



Missouri Department of dnr.mo.gov

NATURAL RESOURCES

Michael L. Parson, Governor

Carol S. Comer, Director

DEC 3 1 2018

Mr. Jim Marcum
Region F – West Central Solid Waste Management District
802 S. Gordon
Concordia, Mo 64020

RE: Region F – West Central Solid Waste Management District, FY2017 and FY2018 Audit Desk Review

Dear Mr. Marcum:

The Missouri Department of Natural Resources' Solid Waste Management Program (SWMP) has completed the desk review of the audited financial statements of West Central Solid Waste Management District–Region F (District), conducted by Randall Fiene, CPA, of Concordia, Missouri for the year ended June 30, 2017 and 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 Ms. Debbie Ickes at Missouri Department of Natural Resources, Solid Waste Management Program, P.O. Box 176, Jefferson City, MO 65102, by phone at (573) 526-3937 or by email at debbie.ickes@dnr.mo.gov.

Sincerely,

SOLID WASTE MANAGEMENT PROGRAM

Richard A. Kempker, Chief
Operations Section

RAK/dil

Enclosure

c: Mr. Derrick Standley, Region F – West Central Solid Waste Management District

SOLID WASTE MANAGEMENT PROGRAM (SWMP)

SOLID WASTE MANAGEMENT DISTRICT AUDIT REPORT SUBMITTAL CHECKLIST

(Section 260.325 Missouri Statutes)

The SWMP 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.

One copy of the entire audit report issued by the CPA.

A copy of any management letter issued by the CPA in conjunction with the audit report, if applicable.

A copy of the district's comments on all findings, recommendations, and questioned costs contained in the audit report and management letter, if applicable.

**REGION F WEST CENTRAL SOLID
WASTE MANAGEMENT DISTRICT
ANNUAL FINANCIAL REPORT
YEARS ENDED JUNE 30, 2018 AND 2017**

**REGION F WEST CENTRAL SOLID WASTE DISTRICT
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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

Report on the Financial Statements

I have audited the accompanying cash-basis financial statements of the governmental activities and the major fund of Region F West Central Solid Waste Management District, as of and for the years ended June 30, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note I; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audits. I conducted my audits 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 from 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 auditor's 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the cash-basis financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities and the major fund, of Region F West Central Solid Waste Management District, as of June 30, 2018, and 2017 and the respective changes in cash basis financial position thereof for the years then ended in conformity with the basis of accounting described in Note I.

Basis of Accounting

I draw attention to Note I of the financial statements that describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. My opinions are not modified with respect to this matter.

Other Matters

Report on Supplementary and Other Information

My audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the District's basic financial statements. The Management's Discussion and Analysis, the budgetary comparison information, and the Status of Subgrantee Awards and Administrative Disbursements Schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Management's Discussion and Analysis, the budgetary comparison information, and the Status of Subgrantee Awards and Administrative Disbursements Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting records used to prepare the District's basic financial statements.

The Status of Subgrantee Awards and Administrative Disbursements Schedules have 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 Status of Subgrantee Awards and Administrative Disbursements Schedules are fairly stated in all material respects in relation to the financial statements as a whole.

The Management's Discussion and Analysis and the budgetary comparison information have not been subjected to the auditing procedures applied in the audit of the basic financial statements. I have applied limited procedures, which consisted primarily of inquiries of management regarding the method of measurement and presentation of these schedules. However, I did not audit this information and express no opinion on these schedules.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated October 17, 2018 on my consideration of Region F West Central Solid Waste Management 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 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 considering Region F West Central Solid Waste Management District's internal control over financial reporting and compliance.



Randall C. Fiene, CPA
Concordia, Missouri
October 17, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

**REGION F WEST CENTRAL MISSOURI SOLID WASTE MANAGEMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
TWO FISCAL YEARS ENDED JUNE 30, 2018**

Our discussion and analysis of the District's financial performance provides an overview of the District's financial activities for the two fiscal years ended June 30, 2018, 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 9.

