

Performance Audit Follow-up
Region J – Quad-Lakes Solid Waste Management District
July 1, 2005 - June 30, 2007

1. Lack of Administrative Contract
(Original Questioned Cost: \$60,000) – Final Disallowed Costs \$1,882.53

Auditor Recommendation:

We recommend that the District implement procedures to ensure that administrative expenses are properly supported by an appropriately bid contract and that payment of expenses are supported by invoices and other documentation to assure validity of the charges. Additionally, the District should resolve questioned costs of \$60,000 with MDNR.

District Response:

We concur with this finding and will work with the Missouri Department of Natural Resources and/or Solid Waste Management Program (hereafter MDNR/SWMP) to resolve the issue.

SWMP Response:

We agree with the auditor's recommendation. For the District to be in compliance with the State's regulations and the General Terms and Conditions related to the use of Solid Waste Management Funds, the District is required to have in place written contracts for the provision of services. The District must ensure contracted services are acquired through a properly documented competitive selection process, that contract terms are in writing and signed by the appropriate authorities, and that related payments are adequately supported and in compliance with contract terms.

The audit found that although a fully executed contract existed for FY 2006, the District did not have adequate documentation supporting the payments. Unfortunately, no fully executed contract existed for FY 2007. Without a written contract or board resolutions approving and documenting the services to be provided and fees to be paid there is no way to ensure that the fees charged were correct and were for properly authorized services.

The District has taken corrective action and has put into place a written administrative contract. A copy of the contract has been provided to the SWMP. The District has also provided to SWMP copies of the District's Bylaws, Policies & Procedures, Article 9.1 Administrative Services and Article 7.8 District Accounting Controls incorporating needed amendments to ensure administrative services are obtained through a properly bid contract and related payments are supported by documentation. In addition, the District has made available documentation related to the \$60,000 in costs charged to the district operations grants.

On May 14, 2010 staff from the SWMP visited the office of the District's administrative contractor, Kaysinger Basin Regional Planning Commission (KBRPC), to review available documentation and determine the validity of the charges. Detailed monthly reports of administrative expenditures generated by the accounting system of KBRPC were provided to the SWMP and supporting documentation for the expenditure reports were made available for review during the site visit.

Regardless of the lack of a fully executed contract for FY 2007, the SWMP reviewed the supporting documentation for 2007 and 2006 and has determined the costs charged to the district operations grants exceeded documented expenditures. Total costs related to the administration of the District and supported by documentation were \$29,985.32 in 2006 and \$28,132.15 in 2007. The District paid \$30,000 for district operations each year. The difference between the amount paid by the District and allowable costs supported by documentation totaled \$1,882.53, which is disallowed. Funds equal to this amount (\$1,882.53) will be withheld from the 2nd Quarter FY2011 district operations grant allocation.

SWMP Recommendation:

The Executive Board must have in place written contracts for administrative services. The Executive Board should continue to give particular attention to the process used for procurement of services, resulting contracts, and related payments to ensure compliance with State's regulations and the General Terms and Conditions. The Executive Board should ensure that administrative expenses are supported by itemized invoices and other documentation that sufficiently document the expenditure to the administration of the District. Particular attention should be given to the District's policies and procedures and contract requirements for record retention to ensure documentation needed to demonstrate the District's compliance with regulatory requirements is retained.

The SWMP recommends the District seek reimbursement of the \$1,882.53 in disallowed costs from KBRPC, their administrative contractor. Any funds recovered would then need to be made available for a future district grant project.

**2. Inappropriate Reimbursement of Subgrantee Match
(Original Questioned Costs: \$3,540) – Final Disallowed Costs \$2,880.61**

Auditor Recommendation:

We recommend the District implement procedures to ensure the subgrantee is reimbursed the appropriate amount as determined by the financial assistance agreement and supported by invoices and other documentation. Additionally, the District should seek reimbursement of \$3,540 from the subgrantee.

District Response:

We do not concur. At this time, the District has been unable to determine from our ledgers the amount presented in this finding. We will work with MDNR/SWMP to resolve this finding.

