

## Guidance & Notes for Financial Test

### 1. Submitting:

- A financial test submission must include the following, pursuant to 40 CFR 264.143(f)(3) and 264.145(f)(3), as adopted by reference in Rule 62-701.630(6)(b), F.A.C.
  1. Letter from Chief Financial Officer (CFO) - Form 62-701.900(5)(e).
  2. A copy of the independent certified public accountant's report on examination of the owner's or operator's financial statements for the latest completed fiscal year.
  3. A Special Report from the owner's or operator's independent certified public accountant to the owner or operator confirming that the data which the letter from the chief financial officer specifies as having been derived from the independently audited, year-end financial statements for the latest fiscal year was accurately derived from such financial statements.
- When estimates are revised upwards after a Financial Test is submitted (and before the next submittal is due), only a revised CFO Letter is needed.

### 2. Required Actions:

- Check the Closing, Long-term Care and/or Corrective Action box(es) for which there is a corresponding required action amount (cost estimate) included in Paragraph 1 or 2 of the Letter from Chief Financial Officer.

### 3. Firm Name:

- "Name of Firm" can either be a Commercial entity, a Corporate Guarantor or a Government Entity. See guidance below for each:
  1. Commercial entities that are the owner or operator (permittee) – name must match (including punctuation and abbreviations) legal entity name as identified on the Florida Division of Corporations website (Sunbiz)." Use the Sunbiz link to verify the principal is a legal business entity with "Active" status, and that the name is entered exactly as listed. (The Principal name does not, however, need to be written in all capital letters.)
  2. Corporate Guarantors – name must match legal entity name as identified in Sunbiz.org or other submitted documentation. Enter facility information in Paragraph 2.
  3. Government owned facility – name must be the governmental entity name. Enter facility information in Paragraph 1.

### 4. Paragraphs 1 - 8:

- Enter facility information (FDEP I.D. number, facility name, facility site address, and required actions and amounts) or select "NONE" if there is no data. If more room is needed select "See attachment" (and then attach a list that identifies the paragraph number).
- Paragraph 2 is used only when a Corporate Guarantee [FDEP Form 62-701.900(5)(f)] is used.

- Boxes at the bottom of page 1 are a part of Paragraph 2, and should not be checked when Paragraph 2 is marked "NONE."
- Each "Facility Amount" to be included is the most recent Department approved estimate or any more recently submitted estimate that is larger. Estimates may be rounded up but may not be rounded down.
- The FDEP I.D. number for Solid Waste facilities is the facility "WACS" number. Used Oil and Hazardous Waste facilities use an EPA I.D. number. Facilities in other states do not have an FDEP I.D. number (but a reference number will not be rejected). For assistance, try the appropriate Facility List (under "Links" at the bottom of Financial Assurance web pages) or contact FDEP using the contacts on the [Forms web page](#).

**5. Paragraphs 5-8:**

- Enter information only if the Firm is demonstrating financial assurance for listed facilities through the use of a test substantially equivalent to this financial test and not through use of insurance, surety bonds or letters of credit.

**6. Alternative I:**

- Sum of current facility amounts (Item 1) must be the total of all amounts in Paragraphs 1-8.
- Items 2-6, 8 & 9 in the CFO letter must be confirmed in the Special Report (see Submitting guidance above).

**7. Alternative II:**

- Sum of current facility amounts (Item 1) must be the total of all amounts in Paragraphs 1-8.
- Items 3 and 4 in the CFO letter must be confirmed in the Special Report (see Submitting guidance above).
- Pursuant to the Rule, either Standard and Poor's or Moody's ratings must be used; therefore, Fitch ratings should not be included.
- Note that a BBB- rating by Standard and Poor's or a Baa3 rating by Moody's is not adequate.

**8. Special Report:**

- The Special Report is often called an Agreed Upon Procedures Report.
- If Special Report is dated before the CFO's letter it must specify the dollar amounts "compared." If dated the same or after, identify the CFO letter by date or specify dollar amounts compared (which we prefer).
- DEP does not agree to the procedures the permittee presents to the CPA unless the procedures are those detailed in rule 62-701.630(6)(c), F.A.C. and in adopted federal code [40 CFR Part 264 Subpart H, as adopted by reference in rule 62-701.630(b), F.A.C.].
- The test DEP requires to be used is not specified in the federal code; it is specified in rule 62-701.630(6)(c), F.A.C.
- The Special Report must verify that items marked by an asterisk (\*) — either Alternative I Items 2-6, 8 & 9 or Alternative II Items 3 & 4 — in the CFO letter are

appropriately derived from the audited year-end financial statements, pursuant to 40 CFR Part 264.143(f)(3)(iii) and/or 40 CFR Part 264.145(f)(3)(iii), as adopted. (See Submitting guidance above.)

- If any assets are located outside the U.S., the independent certified public accountant's report on examination of the owner's or operator's financial statements should identify these assets so that the auditor's Special Report can confirm the "Total assets in the U.S." If not specified, the CPA should inquire of management if there are assets outside the U.S. A Special Report that only considers "total assets" is deficient.

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