EXECUTIVE OVERVIEW

Region F West Central Missouri Solid Waste Management District (Region F) is one of twenty solid waste management districts formed under Chapter 260.300-345 RSMo. The solid waste management districts created and organized under this authority became bodies corporate and politic of the state. Region F works within an area encompassing the five (5) counties of Johnson, Lafayette, Morgan, Pettis and Saline and works with the other units of local government, businesses and individuals within those counties to improve overall solid waste management available to residents of the area.

Region F works within the statutory framework provided in Chapter 260 to develop and implement programs within our area to reduce, reuse, compost or recycle materials that would otherwise ultimately be landfilled and to review and provide comment on proposed permits and planned operations of businesses in the solid waste management industry within our service area.

In recent years, the district has focused on building municipal and other local programs that collect and aggregate materials for transport to distant markets or for use in building local markets for recycled molded products, such as signs, fencing, picnic tables, benches, playground equipment and floor tiles that use a relatively small amount of recycled material and that for the most part were not generated within the district and not produced as a final product in the district. With changes imminent in the availability of foreign markets for collected recyclable materials, the Executive Board during Fiscal Year 2018 began reviewing and implementing changes to both administrative operations and the grant award process used by the district in order to better serve our five county area.

In the last quarter of Fiscal Year 2018, the Executive Board selected a new administrative contractor for the coming period (FY 2019) resulting in an overall reduction in the cost of administration of the district and providing the flow of more funds to grants to businesses and communities within the district. During Fiscal Year 2018, the Executive Board began work to revise the grant award process with a focus on business development and job creation in the local recycling sector by providing processed recyclables ready for use by manufacturing businesses within their existing production process and targeting grant funds towards assistance to manufacturing businesses allowing them to modify their production processes to allow for the introduction of processed recyclable materials into their production processes. Further, the Executive Board determined a need to step back from the educational methods used for several years by the district and to review new methods of delivering education that would better meet the needs of the local communities and school districts. Plans are to continue this strategic review of the district's operations and continue implementing programs to better address needs within our service area.

FINANCIAL HIGHLIGHTS

- Region F, in partnership with the Missouri Department of Natural Resources, funded nine (9) new grant projects to help reduce materials that could be recycled from entering our landfills and funded administrative and education services.
- The funds awarded for administration and education for Fiscal Year 2017 were \$86,000 (29% of awarded funds) for administration and \$37,000 (13% of awarded funds) for education and for Fiscal Year 2018 were \$85,000 (24% of awarded funds) for administration and \$37,000 (10% of awarded funds) for education. The funds

awarded for other projects for Fiscal Year 2017 were \$172,908.30 (58% of awarded funds) and for Fiscal Year 2018 were \$242,599.80 (66% of awarded funds).

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 Position–Cash Basis (on page 9) and the Statement of Activities–Cash Basis (on page 10) 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 12) 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.

Other Financial Information: This part of the annual report (starting on page 18) includes optional financial information, which includes the Status of Subgrantee Awards and Administrative Disbursements Schedule 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 Position and the Statement of Activities

The government-wide financial statements are presented beginning on page 9. 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 Position 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 position and changes in them. Over time, increases and decreases in the District's net position 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 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.

Fund Financial Statements

The fund financial statements begin on page 12 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 position, resulting from cash transactions, are shown as follows:

Net Position – Cash Basis

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash	\$ 260,647	201,942
TOTAL ASSETS	<u>260,647</u>	<u>201,942</u>
NET POSITION		
Restricted for subgrantee projects	166,905	112,542
Unrestricted	93,742	89,400
TOTAL NET POSITION \$	<u>260,647</u>	<u>201,942</u>

Changes in Net Position – Cash Basis

For the years ended June 30, 2018, and 2017, net position of the District changed as follows:

	<u>2018</u>	<u>2017</u>
RECEIPTS		
<u>Program Revenues</u>		
Operating grants and contributions	\$ 364,600	274,998
<u>General Revenues</u>		
Interest income	4,286	1,273
Miscellaneous	4,167	4,085
TOTAL RECEIPTS	<u>373,053</u>	<u>280,356</u>
DISBURSEMENTS		
Solid Waste Management	314,348	281,086
TOTAL DISBURSEMENTS	<u>314,348</u>	<u>281,086</u>
INCREASE (DECREASE) IN NET POSITION	\$ <u>58,705</u>	<u>(730)</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 Net Position. 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.

