

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

**Annual Financial Report
For the year ended December 31, 2015**

**Officers of Mid-America Regional Council
Solid Waste Management District**

Chair	Chris Bussen, City of Lee's Summit, Missouri
Vice Chair	Michael Shaw, City of Kansas City, Missouri

Prepared by:

Department of Financial Affairs, Mid-America Regional Council
Dorothy Pope, Director
Katelyn Click, Accountant II

Office Address:

600 Broadway, Suite 200
Kansas City, Missouri 64105-1659

MID-AMERICA REGIONAL COUNCIL SOLID WASTE MANAGEMENT DISTRICT

Table of Contents

	Exhibit	Page
FINANCIAL SECTION:		
Independent Auditors' Report		1
Management's Discussion and Analysis		3
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	A	10
Statement of Activities	B	11
Fund Financial Statements:		
Balance Sheet	C	12
Statement of Revenues, Expenditures and Changes in Fund Balances	D	13
Notes to Basic Financial Statements		14
Schedule		
SUPPLEMENTAL INFORMATION:		
Schedule of Revenues, Expenditures and Changes in Fund Balances – Special Revenue Fund – By Grant	1	20
Schedule of Subgrant Expenditures – Special Revenue Fund Missouri Department of Natural Resources Grants	2	21
Schedule of Grants Receivable and Unearned Revenue – Special Revenue Fund	3	28
Schedule of Revenues and Expenditures:		
2010 Grant Program – Grant Number 33620	4	29
2011 Grant Program – Grant Number 33630	5	30
2012 Grant Program – Grant Number 33640	6	31
2013 Grant Program – Grant Number 33650	7	32
2014 Grant Program – Grant Number 33660	8	33
2015 Grant Program – Grant Number 33670	9	34
Household Hazardous Waste Program	10	35
List of Officers and Executive Board Members (unaudited)	11	36
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 <i>Government Auditing Standards</i>		37

FINANCIAL SECTION



RubinBrown LLP
Certified Public Accountants
& Business Consultants

10975 Grandview Drive
Suite 600
Overland Park, KS 66210

T 913.491.4144
F 913.491.6821

W rubinbrown.com
E info@rubinbrown.com

**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, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, 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, 2015, 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 22, 2016.

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.

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 Mid-America Regional Council Solid Waste Management District's basic financial statements. The accompanying supplemental information on pages 20 through 35 and the list of officers and executive board members on page 36 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 22, 2016, on our consideration of the Mid-America Regional Council Solid Waste Management 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 Mid-America Regional Council Solid Waste Management District's internal control over financial reporting and compliance.

RubinBrown LLP

June 22, 2016

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

Management's Discussion and Analysis

December 31, 2015

This 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, 2015. It should be read in conjunction with the District's basic financial statements.

Financial Highlights

- The total assets for the District were \$832,150. The liabilities of the District were \$746,724, which includes unearned revenue of \$419,547 from state of Missouri grants and \$326,275 for 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 cash balance of \$832,150. The District has no other assets such as receivables or capital assets.
- 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. In 2015, grant revenues and expenditures increased by \$127,429 and \$202,620, respectively, due to subgrants for waste reduction, reuse and recycling projects and a recycling education campaign.

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.

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

Management's Discussion and Analysis

December 31, 2015

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 government entities, 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 19 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 \$85,426 at December 31, 2015. The unrestricted net position of \$85,426 may be used to meet the District's ongoing obligations.

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

Management's Discussion and Analysis

December 31, 2015

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		Increase (Decrease) From Fiscal Year 2014	Percent Increase (Decrease)
	2015	2014		
Assets				
Cash	\$ 832,150	816,264	15,886	2 %
Total assets	<u>\$ 832,150</u>	<u>816,264</u>	<u>15,886</u>	2
Liabilities				
Unearned revenue - state of Missouri	\$ 419,547	274,515	145,032	53
Unearned revenue - Household Hazardous Waste program	326,275	392,845	(66,570)	(17)
Unearned revenue - JobOne security agreement default	<u>902</u>	<u>—</u>	<u>902</u>	—
Total liabilities	<u>\$ 746,724</u>	<u>667,360</u>	<u>79,364</u>	12
Net position				
Unrestricted	\$ 85,426	148,904	(63,478)	(43)
Total net position	<u>\$ 85,426</u>	<u>148,904</u>	<u>(63,478)</u>	(43) %

As of December 31, 2014, there was \$274,515 in unearned revenue from the state of Missouri. Unearned revenue increased by \$145,032 to \$419,547 as of December 31, 2015 due to increased grants from the state of Missouri during the year and the expenditure of unearned revenues from grants awarded in prior years. Additionally, the unearned revenue for the Household Hazardous Waste program decreased by \$66,570 in fiscal year 2015 as more funds were applied in 2015 to cover expenditures. As a result, the amount of cash increased by \$15,886.

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

Management's Discussion and Analysis

December 31, 2015

The following table reflects the condensed Statement of Activities for the years ended December 31, 2015 and 2014.

