



June 28, 2016

Pinewood Interim Administrator, Inc.
Attn: Robert A. Kerr, Jr., President
78 Wentworth Street
Charleston, SC 29401

We have performed the procedures enumerated below, which were agreed to by the Interim Administrator of the Pinewood Site Custodial Trust (the "Trust"), solely to assist you with respect to certain records and transactions for the purpose of evaluating certain aspects of the financial management of the Trust during the period from January 1, 2004 to October 31, 2014. The Trust's management is responsible for these records and transactions. This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

You have engaged our services on behalf of the Pinewood Site Custodial Trust to comply with Paragraph 13 of The Agreement for Transition of Pinewood Site Custodial Trust Trustee ("Trustee") Duties to Interim Administrator, an agreement dated July 25, 2014 between Kestrel Horizons, LLC ("Kestrel") and the South Carolina Department of Health and Environmental Control ("DHEC").

Our work was performed based on inquiries of the interim administrator, the Trust's auditor and Bryan Williams, former Kestrel employee and current consultant to the Interim Administrator, observations of selected business records, and certain testing.

Our procedures and findings are as follows:

1) Procedure 1 – Summarize the Trust's audited financial statements for the period January 1, 2004 through December 31, 2013.

See below for a table containing the Trust's summarized financial statements (audited by other auditors) for the period January 1, 2004 through December 31, 2013.

a. Communicate with the Trust auditors and summarize necessary audit workpapers for years where audit records are available to determine that adequate procedures were used.

We inquired of the Trust's auditors, who made available their audit workpapers for their two most recent audits. We examined workpapers for the audit as of and for the years ended December 31, 2012 and 2013, which were the years made available by the Trust's auditors.

b. Report findings

During our inspection of the audited financial statements for the years ended December 31, 2012 and 2013, interviews with the Trust's custodian and site observations, we identified that amounts paid to vendors for certain services and equipment likely resulted in an economic life that was greater than one year and, therefore, should have been capitalized and recorded as fixed assets on the Trust's balance sheets. We did not identify any expenditures that were inappropriate. However, the year to year evaluation of site operations may be misleading and long-term capital expenditures will be difficult to predict.

BALANCE SHEETS - As of December 31,										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Cash and cash equivalents	\$ 2,870,045	\$ 590,732	\$ 2,315,384	\$ 21,268	\$ 1,080,726	\$ 772,543	\$ 1,007,215	\$ 9,588	\$ 653,420	\$ 1,437,260
Trust Investment Account	1,727,898	-	-	880,771	-	-	-	-	-	-
Accounts Receivable	-	-	-	18,920	-	-	-	-	-	-
Prepaid Expenses	149,479	94,389	-	-	83,701	90,932	72,364	92,725	223,366	143,483
Total Assets	\$ 4,747,422	\$ 685,121	\$ 2,315,384	\$ 920,959	\$ 1,164,427	\$ 863,475	\$ 1,079,579	\$ 102,313	\$ 876,786	\$ 1,580,743
Accounts Payable	\$ 186,624	\$ 610,574	\$ 591,947	\$ 539,226	\$ 519,391	\$ 940,879	\$ 590,418	\$ 261,020	\$ 773,424	\$ 441,665
Total Liabilities	186,624	610,574	591,947	539,226	519,391	940,879	590,418	261,020	773,424	441,665
Net Assets (Deficit)	4,560,798	74,547	1,723,437	381,733	645,036	(77,404)	489,161	(158,707)	103,362	1,139,078
Total Net Assets	4,560,798	74,547	1,723,437	381,733	645,036	(77,404)	489,161	(158,707)	103,362	1,139,078
Total Liabilities & Equity	\$ 4,747,422	\$ 685,121	\$ 2,315,384	\$ 920,959	\$ 1,164,427	\$ 863,475	\$ 1,079,579	\$ 102,313	\$ 876,786	\$ 1,580,743
STATEMENTS OF REVENUE AND EXPENSES - For the years ended December 31,										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
4000 Transfer by DHEC	\$ -	\$ 1,750,000	\$ 3,222,986	\$ -	\$ 1,537,051	\$ 7,020,000	\$ 4,405,000	\$ 3,075,000	\$ 9,000,000	\$ 8,475,000
Investment Income/AIG Annuity	83,909	2,104,492	2,126,156	1,339,856	1,234,701	1,160,489	1,125,927	1,151,142	1,085,900	1,055,208
Unrealized/Realized Gain	-	15,853	-	-	-	-	-	-	-	-
Total Income	83,909	3,870,345	5,349,142	1,339,856	2,771,752	8,180,489	5,530,927	4,226,142	10,085,900	9,530,208
Post-Closure Basic O&M	-	-	-	123,400	389,126	-	-	-	-	-
Post-Closure-Improve for Cost Reduction	-	-	-	80,002	-	5,291,426	1,376,454	1,052,274	5,856,653	3,254,189
5300 Facility Closure	139,532	1,367,242	435,917	12,561	25,254	-	-	-	-	-
5400 Cell Closure	1,871,004	2,296,001	326,378	-	-	-	-	-	-	-
5600 Remediation	603,996	952,174	87,952	9,000	13,249	-	-	-	-	-
5700 Site Operation & Maintenance	3,100,270	2,957,779	2,272,172	1,894,908	1,467,565	2,364,469	2,248,100	2,640,570	2,743,704	3,563,336
5900 General Expenses	959,035	783,400	577,834	561,689	613,255	1,247,034	1,339,808	1,181,166	1,223,474	1,676,967
Total Expense	6,673,837	8,356,596	3,700,253	2,681,560	2,508,449	8,902,929	4,964,362	4,874,010	9,823,831	8,494,492
Net Income/Increase (decrease) in net assets	\$(6,589,928)	\$(4,486,251)	\$ 1,648,889	\$(1,341,704)	\$ 263,303	\$(722,440)	\$ 566,565	\$(647,868)	\$ 262,069	\$ 1,035,716

