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QUAD-LAKES SOLID WASTE  
MANAGEMENT DISTRICT  
CLINTON, MISSOURI

JUNE 30, 2007 AND 2006

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QUAD-LAKES SOLID WASTE MANAGEMENT DISTRICT  
CLINTON, MISSOURI

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SECTION I  
FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

December 19, 2007

Executive Committee  
Quad-Lakes Solid Waste  
Management District  
Clinton, Missouri

We have audited the financial statements of the Quad-Lakes Solid Waste Management District as of and for the years ending June 30, 2007 and 2006, as listed in the table of contents. These financial statements are the responsibility of Quad-Lakes Solid Waste Management District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the 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.

Quad-Lakes Solid Waste Management District 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 described in Note 1E, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.



In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position – modified cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of the Quad-Lakes Solid Waste Management District as of June 30, 2007 and 2006, and the respective changes in financial position – modified 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 December 19, 2007, on our consideration of Quad-Lakes 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 read in conjunction with this report in considering the results of our audits.

Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental information on page 16 and the columns on the accompanying financial statements captioned "Totals (Memorandum Only)" are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, except for the "Total (Memorandum Only)" columns, on which we express no opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

ARTHUR WHITE & ASSOCIATES, L.L.C.



QUAD-LAKES SOLID WASTE MANAGEMENT DISTRICT  
CLINTON, MISSOURI

STATEMENTS OF NET ASSETS - MODIFIED CASH BASIS  
JUNE 30, 2007 AND 2006

	<u>Governmental Activities</u>	
	<u>2007</u>	<u>2006</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash	\$ 76,600	\$ 102,767
Note receivable - related party	<u>20,000</u>	<u>20,000</u>
TOTAL ASSETS	<u>\$ 96,600</u>	<u>\$ 122,767</u>
<u>NET ASSETS</u>		
NET ASSETS:		
Unrestricted	\$ 54,054	\$ 49,760
Restricted	<u>42,546</u>	<u>73,007</u>
TOTAL NET ASSETS	<u>\$ 96,600</u>	<u>\$ 122,767</u>

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See Notes to Financial Statements.

QUAD-LAKES SOLID WASTE MANAGEMENT DISTRICT  
CLINTON, MISSOURI

STATEMENTS OF ACTIVITIES - MODIFIED CASH BASIS  
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

Functions and Programs	2007			Net Revenue and Change in Net Assets Primary Government Governmental Activities
	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Primary Government: Governmental Activities: General Government	<u>\$ 94,940</u>	<u>\$ 5,678</u>	<u>\$ 59,667</u>	<u>\$ (29,595)</u>
General Revenues: Interest				<u>3,428</u>
Total general revenues				<u>3,428</u>
Change in net assets				(26,167)
Net Assets - Beginning of year				<u>122,767</u>
Net Assets - End of year				<u>\$ 96,600</u>

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Functions and Programs	2006			Net Revenue and Change in Net Assets Primary Government Governmental Activities
	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	
Primary Government: Governmental Activities: General Government	<u>\$ 90,146</u>	<u>\$ 6,074</u>	<u>\$ 118,692</u>	<u>\$ 34,620</u>
General Revenues: Interest				<u>3,247</u>
Total general revenues				<u>3,247</u>
Change in net assets				37,867
Net Assets - Beginning of year				<u>84,900</u>
Net Assets - End of year				<u>\$ 122,767</u>

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See Notes to Financial Statements.

QUAD-LAKES SOLID WASTE MANAGEMENT DISTRICT  
CLINTON, MISSOURI

STATEMENTS OF ASSETS AND FUND EQUITY - MODIFIED CASH BASIS  
JUNE 30, 2007 AND 2006

	2007		
	Governmental Fund Types		
	General	Special Revenue	Total (Memoran- dum Only)
	<u>ASSETS</u>		
ASSETS:			
Cash	\$ 34,054	\$ 42,546	\$ 76,600
Note receivable - related party	20,000		20,000
TOTAL ASSETS	\$ 54,054	\$ 42,546	\$ 96,600
	<u>FUND EQUITY</u>		
FUND EQUITY:			
Fund balance - unreserved and undesignated	\$ 54,054		\$ 54,054
Fund balance - reserved		\$ 42,546	42,546
TOTAL FUND EQUITY	\$ 54,054	\$ 42,546	\$ 96,600

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	2006		
	<u>Governmental Fund Types</u>		Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
<u>ASSETS</u>			
ASSETS:			
Cash	\$ 29,760	\$ 73,007	\$ 102,767
Note receivable - related party	<u>20,000</u>		<u>20,000</u>
 TOTAL ASSETS	 <u>\$ 49,760</u>	 <u>\$ 73,007</u>	 <u>\$ 122,767</u>
 <u>FUND EQUITY</u>			
FUND EQUITY:			
Fund balance - unreserved and undesignated	\$ 49,760		\$ 49,760
Fund balance - reserved		<u>\$ 73,007</u>	<u>73,007</u>
 TOTAL FUND EQUITY	 <u>\$ 49,760</u>	 <u>\$ 73,007</u>	 <u>\$ 122,767</u>

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See Notes to Financial Statements.

