

MID-AMERICA REGIONAL COUNCIL SOLID WASTE MANAGEMENT DISTRICT

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FINANCIAL SECTION



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Independent Auditors' Report

Board of Directors
Mid-America Regional Council
Solid Waste Management District

Report On The Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Mid-America Regional Council Solid Waste Management District (the District) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

Management's Responsibility For The Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2012, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 9 to 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. We 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information on pages 19 through 32 and the list of officers and executive board members on page 33 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The list of officers and executive board members have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on that list.

Other Reporting Required By Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2013 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. 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* in considering the District's internal control over financial reporting and compliance.

RubinBrown LLP

June 10, 2013

**MID-AMERICA REGIONAL COUNCIL
SOLID WASTE MANAGEMENT DISTRICT**

Management's Discussion and Analysis

December 31, 2012

Our discussion and analysis of the Mid-America Regional Council Solid Waste Management District's financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2012. Please read it in conjunction with the District's basic financial statements.

Financial Highlights

- The total assets for the District were \$694,380. The liabilities of the District were \$547,789, which are unearned revenue from state of Missouri grants and the household hazardous waste program. The unearned revenue consists of funds allocated for specific projects and programs to be completed in future years. The District has no long term debt.
- At the end of the fiscal year, there was a receivable of \$694,380 from the Mid-America Regional Council (MARC), fiscal agent for the District. MARC has \$694,380 in cash and investments to be allocated to District's programs and projects in future years.
- The District receives essentially all of its revenues from grants from the state of Missouri. Revenues are earned as expenditures are incurred which are funded by the state grants; therefore there is no surplus of revenue over expenditures in the Special Revenue Fund.

The Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

The government-wide financial statements present the results of the District's governmental activities using the accrual basis of accounting, the basis of accounting used by private sector businesses. These statements focus on the long-term financial picture of the District as a whole.

The Statement of Net Position reports all of the District's assets, deferred outflows, liabilities and deferred inflows. Net position (assets and deferred outflows less liabilities and deferred inflows) is an important measure of the District's overall financial health. Over time, the increases and decreases in net position can be monitored to determine whether the District's financial position is improving or deteriorating.

The Statement of Activities shows how the net position has changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g. uncollected revenues and accrued expenses for payments to subcontractors).

The government-wide financial statements can be found on pages 10 and 11 of this report.

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SOLID WASTE MANAGEMENT DISTRICT**

Management's Discussion and Analysis

December 31, 2012

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are categorized as governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains one general fund and one special revenue fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for both funds. The basic governmental fund statements can be found on pages 12 and 13 of this report.

The District adopts an annual budget for administration and operation of the District, however, the annual budget does not include the subgrants paid by the District. An annual budget is not required by state statute. Budgetary comparison schedules are not provided.

Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 14 to 18 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$146,591 at December 31, 2012. The unrestricted net position of \$146,591 may be used to meet the government's ongoing obligations.

**MID-AMERICA REGIONAL COUNCIL
SOLID WASTE MANAGEMENT DISTRICT**

Management's Discussion and Analysis

December 31, 2012

The following table reflects the condensed Statement of Net Position compared to the prior year.

Mid-America Regional Council
Solid Waste Management District
Statement of Net Position

	Governmental Activities	
	2012	2011
Assets		
Accounts receivable:		
Due from Mid-America Regional Council	\$ 694,380	714,670
Total assets	\$ 694,380	714,670
Liabilities		
Unearned revenue - state of Missouri	\$ 237,601	328,234
Unearned revenue - Household Hazardous Waste program	310,188	240,438
Total liabilities	\$ 547,789	568,672
Net position		
Unrestricted	\$ 146,591	145,998
Total net position	\$ 146,591	145,998

As of December 31, 2011, there was \$328,234 in unearned revenue. Unearned revenue decreased by \$90,633 to \$237,601 as of December 31, 2012 due to decreased grants from the state of Missouri during the year and the expenditure of unearned revenues from grants awarded in prior years. However, the unearned revenue for the Household Hazardous Waste program increased by \$69,750 in fiscal year 2012. As a result, the amount due from Mid-America Regional Council changed slightly and decreased by \$20,290.

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**MID-AMERICA REGIONAL COUNCIL
SOLID WASTE MANAGEMENT DISTRICT**

Management's Discussion and Analysis

December 31, 2012

The following table reflects the condensed Statement of Activities for the years ended December 31, 2012 and 2011.

Mid-America Regional Council
Solid Waste Management District
Statement of Activities

	Governmental Activities	
	2012	2011
Program revenues:		
Charges for services	\$ 300,424	285,175
Operating grants & contributions	1,017,394	1,015,215
General revenues:		
Investment earnings	1,240	2,092
Total revenues	1,319,058	1,302,482
Expenses:		
Program and subgrant expenditures	1,318,465	1,300,390
Total expenses	1,318,465	1,300,390
Change in net position	593	2,092
Net position - beginning	145,998	143,906
Net position - ending	\$ 146,591	145,998

The net position of the governmental activities increased in 2012 by \$593 as compared to an increase of \$2,092 in 2011. Much of the change from 2011 is related to the decrease in investment earnings. Operating grant revenues are accrued as grant-allowable expenditures are incurred. Therefore, there is no surplus or deficiency recognized from the grant activities or impact on the change in net position.

