

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

JUNE 30, 2008 AND 2007

RECEIVED BY
APR - 1 2009
SWMP OPERATIONS

Received
APR - 1 2009
SWMP

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

TABLE OF CONTENTS

	<u>Page</u>
SECTION I: FINANCIAL STATEMENTS	
Independent Auditors' Report	1
Management's Discussion and Analysis	2 - 6
Government-Wide Statements of Cash Balances	7
Government-Wide Statements of Cash Receipt and Disbursement Activities	8 - 9
Governmental Funds Balance Sheets – Cash Basis	10
Governmental Funds Statement of Receipts, Disbursements and Changes in Cash Balances	11 - 12
Budgetary Comparison Statement – General Fund and Major Special Revenue Fund – Budget Basis	13 - 14
Notes to Financial Statements	15 - 19
SECTION II: SUPPLEMENTAL SCHEDULE	
Supplemental Schedule of Subgrant Expenditures	20
SECTION III: INTERNAL CONTROL AND COMPLIANCE	
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
Schedule of Findings and Responses	23
Schedule of Prior Audit Findings	24 - 25

RECEIVED BY
APR - 1 2009
SWMP OPERATIONS



SECTION I
FINANCIAL STATEMENTS

Received
APR -1 2009
SWMP

In accordance with Government Auditing Standards, we have also issued a report dated October 29, 2008, 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 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 an opinion on the financial statements that collectively comprise North Missouri Solid Waste Management 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, 2008 AND 2007

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, 2007 and June 30, 2008. 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

Key financial highlights for Fiscal Years Ended June 30, 2007 and June 30, 2008 are as follows:

1. The total unrestricted net asset balance was \$14,937 at June 30, 2007. The total unrestricted net asset balance was \$57,579 at June 30, 2008. This is a increase of \$42,642 from the previous fiscal year. The difference is due to the District paying the administration out of the general fund to be reimbursed by the grant fund. The total restricted net asset balance of the grant fund was \$28,570 at June 30, 2007. The total restricted net asset balance of the grant fund was \$105,184 at June 30, 2008. This is an increase of \$76,614 from the previous fiscal year. The difference is due to the grant funds being invoiced through Missouri Department of Natural Resources, but not being expended by the end of the fiscal year.
2. Total grant revenue from DNR was \$95,322 in fiscal year 2007 and \$200,448 in fiscal year 2008. This is an increase of \$105,126 for the fiscal year 2008. The increase in revenue was due to the District not awarding grants at the same time each year.
3. Total expenditures for the fiscal year 2007 were \$133,175 and \$99,643 in fiscal year 2008. This is a decrease of \$33,532 in fiscal year 2008. This decrease is due to the fact that the Subgrantee had not expended all of their grant funds, due to the District awarding grants later in the fiscal year.
4. Actual receipts of agency interest income were \$450 for the year ended June 30, 2007 and \$557 for the year ended June 30, 2008. This is an increase of \$107. For the year ended June 30, 2007, other revenue was \$11,062 and for the year ended June 30, 2008 other revenue was \$17,894. Other revenue increased by \$6,832. 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 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:



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007**

1. **Government-Wide Financial Statements** assist 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 cash basis of accounting. Government-wide financial statements include the following:
 - 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 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 expended.

2. **Fund Financial Statements** assist 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) **The Governmental Funds 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 2006-2007 and 2007-2008 fiscal years.

Operating Cycle	Cycle Period
Projects 2006	July 2006 – June 2007
Projects 2007	January 2007 – January 2008
Projects 2007	December 2007 – December 2008
Projects 2008	January 2008 – January 2009

