



STATE OF MISSOURI  
DEPARTMENT OF NATURAL RESOURCES

Jeremiah W. (Jay) Nixon, Governor • Sara Parker Pauley, Director

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**APR 25 2012**

Mr. Mark Campbell  
Region C – Northeast Missouri Solid Waste Management District  
PO Box 266  
LaGrange, MO 63448

Dear Mr. Mark Campbell:

The Solid Waste Management Program (SWMP) has completed a desk review of the financial audit report of Northeast Missouri Solid Waste Management District – Region C prepared by John W. Gillum, CPA, LLC of Kirksville, Missouri for the year ended June 30, 2011. This letter serves to notify the district of some reporting deficiencies identified by our review to allow you to work with the audit firm to ensure the district's future financial statement audits are in compliance.

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 disclosures were completely omitted from the audit report which is beyond the scope of our desk review.

The district's audit report was filed timely and contained an unqualified opinion with one reported finding and no questioned costs. The report on internal control over financial reporting and on compliance and other matters identified an internal control issue related to the district's reliance on the auditors for the preparation of draft financial statements and related notes which, as noted in the report, is not unusual in entities of the district's size.

Additionally, our review disclosed some instances of noncompliance with certain reporting requirements related to financial statements and supplementary information presentation, including the omission of required content. Please be sure to refer to this letter as you prepare for your next audit to ensure the deficiencies listed below are not repeated.

Financial Statements and Schedules

- The budgetary comparison for the general fund, presented as required supplementary information, was titled statements rather than schedules.
- A budgetary comparison for the district's special revenue fund was not presented.
- The schedule of receipts and expenditures of state awards did not include project numbers.
- A schedule of findings and questioned costs was not included
- A summary schedule of prior audit findings was not included.

Notes to the Financial Statements

1. *Summary of Significant Accounting Policies*

- *Note A. Reporting Entity* states "Funding is primarily through the Missouri Department of Natural Resources Division of Environmental Quality SB 60/112 Solid Waste Management Fund 0570, Administrative Grants and Program Grants." The reference to funding should read as follows: "The Missouri Department of Natural Resources' Division of Environmental Quality's Solid Waste Management Program provides quarterly formula allocations as set forth in 260.335 RSMo to the 20 solid waste management districts in Missouri. These district grant funds from the Solid Waste Management Fund (Fund 0570) are a portion of the tonnage fees collected by solid waste disposal areas and solid waste processing facilities transporting waste out-of-state."
- *Note D. Deferred Grant Revenue* states in part "The Missouri Department of Natural Resources, a funding agency for solid waste planning and management, sends funds in quarterly allotments as opposed to the reimbursement method." The reference to the Department's disbursement process should read as follows: "The Missouri Department of Natural Resources' Division of Environmental Quality's Solid Waste Management Program provides notice to Northeast Missouri Solid Waste Management District of available funding on a quarterly basis. Upon the District's Executive Board and the Solid Waste Management Program's approval of district grants funds are disbursed to the District for reimbursement to District subgrantees."

2. *Detailed Notes on All Funds*

- *Note B. Capital Assets* states "Northeast Missouri Solid Waste Management District - Region C purchases equipment, vehicles and other capital assets for the benefit of its members. The reference to capital asset acquisition by District subgrantees should read as follows: "The District provides grant funds to subgrantees for the acquisition of equipment, vehicles and other capital assets for the benefit of the subgrant project." Additionally, this same note makes reference to "assets donated" when the proper statement needs to be "assets granted".

5. *Evaluation of Subsequent Events*

- This note states "The Company has evaluated subsequent events . . .". This note needs to state "The District has evaluated subsequent events . . .".

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

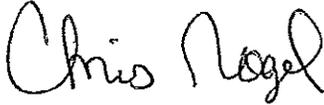
Mr. Campbell  
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compliance with applicable standards and requirements and we are confident that you will establish procedures to fulfill the district's fiduciary responsibilities over these public moneys.

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

A handwritten signature in black ink that reads "Chris Nagel". The signature is written in a cursive style with a large, looped "C" and "N".

Chris Nagel  
Director

c: Ms. Sue Morton, Planner, Region C - Northeast Missouri SWMD