2) Procedure 2 – Obtain annual budget, including amendments, for all Operating & Maintenance (O&M) budgets during the period January 1, 2004 through October 31, 2014 (“Population 1”). Select a random sample of 3 budgetary amendments per year from Population 1 and perform the following procedures:

a. Obtain documentation of approval of budget amendments by Trustee.

We received a listing of budget amendments made by the Trustee for the period January 1, 2004 through October 31, 2014. We randomly selected three budgetary amendments per year from Population 1, except in 2006, when there were no budgetary amendments.

b. Obtain and document explanation for budget amendment.

We obtained the approval made by the Trustee and documented the date and explanation for the budget amendment for all selected. We could not identify authorization for two budget amendments dated July 24, 2014 and August 12, 2014, which was during the Trust’s site custodian transition period.

c. Document any budget amendment caused by cost overrun in excess of \$50,000.

Below is a listing of the budgetary amendments and explanations for each.

	Amendment Date	Amount	Date Approved by Trustee	Explanation for Amendment Based on Explanation from Management
1	3/1/2004	\$ 15,500	5/11/2004	To cover costs incurred for Professional Liability and Fidelity insurance associated with Kestrel's role as Trustee for 7/1/2003 - 7/1/2004
2	3/22/2004	\$ 53,500	5/11/2004	Trustee compensation carry-over to 2005.
3	8/20/2004	\$ 1,835,993	11/9/2004	To cover shortfalls for operation and maintenance activities for both the end of 2004 and of 2005. Also, for additional funding that will be required to complete closure activities thorough 2005 and to address stormwater management activities needed for permit compliance.
4	6/7/2005	\$ 123,500	7/14/2005	Greater than anticipated efforts for document management occurred following a January audit by the Trust's insurance provider and the poor condition of some of the important records. Compliance support issues related to demolition of buildings and waste determinations for leachate also required substantially greater effort than included in the scope for 2005 Trustee Services.
5	8/9/2005	\$ 13,809	9/1/2005	Additional cost associated with Kestrel Horizons Errors and Omissions Insurance
6	11/22/2005	\$ 70,000	11/29/2005	Costs to install 1,200 ft of French drain, remove the cover geocomposite drainage layer from the landfill cell anchor trench, fill the anchor trench with berm clay, and add coversoil and topsoil over the french drain area.
7	9/14/2007	\$ 14,607	9/19/2007	To cover costs incurred for Professional Liability and Fidelity insurance associated with Kestrel's role as Trustee for 7/1/2007 - 7/1/2008
8	11/7/2007	\$ 1,099,148	11/14/2007	Additional funding for facility operations and maintenance; environmental monitoring - current permits and programs; leachate collection and piping system improvements; leachate system preventative maintenance; permitting and compliance; trustee compensation for post-closure O&M - basic projects; leachate treatment/pretreatment; improvements for minimizing and managing surface water infiltration into liner and cover systems; permitting and compliance for post-closure improvements for cost reduction
9	8/30/2007	\$ 1,550	9/13/2007	For soil and groundwater sampling associated with the rail spur assessment.
10	4/11/2008	\$ 35,510	4/24/2008	To cover costs incurred for Professional Liability and Fidelity insurance associated with Kestrel's role as Trustee due to increase in insurance premiums resulting from an audit.