Region F is wholly funded by the allocation of solid waste tonnage fees received from the Missouri Department of Natural Resources. A portion of those tonnage fees are then allocated by the Missouri Department of Natural Resources to each of the twenty solid waste management districts based upon a formula found in 260.335 RSMo. District grant funds are made available to the districts by the Missouri Department of Natural Resources on a quarterly basis. These allocations provide the basis for Region F requesting administrative and plan implementation funds (i.e., education and household hazardous waste grants) up to 50% of the funds allocated and for announcing calls for grant applications from the public, at least 50% of the funds allocated to the district. Upon grant award, which involves review and approval of grant applications by the Executive Board using criteria established by the Missouri Department of Natural Resources and subsequent review and approval by the Missouri Department of Natural Resources, those funds allocated to Region F are then transferred to the district for reimbursement to the grant recipients as projects are implemented and costs are incurred.

Program revenues fluctuate from year-to-year based upon the disposal of solid waste in Missouri landfills or transport of solid waste through Missouri transfer stations for out-of-state disposal. Program revenues significantly declined in 2009, some recovery occurred from 2010 through 2012 when another slight decline in tonnage fee revenue was experienced. Since 2012, a slow steady increase in tonnage fee collection and allocation was experienced. At approximately the mid-point of Fiscal Year 2018 due to the loss of foreign markets for commingled recyclables, a significant increase in material entering landfills has resulted in program revenues increasing more than previously anticipated. Further, program revenue are now expected to remain higher than anticipated throughout Fiscal Year 2019. As a result of the increased allocations made available to Region F, a second grant call will occur in 2019 to ensure funds are timely provided to find alternative solutions to address recyclable materials in the area served.

FINANCIAL ANALYSIS

The District ended the year June 30, 2017 with cash on hand of \$201,942 of which \$112,542 were restricted for subgrantee projects and \$89,400 was unrestricted and available for future grant obligation. The District ended the year June 30, 2018 with cash on hand of \$260,647 of which \$166,905 was restricted for subgrantee projects and \$93,742 was unrestricted and available for future grant obligation. The amount of unrestricted funds increased slightly from \$89,400 at Fiscal Year-End 2017 to \$93,742 at the close of Fiscal Year 2018 (\$4,342); however, the allocation from the Missouri Department of Natural Resources for the same period grew (\$8,311). The District has no long term debt.

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 annually reviews its cash position and policies/procedures related to grant funds received. The District utilizes carryover funds timely by obligating them each year during the next grant call following audit acceptance to increase the number or size of projects available to the area served is maximized.

FINANCIAL ANALYSIS OF GENERAL FUND BUDGET VERSUS ACTUAL (FYE JUNE 30, 2018)

	Original Budget	Final Budget	Actual
RECEIPTS			
Intergovernmental	\$ 364,600	364,600	364,600
Interest	0	0	4,286
Miscellaneous	0	0	4,167
TOTAL RECEIPTS	<u>\$ 364,600</u>	<u>364,600</u>	<u>373,053</u>
DISBURSEMENTS			
Administration	\$ 95,527	95,527	104,960
Distribution to subgrantees	218,787	218,787	209,388
TOTAL DISBURSEMENTS	<u>\$ 314,314</u>	<u>314,314</u>	<u>314,348</u>

Region F approves grants for an 18 month period to allow for reporting of landfill diversion for a full 12 month period after project implementation to meet the requirements of the Missouri Department of Natural Resources. Further, the district is required to retain 15% of the grant award until reporting is complete for the grant as which time the retained funds are released to the subgrant recipient. At the end of Fiscal Year 2018, Region F had 17 open grants with between \$14.89 and \$25,500 remaining available for reimbursement of the projects.