**MID-AMERICA REGIONAL COUNCIL
SOLID WASTE MANAGEMENT DISTRICT**

Management's Discussion and Analysis

December 31, 2012

Financial Analysis of the District's Funds

Governmental Funds – General Fund

The General Fund is the general operating fund for the District. It is used to account for all financial resources except those required to be accounted for in another fund. A comparison of the General Fund's activity for 2012 and 2011 follows:

Mid-America Regional Council
Solid Waste Management District
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance

	<u>2012</u>	<u>2011</u>	Increase (Decrease) From Fiscal Year 2011	Percent Increase (Decrease)
Revenues:				
Investment earnings	\$ 1,240	2,092	(852)	(41) %
Expenditures:				
Contractual services - subrecipients	<u>647</u>	<u>—</u>	<u>647</u>	—
Excess of revenues over expenditures	593	2,092	(1,499)	(72)
Fund balance - beginning	<u>145,998</u>	<u>143,906</u>	<u>2,092</u>	1
Fund balance - ending	\$ <u><u>146,591</u></u>	<u><u>145,998</u></u>	<u><u>593</u></u>	— %

Investment earnings were less in 2012 than in 2011 because there were lower yields on investments due to the current investment environment.

Governmental Funds – Special Revenue Fund

The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes, such as waste reduction, educational outreach and household hazardous waste programs. Grant revenues are recorded only to the extent allowable grant expenditures have been incurred. Grant funds received in excess of revenues earned are recorded as deferred revenues. A comparison of the Special Revenue Fund's activity for 2012 and 2011 follows:

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**MID-AMERICA REGIONAL COUNCIL
SOLID WASTE MANAGEMENT DISTRICT**

Management's Discussion and Analysis

December 31, 2012

Mid-America Regional Council
Solid Waste Management District
Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance

	<u>2012</u>	<u>2011</u>	Increase (Decrease) From Fiscal Year 2011	Percent Increase (Decrease)
Revenues:				
Grant revenues	\$ 803,576	832,239	(28,663)	(3) %
Household Hazardous Waste program fees	300,424	285,175	15,249	5
MARC matching funds	—	5	(5)	(100)
Contributed services	<u>213,818</u>	<u>182,971</u>	<u>30,847</u>	17
 Total revenues	 1,317,818	 1,300,390	 17,428	 1
Expenditures:				
Contractual services - subrecipients	<u>1,317,818</u>	<u>1,300,390</u>	<u>17,428</u>	1
 Excess of revenues over expenditures	 —	 —	 —	 —
 Fund balance - beginning	 <u>—</u>	 <u>—</u>	 <u>—</u>	 <u>—</u>
 Fund balance - ending	 <u>\$ —</u>	 <u>—</u>	 <u>—</u>	 <u>—</u> %

Each year the District receives grant funds from the state of Missouri from a \$2.11 fee collected on each ton of solid waste disposed in Missouri landfills. Quarterly, the state receives tonnage fees collected by permitted facilities within the state pursuant to 260.325, RSMo. Currently, sixty-one percent of the tonnage fees collected through formula is allocated to the twenty solid waste management districts on a quarterly basis. The District is one of the twenty districts funded by the state. The Executive Board for the District annually awards subgrants to recipients throughout the five-county area. MARC serves as the fiscal agent for the District and receives and disburses funds under the direction of the Executive Board.

Schedule 2 in the Supplemental Information section provides a listing of the subgrants for each fiscal year grant program and reports the current year expenses, prior year(s) expenses, cumulative to date expenses and the status as of December 31, 2012 (open or closed) for each subgrant.

**MID-AMERICA REGIONAL COUNCIL
SOLID WASTE MANAGEMENT DISTRICT**

Management's Discussion and Analysis

December 31, 2012

Budget Highlights

The District annually prepares a budget for its management and oversight activities but not for the subgrants since the subgrants span multiple years. This budget should not be considered a legally adopted budget and a comparison is not included in this report.

Economic Condition and Next Year's Programs

Missouri state funds available to the District had a decrease of 7 percent from the state fiscal year 2011. The most likely factors are the slow economic recovery and more disposal tons shifted to facilities outside the District's boundary. State revenues accrue to the District on a quarterly basis and are accessible when the District formally requests the funds and submits budget plans. Generally, the District conducts a subgrant solicitation process for waste reduction, reuse and recycling projects during the summer for the following fiscal year. For example, the District appropriated funds accrued during the state fiscal year 2012 to support its activities planned and budgeted for the district's fiscal year 2013.

Approximately \$372,874, including \$36,698 in prior revenues, was approved for subgrants for fiscal year 2013. The District also prepares its annual work plan and budget at the same time. Fiscal year 2013 revenues will be approximately \$423,720 for the District's operations, outreach, planning and household hazardous waste disposal projects. Prior year district operation, planning and outreach revenues in the amount of \$34,640 are reallocated to the 2013 outreach project to supplement new funds.

The District has discretion to modify its budget and hold additional grant solicitations as more funds become available. The state's current fiscal year 2013 allocation estimated at \$800,000 will support the district's fiscal year 2014 subgrant solicitation process, district operations and plan implementation projects. The district also has plans to establish a new target grant for a public education campaign to promote recycling education. Unencumbered funds still held at the state level from prior state fiscal years are sufficient to support the two proposed target grants.

Requests for Information

This financial report is designed to provide a general overview of the District's financial activity. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Financial Affairs, Mid-America Regional Council, 600 Broadway, Suite 200, Kansas City, Missouri 64105-1659

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**MID-AMERICA REGIONAL COUNCIL
SOLID WASTE MANAGEMENT DISTRICT**

Statement of Net Position

December 31, 2012

	<u>Governmental Activities</u>
Assets	
Accounts receivable:	
Due from Mid-America Regional Council	\$ 694,380
Total assets	<u>\$ 694,380</u>
Liabilities	
Unearned revenue - state of Missouri	\$ 237,601
Unearned revenue - Household Hazardous Waste Program	<u>310,188</u>
Total liabilities	<u>\$ 547,789</u>
Net Position	
Unrestricted	<u>\$ 146,591</u>
Total net position	<u>\$ 146,591</u>

The notes to the basic financial statements are an integral part of this statement

**MID-AMERICA REGIONAL COUNCIL
SOLID WASTE MANAGEMENT DISTRICT**

Statement of Activities

Year Ended December 31, 2012

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities:				
Program and subgrant expenditures	\$ 1,318,465	300,424	1,017,394	(647)
Investment earnings				1,240
Change in net position				593
Total net position, beginning of year				145,998
Total net position, end of year				\$ 146,591

The notes to the basic financial statements are an integral part of this statement.