SWMP Response:

The SWMP agrees with the auditor's recommendation the District needs to implement procedures to ensure the subgrantee is reimbursed the appropriate amount as determined by the financial assistance agreement (FAA) and supported by invoices and other documentation. However, while we agree the District reimbursed the subgrantee for the match portion of expenses for project 2006-2, in a review of the supporting documentation, we determined the amount to be disallowed is \$2,880.61.

The FAA between the District and KBRPC, the subgrantee, for project 2006-2 budgeted \$13,675 (68%) in awarded district grant funds and \$6,325 (32%) in match commitment for a total budget of \$20,000. We found no evidence that KBRPC provided the matching funds committed to the project.

The District's accounting records and documentation show the District reimbursed KBRPC a total of \$17,215.10 for this project, which was allocated by the district as follows:

District Grant Funds \$11,706.27 (68%)
Paper Recycling Funds (Program Income) \$4,153.25 (24%)
Other District Cash (County/City Membership Dues) \$1,355.58 (8%)

The District used program income generated by the grant and interest earned on district grant funds to match the grant which is not allowed without prior approval from the SWMP. Additionally, the District used county/city membership dues and interest from these dues to pay a portion of the requested reimbursement which is not match provided by KBRPC, the subgrantee.

It appears the District was unclear on the appropriate treatment of program income and the requirement for prior approval of its use by the SWMP. The subgrantee, KBRPC, will be allowed to use the \$4,153.25 in program income from this grant to satisfy a portion of their match requirement. The subgrantee remains short \$1,355.58 (\$5,508.83 - 4,153.25) in match resulting in unallowable costs of \$4,236.19. The District has allowed the use of \$1,355.58 of its membership dues that are categorized as "Other Cash" to offset a portion of the subgrantee's unallowable costs. The remaining balance of \$2,880.61 is disallowed. These funds will be withheld from the 2nd Quarter FY2011 district operations grant allocation.

SWMP Recommendation:

The SWMP recommends the District seek reimbursement from KBRPC of \$2,880.61 to be made available for future district grant projects. The SWMP further recommends the District take the following actions to resolve Finding #2:

- a. The Executive Board should review and ensure the District's policies and procedures related to match required by the District result in match being adequately monitored and appropriate action taken when the subgrantee fails to meet the match requirement.
- b. The Executive Board should review and modify the District's policies and procedures to ensure that program income is treated and reported appropriately and that subgrantee reimbursements are appropriately supported by documentation.
- c. Any modifications to the District's policies and procedures should be in writing and approved by the Executive Board and documented within the District's signed meeting minutes with copies provided to the SWMP.

3. Conflict of Interest – Council and Board Members

Auditor Recommendation:

We recommend the District adopt a conflict of interest policy in compliance with the district grant rule and the MDNR General Terms and Conditions to ensure the avoidance of a real or

apparent conflict of interest. In addition, the Executive Board minutes must document when a board member abstains from voting on approval of projects where there is a potential conflict of interest.

District Response:

We concur with the finding and have already begun the process to put into place an appropriate conflict of interest policy. This policy will be presented for approval at the next Executive Board meeting.

SWMP Response:

The SWMP agrees with this recommendation. The District has indicated that this recommendation has been implemented and has provided to SWMP a copy of the District's conflict of interest policy that was approved by the Executive Board on November 19, 2009. The District has also provided copies of conflict of interest disclosure statements signed by each Executive Board member.

SWMP Recommendation:

In order to allow for final resolution of Finding #3 we request for the next grant cycle the District submit a copy of the board signed minutes for the meetings where grant awards are discussed and awarded as verification of the District's compliance with the conflict of interest policy. This documentation can be submitted with the next quarterly project status reports following the grant meeting.

4. Failure to Comply with Sunshine Law – Finding Resolved

Auditor Recommendation:

We recommend the District be required to take steps to ensure compliance with RSMo Chapter 610, including notice requirements and documentation of meeting minutes.

