

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

Board of County Commissioners
Lee County, Florida

We have performed the procedures enumerated below, which were agreed to by management of Lee County, Florida, through its Clerk of the Circuit Court (the County). These procedures were performed solely to assist the County with respect to compliance with the requirements of Chapter 62-701.630, *Solid Waste Management Facilities*, Sub-Chapter 62-701.630(6)(c)2., *Financial Assurance*, of the Florida Administrative Code (FAC), as authorized by Chapter 403.704(9), *Powers and Duties of the Department*, under Florida Statutes (FS) Chapter 403.704, *Environmental Control*, and as reported by the County as of September 30, 2016 to the Florida Department of Environmental Protection through DEP Form 62-701.900(5)(e) (herein referred to as the Letter).

Lee County's Clerk of the Circuit Court is responsible for the County's accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in 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 findings are as follows:

1. We read and understand the requirement for the financial test as found in Title 40, *Protection of Environment*, Chapter I, *Environmental Protection Agency*, Part 264 *Standards for Owners and Operators of Hazardous Waste Treatment, Storage, and Disposal Facilities*, 40 CFR 264.143(f)(3) and (5), *Financial Assurance for Closure*, and 40 CFR 264.145(f)(3) and (5) *Financial Assurance for Post-Closure Care*;
2. We compared the data which the Letter, entitled *State of Florida Solid Waste Facility Financial Test (Letter from the Chief Financial Officer)* [DEP Form 62-701.900(5)(e)], specifies as having been derived from the independently audited year-end financial statements as of and for the year ended September 30, 2016 (the latest fiscal year) with the amounts in such financial statements. This letter is signed by Linda Doggett, Clerk of the Circuit Court, on March 24, 2017; and
3. In connection with procedure number 2, no matters came to our attention which caused us to believe that the specified data should be adjusted.

Board of County Commissioners
Lee County, Florida

We were not engaged to, and did not conduct an audit of the Letter, the objective of which would be the expression of an opinion on the accompanying 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 herein.

This report is intended solely for the information and use of management of Lee County, Florida and the State of Florida Department of Environmental Protection, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Fort Myers, Florida
March 24, 2017

STATE OF FLORIDA SOLID WASTE FACILITY FINANCIAL TEST (LETTER FROM CHIEF FINANCIAL OFFICER)

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. The term "Firm" shall mean the legal or government entity whose chief financial officer is completing this letter.

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

I am the chief financial officer of Lee County Board of County Commissioners,
Name of Firm

PO Box 9366 Fort Myers, FL 33902
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 eight 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 (WACS or EPA ID), facility name, site address and current facility amount. The facility amount will be the total of facility closing, long-term care and corrective action cost estimates (as applicable), or total of closure, post-closure, corrective action cost estimates and liability coverage (as applicable), or the total of plugging and abandonment cost estimates.

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.: NONE

WACS ID#00074766 Lee/Hendry Co Regional SW Disposal Facility \$10,011,924.00
5500 Church Road, Felda, FL 33930 - Class III Landfill

WACS ID#00074766 Lee/Hendry Co Regional SW Disposal Facility \$15,158,543.00
5500 Church Road, Felda, FL 33930 - Class I Landfill (Phases 1 and 2)

WACS ID#00074766 Lee/Hendry Co Regional SW Disposal Facility \$12,342,755.00
5500 Church Road, Felda, FL 33930 - Ash Monofill

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: NONE

The firm identified above is [Check Appropriate Box] (Complete only when a Corporate Guarantee – Form 62-701.900(5)(f) – is being submitted.)

- (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 value received or 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 closing, long-term care and/or corrective action (or equivalent terms) 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.: NONE

4. This firm is the owner or operator or guarantor of the following solid waste management facilities for which financial assurance for the closing, long-term care and/or corrective action (or equivalent terms) 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: NONE

5. This firm is the owner or operator or guarantor of the following underground injection control (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.:

Lee County Regional Solid Waste Disposal Facility
Class I Injection Well (IW-1) System
File/Permit Number: 299459-001-UC/11
\$308,775.00

6. This firm is the owner or operator or guarantor 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.: NONE

7. This firm is the owner or operator or guarantor of the following underground storage tank (UST) and aboveground storage tank (AST) 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), and 62-762.401(3), F.A.C.: NONE

8. This firm is the owner or operator or guarantor of the following phosphogypsum stack systems for which financial assurance for closure and post-closure care is required under Rule 62-673.640, F.A.C.: NONE

This firm is not required to file a Form 10K with the Securities and Exchange Commission
"is required" or "is not required"
(SEC) for the latest fiscal year. The fiscal year of this firm ends on September 30. The figures
Month, Day
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, 2016.
Date

Complete either Alternative I or Alternative II

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

ALTERNATIVE II

- 1. Sum of current facility amounts. \$ _____
(Total of all costs listed in paragraphs 1-8 [above])
- *2. Total liabilities. \$ _____
(If any portion of the current facility amounts is included in your total liabilities, you may deduct that portion from this line and add that amount to lines 3 and 4.)
- *3. Tangible net worth. \$ _____
- *4. Net worth. \$ _____
- *5. Current assets. \$ _____
- *6. Current liabilities. \$ _____
- 7. Net working capital. \$ _____
(Line 5 minus line 6)
- *8. The sum of net income plus depreciation, depletion, and amortization. \$ _____
- *9. Total assets in U.S. \$ _____

- 1. Sum of current facility amounts. \$ 37,821,997.00
(Total of all costs listed in paragraphs 1-8 [above])
- 2. Current investment grade bond:
 - A. CUSIP Number. 523510EK7
(or attach copy of first page of bond)
 - B. Rating Service. Moody's
(Moody's or Standard and Poor's)
 - C. Bond rating. Baa1
(Rating must be Underlying or Senior Unsecured)
 - D. Date of bond issuance. July 26, 2016
 - E. Date of bond maturity. October 1, 2026
- *3. Tangible net worth. \$ 3,077,573,000.00
(If any portion of the current facility amounts is included in "total liabilities" on your financial statements, you may add that portion to this line.)
- *4. Total assets in the U.S. \$ 4,941,502,000.00

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

- | | | |
|--|----------|-------|
| | YES | NO |
| 5. Is line 3 minus line 1 at least \$10 million? | <u>X</u> | _____ |
| 6. Is line 3 at least 3 times line 1? | <u>X</u> | _____ |
| 7. Is line 4 at least 3 times line 1? | <u>X</u> | _____ |

CERTIFICATION

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.

Linda Doggett
Signature

3.24.2017
Date

Linda Doggett
Type Name

239-533-2100
Telephone Number

Clerk of Circuit Court
Title

mcrowell@leeclerk.org
E-mail Address