

MEMORANDUM

TO: DISTRICT PERSONNEL

FROM: OFFICE OF GENERAL COUNSEL

SUBJECT: FINANCIAL AFFIDAVIT FOR A CORPORATION

The following financial information is necessary for an analysis of a corporation or s-corporation:

1. Audited or reviewed corporate financial statements for the previous three years (i.e. balance sheet, income statement, and statement of cash flows); or copies of the annual 10-K filed with the SEC for the previous three years (if publicly traded); or a signed, dated and **notarized** corporate financial affidavit.
2. Copies of the corporate income tax returns for the previous three years, with applicable schedules attached (as filed with the Internal Revenue Service).
3. A signed and dated letter of management representations (standard letter provided by DEP) SEE ATTACHMENT I.

If the corporation does not have audited or reviewed financial statements, the following affidavit should be completed.

The analysis of an s-corporation, when audited or reviewed financial statements are not available, may require two financial affidavits. The corporate affidavit is used to identify revenue, expenses, assets, and liabilities of the business and the individual affidavit (Parts I and II) is used to obtain financial information about major shareholders (when applicable).

The following corporate affidavit should not be used for the analysis of an individual, sole proprietor, or partnership. Please refer to the financial affidavit designed specifically for each of those entities.

Forward all financial documentation to the financial analyst with a cover memo describing the estimated costs of compliance, proposed penalties, a brief description of the violation and a request for financial analysis.

FINANCIAL AFFIDAVIT

FOR

A CORPORATION

INSTRUCTIONS FOR COMPLETING THE CORPORATE FINANCIAL AFFIDAVIT

The following financial affidavit is used by the Department's financial analyst in determining the corporation or s-corporation's ability to comply with corrective action or pay proposed penalties for contaminated property when audited or reviewed financial statements or annual 10-K reports are unavailable. The analysis is performed as a response to your claim of inability to pay and is voluntary on your part.

Identify revenue, expenses, assets, and liabilities on the financial affidavit provided by the district personnel or attorney handling the case. If revenue, expenses, assets, or liabilities exist for which a line item is not available, add the item at the end of the appropriate section and include it in the total for that section.

In addition, the following documents may be requested if applicable:

1. A list of **all** bank accounts, a copy of the corporate charter, chart of accounts, organization chart, complete and current list of officers and directors, complete and current list of shareholders and their ownership percentages; annual board meeting minutes for the previous two years;
2. Copies of form 966 in cases of dissolution; 1099-dividend or miscellaneous forms;
3. Copies of consolidated returns (if applicable), general ledgers, payroll journals, year end trial balances, depreciation worksheets, canceled checks and collateral for shareholder loans;
4. All investment, brokerage, insurance and bank accounts statements;
5. Copies of agreements for all loans, leases, rentals, promissory notes, mergers, purchases (with schedules for asset appraisals), settlements, guarantees, liens, deeds, agreements to sell or buy receivables; treasury stock purchases (with appraised value at time of purchase); and, schedules detailing stock ownership, if applicable.

Upon completion, the Chief Executive Officer, Chief Financial Officer, or other appropriate personnel should sign and date, as a corporate representative, the last page of the financial affidavit in the presence of a notary public or attorney.

Submit a complete notarized/certified financial affidavit, a signed and dated letter of management representations, and copies of the corporate tax returns for the previous three years, with applicable schedules attached (as filed with the Internal Revenue Service) to the DEP district contact or enforcement attorney handling your case.

Since the requested documentation is essential to performing an analysis, it is important information be supplied to the Department in a complete and timely manner. The Department retains the right to request further information, as identified above, or refuse to perform an analysis if required documentation is not received. Again, this analysis is performed upon your request and is voluntary on

your part. The Department's goal is to render a complete, correct and fair conclusion as to your ability to pay.

The documentation submitted may be subject to disclosure as a public record under Section 119, Florida Statute; therefore, this submittal should not be considered confidential.

I hereby authorize the Department of Environmental Protection to verify the earnings, records, bank accounts, stock holdings, pension, credit information (including past and present mortgages), and any other assets, liabilities, revenues or expenses necessary to perform an analysis of the company's financial position.

AUTHORIZED CORPORATE SIGNING OFFICER

DATE

**BEFORE THE STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION**

IN RE:

IN THE OFFICE OF THE
_____DISTRICT

_____ /

FINANCIAL AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF _____) ss

BEFORE ME this day personally appeared _____,
who being duly sworn, deposes and says that the following information is true and correct according to
_____ best knowledge and belief:

CORPORATE INFORMATION

CORPORATION NAME: _____

ADDRESS: _____

EMPLOYER ID NUMBER #: _____

FILING STATUS: _____
(i.e. corporation, s-corporation, etc.)

PROFIT STATUS: _____
(i.e. for profit, not-for-profit, etc.)

BUSINESS ACTIVITY: _____
(i.e. tanks, hazardous waste water, etc.)

ACCOUNTING METHOD: _____
(i.e. cash basis, accrual, etc.)