**MID-AMERICA REGIONAL COUNCIL
SOLID WASTE MANAGEMENT DISTRICT**

Balance Sheet

December 31, 2012

Assets	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
Due from Mid-America Regional Council	\$ 146,591	547,789	694,380
Liabilities and Fund Balances			
Liabilities:			
Unearned revenue - state of Missouri	—	237,601	237,601
Unearned revenue - Household Hazardous Waste Program	—	310,188	310,188
Total liabilities	—	547,789	547,789
Fund balances:			
Unassigned	146,591	—	146,591
Total liabilities and fund balances	\$ 146,591	547,789	694,380

The notes to the basic financial statements are an integral part of this statement.

**MID-AMERICA REGIONAL COUNCIL
SOLID WASTE MANAGEMENT DISTRICT**

Schedule of Revenues, Expenditures and Changes in Fund Balances

Year Ended December 31, 2012

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
Revenues:			
Grant revenue	\$ —	803,576	803,576
Household Hazardous Waste program fees	—	300,424	300,424
Contributed services	—	213,818	213,818
Investment income	1,240	—	1,240
	<u>1,240</u>	<u>—</u>	<u>1,240</u>
Total revenues	1,240	1,317,818	1,319,058
Expenditures:			
Contractual services - subrecipients	647	1,317,818	1,318,465
	<u>647</u>	<u>1,317,818</u>	<u>1,318,465</u>
Excess of revenues over expenditures	593	—	593
Fund balance, beginning of year	145,998	—	145,998
	<u>145,998</u>	<u>—</u>	<u>145,998</u>
Fund balance, end of year	\$ <u>146,591</u>	<u>—</u>	<u>146,591</u>

The notes to the basic financial statements are an integral part of this statement.

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**MID-AMERICA REGIONAL COUNCIL
SOLID WASTE MANAGEMENT DISTRICT**

Notes to Basic Financial Statements

December 31, 2012

(1) Reporting Entity and Significant Accounting Policies

A. The Reporting Entity

The Mid-America Regional Council Solid Waste Management District (the District) was formed in 1991 by Cass, Clay, Jackson, Platte and Ray counties in Missouri. Authority for forming the District was based on Senate Bill 530 passed in 1990. SB 530 established a procedure allowing counties to form regional solid waste management districts to promote waste reduction and recycling. SB 530 set a goal of reducing the amount of solid waste generated statewide for disposal by 40 percent. The District serves as a resource to assist the public, private and not-for-profit sectors in establishing and expanding waste reduction, recycling and composting efforts in the Kansas City metropolitan area.

The District's activities and programs are managed by the Mid-America Regional Council (MARC), a regional council of governments that also serves the five counties that formed the District. The District's financial statements include only the accounts of District functions and activities.

The District defines its reporting entity in accordance with the provisions of GASB Statement No. 14, *The Financial Reporting Entity* (GASB 14), as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. The requirements for inclusion of component units are based primarily upon whether the District's governing body is considered financially accountable for potential component units. The District is financially accountable if it appoints a voting majority of a potential component unit's governing body and is able to impose its will on that component unit, or there is a potential for the potential component unit to provide specific benefits to, or to impose specific burdens on, the District.

Based on these criteria, the District's financial statements include the accounts of all District functions and activities. There are no component units that are required to be included in the District's financial statements.

B. Significant Accounting Policies

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governmental entities.

Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements (i.e. the *Statement of Net Position* and the *Statement of Activities*) report information on all of the governmental activities (funds) of the District. The effect of interfund activity has been removed from these statements.

**MID-AMERICA REGIONAL COUNCIL
SOLID WASTE MANAGEMENT DISTRICT**

Notes to Basic Financial Statements

December 31, 2012

The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Fund Financial Statements

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The District's funds are grouped into the governmental fund category for financial statement presentation purposes. Governmental funds include the general and special revenue funds.

The District reports the following major governmental funds:

The *general fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The *special revenue fund* is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The District receives annual grants from the state of Missouri.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Interest income associated with the current fiscal period is considered susceptible to accrual and so has been recognized as revenue of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when the District receives cash.

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**MID-AMERICA REGIONAL COUNCIL
SOLID WASTE MANAGEMENT DISTRICT**

Notes to Basic Financial Statements

December 31, 2012

Assets, Liabilities and Net Position or Equity

Accounts Receivable and Unearned Revenue – Granting Agencies – The District’s programs and activities are funded by grants from the state of Missouri. Grant revenue is earned as expenditures are incurred and all eligibility requirements imposed by the provider have been met. The cash inflow from the granting agencies varies from the expenditures resulting in receivable or unearned revenue balances, which are calculated on a grant-by-grant basis.

Equity Classifications – In the government-wide financial statements, equity is classified as net position and is displayed as:

Unrestricted Net Position – is the balance of net position that does not meet the definition of “restricted” or “net investment in capital assets.” Restricted net position consists of balances with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The District does not have any restricted assets as of December 31, 2012.

