

Mr. Wayne Kroeschen
Region F – West Central Missouri Solid Waste Management District
c/o Morgan County Courthouse
100 E Newton
Versailles, MO 65804

Dear Mr. Kroeschen:

The Solid Waste Management Program (SWMP) has completed a desk review of the financial audit report of West Central Missouri Solid Waste Management District – Region F prepared by Randall Fiene, of Concordia, Missouri for the year ended June 30, 2011. This letter serves to notify the district that your audit report is in compliance with the reporting requirements.

The district's audit report was filed within the approved timeframe and contained an unqualified opinion with no reported findings and no questioned costs. Our review disclosed that the audit report met applicable reporting standards and requirements with no instances of noncompliance requiring corrective action.

The purpose of our review was to determine whether the audit report met applicable auditing standards, accounting principles and financial assistance agreement requirements. We did not examine the related audit documentation including working papers to evaluate the adequacy of the audit work performed necessary to determine whether the auditor followed all applicable standards in the actual conduct of the audit, reported all instances of noncompliance or control deficiencies noted, or whether certain required financial disclosure were completely omitted from the audit report which is beyond the scope of our desk review.

Desk reviews are part of the SWMP's oversight of solid waste management district activities to ensure public moneys are fully accounted for, appropriately reported upon and promote fiscal accountability at the district level. We are committed to working cooperatively with you to ensure compliance with applicable standards and requirements and we are confident that you will establish procedures to fulfill the district's fiduciary responsibilities over these public moneys.

We appreciate your efforts in fulfilling the audit reporting requirements. If you have questions, please contact Ms. Brenda Ardrey at (573) 751-5401 or by mail at P.O. Box 176, Jefferson City, Missouri 65102.

Sincerely,

SOLID WASTE MANAGEMENT PROGRAM

Chris Nagel
Director

c: Ms. Ruth Anne Parrott, Planner, Region F – West Central Missouri SMWD

**REGION F WEST CENTRAL SOLID
WASTE MANAGEMENT DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2012**

RECEIVED BY

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SWMP OPERATIONS

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

INDEPENDENT AUDITOR'S REPORT.....	<u>Page</u> 1 - 2
MANAGEMENT'S DISCUSSION AND ANALYSIS.....	3-6
GOVERNMENT-WIDE FINANCIAL STATEMENTS	

<u>Exhibit</u>	<u>Description</u>	
A	Statement of Net Assets - Cash Basis, June 30, 2012.....	7
B	Statement of Activities - Cash Basis, For the Year Ended June 30, 2012.....	8

FUND FINANCIAL STATEMENTS

C	Statement of Cash Basis Assets and Fund Balances-Governmental Fund, June 30, 2012.....	9
D	Statement of Receipts, Disbursements, and Changes in Cash Basis Fund Balance-Governmental Fund, For the Year Ended June 30, 2012.....	10

NOTES TO THE FINANCIAL STATEMENTS	11-15
---	-------

REQUIRED SUPPLEMENTARY INFORMATION

<u>Schedule</u>	<u>Description</u>	
1	Schedule of Receipts, Disbursements, and Changes in Cash Basis Fund Balance, Budget to Actual-General Fund, For the Year Ended June 30, 2012.....	16

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION.....	17
--	----

<u>Schedule</u>	<u>Description</u>	
2	Schedule of Receipts and Disbursements of State Awards As of June 30, 2012.....	18

REPORT ON INTERNAL CONTROLS AND COMPLIANCE MATTERS

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARD</i>	19-20
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FOLLOW-UP TO PRIOR YEAR'S RECOMMENDATIONS.....	21
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RANDALL FIENE

Certified Public Accountant

Old Highway 40 East - P.O. Box 108

Concordia, Missouri 64020-0108

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

*Member of American Institute of
Certified Public Accountants*

*Member of Missouri Society of
Certified Public Accountants*

INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying financial statements of the governmental activities, and the major fund, of Region F West Central Solid Waste Management District, as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Region F West Central Solid Waste Management District's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, and each major fund of Region F West Central Solid Waste Management District, as of June 30, 2012, and for the year then ended in conformity with the basis of accounting described in Note I.