Mid-America Regional Council Solid Waste Management District Statement of Activities				
	Governmental Activities		Increase (Decrease) From Fiscal Year 2014	Percent Increase (Decrease)
	2015	2014		
Program revenues:				
Charges for services	\$ 359,388	350,482	8,906	3 %
Operating grants & contributions	1,048,159	920,730	127,429	14
General revenues:				
Investment earnings	2,806	1,605	1,201	75
Total revenues	<u>1,410,353</u>	<u>1,272,817</u>	<u>137,536</u>	11
Expenses:				
Program and subgrant expenditures	1,473,831	1,271,212	202,619	16
Total expenses	<u>1,473,831</u>	<u>1,271,212</u>	<u>202,619</u>	16
Change in net position	(63,478)	1,605	(65,083)	(4,055)
Net position - beginning	<u>148,904</u>	<u>147,299</u>	<u>1,605</u>	1
Net position - ending	<u>\$ 85,426</u>	<u>148,904</u>	<u>(63,478)</u>	(43) %

The net position of the governmental activities decreased in 2015 by \$63,478 as compared to an increase of \$1,605 in 2014. Operating grant revenues are accrued as grant-allowable expenditures are incurred. In 2015, grant revenues and expenditures increased \$127,429 and \$202,619, respectively, due to subgrants for waste reduction, reuse and recycling projects and a recycling education campaign.

A comparison of the operating grants and contributions follows.

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

Management's Discussion and Analysis

December 31, 2015

	Total Grant Award	FY 2015	FY 2014	Increase/ (Decrease)
2015 grant award	\$ 1,077,133	770,529	—	770,529
2014 grant award	884,189	72,498	713,461	(640,963)
2013 grant award	744,112	54,470	48,083	6,387
2012 grant award	707,210	29,151	30,324	(1,173)
2011 grant award	760,135	3,047	2,117	930
2010 grant award	873,928	2,406	19,631	(17,225)
2009 grant award	935,599	—	5,972	(5,972)
2008 grant award	870,849	—	265	(265)
Subtotal	6,853,155	932,101	819,853	112,248
Local grants	—	13	66	(53)
MARC matching funds	—	17,163	15,673	1,490
Contributed services	—	98,882	85,138	13,744
Total	\$ 6,853,155	1,048,159	920,730	127,429

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 2015 and 2014 follows.

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

	2015	2014	Increase (Decrease) From Fiscal Year 2014	Percent Increase (Decrease)
Revenues:				
Investment earnings	\$ 2,806	1,605	1,201	75 %
Expenditures:				
Contractual services - subrecipients	66,284	—	66,284	—
Excess of revenues over expenditures	(63,478)	1,605	(65,083)	(4,055)
Fund balance - beginning	148,904	147,299	1,605	1
Fund balance - ending	\$ 85,426	148,904	(63,478)	(43) %

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

Management's Discussion and Analysis

December 31, 2015

Investment earnings were more in 2015 than in 2014 due to increased earnings on idle funds in the checking accounts. Contractual services were \$66,284 in 2015 due to a recycling education campaign. As a result, fund balance decreased by \$63,478.

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 2015 and 2014 follows.

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

	2015	2014	Increase (Decrease) From Fiscal Year 2014	Percent Increase (Decrease)
Revenues:				
Grant revenues	\$ 932,114	819,919	112,195	14 %
Household Hazardous Waste program fees	359,388	350,482	8,906	3
MARC matching funds	17,163	15,673	1,490	10
Contributed services	98,882	85,138	13,744	16
Total revenues	1,407,547	1,271,212	136,335	11
Expenditures:				
Contractual services - subrecipients	1,407,547	1,271,212	136,335	11
Excess of revenues over expenditures	—	—	—	—
Fund balance - beginning	—	—	—	—
Fund balance - ending	\$ —	—	—	— %

Each year the District receives grant funds from the state of Missouri from fees imposed on solid waste facilities in the state. Quarterly, the state receives tonnage fees collected by permitted facilities within the state pursuant to 260.325, RSMo. Currently, 61 percent of the tonnage fees collected through formula is allocated to the 20 solid waste management districts on a quarterly basis. The District is one of the 20 districts funded by the state. The Executive Board for the District annually awards subgrants to recipients throughout the five-county area. The Mid-America Regional Council (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, 2015 (open or closed) for each subgrant.

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

Management's Discussion and Analysis

December 31, 2015

Budget Highlights

The District annually prepares a budget for its management and oversight activities but not for the subgrants, as 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

State revenues 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. Unencumbered funds still held at the state level for fiscal years 2014 and 2015 and carryover funds from 2013 and 2014 will be used to support the District's fiscal year 2016 budget.

For fiscal year 2016, the District budgeted funds of \$585,500 for subrecipients and another \$507,933 for the District's operations, outreach, planning and household hazardous waste program activities. A summary of projected revenues and expenditures for fiscal year 2016 is shown below.

Revenues:	
Grant revenues - new appropriation	\$ 860,400
Grant revenues - prior appropriation	196,060
MARC matching funds	20,518
Household Hazardous Waste - program fees	<u>16,455</u>
Total revenues	<u>1,093,433</u>
Expenditures:	
Contractual services - subrecipients	585,500
District programs	
Operations	208,239
Outreach	174,770
Planning	58,685
HHW program	<u>66,239</u>
Total expenditures	<u>1,093,433</u>
Excess of revenues over expenditures	\$ <u><u>—</u></u>

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.

