

**WEST CENTRAL MISSOURI SOLID
WASTE MANAGEMENT DISTRICT –
REGION F
CONCORDIA, MISSOURI**

JUNE 30, 2007 AND 2006

**WEST CENTRAL MISSOURI SOLID WASTE
MANAGEMENT DISTRICT – REGION F
CONCORDIA, MISSOURI**

TABLE OF CONTENTS

	<u>Page</u>
SECTION I: FINANCIAL STATEMENTS	
Independent Auditors' Report	1
Statement of Cash Balances	2
Statement of Cash Activities	3 - 4
Governmental Funds Balance Sheets – Cash Basis	5
Governmental Funds Statement of Receipts, Disbursements and Changes in Fund Balances – Cash Basis	6 - 7
Notes to Financial Statements	8 - 12
SECTION II: INTERNAL CONTROL, COMPLIANCE AND OTHER MATTERS	
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>	13 – 14
Schedule of Findings and Responses	15
Schedule of Prior Audit Findings	16
SECTION III: SUPPLEMENTAL SCHEDULE	
Supplemental Schedule of Subgrant Expenditures	17

SECTION I
FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

August 24, 2007

Executive Board
West Central Missouri Solid Waste
Management District – Region F
Concordia, Missouri 64020

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the West Central Missouri Solid Waste Management District – Region F as of and for the years ended June 30, 2007 and 2006, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the West Central Missouri Solid Waste Management District – Region F's management. Our responsibility is to express an opinion 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 audit provides a reasonable basis for our opinion.

West Central Missouri Solid Waste Management District – Region F has not presented a management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

As discussed in Note 1E, West Central Missouri Solid Waste Management District – Region F prepares its financial statements on the cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position – cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of the West Central Missouri Solid Waste Management District – Region F as of June 30, 2007 and 2006, and the respective changes in financial position – cash basis, thereof for the years then ended in conformity with the basis of accounting described in Note 1E.

In accordance with Government Auditing Standards, we have also issued a report dated August 24, 2007, on our consideration of the West Central Missouri Solid Waste Management District - Region F'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.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental information on page 17 and the columns on the accompanying financial statements captioned "Total (Memorandum Only)" are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information, except for the columns captioned "Total (Memorandum Only)", on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Arthur White & Associates, L.L.C.

ARTHUR WHITE & ASSOCIATES, L.L.C.

**WEST CENTRAL MISSOURI SOLID WASTE
MANAGEMENT DISTRICT - REGION F
CONCORDIA, MISSOURI**

**STATEMENTS OF CASH BALANCES
JUNE 30, 2007 AND 2006**

	<u>2007</u>	<u>2006</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	<u>\$ 532,933</u>	<u>\$ 400,898</u>
TOTAL ASSETS	<u>\$ 532,933</u>	<u>\$ 400,898</u>
 <u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Overdraft	<u>\$ 15,520</u>	
Total liabilities	<u>15,520</u>	
NET ASSETS:		
Restricted	<u>517,413</u>	<u>\$ 400,898</u>
Total net assets	<u>517,413</u>	<u>400,898</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 532,933</u>	<u>\$ 400,898</u>

See Notes to Financial Statements.

**WEST CENTRAL MISSOURI SOLID WASTE
MANAGEMENT DISTRICT - REGION F
CONCORDIA, MISSOURI**

**STATEMENT OF CASH ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net Revenue and Change in Net Assets</u>
Functions and Programs		<u>Capital Grants and Contributions</u>	<u>Operating Grants and Contributions</u>	<u>Primary Government Governmental Activities</u>
Primary Government:				
Governmental Activities:				
General Government	<u>\$ 384,319</u>	<u>\$ 232,151</u>	<u>\$ 262,985</u>	<u>\$ 110,817</u>
General Revenues:				
Unrestricted investment earnings				<u>5,698</u>
Total general revenues				<u>5,698</u>
Change in net assets				116,515
Net Assets - Beginning of year				<u>400,898</u>
Net Assets - End of year				<u>\$ 517,413</u>

See Notes to Financial Statements.

