



**CITY OF BROOKLYN LANDFILL
CUYAHOGA COUNTY**

AGREED-UPON PROCEDURES

FOR THE YEAR ENDED DECEMBER 31, 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**CITY OF BROOKLYN LANDFILL
CUYAHOGA COUNTY**

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Mayor
Kenneth E. Patton



Council
John E. Frey
Thomas E. Coyne
Gregory L. Frey
Rita M. Brown
Kathleen M. Pucci
Colleen Coyne-Gallagher
Richard H. Balbier

May 18, 2001

Christopher Jones, Director
Ohio Environmental Protection Agency
1200 Watermark Drive
Columbus, Ohio 43215

Dear Mr. Jones,

I am the chief financial officer (acting Director of Finance) of the City of Brooklyn, Ohio, 7619 Memphis Avenue (City). This letter is to support the City's use of the financial test to demonstrate financial assurance, as specified in Chapter 3745-27 of the Ohio Administrative Code.

- (1) The City is the owner and operator of the Brooklyn Sanitary Landfill for which financial assurance for final closure or post-closure care or corrective measures is demonstrated through the financial test specified in Chapter 3745-27 of the Ohio Administrative Code and for which financial assurance for any other environmental obligations are assured by a financial test. The current final closure, post-closure, and/or corrective measures cost estimates, and any other environmental obligations provided for by a test are \$8,171,563 for the Brooklyn Sanitary Landfill.
- (2) None.

Financial Component

I believe that the City satisfies the financial component of the test requirements of the Ohio Administrative Code as described below:

- (i) the City's Comprehensive Annual Financial Report, which includes the City's financial statements as of and for the year ended December 31, 2000 prepared in accordance with generally accepted accounting principles will be sent to you separately;
- (ii) the City has not operated at a deficit in either of the past two fiscal years;
- (iii) the City is not in default on any outstanding general obligation bonds;
- (iv) as of the date of this letter, the City maintains an "Aaa" credit rating from Moody's Investors Service, Inc.

The fiscal year of the City ends on December 31. The figures for the items marked with an asterisk in the following table are derived from the City's independently audited, year-end financial statements for the most recently completed fiscal year, ended December 31, 2000.

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1	Sum of final closure, post-closure, and/or corrective measure cost estimates, and any other environmental obligations assured by a financial test	\$8,171,563		
2	Sum of cash and current investments:	\$5,277,548		
3	Total Expenditures:	\$13,919,449		
4	Annual Debt Service:	\$846,529		
5	Long-Term Debt:	\$0		
6	Capital Expenditures:	\$2,445,106		
7	Total Assured Environmental Costs:	\$8,171,563		
8	Total Annual Revenue:	\$17,049,342		
			<u>Yes</u>	<u>No</u>
9	Is line 2 divided by line 3 greater or equal to .05?	0.3791	x	
10	Is line 4 divided by line 3 less than or equal to .20?	0.0608	x	
11	Is line 5 divided by line 6 less than or equal to 2.00?	0.0000	x	
12	Is line 7 divided by line 8 less than or equal to 0.43? (if not complete line 13 and 14).	0.4793		x
13	Multiply line 8 by .43 = (This is the maximum amount allowed to assure environmental costs.)	\$7,331,217.06		
14	Line 13 subtracted from line 7 = (This amount must be assured by another financial assurance mechanism listed in the Rules.)	\$840,345.94		
15	Line 3 subtracted from line 8	\$3,129,893		

Public Notice Component

I believe that the City satisfies the public notice component of the test requirements of the Ohio Administrative Code because the required information is included in the Financial Section of the City's Comprehensive Annual Financial Report as a footnote to the financial statements.

Record-keeping Component

I believe that the City satisfies the record-keeping component of the test requirements of the Ohio Administrative Code by submission of this letter (and related enclosure). As chief financial officer of the City, I hereby certify that the City meets the conditions of Paragraphs (L)(1)(a) and (L)(1)(b) of Ohio Administrative Code Rule 3745-27-18 and has provided evidence thereof.

The City's Comprehensive Annual Financial Report for the year ended December 31, 2000 includes an unqualified opinion of the Auditor of State. The special report of the Auditor of State entitled "Report of Independent Accountants on Applying Agreed-Upon Procedure" is attached.

Reporting Component

I believe that the City satisfies the reporting component of the test requirements of the Ohio Administrative Code by submission of this letter dated May 18, 2001.

Finally, we recognize our environmental and financial responsibilities in operating the Brooklyn Sanitary Landfill and remain committed to continue compliance with all applicable rules and cooperation with the Ohio Environmental Protection Agency and its staff.

Sincerely,



Donna T. Thompson
Acting Director of Finance
City of Brooklyn, Ohio

Attachment

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STATE OF OHIO
 OFFICE OF THE AUDITOR
 JIM PETRO, AUDITOR OF STATE

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**REPORT OF INDEPENDENT ACCOUNTANTS ON APPLYING
 AGREED-UPON PROCEDURES**

Christopher Jones, Director
 Ohio Environmental Protection Agency
 and
 Members of City Council
 7619 Memphis Avenue
 Brooklyn, Ohio 44144

We have audited, in accordance with *Government Auditing Standards*, the general purpose financial statements of the City of Brooklyn, Cuyahoga County, Ohio, (the City) for the year ended December 31, 2000, and have issued our unqualified report thereon dated May 18, 2001.

We have also performed the procedures described in the following paragraph as prescribed by Ohio Administrative Code Sections 3745-27-15(L)(3)(c), 3745-27-16(L)(3)(c) and 3745-27-18(L)(3)(c), solely to assist you in complying with the reporting requirements of Ohio Administrative Code Sections 3745-27-15(L)(3)(a), 3745-27-16(L)(3)(a) and 3745-27-18(L)(3)(a) as they relate to the financial tests associated with estimated landfill final closure, postclosure and corrective measure costs. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

In a letter to the Ohio Environmental Protection Agency dated May 18, 2001, Donna Thompson, Acting Director of Finance (fiscal officer) of the City of Brooklyn (including the City's sanitary landfill) specified that certain amounts were derived from the independently audited financial statements referred to in the first paragraph above. As required by Ohio Administrative Code Sections 3745-27-15(L)(3)(c), 3745-27-16(L)(3)(c) and 3745-27-18(L)(3)(c), we have agreed the following amounts included in the letter dated May 18, 2001 to those 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

The amounts in lines 2 through 8 agreed to the general purpose financial statements of the City, 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 U.S. Environmental Protection Agency. Line 7 includes total assured environmental costs following Governmental Accounting Standard Number 18.

We were not engaged to, and did not, audit the letter prepared by Donna Thompson, Acting Director of Finance, dated May 18, 2001, the objective of which would be the expression of 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 would have been reported to you.

This report is intended solely for the use of the specified users listed above and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

Jim Petro
Auditor of State

May 18, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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CITY OF BROOKLYN LANDFILL

CUYAHOGA 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
JUNE 19, 2001**