

**REGION F WEST CENTRAL SOLID  
WASTE MANAGEMENT DISTRICT  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2011**

**REGION F WEST CENTRAL SOLID WASTE MANAGEMENT DISTRICT  
TABLE OF CONTENTS**

		<u>Page</u>
INDEPENDENT AUDITOR'S REPORT.....		1 - 2
MANAGEMENT'S DISCUSSION AND ANALYSIS.....		3-6
GOVERNMENT-WIDE FINANCIAL STATEMENTS		
<u>Exhibit</u>	<u>Description</u>	
A	Statement of Net Assets - Cash Basis, June 30, 2011.....	7
B	Statement of Activities - Cash Basis, For the Year Ended June 30, 2011.....	8
FUND FINANCIAL STATEMENTS		
C	Statement of Cash Basis Assets and Fund Balances-Governmental Fund, June 30, 2011.....	9
D	Statement of Receipts, Disbursements, and Changes in Cash Basis Fund Balance- Governmental Fund, For the Year Ended June 30, 2011.....	10
NOTES TO THE FINANCIAL STATEMENTS .....		11-15
REQUIRED SUPPLEMENTARY INFORMATION		
<u>Schedule</u>	<u>Description</u>	
1	Schedule of Receipts, Disbursements, and Changes in Cash Basis Fund Balance, Budget to Actual- General Fund, For the Year Ended June 30, 2011.....	16
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION.....		17
<u>Schedule</u>	<u>Description</u>	
2	Schedule of Receipts and Disbursements of State Awards As of June 30, 2011.....	18
REPORT ON INTERNAL CONTROLS AND COMPLIANCE MATTERS		
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARD</i> .....		19-20
FOLLOW-UP TO PRIOR YEAR'S RECOMMENDATIONS.....		21

# RANDALL FIENE

*Certified Public Accountant*  
Old Highway 40 East - P.O. Box 108  
Concordia, Missouri 64020-0108  
Phone 660-463-2130 - Fax 660-463-2132

*Member of American Institute of  
Certified Public Accountants*

*Member of Missouri Society of  
Certified Public Accountants*

## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Directors  
Region F West Central Solid Waste Management District

I have audited the accompanying financial statements of the governmental activities, and the major fund, of Region F West Central Solid Waste Management District, as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Region F West Central Solid Waste Management District's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my 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. Those standards require that I plan and perform the audit 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. I believe that my audit provides a reasonable basis for my opinions.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, and each major fund of Region F West Central Solid Waste Management District, as of June 30, 2011, and for the year then ended in conformity with the basis of accounting described in Note I.

In accordance with *Government Auditing Standards*, I have also issued my report dated March 27, 2012 on my consideration of the District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and other matters 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 my audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 and the budgetary comparison information found on page 16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

My audit was conducted for the purpose of forming opinions on the basic financial statements taken as a whole. The accompanying Schedule of Receipts and Disbursements of State Awards, listed as other supplementary information in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. The Schedule of Receipts and Disbursements of State Awards is the responsibility of management and was derived from and relate 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 my opinion, this information is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Randall Fiene*

Randall C. Fiene, CPA

March 27, 2012

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**REGION F WEST CENTRAL MISSOURI SOLID WASTE MANAGEMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2011**

Our discussion and analysis of District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2011, within the limitations of the District's cash basis of accounting. Please read it in conjunction with the District's financial statements that begin on page 7.

### **FINANCIAL HIGHLIGHTS**

- The Solid Waste District, in partnership with Missouri Department of Natural Resources, was able to fund 16 new projects that help eliminate waste from our landfills.
- The funds available and received for administration and plan implementation of such grants went down by 11,300.

### **USING THIS ANNUAL REPORT**

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34 as applicable to the District's cash basis of accounting.

#### **Report Components**

**Government-Wide Financial Statements:** The Statement of Net Assets–Cash Basis (on page 7) and the Statement of Activities–Cash Basis (on page 8) provides information about the activities of the District as a whole and present a longer-term view of the District's finances.

**Fund Financial Statements:** Fund financial statements (starting on page 9) focus on the individual parts of the District operations, and in more detail than the government-wide statements by providing information about the District's funds. These statements tell how these services were financed in the short term as well as what remains for future spending.