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

Statement of Net Position

December 31, 2015

	<u>Governmental Activities</u>
Assets	
Cash	\$ <u>832,150</u>
Total assets	\$ <u><u>832,150</u></u>
Liabilities	
Unearned revenue - state of Missouri	\$ 419,547
Unearned revenue - household hazardous waste program	326,275
Unearned revenue - JobOne security agreement default	<u>902</u>
Total liabilities	\$ <u><u>746,724</u></u>
Net Position	
Unrestricted	\$ <u>85,426</u>
Total net position	\$ <u><u>85,426</u></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, 2015

<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	\$ 1,473,831	359,388	1,048,159	(66,284)
	Investment earnings			2,806
	Change in net position			(63,478)
	Total net position, beginning of year			148,904
	Total net position, end of year			\$ 85,426

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, 2015

Assets	General Fund	Special Revenue Fund	Total
Cash	\$ 85,426	746,724	832,150
 Liabilities and Fund Balances			
Liabilities:			
Unearned revenue - state of Missouri	—	419,547	419,547
Unearned revenue - household hazardous waste program	—	326,275	326,275
Unearned revenue - JobOne security agreement default	—	902	902
Total liabilities	—	746,724	746,724
Fund balances:			
Unassigned	85,426	—	85,426
Total liabilities and fund balances	\$ 85,426	746,724	832,150

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

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

Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended December 31, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
Revenues:			
Grant revenue	\$ —	932,114	932,114
Household hazardous waste program fees	—	359,388	359,388
MARC matching funds	—	17,163	17,163
Contributed services	—	98,882	98,882
Investment income	<u>2,806</u>	<u>—</u>	<u>2,806</u>
Total revenues	2,806	1,407,547	1,410,353
Expenditures:			
Contractual services - subrecipients	<u>66,284</u>	<u>1,407,547</u>	<u>1,473,831</u>
Excess of revenues over expenditures	(63,478)	—	(63,478)
Fund balance, beginning of year	<u>148,904</u>	<u>—</u>	<u>148,904</u>
Fund balance, end of year	<u>\$ 85,426</u>	<u>—</u>	<u>85,426</u>

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

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

Notes to Basic Financial Statements

December 31, 2015

(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 nonprofit 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. 61, *The Financial Reporting Entity: Omnibus* — an amendment of GASB Statements No. 14 and No. 34 (GASB 61). 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 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, 2015

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.

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

Notes to Basic Financial Statements

December 31, 2015

Assets, Liabilities and Net Position or Equity

Cash and Cash Equivalents — Interest bearing deposit accounts are reported at cost plus accrued interest. The District considers demand deposit and investments purchased with an original maturity of three months or less to be cash and cash equivalents.

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 — the balance of net position that does not meet the definition of "restricted" or "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, 2015.

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, 2015, fund balances for governmental 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 Board 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.

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

Notes to Basic Financial Statements

December 31, 2015

- e. Unassigned Fund Balance — the residual classification for the General Fund, including all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.

Significant Accounting Pronouncements — There were no GASB statements implemented during fiscal year 2015 for which there was a significant impact on the District’s financial statements and there are none that will need to be implemented in fiscal year 2016.

(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. Cash and Investments

The District had no investments as of December 31, 2015. The District does not have a formal investment policy, although the District’s deposit and investment activity is conducted in accordance with MARC’s deposit and investment policy.

Custodial Credit Risk — Custodial credit risk represents the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District collateralizes bank deposits and repurchase agreements sufficient to provide a level of security such that the market value of collateral should be at least 100 percent of the fair value of deposits.

B. Grants Receivable and Unearned Revenue

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

	Grants Receivable	Unearned Revenue
Special Revenue Fund:		
FY 2011	\$ —	1,355
FY 2012	—	3,831
FY 2013	—	9,527
FY 2014	—	98,230
FY 2015	—	306,604
Household hazardous waste program	—	326,275
Job1One security agreement default	—	902
Total	\$ —	746,724

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

Notes to Basic Financial Statements

December 31, 2015

(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 nonprofit 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.

MARC has the following types of insurance coverages and deductibles through MPR for the period July 1, 2015 through June 30, 2016:

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

The District has purchased liability coverage from MOPERM in addition to the coverage offered by MARC through MPR.

The District has the following types of insurance coverages and deductibles through MOPERM for the period January 1, 2015 through January 1, 2016:

Coverage:	<u>Deductible</u>
General liability	\$ 1,000
Hired and Non-Owned Vehicles	1,000
Employment Practices Liability	1,000
Errors & Omissions Liability	1,000

Losses have not been in excess of coverage in any of the past three fiscal years.

