

**NORTH MISSOURI
SOLID WASTE MANAGEMENT
DISTRICT - REGION B
TRENTON, MISSOURI
FINANCIAL STATEMENTS
(With Independent Auditors'
Reports Thereon)
JUNE 30, 2012 AND 2011**

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

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SECTION I
FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

January 24, 2013

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

We have audited the accompanying financial statements of the governmental activities and each major fund of the North Missouri Solid Waste Management District, Trenton, Missouri (the District) as of and for the years ended June 30, 2012 and 2011, which collectively comprise the District's financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

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

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the governmental activities and each major fund of the North Missouri Solid Waste Management District as of June 30, 2012 and 2011, and the respective changes in financial position for the years then ended in conformity with the basis of accounting described in Note 1B.

In accordance with Government Auditing Standards, we have also issued our report dated January 24, 2013, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and important for assessing the results of our audits.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The management's discussion and analysis on pages 2 through 8 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion or provide any assurance on it.

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplemental information on pages 20 - 22 is presented for the purpose of additional analysis and is not a required part of the financial statements. The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements 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
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

This discussion and analysis of North Missouri Solid Waste Management District Region B’s (the District’s) financial performance provides an overview of the financial activity for the years ending June 30, 2012 and 2011. Please read it in conjunction with the District’s financial statements, notes to the financial statements, and other supplemental information, which immediately follow this section.

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

FINANCIAL HIGHLIGHTS

Key financial highlights for the years ended June 30, 2012 and 2011, are as follows:

1. The total unrestricted net asset balance was \$54,593 at June 30, 2011. The total unrestricted net asset balance was \$61,887 at June 30, 2012. This is an increase of \$7,294 from the previous fiscal year. The total restricted net asset balance of the grant fund was \$71,823 at June 30, 2011. The total restricted net asset balance of the grant fund was \$114,211 at June 30, 2012. This is an increase of \$42,388 from the previous fiscal year. The difference is due to the grant funds being invoiced and received through the Missouri Department of Natural Resources (DNR), but not being disbursed by the end of the year.
2. Total grant revenue from DNR was \$57,500 for the year ended June 30, 2011, and \$133,319 for the year ended June 30, 2012. This is an increase of \$75,819 for the year ended June 30, 2012. The increase in receipts was due to the District not awarding grants at the same time each year.
3. Total disbursements for the year ended June 30, 2011 and 2012, were \$84,574 and \$96,654, respectively. This is an increase of \$12,080 for the year ended June 30, 2012. This includes both the restricted and unrestricted accounts. This increase is due to the fact that there was an increase in projects.
4. Actual receipts of interest income were \$444 for the year ended June 30, 2011, and \$291 for the year ended June 30, 2012. This is a decrease of \$153. For the year ended June 30, 2011, other revenue was \$12,089 and for the year ended June 30, 2012, other revenue was \$12,726. Other revenue increased by \$637. Other revenue involves fees charged to individuals participating in the textile collections, fees charged at county collections, and dues collected by the District from their member cities and counties. This includes both the restricted and unrestricted accounts.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

1. **Government-wide financial statements** assist the financial statement user in assessing the medium- and long-term operational accountability of the District. They are prepared using the cash basis of accounting. Government-wide financial statements include the following:

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

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

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

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

OVERVIEW OF SOLID WASTE CYCLES

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

TABLE 1

Table 1 provides a summary of the project cycles that were active during the years ended June 30, 2012 and 2011.

Operating Cycle	Cycle Period
Projects 2010-03	11-11-2009 to 5-11-2011
Projects 2010-04	8-9-2011 to 9-30-2012
Projects 2010-05	9-19-2011 to 3-19-2013
Projects 2010-06 & 2010-07	8-9-2011 to 2-9-2013
Projects 2011-01 & 2011-02	7-1-2010 to 6-30-2011
Projects 2011-03, 2011-04, 2011-05, 2011-06	8-24-2011 to 2-24-2013
Project 2012-01 & 2012-02	7-1-2011 to 6-30-2012
Projects 2012-03	12-1-2011 to 5-1-2013
Projects 2012-04 & 2012-05	2-27-2012 to 8-27-2013