**Notes to the Financial Statements:** The Notes to the Financial Statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**Required Supplementary Information:** This Management's Discussion and Analysis represent financial information required by GASB to be presented. Such information provides users of this report with additional data that supplements the government-wide statement, fund financial statements, and notes (referred to as "the basic financial statements").

**Other Financial Information:** This part of the annual report (starting on page 18) includes optional financial information, which includes the Schedule of Receipts and Disbursements of State Awards as required by the Missouri Department of Natural Resources.

#### **Basis of Accounting**

This District has elected to present its financial statements on the cash basis of accounting. This cash basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America. Basis of accounting is a reference to *when* financial events are recorded, such as the timing for recognizing revenues, expenditures, and their related assets and liabilities. Under the cash basis of accounting, revenues and expenditures and the related assets are recorded when they result from cash transactions. As a result of the use of this cash basis of accounting, certain assets and their related revenues and expenditures *are*

not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

**Government-Wide Statement of Net Assets and the Statement of Activities**

The government-wide financial statements are presented on pages 7 and 8. One of the most important questions asked about the District’s finances is, “Is the District as a whole better off or worse off as a result of the year’s activities?” The Statement of Net Assets and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all of the District’s assets resulting from the use of the cash basis of accounting.

The statements report the District’s net assets and changes in them. Over time, increases and decreases in the District’s net assets are one indicator of whether its financial health is improving or deteriorating. The reader will need to consider other non-financial factors, however; such as changes in state funding to assess the overall health of the District.

The Statement of Activities is presented by its governmental function which includes solid waste management. The Statement of Activities shows the net cost of this function before considering the general revenues of the District.

**Fund Financial Statements**

The fund financial statements begin on page 9 and provide detailed information about the District’s General Fund. These fund financial statements help the reader to determine whether there are more or fewer financial resources that can be spent in the near future for the District program.

*General Fund:* The General Fund of the District is used to account for all resources except those required to be accounted for and reported in another fund.

**FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE**

The District’s Net Assets, resulting from cash transactions, decreased by \$104,473 between fiscal years 2010 and 2011.

**Net Assets – Cash Basis**

	<u>2011</u>	<u>2010</u>
ASSETS		
Cash	\$ 364,595	469,068
TOTAL ASSETS	<u>364,595</u>	<u>469,068</u>
NET ASSETS		
Restricted for subgrantee projects	121,359	293,188
Unrestricted	243,236	175,880
TOTAL NET ASSETS \$	<u><u>364,595</u></u>	<u><u>469,068</u></u>

## Changes in Net Assets – Cash Basis

For the years ended June 30, 2011, and 2010, net assets of the District changed as follows:

	<u>2011</u>	<u>2010</u>
RECEIPTS		
Program Revenues		
Operating grants and contributions	\$ 331,454	169,300
<u>General Revenues</u>		
Interest income	8,937	12,308
TOTAL RECEIPTS	<u>340,391</u>	<u>181,608</u>
DISBURSEMENTS		
Solid Waste Management	444,864	427,165
TOTAL DISBURSEMENTS	<u>444,864</u>	<u>427,165</u>
INCREASE (DECREASE) IN NET ASSETS	<u>\$ (104,473)</u>	<u>(245,557)</u>

To aid in understanding the Statement of Activities, some additional explanation is given. Of particular interest is the format that is significantly different from a typical Statement of Receipts, Disbursements and Changes in Fund Balances. You will notice that disbursements are listed in the first column, with receipts from that particular activity reported to the right. This type of format highlights the relative financial burden of each of the functions. It also identifies how much the function draws from the general receipts. All other governmental receipts are reported as general.

Program revenues appear to have increased substantially during the year only due to the timing of the funds received for sub-grantees in the previous Fiscal year. Sub-grants issued for the grant year 2010 were received by the District in FY 2009. This skews the amount of both grants and funds received for this purpose in which they appear to be much smaller than the current year. However, this is merely a timing issue and the amount of grants issued and funds available for sub-grantees in FY 2010 and FY 2011 are very comparable when projects are reviewed individually.

The District shows an increase in Unrestricted Net Assets and these dollars will be spent down by applying those funds to new sub-grantees for the FY 2012 before additional funds are received by the district.