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

Notes to Basic Financial Statements

December 31, 2015

B. 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.

SUPPLEMENTAL INFORMATION

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, 2015

	Grant from FY 2010 #33620	Grant from FY 2011 #33630	Grant from FY 2012 #33640	Grant from FY 2013 #33650	Grant from FY 2014 #33660	Grant from FY 2015 #33670	Household Hazardous Waste (HHW) Program #31999	Total
Revenues:								
Grant revenue	\$ 2,406	3,047	29,151	54,470	72,498	770,529	—	932,101
Household hazardous waste program fees	—	—	—	—	—	—	359,388	359,388
Local grants	—	—	—	13	—	—	—	13
MARC matching funds	—	—	—	—	—	17,163	—	17,163
Contributed services	—	—	—	—	7,474	91,408	—	98,882
Total revenues	2,406	3,047	29,151	54,483	79,972	879,100	359,388	1,407,547
Expenditures:								
Contractual services - subrecipient's expenditures:								
Advertising	756	—	2,657	—	—	1,128	—	4,541
Contractual services	—	3,047	1,200	39,968	72,177	446,692	342,225	905,309
Contributed services	—	—	—	—	7,474	91,408	—	98,882
Indirect costs	—	—	6,387	3,869	—	92,815	—	103,071
Insurance	—	—	—	—	—	934	—	934
Meetings/travel/registration fees	1,650	—	143	—	—	5,436	—	7,229
Memberships/periodicals	—	—	—	—	—	1,059	—	1,059
Other	—	—	—	—	—	352	—	352
Postage	—	—	—	—	—	281	—	281
Rent/utilities/maintenance	—	—	961	571	—	13,779	—	15,311
Salaries and fringe benefits	—	—	16,632	10,075	—	241,706	—	268,413
Supplies/promotional materials	—	—	1,171	—	321	673	—	2,165
Total expenditures	2,406	3,047	29,151	54,483	79,972	896,263	342,225	1,407,547
Excess of revenues over expenditures	—	—	—	—	—	(17,163)	17,163	—
Other financing sources - transfers in (out)	—	—	—	—	—	17,163	(17,163)	—
Excess of revenues and other financing sources over expenditures	\$ —	—	—	—	—	—	—	—

**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, 2015

	Year Ended December 31, 2015	Prior Year(s)	Cumulative Earned to Date	State Grant Received to Date	State Grant Balance	Grant Status
FY 2010 #33620						
E2015-002 - MARC PI Outreach						
State revenue	\$ 2,406	—	2,406	2,406	—	Closed
	<u>2,406</u>	<u>—</u>	<u>2,406</u>			
FY 2010 Subgrants Closed in Prior Years						
State revenue	—	871,522	871,522	871,522	—	Closed
Contributed services	—	260,066	260,066			
MARC matching funds	—	14,397	14,397			
Charges for services	—	125	125			
	<u>—</u>	<u>1,146,110</u>	<u>1,146,110</u>			
Total FY 2010 #33620	<u>\$ 2,406</u>	<u>1,146,110</u>	<u>1,148,516</u>			
Recap - state revenue	\$ 2,406	871,522	873,928	<u>873,928</u>	<u>—</u>	Closed
Recap - contributed services	—	260,066	260,066			
Recap - MARC matching funds	—	14,397	14,397			
Recap - charges for services	—	125	125			
Recap - Total FY 2010 #33620	<u>\$ 2,406</u>	<u>1,146,110</u>	<u>1,148,516</u>			
FY 2011 #33630						
E2015-017 MARC SWMD PI Planning						
State revenue	\$ 3,047	—	3,047	4,402	1,355	FY17
	<u>3,047</u>	<u>—</u>	<u>3,047</u>			
FY 2011 Subgrants Closed in Prior Years						
State revenue	—	755,733	755,733	755,733	—	Closed
Contributed services	—	109,767	109,767			
	<u>—</u>	<u>865,500</u>	<u>865,500</u>			
Total FY 2011 #33630	<u>\$ 3,047</u>	<u>865,500</u>	<u>868,547</u>			
Recap - state revenue	\$ 3,047	755,733	758,780	<u>760,135</u>	<u>1,355</u>	FY17
Recap - contributed services	—	109,767	109,767			
Recap - Total FY 2011 #33630	<u>\$ 3,047</u>	<u>865,500</u>	<u>868,547</u>			
FY 2012 #33640						
#E2015-003 MARC SWMD PI - Carryover						
State revenue	\$ 1,200	6,600	7,800	7,800	—	Closed
	<u>1,200</u>	<u>6,600</u>	<u>7,800</u>			
#E2015-003 MARC SWMD HHW 2015						
State revenue	27,951	—	27,951	27,951	—	Closed
	<u>27,951</u>	<u>—</u>	<u>27,951</u>			

(continued)