District Response:

a. We concur with this finding. We are in the process of modifying our policy in order to verify meeting notices have been posted 24 hours in advance, the actual posting date is now included on meeting notices. A signature verifying the date is also required on such notices. Meeting notices will also be faxed to member county courthouses for posting. A printed fax log will accompany the notice as means of verifying that courthouses were sent the notice.

b. We concur with this finding, Aside from those three meeting minutes, all other meeting minutes (2004-present) do contain such information. Our Sunshine Law Compliance policy will ensure this information is included in all meeting minutes, thus preventing future occurrences.

c. We concur with the finding. We have devised a detailed Sunshine Law Compliance policy; which will be presented for approval at the next Executive Board meeting.

SWMP Response:

The SWMP agrees with the auditor's recommendation. The District has indicated this recommendation has been implemented and has provided to SWMP a copy of the board approved bylaws, policies and procedures incorporating the needed modifications to the District's policies and procedures to ensure compliance with Missouri's Sunshine Law, Chapter 610, RSMo. With submission of this information, Finding #4 is resolved.

5. Unapproved Loan to the Kaysinger Basin Regional Planning Commission (Original Questioned Cost: \$20,000) – Final Disallowed Cost: \$15,000

Auditor Recommendation:

We recommend the District recover the funds.

District Response:

We concur with this finding. The loan was made possible through the use of unobligated carryover funds. A promissory note was devised, although it was inadequate in terms of identifying repayment terms and other important information. We will be working with MDNR/SWMP to resolve the issue.

SWMP Response:

The SWMP agrees with the auditor's recommendation. We understand in September 2005, the District loaned unobligated district funds in the amount of \$20,000 to KBRPC without obtaining prior approval from the SWMP. This loan was not made in accordance with the Solid Waste Management Law and implementing regulations. The loan did not relate to solid waste management efforts or activities and is, therefore, unallowable.

The loan was documented in the District's board meeting minutes as a \$20,000 line of credit at 4.5 % interest that would be reviewed by the board annually. No legally binding written agreement or repayment schedule was established at that time. Later, in September 2008, the District entered into a written loan agreement with KBRPC. The unsecured promissory note did not identify repayment terms or a repayment schedule and was to be renewable each year.

In September 2007, KBRPC made a payment of \$1,800 for interest due September 2006 and September 2007 and in August 2008 KBRPC made a payment of \$900 for interest due September 2008. In August 2008 KBRPC made a principal payment of \$3,000 leaving a balance of \$17,000. In September 2009, KBRPC made payment of \$765 for interest due and a principal payment of \$2,000 leaving a balance of \$15,000.

On May 4, 2010, the SWMP received a copy of a letter from the Executive Board chairman to KBRPC. The letter, dated April 21, 2010, indicated the Executive Board discussed the repayment of the loan during a meeting held on April 14, 2010. In the letter the District informed KBRPC that at least 50% of the principal owed must be paid back within three years and the annual interest would remain at 4.5% due in September. The letter also stated that if principal is still owed at the end of the three years, the District would set terms of repayment on the remaining balance at that time.

SWMP Recommendation:

Following discussions with SWMP staff, the Executive Board indicated KBRPC would be unable to repay immediately the remaining balance of the loan \$15,000. The loan balance (\$15,000) is disallowed and will be withheld from the 2nd Quarter FY2011 district grant allocation.

In order to allow for resolution of Finding #5, please provide the following:

- a. The Executive Board should modify the District's policies and procedures to ensure that funds awarded to the District are used solely for solid waste infrastructure development, plan implementation or district operations.
- b. Any modifications to the District's policies and procedures should be in writing and approved by the Executive Board and documented within the District's signed meeting minutes with copies provided to the SWMP.

6. Bank Accounts Not Adequately Collateralized – Finding Resolved

Auditor Recommendation:

We recommend that the District monitor bank balances and take necessary steps to safeguard balances in excess of FDIC coverage.