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District uses funds to control and manage money for particular purposes. The fund basis statement allows the District to demonstrate its stewardship and accountability for cash basis resources. These statements also allow the reader to obtain more insight into the cash basis financial workings of the District and further assess the District's cash basis financial health.

The District has made an attempt to utilize carryover funds more effectively and reduce the amount of cash on hand, and has made improvement in this area. Interest income will and did decrease as a result; however accumulating interest income is not the goal of the District, as we strive to continue to fund worthwhile projects in a timely manner.

## FINANCIAL ANALYSIS OF GENERAL FUND BUDGET VERSUS ACTUAL

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
RECEIPTS			
Intergovernmental	\$ 331,454	331,454	331,454
Interest	0	0	8,937
TOTAL RECEIPTS	<u>\$ 331,454</u>	<u>331,454</u>	<u>340,391</u>
DISBURSEMENTS			
Administration	\$ 145,000	145,000	123,280
Distribution to subgrantees	321,584	321,584	321,584
TOTAL EXPENDITURES	<u>\$ 466,584</u>	<u>466,584</u>	<u>444,864</u>

The actual expensed funds were less than the budget by \$21,720. The surplus was largely due to unexpended funds in the District operation and educational arena. This surplus did not result in less services being provided. Department of Natural Resources-Solid Waste Division advised given the State Budget concerns that the "Administration" line item be left constant until the follow-on administrative funds are received to avoid adverse impacts to day-to-day District operations.

### DEBT ADMINISTRATION AND CAPITAL ASSETS

The District uses the cash basis of accounting, which recognizes disbursements when paid in cash and receipts when collected in cash. The District has no long-term indebtedness. The District does not maintain capital asset records under the cash basis of accounting.

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Last year's budget surplus, specifically in the cost of administration, has been reflected in an overall reduction in this area for FY 2012. Service will not be adversely affected. The economic forecast for the coming year remains consistent. Little change is expected, however because the funds derive from tipping fees in our Region through the Department of Natural Resources, and in times of a economic downturn these fees tend to also decrease.

In addition, the District has also implemented the practice of requiring sub-grantees to provide a cash match of 15%, in order to maximize funds.

### CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, and the Missouri Department of Natural Resources with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Mr. Randy White, P.E., executive director of the Pioneer Trails Regional Planning Commission; 802 South Gordon; Box 123; Concordia, Missouri, 64020.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**EXHIBIT A**  
**REGION F WEST CENTRAL SOLID WASTE MANAGEMENT DISTRICT**  
**STATEMENT OF NET ASSETS - CASH BASIS**  
**JUNE 30, 2011**

**ASSETS**

Cash	\$	<u>364,595</u>
<b>TOTAL ASSETS</b>		<u>364,595</u>

**NET ASSETS**

Restricted for subgrantee projects	121,359
Unrestricted	<u>243,236</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 364,595</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**EXHIBIT B**  
**REGION F WEST CENTRAL SOLID WASTE MANAGEMENT DISTRICT**  
**STATEMENT OF ACTIVITIES - CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

Functions/Programs	Cash Disbursements	Program Cash Receipts Operating Grants and Contributions	Net (Disbursements) Receipts and Changes in Net Assets
<b>Primary Government:</b>			
<b>Governmental activities:</b>			
Solid Waste Management	\$ (444,864)	331,454	(113,410)
<b>Net program (disbursements) receipts</b>	<b>\$ (444,864)</b>	<b>331,454</b>	<b>(113,410)</b>
<b>General receipts:</b>			
Interest			8,937
<b>Total general receipts</b>			<b>8,937</b>
Decrease in net assets			(104,473)
<b>Net assets - beginning of year</b>			<b>469,068</b>
<b>Net assets - end of year</b>			<b>\$ 364,595</b>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**FUND FINANCIAL STATEMENTS**

**EXHIBIT C**  
**REGION F WEST CENTRAL SOLID WASTE MANAGEMENT DISTRICT**  
**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCE- GOVERNMENTAL FUND**  
**JUNE 30, 2011**

	<u>General Fund</u>
<b>ASSETS</b>	
Cash	\$ <u>364,595</u>
<b>TOTAL ASSETS</b>	<b>\$ <u><u>364,595</u></u></b>
 <b>FUND BALANCE</b>	
Restricted	\$ 121,359
Assigned	<u>243,236</u>
<b>TOTAL FUND BALANCE</b>	<b>\$ <u><u>364,595</u></u></b>

The accompanying Notes to the Financial Statements are an integral part of this statement.