**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, 2015					
	Year Ended December 31, 2015	Prior Year(s)	Cumulative Earned to Date	State Grant Received to Date	State Grant Balance	Grant Status
FY 2012 Subgrants Closed in Prior Years						
State revenue	\$ —	667,628	667,628	667,628	—	Closed
Contributed services	—	151,061	151,061			
Unallocated state funds	—	—	—	3,831	3,831	FY17
	<u>—</u>	<u>818,689</u>	<u>818,689</u>			
Total FY 2012 #33640	<u>\$ 29,151</u>	<u>825,289</u>	<u>854,440</u>			
Recap - state revenue	\$ 29,151	674,228	703,379	<u>707,210</u>	<u>3,831</u>	FY17
Recap - contributed services	—	151,061	151,061			
Recap - Total FY 2012 #33640	<u>\$ 29,151</u>	<u>825,289</u>	<u>854,440</u>			
FY 2013 #33650						
#E2013-005 Atlas Glass						
State revenue	\$ —	20,713	20,713	20,713	—	Closed
Contributed services	—	5,225	5,225			
	<u>—</u>	<u>25,938</u>	<u>25,938</u>			
#E2013-006 Sleepyhead Beds						
State revenue	1,976	28,276	30,252	30,252	—	Closed
Contributed services	—	7,336	7,336			
	<u>1,976</u>	<u>35,612</u>	<u>37,588</u>			
#E2013-009 Cass County Sustainability Committee						
State revenue	6,980	9,820	16,800	16,800	—	Closed
Contributed services	—	6,140	6,140			
	<u>6,980</u>	<u>15,960</u>	<u>22,940</u>			
#E2013-010 Park University						
State revenue	7,636	4,064	11,700	11,700	—	Closed
Contributed services	—	1,080	1,080			
	<u>7,636</u>	<u>5,144</u>	<u>12,780</u>			
#E2013-011 Nelson Atkins Museum of Art						
State revenue	4,029	10,790	14,819	14,819	—	Closed
Contributed services	—	3,123	3,123			
	<u>4,029</u>	<u>13,913</u>	<u>17,942</u>			
#E2013-012 The Rehabilitation Institute						
State revenue	965	54,180	55,145	55,145	—	Closed
Contributed services	—	16,061	16,061			
	<u>965</u>	<u>70,241</u>	<u>71,206</u>			
#E2013-013 Missouri Organic						
State revenue	6,687	38,098	44,785	44,785	—	Closed
Contributed services	—	10,497	10,497			
	<u>6,687</u>	<u>48,595</u>	<u>55,282</u>			

(continued)

**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, 2015					
	Year Ended December 31, 2015	Prior Year(s)	Cumulative Earned to Date	State Grant Received to Date	State Grant Balance	Grant Status
#E2013-014 Job One						
State revenue	\$ 6,759	5,023	11,782	11,782	—	Closed
Contributed services	—	1,438	1,438			
	<u>6,759</u>	<u>6,461</u>	<u>13,220</u>			
#E2013-015 St. Teresa's Academy						
State revenue	156	3,844	4,000	4,000	—	Closed
Contributed services	—	961	961			
	<u>156</u>	<u>4,805</u>	<u>4,961</u>			
#E2013-017 Bridging the Gap						
State revenue	660	36,100	36,760	36,760	—	Closed
Contributed services	—	9,036	9,036			
	<u>660</u>	<u>45,136</u>	<u>45,796</u>			
#E2013-018 Jerusalem Farm						
State revenue	4,010	7,636	11,646	11,646	—	Closed
Contributed services	—	7,187	7,187			
	<u>4,010</u>	<u>14,823</u>	<u>18,833</u>			
#E2013-019 Revolve						
State revenue	110	18,190	18,300	18,300	—	Closed
Contributed services	—	4,775	4,775			
	<u>110</u>	<u>22,965</u>	<u>23,075</u>			
#E2015-003 MARC SMWD HHW						
State revenue	14,502	—	14,502	14,502	—	Closed
Local grants	13	—	13			
	<u>14,515</u>	<u>—</u>	<u>14,515</u>			
FY 2013 Subgrants Closed in Prior Years						
State revenue	—	443,381	443,381	443,381	—	Closed
Contributed services	—	17,280	17,280			
MARC matching funds	—	10,447	10,447			
Unallocated state funds	—	—	—	9,527	9,527	FY16
	<u>—</u>	<u>471,108</u>	<u>471,108</u>			
Total FY 2013 #33650	\$ 54,483	780,701	835,184			
Recap - state revenue	\$ 54,470	680,115	734,585	<u>744,112</u>	<u>9,527</u>	FY16
Recap - local grants	13	—	13			
Recap - contributed services	—	90,139	90,139			
Recap - MARC matching funds	—	10,447	10,447			
Recap - Total FY 2013 #33650	\$ 54,483	780,701	835,184			
FY 2014 #33660						
#E2014-001 MARC SWMD PI District Operations						
State revenue	\$ —	177,783	177,783	177,783	—	Closed
MARC matching funds	—	15,673	15,673			
	<u>—</u>	<u>193,456</u>	<u>193,456</u>			

(continued)