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. (Note: Region F does maintain asset records based upon the terms and conditions of its' grant agreement with the Missouri Department of Natural Resources.)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Grant funds available to Region F continue to be stable to increasing as compared to previous fiscal years. As noted above, the loss of foreign markets for commingled recyclables has resulted in increased landfill disposal and an associated increase in funds being provided to districts under the formula allocation used by the Missouri Department of Natural Resources. These market conditions has the District's Executive Board re-evaluating past practices to address concerns related to the collection of recyclables without a known end use. Increased landfill disposal will increase allocations to Region F and Region F is focused on creation of business to use the recyclable materials within the district's catchment area.

State funds are accessible when the District formally requests the funds and submits budget plans (i.e., grant applications and other related forms/documents). Generally, the District conducts a sub-grant solicitation process for waste reduction, reuse, and recycling projects each spring for implementation upon notice of approval from the Missouri Department of Natural Resources. The District prepares its annual budget prior to the start of each fiscal year for the coming period.

The economic forecast for the coming year remains volatile while foreign markets are implementing bans on commingled recyclables or more stringent screening protocols to avoid contaminated materials. Region F is monitoring these conditions and as noted above, as already began to refocus initiatives and programming to address the need for local business use of recyclable materials.

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 Jim Marcum, Executive Board Chairman, through U.S.P.S. at Pettis County Courthouse, 415 S. Ohio, Suite 212, Sedalia, Missouri 65301, via e-mail at jmarcum@pettisco.com, via phone at 660-620-1095.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

EXHIBIT A
REGION F WEST CENTRAL SOLID WASTE MANAGEMENT DISTRICT
STATEMENTS OF NET POSITION - CASH BASIS
JUNE 30, 2018 and 2017

	2018	2017
ASSETS		
Cash	\$ 260,647	201,942
TOTAL ASSETS	260,647	201,942
 NET POSITION		
Restricted for subgrantee projects	166,905	112,542
Unrestricted	93,742	89,400
TOTAL NET POSITION	\$ 260,647	201,942

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

EXHIBIT B
REGION F WEST CENTRAL SOLID WASTE MANAGEMENT DISTRICT
STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2018

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	\$ (314,348)	364,600	50,252
Net program (disbursements) receipts	\$ (314,348)	364,600	50,252
General receipts:			
Interest			4,286
Miscellaneous			4,167
Total general receipts			8,453
Increase in net position			58,705
Net position - beginning of year			201,942
Net position - end of year			\$ 260,647

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

FUND FINANCIAL STATEMENTS

EXHIBIT C
 REGION F WEST CENTRAL SOLID WASTE MANAGEMENT DISTRICT
 STATEMENT OF ACTIVITIES - CASH BASIS
 FOR THE YEAR ENDED JUNE 30, 2017

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	\$ (281,086)	274,998	(6,088)
Net program (disbursements) receipts	\$ (281,086)	274,998	(6,088)
General receipts:			
Interest			1,273
Miscellaneous			4,085
Total general receipts			5,358
Decrease in net position			(730)
Net position - beginning of year			202,672
Net position - end of year			\$ 201,942

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

EXHIBIT D
REGION F WEST CENTRAL SOLID WASTE MANAGEMENT DISTRICT
STATEMENTS OF CASH BASIS ASSETS AND FUND BALANCE- GOVERNMENTAL FUND
JUNE 30, 2018 and 2017

	General Fund	
	2018	2017
ASSETS		
Cash	\$ 260,647	201,942
TOTAL ASSETS	\$ 260,647	201,942
 FUND BALANCE		
Restricted	\$ 166,905	112,542
Assigned	93,742	89,400
TOTAL FUND BALANCE	\$ 260,647	201,942

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

EXHIBIT E
REGION F WEST CENTRAL SOLID WASTE MANAGEMENT DISTRICT
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCE-
GOVERNMENTAL FUND
FOR THE YEARS ENDED JUNE 30, 2018 and 2017