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

BUDGET ANALYSIS - TABLE 2

Table 2 displays the overall budget for the District for the years ended June 30, 2012 and 2011. 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
Trenton School Recycling Rangers B2009-04	\$1,800.00	\$1,800.00	0	N/A		\$ 1,800.00	Deobligated Funds will be used for future projects
Harrison County Sheltered Workshop Box Handler B2009-05	11,153.00	11,153.00	0	N/A		11,153.00	Deobligated Funds will be used for future projects
City of Bethany Recycling Container & Trailer B2009-06	4,000.00	4,000.00	0	N/A	\$3,819.95	180.05	Deobligated Funds will be used for future projects
District Operations B2010-01	38,146.60	30,146.60	\$8,000	Money transferred from general fund	32,588.61	5,557.99	Deobligated Funds will be used for future projects
Plan Implementation B2010-02	17,353.40	17,353.40	0	N/A	12,316.42	5,036.98	Deobligated Funds will be used for future projects
Hope Haven Service Truck B2010-03	15,000.00	15,000.00	0	N/A	12,750.00	2,250.00	Project Still Open
Region B - Banned Items B2010-04	36,515.15	10,000.00	\$26,515.15	21,912.15 – Carryover 4,603 – Fees from collection	24,638.98	11,876.17	Project Still Open
Caldwell County Recycling B2010-05	14,300.00	14,300.00	0	N/A	3,311.62	10,988.38	Project Still Open
Grundy County Recycling B2010-06	3,500.00	3,500.00	0	N/A	936.52	2,563.48	Project Still Open
Hope Haven Recycling Trailer B2010-07	14,000.00	14,000.00	0	N/A		14,000.00	Project Still Open
District Operations B2011-01	41,323.32	30,146.60	\$11,176.72	Money transferred from general fund	41,323.32	-	N/A
Plan Implementation B2011-02	17,363.50	17,353.40	\$10.10	Money transferred from general fund	17,267.56	95.94	Deobligated Funds will be used for future projects

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

Hope Haven Semi Truck B2011-03	16,500.00	16,500.00	0	N/A	11,900.00	4,600.00	Project Still Open
Chillicothe Municipal Utilities Composting Screen B2011-04	10,000.00	10,000.00	0	N/A		10,000.00	Project Still Open
Salisbury Recycling Program B2011-05	10,995.50	10,995.50	0	N/A		10,995.50	Deobligated Funds will be used for future projects
Region B - Special Events Recycling B2011-06	4,000.00	4,000.00	0	N/A		4,000.00	Project Still Open
District Operations B2012-01	31,146.60	30,146.60	\$1,000	Money transferred from general fund	30,799.83	346.77	Project Still Open
Plan Implementation B2012-02	17,353.40	17,353.40	0	N/A	14,174.24	3,179.16	Project Still Open
Region B - Recycling Equipment B2012-03	15,000.00	15,000.00	0	N/A	10,000.00	5,000.00	Project Still Open
Gilman City Recycling Bin Program B2012-04	2,000.00	2,000.00	0	N/A		2,000.00	Project Still Open
Unionville Recycling Bin Program B2012-05	6,519.00	6,519.00	0	N/A		6,519.00	Project Still Open

NOTE: The additional fees that were paid on the projects are included in the funds carried forward column, since there was no place to put them on the chart. A notation was made in the source column on the type of funds.

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

ANALYSIS OF RECEIPTS AND DISBURSEMENTS

Grant Receipts

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

TABLE 3

Table 3 totals the receipts the District received in the years ended June 30, 2012 and 2011.

Revenues	Year Ended June 30,		Difference
	2012	2011	
Grant Receipts	\$133,319	\$57,500	\$75,819
Interest Receipts	291	444	(153)
Other Receipts	12,726	12,089	637
TOTALS	\$ 146,336	\$ 70,033	\$76,303

Disbursements

The disbursements for the year ended June 30, 2012, have increased in the amount of \$12,080 from the previous year. The increase in disbursements is due to the fact that the District awarded subgrants later in the prior fiscal year and the subgrantees have not turned in required paperwork for reimbursement. Table 4 shows the breakdown of disbursements into the two categories of district operations and collections/recycling.

TABLE 4

Table 4 totals the disbursements the District accumulated in the years ended June 30, 2012 and 2011.