**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, 2015					
	Year Ended December 31, 2015	Prior Year(s)	Cumulative Earned to Date	State Grant Received to Date	State Grant Balance	Grant Status
#E2014-002 MARC SWMD PI Outreach						
State revenue	\$ 321	146,133	146,454	172,162	25,708	Open
	<u>321</u>	<u>146,133</u>	<u>146,454</u>			
#E2014-003 MARC SWMD PI Planning						
State revenue	—	5,479	5,479	28,295	22,816	Open
	<u>—</u>	<u>5,479</u>	<u>5,479</u>			
#E2014-004 City of Riverside						
State revenue	—	2,906	2,906	2,906	—	Closed
Contributed services	—	811	811			
	<u>—</u>	<u>3,717</u>	<u>3,717</u>			
#E2014-006 Jackson County Yard Waste						
State revenue	—	13,062	13,062	13,062	—	Closed
Contributed services	—	13,604	13,604			
	<u>—</u>	<u>26,666</u>	<u>26,666</u>			
#E2014-007 Avenue of Life						
State revenue	42,920	130,451	173,371	173,371	—	Closed
Contributed services	6,416	36,366	42,782			
	<u>49,336</u>	<u>166,817</u>	<u>216,153</u>			
#E2014-008 Grain Valley School District						
State revenue	2,157	5,564	7,721	7,721	—	Closed
Contributed services	1,058	426	1,484			
	<u>3,215</u>	<u>5,990</u>	<u>9,205</u>			
#E2014-009 Ripple Glass						
State revenue	—	6,009	6,009	6,009	—	Closed
Contributed services	—	1,502	1,502			
	<u>—</u>	<u>7,511</u>	<u>7,511</u>			
#E2014-010 Friends of the City Market						
State revenue	—	10,311	10,311	10,311	—	Closed
Contributed services	—	2,582	2,582			
	<u>—</u>	<u>12,893</u>	<u>12,893</u>			
#E2014-011 Southeast Enterprises						
State revenue	437	8,063	8,500	8,500	—	Closed
Contributed services	—	2,600	2,600			
	<u>437</u>	<u>10,663</u>	<u>11,100</u>			
#E2014-0012 City of Blue Springs						
State revenue	—	4,416	4,416	4,416	—	Closed
Contributed services	—	1,605	1,605			
	<u>—</u>	<u>6,021</u>	<u>6,021</u>			

(continued)

**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, 2015					
	Year Ended December 31, 2015	Prior Year(s)	Cumulative Earned to Date	State Grant Received to Date	State Grant Balance	Grant Status
#E2014-0013 Bridging the Gap						
State revenue	\$ —	23,090	23,090	23,090	—	Closed
Contributed services	—	8,939	8,939			
	<u>—</u>	<u>32,029</u>	<u>32,029</u>			
#E2014-0014 MARC SMWD HHW						
State revenue	—	46,791	46,791	49,225	2,434	Open
	<u>—</u>	<u>46,791</u>	<u>46,791</u>			
#E2014-0015 Recycling Education Campaign						
State revenue	26,663	102,403	129,066	129,066	—	Closed
	<u>26,663</u>	<u>102,403</u>	<u>129,066</u>			
FY 2014 Subgrants Closed in Prior Years						
State revenue	—	31,000	31,000	31,000	—	Closed
Contributed services	—	7,986	7,986			
Unallocated state funds	—	—	—	47,272	47,272	FY16
	<u>—</u>	<u>38,986</u>	<u>38,986</u>			
Total FY 2014 #33660	<u>\$ 79,972</u>	<u>805,555</u>	<u>885,527</u>			
Recap - state revenue	\$ 72,498	713,461	785,959	<u>884,189</u>	<u>98,230</u>	FY16
Recap - contributed services	7,474	76,421	83,895			
Recap - MARC matching funds	—	15,673	15,673			
Recap - Total FY 2014 #33660	<u>\$ 79,972</u>	<u>805,555</u>	<u>885,527</u>			
FY 2015 #33670						
#E2015-001 MARC SWMD PI District Operations						
State revenue	\$ 171,408	—	171,408	179,252	7,844	FY17
MARC matching funds	8,915	—	8,915			
Operating transfers in	8,915	—	8,915			
	<u>189,238</u>	<u>—</u>	<u>189,238</u>			
#E2015-002 MARC SWMD PI Outreach						
State revenue	154,778	—	154,778	161,421	6,643	Open
MARC matching funds	8,248	—	8,248			
Operating transfers in	8,248	—	8,248			
	<u>171,274</u>	<u>—</u>	<u>171,274</u>			
#E2015-004 Trozzolo						
State revenue	104,644	—	104,644	226,102	121,458	Open
	<u>104,644</u>	<u>—</u>	<u>104,644</u>			
#E2015-005 The Rehabilitation Institute						
State revenue	—	—	—	80,000	80,000	Open
	<u>—</u>	<u>—</u>	<u>—</u>			
#E2015-006 Missouri Recycling Association						
State revenue	10,558	—	10,558	12,000	1,442	Open
Contributed services	3,022	—	3,022			
	<u>13,580</u>	<u>—</u>	<u>13,580</u>			

(continued)