	Amendment Date	Amount	Date Approved by Trustee	Explanation for Amendment Based on Explanation from Management
11	12/17/2007	\$ 225,000	1/4/2008	Increase the 2008 Post-Closure Basic O&M Budget which was requested in a December 17, 2007 letter.
12	9/2/2008	\$ 20,000	9/8/2008	Increase in the 2008 Post-Closure Basic O&M Budget for Data and Information Management
13	5/20/2009	\$ 1,543,996	5/29/2009	Increase the 2009 Post-Closure Basic O&M and Post-Closure Improvement Projects Budget.
14	9/10/2009	\$ 12,503	10/20/2009	To cover the increase in costs incurred for Professional Liability and Fidelity insurance associated with Kestrel's role as Trustee
15	10/9/2009	\$ 206,789	10/20/2009	Increase for existing Post-Closure Improvement Projects.
16	3/17/2010	\$ 1,175,000	5/14/2010	To approve funding for Project No. 10-1, "Procure and Install Leachate and Sludge Treatment System."
17	2/25/2010	\$ 265,786	3/11/2010	For supplemental project funding for 2009 improvement project carry-over work, 2010 base O&M, and 1st quarter 2010 out-of-scope items.
18	2/25/2010	\$ 252,200	3/11/2010	For additional Trustee Compensation for 2009 Improvement projects carry-over work and 1st quarter 2010 out of scope items.
19	3/9/2011	\$ 750,559	4/4/2011	For 2010/2011 Post Closure Base Operations & Maintenance (O&M) Adjustment, 2010 Improvement Project Carryover Items, 2011 Q1 Out of Scope Items.
20	3/9/2011	\$ 235,641	4/4/2011	Out of Scope Items in 1st Quarter 2011.
21	11/3/2011	\$ 511,800	12/14/2011	2011 Post-Closure Base Operations and Maintenance items.
22	4/17/2012	\$ 564,700	5/4/2012	Trustee compensation and 2012 Q1/Q2 costs incurred and additional costs projected.
23	5/3/2012	\$ 6,208,800	5/4/2012	Permitting, design, and construction of a Leachate and Sludge Treatment System, well abandonment and replacement, other items related to these projects.
24	8/10/2012	\$ 817,400	8/14/2012	Additional costs for construction of leachate and sludge treatment system.
25	1/28/2013	\$ 88,200	2/6/2013	Additional costs for permitting, design and construction of leachate and sludge treatment system.
26	3/7/2013	\$ 1,195,500	3/11/2013	Leachate treatment system operations and maintenance, environment monitoring - current permits and programs, air monitoring program, utilities, permitting design and construction of leachate treatment system.
27	5/10/2013	\$ 518,700	5/22/2013	Out of scope items related to leachate treatment system, management and operations of leachate treatment system, management of advanced oxidation treatment study of pinewood leachate.
28	2/7/2014	\$ 165,900	6/16/2014	Resolution of URS and ConRec Contract performance issues, resolution of eagle contract performance issues, NPDES permit renewal support, RCRA part B permit support, trustee support for DHEC analysis of post-closure operations contractor, TSDf audit.
29	7/24/2014	\$ 199,600	No approvals noted. See explanation in 2b.	Supplemental funding for Q3 - 2014 for Improvement Projects (Additional point of compliance groundwater monitoring wells).
30	8/12/2014	\$ 1,048,700		Leachate transportation and disposal, sludge transportation and disposal, and legal fees.

3) Procedure 3 – For budget amendments selected in Step 2, perform the following procedures:

- a. Obtain general ledger expenditure activity related to accounts included in budget amendments and compare to budget.**

For budget amendments selected in Procedure 2, we obtained general ledger expenditure activity related to accounts included in budget amendments and compared to budget. (See columns 5 and 6 in the table below). For all budget amendment selected, we sighted DHEC approval.

b. Obtain and document explanation if general ledger account activity through date of expenditure exceeded budget as of the date of the expenditure.