Disbursements	Year Ended June 30,		Difference
	2012	2011	
District Operations	\$ 50,183	\$66,923	(\$16,740)
Collections/Recycling/ Subgrantees	\$46,471	\$17,651	28,820
TOTALS	\$96,654	\$84,574	\$12,080

Total disbursements for the years ended June 30, 2011, and June 30, 2012, consisted of the following:

- a. District Operations and Plan Implementation represent 78.8% of the total disbursements for the year ended June 30, 2011, and 51.9% for the year ended June 30, 2012. District Operations and Plan Implementation decreased by \$16,740 during the year ended June 30, 2012, due to paying 4th quarter fiscal year 2011 disbursements in fiscal year 2012. District operations include rent and administrative disbursements contracted through Green Hills Regional Planning Commission. NOTE: The totals are for the 4th quarter of the previous year and the first 3 quarters of the current fiscal year. Additional funds from the general account were transferred to the grant account to cover any additional cost over the Districts allowable 50% allocation of \$47,500 for district operations and plan implementation.

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

- b. Collections and recycling represent 21.2% of the total disbursements for the year ended June 30, 2011, and 48.1% for the year ended June 30, 2012. Collections and recycling increased by \$28,820 during the year ended June 30, 2012, which was due to the District awarding subgrant contracts later in the year and the subgrantees not filing required paperwork for reimbursement before the end of the year. Collections and recycling include grants that are given to subgrantees and include disbursements such as travel, fuel, supplies, equipment, vehicles, recycling trailers, recycling bins, advertising, and contractual expenses with recycling centers and HHW facilities.

TABLE 5

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

Collections	Kind of Collection	Counties who Participated
City of Bethany B2009-06	Recycling Collection for Paper, Cardboard, Tin, Plastics & Aluminum	Harrison
Hope Haven B2010-03	Recycling Collection for Paper, Cardboard, Tin, Plastics, Aluminum, & Textiles	Grundy, Linn, & Livingston
Region B - Banned Items B2010-04	White Goods, Waste Tires, Scrap Metal, Household Hazardous Waste, Textiles, and Electronics	Caldwell, Carroll, Harrison, Grundy, Livingston, Chariton, Linn, Putnam, Sullivan, Mercer, and Daviess
Caldwell County B2010-05	Recycling Collection for Paper, Cardboard, Tin, Plastics & Aluminum	Caldwell
Grundy County B2010-06	Recycling Collection for Paper, Cardboard, Tin, Plastics & Aluminum	Grundy
Hope Haven B2010-07	Recycling Collection for Paper, Cardboard, Tin, Plastics, Aluminum, & Textiles	Grundy, Linn, & Livingston
City of Chillicothe CMU B2011-04	Yard Waste	Livingston County
Special Events B2011-06	Recycling Collection for Plastics, Cardboard, & Aluminum	Caldwell, Carroll, Harrison, Grundy, Livingston, Chariton, Linn, Putnam, Sullivan, Mercer, and Daviess
Gilman City B2012-04	Recycling Collection for Paper, Cardboard, Tin, Plastics & Aluminum	Harrison
Unionville B2012-05	Recycling Collection for Paper, Cardboard, Tin, Plastics & Aluminum	Putnam

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

TABLE 6

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

Fiscal Year 2011 and 2012

Subgrantee	Equipment	Grant Awarded	Unit Price	Amount Paid
City of Bethany B2009-06	Trailer with 2 bins	\$ 4,000	\$ 3,820	\$ 3,820
Hope Haven B2010-03	Pickup	\$15,000	\$15,000	\$12,750 Not Complete
Hope Haven B2010-07	Recycling Trailer	\$14,000		Not Complete
Hope Haven B2011-03	Semi Truck	\$16,500	\$14,000	\$11,900 Not Complete
City of Chillicothe CMU B2011-04	Compost Screen	\$10,000	\$17,617	Not Complete
Recycling Equipment B2012-03	Skid Loader, Trailer, & Scales	\$15,000		\$10,000 Not Complete

ECONOMIC FACTORS

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

CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT

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

Ann Hamilton
Solid Waste District Planner
North Missouri Solid Waste Management District – Region B
Trenton, Missouri

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

**STATEMENTS OF NET ASSETS - CASH BASIS
JUNE 30, 2012 AND 2011**

	Governmental Activities	
	2012	2011
<u>ASSETS</u>		
CURRENT ASSETS:		
Unrestricted cash and cash equivalents	\$ 61,887	\$ 54,593
Restricted cash	114,211	71,823
Total current assets	176,098	126,416
TOTAL ASSETS	\$ 176,098	\$ 126,416
<u>NET ASSETS</u>		
NET ASSETS:		
Unrestricted	\$ 61,887	\$ 54,593
Restricted	114,211	71,823
TOTAL NET ASSETS	\$ 176,098	\$ 126,416

See Notes to Financial Statements.

