Independent Accountant's Report
On Applying Agreed-Upon Procedures

Baltimore County, Maryland

Landfill Closure and Post-Closure Costs
Local Government Financial Test

Office of the County Auditor
Baltimore County, Maryland
December 1998

BALTIMORE COUNTY, MARYLAND
OFFICE OF THE COUNTY AUDITOR

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DEPUTY COUNTY AUDITOR

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

U.S. Environmental Protection Agency
Maryland Department of the Environment
Baltimore County, Maryland

We have performed the procedures enumerated below, which were agreed to by the U.S. Environmental Protection Agency (EPA), the Maryland Department of the Environment (MDE) and Baltimore County, Maryland (the specified users), solely to assist you in meeting the reporting requirements specified in 40 CFR part 258, Subpart G, Financial Assurance Criteria. This engagement to apply agreed-upon procedures was performed in accordance with *Government Auditing Standards,* issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of the specified users of 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.

Our procedures and associated findings were as follows:

Procedures:

1. We compared the applicable data and statements, as specified in the State Support Document for the Local Government Financial Test (prepared by the EPA), contained in the letter from the County's Director of Budget and Finance, dated December 7, 1998, with the audited financial statements of Baltimore County, Maryland as of and for the year ended June 30, 1998.

2. We recomputed the totals and percentages used in calculating the conditions of the financial test demonstrated in the Director's letter referred to above.

Findings:

With regard to the above procedures, we noted the following:

- The total of closure and post-closure costs was correctly computed in the Director's letter and was taken directly, or appropriately derived, from the audited financial statements as of and for the year ended June 30, 1998.

- The total of closure and post-closure costs disclosed in the Director's letter was within 43% of the County's FY 1998 total revenue included in the audited financial statements as of and for the year ended June 30, 1998.

- The County's financial statements as of and for the year ended June 30, 1998 were prepared in conformity with generally accepted accounting principles.

- The County's financial statements as of and for the year ended June 30, 1998 were audited by the independent auditors KPMG Peat Marwick LLP and an unqualified opinion was issued.

- The County has not had an operating deficit for each of the past two years.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the financial data and statements contained in the Director's letter. 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 EPA, the MDE and Baltimore County, Maryland and is not intended to be and should not be used by anyone other than these specified parties.

Brian J. Rowe, CPA
County Auditor

Lauren M. Smelkinson

Lauren M. Smelkinson, CPA
Audit Manager

December 16, 1998

Attachment

Baltimore County
Office of Budget and Finance

400 Washington Avenue
Towson, Maryland 21204

December 7, 1998

Baltimore County, Maryland
Eastern Sanitary Landfill Operating Record

To the Operating Record:

This letter is in support of Baltimore County's use of the local government financial test to demonstrate financial assurance for closure and/or post-closure costs, as specified in subpart G of 40 CFR part 258. The County is the owner or operator of the following facilities for which financial assurance for closure and/or post-closure care is demonstrated through the financial test. The current closure and/or post closure estimates covered by the test are shown for each facility.

Name and Address	Permit #	Closure/Post Closure Costs
Eastern Sanitary Landfill 6257 Days Cove Road White Marsh, MD 21162	1993-WSF-0052-0	$ 6,727,000
Hernwood Sanitary Landfill Furman Lane Granite, MD 21163	82-03-02-03A	$10,695,200
Parkton Sanitary Landfill 800 Stablers Church Road Parkton, MD 21120	82-03-07-04A	$ 1,069,500
Texas Sanitary Landfill Beaver Dam & Warren Roads Cockeysville, MD 21030	None	$ 1,069,500
	TOTAL	$19,561,200

The fiscal year for the County ends on June 30. The closure and post-closure costs used above are effective as of June 30, 1998 and are within 43% of the County's total FY98 revenues.

Relative Size Threshold

Total Revenues	$1,223,291,000
	X 0.43
	$ 526,015,130

The County received bond ratings of Aaa from Moody's Investors Service, AAA from Standard and Poor's, and AAA from Fitch IBCA in May 1998 on general obligation bonds that were issued on June 11, 1998.

I further certify the following: (1) that the County prepares its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) for governments, (2) that the County's last audit was for the period ended June 30, 1998, and that the independent auditors KPMG Peat Marwick LLP issued an unqualified opinion for that audit, (3) that the County has not had an operating deficit equal to five percent or more of its total annual revenue for each of the past two fiscal years, (4) that the County is not in default on any outstanding general obligation bonds, and (5) does not have any outstanding general obligation bonds rated lower than Baa as issued by Moody's or BBB as issued by Standard & Poor's.

The County acknowledges that it has put information required in 40 CFR part 258.74 (f2) in the Comprehensive Annual Financial Report (CAFR), a copy of which can be found at the Office of Budget and Finance, Room 149, Courthouse, Towson, Maryland 21204.

A copy of the independently audited year-end financial statements for FY98, including the accountant's opinion and the Accountant's Special Report for the County accompany this letter.

I solemnly affirm under the penalties of perjury that the contents of this letter are true to the best of my knowledge, information and belief.

Fred Homan
Director of Budget and Finance

FH/jdo
Enclosures