District Response:

We concur that we did not have collateralization. Since then, FDIC insurance increased. Adjustments will be made to our accounting policy. The policy will require the accounts to be monitored on a regular basis to ensure FDIC coverage is adequate or collateralization is obtained.

SWMP Response:

The SWMP agrees with the auditor's recommendation. The District has indicated this recommendation has been implemented by providing to SWMP documentation of the FDIC increased coverage and a copy of the District's Bylaws, Policies & Procedures, Article 7.8 District Accounting Controls incorporating the needed modifications to the District's accounting policies and procedures to ensure bank cash balances are adequately monitored and safeguarded. With submission of this information, Finding #6 is resolved.

7. Inadequate Internal Controls – Finding Resolved

Auditor Recommendation:

We recommend the District take steps to ensure proper internal controls are present for cash receipts, bank account reconciliations and record keeping, including documentation requirements.

District Response:

- a. We concur with this finding. Amendments to the accounting policy will be made. A consecutively numbered receipt book will be purchased and utilized as a means of issuing receipts.
- b. We concur with this finding. The following changes will be made to the District's accounting policy: The working KBRPC secretary will open mail and keep a log of money that is received. The working district planner will prepare deposits. The working KBRPC fiscal officer will do reconciliations. The reconciliations will then be presented to each Executive Board member as part of the Treasurer's Report at board meetings. Dated signatures will be obtained from the persons reconciling the statements and the persons reviewing those reconciliations.
- c. We concur with this finding. Invoices that are paid are now marked with the date the invoice was paid, as well as the check number. This will be reflected in the District's accounting policy.

SWMP Response:

The SWMP agrees with the auditor's recommendation. The District has indicated that this recommendation has been implemented and has provided to SWMP a copy of the District's Bylaws, Policies & Procedure, Article 7.8 District Accounting Controls incorporating the needed modifications to the District's policies and procedures to strengthen internal controls for cash receipts, bank reconciliations, invoice payments and record keeping. With submission of this information, Finding #7 is resolved.

8. Annual District Financial Audit Not Submitted Timely – Finding Resolved

Auditor Recommendation:

We recommend that the District implement procedures to ensure that required financial audits are completed and submitted to MDNR timely.

District Response:

We concur with the finding that we were late in submitting our financial audits. The financial audit for FYE June 30, 2007 was received by MDNR on August 1, 2008. We are in the process of reviewing our policy for modifications, however with implementation of amended grant rule 10 CSR 80-9.050; we now have 180 days to comply. We will make every effort to meet the deadline in the future and will request an extension from SWMP in the event we will be unable to meet that deadline.

SWMP Response:

The SWMP agrees with the auditor's recommendation. The District has indicated the recommendation has been implemented and has provided to SWMP a copy of the District's Bylaws, Policies & Procedures, Article 7.5 Auditing incorporating the needed modifications to the District's policies and procedures to ensure the completion and submission of the financial

audits within the required timeframe. The financial audit for the two years ended June 30, 2009 was completed and submitted to SWMP within the approved timeframe. With submission of this information, Finding #8 is resolved.

9. Inadequate Grant Review Process and Missing Required Evaluation Criteria – Finding Resolved

Auditor Recommendation:

We recommend the District add the above required criteria to the review process and assure that documentation of review is properly maintained.

District Response:

- a. We do not concur with this finding. The evaluation form was misplaced and was provided to the auditors post fieldwork completion.
- b. We concur with this finding and have since taken corrective actions. This issue has already been resolved with MDNR/SWMP.

SWMP Response:

The SWMP agrees with the auditor's recommendation. The District needs to ensure that complete files are maintained to adequately support its grant review process including review of applications and eligibility determinations. We understand the District has taken steps to correct this finding and has provided to SWMP a copy of the District's modified evaluation form using all the required criteria and a copy of the evaluation form missing during the audit. The District has also provided to SWMP copies of the District's Bylaws, Policies & Procedures, Article 16.1 Evaluation Procedures incorporating by reference the evaluation criteria required by regulation. With submission of this information, Finding #9 is resolved.