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

**STATEMENT OF ACTIVITIES -
CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2012**

		Program Receipts		Net Receipts and Change in Net Assets
Functions and Programs	Disbursements	Capital Grants and Contributions	Operating Grants and Contributions	Primary Government Governmental Activities
Primary Government:				
Governmental Activities:				
General Government	\$ 96,654	\$ -	\$ 133,319	\$ 36,665
General Receipts:				
Investment earnings				291
Other				12,726
Total general receipts				13,017
Change in net assets				49,682
Net Assets - Beginning of year				126,416
Net Assets - End of year				\$ 176,098

See Notes to Financial Statements.

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

**STATEMENT OF ACTIVITIES -
CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2011**

		Program Receipts		Net Receipts and Change in Net Assets
Functions and Programs	Disbursements	Capital Grants and Contributions	Operating Grants and Contributions	Primary Government Governmental Activities
Primary Government:				
Governmental Activities:				
General Government	\$ 84,574	\$ -	\$ 57,500	\$ (27,074)
General Receipts:				
Investment earnings				444
Other				12,089
Total general receipts				12,533
Change in net assets				(14,541)
Net Assets - Beginning of year				140,957
Net Assets - End of year				\$ 126,416

See Notes to Financial Statements.

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

**GOVERNMENTAL FUNDS BALANCE SHEETS - CASH BASIS
JUNE 30, 2012 AND 2011**

	2012		
	General	Special Revenue	Total Governmental Funds
<u>ASSETS</u>			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 61,887		\$ 61,887
Restricted cash		\$ 114,211	114,211
	61,887	114,211	176,098
Total current assets			
	61,887	114,211	176,098
TOTAL ASSETS	\$ 61,887	\$ 114,211	\$ 176,098
 <u>FUND BALANCES</u>			
FUND BALANCES:			
Restricted for grant projects		\$ 114,211	\$ 114,211
Unassigned, unrestricted	\$ 61,887		61,887
	61,887	114,211	176,098
TOTAL FUND BALANCES	\$ 61,887	\$ 114,211	\$ 176,098

2011		
<u>General</u>	<u>Special Revenue</u>	<u>Total Governmental Funds</u>
\$ 54,593	\$ 71,823	\$ 54,593 71,823
<u>54,593</u>	<u>71,823</u>	<u>126,416</u>
<u>\$ 54,593</u>	<u>\$ 71,823</u>	<u>\$ 126,416</u>
\$ 54,593	\$ 71,823	\$ 71,823 54,593
<u>\$ 54,593</u>	<u>\$ 71,823</u>	<u>\$ 126,416</u>

See Notes to Financial Statements.

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

**GOVERNMENTAL FUNDS STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2012**

	Governmental Fund Types		
	General	Special Revenue	Total
RECEIPTS:			
Grant revenue		\$ 133,319	\$ 133,319
Interest income	\$ 96	195	291
Other revenue	10,514	2,212	12,726
Total Receipts	<u>10,610</u>	<u>135,726</u>	<u>146,336</u>
DISBURSEMENTS - current:			
District Operations (Administration):			
District administration		33,103	33,103
Plan implementation		17,080	17,080
Total District Operations Disbursements	<u>-</u>	<u>50,183</u>	<u>50,183</u>
Collections and Recycling:			
Banned items		20,311	20,311
Contractual		16,148	16,148
Equipment		10,000	10,000
Service charges	12		12
Total Collections and Recycling Disbursements	<u>12</u>	<u>46,459</u>	<u>46,471</u>
Total Disbursements	<u>12</u>	<u>96,642</u>	<u>96,654</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	10,598	39,084	49,682
OTHER FINANCING SOURCES (USES):			
Operating transfers in (out)	<u>(3,304)</u>	<u>3,304</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	7,294	42,388	49,682
FUND BALANCE - Beginning of year	<u>54,593</u>	<u>71,823</u>	<u>126,416</u>
FUND BALANCE - End of year	<u>\$ 61,887</u>	<u>\$ 114,211</u>	<u>\$ 176,098</u>

See Notes to Financial Statements.