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007**

BUDGET ANALYSIS - TABLE 2

Table 2 displays the overall budget for the Solid Waste Management District for fiscal years of 2006-2007 and 2007-2008. 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
Grundy County Recycling B2006-04	\$ 3,500	\$ 3,500	\$ -0-	N/A	\$ 2,995	\$ 505	Deobligated funds will be used for future projects.
Region B Banned Items B2006-05	40,587	23,934	16,653	05 Grant Revenue	26,611	13,976	Carryover will be put toward next banned item grant
Caldwell County Recycling B2006-03	8,000	8,000	-0-	N/A	8,000	-0-	N/A
Region B Plan Implementation B2008-02	23,750	23,750	-0-	N/A	15,182	8,568	Project Still Open.
High Hope BoxVan B2008-07	20,000	20,000	-0-	N/A	-0-	20,000	Project Still Open.
District Operations B2007-03	37,164	37,164	-0-	N/A	37,164	-0-	N/A
Hope Haven Wood Heat B2007-01	20,000	20,000	-0-	N/A	20,000	-0-	N/A
District Operations B2007-02	41,810	41,810	-0-	N/A	41,810	-0-	N/A
Chula Storage B2008-04	2,000	2,000	-0-	N/A	-0-	2,000	Project Still Open.
Hope Haven Baler B2006-02	12,066	12,066	-0-	N/A	12,066	-0-	N/A
Grundy County Recycling B2008-03	3,500	3,500	-0-	N/A	-0-	3,500	Project Still Open.
Caldwell County Recycling B2008-06	8,500	8,500	-0-	N/A	-0-	8,500	Project Still Open.
Region B Banned Item Collection B2008-08	35,474	35,474	-0-	N/A	5,910	29,564	Project Still Open.
Textile Trailer Target Grant B2005-013	4,072	4,072	-0-	N/A	4,072	-0-	N/A
District Operations B2006-06	23,750	23,750	-0-	N/A	23,750	-0-	N/A
Princeton Trailer B2008-05	4,500	4,500	-0-	N/A	-0-	4,500	Project Still Open.
District Operations B2008-01	23,750	23,750	-0-	N/A	16,296	7,454	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, 2008 AND 2007**

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 displays the revenues the District accumulated in fiscal year 2006-2007 and 2007-2008

Revenues	Year Ended June 30,		Difference Increase / (Decrease)
	2008	2007	
Grant Revenue	\$ 200,448	\$ 95,322	\$ 105,126
Interest Income	557	450	107
Other Revenue	17,894	11,062	6,832
TOTALS	218,899	106,834	112,065

Disbursements

The disbursements for fiscal year 2007-2008 have decreased in the amount of \$33,532 from the previous fiscal year 2006-2007. The decrease in expenditures 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 expenditures into the two categories of district operations and collections/recycling.

TABLE 4

Table 4 displays the expenditures the District accumulated in fiscal year 2006-2007 and 2007-2008.

Expenses	Year Ended June 30,		Difference Increase / (Decrease)
	2008	2007	
District Operations	\$ 75,637	\$ 63,691	\$ 11,946
Collections/Recycling/ Subgrantees	24,006	69,484	(45,478)
TOTALS	99,643	133,175	(33,532)

Total expenditures for the years ended June 30, 2007, and June 30, 2008 were composed of the following:

- a. District Operations represent 48% of the total expenditures for the year ended June 30, 2007 and 76% for the year ended June 30, 2008. District Operations increased by \$11,946 during the fiscal year 2007-2008. District operations include rent and administrative expenses contracted through Green Hills Regional Planning Commission.
- b. Collections and Recycling represent 52% of the total expenditures for the year ended June 30, 2007 and 24% for the year ended June 30, 2008. Collections and Recycling decreased by \$45,478 during fiscal year 2007-2008. The decrease was due to the District awarding the subgrant applications later in the fiscal year. 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.

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS, CONTINUED
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007**

TABLE 5

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

Collections	Kind of Collection	Counties who Participated
Grundy County Recycling B2006-04 and B2008-03	Recycling Collection for Paper, Cardboard, Tin, & Aluminum	Grundy County
Caldwell County Recycling B2006-03 and B2008-06	Recycling Collection for Paper, Cardboard, Tin, & Aluminum	Caldwell County
District Collections Banned Items B2006-05 and B2008-08	White Goods, Waste Tires, Scrap Metal, Household Hazardous Waste, Textiles, and Electronics	Caldwell, Carroll, Harrison, Grundy, Livingston, Chariton, Linn, Putnam, Sullivan, Mercer, Daviess

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 2006-2007

Subgrantee	Equipment	Grant Awarded	Unit Price	Paid
Hope Haven B2006-02	Excel Baler	\$ 12,066	\$ 12,500	\$ 12,066
Hope Haven B2007-01	Wood Heat System	20,000	23,132	20,000

Fiscal year 2007-2008

Subgrantee	Equipment	Grant Awarded	Unit Price	Paid
High Hope Box Van B2008-07	Box Van	\$20,000	\$27,393	\$20,000

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.

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.

