



**ENERGY AND ENVIRONMENT CABINET  
DEPARTMENT FOR ENVIRONMENTAL PROTECTION  
DIVISION OF WASTE MANAGEMENT  
200 FAIR OAKS, 2<sup>ND</sup> FLOOR  
FRANKFORT, KY 40601  
TELEPHONE NUMBER (502) 564-6716**

**FINANCIAL SELF-INSURANCE TEST**

**Registrant:** \_\_\_\_\_

**Registrant Address:** \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**LETTER FROM CHIEF FINANCIAL OFFICER  
FINANCIAL SELF-INSURANCE TEST**

**Director, Division of Waste Management:**

I am the chief financial officer of \_\_\_\_\_  
the Principal.

This letter is in support of this firm's use of the financial self-insurance test to demonstrate financial assurance, as specified in KRS 224.01-410, Section 11.

The Principal is held and firmly bound unto the Energy and Environment Cabinet in the amount of \_\_\_\_\_ thousand dollars (\$\_\_\_\_,000.00)) by the submission of this financial information. This sum is to assure proper methamphetamine decontamination services of inhabitable properties in accordance with all applicable laws, rules, and regulations.

**DEP6079F**

If the Principal faithfully performs all the requirements of the above designated registration, and complies with all applicable laws, rules, and regulations, and complies with the terms of the attached performance agreement\*, then the obligations under this Financial Self-Insurance Test shall be released; otherwise, it is agreed that the undersigned, as Principal, shall pay the amount of \_\_\_\_\_ thousand dollars (\$\_\_\_\_,000.00)) to the Commonwealth of Kentucky, Energy and Environment Cabinet, upon receipt of an Energy and Environment Cabinet Demand Letter.

To demonstrate that requirements of this test are met, the chief financial officer shall submit the following items to the cabinet annually not later than ninety (90) days after the close of each succeeding fiscal year.:

- (a) A letter signed by the chief financial officer and worded as specified on DEP Form 6079F;
- (b) A copy of a report by an independent certified public accountant examining the financial statements for the most recently completed fiscal year and
- (c) A special report from the Principal's independent certified public accountant to the chief financial officer stating that:

1. The auditor has compared the data that the letter from the chief financial officer specified as having been derived from the independently audited year-end financial statements for the most recent fiscal year with the amounts in such financial statements; and

2. In connection with that procedure, no matters came to his attention that caused him to believe that the specified data should be adjusted.

If the Principal no longer meets the requirements of this financial test, notice shall be sent to the cabinet of the intent to establish alternate financial assurance. The notice shall be sent by certified mail no later than ninety (90) days after the end of the fiscal year for which the year-end financial data show that the Principal no longer meets the requirements. The Principal shall provide that alternate financial assurance no later than 120 days after the end of that fiscal year.

The cabinet may require reports of financial condition at any time from the Principal in addition to those specified herein. If the cabinet finds, on the basis of these reports or other information, that the Principal no longer meets the requirements demonstrated below, the

Principal shall provide alternate financial assurance as specified in this administrative regulation no later than thirty (30) days after notification of this a finding.

The cabinet may disallow use of this test on the basis of qualifications in the opinion expressed by the independent certified pubic accountant in his report on examination of the Principal financial statements. An adverse opinion or disclaimer of opinion shall be cause for disallowance. The cabinet shall evaluate other qualifications on an individual basis. The Principal shall provide alternate financial assurance as specified in the administrative regulation no later than thirty (30) days after notification of the disallowance.

This firm filed a form 10k with the Securities and Exchange Commission for the most recent fiscal year. \_\_\_\_ YES \_\_\_\_ NO

The fiscal year of this firm ends on \_\_\_\_/\_\_\_\_.

The figures for the following items marked with an asterisk are derived from this firm's independently audited, year-end financial.

- \*1. Total liabilities \$ \_\_\_\_\_
- \*2. Tangible net worth: \$ \_\_\_\_\_
- \*3. Net worth: \$ \_\_\_\_\_
- \*4. Current assets: \$ \_\_\_\_\_
- \*5. Current liabilities: \$ \_\_\_\_\_
- \*6. Net working capital [Line 4 minus line 5]: \$ \_\_\_\_\_
- \*7. The sum of net income plus depreciation, depletion, and amortization: \$ \_\_\_\_\_

- |   |          |         |
|---|----------|---------|
|   | YES      | NO      |
| 8. Is line 2 at least \$3 million? .....  | _____    | _____   |
| 9. Is line 7 at least 6 times the total financial surety required? .....  | _____    | _____   |
| 10. Is line 2 divided by line 3 less than 2.0? .....  | _____    | _____   |
| 11. Is line 7 divided by line 1 greater than 0.1? .....   | _____    | _____   |
| 12. Is line 4 divided by line 5 greater than 1.5? .....   | _____    | _____   |
| 13. Is line 2 at least \$3 million? .....   | _____    | _____   |
| 14. Is line 7 at least 6 times the total financial surety required? .....   | _____    | _____   |
| 15. Does less than fifty percent (50%) of the owner or operators personal gross revenue from the decontamination of clandestine methamphetamine labs? ..... | ____ YES | ____ NO |



This Financial Test shall be governed by and interpreted in accordance with the laws of the Commonwealth of Kentucky. Any litigation concerning this Financial Test shall be taken to the Franklin Circuit Court, Commonwealth of Kentucky.

**Principal:** \_\_\_\_\_ **by**

**Signature:** \_\_\_\_\_

**Type or print name:** \_\_\_\_\_

**Official Position:** \_\_\_\_\_

**Date:** \_\_\_\_\_

Subscribed and sworn to before my by \_\_\_\_\_ **this**  
the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
**Notary Public, State-at-Large**

**My commission expires the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.**

NOTE: A copy of the corresponding Performance Agreement Form # 6079D must be attached to this form.