QUAD-LAKES SOLID WASTE MANAGEMENT DISTRICT  
CLINTON, MISSOURI

STATEMENTS OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - ALL GOVERNMENTAL  
FUND TYPES - MODIFIED CASH BASIS  
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

	2007		
	Governmental Fund Types		Total (Memoran- dum Only)
	General	Special Revenue	
<b>REVENUES:</b>			
Intergovernmental revenue:			
State revenue		\$ 53,000	53,000
Charges for services		5,678	5,678
Member assessments	\$ 6,667		6,667
Interest	1,162	2,266	3,428
Total	<u>7,829</u>	<u>60,944</u>	<u>68,773</u>
<b>EXPENDITURES:</b>			
Current:			
Program expense		60,302	60,302
Administration expense		30,000	30,000
Insurance	2,048	1,103	3,151
Miscellaneous	1,487		1,487
Total	<u>3,535</u>	<u>91,405</u>	<u>94,940</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,294	(30,461)	(26,167)
FUND BALANCE - Beginning of year	<u>49,760</u>	<u>73,007</u>	<u>122,767</u>
FUND BALANCE - End of year	<u>\$ 54,054</u>	<u>\$ 42,546</u>	<u>\$ 96,600</u>



	2006		
	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Total (Memoran- dum Only)</u>
<b>REVENUES:</b>			
Intergovernmental revenue:			
State revenue		\$ 112,025	112,025
Charges for services		6,074	6,074
Member assessments	\$ 6,667		6,667
Interest	1,492	1,755	3,247
Total	<u>8,159</u>	<u>119,854</u>	<u>128,013</u>
<b>EXPENDITURES:</b>			
Current:			
Program expense		52,188	52,188
Administration expense	7,500 ✓	25,315 ✓	32,815
Professional fees	1,000 ✓		1,000
Insurance	2,076 ✓	1,132 ✓	3,208
Miscellaneous	935		935
Total	<u>11,511</u>	<u>78,635</u>	<u>90,146</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,352)	41,219	37,867
FUND BALANCE - Beginning of year	<u>53,112</u>	<u>31,788</u>	<u>84,900</u>
FUND BALANCE - End of year	<u>\$ 49,760</u>	<u>\$ 73,007</u>	<u>\$ 122,767</u>

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See Notes to Financial Statements.

QUAD-LAKES SOLID WASTE MANAGEMENT DISTRICT  
CLINTON, MISSOURI

SUPPLEMENTAL SCHEDULES OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET VS. ACTUAL -  
ALL GOVERNMENTAL FUNDS - MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Original &amp; Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:			
Intergovernmental revenue:			
State revenue	\$ 95,000	\$ 53,000	\$ (42,000)
Charges for services	7,000	5,678	(1,322)
Membership assessments	6,667	6,667	-
Interest		3,428	3,428
Total	<u>108,667</u>	<u>68,773</u>	<u>(39,894)</u>
EXPENDITURES:			
Program expense	72,000	60,302	11,698
Administration expense	30,000	30,000	-
Insurance	2,000	3,151	(1,151)
Miscellaneous	425	1,487	(1,062)
Total	<u>104,425</u>	<u>94,940</u>	<u>9,485</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,242	(26,167)	(30,409)
FUND BALANCE - Beginning of year	<u>122,767</u>	<u>122,767</u>	<u>-</u>
FUND BALANCE - End of year	<u>\$ 127,009</u>	<u>\$ 96,600</u>	<u>\$ (30,409)</u>

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See Notes to Financial Statements

QUAD-LAKES SOLID WASTE MANAGEMENT DISTRICT  
CLINTON, MISSOURI

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007 AND 2006



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization:

The Quad-Lakes Solid Waste Management District (the District) is organized under the Missouri Solid Waste Management Law (Senate Bill 530, RSMo Chapter 260.200 through 260.432 and Chapter 477.071). The District operates under the direction of an Executive Board primarily composed of members who represent the local units of government within the boundaries of the region. The District provides the following services as authorized by its charter: cooperation for the planning, development, operation, and maintaining of solid waste disposal services and facilities for and on the behalf of the counties of Bates, Benton, Cedar, Henry, Hickory and St. Clair and the cities within these counties.

