



Missouri Department of dnr.mo.gov

NATURAL RESOURCES

Michael L. Parson, Governor

Carol S. Comer, Director

FEB 13 2020

Chris Bussen
Region E- Mid-America Regional Council SWMD
1971 SE Hamblen Rd
Lee's Summit, MO 64082

RE: Region E- Mid-America Regional Council Solid Waste Management District,
FY2018 Audit Desk Review

Dear Chris Bussen:

The Missouri Department of Natural Resources' Waste Management Program (WMP) has completed the desk review of the audited financial statements of Mid-America Regional Council Solid Waste Management District-Region E (District), conducted by Rubin Brown, LLP, of Kansas City, Missouri for the year ended December 30, 2018.

The purpose of this desk review was to determine whether the financial audit report met applicable standards and requirements. The audit was received within the required 180-day timeframe and there appears to be no significant deficiencies per our review.

Please refer to the enclosed Audit Submittal Checklist for your next audit to confirm the completeness of audit reports. This will allow you to work with the audit firm to ensure future audited financial statements are in compliance.

We appreciate your efforts in fulfilling the audit reporting requirements. If you have any questions or concerns please contact Lauren Cole at Missouri Department of Natural Resources, Waste Management Program, P.O. Box 176, Jefferson City, MO 65102, by phone at 573-526-3843 or by email at lauren.cole@dnr.mo.gov.

Sincerely,

WASTE MANAGEMENT PROGRAM

Richard A. Kempker, Chief
Operations Section

RAK/lc

Chris Bussen
Page 2

Enclosure

c: Lisa McDaniel, Mid-America Regional Council Solid Waste Management District

WASTE MANAGEMENT PROGRAM (WMP)
SOLID WASTE MANAGEMENT DISTRICT
AUDIT REPORT SUBMITTAL CHECKLIST
 (Section 260.325 Missouri Statutes)

The WMP developed this checklist to improve the quality and completeness of audit reports.

<input type="checkbox"/>	Independent Auditor's Report on the Financial Statements signed and dated by the auditor, in accordance with generally accepted government auditing standards (GAGAS).
<input type="checkbox"/>	Management Discussion and Analysis (MD&A).
<input type="checkbox"/>	Basic Financial Statements presented in accordance with GASB 34. Statements identifying, at a minimum, the following accounts: Assets: cash, investments, receivables, fixed assets. Liabilities: accounts payable, deferred grant revenue, deferred interest revenue. Net assets, Revenues: grant revenue, program income, interest revenue, other revenue. Minimum following statements: Statement of Net Assets, Statement of Activities, Fund Financial Statements.
<input type="checkbox"/>	Notes to the Basic Financial Statements.
<input type="checkbox"/>	Report on Schedule of Receipts and Expenditures of State Awards signed and dated by the auditor.
<input type="checkbox"/>	Schedule of Receipts and Expenditures of State Awards , listing each individual subgrant, including district operation, by project number and identifying for each, at a minimum, subgrant period; subgrantee name; award amount; prior period amount expended; current period amount expended; program income earned and expended, as applicable; interest income earned and expended, as applicable; award amount remaining available; program income amount remaining available; and, unobligated amount by source as identified by the Executive Board.
<input type="checkbox"/>	Notes to Schedule of Receipts and Expenditures of State Awards which describes significant accounting policies used in preparing the schedule.
<input type="checkbox"/>	Report on Internal Control over Financial Reporting and on Compliance and Other Matters signed and dated by the auditor, in accordance with GAGAS.
<input type="checkbox"/>	Schedule of Findings and Questioned Costs reporting all current findings, if applicable.
<input type="checkbox"/>	Corrective Action Plan including corrective action planned or reasons why corrective action is not required; anticipated completion date; and, the name of the district's contact person responsible for corrective action.
<input type="checkbox"/>	Summary Schedule of Prior Audit Findings and Questioned Costs reporting the status of finding identified in the prior year audit report, if applicable.

The documents listed below are due within 180 days of the District's fiscal year end.

<input type="checkbox"/>	One copy of the entire audit report issued by the CPA.
<input type="checkbox"/>	A copy of any management letter issued by the CPA in conjunction with the audit report, if applicable.
<input type="checkbox"/>	A copy of the district's comments on all findings, recommendations, and questioned costs contained in the audit report and management letter, if applicable.

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

**Annual Financial Report
For the year ended December 31, 2018**

**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 Finance & Administration, Mid-America Regional Council
Carol Gonzales, Director of Finance and Administration
Amanda Rehani, Accountant II

Office Address:

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

MID-AMERICA REGIONAL COUNCIL SOLID WASTE MANAGEMENT DISTRICT

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FINANCIAL SECTION



RubinBrown LLP
Certified Public Accountants
& Business Consultants

Independent Auditors' Report

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1200 Main Street
Suite 1000
Kansas City, MO 64105

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

T 816.472.1122

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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, 2018, 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, 2018, 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.