10. Subgrantee Reimbursement Prior to Financial Assistance Agreement (Original Questioned Cost: \$2,500) – Final Disallowed Cost: \$2,389.94

Auditor Recommendation:

We recommend the District not disburse funds for projects that do not have a financial assistance agreement in place. Additionally, the District should resolve the questioned costs of \$2,500 with the MDNR.

District Response:

We concur with the finding and will work with MDNR/SWMP to resolve.

SWMP Response:

The SWMP agrees with the auditor's recommendation that funds are not to be disbursed for projects that do not have an approved application and budget and a signed FAA (contract) in force.

The SWMP is aware of the necessity of the District to incur expenditures associated with the proper and efficient performance and administration of the District; however, these expenditures must receive prior approval from the SWMP. In this case, the administrative costs were incurred prior to grant approval and, therefore, are not allowable. After subtracting the portion of the September's costs that SWMP has already determined not allowable due to lack of supporting documentation (see Finding #1), the \$2,389.94 remaining balance for September is unallowable due to the District's failure to submit an application and obtain prior approval.

From discussion with the District, we understand the District's bylaws allow the use of county/city membership dues to pay administrative costs and the District has indicated plans to use these dues to pay the administrative expenses incurred prior to SWMP approval. The SWMP agrees the District's membership dues may be used to offset the disallowed amount.

SWMP Recommendations:

We accept the District's use of membership dues (i.e., Other Cash) for the \$2,389.94 in disallowed costs.

To assist in ensuring future compliance the Executive Board should amend the District's procedures to provide for verification that SWMP approval is received before authorizing services and incurring expenses. When the District implements the recommendation, we would appreciate receiving for inclusion in the District's audit file, a copy of the following:

- a. Documentation that membership dues were used to offset the questioned costs and the \$2,389.94 has been made available for future district grant projects.
- b. The approved and signed board meeting minutes documenting this issue.
- c. The District's amended policies/procedures approved and implemented by the Executive Board and documented within the District's signed meeting minutes to ensure this issue does not recur.

11. Quarterly Reports Not Submitted Timely – Finding Resolved

Auditor Recommendation:

We recommend that the District implement procedures to ensure that quarterly reports are submitted throughout the entire project period as stated in the financial assistance agreement and within 30 days of the quarter end.

District Response:

We concur with the finding and offer the following comments:

2006-2: This project (paper recycling truck) has been funded every fiscal year since 1999. Tonnages have been continually reported, thus fulfilling the reporting requirements in regards to tonnage.

2006-7: This project was a special tire collection event. Due to the nature of the project, an overall total tonnage was reported instead of twelve month totals.

2007-1: This grant provided funds to pay for administrative services for the District. The final report served as the fourth quarter report being there is no tonnage involved with this type of grant/project.

SWMP Response:

The SWMP agrees with the auditor's recommendation. The District has provided to SWMP copies of District's Bylaws, Policies & Procedure, Article 15.1 Quarterly Reporting Requirements, Policies and Procedures incorporating needed amendments to ensure quarterly reporting requirements for all open projects are met within 30 days after the end of each state fiscal year quarter. With submission of this information, Finding #11 is resolved.

12. Final Reports Not Submitted Timely – Finding Resolved

Auditor Recommendation:

We recommend that the District implement procedures to ensure the final report is submitted within 30 days of the project end date stated on the financial assistance agreement.

District Response:

We concur with this finding. The Executive Board did not hold a meeting within 30 days of the FAA end date in order to approve the final report. Due to the modification rule 10 CSR 80-9.050, there is time allowed for such occurrences.

SWMP Response:

The SWMP agrees with the auditor's recommendation. The District has provided to SWMP copies of District's Bylaws, Policies & Procedure, Article 15.2 Final Reports incorporating needed amendments to ensure timely submission of final reports, within 30 days after the project is complete and the final report and final accounting of expenditures is received and approved by the Executive Board. With submission of this information, Finding #12 is resolved.

