

CERTIFIED MAIL # 7006 0100 0005 2144 9762
RETURN RECEIPT REQUESTED

Mr. Mark Breshears, Chair
Region J - Quad-Lakes Solid Waste Management District
P.O. Box 1238
Warsaw, MO 65355

Dear Mr. Breshears:

The Solid Waste Management Program (SWMP) is providing a copy of the final Independent Accountant's Report Applying Agreed-upon Procedures of Region J - Quad-Lakes Solid Waste Management District (Region J) conducted by McBride, Lock & Associates. The performance audit of Region J was completed in accordance with 260.325.10, RSMo.

We have reviewed the findings made by the accounting firm and have been working with the Executive Board and the District's administrative contractor to resolve the remaining findings. The SWMP met with the District on May 14, 2010 and again on September 14, 2010 to ensure a common understanding of the audit findings and the need to complete corrective action on the remaining findings. As a result, the District's corrective actions have resolved findings 4, 6, 7, 8, 9, 11, 12, and 13. We have prepared a list of actions the District will need to complete to resolve the remaining seven findings.

Unless the District can provide documentation to support some other resolution related to the remaining questioned costs, the following amounts will be disallowed and withheld from the 2nd Quarter FY2011 allocation to the District.

AMOUNTS TO BE DISALLOWED

Finding #1 - Lack of Administrative Contract	\$ 1,882.53
Finding #2 - Inappropriate Reimbursement of Subgrantee Match	\$ 2,880.61
Finding #5 - Unapproved Loan to the KBRPC	\$15,000.00
Finding #10 - Subgrantee Reimbursement Prior to FAA	<u>\$ 2,389.94</u>
TOTAL	\$22,153.08

Detailed information about each of these audit findings can be found in the enclosed audit report and performance audit follow-up document.

Mr. Mark Breshears
Page Two

The District's response to our request for follow-up on the findings and disallowed costs should be submitted to the SWMP within 30 days of the date of this letter.

The audit process is one of the tools used to fulfill our responsibility to fully account for the use of state resources, past and present. We are committed to working cooperatively with the District to address the audit issues and view the audit process as a constructive method of evaluating the District's operational and grant procedures to identify areas where improvements may be needed. We are encouraged by the progress your district has made in addressing the audit findings and we are confident that you will continue to make progress to resolve all audit issues and to establish procedures to prevent future problems.

Please do not hesitate to contact Ms. Brenda Ardrey at (573) 526-9940 or by mail at P.O. Box 176, Jefferson City, Missouri 65102, if you have any questions or require further clarification. Thank you for your cooperation and assistance in this effort.

Sincerely,

SOLID WASTE MANAGEMENT PROGRAM

Chris Nagel
Director

CN/bab

Enclosures

c: Senator Delbert Scott, Missouri Senate
Senator David Pearce, Missouri Senate
Representative Tom Self, Missouri House of Representatives
Representative Larry Wilson, Missouri House of Representatives
Representative Scott Largent, Missouri House of Representatives
Representative Barney Fisher, Missouri House of Representatives
Representative Mike Parson, Missouri House of Representatives
Mr. Mark Arbuthnot, Region J Executive Board Member
Ms. Judy Epperson, Region J Executive Board Member
Mr. Roy Meredith, Region J Executive Board Member
Mr. John Neuenschwander, Region J Executive Board Member
Mr. Jim Talley, Region J Executive Board Member
Mr. Brad True, Region J Executive Board Member
Ms. Crystal Lovett-Tibbs, Legislative Liaison
Ms. Linda Jaegers, Fiscal & Administrative Manager, Division of Environmental Quality
Mr. Kendall Blythe, Program Director, Internal Audit Program
Ms. Hollie Cantrell, District Planner, Region J - Quad-Lakes SWMD