

VEOLIA ES SOLID WASTE SOUTHEAST, INC.

CITY OF SANIBEL, FLORIDA

AUDITED FRANCHISE REPORT

FOR THE FIFTEEN MONTHS ENDED  
DECEMBER 31, 2011

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT'S AUDIT REPORT

# Jeffrey S. Shivers, CPA, LLC

Certified Public Accountant

## INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT'S REPORT

To the Board of Directors  
Veolia ES Solid Waste Southeast, Inc.  
Fort Myers Beach, Florida

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Pursuant to the City of Sanibel, Florida Franchise Ordinance, I have audited the Report of Franchise Fees (A Special Purpose Report) derived or incurred as a result of a City of Sanibel, Florida Franchise Agreement with Veolia ES Solid Waste Southeast, Inc., for the fifteen months ended December 31, 2011. This franchise report is the responsibility of the Company's management. My responsibility is to express an opinion on this franchise report based on my audits.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the franchise report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the franchise report. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall franchise report presentation. I believe that my audits provide a reasonable basis for my opinion.

The Special Purpose Report referred to above was prepared for the purpose of complying with the Franchise Ordinance for the City of Sanibel, Florida and is not intended to be a presentation in conformity with generally accepted accounting principles.

In my opinion, the Special Purpose Report referred to above presents fairly, in all material respects, the franchise report for the period then ended.

This report is intended solely for the information and use of the board of directors and management of Veolia ES Solid Waste Southeast, Inc. and the City of Sanibel, Florida and should not be used for any other purpose.

*Jeffrey S Shivers, CPA*

Jeffrey S. Shivers, CPA, LLC  
Certified Public Accountant  
April 26, 2012

VEOLIA ES SOLID WASTE SOUTHEAST, INC.

REPORT OF FRANCHISE FEES DERIVED OR INCURRED AS A RESULT OF A CITY OF SANIBEL FRANCHISE  
FOR THE FIFTEEN MONTHS ENDED DECEMBER 31, 2011

MONTH	GROSS REVENUE COMMERCIAL REPORTED	GROSS REVENUE RESIDENTIAL REPORTED	TOTAL GROSS REVENUE REPORTED	TOTAL GROSS REVENUE PER AUDIT	FRANCHISE FEE COMMERCIAL REPORTED	FRANCHISE FEE RESIDENTIAL REPORTED	TOTAL FRANCHISE FEES REPORTED	TOTAL FRANCHISE FEES PER AUDIT
October, 2010	\$ 101,875.70	\$ 89,981.00	\$ 191,856.70	\$ 191,856.70	\$ 15,281.36	\$ 13,474.04	\$ 28,755.40	\$ 28,755.40
November, 2010	\$ 155,429.29	\$ 89,981.00	\$ 245,410.29	\$ 245,410.29	\$ 23,314.39	\$ 13,474.04	\$ 36,788.43	\$ 36,788.43
December, 2010	\$ 136,634.38	\$ 89,981.00	\$ 226,615.38	\$ 226,615.38	\$ 20,495.16	\$ 13,474.04	\$ 33,969.20	\$ 33,969.20
January, 2011	\$ 134,007.90	\$ 90,004.04	\$ 224,011.94	\$ 224,011.94	\$ 20,101.19	\$ 13,477.49	\$ 33,578.68	\$ 33,578.68
February, 2011	\$ 141,494.57	\$ 90,027.08	\$ 231,521.65	\$ 231,521.65	\$ 21,224.19	\$ 13,480.94	\$ 34,705.13	\$ 34,705.13
March, 2011	\$ 144,518.10	\$ 90,027.08	\$ 234,545.18	\$ 234,545.18	\$ 21,677.72	\$ 13,480.94	\$ 35,158.66	\$ 35,158.66
April, 2011	\$ 145,689.49	\$ 90,050.12	\$ 235,739.61	\$ 235,739.61	\$ 21,853.42	\$ 13,484.39	\$ 35,337.81	\$ 35,337.81
May, 2011	\$ 134,230.48	\$ 90,073.16	\$ 224,303.64	\$ 224,303.64	\$ 20,134.57	\$ 13,487.84	\$ 33,622.41	\$ 33,622.41
June, 2011	\$ 134,897.49	\$ 90,073.16	\$ 224,970.65	\$ 224,970.65	\$ 20,234.62	\$ 13,487.84	\$ 33,722.46	\$ 33,722.46
July, 2011	\$ 128,825.92	\$ 90,073.16	\$ 218,899.08	\$ 218,899.08	\$ 19,323.89	\$ 13,487.84	\$ 32,811.73	\$ 32,811.73
August, 2011	\$ 127,638.60	\$ 90,096.20	\$ 217,734.80	\$ 217,734.80	\$ 19,145.79	\$ 13,491.29	\$ 32,637.08	\$ 32,637.08
September, 2011	\$ 126,192.40	\$ 90,119.24	\$ 216,311.64	\$ 216,311.64	\$ 18,928.86	\$ 13,494.74	\$ 32,423.60	\$ 32,423.60
October, 2011	\$ 129,327.02	\$ 87,474.38	\$ 216,801.40	\$ 216,801.40	\$ 19,399.05	\$ 13,117.19	\$ 32,516.24	\$ 32,516.24
November, 2011	\$ 133,797.66	\$ 87,519.06	\$ 221,316.72	\$ 221,316.72	\$ 20,069.65	\$ 13,123.89	\$ 33,193.54	\$ 33,193.54
December, 2011	\$ 128,533.64	\$ 87,586.08	\$ 216,119.72	\$ 216,119.72	\$ 19,280.05	\$ 13,133.94	\$ 32,413.99	\$ 32,413.99
Totals	\$ 2,003,092.64	\$ 1,343,065.76	\$ 3,346,158.40	\$ 3,346,158.40	\$ 300,463.90	\$ 201,170.45	\$ 501,634.35	\$ 501,634.35

Franchise fee reported

Franchise fee per audit

Total Due Veolia ES Solid Waste Southeast, Inc.

Franchise fees were calculated as 15% of gross revenue

\$ 501,634.35  
\$ 501,634.35  
\$

The accompanying notes are an integral part of these financial statements. Please refer to Accountant's Audit Report to determine scope and nature of services provided.

VEOLIA ES SOLID WASTE SOUTHEAST, INC.

CITY OF SANIBEL, FLORIDA  
FRANCHISE REPORT

NOTES TO AUDITED FINANCIAL REPORT

DECEMBER 31, 2011

**NOTE 1: FRANCHISE AGREEMENT**

Veolia ES Solid Waste Southeast, Inc. has been granted a non-exclusive franchise for the hauling and disposing of commercial waste within the City of Sanibel, Florida. The franchise fee was calculated as 15% of the gross revenue collected from the City customers.

The franchisee is required to submit reports and make fee payments monthly. The franchise agreement has various requirements (including inspection of the company's trucks, minimum number of pickups, etc.) that are not part of this report.

**NOTE 2: REVENUE RECOGNITION**

Revenues are recorded and franchise fees accrued when payments for services are received. When reporting errors are discovered, the net effect is reported in the month the error is discovered. Any credit taken or additional fee is paid with the current month's report.

See Accountant's Audit Report to determine  
scope and nature of services provided.