

LAKE COUNTY, FLORIDA

AGREED-UPON PROCEDURE

AND

**STATE OF FLORIDA SOLID WASTE MANAGEMENT
FACILITY LETTER FROM CHIEF FINANCIAL
OFFICER TO DEMONSTRATE FINANCIAL
ASSURANCE**

Year Ended September 30, 2011



**MOORE STEPHENS
LOVELACE, P.A.**
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Honorable Board of County Commissioners
Lake County, Florida

We have performed the procedure enumerated below, which is included in the Code of Federal Regulations ("CFR") Title 40, Part 264, Section 145 (40 CFR 264.145), and was agreed to by Lake County, Florida (the "County"), solely to assist the users in evaluating the County's compliance with the financial test option in order to provide proof of financial assurance for the Florida Department of Environmental Protection. The County's management is responsible for compliance with the above-referenced Code requirements. The agreed-upon procedure was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of this procedure 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.

The procedure that we performed, and related findings, are as follows:

1. We compared the amounts under Alternative 1 of the accompanying Solid Waste Management Facility Letter from Chief Financial Officer (the "Letter"), with the corresponding amounts for the primary government in the audited financial statements of the County as of and for the year ended September 30, 2011, on which we have issued our report dated March 23, 2012, and noted that such amounts were in agreement. In connection with this procedure, no matters came to our attention, which caused us to believe that the specified data should be adjusted.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the accompanying Letter dated March 26, 2012. 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 management, the County Commissioners, and the Florida Department of Environmental Protection and is not intended to be, and should not be, used by anyone other than these specified parties.

Moore Stephens Lovelace, P.A.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
March 26, 2012

Mail this and supporting documents to:
Solid Waste Financial Coordinator
Florida Department of Environmental Protection
2600 Blair Stone Road MS 4566
Tallahassee, Florida 32399-2400

DEP Form # 62-701.900(5)(e)
Form Title SWM Fac. Financial Test
Form Effective Date January 6, 2010
Incorporated in Rule 62-701.630(6)

STATE OF FLORIDA SOLID WASTE MANAGEMENT FACILITY LETTER FROM CHIEF FINANCIAL OFFICER TO DEMONSTRATE FINANCIAL ASSURANCE

Director, Division of Waste Management
Florida Department of Environmental Protection

The term "Required Action," as used in this document means closing, long-term care, or corrective action, or any combination of these, which is checked below.

Check Appropriate Box(es): Closing Long-Term Care Corrective Action

I am the chief financial officer of _____
Board of County Commissioners, Lake County, Florida
Name of Firm
315 West Main Street, Tavares, FL 32778
Business Address

This letter is in support of this firm's use of the financial test to demonstrate financial assurance, as specified in Subpart H of 40 CFR Part 264, as adopted by reference in Rule 62-701.630, Florida Administrative Code (F.A.C.).

Fill out the following seven paragraphs regarding facilities and associated cost estimates. If your firm has no facilities that belong in a particular paragraph, write "NONE" in the space indicated. For each facility, include its FDEP Identification Number, facility name, site address, and current "Required Action" cost estimates. Identify each cost estimate as to which "Required Action" it is for.

1. This firm is the owner or operator of the following solid waste management facilities in the State of Florida for which financial assurance for the "Required Action" is demonstrated through the financial test specified in Subpart H of 40 CFR Part 264, as adopted by reference in Rule 62-701.630, F.A.C. The current "Required Action" cost estimates covered by the test are shown for each facility: See attachment

2. This firm guarantees, through the corporate guarantee specified in Subpart H of 40 CFR Part 264, as adopted by reference in Rule 62-701.630, F.A.C., the "Required Action" of the following solid waste management facilities in the State of Florida owned or operated by the guaranteed party. The current cost estimates for the "Required Action" so guaranteed are shown for each facility: NONE