Fund Balances – As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of December 31, 2012, fund balances for government funds are made up of the following:

- a. Nonspendable Fund Balance – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.
- b. Restricted Fund Balance – may be spent only for the specific purposes stipulated by external resources providers, constitutionally or through enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers.
- c. Committed Fund Balance – includes amounts that can only be used for the specific purposes determined by a formal action of the District’s highest level of decision-making authority, the District’s Executive Board Members. Commitments may be changed or lifted only by the District’s Executive Board Members taking the same formal action that imposed the constraint originally.
- d. Assigned Fund Balance – comprises amounts intended to be used by the District for specific purposes that are neither restricted nor committed. Intent is expressed by the District’s Executive Members, or a body or official to which the District’s Executive Board Members have delegated the authority to assign amounts to be used for specific purposes.
- e. Unassigned Fund Balance – is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.

**MID-AMERICA REGIONAL COUNCIL
SOLID WASTE MANAGEMENT DISTRICT**

Notes to Basic Financial Statements

December 31, 2012

Significant Accounting Pronouncements – In June 2011, GASB issued Statement No. 63, Financial Reporting of Deferred Outflow of Resources, Deferred Inflows of Resources, and Net Position. This statement is intended to provide guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The adoption of this statement requires the District to modify the balance sheet and replace the statement of revenues, expenses and changes in net assets with a statement of revenues, expenses and changes in net position. This statement is effective for periods beginning after December 15, 2011. The District has implemented Statement No. 63 retroactively, which has resulted in certain reclassifications, but did not have a material impact on the District's financial position.

In March 2012, GASB issued Statement No. 65, Items Previously Reported as Assets and Liabilities. This Statement establishes accounting and financial reporting standards that reclassify as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. This statement is effective for periods beginning after December 15, 2012. The District has early implemented Statement No. 65 retroactively, which has resulted in certain reclassifications, but did not have a material impact on the District's financial position.

(2) **Stewardship, Compliance and Accountability**

A. Budgetary Control

The District was not legally required to prepare or adopt a budget and, therefore, a budgetary comparison is not presented.

(3) **Detailed Notes on All Funds**

A. Grants Receivable and Unearned Revenue

Grants receivable and unearned revenue are calculated on a grant-by-grant basis and are summarized by grant below:

	<u>Grants Receivable</u>	<u>Unearned Revenue</u>
Special Revenue Fund:		
FY 2008	\$ —	265
FY 2009	—	30,972
FY 2010	—	65,956
FY 2011	—	46,534
FY 2012	—	93,874
Household Hazardous Waste Program	—	310,188
Total	<u>\$ —</u>	<u>547,789</u>

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**MID-AMERICA REGIONAL COUNCIL
SOLID WASTE MANAGEMENT DISTRICT**

Notes to Basic Financial Statements

December 31, 2012

(4) Other Information

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District has entered into a financial arrangement with MARC to provide staff, office and financial accounting support services. MARC is a member of Midwest Public Risk of Missouri (MPR), a not-for-profit corporation consisting of local governments and political subdivisions. MPR was formed as a public entity risk retention pool operating as a common risk management and insurance program to cover health and dental, workers compensation, and property and casualty claims for its members. MPR has been established as an assessable pool and accounting records are maintained for each line of coverage on a policy year (July to June) basis. MARC pays annual premiums to MPR for all coverages. The agreement with MPR provides that MPR will be self-sustaining through member premiums. MPR has the authority to assess members for any deficiencies of revenues under expenses for any single plan year. Likewise, MPR has the authority to declare refunds to members for the excess of revenues over expenses relating to any single plan year. Losses have not been in excess of premiums in any of the past three fiscal years.

MARC has the following types of insurance coverages and deductibles through MPR for the period July 1, 2012 through June 30, 2013:

Coverage:	<u>Deductible</u>
General liability	\$ 5,000
Public officials liability	5,000
Crime and fidelity	5,000
Workers compensation	Not applicable
Auto physical damage	500
Property	2,500

C. Contingent Liabilities

Use of federal, state, and local grant funds is subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grant. To the extent such disallowances involve expenditures under the subcontracted arrangements, the District generally has the right of recovery from such third parties. Based on prior experience, management believes the District will not incur significant losses on possible grant disallowances.

MID-AMERICA REGIONAL COUNCIL
SOLID WASTE MANAGEMENT DISTRICT

Schedule of Revenues, Expenditures and Changes in Fund Balances - Special Revenue Fund - By Grant

Year Ended December 31, 2012

	Grant from FY 2008 #33600	Grant from FY 2009 #33610	Grant from FY 2010 #33620	Grant from FY 2011 #33630	Grant from FY 2012 #33640	Resource Recovery Fair #33648	Household Hazardous Waste (HHW) Program	Total
Revenues:								
Grant revenue	\$ 9,725	45,230	74,938	54,614	613,336	—	—	797,843
Household Hazardous Waste program fees	—	—	—	—	—	—	300,424	300,424
Local grants	—	40	—	—	—	5,693	—	5,733
Contributed services	—	8,098	61,197	5,124	139,399	—	—	213,818
Total revenues	9,725	53,368	136,135	59,738	752,735	5,693	300,424	1,317,818
Expenditures:								
Contractual services - subrecipient's expenditures:								
Advertising	—	—	—	—	5,285	—	—	5,285
Contractual services	9,725	45,230	71,816	54,441	254,821	4,147	300,424	740,604
Contributed services	—	8,098	61,197	5,124	139,399	—	—	213,818
Indirect costs	—	—	—	—	84,368	—	—	84,368
Meetings/travel/registration fees	—	—	59	173	9,008	1,466	—	10,706
Memberships/periodicals	—	—	—	—	2,013	—	—	2,013
Other	—	—	3,000	—	70	80	—	3,150
Postage	—	40	—	—	780	—	—	820
Printing/reproduction	—	—	—	—	1,581	—	—	1,581
Rent/utilities/maintenance	—	—	—	—	14,198	—	—	14,198
Salaries and fringe benefits	—	—	—	—	241,052	—	—	241,052
Supplies/promotional materials	—	—	63	—	160	—	—	223
Total expenditures	9,725	53,368	136,135	59,738	752,735	5,693	300,424	1,317,818
Excess of revenues over expenditures	\$ —	—	—	—	—	—	—	—