EXHIBIT D  
 REGION F WEST CENTRAL SOLID WASTE MANAGEMENT DISTRICT  
 STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCE-  
 GOVERNMENTAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2011

	<u>General Fund</u>
<b>RECEIPTS</b>	
Intergovernmental	\$ 331,454
Interest	8,937
<b>TOTAL RECEIPTS</b>	<u>340,391</u>
 <b>DISBURSEMENTS</b>	
Administration	123,280
Distributions to subgrantees	<u>321,584</u>
<b>TOTAL DISBURSEMENTS</b>	<u>444,864</u>
Excess (deficiency) of receipts over disbursements	<u>(104,473)</u>
<b>Fund balance at beginning of year</b>	<u>469,068</u>
<b>Fund balance at end of year</b>	<u>\$ <u>364,595</u></u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**NOTES TO THE FINANCIAL STATEMENTS**

**REGION F WEST CENTRAL SOLID WASTE MANAGEMENT DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS**

I. Summary of Significant Accounting Policies

A. Reporting Entity

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. Financially accountable means the primary government is accountable for the component unit and the primary government is able to impose its will or the component unit may provide financial benefits or impose a burden on the primary government. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The District is a special-purpose government, which is governed by representation of member governments pursuant to Section 260.305 RSMo. As required by accounting principles generally accepted in the United States of America, the District has evaluated the above criteria to determine whether any entities meet the definition of a component unit and must be included in these financial statements. The District has determined that no outside entities meet the above criteria and therefore, no entity needs to be included as a component unit in the District's financial statements. In addition, the District is not aware of any entity for which the District would be considered as a component unit of that entity.

The District 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 citizens. 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 Section 260.335.2 RSMo.

B. Basis of Presentation

GOVERNMENT – WIDE FINANCIAL STATEMENTS

The Statement of Net Assets–Cash Basis and Statement of Activities–Cash Basis display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. 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. Since the District has no enterprise or internal service funds, the government-wide financial statements do not reflect business-type activities.

## FUND FINANCIAL STATEMENTS

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, fund equity, receipts and disbursements. The District has one governmental fund.

The financial statement presentation of the District follows the presentation format under Governmental Accounting Standards Board (GASB) Statement No. 34. GASB Statement No. 34 requires the presentation of a Management's Discussion and Analysis section which provides an analysis of the District's overall financial position and results of operations.

## GOVERNMENTAL FUND

An emphasis is placed on major funds with the governmental categories. A fund is considered major if it is the primary operating fund of the District. The District has one governmental fund which serves as the primary operating fund for the District. As a result, this fund is designated as a major fund.

The following major governmental fund type is used by the District:

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

### C. Basis of Accounting

In the Statement of Net Assets-Cash Basis and Statement of Activities-Cash Basis, governmental activities are presented using a cash basis of accounting. This basis recognizes assets, net assets, receipts, and disbursements when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

### D. Capital Assets

Capital assets are recorded as disbursements at the time when paid.

### E. Statement of Activities-Cash Basis

In the Statement of Activities-Cash Basis, receipts that are derived directly from each activity are reported as program receipts. The District has the following program receipts in each activity:

Administration	Intergovernmental revenues
----------------	----------------------------

F. Equity Classification

Equity is classified as net assets and displayed in two components:

- A. Restricted net assets-Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- B. Unrestricted net assets-All other net assets that do not meet the definition of "unrestricted".

It is the policy of the District to first use restricted net assets prior to the use of unrestricted net assets when disbursements are made for purposes for which both restricted and unrestricted net assets are available.

G. Cash

The District's cash includes demand deposits.

II. Deposits

The District does not invest District funds, and the District does not have a written investment policy.

Custodial Credit Risk-Deposits: Custodial credit risk for deposits is the risk that, in the event of a depository financial institution failure, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. Section 110.010 and 110.020, RSMo, requires that all deposits in excess of the Federal Deposit Insurance Corporation be insured by securities pledged as collateral. Of the District's deposits of \$364,595 at June 30, 2011, \$250,000 was insured by the Federal Deposit Insurance Corporation and \$114,595 was insured by a Federal Home Loan Bank Line of Credit.