Three of the budget amendments tested exceeded budgeted amounts. We received an explanation for these three (See shaded amendments in column 7). The amendments which exceeded budget were:

1. *2004 - Professional Liability and Fidelity Insurance associated with Kestrel's role as Trustee exceeded the budgeted amount of \$185,600, and the actual expenditure was \$185,842. The explanation received for the general ledger activity being greater than budget was that there was an unexpected increase in the cost of insurance when Kestrel became the Trustee. Given the difference between actual and budget of \$242, we did not perform additional procedures.*

2. *2005 – Actual Trustee Compensation of \$280,687 exceeded the budgeted amount of \$155,000. We inquired with Bryan Williams, former Kestrel employee and current consultant to the Interim Administrator and documented that additional time was spent by the Trustee because of the following:*
 - a. *An audit performed by the Trustee's insurance provider required substantially more time and effort than anticipated due to the condition of some of the Trust's records.*
 - b. *There was substantial time and effort related to compliance issues surrounding the demolition of certain buildings and waste determinations for leachate which required substantially greater effort than what was included in the scope of services.*

3. *2005 – Actual costs associated with installation of a French Drain totaling \$158,906 exceeded budgeted amount of \$86,337, per Bryan Williams, due to unforeseen complexities associated with the project.*

1	2	3	4	5	6	7	
Amendment Date	Amount	Date of DHEC Approval Sighted	Account	Total Expenditure Activity for Budget Year Through Amendment Date	Budgeted Amount	Explanation	
1	3/1/2004	\$ 15,500	5/11/2004	5901 - Insurance	\$ 185,842	\$ 185,600	Incremental costs of insurance on assuming the role of Trustee
2	3/22/2004	\$ 53,500	5/11/2004	5902 - Trustee Compensation	\$ 149,258	\$ 648,500	N/A - GL activity < Budgeted
3	8/20/2004	\$ 1,835,993	11/9/2004	Multiple accounts	\$ 2,022,487	\$ 2,914,600	N/A - GL activity < Budgeted
							Greater-than-anticipated efforts for document management have arisen out of a January audit by the Trust's insurance provider and the poor condition of some of the important records. Compliance support issues related to demolition of buildings and waste determinations for leachate have also required substantially greater effort than included in the scope for 2005 Trustee Services.
4	6/7/2005	\$ 123,500	7/14/2005	5902 - Trustee Compensation	\$ 280,687	\$ 155,000	
5	8/9/2005	\$ 13,809	9/1/2005	5901 - Insurance	\$ 99,653	\$ 391,600	N/A - GL activity < Budgeted
				5601.03 - Oper French Drain Pumps & Const			Greater-than-anticipated efforts for french drain installation
6	11/22/2005	\$ 70,000	11/29/2005	5902 - Trustee Compensation	\$ 96,250	\$ 314,980	N/A - GL activity < Budgeted
7	3/12/2007	\$ 14,980	3/12/2007	Multiple accounts	\$ 2,263,378	\$ 2,316,527	N/A - GL activity < Budgeted
8	11/7/2007	\$ 1,099,110	11/14/2007	5712 - Rail Spur Inspection & Maint	\$ 3,720	\$ 10,000	N/A - GL activity < Budgeted
9	9/13/2007	\$ 1,550	9/13/2007	5901 - Insurance	\$ 35,490	\$ 60,000	N/A - GL activity < Budgeted
10	4/11/2008	\$ 35,510	4/24/2008	5901 - Insurance	\$ 35,490	\$ 60,000	N/A - Amendment was made after original budget approval but before beginning of year
11	12/17/2007	\$ 225,000	1/4/2008	5902 - Trustee Compensation	\$ -	\$ -	N/A - Amendment was made after original budget approval but before any work related to amendment began
12	9/2/2008	\$ 20,000	9/8/2008	Multiple accounts	\$ -	\$ -	N/A - Amendment was made after original budget approval but before any work related to amendment began
13	5/20/2009	\$ 1,543,996	5/29/2009	Multiple accounts	\$ 1,898,935	\$ 6,578,796	N/A - GL activity < Budgeted
14	9/10/2009	\$ 12,503	10/20/2009	5901 - Insurance	\$ 57,525	\$ 83,702	N/A - GL activity < Budgeted
15	10/9/2009	\$ 206,789	10/20/2009	2010.29 - 2010.32.17	\$ 3,391,742	\$ 3,786,794	N/A - GL activity < Budgeted