**STATE OF FLORIDA
SOLID WASTE MANAGEMENT FACILITY LETTER FROM CHIEF FINANCIAL
OFFICER TO DEMONSTRATE FINANCIAL ASSURANCE**

**ATTACHMENT TO DEP FORM 62-701.900(5)(e)
Board of County Commissioners, Lake County, Florida
For the year ended September 30, 2011**

1. This firm is the owner or operator of the following solid waste management facilities in the State of Florida for which financial assurance for the "Required Action" is demonstrated through the financial test specified in Subpart H of 40 CFR Part 264, as adopted by reference in rule 62-701.630, F.A.C. The current "Required Action" cost estimates covered by the test are shown for each facility:

Landfill Name	ID Number	Address	Closure	Long Term Care	Total
Operating landfills:					
Central Phase III-MSW Cell I	SO35-0125106-017	SR 561, Tavares, Fl	\$ 2,883,675	\$ 2,060,466	\$ 4,944,141
Central Phase III-ASH Cell I	SO35-0125106-017	SR 561, Tavares, Fl	\$ 720,919	\$ 515,116	\$ 1,236,035
		Subtotal	\$ 3,604,594	\$ 2,575,582	\$ 6,180,176
Phase II-Active Class I Landfill	SO35-0125106-015	SR 561, Tavares, Fl	1,356,395	2,269,825	3,626,220
Central C & D Landfill	SO35-0125106-016	SR 561, Tavares, Fl	193,678	54,252	247,930
Closed landfills:					
Phase I Closed Class I Landfill	SF35-0125106-011	SR 561, Tavares, Fl	-	825,317	825,317
Loghouse Closed Class I Landfill	SF35-0135459-004	North of Loghouse Rd, Clermont, Fl	-	33,810	33,810
Umatilla Closed Class I Landfill	SF35-0075543-002	5th Avenue, Umatilla, Fl	-	81,531	81,531
Lady Lake Closed Class I Landfill	SF35-0131904-003	1200 Jackson St Lady Lake, Fl	-	206,534	206,534
			<u>\$ 5,154,667</u>	<u>\$ 6,046,851</u>	<u>\$ 11,201,518</u>

Note: The Phase III MSW Cell landfill has not started accepting waste.

[Paragraph 2 continued]

The firm identified above is [Check Appropriate Box]

- (1) the direct or higher-tier parent corporation of the owner or operator;
- (2) owned by the same parent corporation as the parent corporation of the owner or operator and receiving the following value in consideration of this guarantee _____; or
Value received
- (3) engaged in the following substantial business relationship with the owner or operator - _____ -
Business Relationship*
and receiving the following value in consideration of this guarantee _____.
Value received

*(Attach a written description of the business relationship or a copy of the contract establishing such relationship to this letter.)

3. In states other than Florida, this firm, as owner or operator or guarantor is demonstrating financial assurance for the "Required Action" of the following solid waste management facilities through the use of a test equivalent or substantially equivalent to the financial test specified in Subpart H of 40 CFR Part 264, as adopted by reference in Rule 62-701.630, F.A.C. The current "Required Action" cost estimates covered by such test are shown for each facility: NONE

4. This firm is the owner or operator of the following solid waste management facilities for which financial assurance for the "Required Action" is not demonstrated to the federal government or other state government through the financial test or any other financial assurance mechanism specified in Rule 62-701.630, F.A.C., or equivalent or substantially equivalent federal or state mechanisms. The current "Required Action" cost estimates not covered by such financial assurance are shown for each facility: NONE

5. This firm is the owner or operator of the following UIC facilities for which financial assurance for plugging and abandonment is required under 40 CFR Part 144 and/or Rule 62-528.435(9), F.A.C. The current plugging and abandonment cost estimates as required by 40 CFR 144.62 and/or Rule 62-528.435(9), F.A.C., are shown for each facility: NONE