In accordance with *Government Auditing Standards*, I have also issued my report dated September 25, 2012 on my consideration of the District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and other matters and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

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

My audit was conducted for the purpose of forming opinions on the basic financial statements taken as a whole. The accompanying Schedule of Receipts and Disbursements of State Awards, listed as other supplementary information in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. The Schedule of Receipts and Disbursements of State Awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Randall Fiene

Randall C. Fiene, CPA
September 25, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

**REGION F WEST CENTRAL MISSOURI SOLID WASTE MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012**

Our discussion and analysis of the District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2012, within the limitations of the District's cash basis of accounting. Please read it in conjunction with the District's financial statements that begin on page 7.

FINANCIAL HIGHLIGHTS

- The Solid Waste District, in partnership with Missouri Department of Natural Resources and the local county and city governments was able to fund 14 new projects that help eliminate waste from our landfills.
- The funds used for administration and plan implementation for these grants were reduced by \$ 9,800.

USING THIS ANNUAL REPORT

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

Report Components

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

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

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

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

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

Basis of Accounting

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

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

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

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

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

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

Fund Financial Statements

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

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

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

The District’s Net Assets, resulting from cash transactions, decreased by \$161,257 between fiscal years 2011 and 2012.

Net Assets – Cash Basis

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash	\$ 203,338	364,595
TOTAL ASSETS	<u>203,338</u>	<u>364,595</u>
NET ASSETS		
Restricted for subgrantee projects	70,360	121,359
Unrestricted	132,978	243,236
TOTAL NET ASSETS \$	<u>203,338</u>	<u>364,595</u>

Changes in Net Assets – Cash Basis

For the years ended June 30, 2012, and 2011, net assets of the District changed as follows:

	<u>2012</u>	<u>2011</u>
RECEIPTS		
<u>Program Revenues</u>		
Operating grants and contributions	\$ 306,184	331,454
<u>General Revenues</u>		
Interest income	6,403	8,937
TOTAL RECEIPTS	<u>312,587</u>	<u>340,391</u>
DISBURSEMENTS		
Solid Waste Management	473,844	444,864
TOTAL DISBURSEMENTS	<u>473,844</u>	<u>444,864</u>
DECREASE IN NET ASSETS	\$ <u>(161,257)</u>	<u>(104,473)</u>

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

The District shows a decrease in Unrestricted Net Assets and these dollars were spent down by applying those funds to new sub-grantees for the FY2012 before additional funds were used by the District.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

The District has made every attempt to utilize carryover funds more effectively and timely. The amount of cash on hand has reduced. Interest income will and did decrease as a result; however accumulating interest income is NOT the District's Goal. We strive to fund worthwhile projects to reduce tonnage in the landfills.

FINANCIAL ANALYSIS OF GENERAL FUND BUDGET VERSUS ACTUAL

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
RECEIPTS			
Intergovernmental	\$ 466,364	474,361	306,184
Interest	0	0	6,403
TOTAL RECEIPTS	<u>\$ 466,364</u>	<u>474,361</u>	<u>312,587</u>
DISBURSEMENTS			
Administration	\$ 153,003	161,000	160,483
Distribution to subgrantees	313,361	313,361	313,361
TOTAL EXPENDITURES	<u>\$ 466,364</u>	<u>474,361</u>	<u>473,844</u>

The actual expensed funds are less than budgeted. The surplus is minor due to a focused effort to management day-to-day District operations. The districts is commitment to using these funds for worthwhile projects reducing waste in our landfill and educate both current and future generation to recycle.

DEBT ADMINISTRATION AND CAPITAL ASSETS

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

MDNR projects a 40% reduction in landfill fees over the next year. This past year MDNR Solid Waste Division collected from the landfills approximately \$10.1 million dollars. This year that collection is expected to be \$6 million. Of that \$6 million; \$1 million was marked for Economic Development leaving \$5 million. Of that \$5 million 39% goes to MDNR to administer Solid Waste programs; 61% to the Solid Waste Districts-\$3,050,000 compared to \$5,551,000 this past year. This reduction reinforces the District's practice to require sub-grantees to provide a cash match of 15% in order to maximize funds.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