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 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 25, 2019, 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 25, 2019

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

Management's Discussion and Analysis

December 31, 2018

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, 2018. It should be read in conjunction with the District's basic financial statements.

Financial Highlights

- The total assets for the District were \$899,083. The liabilities of the District were \$798,447, which includes unearned revenue of \$410,797 from state of Missouri grants, \$337,859 for the household hazardous waste program and \$49,791 from two security interest defaults. 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 \$899,083. 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 2018, operating grant revenues increased by \$289,693 due to more grant applications being received and approved.

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, 2018

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 \$100,636 at December 31, 2018. The unrestricted net position of \$100,636 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, 2018

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 2017	Percent Increase (Decrease)
		2018	2017	
Assets				
Cash	\$	899,083	739,435	159,648
Total assets	\$	<u>899,083</u>	<u>739,435</u>	<u>159,648</u>
Liabilities				
Unearned revenue - state of Missouri	\$	410,797	428,020	(17,223)
Unearned revenue - Household Hazardous Waste program		337,859	203,660	134,199
Unearned revenue - Lee's Summit security interest default		13,885	13,885	—
Unearned revenue - Blue Springs security interest default		35,906	—	35,906
Total liabilities	\$	<u>798,447</u>	<u>645,565</u>	<u>152,882</u>
Net position				
Unrestricted	\$	<u>100,636</u>	<u>93,870</u>	<u>6,766</u>
Total net position	\$	<u>100,636</u>	<u>93,870</u>	<u>6,766</u>

As of December 31, 2017, there was \$428,020 in unearned revenue from the state of Missouri. Unearned revenue decreased by \$17,223 to \$410,797 as of December 31, 2018 due to an extended grant project which had higher expenditures of unearned revenues from grants awarded in prior years. Additionally, the unearned revenue for the Household Hazardous Waste program increased by \$134,199 in fiscal year 2018 due to a delayed invoice from a vendor that was paid in 2019. As a result of the activities noted above, the amount of cash increased by \$159,648.

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

Management's Discussion and Analysis

December 31, 2018

The following table reflects the condensed Statement of Activities for the years ended December 31, 2018 and 2017.

Mid-America Regional Council Solid Waste Management District Statement of Activities				
	<u>Governmental Activities</u>		Increase (Decrease)	Percent
	<u>2018</u>	<u>2017</u>	<u>From Fiscal Year 2017</u>	<u>Increase (Decrease)</u>
Program revenues:				
Charges for services	\$ 345,581	436,044	(90,463)	(21) %
Operating grants & contributions	1,243,074	953,381	289,693	30
General revenues:				
Investment earnings	<u>6,766</u>	<u>4,537</u>	<u>2,229</u>	49
Total revenues	<u>1,595,421</u>	<u>1,393,962</u>	<u>201,459</u>	14
Expenses:				
Program and subgrant expenditures	<u>1,588,655</u>	<u>1,389,425</u>	<u>199,230</u>	14
Total expenses	<u>1,588,655</u>	<u>1,389,425</u>	<u>199,230</u>	14
Change in net position	6,766	4,537	2,229	49
Net position - beginning	<u>93,870</u>	<u>89,333</u>	<u>4,537</u>	5
Net position - ending	<u>\$ 100,636</u>	<u>93,870</u>	<u>6,766</u>	7 %

The net position of the governmental activities increased in 2018 by \$6,766 compared to an increase of \$4,537 in 2017. Operating grant revenues are accrued as grant-allowable expenditures are incurred. In 2018, operating grants and contributions increased \$289,693 due to more grant applications being received and approved.

A comparison of the operating grants and contributions follows.

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

Management's Discussion and Analysis

December 31, 2018

	Total Grant Award	FY 2018	FY 2017	Increase/ (Decrease)
2018 grant award	\$ 1,046,623	748,877	—	748,877
2017 grant award	850,155	71,739	698,372	(626,633)
2016 grant award	974,411	211,601	50,005	161,596
2015 grant award	1,077,133	31,629	17,922	13,707
2014 grant award	884,189	—	30,582	(30,582)
2013 grant award	744,112	—	—	—
2012 grant award	707,210	—	3,831	(3,831)
2011 grant award	760,135	—	1,355	(1,355)
Subtotal	7,043,968	1,063,846	802,067	261,779
Local grants	—	—	—	—
MARC matching funds	—	—	3,296	(3,296)
Security default funds	902	—	902	(902)
Miscellaneous income	—	2,500	—	2,500
Contributed services	—	176,728	147,116	29,612
Total	\$ 7,044,870	1,243,074	953,381	289,693

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 2018 and 2017 follows.

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

	2018	2017	Increase (Decrease) From Fiscal Year 2017	Percent Increase (Decrease)
Revenues:				
Investment earnings	\$ 6,766	4,537	2,229	49 %
Expenditures:	—	—	—	—
Excess of revenues over expenditures	6,766	4,537	2,229	49
Fund balance - beginning	93,870	89,333	4,537	5
Fund balance - ending	\$ 100,636	93,870	6,766	7 %

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

Management's Discussion and Analysis

December 31, 2018

Investment earnings were slightly more in 2018 than in 2017 as a result of no expenditures in 2018. The fund balance increased by \$6,766.

