



## **LANDFILL CLOSURE AND POST-CLOSURE COSTS**

### **INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

**YEAR ENDED JUNE 30, 2024**

Honorable Members of the County Council  
Howard County, Maryland

We have performed the procedures enumerated below, on the assertions of Howard County, Maryland (the County), contained in the Chief Financial Officer's letter (the Letter), dated November 29, 2024, Annual Certification of Financial Assurance Mechanisms for Local Government Owners and Operators of Municipal Solid Waste Landfill Facilities, which addresses the County's compliance with the Federal Register (40 CFR Part 258, Subpart G), *Criteria For Municipal Solid Waste Landfills – Financial Assurance Criteria*, as of and for the year ended June 30, 2024. The County's management is responsible for the areas and information listed in this report.

The County has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating management's assertions related to the Federal Register Criteria for Municipal Solid Waste Landfills. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

## **LANDFILL CLOSURE AND POST-CLOSURE COSTS**

The procedures and the associated findings are as follows:

- A. Obtain the Letter from the Director of Finance that demonstrates financial assurance for closure and post-closure care costs as specified in 40 CFR §258, Subpart G, *Financial Assurance Criteria*:
  - 1. Compare the data and statements, as specified in the State Support Document for the Local Government Financial Test (prepared by the Environmental Protection Agency), contained in the accompanying letter with the audited financial statements of Howard County, Maryland as of and for the year ended June 30, 2024.

No exceptions noted. The June 30, 2024 financial statements were audited by CliftonLarsonAllen LLP.

B. Determine that compliance with 40 CFR §258, Subpart G, Financial Assurance Criteria is met by completing the following:

1. Obtain the total remaining closure and post-closure costs to be assured and the local government's total annual revenue. Calculate the ratio of remaining closure and post-closure costs to total annual revenue and determine this ratio satisfies the requirement of being less than or equal to 43%.

No exceptions noted. The closure and post-closure costs are less than 43% of the local government's total annual revenue.

2. Inquire as to whether the County assumes other environmental obligations, including those associated with Underground Injection Control (UIC) facilities under 40 CFR 144.62, petroleum underground storage tank facilities under 40 CFR Part 280, Polychlorinated Biphenyls (PCB) storage facilities under 40 CFR Part 761, and Hazardous Waste Treatment, storage and disposal facilities under 40 CFR Parts 264 and 265. If yes, review the total remaining closure and post-closure costs from B1 above and determine costs for other environmental obligations are included.

No other environmental obligations were noted.

3. If costs in B1 or B2 above exceed the 43% limits, obtain evidence that an alternate financial assurance instrument exists, which includes a letter of credit, insurance or other collateral or guarantee.

Not applicable. The costs in B1 or B2 above did not exceed the 43% limits.

4. If there are outstanding, rated, general obligation bonds that are not secured by insurance, a letter of credit or other collateral or guarantee, obtain the current bond rating from Moody's and Standard and Poor's rating agencies and determine these ratings satisfy the following requirements:

- a. Moody's – Aaa, Aa, A, or Baa or
- b. Standard and Poor's – AAA, AA, A, or BBB.

No exceptions noted. The bonds are currently rated Aaa by Moody's and AAA by Standard & Poor's.

5. If the bond rating requirements in B4 have not been met, recalculate the following ratios:

- a. A ratio of cash plus marketable securities to total expenditures greater than or equal to 0.05;
- b. A ratio of annual debt service to total expenditures less than or equal to 0.20.

This calculation is not required as the County has met the bond rating requirements in B4 above.

6. Obtain the Annual Comprehensive Financial Report and by reading the independent auditors' report, determine that:
  - a. The County prepares its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) and they are audited by an independent Certified Public Accountant.
  - b. An adverse opinion, disclaimer of opinion, or other modified opinion was not issued from the independent Certified Public Accountant auditing the Comprehensive Annual Financial Report.

No exceptions noted. The County prepares its financial statements in accordance with generally accepted accounting principles (GAAP) and the County received an unmodified opinion from CliftonLarsonAllen LLP, an independent Certified Public Accounting Firm, as of and for the year ended June 30, 2024.

7. Through inquiry with management determine that the County is not currently in default on any of its outstanding general obligation bonds.

No exceptions noted. The County is not currently in default on any of its outstanding general obligation bonds by review of the letter from McKennon, Shelton & Henn LLP.

8. Obtain the total annual revenues and total annual expenditures for the County for the past two fiscal years. Calculate the operating surplus or deficit for each year by subtracting the total annual expenditures from the total annual revenues. If the County operated at a deficit for either of the past two fiscal years, determine that the deficit was not equal to 5% or more of its total annual revenue.

No exceptions noted. The operations of the landfill are recorded within the General Fund. The County, as indicated in the letter, did not operate at a deficit greater than 5% for each of the years ended June 30, 2024 and 2023.

9. Obtain and read the footnote(s) for closure and post-closure costs, determine that the following is disclosed in the audited financial statements:
  - a. Nature and source of closure and post-closure care requirements;
  - b. The reported liability of closure and post-closure costs at the balance sheet date;
  - c. The estimated total closure and post-closure care costs remaining to be recognized;
  - d. The percentage of landfill capacity used to date;
  - e. The estimated landfill life in years.

No exceptions noted. All items noted above are disclosed in the June 30, 2024 financial statements.

We were engaged by the County to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on Howard County's compliance with the reporting requirements as specified by the U.S. Environmental Protection Agency (EPA) pursuant to 40 CFR §258, Subpart G, Financial Assurance Criteria with respect to the Local Government Financial Test for the year ended June 30, 2024. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Howard County, Maryland's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use by management and the County Council of Howard County, Maryland and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Baltimore, Maryland  
December 17, 2024