	Amendment Date	Amount	Date of DHEC Approval Sighted	Account	Total Expenditure Activity for Budget Year Through Amendment Date	Budgeted Amount	Explanation
16	3/17/2010	\$ 1,175,000	5/14/2010	Multiple accounts	\$ -	\$ -	N/A - Additional funding was requested and approved before any work began on this project.
17	2/25/2010	\$ 265,786	3/11/2010	Multiple accounts	\$ -	\$ -	N/A - Additional funding was requested and approved before any work began on this project.
18	2/25/2010	\$ 252,200	3/11/2010	5902 - Trustee Compensation	\$ -	\$ -	N/A - Additional funding was requested and approved before any work began on this project.
19	3/9/2011	\$ 750,559	4/4/2011	Multiple accounts	\$ 1,079,984	\$ 1,852,359	N/A - GL activity < Budgeted
20	3/9/2011	\$ 235,641	4/4/2011	Multiple accounts	\$ 1,079,984	\$ 1,852,359	N/A - GL activity < Budgeted
21	11/3/2011	\$ 511,800	12/14/2011	Multiple accounts	\$ 3,073,506	\$ 4,083,253	N/A - GL activity < Budgeted
22	4/17/2012	\$ 564,700	5/4/2012	5902 - Trustee Compensation	\$ 155,585	\$ 221,094	N/A - GL activity < Budgeted
23	5/3/2012	\$ 6,208,800	5/4/2012	2010.34 - Permitting, Design, Const. of LTS	\$ 402,223	\$ 1,233,000	N/A - GL activity < Budgeted
24	8/10/2012	\$ 817,400	8/14/2012	2010.34 - Permitting, Design, Const. of LTS	\$ 1,846,924	\$ 5,552,000	N/A - GL activity < Budgeted
25	1/28/2013	\$ 88,200	2/6/2013	2010.34 - Permitting, Design, Const. of LTS	\$ 6,938,347	\$ 7,686,800	N/A - GL activity < Budgeted
26	3/7/2013	\$ 1,195,500	3/11/2013	Multiple accounts	\$ 2,143,052	\$ 2,448,153	N/A - GL activity < Budgeted
27	5/10/2013	\$ 518,700	5/22/2013	5902 - Trustee Compensation	\$ 553,692	\$ 224,853	N/A - GL activity < Budgeted
28	2/7/2014	\$ 165,900	6/16/2014	5902 - Trustee Compensation	\$ 48,757	\$ 473,250	N/A - GL activity < Budgeted
29	7/24/2014	\$ 199,600					N/A - No approval of amendment noted. See explanation in 2b.
30	8/12/2014	\$ 1,048,700					

- 4) Procedure 4 – Obtain population of all expenditures occurring during the period January 1, 2004 through October 31, 2014 (“Population 2”). Select a random sample of 5 expenditures per year from Population 2 and perform the following procedures:
- Obtain documentation of approval of expenditure by Trustee
 - Obtain copy of invoice, signed by vendor, and copy of check for payment of invoice
 - Vouch payment to the Trust’s bank statement
 - Document method of vendor selection

We obtained the population of all expenditures occurring during the period January 1, 2004 through October 31, 2014 and selected a random sample of 5 expenditures per year and obtained documentation of approval of expenditure by the Trustee, obtained a copy of the invoice (signed by vendor), vouched the payment to the Trust’s bank statement, documented the criteria for the selection of the vendor and sighted a copy of the check.

For one out of 55 expenditures, we were unable to obtain a copy of the invoice or approval of the expenditure by the Trustee. We did not receive support for check number 1581 paid to Guess Equipment Company on May 3, 2007 in the amount of \$95,059.74. Per inquiry of Bryan Williams, this purchase was for equipment.

Below is a listing of the expenditures selected:

	Date	Num	Name	Split	Debit	Year
1	09/08/2004	1142	Environmental Specialties	1000 - Cash in Bank 7536105401	298,059.26	2004
2	10/25/2004	1166	Environmental Specialties	1000 - Cash in Bank 7536105401	291,486.71	2004
3	12/31/2004	1205	R. E. Goodson Construction Co., Inc.	1000 - Cash in Bank 7536105401	190,993.70	2004
4	08/12/2004	1121	Environmental Specialties	1000 - Cash in Bank 7536105401	174,508.63	2004
5	12/15/2004	1197	Sumter Transport Company, Inc.	1000 - Cash in Bank 7536105401	168,170.39	2004
6	05/13/2005	1287	R. E. Goodson Construction Co., Inc.	1000 - Cash in Bank 7536105401	437,521.31	2005