**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, 2015					
	Year Ended December 31, 2015	Prior Year(s)	Cumulative Earned to Date	State Grant Received to Date	State Grant Balance	Grant Status
#E2015-007 Project Central						
State revenue	\$ 45,349	—	45,349	47,044	1,695	Open
Contributed services	14,488	—	14,488			
	<u>59,837</u>	<u>—</u>	<u>59,837</u>			
#E2015-008 Avenue of Life						
State revenue	121,435	—	121,435	163,524	42,089	Open
Contributed services	32,319	—	32,319			
	<u>153,754</u>	<u>—</u>	<u>153,754</u>			
#E2015-009 Truman Heritage Habitat for Humanity						
State revenue	40,673	—	40,673	49,434	8,761	Open
Contributed services	10,151	—	10,151			
	<u>50,824</u>	<u>—</u>	<u>50,824</u>			
#E2015-010 Bridging the Gap						
State revenue	79,740	—	79,740	79,740	—	Closed
Contributed services	19,934	—	19,934			
	<u>99,674</u>	<u>—</u>	<u>99,674</u>			
#E2015-011 Missouri Organic Recycling						
State revenue	3,653	—	3,653	4,000	347	Open
Contributed services	1,050	—	1,050			
	<u>4,703</u>	<u>—</u>	<u>4,703</u>			
#E2015-012 Southeast Enterprises						
State revenue	5,891	—	5,891	12,000	6,109	Open
Contributed services	3,000	—	3,000			
	<u>8,891</u>	<u>—</u>	<u>8,891</u>			
#E2015-013 City of Kearney						
State revenue	2,875	—	2,875	5,700	2,825	Open
Contributed services	1,232	—	1,232			
	<u>4,107</u>	<u>—</u>	<u>4,107</u>			
#E2015-014 Sleepyhead Beds						
State revenue	5,657	—	5,657	7,000	1,343	Open
Contributed services	1,414	—	1,414			
	<u>7,071</u>	<u>—</u>	<u>7,071</u>			
#E2015-015 Kansas City Design Center						
State revenue	5,474	—	5,474	30,000	24,526	Open
	<u>5,474</u>	<u>—</u>	<u>5,474</u>			
#E2015-016 Meridity Used Car & Recycling Center						
State revenue	18,394	—	18,394	19,916	1,522	Open
Contributed services	4,798	—	4,798			
	<u>23,192</u>	<u>—</u>	<u>23,192</u>			
Total FY 2015 #33670	\$ 896,263	—	896,263			

(continued)

**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, 2015

	Year Ended December 31, 2015	Prior Year(s)	Cumulative Earned to Date	State Grant Received to Date	State Grant Balance	Grant Status
Recap - state revenue	\$ 770,529	—	770,529	1,077,133	306,604	FY17
Recap - contributed services	91,408	—	91,408			
Recap - MARC matching funds	17,163	—	17,163			
Recap - operating transfers in	17,163	—	17,163			
Recap - Total FY 2015 #33670	\$ 896,263	—	896,263			
Grand Total - All State-Funded Programs						
Recap - state revenue	\$ 932,101	5,501,507	6,433,608			
Recap - contributed services	98,882	1,334,303	1,433,185			
Recap - MARC matching funds	17,163	73,920	91,083			
Recap - operating transfers in	17,163	—	17,163			
Recap - local grants	13	5,275	5,288			
Recap - charges for services	—	726	726			
Recap - Total - All State-Funded Programs	\$ 1,065,322	6,915,731	7,981,053			

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

Statement of Grants Receivable and Unearned Revenue - Special Revenue Fund

Year Ended December 31, 2015

	Cumulative Earned	Cumulative Received	Receivable or (Unearned Revenue)
FY 2010 - grant number 33620	\$ 873,928	873,928	—
FY 2011 - grant number 33630	758,780	760,135	(1,355)
FY 2012 - grant number 33640	703,379	707,210	(3,831)
FY 2013 - grant number 33650	734,585	744,112	(9,527)
FY 2014 - grant number 33660	785,959	884,189	(98,230)
FY 2015 - grant number 33670	<u>770,529</u>	<u>1,077,133</u>	<u>(306,604)</u>
Total - state of Missouri Funds	4,627,160	5,046,707	(419,547)
Household hazardous waste program	3,996,415	4,322,690	(326,275)
Job1One security agreement default	<u>—</u>	<u>902</u>	<u>(902)</u>
Grand total	<u>\$ 8,623,575</u>	<u>9,370,299</u>	<u>(746,724)</u>

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, 2015</u>	<u>Prior Year(s)</u>	<u>Cumulative to Date</u>
Revenues:				
State grant	\$ 873,928	2,406	871,522	873,928
MARC matching funds	14,397	—	14,397	14,397
Contributed services	283,665	—	260,066	260,066
Charges for services	125	—	125	125
	<u>1,172,115</u>	<u>2,406</u>	<u>1,146,110</u>	<u>1,148,516</u>
Expenditures:				
Solid waste management district grants	<u>1,172,115</u>	<u>2,406</u>	<u>1,146,110</u>	<u>1,148,516</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, 2015</u>	<u>Prior Year(s)</u>	<u>Cumulative to Date</u>
Revenues:				
State grant	\$ 760,135	3,047	755,733	758,780
Contributed services	104,279	—	109,767	109,767
	<u>864,414</u>	<u>3,047</u>	<u>865,500</u>	<u>868,547</u>
Total revenues	864,414	3,047	865,500	868,547
Expenditures:				
Solid waste management district grants	864,414	3,047	865,500	868,547
	<u>864,414</u>	<u>3,047</u>	<u>865,500</u>	<u>868,547</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 –
 2012 Grant Program
 MARC Grant No. 33640

Grant Period From January 1, 2012 to Completion

	<u>Budget</u>	<u>Year Ended December 31, 2015</u>	<u>Prior Year(s)</u>	<u>Cumulative to Date</u>
Revenues:				
State grant	\$ 707,210	29,151	674,228	703,379
Contributed services	150,643	—	151,061	151,061
	<u>857,853</u>	<u>29,151</u>	<u>825,289</u>	<u>854,440</u>
Total revenues	857,853	29,151	825,289	854,440
Expenditures:				
Solid waste management district grants	857,853	29,151	825,289	854,440
	<u>857,853</u>	<u>29,151</u>	<u>825,289</u>	<u>854,440</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 –
 2013 Grant Program
 MARC Grant No. 33650

