



**CITY OF AVON LAKE LANDFILL
LORAIN COUNTY**

AGREED UPON PROCEDURES

FOR THE YEAR ENDED DECEMBER 31, 2003



**Auditor of State
Betty Montgomery**

**CITY OF AVON LAKE LANDFILL
LORAIN COUNTY**

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CITY OF AVON LAKE, OHIO

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Building Department
930-4102

Civil Service Commission
933-6141

Clerk of Council
930-4121

Council President
930-4120

Engineering Department
930-4101

Finance Department
930-4124

Fire Department
933-8305

Human Resources
933-6141

Law Director
930-4122

Mayor's Office
930-4100

Municipal Court
930-4103

Municipal Utilities
933-6226

Planning Department
930-4110

Police Department
933-4567

Recreation Department
930-4130

Service Department
930-4126

Zoning Department
930-4143

April 1, 2005

Christopher Jones, Director
Ohio Environmental Protection Agency
1800 Watermark Drive
Columbus, Ohio 43215-1099

Dear Mr. Jones:

I am the chief financial officer of the City of Avon Lake, 150 Avon Belden Road, Avon Lake, Ohio (City). This letter is in support of the 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 the 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 shown below:

City of Avon Lake Sanitary Landfill
750 Avon Belden Road
Avon Lake, Ohio 44012
Lorain County

Current final closure cost estimate:	\$0
Current post-closure cost estimate:	\$922,211

- (2) This local government is the owner or operator of the following facilities for 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 the 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 obligations 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 is 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. The 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): \$922,211
2. Current bond rating of most recent issuance and name of rating service: Bond rating is A3 as rated by Moody's Investor Services, Inc.
3. Date of issuance of bond: September 5, 2003
4. Date of maturity of bond: December 1, 2028
5. Total assured environmental costs: \$922,211
- *6. Total annual revenue: \$27,676,724
7. Is line 5 divided by line 6 less than or equal to .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 rated by "Standard and Poor's" or BAA as issued by "Moody's".



Joseph Newlin, Director of Finance
City of Avon Lake



**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

City of Avon Lake
Lorain County
150 Avon Belden Road
Avon Lake, Ohio 44012
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 the City of Avon Lake, Lorain County, Ohio (the "City") for the year ended December 31, 2003, and have separately issued our unqualified report thereon dated April 1, 2005.

In a letter to the Ohio Environmental Protection Agency dated April 1, 2005 (the Letter), the Finance Director of the City of Avon Lake 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 City 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 general-purpose financial statements. The City's 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 \$922,211
6	Total annual revenue \$27,676,724

The amounts on lines 5 and 6 agree to the basic financial statements of the City, 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 basic financial statements following Governmental Accounting Standards Board Statement No. 18.

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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

April 1, 2005



**Auditor of State
Betty Montgomery**

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CITY OF AVON LAKE LANDFILL

LORAIN 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
MAY 17, 2005**