



**Auditor of State
Betty Montgomery**

PREBLE COUNTY SANITARY LANDFILL
PREBLE COUNTY

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Preble County Sanitary Landfill
Preble County
101 East Main Street
Eaton, Ohio 45320
and
Mr. Christopher Jones, Director
Ohio Environmental Protection Agency

To the Members of the Board:

We have audited, in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of Preble County, Ohio (the County), for the year ended December 31, 2003, and have separately issued our unqualified report thereon dated August 12, 2004.

In a letter to the Ohio Environmental Protection Agency dated August 30, 2004 (the Letter), the County Auditor of the Preble County Sanitary 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 Board of County Commissioners 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 Board of County Commissioners' management is responsible for the information presented in the Letter. We followed the American Institute of Certified Public Accountants' attestation standards for agreed-upon procedures engagements. The sufficiency of the procedures is solely the responsibility of the addressees. 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.

As required by Ohio Administrative Code Sections 3745-27-15(L)(5)(c), 3745-27-16(L)(5)(c) and 3745-27-18(M)(5)(c), we have agreed the following amounts included in the Letter to the audited financial statements:

Alternative 2, Line No.

5	Total assured environmental costs
6	Total annual revenue

The amounts on line 6 agree to the basic financial statements of Preble County, 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 fund² 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 to express an opinion on the Letter. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that we would have reported to you.

This report is intended solely for the information and use of the addressees listed above and should not be used by anyone else.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

August 30, 2004

Preble County Auditor
HAROLD E. "HAL" YODER
Courthouse, 2nd Floor
Eaton, Ohio 45320



Phone: (937) 456-8148

Fax: (937) 456-8108

Mr. Christopher Jones
Director
State of Ohio
Environmental Protection Agency
Lazarus Government Center
122 S. Front Street
Columbus, OH 43215

RE: Preble County Landfill- Local Government Financial Test Demonstration -
Annual Update 2004

Dear Mr. Jones:

I am the Chief Financial Officer of Preble County, Ohio. This letter is in support of this local government's use of the financial test to demonstrate financial assurance, as specified in Chapter 3745-27 of the Administrative Code.

- (1) This local government is the owner or operator of the following facilities or scrap tire transporters for which financial assurance for final closure, post-closure care, scrap tire transporter final closure, or corrective measures is demonstrated through the financial test specified in Chapter 3745-27 of the Administrative Code and/or this local government is the owner or operator of the following facilities for which financial assurance for any other environmental obligations are assured by a financial test. The current final closure, post-closure care, scrap tire transporter final closure, and/or corrective measures cost estimates, and any other environmental obligations provided for by a test are shown:

Preble County Sanitary Landfill
4239 U.S. Route 127 South
Eaton, Preble County, Ohio 43520

Final Closure:	<u>\$5,757,182</u>
Post-Closure Care:	<u>\$2,196,181</u>
Scrap Tire Transporter Final Closure:	\$
Other Environmental Obligations:	\$
Corrective Measures:	\$

- (2) This local government is the owner or operator of the following facilities or scrap tire transporter for which financial assurance requirements for final closure, post-closure care, scrap tire transporter final closure, corrective measures, and/or any other environmental obligations are satisfied through a financial test other than that required by Chapter 3745-27 of the Administrative Code. The current final closure, post-closure care, scrap tire transporter final closure, and/or corrective measures cost estimates, and/or any other environmental obligation covered by such financial assurance are shown for each facility or scrap tire transporter: None.

The fiscal year of this local government ends on December 31. The figures for the following items marked with an asterisk are derived from this local government's independently audited, year-end financial statements for the most recently completed fiscal year, ended December 31, 2003.

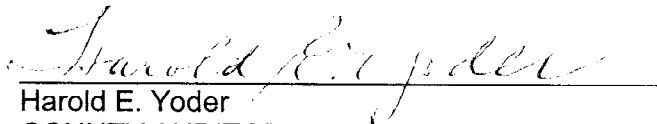
ALTERNATIVE II

1. Sum of current final closure, post-closure care, scrap tire transporter final closure, corrective measures cost estimates, and any other environmental obligations assured by a financial test (total of all cost estimates shown in the paragraphs above): \$7,953,863
2. Current bond rating of most recent issuance and name of rating service: AAA, S & P and A2Moody's
3. Date of issuance of bond: December 16 1996
4. Date of maturity of bond: December 1, 2016
5. Total assured environmental costs: \$7,953,863
- *6. Total annual revenue: \$28,249,402
7. Is line 5 divided by line 6 less than or equal to 0.43? YES
If not, complete lines 8 and 9.
8. Multiply line 6 by 0.43 = \$ N/A.
This is the maximum amount allowed to assure environmental costs.
9. Line 8 subtracted from line 5 = \$ N/A.
This amount must be assured by another financial assurance mechanism listed in paragraphs (F), (G), (I), and/or (J), in rules 3745-27-15, 3745-27-16, and paragraphs (G), (H), (J), or (K) in rule 3745-27-18 of the Administrative Code.

I hereby certify that the wording of this letter is identical to the wording specified in paragraph (H) of rule 3745-27-17 of the Administrative Code as such rule was constituted on the date shown immediately below. I further certify the following:

- (1) that the local government's financial statements are prepared in conformity with generally accepted accounting principles for governments;

- (2) that the local government has not operated at a deficit equal to five percent or more of total annual revenue in either of the past two fiscal years;
- (3) that the local government is not in default on any outstanding general obligation bonds; and,
- (4) that the local government does not have outstanding general obligations rated less than BBB as issued by "Standard and Poor's" or Baa as issued by "Moody's".



Harold E. Yoder
COUNTY AUDITOR
PREBLE COUNTY, OHIO

August 30, 2004

Date

SCHEDULE A

PREBLE COUNTY SANITARY LANDFILL
4239 U.S. Route 127 South
Eaton, Preble County, Ohio 43520

FINAL CLOSURE/POST-CLOSURE CARE COST ESTIMATES¹
FOR THE PREBLE COUNTY LANDFILL
(2004 Annual Update Using 2003 Figures)

Final Closure cost:	<u>\$5,757,182</u>
Post-closure care cost:	+ <u>\$2,196,681</u>
Total	= <u>\$7,953,863</u>

¹ Estimates prepared by the County's engineering consultant are attached. Estimates were updated to reflect 1.6% Inflationary factor for 2004.

SCHEDULE B

PREBLE COUNTY SANITARY LANDFILL
4239 U.S. Route 127 South
Eaton, Preble County, Ohio 43520

SCHEDULE OF THE TOTAL ANNUAL REVENUE
OF PREBLE COUNTY, OHIO
AS OF DECEMBER 31, 2003

1.	Total Revenues of General Fund	<u>\$ 9,304,478</u>
2.	Total Revenues of Special Revenue Funds	<u>\$15,375,538</u>
3.	Total Revenues of Debt Service Fund	<u>\$ 334,203</u>
4.	Total Revenues of Capital Projects Funds	<u>\$ 332,062</u>
5.	Total Operating Revenues - Enterprise Funds	<u>\$ 2,903,121</u>
6.	Total Non-Operating Revenues - Enterprise Funds	<u>\$ 0</u>
7.	Total Non-Operating Revenues of Internal Service Funds	<u>\$ 0</u>
TOTAL ANNUAL REVENUE		<u>\$ 28,249,402</u>

The above information was derived from Preble County's Audited Financial Statements for the fiscal year ended December 31, 2003.



**Auditor of State
Betty Montgomery**

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Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

PREBLE COUNTY SANITARY LANDFILL

PREBLE COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
SEPTEMBER 30, 2004**