III. Claims and Judgments

The District receives substantial funding from the Missouri Department of Natural Resources. Disbursements financed by this funding are subject to audit by this state agency. If disbursements are disallowed due to noncompliance with state regulations, the District may be required to reimburse the Missouri Department of Natural Resources. As of June 30, 2011 disbursements have not been audited by the State, but the District believes that disallowed disbursements, if any, based on subsequent audits will not have a material effect on the overall financial position of the District.

#### IV. Risk Management

The District is exposed to various risk of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has transferred its risk by obtaining coverage from commercial insurance companies.

#### V. Contractual Relationship

The Pioneer Trails Regional Planning Commission has contracted with Region F West Central Missouri Solid Waste Management District to provide administrative and planning services. As of June 30, 2011, the Commission was reimbursed \$118,409 for various expenditures related to these services.

#### VI. New Pronouncement-Fund Balance Reporting

The District has adopted GASB 54 as part of its 2010-11 fiscal year reporting. Implementation of GASB 54 is required for fiscal years beginning after June 15, 2010. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the District's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources. GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. The District has no nonspendable fund balances. GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- Committed: fund balances that contain self-imposed constraints of the government from its highest level of decision making authority.
- Assigned: fund balances that contain self-imposed constraints of the government to be used for a particular purpose.
- Unassigned: fund balance of the General Fund that is not constrained for any particular purpose.

The District has classified its fund balances with the following hierarchy:

Spendable: The District has classified the spendable fund balances as Restricted and Assigned and considered each to have been spent when expenditures are incurred. The District currently has no funds classified as Committed or Unassigned.

- Restricted for State Categorical Projects:

Missouri Statutes require that certain revenues be specifically designed for the purpose of providing funds for specific projects as approved by the Missouri Department of Natural Resources. These funds totaling \$121,359 have been included in restricted category of fund balance.

- Assigned for Program Administration:

Certain revenues are specifically designed for the purpose of providing funds to administer the solid waste program as a whole provided by the Missouri Department of Natural Resources. These funds totaling \$243,2369 have been included in the assigned category of fund balance.

## XII. Schedule of Receipts and Disbursements of State Awards

### Purpose and Basis of Presentation

The Schedule of Receipts and Disbursements of State Awards has been prepared to comply with Missouri Department of Natural Resource requirements. Statutory provisions require that this schedule show information regarding subgrant activity administered by Region F West Central Solid Waste Management District during the fiscal year ended June 30, 2011.

### Basis of Accounting

The schedule is presented on the cash basis of accounting.

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE 1**  
**REGION F WEST CENTRAL SOLID WASTE MANAGEMENT DISTRICT**  
**SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES**  
**IN CASH BASIS FUND BALANCE - GENERAL FUND - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>RECEIPTS</b>				
Intergovernmental	\$ 331,454	331,454	331,454	0
Interest	0	0	8,937	8,937
<b>TOTAL RECEIPTS</b>	<u>331,454</u>	<u>331,454</u>	<u>340,391</u>	<u>8,937</u>
<b>DISBURSEMENTS</b>				
Administration	145,000	145,000	123,280	21,720
Distributions to subgrantees	321,584	321,584	321,584	0
<b>TOTAL DISBURSEMENTS</b>	<u>466,584</u>	<u>466,584</u>	<u>444,864</u>	<u>21,720</u>
Excess (deficiency) of receipts over disbursements	<u>(135,130)</u>	<u>(135,130)</u>	<u>(104,473)</u>	<u>30,657</u>
<b>Fund balance at beginning of year</b>	<u>469,068</u>	<u>469,068</u>	<u>469,068</u>	<u>0</u>
<b>Fund balance at end of year</b>	<u>\$ 333,938</u>	<u>333,938</u>	<u>364,595</u>	<u>30,657</u>

The accompanying Notes to the Required Supplementary Information are an integral part of this schedule.