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

**GOVERNMENTAL FUNDS STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2011**

	Governmental Fund Types		
	General	Special Revenue	Total
RECEIPTS:			
Grant revenue		\$ 57,500	\$ 57,500
Interest income	\$ 135	309	444
Other revenue	9,893	2,196	12,089
Total Receipts	<u>10,028</u>	<u>60,005</u>	<u>70,033</u>
DISBURSEMENTS - current:			
District Operations (Administration):			
District administration	312	48,847	49,159
Plan implementation		17,764	17,764
Total District Operations Disbursements	<u>312</u>	<u>66,611</u>	<u>66,923</u>
Collections and Recycling:			
Contractual		13,323	13,323
Banned items		4,328	4,328
Total Collections and Recycling Disbursements	<u>-</u>	<u>17,651</u>	<u>17,651</u>
Total Disbursements	<u>312</u>	<u>84,262</u>	<u>84,574</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	9,716	(24,257)	(14,541)
OTHER FINANCING SOURCES (USES):			
Operating transfers in (out)	<u>(8,883)</u>	<u>8,883</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	833	(15,374)	(14,541)
FUND BALANCE - Beginning of year	<u>53,760</u>	<u>87,197</u>	<u>140,957</u>
FUND BALANCE - End of year	<u>\$ 54,593</u>	<u>\$ 71,823</u>	<u>\$ 126,416</u>

See Notes to Financial Statements.

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

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

A. Reporting Entity:

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

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

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

B. Basis of Accounting:

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

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012 AND 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

B. Basis of Accounting, Continued:

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

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

Governmental Funds:

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

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

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

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

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

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

C. 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, 2012 AND 2011**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

D. 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, 2012</u>	<u>June 30, 2011</u>
Vehicles and equipment	\$ 102,874	\$ 90,940

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

E. 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 receipts and disbursements 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 an eighteen month period; however, they can be awarded for periods shorter or longer than eighteen 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.

F. Governmental Fund Balances:

The District has applied the provisions of GASB Statement No. 54 as of June 30, 2011. The District does not have any spendable, committed, or assigned fund balances. Restricted fund balances consist of amounts for future grant allocations.

The board of directors is the responsible for determining and rescinding any committed or assigned fund balances.

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012 AND 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

G. 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, 2012, the carrying amount of the District's deposits was \$176,098 and the bank balance was \$176,098. The bank balance was covered by federal depository insurance.

At June 30, 2011, the carrying amount of the District's deposits was \$126,416 and the bank balance was \$127,964. The bank balance was covered by federal depository insurance.

B. Restricted Cash:

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

C. Investments:

The District may invest in certificates of deposit, bonds of the State of Missouri or any wholly-owned corporation of the United States, or in other short-term obligations of the United States. The District had no such investments at June 30, 2012 and 2011.

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>2012</u>	<u>2011</u>
Total	\$ 50,183	\$ 66,923

4. ECONOMIC DEPENDENCY

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

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2012 AND 2011**

5. CONTINGENCY

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

6. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in the years ended June 30, 2012 and 2011.

7. TRANSFERS

The following is a summary of transfers for all funds for the year ended June 30, 2012:

<u>Fund</u>	<u>Transfer Into</u>	<u>Transfer Out Of</u>
General		\$ 3,304
Special Revenue	\$ 3,304	_____
Totals	\$ 3,304	\$ 3,304

The following is a summary of transfers for all funds for the year ended June 30, 2011:

<u>Fund</u>	<u>Transfer Into</u>	<u>Transfer Out Of</u>
General		\$ 8,883
Special Revenue	\$ 8,883	_____
Totals	\$ 8,883	\$ 8,883

The purpose for the interfund transfers is to transfer general fund money to the grant account to cover administration and plan implementation costs.