	Date	Num	Name	Split	Debit	Year
7	05/02/2005	1278	Sumter Transport Company, Inc.	1000 · Cash in Bank 7536105401	272,513.08	2005
8	03/29/2005	1263	General Engineering & Environmental, LLC	1000 · Cash in Bank 7536105401	167,131.30	2005
9	03/04/2005	1241	Environmental Specialties	1000 · Cash in Bank 7536105401	102,597.29	2005
10	10/20/2005	1361	Bunnell-Lammons Engineering, Inc	1000 · Cash in Bank 7536105401	47,036.97	2005
11	06/09/2006	1461	R. E. Goodson Construction Co., Inc.	1000 · Cash in Bank 7536105401	347,437.96	2006
12	12/12/2006	1515	Sumter Transport Company, Inc.	1000 · Cash in Bank 7536105401	154,641.83	2006
13	05/01/2006	1446	General Engineering & Environmental, LLC	1000 · Cash in Bank 7536105401	80,739.51	2006
14	06/09/2006	1458	Edmunds Land Surveyors, Inc.	1000 · Cash in Bank 7536105401	2,000.00	2006
15	01/27/2006	1415	Palmetto Gas Co	1000 · Cash in Bank 7536105401	1,917.74	2006
16	07/18/2007	1604	General Engineering & Environmental, LLC	1000 · Cash in Bank 7536105401	138,454.76	2007
17	05/03/2007	1581	Guess Equipment Co., Inc.	1000 · Cash in Bank 7536105401	95,059.74	2007
18	07/05/2007	1598	Carter & Crawley	1000 · Cash in Bank 7536105401	83,075.00	2007
19	09/26/2007	1636	Sumter Transport Company, Inc.	1000 · Cash in Bank 7536105401	76,401.48	2007
20	01/27/2006	1415	Palmetto Gas Co	1000 · Cash in Bank 7536105401	1,917.74	2006
21	07/18/2007	1604	General Engineering & Environmental, LLC	1000 · Cash in Bank 7536105401	138,454.76	2007
22	05/03/2007	1581	Guess Equipment Co., Inc.	1000 · Cash in Bank 7536105401	95,059.74	2007
23	07/05/2007	1598	Carter & Crawley	1000 · Cash in Bank 7536105401	83,075.00	2007
24	09/26/2007	1636	Sumter Transport Company, Inc.	1000 · Cash in Bank 7536105401	76,401.48	2007
25	05/15/2007	1583	Carter & Crawley	1000 · Cash in Bank 7536105401	61,530.30	2007
26	07/28/2008	1740	Sumter Transport Company, Inc.	1000 · Cash in Bank 7536105401	131,621.23	2008
27	12/04/2008	1764	R. E. Goodson Construction Co., Inc.	1000 · Cash in Bank 7536105401	50,000.00	2008
28	07/28/2008	1738	Eagle Engineering, Inc	1000 · Cash in Bank 7536105401	46,172.50	2008
29	05/22/2008	1716	Edmunds Land Surveyors, Inc.	1000 · Cash in Bank 7536105401	1,500.00	2008
30	10/14/2008	1756	Black River Electric Cooperative, Inc.	1000 · Cash in Bank 7536105401	1,481.72	2008
31	08/12/2009	1883	Sumter Transport Company, Inc.	1000 · Cash in Bank 7536105401	216,071.42	2009
32	08/26/2009	1890	FLOYD INDUSTRIAL MAINTENANCE, INC.	1000 · Cash in Bank 7536105401	174,230.44	2009
33	08/13/2009	1887	Industrial Concepts, Inc	1000 · Cash in Bank 7536105401	166,207.36	2009
34	11/16/2009	1958	Sumter Transport Company, Inc.	1000 · Cash in Bank 7536105401	146,988.63	2009
35	07/23/2009	1879	PLASTIC FUSION FABRICATORS, INC	1000 · Cash in Bank 7536105401	98,894.37	2009
36	01/19/2010	1999	Industrial Concepts, Inc	1000 · Cash in Bank 7536105401	299,408.50	2010
37	11/10/2010	2149	Sumter Transport Company, Inc.	1000 · Cash in Bank 7536105401	173,661.09	2010
38	03/24/2010	2029	Kestrel Horizons, LLC	1000 · Cash in Bank 7536105401	157,819.34	2010
39	02/05/2010	2005	General Engineering & Environmental, LLC	1000 · Cash in Bank 7536105401	131,113.67	2010
40	01/19/2010	1998	FLOYD INDUSTRIAL MAINTENANCE, INC.	1000 · Cash in Bank 7536105401	112,310.50	2010
41	03/01/2011	2198	Sumter Transport Company, Inc.	1000 · Cash in Bank 7536105401	405,167.44	2011
42	02/17/2011	2195	AECOM Technical Services, Inc	1000 · Cash in Bank 7536105401	187,410.32	2011
43	02/02/2011	2189	General Engineering & Environmental, LLC	1000 · Cash in Bank 7536105401	124,360.84	2011
44	06/07/2011	2231	Industrial Concepts, Inc	1000 · Cash in Bank 7536105401	108,282.22	2011
45	01/18/2011	2174	Lindler Surveying, Inc	1000 · Cash in Bank 7536105401	1,500.00	2011
46	07/31/2012	2427	M.B. Kahn Construction Co., Inc	1000 · Cash in Bank 7536105401	690,210.00	2012
47	10/02/2012	2465	M.B. Kahn Construction Co., Inc	1000 · Cash in Bank 7536105401	529,746.26	2012
48	10/02/2012	2464	URS Corporation	1000 · Cash in Bank 7536105401	329,223.31	2012
49	12/13/2012	2510	CONREC	1000 · Cash in Bank 7536105401	292,800.00	2012
50	10/23/2012	2483	ENCON Evaporators	1000 · Cash in Bank 7536105401	160,505.50	2012
51	05/15/2013	2590	M.B. Kahn Construction Co., Inc	1000 · Cash in Bank 7536105401	816,182.79	2013
52	01/24/2013	2538	M.B. Kahn Construction Co., Inc	1000 · Cash in Bank 7536105401	658,425.29	2013
53	05/15/2013	2588	CONREC	1000 · Cash in Bank 7536105401	106,374.48	2013
54	09/04/2013	2639	Smith Gardner Inc.	1000 · Cash in Bank 7536105401	88,098.84	2013
55	03/04/2013	2550	TRINITY CONSULTANTS	1000 · Cash in Bank 7536105401	18,256.32	2013
56	08/01/2014	2785	Kestrel Horizons, LLC	1000 · Cash in Bank 7536105401	464,179.24	2014
57	07/28/2014	2776	Sumter Transport Company, Inc.	1000 · Cash in Bank 7536105401	178,040.91	2014
58	03/11/2014	2720	TOLLISON LAW FIRM	1000 · Cash in Bank 7536105401	11,829.00	2014
59	09/10/2014	2802	NEXSEN PRUET LLC	1000 · Cash in Bank 7536105401	56,733.82	2014
60	03/27/2014	2729	Sumter Transport Company, Inc.	1000 · Cash in Bank 7536105401	119,614.73	2014