BALANCE SHEET INFORMATION

ASSETS

Cash and cash equivalents:

Petty cash	\$	_____
Cash in bank- general		_____
Cash in bank- payroll		_____
Cash in bank- tax account		_____
Cash in bank- savings		_____
Money market		_____
Other: _____		_____

Certificate(s) of Deposits _____

Treasury Bills _____

Stocks _____

Bonds _____

Accounts Receivable:

Trade Accounts	_____
Less: Allowance for bad debts	_____
Officers	_____
Employees	_____
Stockholders	_____
Dividends	_____
Other	_____
Less: Allowance for bad debts	_____

Prepaid Assets:

Prepaid Insurance _____

Prepaid Rent _____

Other Prepaid Assets: _____

Inventory _____

Supplies _____

Trade notes _____

Less: Allowance for bad debts _____

Federal and state obligations _____

Investments: _____

FIXED ASSETS:

Buildings & other depreciable assets (describe):

Furniture and Fixtures	_____
Transportation:	
Automobiles:	
_____	_____
_____	_____
_____	_____
Trucks	_____
Tractors	_____
Forklifts	_____
Recreational vehicles:	
Aircraft	_____
Boats	_____
Other watercraft	_____
Other land vehicle(s)	_____

OTHER FIXED ASSETS:

Tanks	_____
Treatment Plants	_____
Lift Stations	_____
Drainfields	_____
Filters	_____
Pumps	_____
Blowers	_____
Other: _____	_____
_____	_____
Less: Accumulated Depreciation	_____

OTHER ASSETS:

Leasehold Improvements	_____
Less: Accumulated depreciation	_____
Depletable assets (describe):	_____
Less: Accumulated depletion	_____
Intangible Assets (describe):	
Patents	_____
Trademark	_____
Goodwill	_____
License	_____
Other Intangible	_____
Less: Accumulated amortization	_____
Natural Resources	_____
Property:	
Rental	_____
Investment	_____
Timberland	_____
Other Land: _____	_____

Construction In Progress	_____
Life Insurance Policy- cash surrender value	_____
Livestock	_____
Machinery and equipment	_____
Other: _____	_____
_____	_____
TOTAL NET ASSETS	\$ _____

LIABILITIES

Accounts payable	_____
Accrued salaries	_____
Bonus payable	_____
Accrued income tax	_____
Loans :	
Line(s) of credit	_____
Mortgage(s)	_____
Automobile(s)	_____
From stockholder(s)	_____
Other loan(s)	_____
Bonds payable	_____
Notes payable	_____
Franchise fees payable	_____
Liens	_____
Other liabilities:	
_____	_____
_____	_____
_____	_____
TOTAL LIABILITIES	_____

EQUITY

Capital stock:

Common	_____
Preferred	_____
Paid in capital	_____
Retained Earnings- appropriated	_____
Retained Earnings- unappropriated	_____
Less: Cost of treasury stock	_____

TOTAL LIABILITIES & STOCKHOLDERS EQUITY \$ _____

NOTE: Prior to forwarding to the Department, please ensure that the balance sheet does in fact

balance: **TOTAL ASSETS = TOTAL LIABILITIES + OWNERS EQUITY**

INCOME AND EXPENSE INFORMATION

REVENUE:

Gross Sales	\$	_____
Less: Sales returns and allowances		_____
Gross Receipts from services		_____

OTHER REVENUE

Commissions	_____
Rental income	_____
Interest income:	
Bonds	_____
Certificate of Deposit(s)	_____
Other _____	_____
Other _____	_____
Proceeds from life insurance	_____
Gross Royalties	_____
Other Revenue:	
_____	_____
_____	_____
_____	_____

TOTAL REVENUE	\$	_____
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EXPENSES

Cost of Goods Sold	\$	_____
Officer Compensation		_____
Salaries and wages		_____
Commission		_____
Travel, meals, etc.		_____
Supplies		_____
Rent Expense		_____
Lease Expense:		
Buildings		_____
Equipment		_____
Automobile		_____
Other		_____
Loan payments:		
Mortgage(s)		_____
Automobile(s)		_____
Machinery		_____
Other		_____
Repairs and maintenance		_____
Bad debt expense		_____
Utilities:		

Electricity	_____
Gas / Propane	_____
Taxes:	
Property	_____
Payroll	_____
General _____	_____
Interest expense	_____
Insurance	_____
Contributions	_____
Depreciation expense	_____
Amortization expense	_____
Depletion	_____
Advertising	_____
Subcontractor expense	_____
Permits	_____
Employee benefit programs	_____
Pension, profit-sharing, etc., plans	_____
Manufacturing expense	_____
Management fees	_____
Other :	
_____	_____
_____	_____

OTHER EXPENSES

Security expense	_____
Premium on life insurance	_____
(identify the insured)_____	_____
Inspection expense	_____
Penalties	_____
Professional Fees:	
Audit expense	_____
Legal expense	_____
Other _____	_____

TOTAL ITEMIZED EXPENSES	\$	_____
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TOTAL REVENUE	_____
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LESS: TOTAL ITEMIZED EXPENSES (above)	_____
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NET INCOME	\$	_____
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STATEMENT OF CASH FLOWS