**WEST CENTRAL MISSOURI SOLID WASTE
MANAGEMENT DISTRICT - REGION F
CONCORDIA, MISSOURI**

**STATEMENT OF CASH ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2006**

		Program Revenues		Net Revenue and Change in Net Assets
Functions and Programs	Expenses	Capital Grants and Contributions	Operating Grants and Contributions	Primary Government Governmental Activities
Primary Government:				
Governmental Activities:				
General Government	\$ 159,238	\$ 99,074	\$ 120,093	\$ 59,929
General Revenues:				
Unrestricted investment earnings				2,317
Other				89
Total general revenues				2,406
Change in net assets				62,335
Net Assets - Beginning of year				338,563
Net Assets - End of year				\$ 400,898

See Notes to Financial Statements.

**WEST CENTRAL MISSOURI SOLID WASTE
MANAGEMENT DISTRICT - REGION F
CONCORDIA, MISSOURI**

**GOVERNMENTAL FUNDS BALANCE SHEETS - CASH BASIS
JUNE 30, 2007 AND 2006**

	2007		
	General	Special Revenue	Total (Memoran- dum Only)
<u>ASSETS</u>			
Cash and cash equivalents - restricted		\$ 532,933	\$ 532,933
TOTAL ASSETS	\$ -	\$ 532,933	\$ 532,933
 <u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES:			
Overdraft		\$ 15,520	\$ 15,520
Total		15,520	15,520
 FUND BALANCES:			
Fund balance - reserved and designated		517,413	517,413
Total	-	517,413	517,413
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 532,933	\$ 532,933

2006		
<u>General</u>	<u>Special Revenue</u>	<u>Total (Memoran- dum Only)</u>
	\$ 400,898	\$ 400,898
\$ -	\$ 400,898	\$ 400,898
	\$ 400,898	\$ 400,898
-	400,898	400,898
\$ -	\$ 400,898	\$ 400,898

See Notes to Financial Statements.

**WEST CENTRAL MISSOURI SOLID WASTE
MANAGEMENT DISTRICT - REGION F
CONCORDIA, MISSOURI**

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

	Governmental Fund Types		Total (Memo- randum Only)
	General	Special Revenue	
RECEIPTS:			
Grant revenue		\$ 495,136	\$ 495,136
Interest income	\$ 5,698		5,698
Total	<u>5,698</u>	<u>495,136</u>	<u>500,834</u>
DISBURSEMENTS:			
District Operations			
Administration		20,795	20,795
Computer, printer, and software purchases		4,075	4,075
Conference registration and dues		1,410	1,410
Grant ads		139	139
Insurance		1,000	1,000
Meeting expense		100	100
Miscellaneous		545	545
Newsletter		94	94
Postage		63	63
Telephone		711	711
Total District Operations Expenditures		<u>28,932</u>	<u>28,932</u>
Collections and Recycling			
2005 Funding		42,537	42,537
2006 Funding		40,159	40,159
Total Collections and Recycling Expenditures		<u>82,696</u>	<u>82,696</u>
Subgrants			
Equipment		214,911	214,911
Education		57,780	57,780
Total Subgrant Expenditures		<u>272,691</u>	<u>272,691</u>
Total	<u>-</u>	<u>384,319</u>	<u>384,319</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	5,698	110,817	116,515
OTHER FINANCING SOURCES (USES)			
Operating transfers in (out)	<u>(5,698)</u>	<u>5,698</u>	<u>-</u>
EXCESS (DEFICIENCY) OF RECEIPTS AND OTHER FINANCING SOURCES OVER DISBURSEMENTS AND OTHER USES	-	116,515	116,515
FUND BALANCE - Beginning of year	<u>-</u>	<u>400,898</u>	<u>400,898</u>
FUND BALANCE - End of year	<u>\$ -</u>	<u>\$ 517,413</u>	<u>\$ 517,413</u>

See Notes to Financial Statements.