SECTION II
SUPPLEMENTAL INFORMATION

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

**SUPPLEMENTAL SCHEDULE OF RECEIPTS,
DISBURSEMENTS, AND CHANGES IN NET ASSETS -
BUDGET TO ACTUAL COMPARISON - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2012**

	General Fund			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
RECEIPTS:				
Grant revenue				
Interest income	\$ 100	\$ 84	\$ 96	\$ 12
Other revenue	9,000	10,514	10,514	-
Total Receipts	<u>9,100</u>	<u>10,598</u>	<u>10,610</u>	<u>12</u>
DISBURSEMENTS - current:				
District Operations (Administration):				
District administration				
Plan implementation				
Total District Operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Collections and Recycling:				
Banned items				
Contractual				
Equipment	10,000			
Service charges		12	12	-
Total Collections and Recycling	<u>10,000</u>	<u>12</u>	<u>12</u>	<u>-</u>
Total Disbursements	<u>10,000</u>	<u>12</u>	<u>12</u>	<u>-</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(900)	10,586	10,598	12
OTHER FINANCING SOURCES (USES):				
Operating transfers in (out)	<u>(13,804)</u>	<u>(3,304)</u>	<u>(3,304)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (14,704)</u>	<u>\$ 7,282</u>	<u>7,294</u>	<u>\$ 12</u>
FUND BALANCE - Beginning of year			<u>54,593</u>	
FUND BALANCE - End of year			<u>\$ 61,887</u>	

Special Revenue Fund

Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
\$ 190,000	\$ 133,319	\$ 133,319	\$ -
300	174	195	21
1,000	2,212	2,212	-
<u>191,300</u>	<u>135,705</u>	<u>135,726</u>	<u>21</u>
40,508	33,103	33,103	-
25,392	17,080	17,080	-
<u>65,900</u>	<u>50,183</u>	<u>50,183</u>	<u>-</u>
29,975	20,311	20,311	-
86,879	16,148	16,148	-
	10,000	10,000	-
<u>116,854</u>	<u>46,459</u>	<u>46,459</u>	<u>-</u>
<u>182,754</u>	<u>96,642</u>	<u>96,642</u>	<u>-</u>
8,546	39,063	39,084	21
<u>13,804</u>	<u>3,304</u>	<u>3,304</u>	<u>-</u>
<u>\$ 22,350</u>	<u>\$ 42,367</u>	42,388	<u>\$ 21</u>
		<u>71,823</u>	
		<u>\$ 114,211</u>	

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

**SUPPLEMENTAL SCHEDULE OF RECEIPTS,
DISBURSEMENTS, AND CHANGES IN NET ASSETS -
BUDGET TO ACTUAL COMPARISON - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2011**

	General Fund			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
RECEIPTS:				
Grant revenue				
Interest income	\$ 500	\$ 135	\$ 135	\$ -
Other revenue	9,000	9,893	9,893	-
Total	<u>9,500</u>	<u>10,028</u>	<u>10,028</u>	<u>-</u>
DISBURSEMENTS - current:				
District Operations (Administration):				
District administration	1,183	312	312	
Plan implementation				
Total District Operations	<u>1,183</u>	<u>312</u>	<u>312</u>	<u>-</u>
Collections and Recycling:				
Contractual				
Banned items				
Total Collections and Recycling				
Total	<u>1,183</u>	<u>312</u>	<u>312</u>	<u>-</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	8,317	9,716	9,716	-
OTHER FINANCING SOURCES (USES):				
Operating transfers in (out)	<u>(7,817)</u>	<u>(8,883)</u>	<u>(8,883)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	\$ 500	\$ 833	833	\$ -
FUND BALANCE - Beginning of year			<u>53,760</u>	
FUND BALANCE - End of year			<u>\$ 54,593</u>	

Special Revenue Fund

Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
\$ 95,000	\$ 57,500	\$ 57,500	\$ -
700	309	309	-
	2,196	2,196	-
<u>95,700</u>	<u>60,005</u>	<u>60,005</u>	<u>-</u>
30,147	48,847	48,847	-
17,353	17,764	17,764	-
<u>47,500</u>	<u>66,611</u>	<u>66,611</u>	<u>-</u>
47,500	13,323	13,323	-
	4,328	4,328	-
<u>47,500</u>	<u>17,651</u>	<u>17,651</u>	<u>-</u>
<u>95,000</u>	<u>84,262</u>	<u>84,262</u>	<u>-</u>
700	(24,257)	(24,257)	-
<u>7,817</u>	<u>8,883</u>	<u>8,883</u>	<u>-</u>
<u>8,517</u>	<u>(15,374)</u>	<u>(15,374)</u>	<u>\$ -</u>
		<u>87,197</u>	
		<u>\$ 71,823</u>	

