - Beginning of year	62,665 ✓	-	62,665 ✓ <i>B-3f</i>
CASH BALANCE - End of year	<u>\$ 53,173</u> ✓	<u>\$ 16,675</u> ✓	<u>\$ 69,848</u> ✓ <i>B-3g</i>

✓ foots
x cross foots *B-3i*
B-3j

① Ties in with Table 3 on pg 5 of Mgmt's Discuss and Analysis
② Ties in with Table 2 on pg 5 of Mgmt's Discussion and Analysis

See Notes to Financial Statements. *B-3h*

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NORTH MISSOURI SOLID WASTE B-3b
MANAGEMENT DISTRICT - REGION B
TRENTON, MISSOURI

GOVERNMENTAL FUNDS STATEMENT OF RECEIPTS, B-3a
DISBURSEMENTS AND CHANGES IN CASH BALANCES
FOR THE YEAR ENDED JUNE 30, 2005 B-3c

	Governmental Fund Types		Total (Memo- randum Only)
	General	Special Revenue	
RECEIPTS:			
Grant revenue		\$ 75,000	\$ 75,000 ✓
Interest income	\$ 205		205 ✓
Other revenue	9,800		9,800 ✓
Total	<u>10,005</u> ✓	<u>75,000</u> ✓	<u>85,005</u> ✓ B-3d
DISBURSEMENTS:			
District Operations (Administration):			
District administration	3,467		3,467 ✓
Grant administration		30,000	30,000 ✓
Travel	2,629		2,629 ✓
Office supplies	1,421		1,421 ✓
Rent	3,500		3,500 ✓
Miscellaneous	22		22 ✓
Total District Operations Disbursements	<u>11,039</u> ✓	<u>30,000</u> ✓	<u>41,039</u> ✓ B-3e
Collections and Recycling:			
Contractual	23,944	45,000	68,944 ✓
Total Collections and Recycling Disbursements	<u>23,944</u> ✓	<u>45,000</u> ✓	<u>68,944</u> ✓
Total	<u>34,983</u> ✓	<u>75,000</u> ✓	<u>109,983</u> ✓
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(24,978)	-	(24,978) ✓
CASH BALANCE - Beginning of year	87,643	-	87,643 ✓ B-3f
CASH BALANCE - End of year	<u>\$ 62,665</u> ✓	<u>\$ -</u> ✓	<u>\$ 62,665</u> ✓ B-3g

✓ Fooths. B-3i
 ✗ Crossfoots. B-3j



See Notes to Financial Statements. B-3h

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

**BUDGETARY COMPARISON STATEMENT -
GENERAL FUND AND MAJOR SPECIAL REVENUE FUND -
BUDGET BASIS
FOR THE YEAR ENDED JUNE 30, 2006**

	All Governmental Fund Types			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
RECEIPTS:				
Grant revenue	\$ -	\$ -	+ \$ 91,824	= \$ 91,824
Interest income			455	455
Other revenue			14,590	14,590
Total	-	-	106,869	106,869
DISBURSEMENTS:				
District Operations (Administration)				
District administration	36,300	36,300	23,916	12,384
Grant administration	5,700	5,700	438	5,262
Travel	2,500	2,500	2,411	89
Rent	3,000	3,000	2,500	500
Total District Operations	47,500	47,500	29,265	18,235
Collections and Recycling				
Trailer			32,012	(32,012)
Utilities			1,200	(1,200)
Repair			825	(825)
Supplies			5	(5)
Advertising			922	(922)
Contractual			35,457	(35,457)
Total Collections and Recycling	-	-	70,421	(70,421)
Total	47,500	47,500	99,686	(52,186)
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) EXPENDITURES				
	(47,500)	(47,500)	7,183	54,683
CASH BALANCE - Beginning of year				
	62,665	62,665	62,665	-
CASH BALANCE - End of year				
	\$ 15,165	\$ 15,165	\$ 69,848	\$ 54,683

✓ Foots.
✗ CrossFoots.

① Ties in with Mgmt's Discussion and Analysis pg 5

② Ties in with Mgmt's Discussion and Analysis pg 5

③ Ties in with Mgmt's Discussion and Analysis pg 5 See Notes to Financial Statements.

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

**NOTES TO FINANCIAL STATEMENTS B-8a
JUNE 30, 2006 AND 2005**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES B-8b**

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. **Principles Determining Scope of Reporting Entity: B-8b**

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. **Accounting Estimates:**

The preparation of financial statements in conformity with the cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.



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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2006 AND 2005**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

C. Government-Wide Financial Statements:

The government-wide financial statements include the statement of cash balances and the statement of cash receipt and disbursement 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.

The statement of cash receipt and disbursement 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.

D. Fund Financial Statements:

The District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. 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 expenditures for specified purposes.