- 5) Procedure 5 – Obtain a list of all payments to Kestrel occurring during the period January 1, 2004 through October 31, 2014 and perform the following procedures:
- Summarize expenditure activity by year
 - Compare to yearly budgets
 - Obtain and document explanation if any expenditures exceed budget

We obtained a list of all payments to Kestrel occurring during the period January 1, 2004 through October 31, 2014, which totaled 503 checks and invoices, and summarized by year in the table below. We summarized the expenditure activity by year, compared to the yearly budgets, and obtained and documented an explanation if any of the expenditures exceeded the budgets.

For 2011, budget was exceeded by \$58,830, approximately 6% over the approved budget of \$964,541. Per inquiry of Bryan Williams, several improvement projects crossed over multiple years during the period of 2009-2013. Rather than close out the funding at the end of the year and re-request approval of funding, Kestrel would carry over the budget approval for managing improvements and not draw on them until the work was performed in the subsequent year.

For 2014, we noted that the total payments made to Kestrel totaled \$1,447,365. The original approved budget was \$473,251. On July 28, 2014, DHEC authorized an additional \$475,000 for payment of Trustee services and professional liability services. The total paid to Kestrel in excess of authorized amounts was \$499,114 for 2014. The interim site administrator advised us that there was turnover with the Trust's primary contact at DHEC. Because of timing of this contact change, the budgeting process and invoice authorization was altered. The initial \$473,251 only consisted of basic Trustee service fees. Additional amounts related to managing capital projects and other out of scope services were not included in this budget. Per discussion with the Interim Site Administrator, purchase requests and invoices were authorized for payment individually rather than through a formal budgetary process.

	Total per GL (checks)	Total Payments Per Check (from bank statements)	Approved Budget	Over (Under) Budget
2004	\$ 671,836	\$ 671,836	\$ 705,000	\$ (33,164)
2005	\$ 508,752	\$ 508,752	\$ 511,500	\$ (2,748)
2006	\$ 457,204	\$ 457,204	\$ 474,100	\$ (16,896)
2007	\$ 395,048	\$ 395,048	\$ 409,980	\$ (14,933)
2008	\$ 304,024	\$ 304,024	\$ 305,500	\$ (1,476)
2009	\$ 1,005,337	\$ 1,005,337	\$ 1,080,796	\$ (75,459)
2010	\$ 1,291,147	\$ 1,291,147	\$ 1,556,423	\$ (265,276)
2011	\$ 1,023,371	\$ 1,023,371	\$ 964,541	\$ 58,830
2012	\$ 1,104,308	\$ 1,104,308	\$ 1,158,294	\$ (53,986)
2013	\$ 1,100,808	\$ 1,100,808	\$ 1,203,253	\$ (102,445)
2014	\$ 1,447,365	\$ 1,447,365	\$ 948,251	\$ 499,114