EXHIBIT A
REGION F WEST CENTRAL SOLID WASTE MANAGEMENT DISTRICT
STATEMENT OF NET ASSETS - CASH BASIS
JUNE 30, 2012

ASSETS

Cash	\$	<u>203,338</u>
TOTAL ASSETS		<u>203,338</u> ✓

NET ASSETS

Restricted for subgrantee projects	70,360
Unrestricted	<u>132,978</u>
TOTAL NET ASSETS	<u>\$ 203,338</u> ✓

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

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EXHIBIT B
REGION F WEST CENTRAL SOLID WASTE MANAGEMENT DISTRICT
STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2012

Functions/Programs	Cash Disbursements	Program Cash Receipts Operating Grants and Contributions	Net (Disbursements) Receipts and Changes in Net Assets
Primary Government:			
Governmental activities:			
Solid Waste Management	\$ (473,844)	306,184	(167,660) ✓
Net program (disbursements) receipts	\$ (473,844) ✓	306,184 ✓	(167,660) ✓
General receipts:			
Interest			6,403
Total general receipts			6,403
Decrease in net assets			(161,257)
Net assets - beginning of year			364,595
Net assets - end of year			\$ 203,338 ✓

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

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FUND FINANCIAL STATEMENTS

EXHIBIT C
REGION F WEST CENTRAL SOLID WASTE MANAGEMENT DISTRICT
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCE- GOVERNMENTAL FUND
JUNE 30, 2012

	<u>General Fund</u>
ASSETS	
Cash	\$ 203,338
TOTAL ASSETS	<u>\$ 203,338</u> ✓
 FUND BALANCE	
Restricted	\$ 70,360
Assigned	132,978
TOTAL FUND BALANCE	<u>\$ 203,338</u> ✓

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

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EXHIBIT D
REGION F WEST CENTRAL SOLID WASTE MANAGEMENT DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCE-
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	<u>General Fund</u>
RECEIPTS	
Intergovernmental	\$ 306,184
Interest	6,403
TOTAL RECEIPTS	312,587
DISBURSEMENTS	
Administration	160,483
Distributions to subgrantees	313,361
TOTAL DISBURSEMENTS	473,844
Excess (deficiency) of receipts over disbursements	(161,257)
Fund balance at beginning of year	364,595
Fund balance at end of year	\$ 203,338

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

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NOTES TO THE FINANCIAL STATEMENTS

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

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

The District was officially recognized by the Missouri Department of Natural Resources in 1991. The District includes the counties of Johnson, Lafayette, Pettis, Morgan, and Saline and their participating cities with a population of 500 or more citizens. Participation in the District is voluntary and is formally established through a resolution of adoption filed with the District office by the member governments. The purpose of the District is to promote cooperation in solving solid waste management problems and to promote resource recovery and recycling. The District's responsibilities include planning requirements as established by the Solid Waste Management Program, and the administration of grant funds made available to the District from the Solid Waste Management Fund in accordance with Section 260.335.2 RSMo.

B. Basis of Presentation

GOVERNMENT – WIDE FINANCIAL STATEMENTS

The Statement of Net Assets—Cash Basis and Statement of Activities—Cash Basis display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-

type activities are financed in whole or in part by fees charged to external parties for goods or services. Since the District has no enterprise or internal service funds, the government-wide financial statements do not reflect business-type activities.

FUND FINANCIAL STATEMENTS

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

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

GOVERNMENTAL FUND

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

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

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

C. Basis of Accounting

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

D. Capital Assets

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

E. Statement of Activities-Cash Basis

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

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

F. Equity Classification

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

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

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

G. Cash

The District's cash includes demand deposits.

II. Deposits

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

Custodial Credit Risk-Deposits: Custodial credit risk for deposits is the risk that, in the event of a depository financial institution failure, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. Section 110.010 and 110.020, RSMo, requires that all deposits in excess of the Federal Deposit Insurance Corporation be insured by securities pledged as collateral. Of the District's deposits of \$203,338 at June 30, 2012, \$203,338 was insured by the Federal Deposit Insurance Corporation.

III. Claims and Judgments

The District receives substantial funding from the Missouri Department of Natural Resources. Disbursements financed by this funding are subject to audit by this state agency. If disbursements are disallowed due to noncompliance with state regulations, the District may be required to reimburse the Missouri Department of Natural Resources. As of June 30, 2012 disbursements have not been audited by the State, but the District believes that disallowed disbursements, if any, based on subsequent audits will not have a material effect on the overall financial position of the District.