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**MID-AMERICA REGIONAL COUNCIL
SOLID WASTE MANAGEMENT DISTRICT**

Schedule of Subgrant Expenditures - Special Revenue Fund
Missouri Department of Natural Resources Grants

	Year Ended December 31, 2012					
	Year Ended December 31, 2012	Prior Year(s)	Cumulative Earned to Date	State Grant Received to Date	State Grant Balance	Grant Status
FY 2008 #33600						
E2012-019 MARC SWMD Outreach FY12						
State Revenue	9,725	—	9,725	9,725	—	Closed
	<u>9,725</u>	<u>—</u>	<u>9,725</u>			
FY 2008 Subgrants Closed in Prior Years						
State Revenue	\$ —	860,859	860,859	860,859	—	Closed
Contributed Services	—	521,280	521,280			
MARC Matching Funds	—	23,979	23,979			
Unallocated State Funds	—	—	—	265	265	FY14
	<u>—</u>	<u>1,406,118</u>	<u>1,406,118</u>			
Total FY 2008 #33600	\$ 9,725	1,406,118	1,415,843			
Recap - State Revenue	9,725	860,859	870,584	<u>870,849</u>	<u>265</u>	FY14
Recap - Contributed Services	—	521,280	521,280			
Recap - MARC Matching Funds	—	23,979	23,979			
Recap - Total FY 2008 #33600	\$ 9,725	1,406,118	1,415,843			
FY 2009 #33610						
E2012-004 Kansas City Parks and Recreation						
State Revenue	12,836	—	12,836	12,836	—	Open
Contributed Services	—	—	—			
	<u>12,836</u>	<u>—</u>	<u>12,836</u>			
E2012-009 CASCO Area Workshop						
State Revenue	32,394	—	32,394	32,394	—	Closed
Contributed Services	8,098	—	8,098			
	<u>40,492</u>	<u>—</u>	<u>40,492</u>			
E2009-013 MARC SWMD - Outreach						
State Revenue	—	75,000	75,000	75,000	—	Closed
Local Grants	40	5,235	5,275			
Charges for Services	—	601	601			
	<u>40</u>	<u>80,836</u>	<u>80,876</u>			
E2012-020 MARC SWMD PI - Methodology						
State Revenue	—	—	—	25,000	25,000	Open
	<u>—</u>	<u>—</u>	<u>—</u>			
FY 2009 Subgrants Closed in Prior Years						
State Revenue	\$ —	784,397	784,397	784,397	—	Closed
Local Grants	—	—	—			
Contributed Services	—	114,972	114,972			
MARC Matching Funds	—	9,424	9,424			
Charges for Services	—	—	—			
Unallocated State Funds	—	—	—	5,972	5,972	FY12
	<u>—</u>	<u>908,793</u>	<u>908,793</u>			
Total FY 2009 #33610	\$ 53,368	989,629	1,042,997			

MID-AMERICA REGIONAL COUNCIL
SOLID WASTE MANAGEMENT DISTRICT

Schedule of Subgrant Expenditures - Special Revenue Fund
Missouri Department of Natural Resources Grants (Continued)

Year Ended December 31, 2012

	Year Ended December 31, 2012	Prior Year(s)	Cumulative Earned to Date	State Grant Received to Date	State Grant Balance	Grant Status
Recap - State Revenue	\$ 45,230	859,397	904,627	<u>935,599</u>	<u>30,972</u>	FY12
Recap - Contributed Services	8,098	114,972	123,070			
Recap - MARC Matching Funds	—	9,424	9,424			
Recap - Local Grants	40	5,235	5,275			
Recap - Charges for Services	—	601	601			
Recap - Total FY 2009 #33610	<u>\$ 53,368</u>	<u>989,629</u>	<u>1,042,997</u>			
FY 2010 #33620						
#E2010-002 ReUse People of America - Green Bldg. Trng.						
State Revenue	18,602	41,785	60,387	60,387	—	Closed
Contributed Services	5,047	10,234	15,281			
	<u>23,649</u>	<u>52,019</u>	<u>75,668</u>			
E2010-011 MARC SWMD PI - District Operations						
State Revenue	35	350,438	350,473	350,473	—	Closed
MARC Matching Funds	—	14,397	14,397			
	<u>35</u>	<u>364,835</u>	<u>364,870</u>			
E2010-012 MARC SWMD PI - Outreach						
State Revenue	24	24,940	24,964	24,964	—	Closed
Charges for Services	—	125	125			
	<u>24</u>	<u>25,065</u>	<u>25,089</u>			
E2012-003 The Rehabilitation Institute						
State Revenue	37,738	—	37,738	37,738	—	Closed
Contributed Services	10,000	—	10,000			
	<u>47,738</u>	<u>—</u>	<u>47,738</u>			
E2012-004 Kansas City Parks and Recreation						
State Revenue	893	—	893	893	—	Closed
Contributed Services	—	—	—			
	<u>893</u>	<u>—</u>	<u>893</u>			
#E2011-004 KCPT - Little Green Steps						
State Revenue	6,510	23,175	29,685	29,685	—	Closed
Contributed Services	46,150	—	46,150			
	<u>52,660</u>	<u>23,175</u>	<u>75,835</u>			
E2011-013 MARC SWMD - Outreach						
State Revenue	11,073	24,545	35,618	50,000	14,382	Open
	<u>11,073</u>	<u>24,545</u>	<u>35,618</u>			
E2012-019 MARC SWMD - Outreach						
State Revenue	63	—	63	63	—	Closed
	<u>63</u>	<u>—</u>	<u>63</u>			