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

**SUPPLEMENTAL SCHEDULE OF RECEIPTS AND DISBURSEMENTS
OF STATE AWARDS - CASH BASIS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

<u>Program</u>	<u>Invoice Date</u>	<u>Grant Award Amount</u>	<u>Prior Period Disbursements</u>	<u>2011 Disbursements</u>
Trenton School Recycling 2009-04	Jul 09 - Jun 10	\$ 1,800		
Harrison County 2009-05	Jul 09 - Jun 10	11,153		
City of Bethany 2009-06	Jul 09 - Jun 10	4,000	\$ 3,247	\$ 573
District operations 2010-01	Jul 09 - Jun 10	30,147	22,762	9,826
Plan implementation 2010-02	Jul 09 - Jun 10	17,353	8,914	3,402
Hope Haven 2010-03	Jul 09 - Jun 10	15,000		12,750
Banned Items 2010-04	Jul 10 - Jun 11	31,912		4,328
Caldwell County 2010-05	Jul 11 - Jun 12	14,300		
Grundy County 2010-06	Jul 11 - Jun 12	3,500		
Hope Haven 2010-07	Jul 11 - Jun 12	14,000		
District operations 2011-01	Jul 10 - Jun 11	30,147		39,021
Plan implementation 2011-02	Jul 10 - Jun 11	17,353		14,362
Hope Haven 2011-03	Jul 11 - Jun 12	16,500		
CMU compost project 2011-04	Jul 11 - Jun 12	10,000		
Special events recycling 2011-06	Jul 11 - Jun 12	4,000		
District operations 2012-01	Jul 11 - Jun 12	30,147		
Plan implementation 2012-02	Jul 11 - Jun 12	17,353		
Region B equipment 2012-03	Jul 11 - Jun 12	15,000		
City of Gilman City 2012-04	Jul 11 - Jun 12	2,000		
City of Unionville 2012-05	Jul 11 - Jun 12	6,519		
Total		<u>\$ 292,184</u>	<u>\$ 34,923</u>	<u>\$ 84,262</u>

Unobligated carryover

Unobligated interest

Amount added to unobligated carryover during current year

Total unobligated

Grant account cash balance, June 30, 2012

<u>2012 Disbursements</u>	<u>Program Income</u>	<u>Deobligated Amount</u>	<u>Remaining Award Amount Available</u>
		\$ 1,800	\$ -
		11,153	-
		180	-
	\$ 8,000	5,559	-
		5,037	-
			2,250
\$ 20,311	4,603		11,876
3,312			10,988
937			2,563
			14,000
2,303	11,177		-
2,905	10	96	-
11,900			4,600
			10,000
			4,000
30,800	1,000		347
14,174			3,179
10,000			5,000
			2,000
			6,519
<u>\$ 96,642</u>	<u>24,790</u>	<u>\$ 23,825</u>	<u>\$ 77,322</u>
	12,098		
	966		
	<u>\$ 23,825</u>		
			<u>36,889</u>
			<u>\$ 114,211</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**

January 24, 2013

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

We have audited the financial statements of the governmental activities and each major fund of North Missouri Solid Waste Management District as of and for the years ended June 30, 2012 and 2011, which collectively comprise the North Missouri Solid Waste Management District's financial statements and have issued our report thereon dated January 24, 2013. 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

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

A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, such that there is a reasonable possibility that a material misstatement of the North Missouri Solid Waste Management District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness 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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the 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**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2012 AND 2011**

10-1 DISBURSEMENTS IN EXCESS OF BUDGETED AMOUNTS

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

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

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

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

Current Status: The District's internal control performed as intended and budgeted disbursements were not exceeded by actual disbursements in the years ended June 30, 2012 and 2011.

10-2 DISBURSEMENTS IN EXCESS OF BUDGETED AMOUNTS

Condition: Disbursements were in excess of budgeted amounts for the general fund for the year ended June 30, 2010.

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

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

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

Current Status: The District's actual disbursements did not exceed budgeted disbursements in the years ended June 30, 2012 and 2011.