IV. Risk Management

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

V. Contractual Relationship

The Pioneer Trails Regional Planning Commission has contracted with Region F West Central Missouri Solid Waste Management District to provide administrative and planning services. As of June 30, 2012, the Commission was reimbursed \$160,483 for various expenditures related to these services.

VI. Fund Balance Reporting

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

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

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

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

- Restricted for State Categorical Projects:

Missouri Statutes require that certain revenues be specifically designed for the purpose of providing funds for specific projects as approved by the Missouri Department of Natural Resources. These funds totaling \$70,360 have been included in restricted category of fund balance.

- Assigned for Program Administration:

Certain revenues are specifically designed for the purpose of providing funds to administer the solid waste program as a whole provided by the Missouri Department of Natural Resources. These funds totaling \$132,978 have been included in the assigned category of fund balance.

VII. Schedule of Receipts and Disbursements of State Awards

Purpose and Basis of Presentation

The Schedule of Receipts and Disbursements of State Awards has been prepared to comply with Missouri Department of Natural Resource requirements. Statutory provisions require that this schedule show information regarding subgrant activity administered by Region F West Central Solid Waste Management District during the fiscal year ended June 30, 2012.

Basis of Accounting

The schedule is presented on the cash basis of accounting.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 1
REGION F WEST CENTRAL SOLID WASTE MANAGEMENT DISTRICT
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN CASH BASIS FUND BALANCE - GENERAL FUND - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 466,364	474,361	306,184	(168,177) ✓
Interest	0	0	6,403	6,403 ✓
TOTAL RECEIPTS	<u>466,364</u>	<u>474,361</u>	<u>312,587</u>	<u>(161,774)</u> ✓
DISBURSEMENTS				
Administration	153,003	161,000	160,483	517 ✓
Distributions to subgrantees	313,361	313,361	313,361	0 ✓
TOTAL DISBURSEMENTS	<u>466,364</u>	<u>474,361</u>	<u>473,844</u>	<u>517</u> ✓
Excess (deficiency) of receipts over disbursements	<u>0</u>	<u>0</u>	<u>(161,257)</u>	<u>(161,257)</u> ✓
Fund balance at beginning of year	364,595	364,595	364,595	0 ✓
Fund balance at end of year	<u>\$ 364,595</u>	<u>364,595</u>	<u>203,338</u>	<u>(161,257)</u> ✓

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

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NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

I. Budgets and Budgetary Practices

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

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

OTHER SUPPLEMENTARY INFORMATION

SCHEDULE 2
REGION F WEST CENTRAL MISSOURI SOLID WASTE MANAGEMENT DISTRICT
SCHEDULE OF RECEIPTS AND DISBURSEMENTS OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