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

GOVERNMENT-WIDE STATEMENTS OF CASH BALANCES
JUNE 30, 2008 AND 2007

	Governmental Activities	
	2008	2007
<u>ASSETS</u>		
CURRENT ASSETS:		
Unrestricted cash and cash equivalents	\$ 57,579	\$ 14,937
Restricted cash	105,184	28,570
Total current assets	162,763	43,507
TOTAL ASSETS	\$ 162,763	\$ 43,507
<u>NET ASSETS</u>		
NET ASSETS:		
Unrestricted	\$ 57,579	\$ 14,937
Restricted	105,184	28,570
TOTAL NET ASSETS	\$ 162,763	\$ 43,507

See Notes to Financial Statements.

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, 2008

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net Revenue and Change in Net Assets</u>
		<u>Capital Grants and Contributions</u>	<u>Operating Grants and Contributions</u>	<u>Primary Governmental Activities</u>
Functions and Programs				
Primary Government:				
Governmental Activities:				
General Government	<u>\$ 99,643</u>	<u>\$ -</u>	<u>\$ 200,448</u>	<u>\$ 100,805</u>
General Revenues:				
Unrestricted investment earnings				557
Other				17,894
Total general revenues				<u>18,451</u>
Change in net assets				119,256
Net Assets - Beginning of year				<u>43,507</u>
Net Assets - End of year				<u>\$ 162,763</u>

See Notes to Financial Statements.

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, 2007

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net Revenue and Change in Net Assets</u>
		<u>Capital Grants and Contributions</u>	<u>Operating Grants and Contributions</u>	<u>Primary Government Governmental Activities</u>
Functions and Programs				
Primary Government:				
Governmental Activities:				
General Government	<u>\$ 133,175</u>	<u>\$ -</u>	<u>\$ 95,322</u>	<u>\$ (37,853)</u>
General Revenues:				
Unrestricted investment earnings				450
Other				11,062
Total general revenues				<u>11,512</u>
Change in net assets				(26,341)
Net Assets - Beginning of year				<u>69,848</u>
Net Assets - End of year				<u>\$ 43,507</u>

See Notes to Financial Statements.

2007		
General	Special Revenue	Total Governmental Funds
\$ 14,937		\$ 14,937
	\$ 28,570	28,570
<u>14,937</u>	<u>28,570</u>	<u>43,507</u>
<u>\$ 14,937</u>	<u>\$ 28,570</u>	<u>\$ 43,507</u>

\$ 14,937		\$ 14,937
	\$ 28,570	28,570
<u>\$ 14,937</u>	<u>\$ 28,570</u>	<u>\$ 43,507</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 CASH BALANCES
FOR THE YEAR ENDED JUNE 30, 2008

	Governmental Fund Types		
	General	Special Revenue	Total
RECEIPTS:			
Grant revenue		\$ 200,448	\$ 200,448
Interest income	\$ 123	434	557
Other revenue	11,008	6,886	17,894
Total	<u>11,131</u>	<u>207,768</u>	<u>218,899</u>
DISBURSEMENTS:			
District Operations (Administration):			
District administration		74,763	74,763
Office expense	600		600
Rent	274		274
Total District Operations Disbursements	<u>874</u>	<u>74,763</u>	<u>75,637</u>
Collections and Recycling:			
Truck operating expenditures	2,495		2,495
Contractual		21,511	21,511
Total Collections and Recycling Disbursements	<u>2,495</u>	<u>21,511</u>	<u>24,006</u>
Total	<u>3,369</u>	<u>96,274</u>	<u>99,643</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	7,762	111,494	119,256
OTHER FINANCING SOURCES (USES):			
Operating transfers in (out)	34,880	(34,880)	-
EXCESS OF RECEIPTS AND OTHER FINANCING SOURCES OVER DISBURSEMENTS AND OTHER FINANCING USES	42,642	76,614	119,256
CASH BALANCE - Beginning of year	14,937	28,570	43,507
CASH BALANCE - End of year	\$ 57,579	\$ 105,184	\$ 162,763

See Notes to Financial Statements.