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 2018 and 2017 follows.

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

	2018	2017	Increase (Decrease) From Fiscal Year 2017	Percent Increase (Decrease)
Revenues:				
Grant revenues	\$ 1,063,846	802,067	261,779	33 %
Security default revenue	—	902	(902)	(100)
Household Hazardous Waste program fees	345,581	436,044	(90,463)	(21)
MARC matching funds	—	3,296	(3,296)	(100)
Miscellaneous income	2,500	—	2,500	—
Contributed services	176,728	147,116	29,612	20
Total revenues	1,588,655	1,389,425	199,230	14
Expenditures:				
Contractual services - subrecipients	1,588,655	1,389,425	199,230	14
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.

Security default revenue is received when subgrantees have defaulted on security interest agreements and have returned a percentage of grant funds. In 2018, we received \$35,906, which will be expended in 2019.

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

Management's Discussion and Analysis

December 31, 2018

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, 2018 (open or closed) for each subgrant.

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 2017 and 2018 and carryover funds from 2015, 2016 and 2017 will be used to support the District's fiscal year 2019 budget.

For fiscal year 2019, the District budgeted funds of \$398,418 for subrecipients and another \$602,152 for the District's operations, outreach, planning and household hazardous waste program activities. A summary of projected revenues and expenditures for fiscal year 2019 is shown below.

Revenues:	
Grant revenues - new appropriation	\$ 920,241
Grant revenues - prior appropriation	80,329
MARC local funds	—
Household Hazardous Waste - program fees	—
Total revenues	<u>1,000,570</u>
Expenditures:	
Contractual services - subrecipients	398,418
District programs	
Operations	195,365
Outreach	234,864
Planning	41,213
HHW program	<u>130,710</u>
Total expenditures	<u>1,000,570</u>
Excess of revenues over expenditures	\$ <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 Finance and Administration, 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, 2018

	Governmental Activities
Assets	
Cash	\$ <u>899,083</u>
Total assets	\$ <u><u>899,083</u></u>
Liabilities	
Unearned revenue - state of Missouri	\$ 410,797
Unearned revenue - household hazardous waste program	337,859
Unearned revenue - Lee's Summit security interest default	13,885
Unearned revenue - Blue Springs security interest default	<u>35,906</u>
Total liabilities	\$ <u><u>798,447</u></u>
Net Position	
Unrestricted	\$ <u>100,636</u>
Total net position	\$ <u><u>100,636</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, 2018

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Revenue and Changes in Net Position</u>
				<u>Governmental Activities</u>
Governmental Activities:				
Program and subgrant expenditures	\$ <u>1,588,655</u>	<u>345,581</u>	<u>1,243,074</u>	—
	Investment earnings			6,766
				<u>6,766</u>
	Change in net position			6,766
	Total net position, beginning of year			<u>93,870</u>
	Total net position, end of year			<u>\$ <u>100,636</u></u>

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, 2018

Assets	General Fund	Special Revenue Fund	Total
Cash	\$ 100,636	798,447	899,083
 Liabilities and Fund Balances			
Liabilities:			
Unearned revenue - state of Missouri	—	410,797	410,797
Unearned revenue - household hazardous waste program	—	337,859	337,859
Unearned revenue - Lee's Summit security interest default	—	13,885	13,885
Unearned revenue - Blue Springs security interest default	—	35,906	35,906
Total liabilities	—	798,447	798,447
Fund balances:			
Unassigned	100,636	—	100,636
Total liabilities and fund balances	\$ 100,636	798,447	899,083

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, 2018

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
Revenues:			
Grant revenue	\$ —	1,063,846	1,063,846
Household hazardous waste program fees	—	345,581	345,581
Miscellaneous income	—	2,500	2,500
Contributed services	—	176,728	176,728
Investment income	6,766	—	6,766
	<u>6,766</u>	<u>—</u>	<u>6,766</u>
 Total revenues	 6,766	 1,588,655	 1,595,421
Expenditures:			
Contractual services - subrecipients	—	1,588,655	1,588,655
	<u>—</u>	<u>1,588,655</u>	<u>1,588,655</u>
 Excess of revenues over expenditures	 6,766	 —	 6,766
 Fund balance, beginning of year	 <u>93,870</u>	 <u>—</u>	 <u>93,870</u>
 Fund balance, end of year	 <u>\$ 100,636</u>	 <u>—</u>	 <u>100,636</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, 2018

(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

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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
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Notes to Basic Financial Statements

December 31, 2018

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, 2018.

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, 2018, 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
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Notes to Basic Financial Statements

December 31, 2018

- 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 2018 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 2019.