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**MID-AMERICA REGIONAL COUNCIL
SOLID WASTE MANAGEMENT DISTRICT**

Schedule of Subgrant Expenditures - Special Revenue Fund
Missouri Department of Natural Resources Grants (Continued)

	Year Ended December 31, 2012					
	Year Ended December 31, 2012	Prior Year(s)	Cumulative Earned to Date	State Grant Received to Date	State Grant Balance	Grant Status
FY 2010 Subgrants Closed in Prior Years						
State Revenue	\$ —	268,151	268,151	268,151	—	
Contributed Services	—	188,195	188,195			
Unallocated State Funds	—	—	—	51,574	51,574	FY 13 & 14
	<u>—</u>	<u>456,346</u>	<u>456,346</u>			
Total FY 2010 #33620	\$ 136,135	945,985	1,082,120			
Recap - State Revenue	\$ 74,938	733,034	807,972	<u>873,928</u>	<u>65,956</u>	
Recap - Contributed Services	61,197	198,429	259,626			
Recap - MARC Matching Funds	—	14,397	14,397			
Recap - Charges for Services	—	125	125			
Recap - Total FY 2010 #33620	<u>\$ 136,135</u>	<u>945,985</u>	<u>1,082,120</u>			
FY 2011 #33630						
#E2011-002 Hallmark Cards - Zero Waste to Landfill						
State Revenue	19,190	30,226	49,416	49,416	—	Closed
Contributed Services	—	12,422	12,422			
	<u>19,190</u>	<u>42,648</u>	<u>61,838</u>			
E2011-007 Ripple Glass - Containers & Outreach						
State Revenue	20,889	104,111	125,000	125,000	—	Closed
Contributed Services	4,719	28,422	33,141			
	<u>25,608</u>	<u>132,533</u>	<u>158,141</u>			
E2011-008 BADSEED - Residential Composting						
State Revenue	14,362	28,838	43,200	43,200	—	Closed
Contributed Services	405	12,490	12,895			
	<u>14,767</u>	<u>41,328</u>	<u>56,095</u>			
E2011-012 MARC SWMD PI - District Operations						
State Revenue	173	340,186	340,359	340,359	—	Closed
	<u>173</u>	<u>340,186</u>	<u>340,359</u>			
FY 2011 Subgrants Closed in Prior Years						
State Revenue	—	155,626	155,626	155,626	—	Closed
Contributed Services	—	42,868	42,868			
Unallocated State Funds	—	—	—	46,534	46,534	FY 13 & 14
	<u>—</u>	<u>198,494</u>	<u>198,494</u>			
Total FY 2011 #33630	\$ 59,738	755,189	814,927			
Recap - State Revenue	\$ 54,614	658,987	713,601	<u>760,135</u>	<u>46,534</u>	
Recap - Contributed Services	5,124	96,202	101,326			
Recap - Total FY 2011 #33630	<u>\$ 59,738</u>	<u>755,189</u>	<u>814,927</u>			

**MID-AMERICA REGIONAL COUNCIL
SOLID WASTE MANAGEMENT DISTRICT**

Schedule of Subgrant Expenditures - Special Revenue Fund
Missouri Department of Natural Resources Grants (Continued)

	Year Ended December 31, 2012					
	Year Ended December 31, 2012	Prior Year(s)	Cumulative Earned to Date	State Grant Received to Date	State Grant Balance	Grant Status
FY 2012 #33640						
#E2012-001 MARC SWMD PI District Operations						
State Revenue	363,565	—	363,565	408,500	44,935	Open
	<u>363,565</u>	<u>—</u>	<u>363,565</u>			
#E2012-002 Friends of City Market						
State Revenue	6,191	—	6,191	6,191	—	Closed
Contributed Services	1,560	—	1,560			
	<u>7,751</u>	<u>—</u>	<u>7,751</u>			
#E2012-003 The Rehabilitation Institute						
State Revenue	4,631	—	4,631	4,631	—	Closed
Contributed Services	2,902	—	2,902			
	<u>7,533</u>	<u>—</u>	<u>7,533</u>			
#E2012-005 City of Gladstone						
State Revenue	6,034	—	6,034	6,034	—	Closed
Contributed Services	831	—	831			
	<u>6,865</u>	<u>—</u>	<u>6,865</u>			
#E2012-006 Truman Heritage Habitat for Humanity						
State Revenue	51,386	—	51,386	61,208	9,822	Open
Contributed Services	21,153	—	21,153			
	<u>72,539</u>	<u>—</u>	<u>72,539</u>			
#E2012-008 Clay County Parks and Recreation						
State Revenue	10,178	—	10,178	10,178	—	Closed
Contributed Services	6,984	—	6,984			
	<u>17,162</u>	<u>—</u>	<u>17,162</u>			
E2012-010 Central Industrial District Association						
State Revenue	20,861	—	20,861	32,200	11,339	Open
Contributed Services	13,442	—	13,442			
	<u>34,303</u>	<u>—</u>	<u>34,303</u>			
#E2012-011 City of Blue Springs						
State Revenue	2,308	—	2,308	2,308	—	Closed
Contributed Services	742	—	742			
	<u>3,050</u>	<u>—</u>	<u>3,050</u>			
#E2012-012 Revolve Community Bike Shop						
State Revenue	23,331	—	23,331	23,331	—	Closed
Contributed Services	11,449	—	11,449			
	<u>34,780</u>	<u>—</u>	<u>34,780</u>			
#E2012-013 City of Sugar Creek						
State Revenue	—	—	—	9,106	9,106	Open
Contributed Services	—	—	—			
	<u>—</u>	<u>—</u>	<u>—</u>			
#E2012-014 Bridging The Gap						
State Revenue	16,911	—	16,911	16,911	—	Closed
Contributed Services	4,228	—	4,228			
	<u>21,139</u>	<u>—</u>	<u>21,139</u>			