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

GOVERNMENTAL FUNDS STATEMENT OF RECEIPTS,
DISBURSEMENTS AND CHANGES IN CASH BALANCES
FOR THE YEAR ENDED JUNE 30, 2007

	Governmental Fund Types		
	General	Special Revenue	Total
RECEIPTS:			
Grant revenue		\$ 95,322	\$ 95,322
Interest income	\$ 106	344	450
Other revenue	4,291	6,771	11,062
Total	<u>4,397</u>	<u>102,437</u>	<u>106,834</u>
DISBURSEMENTS:			
District Operations (Administration):			
District administration	37,948	23,758	61,706
Office supplies	100		100
Rent	1,650		1,650
Miscellaneous	235		235
Total District Operations Disbursements	<u>39,933</u>	<u>23,758</u>	<u>63,691</u>
Collections and Recycling:			
Textile trailer	3,734		3,734
Truck operating expenditures	3,038		3,038
Contractual		62,712	62,712
Total Collections and Recycling Disbursements	<u>6,772</u>	<u>62,712</u>	<u>69,484</u>
Total	<u>46,705</u>	<u>86,470</u>	<u>133,175</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(42,308)	15,967	(26,341)
OTHER FINANCING SOURCES (USES):			
Operating transfers in (out)	<u>4,072</u>	<u>(4,072)</u>	<u>-</u>
EXCESS OF RECEIPTS AND OTHER FINANCING SOURCES OVER DISBURSEMENTS AND OTHER FINANCING USES	(38,236)	11,895	(26,341)
CASH BALANCE - Beginning of year	<u>53,173</u>	<u>16,675</u>	<u>69,848</u>
CASH BALANCE - End of year	<u>\$ 14,937</u>	<u>\$ 28,570</u>	<u>\$ 43,507</u>

See Notes to Financial Statements.

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, 2008

	All Governmental Fund Types			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
RECEIPTS:				
Grant revenue	\$ 247,948	\$ 200,448	\$ 200,448	\$ -
Interest income	1,300	557	557	-
Other revenue	10,150	17,894	17,894	-
Total	<u>259,398</u>	<u>218,899</u>	<u>218,899</u>	<u>-</u>
DISBURSEMENTS:				
District Operations (Administration)				
District administration	47,570	75,275	74,763	512
Office expense		600	600	-
Rent	3,000	274	274	-
Total District Operations	<u>50,570</u>	<u>76,149</u>	<u>75,637</u>	<u>512</u>
Collections and Recycling				
Repair	200	2,495	2,495	-
Contractual	28,570	20,999	21,511	(512)
Total Collections and Recycling	<u>28,770</u>	<u>23,494</u>	<u>24,006</u>	<u>(512)</u>
Total	<u>79,340</u>	<u>99,643</u>	<u>99,643</u>	<u>-</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	180,058	119,256	119,256	-
OTHER FINANCING SOURCES (USES):				
Operating transfers in (out)			-	-
EXCESS OF RECEIPTS AND OTHER FINANCING SOURCES OVER DISBURSEMENTS AND OTHER FINANCING USES	180,058	119,256	119,256	-
CASH BALANCE - Beginning of year	<u>43,507</u>	<u>43,507</u>	<u>43,507</u>	<u>-</u>
CASH BALANCE - End of year	<u>\$ 223,565</u>	<u>\$ 162,763</u>	<u>\$ 162,763</u>	<u>\$ -</u>

See Notes to Financial Statements.

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, 2007

	All Governmental Fund Types			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
RECEIPTS:				
Grant revenue	\$ -	\$ 95,322	\$ 95,322	\$ -
Interest income		450	450	-
Other revenue		11,062	11,062	-
Total	-	106,834	106,834	-
DISBURSEMENTS:				
District Operations (Administration)				
District administration	43,500	61,706	61,706	-
Office		100	100	-
Rent	3,000	1,650	1,650	-
Miscellaneous		235	235	-
Total District Operations	46,500	63,691	63,691	-
Collections and Recycling				
Textile trailer		3,734	3,734	-
Truck operating expenditures	3,000	3,038	3,038	-
Contractual		62,712	62,712	-
Total Collections and Recycling	3,000	69,484	69,484	-
Total	49,500	133,175	133,175	-
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(49,500)	(26,341)	(26,341)	-
OTHER FINANCING SOURCES (USES):				
Operating transfers in (out)			-	-
EXCESS OF RECEIPTS AND OTHER FINANCING SOURCES OVER DISBURSEMENTS AND OTHER FINANCING USES	(49,500)	(26,341)	(26,341)	-
CASH BALANCE - Beginning of year	69,848	69,848	69,848	-
CASH BALANCE - End of year	\$ 20,348	\$ 43,507	\$ 43,507	\$ -

See Notes to Financial Statements.

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

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

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. Principles Determining Scope of 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. 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, 2008 AND 2007

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, 2008 AND 2007**

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, 2008</u>	<u>June 30, 2007</u>
Vehicles and equipment	\$65,604	\$75,295

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, 2008 AND 2007

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.