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

**REGION F WEST CENTRAL SOLID WASTE MANAGEMENT DISTRICT  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

I. Budgets and Budgetary Practices

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- A. The District adopts a budget for the governmental fund.
- B. The Board of Directors adopts an annual budget for submission to the Missouri Department of Natural Resources. The proposed budget includes estimated receipts and proposed disbursements. Budgeted disbursements cannot exceed beginning available monies plus estimated receipts for the year.
- C. Subsequent to its formal approval of the budget, the Missouri Department of Natural Resources reviews the budget request and has the authority to make necessary adjustments to the budget.
- D. The budget is prepared and adopted on the cash basis, recognizing receipts when collected and disbursements when paid.

**OTHER SUPPLEMENTARY INFORMATION**

**SCHEDULE 2**  
**REGION F WEST CENTRAL MISSOURI SOLID WASTE MANAGEMENT DISTRICT**  
**SCHEDULE OF RECEIPTS AND DISBURSEMENTS OF STATE AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

Subgrant No.	Purpose	Subgrant Period		Current Year Awards Obligated	Awards Obligated in Prior Years	Fiscal Year Ended June 30, 2011 Disbursements	Prior Years Disbursements	Unspent Funds Obligated to Projects	Cash Balance Unobligated	Cash Balance
		Beginning	Ending							
2009-5	City of Marshall Paper Recycling	September 9, 2009	August 17, 2010	\$ 0	9,569	1,247	7,066	0	1,256	\$ 1,256
2009-16	City of Sedalia- Biosolids Compost Mixer	October 13, 2009	June 30, 2011	0	75,000	63,750	0	11,250	0	11,250
2009-17	City of Sedalia- Biosolids Compost Screener	October 13, 2009	June 30, 2011	0	86,151	73,229	0	12,923	0	12,923
2009-18	Morgan County HHW Collection	May 12, 2009	May 12, 2010	0	15,990	0	12,882	0	3,108	3,108
2009-19	Lafayette County Electronic Waste Collection	May 12, 2009	July 15, 2010	0	33,531	24,459	0	0	9,072	9,072
2009-20	Johnson County HHW Collection	May 12, 2009	May 12, 2010	0	28,000	0	28,000	0	0	0
2009-21	Sedalia-Pettis County Emergency Agency	May 12, 2009	May 12, 2010	0	30,850	0	25,494	0	5,356	5,356
2009-23	City of Versailles Recycling	May 12, 2009	July 15, 2010	0	10,016	3,598	6,418	0	0	0
2009-24	Community Christian Center Recycling	May 12, 2009	May 12, 2010	0	24,995	3,749	21,246	0	0	(0)
2009-25	Lafayette County Enterprises Waste Reduction	May 12, 2009	May 12, 2010	0	31,625	17,560	9,885	0	4,180	4,180
2009-26	Higginsville Parks & Rec Recycled Picnic Tables	May 12, 2009	July 15, 2010	0	19,852	19,852	0	0	0	0
2009-27	Knob Noster Schools Recycling	May 12, 2009	July 15, 2010	0	26,212	10,715	0	0	15,497	15,497
2009-31	State Fair Community College Waste to Energy	May 12, 2009	May 12, 2010	0	50,000	7,500	42,500	0	0	0
2009-34	City of Concordia Parks & Rec.	May 12, 2009	July 15, 2010	0	20,572	2,768	15,683	0	2,121	2,121
2011-01	PTRPC District Operations Grant	July 1, 2011	June 30, 2012	145,000	0	111,410	0	0	33,590	33,590
2011-02	PTRPC District Education Grant	July 1, 2011	June 30, 2012	13,000	0	11,871	0	0	1,129	1,129
2011-03	Morgan County HHW	August 20, 2010	March 20, 2012	14,740	0	10,656	0	0	4,084	4,084
2011-04	Lafayette County HHW and E-Waste Collection	August 20, 2010	March 20, 2012	33,380	0	0	0	33,380	0	33,380
2011-05	Sedalia & Pettis County HHW	August 20, 2010	March 20, 2012	30,000	0	0	0	30,000	0	30,000
2011-06	Johnson County HHW	August 20, 2010	March 20, 2012	29,500	0	25,422	0	0	4,078	4,078
2011-07	City of Versailles Tables and Benches	August 20, 2010	March 20, 2012	5,906	0	5,905	0	0	1	1
2011-08	Dover Park Recycled Tables and Benches	August 20, 2010	March 20, 2012	2,880	0	2,448	0	432	0	432
2011-09	City of Corder	August 20, 2010	March 20, 2012	2,486	0	2,486	0	0	0	0
2011-10	Martin Comm Center/Aviation Museum	August 20, 2010	March 20, 2012	15,159	0	12,342	0	2,817	0	2,817
2011-11	Pettis County Market Development	August 20, 2010	March 20, 2012	3,971	0	3,782	0	0	189	189
2011-12	Higginsville Parks & Rec Play System	August 20, 2010	March 20, 2012	35,432	0	30,117	0	5,315	0	5,315
2011-13	Playing Green at Horace Mann	November 30, 2010	May 1, 2012	25,243	0	0	0	25,243	0	25,243
	Total			<u>356,697</u>	<u>462,363</u>	<u>444,864</u>	<u>169,174</u>	<u>121,359</u>	<u>83,662</u>	<u>205,021</u>
	Unobligated Cash Balance at July 1, 2010								175,880	175,880
	Unobligated Cash Committed to Project (2011-13) during the fiscal year ended June 30, 2011								(25,243)	(25,243)
	Interest Earned FY 2011								8,937	8,937
	Total Unobligated Cash June 30, 2011								<u>243,236</u>	
	Total Cash Balance June 30, 2011									<u>\$ 364,595</u>
	Recap of Reconciled Cash Balances at June 30, 2011:									
	First Community Operating Fund									\$ 361,235
	First Community Transfer Fund									<u>3,360</u>
	Total District Cash Fund Balance									<u>\$ 364,595</u>