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income	\$	_____
Adjustments to reconcile net income to net cash provided by operating activities:		_____
Gain (loss) on sale/disposition of asset(s)		_____
Increase (Decrease) in Non-Cash Items		_____
Depreciation		_____
Amortization		_____
Depletion		_____
Deferred Taxes		_____
Provision for bad debts		_____
(Increase) decrease in assets:		_____
Trade accounts receivable		_____
Notes Receivable		_____
Interest Receivable		_____
Inventory		_____
Prepaid Expenses		_____
Other _____		_____
Other _____		_____
Increase (decrease) in liabilities:		_____
Trade accounts payable		_____
Other accounts payable		_____
Income taxes payable		_____
Other _____		_____
Other _____		_____

NET CASH PROVIDED BY OPERATING ACTIVITIES

CASH FLOWS FROM INVESTING ACTIVITIES

(Purchase) Sale of equipment	\$	_____
(Purchase) Sale of other fixed asset(s)		_____
(Increase) Decrease in outstanding advances		_____
(Increase) Decrease in restricted cash		_____
(Increase) Decrease in other short-term investments, maturities less than 90 days		_____
Other _____		_____
Other _____		_____

NET CASH (USED) PROVIDED BY INVESTING ACTIVITIES

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds (Repayment) of short-term borrowings		_____
Proceeds (Repayment) of notes payable and long-term debt		_____
Proceeds from stock issue		_____
(Purchase) Sale of Treasury Stock		_____

Dividends (paid)		_____
Loans from Stockholders		_____
Other _____		_____
NET CASH (USED) PROVIDED BY FINANCING ACTIVITIES		_____
NET (DECREASE) INCREASE IN CASH		_____
CASH AT BEGINNING OF YEAR		_____
CASH AT THE END OF THE YEAR	\$	_____

RETAINED EARNINGS INFORMATION

Balance January 1, 199_	\$	_____
Net Profit (before federal income tax)		_____
Income tax accrued for current year		_____
Dividends paid during current year		_____
Cash		_____
Stock		_____
Property		_____
Reserve for contingencies (describe)		_____
Refund of prior year income tax		_____
Balance December 31, 199__	\$	_____

Inventory valuation method, choose one:

- Lower of cost or market _____
- First in first out _____
- Last in first out _____
- Other: _____

GIFTS AND RELATED PARTY SALES

List any assets either gifted or sold, within the previous twenty-four months, to a related party if the asset value individually exceeded \$500. Related party is defined as any entity that can control or significantly influence the management or operating policies of another entity to the extent that one of the entities may be prevented from pursuing its own interests. Related parties for this purpose include, but are not limited to:

1. Principal owners and members of management and their immediate families or others who reside in the same household (i.e. officers, stockholders)
2. Affiliated companies
3. Investments accounted for under the equity method
4. Trusts for the benefit of employees

**LETTER OF MANAGEMENT REPRESENTATIONS
ATTACHMENT I**

In connection with the Departments analysis of the balance sheet, income statement, statement of cash flow, and supplemental financial information of _____ as of _____ and for the period of _____ for the purpose of determining the corporations ability to comply with corrective action or pay proposed penalties, I/WE HEREBY CERTIFY under penalty of perjury and subject to provisions of Section 403.161, Florida Statute, that to the best of my/our knowledge, information and belief, the following representations made to the Department during its analysis of the financial affidavit or financial statements provided, and as supplemented, are true and correct:

1. I/We accept responsibility for the fair presentation in the statements, of the corporation's financial position, results of operations, and cash flow in conformity with generally accepted accounting principles.
2. I/We accept responsibility for the fair presentation in the affidavit, of the corporation's financial position, results of operations, and cash flow in conformity with generally accepted accounting principles.
3. The use of any other comprehensive basis of accounting (i.e. not generally accepted accounting principles) has been identified.
4. I/We have no knowledge of pending or imminent events that may materially affect the carrying value or classification of assets and liabilities, which have not been identified.
5. The following have been properly recorded or disclosed in the financial statement or affidavit:
 - a. Related party transactions and related amounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements, and guarantees.
 - b. Capital stock repurchase options or agreements; or capital stock reserved for options, warrants, conversions, or other requirements.
 - c. Arrangements with financial institutions involving compensating balances or arrangements involving restrictions on cash balances and line-of-credit or similar arrangements.
 - d. Agreements to repurchase assets previously sold
5. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements or financial affidavit.
6. Provision, when material, has been made to reduce excess or obsolete inventories to their estimated net realizable value.

**LETTER OF MANAGEMENT REPRESENTATIONS
ATTACHMENT I**

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7. The company has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged, where such lien, encumbrance, or pledge was not clearly identified in the financial statements, affidavit or information provided to the Department.

Chief Executive Officer Date Chief Financial Officer Date

**STATE OF FLORIDA
COUNTY OF**

The foregoing instrument was acknowledged before me this _____ by _____ of _____, a _____ corporation, on behalf of the corporation. He/she is personally known to me or has produced _____ as identification.

NOTARY PUBLIC

My Commission Expires: _____.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of this Financial Affidavit was furnished by _____ to:
on the _____ day of _____ 199__.

ATTORNEY FOR AFFIANT