6. This firm is the owner or operator of the following hazardous waste facilities for which financial assurance for closure, post-closure care, corrective action and/or liability coverage is required under 40 CFR Parts 264 and 265, Subpart H and/or Rule 62-730.180, F.A.C. The current closure, post-closure care, corrective action cost estimates and/or liability coverage as required by 40 CFR Parts 264 and 265, Subpart H and/or Rule 62-730.180, F.A.C., are shown for each facility: NONE

7. This firm is the owner or operator of the following underground storage tank (UST) facility(ies) for which financial responsibility for liability coverage and corrective action is required under 40 CFR Parts 280 and 281 and/or Rule 62-761.400(3), F.A.C. The amount of annual aggregate coverage for liability coverage and corrective action being assured by a financial test are shown for each facility: NONE

This firm is not required to file a Form 10K with the Securities and Exchange Commission (SEC) for the latest fiscal year. The fiscal year of this firm ends on September 30. The figures for the following items marked with an asterisk (*) are derived from this firm's independently audited, year-end financial statements and footnotes for the latest completed fiscal year, ended September 30, 2011.

Fill in Alternative I if the criteria of Rule 62-701.630 (6)(c) 1., F.A.C., are used.
 Fill in Alternative II if the criteria of Rule 62-701.630 (6)(c) 2., F.A.C., are used.

ALTERNATIVE I

1. Sum of current "Required Action" cost estimates and annual aggregate liability coverage. (Total of all costs listed in 1-7 above)	\$ <u>11,201,518.00</u>
* 2. Total liabilities. (If any portion of the "Required Action" cost estimates is included in your total liabilities, you may deduct that portion from this line and add that amount to lines 3 and 4.)	\$ <u>178,483,218.00</u>
* 3. Tangible net worth.	\$ <u>497,070,529.00</u>
* 4. Net worth.	\$ <u>509,843,529.00</u>
* 5. Current assets.	\$ <u>191,864,314.00</u>
* 6. Current liabilities.	\$ <u>39,785,302.00</u>
* 7. Net working capital. (Line 5 minus line 6)	\$ <u>152,079,012.00</u>
* 8. The sum of net income plus depreciation, depletion, and amortization.	\$ <u>16,198,032.00</u>
* 9. Total assets in U.S.	\$ <u>688,326,747.00</u>

	YES	NO
10. Is line 3 minus line 1 at least \$10 million?	<u>X</u>	_____
11. Is line 3 at least 3 times line 1?	<u>X</u>	_____
12. Is line 7 at least 3 times line 1?	<u>X</u>	_____
13. Is line 9 at least 3 times line 1?	<u>X</u>	_____
14. Is line 2 divided by line 4 less than 1.5?	<u>X</u>	_____
15. Is line 8 minus \$10 million divided by line 2 greater than 0.10?	_____	<u>X</u>

ALTERNATIVE II

1. Sum of current "Required Action" cost estimates and annual aggregate liability coverage. \$ _____
(Total of all costs listed in 1-7 above)
2. Current unsecured investment grade bond rating of most recent issuance of this firm and name of rating service. _____
3. Date of bond issuance. _____
4. Date of bond maturity. _____
- * 5. Tangible net worth. \$ _____
(If any portion of the "Required Action" cost estimates is included in "total liabilities" on your financial statements, you may add that portion to this line.)
- * 6. Total assets in the U.S. \$ _____

	YES	NO
7. Is line 5 minus line 1 at least \$10 million?	_____	_____
8. Is line 5 at least 3 times line 1?	_____	_____
9. Is line 6 at least 3 times line 1?	_____	_____

The chief financial officer whose signature appears below hereby certifies that the wording of this letter is identical to the wording as adopted and incorporated by reference in Rule 62-701.630(6)(a), F.A.C.

Barbara Lehman
 Signature
 Barbara Lehman CPA
 Type Name
 Chief Deputy Clerk-County Finance Department
 Title

3/26/12
 Date
 352-343-9824
 Telephone Number
 blehman@lakecountyclerk.org
 E-mail Address