



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

DEPARTMENT OF NATURAL RESOURCES

www.dnr.mo.gov

APR 24 2012

Mr. Alan Wyatt, Chair
Region G – Mark Twain Solid Waste Management District
PO Box 96
Macon, MO 63552

Dear Mr. Wyatt:

The Solid Waste Management Program (SWMP) has completed a desk review of the financial audit report of Mark Twain Solid Waste Management District - Region G prepared by Charles E. Montgomery, of Troy, 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 audit is in compliance.

The district's audit report was filed timely and contained an unqualified opinion with no reported current year findings and no questioned costs. However, our review disclosed some instances of noncompliance with certain reporting requirements related to the auditor's reports, financial statements and supplementary information presentation, including the omission of some required content. In part, these issues may have arisen due to the district not directly managing funds during the period of the "high risk" designation.

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.

Please be sure to refer to this letter as you prepare for your next audit to ensure the deficiencies listed below do not recur.

Independent Auditor's Report

- The report on page 1 does not include a title with the word "independent" included.
- Opinion units audited, such as governmental activities and each major fund, were not referenced in the introductory paragraph.
- Language indicating that the audit was conducted in accordance with Governmental Auditing Standard was omitted.

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- A reference to cash flows was included in the opinion paragraph, while a statement of cash flows was not presented and was not required to be presented.
- The lack of some of the required management prepared basic financial statements was not disclosed.
- The required reference to the report on internal control and compliance was omitted from the report.

Report on Internal Control over Financial Reporting an on Compliance and Other Matters

- The report appears to have been prepared using an outdated standard. The language included in the report indicates "general purpose financial statements". (Note: GASB 34 sets forth the use of "basic financial statements".)
- Language noting that the result of tests disclosed instances of noncompliance required to be reported was included, however no specifics were given. (Note: A separate management letter was provided.)
- A disclaimer of opinion on the internal control over financial reporting was not included.

Financial Statements and Schedules

- Management discussion and analysis (MD&A) was omitted.
- The governmental-wide financial statements did not include a statement of activities.
- The fund financial statements did not include a balance sheet.
- Budgetary comparison statements/schedules were not presented.
- Notes to the schedule of receipts and expenditures of state awards were not included.
- Schedule of findings and questioned costs was not included.
- Summary schedule of prior audit findings was not included.

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

CN/baa

c: Ms. Cindy Hultz, Planner, Region G – Mark Twain Solid Waste Management District