J. Fair Value:

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

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, 2008, the carrying amount of the District's deposits was \$162,763 and the bank balance was \$206,207. Of the bank balance, \$100,000 was covered by federal depository insurance and \$106,207 was not collateralized.

At June 30, 2007, the carrying amount of the District's deposits was \$43,507 and the bank balance was \$47,726. Of the bank balance, \$47,726 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.

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2008 AND 2007

2. CASH AND INVESTMENTS, CONTINUED

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, 2008 and 2007.

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>2008</u>	<u>2007</u>
Total	\$74,763	\$23,758

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 years ended June 30, 2008 and 2007.

SECTION II
SUPPLEMENTAL SCHEDULE

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

SUPPLEMENTAL SCHEDULE OF SUBGRANT DISBURSEMENTS
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

	<u>Project Number</u>	<u>2008</u>	<u>2007</u>
Hope Haven	2006-02	\$ 1,500	\$ 10,566
Caldwell County	2006-03	1,759	6,241
Grundy County	2006-04	893	2,102
Banned Items	2006-05	3,905	26,803
Hope Haven	2007-01	3,000	17,000
Banned items	2008-08	10,454	
		<u>\$ 21,511</u>	<u>\$ 62,712</u>

SECTION III
INTERNAL CONTROL
AND COMPLIANCE

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**

October 29, 2008

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

We have audited the financial statements of North Missouri Solid Waste Management District as of and for the years ended June 30, 2008 and 2007, and have issued our report thereon dated October 29, 2008. 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 an opinion 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 control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Executive Board
North Missouri Solid Waste
Management District – Region B

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 significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 an instance of noncompliance that is required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and responses as item 08-1.

North Missouri Solid Waste Management District's response to the findings identified in our audits is described in the accompanying schedule of findings and responses. We did not audit North Missouri solid Waste Management District's response and, accordingly, we express no opinion on it.

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.

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

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2008 AND 2007

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:

Unqualified Opinion

Internal control over financial reporting:

Material weaknesses identified?

_____ Yes X No

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

_____ Yes X None Reported

Noncompliance material to the financial statements noted?

 X Yes _____ No

Section II - Financial Statement Findings

08-1 DEPOSITS NOT COVERED BY PLEDGED COLLATERAL

Condition: The District has cash deposited with one institution. The bank balance of deposits at the institution totaled \$206,207 at June 30, 2008. Of the bank balance, \$100,000 was covered by federal depository insurance and \$106,207 was not covered by pledged collateral.

Criteria: As required by RSMo. 110.010 and RSMo. 110.020, public funds should be secured at all times by "not less than one hundred percent of the actual amount of the funds on deposit with the depository, less the amount, if any, insured by the Federal Deposit Insurance Corporation."

Effect: The District is not in compliance with the Missouri Revised Statutes.

Cause: Oversight by District.

Recommendation: We recommend the District monitor bank deposits to ensure they are covered by federal depository insurance or pledged collateral.

District Response: The District's funds are on deposit at Citizens Bank and Trust (CB&T). It is the policy of CB&T to automatically pledge collateral for all accounts considered to be public funds. The bank recognizes the deposits of North Missouri Solid Waste Management District to be public funds. The bank had failed to code the District in their computer system correctly as public funds. That has now been corrected, therefore in the future should the district's funds exceed the FIDC limit of \$100,000 the bank will automatically pledge collateral to secure the accounts.

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

SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2008 AND 2007

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.

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

Current Status: The original budget for the year ended June 30, 2007 did not include budgeted revenues, however, the board did adopt a complete final budget for that year. For the year ended June 30, 2008, the District Board of Directors adopted a formal budget with projected income and expenditures.

06-2 EXPENDITURES IN EXCESS OF BUDGETED AMOUNTS

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

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 recommended the District review the budgets and make amendments as necessary to prevent expenditures in excess of budgeted amounts in the future.

Current Status: The District has improved efforts to review the budget monthly and adopted any necessary amendments for the years ended June 30, 2008 and 2007.

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 recommended the District immediately form an Executive Board.

Current Status: The District has established an eleven member Executive Board under an alternative management structure.

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

SCHEDULE OF PRIOR AUDIT FINDINGS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2008 AND 2007

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 recommended the District adopt bylaws for the operation of the District.

Current Status: The District has adopted bylaws.