**WEST CENTRAL MISSOURI SOLID WASTE
MANAGEMENT DISTRICT - REGION F
CONCORDIA, MISSOURI**

**GOVERNMENTAL FUNDS STATEMENT OF RECEIPTS,
DISBURSEMENTS AND CHANGES IN FUND BALANCES - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2006**

	Governmental Fund Types		Total (Memo- randum Only)
	General	Special Revenue	
RECEIPTS:			
Grant revenue		\$ 219,167	\$ 219,167
Interest income	\$ 2,317		2,317
Other revenue		89	89
Total	<u>2,317</u>	<u>219,256</u>	<u>221,573</u>
DISBURSEMENTS:			
District Operations			
Administration		11,953	11,953
Billboard reimbursement		1,460	1,460
Grant ads		490	490
Insurance		1,000	1,000
Miscellaneous		239	239
Newsletter		94	94
Printing		93	93
Telephone		854	854
Training		14	14
Total District Operations Expenditures		<u>16,197</u>	<u>16,197</u>
Collections and Recycling			
2003 Funding		5,888	5,888
2004 Funding		56,325	56,325
2005 Funding		21,536	21,536
Total Collections and Recycling Expenditures		<u>83,749</u>	<u>83,749</u>
Subgrants			
Equipment		42,535	42,535
Education		16,757	16,757
Total Subgrant Expenditures		<u>59,292</u>	<u>59,292</u>
Total	<u>-</u>	<u>159,238</u>	<u>159,238</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS			
	2,317	60,018	62,335
OTHER FINANCING SOURCES (USES)			
Operating transfers in (out)	<u>(2,317)</u>	<u>2,317</u>	<u>-</u>
EXCESS (DEFICIENCY) OF RECEIPTS AND OTHER FINANCING SOURCES OVER DISBURSEMENTS AND OTHER USES			
	-	62,335	62,335
FUND BALANCE - Beginning of year			
	<u>-</u>	<u>338,563</u>	<u>338,563</u>
FUND BALANCE - End of year			
	<u>\$ -</u>	<u>\$ 400,898</u>	<u>\$ 400,898</u>

See Notes to Financial Statements.

**WEST CENTRAL MISSOURI SOLID WASTE
MANAGEMENT DISTRICT – REGION F
CONCORDIA, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007 AND 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The West Central Missouri Solid Waste Management District (the District) was formed in Region F, 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 Johnson, Lafayette, Pettis, Morgan, and Saline 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 is comprised of a regional planner, council and an executive board of eleven members. The Chairman and Secretary/Treasurer of the Council appoint board members from each county. The District's activities are administered by the Prairie Rose Resource Conservation and Development, located in Concordia, Missouri.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America, as applicable to governments. The following is a summary of the more significant 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.

**WEST CENTRAL MISSOURI SOLID WASTE
MANAGEMENT DISTRICT – REGION F
CONCORDIA, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2007 AND 2006**

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 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 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.

**WEST CENTRAL MISSOURI SOLID WASTE
MANAGEMENT DISTRICT – REGION F
CONCORDIA, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2007 AND 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

E. Basis of Accounting:

The government-wide financial statements use an economic resources measurement focus as it applies to the cash basis of accounting. Under the cash basis of accounting, revenues are recognized when the cash is received, regardless of when it is earned, and expenses are recognized when paid regardless of when the related liability is incurred. 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 program expenditures are incurred in accordance with program guidelines. Such revenue is subject to review by the funding agency and may result in disallowance in subsequent periods.

F. Capital Assets:

Capital acquisitions for use by the District are reflected as expenditures at cost when paid. No depreciation has been provided in conformity with the cash basis of accounting.

The District purchases 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 donated by the District, then the District will resume ownership.

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

Vehicles and equipment	\$202,251
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G. Accumulated Compensated Absences:

Since the District has no employees and utilizes the cash basis of accounting, no accumulated compensated absences have been accrued.

H. Budgets and Budgetary Accounting:

The District has no policies in place to prepare an annual budget, which is in violation of RSMo. 67.010.