13. Failure to Withhold 15% Retainage – Finding Resolved

Auditor Recommendation:

We recommend that the District implement procedures to ensure that the District retains 15% of subgrant funds until Board approval of the final report and accounting of project expenditures.

District Response:

We concur with this finding. The District has recently added to its disbursement policy the option to release the 15% retainage prior to approval of the final report and accounting of the project.

SWMP Response:

The SWMP agrees with the auditor's recommendation. The District has provided to SWMP copies of the District's Bylaws, Policies & Procedure, Article 16.3 Subgrant Accounting Controls incorporating needed amendments to ensure withholding of the 15% retainage until the project is complete and the final report and final accounting of expenditures is received and approved by the Executive Board; or until approvals of both the Executive Board and the SWMP are obtained. With submission of this information, Finding #13 is resolved.

14. Incomplete or Inaccurate Accounting of Subgrants

Auditor Recommendation:

We recommend the District establish account sheets for subgrantees to include necessary information, such as match funds and invoiced amounts to allow for reconciliation to the grant award.

District Response:

We concur with the finding. We have since reconciled and found the following:

2006-7

- Total grant funds disbursed = \$21,879.00
- Total match documented = \$2,300.15
- FAA Budget: Grant Funds = \$23,000.00 Match Funds = \$2,300.00
- Project was under budget by \$1,121.00
- No overpayment was made and the remaining funds were carried over into another project the following fiscal year.

2007-4

- Total grant funds disbursed = \$23,260.01
- Total match documented = \$4,994.15
- FAA Budget: Grant Funds = \$23,469.00 Match Funds = \$2,347.00
- Project was under budget by \$208.99
- No overpayment was made and the remaining funds were carried over into another project the following fiscal year.
- Account sheets, invoices, and reimbursements have been reconciled and now correspond with one another.

SWMP Response:

The SWMP agrees with this recommendation. For the District to be in compliance with State's regulations and the General Terms and Conditions related to the use of Solid Waste Management Funds, the District is required to implement control activities that will allow the District to maintain complete and accurate project/grant ledgers to account for award, expenditures and balances, including matching funds, if applicable.

The audit found that account sheets for project 2006-7 and 2007-4 did not track the portion of expenses that were met through subgrantee match. In addition, for project 2007-4, the audit found that account sheets, invoices and reimbursement amounts did not correspond with one another. From the District's response, we understand the District has identified for both projects the portion of expenditures met with subgrantee match and has reconciled accounting records and supporting documentation to the grant award. The District has also made available to the SWMP the reconciled records and supporting documentation for inclusion of copies with the audit file.

SWMP Recommendations:

The SWMP recommends the District take the following actions to resolve Finding #14:

- a. The Executive Board should review and amend the District's subgrant policies and procedures to ensure subgrantees maintain accurate and detailed records and documentation of project expenditures, including match. The District should require subgrantees to verify the amount invoiced is eligible, correct, agrees to the detailed account sheets, and is adequately supported by accurate accounting records and source documentation.
- b. The Executive Board should review and amend the District's disbursement policies and procedures to ensure that reimbursements for eligible project expenses made to subgrantees are correct and supported by proper invoices and source documentation. Specifically, the District should address the review of invoices and supporting documentation for accuracy, validity and consistency; the handling of discrepancies and errors that may exist and resubmission of corrected information; and verification that the amount approved on the source document equals the amount on the payment transaction.
- c. Any modifications to the District's policies and procedures should be in writing and approved by the Executive Board and documented within the District's signed meeting minutes with copies provided to the SWMP.

**15. Accounting Records Not Accurately Maintained
(Original Questioned Costs \$439) – Final Disallowed Costs: \$0**

Auditor Recommendation:

We recommend that the District establish and maintain an accounting system that includes detailed records and supporting documentation of all receipts and expenditures and related financial reports as required by 10 CSR 80-9.050(7)(B). The Executive Board needs to be provided appropriate and accurate financial reports to allow for adequate oversight of the grant program. Additionally, the District should resolve questioned costs of \$439 with the MDNR.