(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, 2018. 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 2015	—	23,852
FY 2016	—	9,155
FY 2017	—	80,044
FY 2018	—	297,746
Household hazardous waste program	—	337,859
Lee's Summit security interest default	—	13,885
Blue Springs security interest default	—	35,906
Total	\$ —	798,447

**MID-AMERICA REGIONAL COUNCIL
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Notes to Basic Financial Statements

December 31, 2018

(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, 2018 through June 30, 2019:

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	1,000
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, 2018 through January 1, 2019:

Coverage:	<u>Deductible</u>
General liability	\$ 1,000
Hired and non-owned vehicles	
Employment practices liability	1,000
Errors & omissions liability	1,000
Cyber and information breach	2,500

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, 2018

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, 2018

	Grant from FY 2015	Grant from FY 2016	Grant from FY 2017	Grant from FY 2018	Household Hazardous Waste (HHW) Program	Total
	#33670	#33680	#33690	#33700	#32100	
Revenues:						
Grant revenue	\$ 31,629	211,601	71,739	748,877	—	1,063,846
Security default revenue	—	—	—	—	—	—
Household hazardous waste program fees	—	—	—	—	345,581	345,581
MARC matching funds	—	—	—	—	—	—
Miscellaneous income	—	—	—	—	2,500	2,500
Contributed services	24,497	75,741	1,560	74,930	—	176,728
	<u>56,126</u>	<u>287,342</u>	<u>73,299</u>	<u>823,807</u>	<u>348,081</u>	<u>1,588,655</u>
Total revenues						
Expenditures:						
Contractual services - subrecipient's expenditures:						
Advertising	—	—	—	19,346	—	19,346
Contractual services	31,628	199,913	71,739	311,512	347,492	962,284
Contributed services	24,498	75,741	1,560	74,930	—	176,729
Indirect costs	—	—	—	89,981	—	89,981
Insurance	—	—	—	—	—	—
Meetings/travel/registration fees	—	—	—	5,908	—	5,908
Memberships/periodicals	—	—	—	1,198	—	1,198
Other	—	11,688	—	46	—	11,734
Postage	—	—	—	59	—	59
Rent/utilities/maintenance	—	—	—	12,475	—	12,475
Salaries and fringe benefits	—	—	—	297,950	—	297,950
Supplies/promotional materials/printing	—	—	—	10,991	—	10,991
Training	—	—	—	—	—	—
	<u>56,126</u>	<u>287,342</u>	<u>73,299</u>	<u>824,396</u>	<u>347,492</u>	<u>1,588,655</u>
Total expenditures						
Excess of revenues over expenditures	—	—	—	(589)	589	—
Other financing sources - transfers in (out)	<u>—</u>	<u>—</u>	<u>—</u>	<u>589</u>	<u>(589)</u>	<u>—</u>
Excess of revenues and other financing sources over expenditures	\$ <u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

**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, 2018					
	Year Ended December 31, 2018	Prior Year(s)	Cumulative Earned to Date	State Grant Received to Date	State Grant Balance	Grant Status
FY 2015 #33670						
#E2015-001 MARC SWMD PI District Operations						
State revenue	\$ —	171,408	171,408	171,408	—	Closed
MARC matching funds	—	8,915	8,915			
Operating transfers in	—	8,915	8,915			
	<u>—</u>	<u>189,238</u>	<u>189,238</u>			
#E2015-002 MARC SWMD PI Outreach						
State revenue	—	160,223	160,223	160,223	—	Closed
MARC matching funds	—	8,248	8,248			
Operating transfers in	—	8,248	8,248			
	<u>—</u>	<u>176,719</u>	<u>176,719</u>			
MARC SWMD FY20 Unallocated PI Carryover						
State revenue	—	—	—	7,375	7,375	FY20
	<u>—</u>	<u>—</u>	<u>—</u>			
#E2017-002 MARC SWMD FY17 Outreach						
State revenue	1,667	—	1,667	1,667	—	Closed
	<u>1,667</u>	<u>—</u>	<u>1,667</u>			
#E2015-005 The Rehabilitation Institute						
State revenue	29,873	33,650	63,523	80,000	16,477	Open
Contributed services	24,497	8,056	32,553			
	<u>54,370</u>	<u>41,706</u>	<u>96,076</u>			
#E2015-015 Kansas City Design Center						
State revenue	89	29,911	30,000	30,000	—	Closed
Contributed services	—	7,500	7,500			
	<u>89</u>	<u>37,411</u>	<u>37,500</u>			
FY 2015 Subgrants Closed in Prior Years						
State revenue	—	626,460	626,460	626,460	—	Closed
Security default revenue	—	902	902			
Contributed services	—	114,717	114,717			
	<u>—</u>	<u>742,079</u>	<u>742,079</u>			
Total FY 2015 #33670	\$ 56,126	1,187,153	1,243,279			
Recap - state revenue	\$ 31,629	1,021,652	1,053,281	<u>1,077,133</u>	<u>23,852</u>	FY18
Recap - security default revenue	—	902	902			
Recap - contributed services	24,497	130,273	154,770			
Recap - MARC matching funds	—	17,163	17,163			
Recap - operating transfers in	—	17,163	17,163			
Recap - Total FY 2015 #33670	\$ 56,126	1,187,153	1,243,279			