	2018	2017
RECEIPTS		
Intergovernmental	\$ 364,600	274,998
Interest	4,286	1,273
Miscellaneous	4,167	4,085
TOTAL RECEIPTS	373,053	280,356
 DISBURSEMENTS		
Administration	104,960	113,335
Distributions to subgrantees	209,388	167,751
TOTAL DISBURSEMENTS	314,348	281,086
 Excess (deficiency) of receipts over disbursements	58,705	(730)
 Fund balance at beginning of year	201,942	202,672
Fund balance at end of year	\$ 260,647	201,942

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

NOTES TO THE FINANCIAL STATEMENTS

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

I. Summary of Significant Accounting Policies

A. Reporting Entity

The District is organized under the laws of the State of Missouri and is a primary government governed by an appointed eleven-member District board. The District is not financially accountable for any other organization, nor is it a component unit of any other primary governmental entity.

B. Basis of Presentation

GOVERNMENT – WIDE FINANCIAL STATEMENTS

The Statement of Net Position–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.

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 Position-Cash Basis and Statement of Activities-Cash Basis, governmental activities are presented using a cash basis of accounting. This basis recognizes assets, net position, 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 position and displayed in two components:

A. Restricted net position-Consists of net position 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 position-All other net position that do not meet the definition of “unrestricted”.

It is the policy of the District to first use restricted net position prior to the use of unrestricted net position when disbursements are made for purposes for which both restricted and unrestricted net position 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 \$263,257

at June 30, 2018, \$263,257 was insured by the Federal Deposit Insurance Corporation. Of the District's deposits at June 30, 2017, \$201,942 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, 2017 and June 30, 2018, 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, 2018, the Commission was reimbursed \$95,527 for various expenditures related to these services. As of June 30, 2017, the Commission was reimbursed \$113,567 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. For the fiscal years ended June 30, 2018, and 2017, these funds totaling \$166,905 and \$112,544, respectively 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. For the fiscal years ended June 30, 2018, and 2017, these funds totaling \$93,742, and \$89,400, respectively, have been included in the assigned category of fund balance.

VII. Status of Subgrantee Awards and Administrative Disbursements Schedule

Purpose and Basis of Presentation

The Status of Subgrantee Awards and Administrative Disbursements Schedule 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 years ended June 30, 2018, and 2017, respectively.

Basis of Accounting

The schedule is presented on the cash basis of accounting.

OTHER FINANCIAL SUPPLEMENTARY INFORMATION

SCHEDULE 1
REGION F WEST CENTRAL SOLID WASTE MANAGEMENT DISTRICT
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL-GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 364,600	364,600	364,600	0
Interest	0	0	4,286	4,286
Miscellaneous	0	0	4,167	4,167
TOTAL RECEIPTS	<u>364,600</u>	<u>364,600</u>	<u>373,053</u>	<u>8,453</u>
DISBURSEMENTS				
Administration	95,527	95,527	104,960	(9,433)
Distributions to subgrantees	218,787	218,787	209,388	9,399
TOTAL DISBURSEMENTS	<u>314,314</u>	<u>314,314</u>	<u>314,348</u>	<u>(34)</u>
Excess (deficiency) of receipts over disbursements	<u>50,286</u>	<u>50,286</u>	<u>58,705</u>	<u>8,419</u>
Fund balance at beginning of year	201,942	201,942	201,942	0
Fund balance at end of year	<u>\$ 252,228</u>	<u>252,228</u>	<u>260,647</u>	<u>8,419</u>

SCHEDULE 2
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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 295,098	295,098	274,998	(20,100)
Interest	0	0	1,273	1,273
Miscellaneous	0	0	4,085	4,085
TOTAL RECEIPTS	<u>295,098</u>	<u>295,098</u>	<u>280,356</u>	<u>(14,742)</u>
DISBURSEMENTS				
Administration	113,567	113,567	113,335	232
Distributions to subgrantees	167,251	167,251	167,751	(500)
TOTAL DISBURSEMENTS	<u>280,818</u>	<u>280,818</u>	<u>281,086</u>	<u>(268)</u>
Excess (deficiency) of receipts over disbursements	<u>14,280</u>	<u>14,280</u>	<u>(730)</u>	<u>(15,010)</u>
Fund balance at beginning of year	<u>202,672</u>	<u>202,672</u>	<u>202,672</u>	<u>0</u>
Fund balance at end of year	<u>\$ 216,952</u>	<u>216,952</u>	<u>201,942</u>	<u>(15,010)</u>