B. 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.

C. Accounting Estimates:

The preparation of financial statements in conformity with the modified 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.

D. Basis of Presentation:

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole, with interfund activity removed. They include all funds of the reporting entity except for fiduciary funds and component units that are fiduciary in nature. The statements distinguish between governmental and business type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The District has no activities that are accounted for as business-type activities.

QUAD-LAKES SOLID WASTE MANAGEMENT DISTRICT  
CLINTON, MISSOURI

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

D. Basis of Presentation, 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 "charges for services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the District. 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 a revenue is not a program revenue, it is a general revenue used to support all of the District's functions.

In the government-wide Statement of Net Assets and the Statement of Activities, the governmental and business type activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting. The accounting objectives of this measurement focus are the determination of operating income, and changes in net assets.

E. Fund Accounting:

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. In the fund financial statements, all governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included in the balance sheets. The operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as the measure of available spendable financial resources at the end of the period. 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. The District recycling grant and the paper recycling truck funds are included in the special revenue fund and are used to account for revenue from these state grants.

QUAD-LAKES SOLID WASTE MANAGEMENT DISTRICT  
CLINTON, MISSOURI

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

F. Basis of Accounting:

The District uses the modified cash basis of accounting. Revenues are recognized when received rather than when earned and expenditures are recognized when paid rather than when the obligation is incurred. The modified cash basis of accounting generally omits recognition of accounts receivable, prepaid expenses, accounts payable, and accrued expenses. These items, along with capital assets and long-term debt, would need to be recognized for the financial statements to be in conformity with accounting principles generally accepted in the United States of America. As a result of the use of the modified cash basis of accounting, certain assets and their related revenues and certain liabilities and their related expenses are not recorded in these financial statements.

If the District utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting. Business type activities and all government-wide financial statements would be presented on the accrual basis of accounting.

The major sources of revenue are grants, state financial assistance, member government assessments, local contributed cash, and other revenues as discussed below:

**State Grant Revenue** - Grant revenue is recognized upon receipt of the grant funds.

**State Financial Assistance** - State financial assistance is appropriated annually by the Missouri Legislature, and is recognized at the beginning of each fiscal year upon notification of the amount of the award from the Office of the Governor.

**Other Revenues** - Other revenues are composed primarily of interest and charges for services. Interest income is recorded as earned. Charges for services are recorded as revenues when services are rendered.

G. Allowance for Doubtful Accounts:

No allowance for doubtful accounts has been provided, as the District believes all amounts receivable will be collected.

H. Capital Assets:

Capital assets purchased are recorded as expenditures in the fund for which the item is intended to be used. No depreciation has been provided on capital assets.

I. Restricted Resources:

It is the District's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**QUAD-LAKES SOLID WASTE MANAGEMENT DISTRICT  
CLINTON, MISSOURI**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

J. Total (Memorandum Only) Columns:

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

2. CASH AND INVESTMENTS

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

All deposits with financial institutions must be collateralized in an amount at least equal to uninsured deposits.

Cash of the District at June 30, 2006, is as follows:

	Carrying Value	Balance Per Bank
Checking and Money Market accounts	\$ 102,767	\$107,228
Total	\$ 102,767	\$107,228

Cash of the District at June 30, 2007, is as follows:

	Carrying Value	Balance Per Bank
Checking and Money Market accounts	\$ 76,600	\$81,048
Total	\$ 76,600	\$81,048



A. Cash:

As required by law, the depository bank is to pledge securities to collateralize deposits in excess of FDIC insurance at all times. As of June 30, 2007 and 2006, the District’s deposits were fully secured by FDIC insurance.

B. 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.

3. NOTE RECEIVABLE

The District has a note receivable from the Kaysinger Basin Regional Planning Commission (Commission) in the amount of \$20,000 as of June 30, 2007 and 2006. This note bears an interest rate of 4.5% and has no maturity date. The note is unsecured.

QUAD-LAKES SOLID WASTE MANAGEMENT DISTRICT  
CLINTON, MISSOURI

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

4. RELATED PARTY TRANSACTIONS

The District is related to Kaysinger Basin Regional Planning Commission (Commission) by having the same management and sharing office space with the Commission. The Commission also provides administration of the District's programs. Administration expenses of \$30,000 and \$32,500 were paid to the Commission in the years ended June 30, 2007 and 2006, respectively.

The note receivable discussed in Note 3 is also a related party transaction with the Commission.

5. ECONOMIC DEPENDENCY

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

6. 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.