MID-AMERICA REGIONAL COUNCIL
SOLID WASTE MANAGEMENT DISTRICTSchedule of Subgrant Expenditures - Special Revenue Fund
Missouri Department of Natural Resources Grants

	Year Ended December 31, 2018					
	Year Ended December 31, 2018	Prior Year(s)	Cumulative Earned to Date	State Grant Received to Date	State Grant Balance	Grant Status
FY 2016 #33680						
#E2016-001 MARC SWMD PI District Operations						
State revenue	\$ —	168,427	168,427	168,427	—	Closed
MARC matching funds	—	8,700	8,700			
Operating transfers in	—	8,700	8,700			
	<u>—</u>	<u>185,827</u>	<u>185,827</u>			
#E2016-002 MARC SWMD PI Outreach						
State revenue	—	167,716	167,716	167,716	—	Closed
MARC matching funds	—	7,900	7,900			
Operating transfers in	—	7,900	7,900			
	<u>—</u>	<u>183,516</u>	<u>183,516</u>			
#E2016-003 SWMD Planning						
State revenue	—	32,450	32,450	32,450	—	Closed
MARC matching funds	—	1,184	1,184			
Operating transfers in	—	1,184	1,184			
	<u>—</u>	<u>34,818</u>	<u>34,818</u>			
#E2016-004 MARC SWMD HHW						
State revenue	—	46,516	46,516	46,516	—	Closed
MARC matching funds	—	1,747	1,747			
Operating transfers in	—	1,747	1,747			
	<u>—</u>	<u>50,010</u>	<u>50,010</u>			
#E2018-004 MARC SWMD HHW Disposal						
State revenue	11,688	—	11,688	11,688	—	Closed
	<u>11,688</u>	<u>—</u>	<u>11,688</u>			
MARC SWMD FY20 Unallocated PI Carryover						
State revenue	—	—	—	3,419	3,419	FY20
	<u>—</u>	<u>—</u>	<u>—</u>			
#E2016-006 Community Collection Optimization						
State revenue	5,000	—	5,000	5,000	—	Closed
Contributed services	—	—	—			
	<u>5,000</u>	<u>—</u>	<u>5,000</u>			
#E2016-007 Recycling & Composting in KC Area Schools						
State revenue	—	56,518	56,518	59,839	3,321	Open
Contributed services	—	43,013	43,013			
	<u>—</u>	<u>99,531</u>	<u>99,531</u>			
#E2016-008 Recycling Education Campaign						
State revenue	2,456	67,544	70,000	70,000	0	Closed
Contributed services	—	17,500	17,500			
	<u>2,456</u>	<u>85,044</u>	<u>87,500</u>			
#E2016-010 Expand Food Waste Composting						
State revenue	192,458	13,775	206,233	206,233	0	Closed
Contributed services	75,741	—	75,741			
	<u>268,199</u>	<u>13,775</u>	<u>281,974</u>			
#E2016-011 Business Recycling Solutions						
State revenue	—	47,585	47,585	50,000	2,415	Open
Contributed services	—	12,500	12,500			
	<u>—</u>	<u>60,085</u>	<u>60,085</u>			

**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, 2018					
	Year Ended December 31, 2018	Prior Year(s)	Cumulative Earned to Date	State Grant Received to Date	State Grant Balance	Grant Status
FY 2016 Subgrants Closed in Prior Years						
State revenue	\$ —	153,124	153,124	153,124	—	Closed
Contributed services	—	38,658	38,658			
	<u>—</u>	<u>191,782</u>	<u>191,782</u>			
Total FY 2016 #33680	<u>\$ 287,342</u>	<u>904,388</u>	<u>1,191,730</u>			
Recap - state revenue	\$ 211,601	753,655	965,256	<u>974,411</u>	<u>9,156</u>	FY18
Recap - contributed services	75,741	111,671	187,412			
Recap - operating transfers in	—	19,531	19,531			
Recap - MARC matching funds	—	19,531	19,531			
Recap - Total FY 2016 #33680	<u>\$ 287,342</u>	<u>904,388</u>	<u>1,191,730</u>			
FY 2017 #33690						
#E2017-001 MARC SWMD PI District Operations						
State revenue	\$ —	183,287	183,287	183,287	—	Closed
MARC matching funds	—	1,099	1,099			
Operating transfers in	—	7,705	7,705			
	<u>—</u>	<u>192,091</u>	<u>192,091</u>			
#E2017-002 MARC SWMD PI Outreach						
State revenue	—	176,134	176,134	176,134	—	Closed
MARC matching funds	—	1,346	1,346			
Operating transfers in	—	6,666	6,666			
	<u>—</u>	<u>184,146</u>	<u>184,146</u>			
#E2017-003 SWMD Planning						
State revenue	4,124	13,600	17,724	26,319	8,595	Open
MARC matching funds	—	423	423			
Operating transfers in	—	409	409			
	<u>4,124</u>	<u>14,432</u>	<u>18,556</u>			
#E2017-004 MARC SWMD HHW						
State revenue	—	48,782	48,782	48,782	—	Closed
MARC matching funds	—	428	428			
Operating transfers in	—	1,675	1,675			
	<u>—</u>	<u>50,885</u>	<u>50,885</u>			
MARC SWMD FY20 Unallocated PI Carryover						
State revenue	—	—	—	21,927	21,927	FY20
	<u>—</u>	<u>—</u>	<u>—</u>			
#E2017-005 Avenue of Life						
State revenue	13,263	46,165	59,428	59,428	—	Closed
Contributed services	—	20,051	20,051			
	<u>13,263</u>	<u>66,216</u>	<u>79,479</u>			
#E2017-006 Bridging the Gap						
State revenue	—	80,378	80,378	81,187	809	Open
Contributed services	—	20,715	20,715			
	<u>—</u>	<u>101,093</u>	<u>101,093</u>			
#E2017-007 Chiefs						
State revenue	21,981	—	21,981	21,981	—	Open
Contributed services	—	—	—			
	<u>21,981</u>	<u>—</u>	<u>21,981</u>			