District Response:

We disagree with this finding of questioned costs. We feel this finding was a result of a miscalculation in reporting of the financials. We will work with MDNR/SWMP to address and resolve this finding.

SWMP Response:

The SWMP agrees with the auditor’s recommendation the District needs to have in place an accounting system that includes detailed records and supporting documentation of all receipts, expenditures, obligations, and related financial reports. However, in a review of the District’s supporting documentation, we determined Schedule III “Status of Subgrantee Awards - June 30, 2007” including questioned costs of \$439 was incomplete and contained information related to grants not approved as of June 30, 2007. Upon reconciliation, the SWMP determined there to be no questioned costs.

The SWMP prepared the following schedule from the District’s supporting documentation and reconciled to the District bank balance as of June 30, 2007. The schedule identifies a difference of \$42,874.83 between the bank balance as of June 30, 2007 of \$76,599.64 and identified cash per project accounting records of \$33,724.81.

Project #	Project #	Allocation Funding Amount	Carryover Amount	Total Award	Expenses Prior to FY 06	Expenses FY 06 & 07	Amount Remaining
2003074	KBRPC, Boyscout Re. Educ.	\$ 5,500.00	\$1,388.76	\$ 6,888.76	\$ -	\$ 6,888.76	\$ -
2004119	Region J Paper Recycling	14,500.00		14,500.00	13,705.75	794.25	-
2004120	KBRPC, Tire Collections	25,000.00		25,000.00	22,342.83	-	2,657.17
2004121	Meredith's Used Car, Roll off Bins	2,750.00	1,139.32	3,889.32	3,305.00	584.32	-
2004122	A-1 Disposal Tire Re. Containers	2,750.00	1,139.31	3,889.31	-	3,889.31	-
2005003	Region J, Administration	30,000.00		30,000.00	22,500.00	7,500.00	-
2005185	Region J Paper Recycling	11,675.00		11,675.00		11,675.00	-
2005186	KBRPC, Tire Collections	21,325.00		21,325.00		21,325.00	-
2005187	KBRPC, Recycling Education	6,000.00		6,000.00		-	6,000.00
2005188	Caplinger Mills Volunteer Fire	6,000.00		6,000.00		6,000.00	-
2006-1	Region J Plan Implementation	30,000.00		30,000.00		30,000.00	-
2006-2	Region J Paper Recycling	13,675.00		13,675.00		11,706.27	1,968.73
2006-4	Bayley's Cardboard Re., Equip	10,000.00		10,000.00		3,524.59	6,475.41
2006-5	JDR Flattner, Blower Purchase	10,000.00		10,000.00		-	10,000.00
2006-6	Gary Collins, Waste Oil Heater	3,350.00		3,350.00		2,847.50	502.50
2006-7	Region J, Tire Collection	23,000.00		23,000.00		21,879.00	1,121.00
2007-1	Region J, Administration	30,000.00		30,000.00		25,000.00	5,000.00
	Totals	\$ 245,525.00	\$ 3,667.39	\$ 249,192.39	\$ 61,853.58	\$153,614.00	\$ 33,724.81
	Obligated District Grant Funds						\$ 33,724.81
	Unobligated District Funds (includes district grant funds carryover, interest income, program income, and county/city membership dues)						\$ 42,874.83
	Reconciled Bank Balance as of June 30, 2007						<u>\$ 76,599.64</u>

The District has provided to the SWMP copies of District Bylaws, Policies & Procedures, Article 7.8 District Accounting Controls incorporating needed amendments to ensure the District’s financial systems adhere to generally accepted accounting principles, are designed and maintained to safeguard assets, and properly account for all fiscal transactions and related financial reports.

SWMP Recommendation:

In order to allow for final resolution of Finding #15, the District needs to provide documentation identifying the unobligated district funds by source of funding (i.e. district grant funding, interest income, program income, or other). The District will need to ensure in the future all monies are maintained in the accounting system by funding source.