7. RISK MANAGEMENT

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

SECTION II  
COMPLIANCE AND INTERNAL CONTROL

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

December 19, 2007

Executive Committee  
Quad-Lakes Solid Waste  
Management District  
Clinton, Missouri

We have audited the financial statements of Quad-Lakes Solid Waste Management District as of and for the years ended June 30, 2007 and 2006, and have issued our report thereon dated December 19, 2007. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Quad-Lakes 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 which is described in the accompanying schedule of findings as item 06-1.



Internal Control Over Financial Reporting

In planning and performing our audits, we considered Quad-Lakes Solid Waste Management District'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 Quad-Lakes Solid Waste Management District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a significant deficiency.

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. The significant deficiency is described in the accompanying schedule of findings and questioned costs as item 06-1.

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 the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily disclose all significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe the significant deficiency described above is a material weakness.

This report is intended solely for the information and use of the board of directors, management, 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.

QUAD-LAKES SOLID WASTE MANAGEMENT DISTRICT  
CLINTON, MISSOURI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEARS 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  No

Significant deficiencies identified that are not considered to be material weaknesses?  Yes  No

Noncompliance material to the financial statements noted?  Yes  No

Section II – Financial Statement Findings

06-01 Failure of District to comply with District by-laws

Condition: The District does not adopt an annual budget.

Criteria: Article IV, A, 2, K, (2) of Quad-Lakes Solid Waste Management District by-laws specifies that the Budget and Finance Committee shall review and recommend an annual program budget.

Effect: The District is not in compliance with its by-laws.

Cause: Board oversight.

Recommendation: We recommend that the District monitor to ensure that by-laws are complied with.

Auditee Response: The Budget and Finance Committee will review and recommend an annual program budget. The District started adopting an annual budget for the year ended June 30, 2007.

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QUAD-LAKES SOLID WASTE MANAGEMENT DISTRICT  
CLINTON, MISSOURI

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

05-1 Failure of District to comply with District by-laws

Condition: The District does not adopt an annual budget.

Criteria: Article IV, A, 2, K, (2) of Quad-Lakes Solid Waste Management District by-laws specifies that the Budget and Finance Committee shall review and recommend an annual program budget.

Effect: The District is not in compliance with its by-laws.

Cause: Board oversight.

Recommendation: We recommend that the District monitor to ensure that by-laws are complied with.

Auditee Response: The Budget and Finance Committee will attempt to review and recommend an annual program budget.

Status: The condition was a repeat finding for the year ended June 30, 2006. The District started adopting an annual budget for the year ended June 30, 2007.



SECTION III  
SUPPLEMENTAL SCHEDULES

QUAD-LAKES SOLID WASTE MANAGEMENT DISTRICT  
CLINTON, MISSOURI

SUPPLEMENTAL SCHEDULES OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - ALL SPECIAL REVENUE  
FUNDS - MODIFIED CASH BASIS  
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

	2007		Total (Memoran- dum Only)
	District Recycling Grant	Paper Recycling Truck	
<b>REVENUES:</b>			
Intergovernmental revenue:			
State revenue	\$ 53,000		\$ 53,000
Charges for services		\$ 5,678	5,678
Interest	2,217	49	2,266
Total	<u>55,217</u>	<u>5,727</u>	<u>60,944</u>
<b>EXPENDITURES:</b>			
Program expense	49,448	10,854	60,302
Administration expense	30,000		30,000
Insurance		1,103	1,103
Total	<u>79,448</u>	<u>11,957</u>	<u>91,405</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(24,231)	(6,230)	(30,461)
FUND BALANCE - Beginning of year	<u>66,777</u>	<u>6,230</u>	<u>73,007</u>
FUND BALANCE - End of year	<u>\$ 42,546</u>	<u>\$ -</u>	<u>\$ 42,546</u>

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	2006		
	District Recycling Grant	Paper Recycling Truck	Total (Memoran- dum Only)
<b>REVENUES:</b>			
Intergovernmental revenue:			
State revenue	\$ 112,025		\$ 112,025
Charges for services		\$ 6,074	6,074
Interest	1,493	262	1,755
Total	<u>113,518</u>	<u>6,336</u>	<u>119,854</u>
<b>EXPENDITURES:</b>			
Program expense	43,022	9,166	52,188
Administration expense	25,000	315	25,315
Insurance		1,132	1,132
Total	<u>68,022</u>	<u>10,613</u>	<u>78,635</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	45,496	(4,277)	41,219
<b>FUND BALANCE - Beginning of year</b>	<u>21,281</u>	<u>10,507</u>	<u>31,788</u>
<b>FUND BALANCE - End of year</b>	<u>\$ 66,777</u>	<u>\$ 6,230</u>	<u>\$ 73,007</u>

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