MID-AMERICA REGIONAL COUNCIL
SOLID WASTE MANAGEMENT DISTRICTSchedule of Subgrant Expenditures - Special Revenue Fund
Missouri Department of Natural Resources Grants

	Year Ended December 31, 2018					
	Year Ended December 31, 2018	Prior Year(s)	Cumulative Earned to Date	State Grant Received to Date	State Grant Balance	Grant Status
#E2017-008 PT						
State revenue	\$ —	—	—	23,625	23,625	Open
Contributed services	—	—	—			
	<u>—</u>	<u>—</u>	<u>—</u>			
#E2017-009 Comp & Org Assoc						
State revenue	498	7,704	8,202	8,202	—	Closed
Contributed services	—	2,156	2,156			
	<u>498</u>	<u>9,860</u>	<u>10,358</u>			
#E2017-011 Independence Ave CID						
State revenue	—	17,373	17,373	17,500	127	Open
Contributed services	—	4,600	4,600			
	<u>—</u>	<u>21,973</u>	<u>21,973</u>			
#E2017-013 Project Central						
State revenue	30,949	62,197	93,146	107,268	14,122	Open
Contributed services	1,560	46,475	48,035			
	<u>32,509</u>	<u>108,672</u>	<u>141,181</u>			
#E2017-014 Scraps KC						
State revenue	—	10,877	10,877	10,881	4	Open
Contributed services	—	2,722	2,722			
	<u>—</u>	<u>13,599</u>	<u>13,599</u>			
#E2017-015 The Rehab Inst						
State revenue	924	—	924	11,759	10,835	Open
Contributed services	—	—	—			
	<u>924</u>	<u>—</u>	<u>924</u>			
FY 2017 Subgrants Closed in Prior Years						
State revenue	—	51,875	51,875	51,875	—	Closed
Contributed services	—	26,123	26,123			
	<u>—</u>	<u>77,998</u>	<u>77,998</u>			
Total FY 2017 #33690	\$ 73,299	840,965	914,264			
Recap - state revenue	\$ 71,739	698,372	770,111	850,155	80,044	FY18
Recap - contributed services	1,560	122,842	124,402			
Recap - MARC matching funds	—	3,296	3,296			
Recap - operating transfers in	—	16,455	16,455			
Recap - Total FY 2017 #33690	\$ 73,299	840,965	914,264			

MID-AMERICA REGIONAL COUNCIL
SOLID WASTE MANAGEMENT DISTRICTSchedule of Subgrant Expenditures - Special Revenue Fund
Missouri Department of Natural Resources Grants

	Year Ended December 31, 2018					
	Year Ended December 31, 2018	Prior Year(s)	Cumulative Earned to Date	State Grant Received to Date	State Grant Balance	Grant Status
FY 2018 #33700						
#E2018-001 MARC SWMD PI District Operations						
State revenue	\$ 178,946	—	178,946	185,021	6,075	Closed
MARC matching funds	566	—	566			
	<u>179,512</u>	<u>—</u>	<u>179,512</u>			
#E2018-002 MARC SWMD PI Outreach						
State revenue	213,183	—	213,183	225,241	12,058	Open
MARC matching funds	—	—	—			
	<u>213,183</u>	<u>—</u>	<u>213,183</u>			
#E2018-003 SWMD Planning						
State revenue	18,147	—	18,147	28,403	10,256	Open
MARC matching funds	23	—	23			
	<u>18,170</u>	<u>—</u>	<u>18,170</u>			
#E2018-004 MARC SWMD HHW						
State revenue	58,989	—	58,989	64,974	5,985	Open
MARC matching funds	—	—	—			
	<u>58,989</u>	<u>—</u>	<u>58,989</u>			
#E2018-005 Avenue of Life						
State revenue	32,500	—	32,500	32,500	—	Closed
Contributed services	9,937	—	9,937			
	<u>42,437</u>	<u>—</u>	<u>42,437</u>			
#E2018-006 Avila University						
State revenue	8,790	—	8,790	8,790	—	Closed
Contributed services	2,198	—	2,198			
	<u>10,988</u>	<u>—</u>	<u>10,988</u>			
#E2018-007 Bridging the Gap						
State revenue	83,982	—	83,982	84,674	692	Open
Contributed services	20,990	—	20,990			
	<u>104,972</u>	<u>—</u>	<u>104,972</u>			
#E2018-008 Franciscan Mission Warehouse						
State revenue	15,054	—	15,054	30,400	15,346	Open
Contributed services	3,763	—	3,763			
	<u>18,817</u>	<u>—</u>	<u>18,817</u>			
#E2018-009 Kansas City Zoo						
State revenue	21,774	—	21,774	24,991	3,217	Open
Contributed services	4,395	—	4,395			
	<u>26,169</u>	<u>—</u>	<u>26,169</u>			
#E2018-010 Meredith Used Cars						
State revenue	14,925	—	14,925	14,925	—	Closed
Contributed services	14,575	—	14,575			
	<u>29,500</u>	<u>—</u>	<u>29,500</u>			