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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2006 AND 2005**

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

E. Basis of Accounting:

The government-wide financial statements are accounted for using the cash basis of accounting use an economic resources measurement focus, as limited by the cash basis of accounting. Under this basis of accounting, revenues are recognized when received and expenses 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 Revenue - Grant revenue is recognized when received by the District. Such revenue is subject to review by the funding agency and may result in disallowance in subsequent periods.

F. 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, 2006</u>	<u>June 30, 2005</u>
Vehicles and equipment	\$ 65,725	\$ 64,159

Capital assets purchased for the use of the District are recorded as an expenditure when purchased.

G. Reserved Fund Balance:

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

H. 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, 2006 AND 2005

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

I. 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.

No formal budget was approved by the Board for the year ended June 30, 2005, and therefore, expenditures were in excess of budgeted amounts for the governmental fund types for the year ended June 30, 2005. Expenditures were in excess of budgeted amounts for the year ended June 30, 2006.

J. Total (Memorandum Only) Columns:

"Total (Memorandum Only)" columns are presented only to facilitate financial analysis and do not present financial position or results of operations in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation.

K. Fair Value:

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

2. CASH AND INVESTMENTS

The District complies 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, 2006, the carrying amount of the District's deposits was \$69,848 and the bank balance was \$84,237. Of the bank balance, \$84,237 was covered by federal depository insurance.

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2006 AND 2005**

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2. CASH AND INVESTMENTS, CONTINUED

A. Cash, Continued:

At June 30, 2005, the carrying amount of the District's deposits was \$62,665 and the bank balance was \$64,966. Of the bank balance, \$64,966 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 deposits, 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, 2006 and 2005.

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:	2006	2005
Total	\$ 23,750	\$ 30,000

4. ECONOMIC DEPENDENCY

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

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 expenditures 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 past year.

SECTION II
SUPPLEMENTAL SCHEDULES

NORTH MISSOURI SOLID WASTE
MANAGEMENT DISTRICT - REGION B B-5c
TRENTON, MISSOURI

SUPPLEMENTAL SCHEDULE OF SUBGRANT DISBURSEMENTS B-5a
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005 B-5a

	<u>Project Number</u>	<u>2006</u>	<u>2005</u>
Caldwell County	2003-141		\$ 4,584 (F)
Chula school	2003-142		578 (G)
CMU	2003-144		954 (H)
SWIP	2003-145		672 (I)
Grundy County	2004-082		3,123 (J)
Banned items	2004-083		17,335 (K)
Caldwell County	2004-084		5,199 (L)
SWIP	2004-085		19,499 (M)
High Hope	2004-086		10,000 (N)
New Hope	2004-087		4,600 (O)
Livingston County	2004-088		2,400 (P)
Livingston County	2005-176	\$ 5,304 (A)	
Hope Haven	2005-177	10,000 (B)	
Grundy County	2005-178	1,201 (C)	
Caldwell County	2005-179	6,090 (D)	
Banned items	2005-180	12,862 (E)	
Textile trailer	2005-013	<u>32,012</u>	
		\$ 67,469	\$ 68,944

C-1c-1e (A)-(E) reconciles to Quarterly Project Financial Summary Report for the period ended 6/30/06 received by DNR on 11/07/07.

(F)-(P) reconciles to Quarterly Project Financial Summary Report for the period ended 6/30/05 received by DNR on 11/07/07.

B-5d. ✓ **FOOTS.**

Item (O) cash flow indicates \$20,292⁴⁹ reported on QPFR includes:

\$ 19,499.23 2004-085
672.44 2003-145
120.82 2000 District Admn.

Note: District Grant Administration for 2005 is not included in the above schedule (B2005-024) \$30,000⁰⁰
 District Grant Administration for 2006 is not included in the above schedule (B2006-01) \$23,750⁰⁰

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Follow up with district on textile trailer, 2005-013

SECTION III
INTERNAL CONTROL
AND COMPLIANCE

ARTHUR WHITE & ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Tarkio, Missouri 64491
Telephone (660) 736-5811
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2400 Frederick, Suite 500
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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

November 5, 2007 B-4h

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



B-4c We have audited the financial statements of North Missouri Solid Waste Management District as of and for the years ended June 30, 2006 and 2005, and have issued our report thereon dated November 5, 2007. 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. B-4a

Compliance

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 grants, 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 instances of noncompliance that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as items 05-1, 05-2, 05-3, 05-4, 06-1, 06-2, 06-3 and 06-4. B-4e B-4f

Internal Control Over Financial Reporting

B-4d - In planning and performing our audits, we considered North Missouri Solid Waste Management District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect North Missouri Solid Waste Management District's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 05-1, 05-2, 05-3, 06-1, 06-2 and 06-3.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the items described above to be material weaknesses.

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. B-4g

ARTHUR WHITE & ASSOCIATES, L.L.C.



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

**SCHEDULE OF FINDINGS AND RESPONSES ^{B-6}
FOR THE YEAR ENDED JUNE 30, 2006 AND 2005**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:

Unqualified Opinion



Internal control over financial reporting:

Material weaknesses identified?