SCHEDULE 3
REGION F WEST CENTRAL MISSOURI SOLID WASTE MANAGEMENT DISTRICT
STATUS OF SUBGRANTEE AWARDS AND ADMINISTRATIVE DISBURSEMENTS SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018

Subgrant No.	Purpose	Beginning Date (FAA)	Closing Date in Board minutes	Current Year Awards Obligated	Awards Obligated in Prior Years	Earned Program Income	Fiscal Year Ended June 30, 2018 Disbursements	Prior Years' Disbursements	Unspent Funds Obligated to Projects	Cash Balance Unobligated	Cash Balance
2015-07	Pettis County Business Plan	10/7/2014	Open	0.00	20,400.00	0.00	0.00	0.00	20,400.00	0.00	20,400.00
2016-07	* MORA Education Campaign	5/22/2015	7/31/2017	0.00	7,811.50	0.00	1,505.25	6,251.00	0.00	55.25	55.25
2016-011	Slater Pool Shelter	5/30/2015	Open	0.00	7,917.64	0.00	0.00	2,861.22	5,056.42	0.00	5,056.42
2017-02	* PTRPC District Education Grant	5/10/2016	3/13/2018	0.00	37,000.00	0.00	9,432.64	27,567.36	0.00	0.00	0.00
2017-03	* Regional HHW Event	5/10/2016	11/14/2017	0.00	20,000.00	0.00	1,697.19	18,302.81	0.00	0.00	0.00
2017-04	* PTRPC 5-yr. Plan for Region F	4/28/2016	Open	0.00	9,775.00	0.00	9,775.00	0.00	0.00	0.00	0.00
2017-05	MORA Billboard & MO State Fair Booth	4/28/2016	Open	0.00	8,540.00	0.00	2,219.67	2,736.30	3,584.03	0.00	3,584.03
2017-06	City of Sedalia - Recycling Center Forklift (Containers)	4/29/2016	Open	0.00	25,500.00	0.00	17,893.30	0.00	7,606.70	0.00	7,606.70
2017-07	Leeton R-X School District FFA	4/28/2016	Open	0.00	11,560.00	0.00	0.00	0.00	11,560.00	0.00	11,560.00
2017-12	* Partners for Odessa Parks and Recreation Playground	4/29/2016	7/11/2017	0.00	21,758.30	0.00	21,758.30	0.00	0.00	0.00	0.00
2018-01	PTRPC District Operations Grant	6/29/2017	Open	85,000.00	0.00	0.00	82,244.11	0.00	2,755.89	0.00	2,755.89
2018-02	PTRPC District Education Grant	8/1/2017	Open	37,000.00	0.00	0.00	13,282.85	0.00	23,717.15	0.00	23,717.15
2018-03	Regional HHW Event	8/1/2017	Open	77,000.00	0.00	4,132.56	76,508.29	0.00	4,624.27	0.00	4,624.27
2018-05	City of Sedalia - Single Stream Recycling (PE & Carts)	7/11/2017	Open	42,500.00	0.00	0.00	3,306.67	0.00	39,193.33	0.00	39,193.33
2018-07	Ozark Recycling Center - Pallet dismantler	9/26/2017	Open	14,358.24	0.00	0.00	9,979.77	0.00	4,378.47	0.00	4,378.47
2018-08	* La Monte STEAM Learning Playground	8/4/2017	Open	37,339.65	0.00	0.00	37,339.65	0.00	0.00	0.00	0.00
2018-09	* Slater School District Playground	7/21/2017	3/13/2018	24,900.00	0.00	0.00	24,900.00	0.00	0.00	0.00	0.00
2018-10	City of Leeton Playground	10/23/2017	Open	31,200.50	0.00	0.00	0.00	0.00	31,200.50	0.00	31,200.50
2018-11	MORA Strive for 75%	10/30/2017	Open	9,095.68	0.00	0.00	2,471.34	0.00	6,624.34	0.00	6,624.34
2018-12	City of Stover Picnic	10/23/2017	Open	6,205.77	0.00	0.00	0.00	0.00	6,205.77	0.00	6,205.77
	Total			\$ 364,599.84	\$ 170,262.44	\$ 4132.56	\$ 314,314.03	\$ 57,718.69	\$ 166,906.87	\$ 55.25	\$ 166,962.12
	Unobligated Cash Balance at July 1, 2017									89,400.00	89,400.00
	Interest Earned FY 2018									4,286.31	4,286.31
	Total Unobligated Cash June 30, 2018									<u>\$ 93,741.56</u>	
	Total Cash Balance June 30, 2018										<u>\$ 260,648.43</u>
	Recap of Reconciled Cash Balances at June 30, 2018:										
	Equity Bank Operating Fund										3,359.24
	Equity Bank Transfer Fund										257,287.83
	Total District Cash Fund Balance										<u>\$ 260,647.07</u>
	* Funds Released by Grant Close-out									Difference	1.36