MID-AMERICA REGIONAL COUNCIL
SOLID WASTE MANAGEMENT DISTRICTSchedule of Subgrant Expenditures - Special Revenue Fund
Missouri Department of Natural Resources Grants

	Year Ended December 31, 2018					
	Year Ended December 31, 2018	Prior Year(s)	Cumulative Earned to Date	State Grant Received to Date	State Grant Balance	Grant Status
#E2018-011 MORA						
State revenue	20,830	—	20,830	30,000	9,170	Open
Contributed services	7,500	—	7,500			
	<u>28,330</u>	<u>—</u>	<u>28,330</u>			
#E2018-012 Platte City						
State revenue	4,690	—	4,690	5,686	996	Open
Contributed services	1,172	—	1,172			
	<u>5,862</u>	<u>—</u>	<u>5,862</u>			
#E2018-013 Scraps KC						
State revenue	33,658	—	33,658	37,325	3,667	Open
Contributed services	6,407	—	6,407			
	<u>40,065</u>	<u>—</u>	<u>40,065</u>			
#E2018-014 Sleepyhead Beads						
State revenue	—	—	—	17,300	17,300	Open
Contributed services	3,443	—	3,443			
	<u>3,443</u>	<u>—</u>	<u>3,443</u>			
#E2018-015 Urban Lumber						
State revenue	43,409	—	43,409	51,070	7,661	Open
Contributed services	550	—	550			
	<u>43,959</u>	<u>—</u>	<u>43,959</u>			
#E2018-006 Ripple Glass						
State revenue	—	—	—	205,323	205,323	Open
Contributed services	—	—	—			
	<u>—</u>	<u>—</u>	<u>—</u>			
Total FY 2018 #33700	\$ 824,396	—	861,896			
Recap - state revenue	\$ 748,877	—	748,877	<u>1,046,623</u>	<u>297,746</u>	FY18
Recap - security default revenue	—	—	—			
Recap - contributed services	74,930	—	74,930			
Recap - MARC matching funds	589	—	589			
Recap - operating transfers in	—	—	—			
Recap - Total FY 2018 #33700	\$ 824,396	—	824,396			
Grand Total - All State-Funded Programs						
Recap - state revenue	\$ 1,063,846	2,473,679	3,537,525			
Recap - security default revenue	—	902	902			
Recap - contributed services	176,727	364,786	541,513			
Recap - MARC matching funds	589	39,990	40,579			
Recap - operating transfers in	—	53,149	53,149			
Recap - Total - All State-Funded Programs	\$ 1,241,163	2,932,506	4,173,669			

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

Schedule of Grants Receivable and Unearned Revenue - Special Revenue Fund

Year Ended December 31, 2018

	Cumulative Earned	Cumulative Received	Receivable or (Unearned Revenue)
FY 2015 - grant number 33670	1,053,281	1,077,133	(23,852)
FY 2016 - grant number 33680	965,256	974,411	(9,155)
FY 2017 - grant number 33690	770,111	850,155	(80,044)
FY 2018 - grant number 33700	748,877	1,046,623	(297,746)
Total - state of Missouri Funds	3,537,525	3,948,322	(410,797)
Household hazardous waste program	5,103,549	5,441,408	(337,859)
Lee's Summit security interest default	—	13,885	(13,885)
Job1One security agreement default	902	902	—
Blue Springs security agreement default	—	35,906	(35,906)
Grand total	\$ 8,641,976	9,440,423	(798,447)

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, 2018</u>	<u>Prior Year(s)</u>	<u>Cumulative to Date</u>
Revenues:				
State grant	\$ 1,077,133	31,629	1,021,652	1,053,281
Security default revenue	14,787	—	902	902
MARC matching funds	17,163	—	17,163	17,163
Contributed services	140,251	24,497	130,273	154,770
Total revenues	1,249,334	56,126	1,169,990	1,226,116
Expenditures:				
Solid waste management district grants	1,249,334	56,126	1,187,153	1,243,279
Revenues over expenditures	—	—	(17,163)	(17,163)
Other financing sources - transfers in	—	—	17,163	17,163
Revenues and other financing sources over expenditures	\$ —	—	—	—