Yes No

Reportable conditions identified that are not considered to be material weaknesses?

Yes None Reported

Noncompliance material to the financial statements noted?

Yes No

Section II - Financial Statement Findings

05-1 FAILURE OF DISTRICT TO ADOPT ANNUAL BUDGET

Condition: The District did not adopt an annual budget for the year ended June 30, 2005.

Criteria: Section 67.010, RSMo., states each political subdivision of the state shall adopt an annual budget that includes estimated revenues and expenditures.

Effect: The District is not in compliance with state statutes.

Cause: Board oversight.

Recommendation: We recommend that the District adopt an annual budget.

Auditee Response: The District Board of Directors now adopts a formal budget with projected income and expenditures at the June Board of Directors meeting before the beginning of the new fiscal year.

05-2 EXPENDITURES IN EXCESS OF BUDGETED AMOUNTS

Condition: As described in Note 11, expenditures were in excess of budgeted amounts for the governmental fund types for the year ended June 30, 2005.

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.

Cause: Board oversight.

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

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

SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2006 AND 2005

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Section II - Financial Statement Findings, Continued

05-2 EXPENDITURES IN EXCESS OF BUDGETED AMOUNTS, Continued

Auditee Response: In the future, the District will review the budget monthly and adopt any necessary amendments.

05-3 COMPOSITION OF THE EXECUTIVE BOARD

Condition: The District was operating without an Executive Board of Directors.

Criteria: RSMo. Section 260.315.4(2) states the solid waste management council shall elect seven persons to serve on the executive board.

Effect: The District is not in compliance with RSMo. Section 260.315.4(2).

Cause: The District was unaware of the criteria requirement.

Recommendation: We recommend the District immediately form an Executive Board.

Auditee Response: The District has recently established an eleven member Executive Board under an alternative management structure.

05-4 FAILURE TO ADOPT BYLAWS

Condition: Bylaws had not been adopted by the District.

Criteria: The Joint Powers Agreement, Article 6, Section 2 and RSMo. Section 260.320.2 state that the District shall adopt bylaws for the operation of the District.

Effect: The District is not in compliance with the Joint Powers Agreement, Article 6, Section 2 and RSMo. Section 260.320.2.

Cause: The District was unaware bylaws had not been adopted.

Recommendation: We recommend the District adopt bylaws for the operation of the District.

Auditee Response: The District has recently adopted bylaws.

06-1 FAILURE OF DISTRICT TO ADOPT COMPLETE ANNUAL BUDGET

Condition: The District's budget for the year ended June 30, 2006 did not include budgeted revenues.

Criteria: Section 67.010, RSMo. states each political subdivision of the state shall adopt an annual budget that includes estimated revenues and expenditures.

Effect: The District is not in compliance with state statutes.

Cause: Board oversight.

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

SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2006 AND 2005

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Section II - Financial Statement Findings, Continued

06-1 FAILURE OF DISTRICT TO ADOPT COMPLETE ANNUAL BUDGET, Continued

Recommendation: We recommend that the District adopt an annual budget that includes the estimated revenues and expenditures.

Auditee Response: The District Board of Directors now adopts a formal budget with projected income and expenditures at the June Board of Directors meeting before the beginning of the new fiscal year.

06-2 EXPENDITURES IN EXCESS OF BUDGETED AMOUNTS

Condition: As described in Note II, expenditures were in excess of budgeted amounts for the governmental fund types.

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 Response: In the future, the District will review the budget monthly and adopt any necessary amendments.

06-3 COMPOSITION OF THE EXECUTIVE BOARD

Condition: The District was operating without an Executive Board of Directors.

Criteria: RSMo. Section 260.315.4(2) states the solid waste management council shall elect seven persons to serve on the executive board.

Effect: The District is not in compliance with RSMo. Section 260.315.4(2).

Cause: The District was unaware of the criteria requirement.

Recommendation: We recommend the District immediately form an Executive Board.

Auditee Response: The District has recently established an eleven member Executive Board under an alternative management structure.

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

SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2006 AND 2005

Section II - Financial Statement Findings, Continued

06-4 FAILURE TO ADOPT BYLAWS

Condition: Bylaws had not been adopted by the District.

Criteria: The Joint Powers Agreement, Article 6, Section 2 and RSMo Section 260.320.2 state that the District shall adopt bylaws for the operation of the District.

Effect: The District is not in compliance with the Joint Powers Agreement, Article 6, Section 2 and RSMo. Section 260.320.2.

Cause: The District was unaware bylaws had not been adopted.

Recommendation: We recommend the District adopt bylaws for the operation of the District.

Auditee Response: The District has recently adopted bylaws.



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

**SCHEDULE OF PRIOR AUDIT FINDINGS *B-7a*
FOR THE YEAR ENDED JUNE 30, 2006 AND 2005**

There were no prior financial audits.