SCHEDULE 4
REGION F WEST CENTRAL MISSOURI SOLID WASTE MANAGEMENT DISTRICT
STATUS OF SUBGRANTEE AWARDS AND ADMINISTRATIVE DISBURSEMENTS SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2017

Subgrant No.	Purpose	Beginning Date (FAA)	Closing Date in Board minutes	Current Year Awards Obligated	Awards Obligated in Prior Years	Earned Program Income	Fiscal Year Ended June 30, 2017 Disbursements	Prior Years Disbursements	Unspent Funds Obligated to Projects	Cash Balance Unobligated	Cash Balance
2015-04	* Ozark Recycling Center, LLC - Versailles	8/21/2014	1/10/2017	0.00	16,237.00	0.00	1349.50	6,752.90	0.00	8,134.60	8,134.60
2015-07	Pettis County Business Plan	10/7/2014	Open	0.00	20,400.00	0.00	0.00	0.00	20,400.00	0.00	20,400.00
2016-001	* PTRPC District Operations Grant	6/12/2015	6/30/2016	0.00	87,000.00	0.00	-999.61	87,999.61	0.00	0.00	0.00
2016-002	* PTRPC District Education Grant	6/15/2015	9/14/2017	0.00	33,000.00	0.00	2222.86	30,777.14	0.00	0.00	0.00
2016-003	* Regional HHW Event	5/22/2015	1/10/2017	0.00	89,000.00	0.00	47073.40	41,926.60	(0.00)	0.00	0.00
2016-004	* City of Sedalia - Cardboard Recycling Containers	5/22/2015	1/10/2017	0.00	23,800.00	0.00	3414.00	15,932.00	0.00	4,454.00	4,454.00
2016-005	* City of Higginsville - Concrete Crusher Project	5/30/2015	1/10/2017	0.00	13,047.50	0.00	2302.50	10,745.00	0.00	0.00	0.00
2016-006	* Lafayette County Enterprises, Inc. - Shredders	5/22/2015	1/10/2017	0.00	7,366.00	0.00	1024.65	2,863.70	0.00	3,477.65	3,477.65
2016-007	MORA Education Campaign	5/22/2015	Open	0.00	7,811.50	0.00	2033.50	4,217.50	1,560.50	0.00	1,560.50
2016-008	* Alma City Park Play System	5/30/2015	7/14/2016	0.00	38,953.80	0.00	6874.20	32,079.60	0.00	0.00	0.00
2016-009	* Lexington Chipper/Shredder	5/30/2015	1/10/2017	0.00	30,549.00	0.00	4625.50	21,581.00	0.00	4,342.50	4,342.50
2016-010	* Higginsville Parks & Rec - Automatic Hand Dryers	5/30/2015	11/8/2016	0.00	9,743.13	0.00	1716.75	8,011.49	(0.00)	14.89	14.89
2016-011	Slater Pool Shelter	5/30/2015	Open	0.00	7,917.64	0.00	0.00	2,861.22	5,056.42	0.00	5,056.42
2017-01	* PTRPC District Operations Grant	5/11/2016	6/30/2017	86,000.00	0.00	0.00	86,000.00	0.00	0.00	0.00	0.00
2017-02	PTRPC District Education Grant	5/10/2016	Open	37,000.00	0.00	0.00	27,567.36	0.00	9,432.64	0.00	9,432.64
2017-03	Regional HHW Event	5/10/2016	Open	20,000.00	0.00	0.00	18,302.81	0.00	1,697.19	0.00	1,697.19
2017-04	PTRPC 5-yr. Plan for Region F	4/28/2016	Open	9,775.00	0.00	0.00	0.00	0.00	9,775.00	0.00	9,775.00
2017-05	MORA Billboard & MO State Fair Booth	4/28/2016	Open	8,540.00	0.00	0.00	2,736.30	0.00	5,803.70	0.00	5,803.70
2017-06	City of Sedalia - Recycling Center Forklift	4/29/2016	Open	25,500.00	0.00	0.00	0.00	0.00	25,500.00	0.00	25,500.00
2017-07	Leeton R-X School District FFA	4/28/2016	Open	11,560.00	0.00	0.00	0.00	0.00	11,560.00	0.00	11,560.00