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**MID-AMERICA REGIONAL COUNCIL
SOLID WASTE MANAGEMENT DISTRICT**

Schedule of Subgrant Expenditures - Special Revenue Fund
Missouri Department of Natural Resources Grants (Continued)

	Year Ended December 31, 2012					
	Year Ended December 31, 2012	Prior Year(s)	Cumulative Earned to Date	State Grant Received to Date	State Grant Balance	Grant Status
#E2012-015 Harvesters						
State Revenue	46,769	—	46,769	46,769	—	Open
Contributed Services	30,029	—	30,029			
	<u>76,798</u>	<u>—</u>	<u>76,798</u>			
#E2012-016 Jackson County						
State Revenue	15,000	—	15,000	15,000	—	Closed
Contributed Services	3,750	—	3,750			
	<u>18,750</u>	<u>—</u>	<u>18,750</u>			
#E2012-017 Kansas City, Mo (Solid Waste Division)						
State Revenue	16,200	—	16,200	16,200	—	Closed
Contributed Services	38,339	—	38,339			
	<u>54,539</u>	<u>—</u>	<u>54,539</u>			
#E2012-018 Cass County Sustainability Committee						
State Revenue	11,608	—	11,608	11,608	—	Closed
Contributed Services	3,990	—	3,990			
	<u>15,598</u>	<u>—</u>	<u>15,598</u>			
#E2012-019 MARC SWMD Outreach						
State Revenue	18,363	—	18,363	18,363	—	Closed
Unallocated State Funds	—	—	—	18,672	18,672	FY 13 & 14
Total FY 2012 #33640	\$ 752,735	—	752,735			
Recap - State Revenue	\$ 613,336	—	613,336	<u>707,210</u>	<u>93,874</u>	
Recap - Contributed Services	139,399	—	139,399			
Recap - Total FY 2012 #33640	\$ 752,735	—	752,735			
Grand Total - All State-Funded Programs						
Recap - State Revenue	\$ 797,843	3,112,277	3,910,120			
Recap - Contributed Services	213,818	930,883	1,144,701			
Recap - MARC Matching Funds	—	47,800	47,800			
Recap - Local Grants	40	5,235	5,275			
Recap - Charges for Services	—	726	726			
Recap - Total - All State-Funded Programs	\$ 1,011,701	4,096,921	5,108,622			

**MID-AMERICA REGIONAL COUNCIL
SOLID WASTE MANAGEMENT DISTRICT**

Statement of Grants Receivable and Unearned Revenue - Special Revenue Fund

Year Ended December 31, 2012

	Cumulative Earned	Cumulative Received	Receivable or (Unearned Revenue)
FY 2008 - Grant Number 33600	\$ 870,584	870,849	(265)
FY 2009 - Grant Number 33610	904,627	935,599	(30,972)
FY 2010 - Grant Number 33620	807,972	873,928	(65,956)
FY 2011 - Grant Number 33630	713,601	760,135	(46,534)
FY 2012 - Grant Number 33640	613,336	707,210	(93,874)
Total - State of Missouri Funds	3,910,120	4,147,721	(237,601)
Household Hazardous Waste Program	3,000,163	3,310,351	(310,188)
Grand Total	\$ 6,910,283	7,458,072	(547,789)

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MID-AMERICA REGIONAL COUNCIL

Schedule of Revenues and Expenditures
 Missouri Department of Natural Resources
 Mid-America Regional Council Solid Waste Management District -
 2008 Grant Program
 MARC Grant No. 33600

Grant Period From January 1, 2008 to Completion

	<u>Budget</u>	<u>Year Ended December 31, 2012</u>	<u>Prior Year(s)</u>	<u>Cumulative to Date</u>
Revenues:				
State grant	\$ 870,849	9,725	860,859	870,584
MARC matching funds	23,979	—	23,979	23,979
Contributed services	<u>521,280</u>	<u>—</u>	<u>521,280</u>	<u>521,280</u>
Total revenues	1,416,108	9,725	1,406,118	1,415,843
Expenditures:				
Solid waste management district grants	<u>1,416,108</u>	<u>9,725</u>	<u>1,406,118</u>	<u>1,415,843</u>
Revenues over expenditures	\$ <u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

MID-AMERICA REGIONAL COUNCIL

Schedule of Revenues and Expenditures
 Missouri Department of Natural Resources
 Mid-America Regional Council Solid Waste Management District -
 2009 Grant Program
 MARC Grant No. 33610

Grant Period From January 1, 2009 to Completion

	<u>Budget</u>	<u>Year Ended December 31, 2012</u>	<u>Prior Year(s)</u>	<u>Cumulative to Date</u>
Revenues:				
State grant	\$ 935,599	45,230	859,397	904,627
Local grants	5,275	40	5,235	5,275
MARC matching funds	16,991	—	9,424	9,424
Contributed services	125,818	8,098	114,972	123,070
Charges for services	566	—	601	601
Total revenues	1,084,249	53,368	989,629	1,042,997
Expenditures:				
Solid waste management district grants	1,084,249	53,368	989,629	1,042,997
Revenues over expenditures	\$ —	—	—	—

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MID-AMERICA REGIONAL COUNCIL

Schedule of Revenues and Expenditures
 Missouri Department of Natural Resources
 Mid-America Regional Council Solid Waste Management District -
 2010 Grant Program
 MARC Grant No. 33620