**REPORT ON INTERNAL CONTROLS AND COMPLIANCE MATTERS**

# RANDALL FIENE

*Certified Public Accountant*

Old Highway 40 East - P.O. Box 108

Concordia, Missouri 64020-0108

Phone 660-463-2130 - Fax 660-463-2132

*Member of American Institute of  
Certified Public Accountants*

*Member of Missouri Society of  
Certified Public Accountants*

## **INDEPENDENT AUDITOR'S 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***

Members of the Board of Directors  
Region F West Central Solid Waste Management District

I have audited the financial statements of the governmental activities, and each major fund of Region F West Central Solid Waste Management District as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements and have issued my report thereon dated March 27, 2012. In my report, I noted 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. I conducted my 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 my audit, I considered Region F West Central Solid Waste Management District's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions 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, I do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance and other matters that is required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, management, and the Missouri Department of Natural Resources, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Randall Fiene".

Randall C. Fiene, CPA  
March 27, 2012

**FOLLOW-UP TO PRIOR YEAR'S RECOMMENDATIONS**

**REGION F WEST CENTRAL SOLID WASTE MANAGEMENT DISTRICT  
FOLLOW-UP TO PRIOR YEAR'S RECOMMENDATIONS**

This section reports follow-up action taken by Region F West Central Missouri Solid Waste Management District, on recommendations made in the prior report issued for the fiscal year ended June 30, 2010.

2010-1.      Internal Control Policies and Procedures over the Preparation of Financial Statements

The District has personnel in place to perform all bookkeeping functions necessary to maintain a general ledger and prepare internal use statements for management and the Board of Directors. However, the District does not have accounting professionals with the knowledge, experience, and training to prepare governmental financial statements in conformity with Government Accounting Standards as part of their internal control system.

Recommendation:

I recognize that the District may not have the resources to have an accounting professional with knowledge, experience, and training to prepare governmental financial statements in conformity with Governmental Accounting Standards. However, I recommend that management continue to increase their knowledge of financial reporting requirements.

Status:

Implemented.

2010-2.      Inaccurate Quarterly Project Financial Summary Reports

The District was not in compliance with 10 CSR 80-9.050(7)(B) which requires the District to maintain a general ledger for each grant approved by the Missouri Department of Natural Resources. As a result, the Quarterly Project Financial Summary report for the period ended June 30, 2010 was not prepared accurately and did not reconcile to the total reconciled cash balance held by the District. The reconciliation of the District's cash balance at June 30, 2010 resulted in an unidentified balance of \$14,317.

Recommendation:

The District comply with 10 CSR 80-9.050(7)(B) by maintaining a general ledger for each project which reflects receipts, disbursements, and available cash balances. By implementing a separate accounting system for each project, the District can prepare accurate Quarterly Project Financial Summary reports in the future.

Status:

Implemented.