I. Total (Memorandum Only) Columns:

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

**WEST CENTRAL MISSOURI SOLID WASTE
MANAGEMENT DISTRICT – REGION F
CONCORDIA, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2007 AND 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

J. Fair Value:

Investments are reported at fair value which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Cash deposits are reported at carrying amount, which reasonably approximates fair value.

2. CASH AND INVESTMENTS

The District complies with various restrictions on deposits and investments which are imposed by state statute as follows:

A. Cash:

Deposits - All deposits with financial institutions must be collateralized in an amount at least equal to uninsured deposits. At June 30, 2007, the carrying amount of the District's deposits was \$517,413 and the bank balance was \$532,933 and a \$14,485 overdraft. Of the bank balance, \$100,000 was covered by federal depository insurance, and \$432,933 was covered by pledged collateral.

At June 30, 2006, the carrying amount and bank balance of the District's deposits was \$400,898. Of the bank balance, \$100,000 was covered by federal depository insurance, and \$300,898 was covered by pledged collateral.

B. Restricted Cash:

Cash is restricted to be used only for purposes as set forth in grant agreements with the 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, 2007 or 2006.

3. RESERVED FUND BALANCE AND RESTRICTED NET ASSETS

Fund balance is reserved and net assets are restricted for use by approved projects and programs of the District.

**WEST CENTRAL MISSOURI SOLID WASTE
MANAGEMENT DISTRICT – REGION F
CONCORDIA, MISSOURI**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2007 AND 2006**

4 TRANSFERS

The following is a summary of transfers in and out for all funds for the year ending June 30, 2007:

<u>Fund</u>	<u>Transfer Into</u>	<u>Transfer Out Of</u>
General Fund		\$ 5,698
Special Revenue Fund	\$ 5,698	_____
Totals	\$ 5,698	\$ 5,698

The following is a summary of transfers in and out for all funds for the year ending June 30, 2006:

<u>Fund</u>	<u>Transfer Into</u>	<u>Transfer Out Of</u>
General Fund		\$ 2,317
Special Revenue Fund	\$ 2,317	_____
Totals	\$ 2,317	\$ 2,317

The District must use interest that is earned on the deposits of state money on the programs of the District. The District transfers these monies received in the General Fund to the Special Revenue Fund as the interest is earned.

5 RELATED PARTY TRANSACTION

The District is related to Prairie Rose Resource Conservation and Development (RC&D) by sharing office space. The District has entered into a contract with the RC&D for administrative and accounting services. The amount paid to the RC&D for program administration and accounting for the years ending June 30, 2007 and 2006 was \$20,795 and \$11,953, respectively.

6 ECONOMIC DEPENDENCY

The District receives a substantial amount of its support from the 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.

7. CONTINGENCY

The District receives state funding 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.

SECTION II
**INTERNAL CONTROL,
COMPLIANCE AND
OTHER MATTERS**

ARTHUR WHITE & ASSOCIATES, L.L.C.

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August 24, 2007

To the Board of Directors
West Central Missouri Solid Waste
Management District – Region F
Concordia, Missouri

We have audited the financial statements of the West Central Missouri Solid Waste Management District – Region F, Concordia, Missouri, as of and for the years ended June 30, 2007 and 2006, and have issued our report thereon dated August 24, 2007. Professional standards require that we provide you with the following information related to our audits.

Our Responsibility under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

As stated in our engagement letter dated April 5, 2007, our responsibility, as described by professional standards, is to plan and perform our audits to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatement and are fairly presented in accordance with the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Because an audit is designed to provide reasonable, but not absolute, assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

As part of our audits, we considered the internal control of West Central Missouri Solid Waste Management District - Region F. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of West Central Missouri Solid Waste Management District - Region F's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the West Central Missouri Solid Waste Management District - Region F, are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the years ended June 30, 2007 and 2006. We noted no transactions entered into by the District during those years that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Because of the cash basis of accounting, in our judgment there were no sensitive estimates affecting the financial statements.

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the District's financial reporting process (that is, cause future financial statements to be materially misstated). In our judgment, none of the adjustments we proposed, whether recorded or unrecorded by the District, either individually or in the aggregate, indicate matters that could have a significant effect on the District's financial reporting process.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audits.

Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audits.

This information is intended solely for the use of the Board of Directors and management of the West Central Missouri Solid Waste Management District - Region F, Concordia, Missouri, and is not intended to be and should not be used by anyone other than these specified parties

Sincerely,



ARTHUR WHITE & ASSOCIATES, L.L.C.

ARTHUR WHITE & ASSOCIATES, L.L.C.

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

August 24, 2007

Executive Board
West Central Missouri Solid Waste
Management District – Region F
Concordia, Missouri

We have audited the cash basis financial statements of West Central Missouri Solid Waste Management District – Region F as of and for the years ended June 30, 2007 and 2006, and have issued our report thereon dated August 24, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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 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.

Executive Board
West Central Missouri Solid Waste
Management District – Region F

Compliance and Other Matters

As part of obtaining reasonable assurance about whether West Central Missouri Solid Waste Management District – Region F'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 audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and responses as items 07-1.

West Central Missouri Solid Waste Management District – Region F's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit West Central Missouri Solid Waste Management District – Region F'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.

**WEST CENTRAL MISSOURI SOLID WASTE
MANAGEMENT DISTRICT – REGION F
CONCORDIA, MISSOURI**

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2007 AND 2006**

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

07-1 BUDGETARY PRACTICES

Condition: As noted in note 1H in the notes to the financial statements, the District did not adopt a budget for the years ending June 30, 2007 and 2006.

Criteria: The District is responsible for the preparation and approval of an annual budget, as required in RSMo. 67.010.

Effect: The District is not in compliance with RSMo. 67.010, and therefore is not in compliance with RSMo. 67.080 which prohibits an expenditure unless authorized by a budget.

Recommendation: We recommend the District amend the budget so that expenditures will not be in excess of budgeted amounts.

Auditee's Response: We will prepare a budget in the future.

**WEST CENTRAL MISSOURI SOLID WASTE
MANAGEMENT DISTRICT – REGION F
CONCORDIA, MISSOURI**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2007 AND 2006**

There were no prior audit findings.

SECTION III
SUPPLEMENTAL SCHEDULE

**WEST CENTRAL MISSOURI SOLID WASTE
MANAGEMENT DISTRICT - REGION F
CONCORDIA, MISSOURI**

**SUPPLEMENTAL SCHEDULE OF SUBGRANT EXPENDITURES
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006**

	<u>2007</u>	<u>2006</u>
Equipment		
2005 Funding		
Whiteman AFB Glass Crusher	\$ 37,673	
Whiteman AFB Residential Base Recycling		\$ 15,000
Saline County Road and Bridge Recycling	16,500	
Johnson County Sheltered Workshop Recycling	6,024	9,000
Johnson County Sheltered Workshop Recycling #2		9,485
Dye's Auto Diesel Repair Oil Recycling		9,050
2006 Funding		
Saline County Used Oil Burner	7,633	
Lafayette County Enterprises, Inc. Waste Reduction #2	20,950	
Johnson County Sheltered Workshop:		
Recyclables Carport Construction	3,775	
Storage Container Purchase	12,121	
Cargo Trailer	3,000	
Vertical Baler Purchase	13,500	
Paper Shredder Purchase	2,000	
Digital Scale Purchase	1,316	
Forklift Purchase	20,845	
Plastic Hand Box Truck Purchase	876	
Whiteman AFB Concrete/Asphalt Grinding	40,000	
City of Lexington Vertical Baler Purchase	13,948	
Recycling Center Flatbed Truck Purchase	14,750	
Total Equipment Subgrant Expenditures	<u>214,911</u>	<u>42,535</u>
Education		
2005 Funding		
Education / Information Specialist	18,984	12,409
Illegal dumping awareness		4,348
Morgan county environmental enforcement	14,934	
2006 Funding		
Educational projects	4,900	
Education / Information Specialist	18,962	
Total Education Subgrant Expenditures	<u>57,780</u>	<u>16,757</u>
TOTAL SUBGRANT EXPENDITURES	<u>\$ 272,691</u>	<u>\$ 59,292</u>