

**Landfill Certification
(Updated December 2013)¹**

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

(Same addressee as financial opinion)
and
The Director,
Ohio Environmental Protection Agency

We have audited, in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of (name of government) for the year ended December 31, 20XX, and have separately issued our unmodified report thereon dated XXX. [If qualified, describe the qualification. However, a qualified opinion may disqualify a government from using this test, and conceivably require a government to obtain costly third-party financial instruments. If our staff contemplates a qualification, they should consult immediately.] **These statements present the landfill as a major enterprise fund and also within the Government's business-type activities. <<<Modify as needed.**

In a letter to the Ohio Environmental Protection Agency dated ZZZ² (the Letter), the (title of landfill owner or operator's chief financial officer (CFO)) of (name of landfill) specified that certain amounts disclosed in that Letter were derived from the independently audited financial statements referred to in the first paragraph above.

We have performed the procedures described below as agreed to by the (Same addressee as financial opinion) and by the Ohio Environmental Protection Agency, solely to assist you in determining that certain amounts reported in the Letter agreed to, or can be computed from, amounts presented in the audited basic financial statements. The [financial opinion addressee]'s management is responsible for the information presented in the Letter. This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants' attestation standards and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. The sufficiency of the procedures is solely the responsibility of the parties specified in this 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.

USE THE FOLLOWING PARAGRAPH IF THE GOVERNMENT USES "ALTERNATIVE 1" FROM 3745-27-17(H):

As required by Ohio Administrative Code Sections 3745-27-15(L)(5)(c) and 3745-27-16(L)(5)(c) **and 3745-27-18(M)(5)(c), << insert only if the circumstance exists described in footnote 3** we have agreed the following amounts included in the Letter to the audited financial statements:

Alternative 1, <u>Line No.</u>	
2	Sum of cash and marketable securities
3	Total expenditures
4	Annual debt service
5	Long term debt
6	Capital expenditures
7	Total assured environmental costs
8	Total annual revenue

¹ Please read the document, *AUP Additional Guidance* for additional information, which we updated in February 2013. This document is available at the IPA Resources page on the AOS home page.

² The CFO should date her/his letter on or after the date of our financial statement opinion. Our agreed-upon procedures report should be dated on or after the date of the CFO's letter.

³ Delete reference to OAC 3745-27-18(M)(5)(c) unless Ohio EPA director has required the landfill to implement corrective action related to ground water contamination described in 3745-27-10.

The amounts on lines 2 through 6 and 8 agree to the basic fund financial statements of (name of government), or can be computed from amounts appearing therein. We followed the definitions for lines 2 through 6 and 8 included in the *State Support Document for the Local Government Financial Test*, issued November 27, 1996 by the USEPA. Line 7 includes total assured environmental costs reported in the fund⁴ financial statements following Governmental Accounting Statement Number 18.⁵

USE THE FOLLOWING PARAGRAPHS IF THE GOVERNMENT USES "ALTERNATIVE 2" FROM 3745-27-17(H):

As required by Ohio Administrative Code Sections 3745-27-15(L)(5)(c) and 3745-27-16(L)(5)(c), and 3745-27-18(M)(5)(c), << insert only if the circumstance exists described in footnote 2 we have agreed the following amounts included in the Letter to the audited financial statements:

Alternative 2, Line No.

5	Total assured environmental costs [see footnote 6]
6	Total annual revenue

The amounts on line 6 agree to the basic fund financial statements of (name of government), or can be computed from amounts appearing therein. We followed the definition for line 6 included in the *State Support Document for the Local Government Financial Test*, issued November 27, 1996 by the USEPA. Line 5 includes total assured environmental costs reported in the fund³ financial statements following Governmental Accounting Statement Number 18.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the Letter. Accordingly, we do not express 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 addressees listed above and is not intended to be and should not be used by anyone other than these specified parties.

⁴ Since the State Support Document was based on pre-GASB 34 fund financial statements, we believe we should compare the amounts to the fund statements under GASB 34. An exception would exist where a government reported the GASB 18 liability as a governmental activity liability and not in the governmental fund financial statements. In that case, we should agree the liability to the entity-wide statement amounts. You should consult with the Center for Audit Excellence.

⁵ Two points of caution:

- A. The CFO's letter should include asterisks next to the items derived from the audited statements. We should review the final version of this letter to assure that the asterisked amounts are consistent with the items we have listed in this report and in the audited financial statements.
- B. We can only agree amounts from the letter that were derived from the audited statements. That is, the amount should appear in the audited statements and should be included in the *adjusted* trial balance, or should be computable directly from the adjusted trial balance. It is preferable to have amounts referenced in the letter appear as separate captions on the audited statements. For example, it is preferable to have a separate caption entitled "estimated closure and postclosure liability," rather than have that liability combined with other amounts in the "accrued liabilities" caption. It would be inappropriate for us to report on a computation which included an amount that was not included in the adjusted trial balance. For example, we could not report on a computation that involved the number of tons of waste accepted into a landfill, or on financial information not related to the year we audited.

⁶ The example CFO letter in OAC 3745-27-17(H), Alternative 2, does not include an asterisk next to line 5. However, we believe it should be asterisked and that we should agree that amount to the fund (or entity-wide statements, per footnote 3) financial statements to comply with the requirements on page 20 of the *State Support Document for the Local Government Financial Test*.

Auditor Signature

(date ZZZ)¹