Grant Period From January 1, 2010 to Completion

	<u>Budget</u>	<u>Year Ended December 31, 2012</u>	<u>Prior Year(s)</u>	<u>Cumulative to Date</u>
Revenues:				
State grant	\$ 873,928	74,938	733,034	807,972
MARC matching funds	29,090	—	14,397	14,397
Contributed services	365,973	61,197	198,429	259,626
Charges for services	<u>—</u>	<u>—</u>	<u>125</u>	<u>125</u>
Total revenues	1,268,991	136,135	945,985	1,082,120
Expenditures:				
Solid waste management district grants	<u>1,268,991</u>	<u>136,135</u>	<u>945,985</u>	<u>1,082,120</u>
Revenues over expenditures	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>

MID-AMERICA REGIONAL COUNCIL

Schedule of Revenues and Expenditures
 Missouri Department of Natural Resources
 Mid-America Regional Council Solid Waste Management District -
 2011 Grant Program
 MARC Grant No. 33630

Grant Period From January 1, 2011 to Completion

	<u>Budget</u>	<u>Year Ended December 31, 2012</u>	<u>Prior Year(s)</u>	<u>Cumulative to Date</u>
Revenues:				
State grant	\$ 760,135	54,614	658,987	713,601
Contributed services	<u>105,334</u>	<u>5,124</u>	<u>96,202</u>	<u>101,326</u>
Total revenues	865,469	59,738	755,189	814,927
Expenditures:				
Solid waste management district grants	<u>865,469</u>	<u>59,738</u>	<u>755,189</u>	<u>814,927</u>
Revenues over expenditures	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>

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MID-AMERICA REGIONAL COUNCIL

Schedule of Revenues and Expenditures
 Missouri Department of Natural Resources
 Mid-America Regional Council Solid Waste Management District -
 2012 Grant Program
 MARC Grant No. 33640

Grant Period From January 1, 2012 to Completion

	<u>Budget</u>	<u>Year Ended December 31, 2012</u>	<u>Prior Year(s)</u>	<u>Cumulative to Date</u>
Revenues:				
State grant	\$ 707,210	613,336	—	613,336
MARC matching funds	10,000	—	—	—
Contributed services	132,121	139,399	—	139,399
Total revenues	849,331	752,735	—	752,735
Expenditures:				
Solid waste management district grants	849,331	752,735	—	752,735
Revenues over expenditures	\$ —	—	—	—

MID-AMERICA REGIONAL COUNCIL

Schedule of Revenues and Expenditures
 Mid-America Regional Council Solid Waste Management District -
 Resources Recovery Fair
 MARC Grant No. 33648

Grant Period From September 1, 2012 to Completion

	<u>Budget</u>	<u>Year Ended December 31, 2012</u>	<u>Prior Year(s)</u>	<u>Cumulative to Date</u>
Revenues:				
Local grants	\$ 6,200	5,693	—	5,693
Expenditures:				
Resource recovery fair	<u>6,200</u>	<u>5,693</u>	<u>—</u>	<u>5,693</u>
Revenues over expenditures	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>

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MID-AMERICA REGIONAL COUNCIL

Schedule of Revenues and Expenditures
Mid-America Regional Council Solid Waste Management District –
Household Hazardous Waste Program
MARC Grant No. 31810 and 31995, 2012 Program

Grant Period: Open

	<u>Budget</u>	<u>Year Ended December 31, 2012</u>
Revenues:		
Local government grants	\$ <u>329,798</u>	<u>300,424</u>
Expenditures:		
Household hazardous waste program	<u>329,798</u>	<u>300,424</u>
Revenues over expenditures	\$ <u> —</u>	<u> —</u>

SUPPLEMENTAL INFORMATION

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LIST OF OFFICERS AND EXECUTIVE BOARD MEMBERS

(unaudited)

December 31, 2012

OFFICERS

Michael Shaw Chair	Chris Bussen Vice Chair	Lisa McDaniel Secretary/Treasurer
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EXECUTIVE BOARD

<i>Appointed Member</i>	<i>Representative</i>	<i>Alternate Representative</i>
Cass County, Missouri	Traey Lambertz Codes Director	Wayne Tiffany Public Health Department
Clay County, Missouri	Donna Koontz Director of Facilities Management	Linda Sadler Clay County Parks & Recreation
Jackson County, Missouri	Kirk Phillips Highway Maintenance Supervisor	Sandy Mayer Special Projects Coordinator
Platte County, Missouri	Daniel Erickson Planning Director	Greg Sager Public Works Director
Ray County, Missouri	Bob King Presiding Commissioner	Mike Twyman Western Commissioner
Kansas City, Missouri	Michael Shaw Solid Waste Manager/Assistant to the Public Works Director	Dennis Murphey Chief Environmental Officer
<i>Elected Member</i>	<i>Representative</i>	<i>Alternative Representative</i>
Belton, Missouri	Brad Foster Assistant City Administrator	Vacant
Independence, Missouri	Don Reimal Mayor	Vacant
Lake Waukomis, Missouri	Ann Dwyer Sanders Citizen	Charles Hinson Mayor
Lee's Summit, Missouri	Chris Bussen Solid Waste Superintendent	Kara Taylor Environmental Coordinator
Liberty, Missouri	Steven Hansen Public Works Director	Vacant
North Kansas City, Missouri	Pat Hawver Public Works Director	Chris Cooper Public Works
Riverside, Missouri	Kathy Rose Mayor	Vacant
Sugar Creek, Missouri	Stan Salva Mayor	Sue Mikula Public Works
<i>Ex Officio</i>		
District Planner	Lisa McDaniel	



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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***

Board of Directors
Mid-America Regional Council
Solid Waste Management District

We have audited the financial statements of the governmental activities and each major fund of the Mid-America Regional Council Solid Waste Management District (the District) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 10, 2013. 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 of the financial statements, we considered the District's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our 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, we 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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose Of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RubinBrown LLP

June 10, 2013