- 6) Procedure 6 – Prepare a summary of expenditures by vendor for the period January 1, 2004 through October 31, 2014. Sort by total dollar value of expenditures, select the top 5 vendors, excluding Kestrel, and perform the following procedures:
- a. Obtain a copy of contract with the vendor (if multiple contracts, select largest contracts up to 5)
 - b. Identify the procedure for selection of vendor in place at the date the contract(s) were signed

c. Obtain documentation that procedures identified in (b) above were followed for selection of vendor

We prepared a summary of expenditure activity by vendor for the period January 1, 2004 through October 31, 2014. We sorted by dollar value of expenditures and selected the top 5 vendors, excluding Kestrel. For those vendors, we obtained a copy of the contract with the vendor, we identified the procedure for the selection of the vendor in place at the date the contract was signed, and we obtained documentation that those procedures were followed for the selection of the vendor. See below for a table Total expenditures for all vendors for the period January 1, 2004 through October 31, 2014 were \$60,980,319. Total expenses covered by this procedure totaled \$40,068,885, which represents 66% of all expenditures.

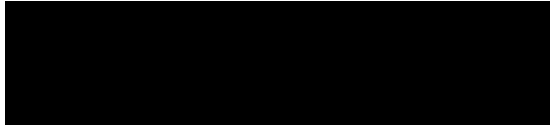
We noted no exceptions for this procedure.

Vendor	Amount	Explanation
Sumter Transport Company, Inc.	\$ 24,494,184	We identified that there were several contracts entered into between PSCT and Sumter Transport Company, Inc. ("STC") over the course of the period. We identified the procedure for selection of this vendor was to issue requests for proposals for the various projects to be undertaken and receive competitive bids from qualified vendors. PSCT's trustee would then review proposals received for work and choose the vendor whose proposal best addressed the tasks applicable to the work to be performed. Proposals were ranked based on cost, qualifications, past experience, subcontractor qualifications, and approach. We noted STC was selected to provide transportation services for sludge and leachate from the site.
M.B. Kahn Construction Co., Inc	\$ 5,118,213	We identified that there were several contracts entered into between PSCT and M.B. Kahn Construction Co., Inc ("MB") over the course of the period. We identified the procedure for selection of this vendor was to issue requests for proposals for the various projects to be undertaken and receive competitive bids from qualified vendors. PSCT's trustee would then review proposals received for work and choose the vendor whose proposal best addressed the tasks applicable to the work to be performed. Proposals were ranked based on cost, qualifications, past experience, subcontractor qualifications, and approach. We noted MB was selected to perform leachate treatment system work.
R. E. Goodson Construction Co., Inc.	\$ 4,295,761	We identified that there were several contracts entered into between PSCT and RE Goodson Construction Co., Inc. ("RE") over the course of the period. We identified the procedure for selection of this vendor was to issue requests for proposals for the various projects to be undertaken and receive competitive bids from qualified vendors. PSCT's trustee would then review proposals received for work and choose the vendor whose proposal best addressed the tasks applicable to the work to be performed. Proposals were ranked based on cost, qualifications, past experience, subcontractor qualifications, and approach. We noted RE was selected to perform landfill closure and earthwork work for the site.
General Engineering & Environmental, LLC	\$ 4,191,864	We identified that there were several contracts entered into between PSCT and General Engineering & Environmental, LLC ("GEL") over the course of the period. We identified the procedure for selection of this vendor was to issue requests for proposals for the various projects to be undertaken and receive competitive bids from qualified vendors. PSCT's trustee would then review proposals received for work and choose the vendor whose proposal best addressed the tasks applicable to the work to be performed. Proposals were ranked based on cost, qualifications, past experience, subcontractor qualifications, and approach. We noted GEL was selected to perform monitoring, sampling and laboratory analysis of the site for PSCT. We also noted that there were multiple proposals submitted from various vendors for this work, of which GEL was the least expensive.
Industrial Concepts, Inc	\$ 1,968,863	We identified that there were several contracts entered into between PSCT and Industrial Concepts, Inc. ("ICI") over the course of the period. We identified the procedure for selection of this vendor was to issue requests for proposals for the various projects to be undertaken and receive competitive bids from qualified vendors. PSCT's trustee would then review proposals received for work and choose the vendor whose proposal best addressed the tasks applicable to the work to be performed. Proposals were ranked based on cost, qualifications, past experience, subcontractor qualifications, and approach. We noted ICI was selected to perform Distributed Control System work.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on the financial statements of the Trust. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Trust, Kestrel and DHEC and is not intended to be and should not be used by anyone other than those specified parties.

Sincerely,



Elliott Davis Decosimo, LLC
Charleston, South Carolina