2017-08	* Playground for Gilliam C-4 School	5/11/2016	11/8/2016	19,465.00	0.00	0.00	19,130.95	0.00	(0.00)	334.05	334.05
2017-09	* City of Marshall - Used Concrete Grinding	5/13/2016	3/14/2017	25,500.00	0.00	0.00	25,500.00	0.00	0.00	0.00	0.00
2017-10	* City of Waverly - Playground Equipment	4/19/2016	5/9/2017	30,000.00	0.00	0.00	29,942.88	0.00	(0.00)	57.12	57.12
2017-12	Partners for Odessa Parks and Recreation Playground	4/29/2016	Open	21,758.30	0.00	0.00	0.00	0.00	21,758.30	0.00	21,758.30
Total				\$ 295,098.30	\$ 384,825.57	\$ 0.00	\$ 280,817.55	\$ 265,747.76	\$ 112,543.75	\$ 20,814.81	\$ 133,358.56
Unobligated Cash Balance at July 1, 2016										83,595.43	83,595.43
Unobligated Cash Committed to Projects during the fiscal year ended June 30, 2017										(20,100.00)	(20,100.00)
Insurance/Grant Refund										3,817.03	3,817.03
Interest Earned FY 2017										1,272.73	1,272.73
Total Unobligated Cash June 30, 2017										\$ 89,400.00	
Total Cash Balance June 30, 2017											\$ 201,943.75
Recap of Reconciled Cash Balances at June 30, 2017:											
Equity Bank Operating Fund											3,359.69
Equity Bank Transfer Fund											198,582.70
Total District Cash Fund Balance											\$ 201,942.39
* Funds Released by Grant Close-out										Difference	1.36

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*

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, in accordance with the 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, the financial statements of the governmental activities and the major fund of the Region F West Central Solid Waste Management District, as of and for the years ended June 30, 2018 and 2017, and the related notes to the financial statements, which collectively comprise Region F West Central Solid Waste Management District's basic financial statements, and have issued my report thereon dated October 17, 2018.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Region F West Central Solid Waste Management District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Region F West Central Solid Waste Management District internal control. Accordingly, I do not express an opinion on the effectiveness of the District's internal control.

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.

My 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 that might be material weaknesses or, significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I 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 Region F West Central Solid Waste Management 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 or other matters that was required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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.



Randall C. Fiene, CPA
Concordia, Missouri
October 17, 2018