Grant Period From January 1, 2013 to Completion

	<u>Budget</u>	<u>Year Ended December 31, 2015</u>	<u>Prior Year(s)</u>	<u>Cumulative to Date</u>
Revenues:				
State grant	\$ 744,112	54,470	680,115	734,585
Other grant	13	13	—	13
MARC matching funds	10,447	—	10,447	10,447
Contributed services	99,935	—	90,139	90,139
Total revenues	854,507	54,483	780,701	835,184
Expenditures:				
Solid waste management district grants	854,507	54,483	780,701	835,184
Revenues over expenditures	\$ —	—	—	—

MID-AMERICA REGIONAL COUNCIL

Schedule of Revenues and Expenditures
 Missouri Department of Natural Resources
 Mid-America Regional Council Solid Waste Management District –
 2014 Grant Program
 MARC Grant No. 33660

Grant Period From January 1, 2014 to Completion

	<u>Budget</u>	<u>Year Ended December 31, 2015</u>	<u>Prior Year(s)</u>	<u>Cumulative to Date</u>
Revenues:				
State grant	\$ 884,189	72,498	713,461	785,959
MARC matching funds	15,674	—	15,673	15,673
Contributed services	90,253	7,474	76,421	83,895
	<u>990,116</u>	<u>79,972</u>	<u>805,555</u>	<u>885,527</u>
Total revenues	990,116	79,972	805,555	885,527
Expenditures:				
Solid waste management district grants	<u>990,116</u>	<u>79,972</u>	<u>805,555</u>	<u>885,527</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 –
 2015 Grant Program
 MARC Grant No. 33670

Grant Period From January 1, 2015 to Completion

	<u>Budget</u>	<u>Year Ended December 31, 2015</u>	<u>Prior Year(s)</u>	<u>Cumulative to Date</u>
Revenues:				
State grant	\$ 1,077,133	770,529	—	770,529
Other grant	902	—	—	—
MARC matching funds	17,163	17,163	—	17,163
Contributed services	140,251	91,408	—	91,408
	<u>1,235,449</u>	<u>879,100</u>	<u>—</u>	<u>879,100</u>
Total revenues	1,235,449	879,100	—	879,100
Expenditures:				
Solid waste management district grants	1,235,449	896,263	—	896,263
	<u>—</u>	<u>(17,163)</u>	<u>—</u>	<u>(17,163)</u>
Revenues over expenditures	—	(17,163)	—	(17,163)
Other financing sources - transfers in	—	17,163	—	17,163
	<u>—</u>	<u>17,163</u>	<u>—</u>	<u>17,163</u>
Revenues and other financing sources over expenditures	\$ <u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

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 31999, 2015 Program

Grant Period: Open

	<u>Budget</u>	<u>Year Ended December 31, 2015</u>
Revenues:		
Local government grants	\$ 329,109	359,388
Expenditures:		
Household hazardous waste program	329,109	342,225
Revenues over expenditures	—	17,163
Other financing sources - transfers out	—	(17,163)
Revenues and other financing sources over expenditures	\$ —	—

LIST OF OFFICERS AND EXECUTIVE BOARD MEMBERS

(unaudited)

December 31, 2015

OFFICERS

Chris Bussen Chair	Michael Shaw Vice Chair	Lisa McDaniel Secretary/Treasurer
-----------------------	----------------------------	--------------------------------------

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	Gene Owen Western Commissioner	Vacant
Jackson County, Missouri	Matthew Willier Engineering Technician	Vacant
Platte County, Missouri	Daniel Erickson Planning Director	Greg Sager Public Works Director
Ray County, Missouri	Gary Wilhite Presiding Commissioner	Vacant
Kansas City, Missouri	Michael Shaw Solid Waste Manager/Assistant to the Public Works Director	Marlene Leonce Public Works
<i>Elected Member</i>	<i>Representative</i>	<i>Alternative Representative</i>
Belton, Missouri	Brad Foster Assistant City Administrator	Vacant
Independence, Missouri	Dan McGraw Citizen	Vacant
Lake Waukomis, Missouri	Ann Dwyer Sanders Citizen	John Douglas Mayor
Lee's Summit, Missouri	Chris Bussen Solid Waste Superintendent	Kara Taylor Environmental Coordinator
Blue Springs, Missouri	Matthew Wright Senior Planner	James Holley Community Development - Assistant Director
Kearney, Missouri	Marie Steiner Alderman	Vacant
Parkville, Missouri	Lauren Palmer City Administrator	Vacant
Sugar Creek, Missouri	Matt Mallinson Mayor	Sue Mikula Public Works
<i>Ex Officio</i>		
District Planner	Lisa McDaniel	



RubinBrown LLP
Certified Public Accountants
& Business Consultants

10975 Grandview Drive
Suite 600
Overland Park, KS 66210

T 913.491.4144
F 913.491.6821

W rubinbrown.com
E info@rubinbrown.com

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 as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Mid-America Regional Council Solid Waste Management 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 Mid-America Regional Council Solid Waste Management District as of December 31, 2015, 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.

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. Given these limitations, during our audit, we did not identify any deficiencies in internal control 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 or 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 22, 2016