Subbrant No.	Purpose	Beginning Date (FAA)	Closing Date	Current Year Awards Obligated	Awards Obligated in Prior Years	Fiscal Year Ended June 30, 2012 Disbursements	Prior Years Disbursements	Unspent Funds Obligated to Projects	Cash Balance Unobligated	Cash Balance
2009-16	City of Sedalia- Biosolids Compost Mixer	10/13/2009	7/26/2011	\$ 0	75,000	11,250	63,750	0	0	\$ 0
2009-17	City of Sedalia- Biosolids Compost Screener	10/13/2009	7/26/2011	0	86,151	12,923	73,229	0	0	0
2011-04	Lafayette County HHW and E-Waste Collection	8/20/2010	1/24/2012	0	33,380	28,439	0	0	4,941	4,941
2011-05	Sedalia & Pettis County HHW	8/20/2010	1/24/2012	0	30,000	24,406	0	0	5,594	5,594
2011-08	Dover Park Recycled Tables and Benches	8/20/2010	1/24/2012	0	2,880	432	2,448	0	0	0
2011-10	Marlin Comm Center/Aviation Museum	8/20/2010	1/24/2012	0	15,159	2,178	12,342	0	639	639
2011-12	Higginsville Parks & Rec Play System	8/20/2010	7/26/2011	0	35,432	5,315	30,117	0	0	0
2011-13	Playing Green at Horace Mann	8/20/2010	1/24/2012	0	25,243	25,243	0	0	0	0
2012-01	PTRPC District Operations Grant	7/1/2011	6/30/2012	140,000	0	139,997	0	0	3	3
2012-02	PTRPC District Education Grant	7/1/2011	6/30/2012	21,000	0	20,486	0	0	514	514
2012-03	Pettis County HHW Collection	8/16/2011	5/22/2012	30,000	0	18,941	0	0	11,059	11,059
2012-04	Lafayette County HHW & E-Waste Collection	8/16/2011	5/22/2012	25,049	0	25,636	0	0	(587)	(587)
2012-05	Morgan County HHW Collection	8/16/2011	1/24/2012	14,470	0	14,470	0	0	0	0
2012-06	Marshall HHW Cleanup Day	8/16/2011	1/24/2012	10,464	0	10,464	0	0	0	0
2012-07	Johnson County HHW Collection	8/16/2011	1/24/2012	20,000	0	19,938	0	0	62	62
2012-08	Warrensburg Comprehensive Recycling Program	8/29/2011	2/1/2013	27,257	0	0	0	27,257	0	27,257
2012-09	The Recycle Center Roll-Off Containers	8/16/2011	12/1/2012	25,500	0	21,675	0	3,825	0	3,825
2012-10	Johnson County Sheltered Workshop Paper Shredder	8/16/2011	12/1/2012	19,361	0	16,112	0	3,249	0	3,249
2012-11	Marshall Recycling Facility Skid Steer	8/16/2011	12/1/2012	20,000	0	17,000	0	3,000	0	3,000
2012-12	Slater Bleachers Seat Replacement	8/16/2011	1/24/2012	12,422	0	12,422	0	0	0	0
2012-13	Going Green Begins on the Playground- St Paul Lutheran	8/19/2011	5/22/2012	18,751	0	18,751	0	0	0	0
2012-14	Johnson County Sheltered Workshop Bulk Cont	8/16/2011	12/1/2012	3,671	0	3,120	0	551	0	551
2012-15	Pettis County Rubber Mulch Project	8/16/2011	5/22/2012	2,177	0	1,851	0	0	326	326
2012-16	Higginsville Senior & Comm Center Floor & Upgrade	8/16/2011	5/22/2012	17,693	0	17,693	0	0	0	0
2012-17	Lafayette County Enterprises Waste Reduction	8/16/2011	12/1/2012	14,630	0	5,102	0	9,528	0	9,528
2012-18	Pettis County Waste to Product Feasibility	8/16/2011	12/1/2012	22,950	0	0	0	22,950	0	22,950
Total				445,395	303,245	473,844	181,886	70,360	22,551	92,911
Unobligated Cash Balance at July 1, 2011									243,236	243,236
Unobligated Cash Committed to Projects during the fiscal year ended June 30, 2012									(139,211)	(139,211)
Interest Earned FY 2012									6,403	6,403
Total Unobligated Cash June 30, 2012									<u>132,978</u>	<u>132,978</u>
Total Cash Balance June 30, 2012									\$	<u>203,338</u>
Recap of Reconciled Cash Balances at June 30, 2012:										
First Community Operating Fund									\$	3,360
First Community Transfer Fund										<u>199,978</u>
Total District Cash Fund Balance									\$	<u>203,338</u>

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REPORT ON INTERNAL CONTROLS AND COMPLIANCE MATTERS

RANDALL FIENE

Certified Public Accountant

Old Highway 40 East - P.O. Box 108

Concordia, Missouri 64020-0108

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

*Member of American Institute of
Certified Public Accountants*

*Member of Missouri Society of
Certified Public Accountants*

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

I have audited the financial statements of the governmental activities, and each major fund of Region F West Central Solid Waste Management District as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements and have issued my report thereon dated September 25, 2012. In my report, I noted the District prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Region F West Central Solid Waste Management District's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Compliance and Other Matters

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

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

Randall Fiene

Randall C. Fiene, CPA
September 25, 2012

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

This section reports follow-up action taken by Region F West Central Missouri Solid Waste Management District, on recommendations made in the prior report issued for the fiscal year ended June 30, 2011. In my report dated March 27, 2012, no significant deficiencies were reported. Therefore, no recommendations were communicated to management.