MID-AMERICA REGIONAL COUNCIL

Schedule of Revenues and Expenditures
 Missouri Department of Natural Resources
 Mid-America Regional Council Solid Waste Management District –
 2016 Grant Program
 MARC Grant No. 33680

Grant Period From January 1, 2016 to Completion

	<u>Budget</u>	<u>Year Ended December 31, 2018</u>	<u>Prior Year(s)</u>	<u>Cumulative to Date</u>
Revenues:				
State grant	\$ 974,411	211,601	753,655	965,256
MARC matching funds	19,531	—	19,531	19,531
Contributed services	188,661	75,741	111,671	187,412
Total revenues	1,182,603	287,342	884,857	1,172,199
Expenditures:				
Solid waste management district grants	1,182,603	287,342	904,388	1,191,730
Revenues over expenditures	—	—	(19,531)	(19,531)
Other financing sources - transfers in	—	—	19,531	19,531
Revenues and other financing sources over expenditures	\$ —	—	—	—

MID-AMERICA REGIONAL COUNCIL

Schedule of Revenues and Expenditures
 Missouri Department of Natural Resources
 Mid-America Regional Council Solid Waste Management District –
 2017 Grant Program
 MARC Grant No. 33690

Grant Period From January 1, 2017 to Completion

	<u>Budget</u>	<u>Year Ended December 31, 2018</u>	<u>Prior Year(s)</u>	<u>Cumulative to Date</u>
Revenues:				
State grant	\$ 850,155	71,739	698,372	770,111
MARC matching funds	2,548	—	3,296	3,296
Contributed services	139,298	1,560	122,842	124,402
Total revenues	992,001	73,299	824,510	897,809
Expenditures:				
Solid waste management district grants	992,001	73,299	840,965	914,264
Revenues over expenditures	—	—	(16,455)	(16,455)
Other financing sources - transfers in	—	—	16,455	16,455
Revenues and other financing sources over expenditures	\$ —	—	—	—

MID-AMERICA REGIONAL COUNCIL

Schedule of Revenues and Expenditures
 Missouri Department of Natural Resources
 Mid-America Regional Council Solid Waste Management District –
 2018 Grant Program
 MARC Grant No. 33700

Grant Period From January 1, 2018 to Completion

	<u>Budget</u>	<u>Year Ended December 31, 2018</u>	<u>Prior Year(s)</u>	<u>Cumulative to Date</u>
Revenues:				
State grant	\$ 1,046,623	748,877	—	748,877
Security default revenue	35,906	—		
Contributed services	145,121	74,930	—	74,930
Total revenues	1,227,650	823,807	—	823,807
Expenditures:				
Solid waste management district grants	1,227,650	824,396	—	824,396
Revenues over expenditures	—	(589)	—	(589)
Other financing sources - transfers in	—	589	—	589
Revenues and other financing sources over expenditures	\$ —	—	—	—

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 32200, 2018 Program

Grant Period: Open

	<u>Budget</u>	<u>Year Ended December 31, 2018</u>
Revenues:		
Local government grants	\$ 344,992	345,581
Expenditures:		
Household hazardous waste program	344,992	344,992
Revenues over expenditures	—	589
Other financing sources - transfers out	—	(589)
Revenues and other financing sources over expenditures	\$ —	—

LIST OF OFFICERS AND EXECUTIVE BOARD MEMBERS
(unaudited)
December 31, 2018

OFFICERS

Chris Bussen Chair	Michael Shaw 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	Jimmy Odom Associate Commissioner	Monty Kisner Associate Commissioner
Clay County, Missouri	Gene Owen Western Commissioner	Brad Garrett Assistant County Administrator
Jackson County, Missouri	Matthew Willier Engineering Technician	Vacant
Platte County, Missouri	Daniel Erickson Planning Director	Vacant
Ray County, Missouri	Gary Wilhite Presiding Commissioner	Vacant
Kansas City, Missouri	Michael Shaw Solid Waste Manager	Forest Decker Neighborhoods
<i>Elected Member</i>	<i>Representative</i>	<i>Alternative Representative</i>
Raymore, Missouri	David Gress Associate Planner	Vacant
Independence, Missouri	Michael Jackson Water Pollution Control	Vacant
Lake Lotawana, Missouri	Leslee Rivarola City Manager	Chris Hawkins City Clerk
Lee's Summit, Missouri	Chris Bussen Solid Waste Superintendent	Vacant
Blue Springs, Missouri	Matthew Wright Senior Planner	Vacant
Kearney, Missouri	Marie Steiner Alderman	David Pavlich Community Development Director
Parkville, Missouri	Doug Wylie Alderman	Alysen Abel Public Works
Sugar Creek, Missouri	Michael Larson 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, 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, 2018, 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 25, 2019.

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.

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 25, 2019