

MEMORANDUM

TO: DISTRICT PERSONNEL

FROM: OFFICE OF GENERAL COUNSEL

SUBJECT: FINANCIAL AFFIDAVIT FOR INDIVIDUALS AND SOLE PROPRIETORS

The following financial affidavit may be used in the analysis of an individual or sole proprietor's ability to comply with corrective action or pay proposed penalties. The affidavit is designed to report financial information of both an individual and one or more unincorporated businesses.

In order to perform a complete analysis, the applicant must submit the following financial information for:

A. Individual(s):

1. Signed, dated, and notarized financial affidavit (Parts I and II only).
2. Previous three years tax returns with copies of applicable schedules and W-2's attached (as filed with the Internal Revenue Service).

B. Sole Proprietorship:

1. Signed, dated, and notarized financial affidavit (Parts I, II, III, and IV).
2. Previous three years tax returns with copies of applicable schedules and W-2's attached (as filed with the Internal Revenue Service).

In addition, Parts I and II of the following financial affidavit may be used to analyze the financial position of partners to a partnership or shareholders of an s-corporation. However, the partnership or s-corporation should complete a separate financial affidavit outlining its revenue, expenses, assets, and liabilities. Please refer to the financial affidavit designed specifically for each of these entities.

Forward all financial documents 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
INDIVIDUALS AND SOLE PROPRIETORS

Instructions for Completing the Financial Affidavit

The following financial affidavit is a tool used by the Department's financial analyst to determine an individual or sole proprietor's ability to comply with corrective actions or pay proposed penalties. The analysis is performed as a response to your claim of inability to pay and is **voluntary** on your part.

Identify personal and/or business 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.

For analysis of individuals, sole proprietors, partners, or shareholders, copies of the following additional documentation may also be requested when applicable:

- 1) Credit reports
- 2) 1099-interest, dividend, or miscellaneous tax forms;
- 3) Rental or lease agreements for which you make or receive monthly payments;
- 4) Most recent bank statements;
- 5) Statements of loan balances on automobiles, homes, buildings, or land which you own;
- 6) Statements of insurance policy values on automobiles, homes, buildings, land, or cash value life insurance policies which you own;
- 7) Most recent property tax assessment on property you own.

Since the requested documentation is essential in performing a financial analysis, it is important all information be supplied in a complete and timely manner. The Department retains the right to request further information or not perform an analysis if requested documentation is not received. Again, this analysis is **voluntary** on your part. The Department's goal is to render a complete, correct and fair conclusion as to your ability to pay.

Upon completion, you must sign and date the last page of the financial affidavit(s), as the affiant, in the presence of a notary public or attorney.

Submit the notarized/certified financial affidavit and copies of your previous three years' individual tax returns, with applicable schedules and W-2's attached (as filed with the Internal Revenue Service) to the district contact or enforcement attorney handling your case.

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 my past and present employment earnings records, bank accounts, stock holdings, pension and social security records, credit information (including past and present mortgages), any other assets, liabilities, revenues, or expenses, and to request a consumer credit report if necessary to perform an analysis of my financial position.

AFFIANT SIGNATURE

DATE

AFFIANT SIGNATURE

DATE

PART I- INDIVIDUAL MONTHLY SURPLUS OR DEFICIT

This section applies to personal income and expense. Business income and expense should be reported on pages eleven and twelve. Each Income or expense item should be reported only once and in the section to which it best applies. Feel free to add any items, other than those already included, on the financial affidavit.

Enter a zero for items which do not apply to your personal financial situation.

AVERAGE GROSS MONTHLY INCOME (PERSONAL):

Monthly wages, salary, etc. Attach copies of form W-2 for previous three tax years.	\$	_____
Business income from sources such as self-employment, partnership, close corporations and/or independent contracts (gross receipts minus ordinary and necessary expenses required to produce income)		_____
Bonuses, commissions, allowances, overtime, tips and similar payments		_____
Disability Benefits		_____
Alimony Receipts		_____
Workers' Compensation (job related injuries)		_____
Unemployment Compensation		_____
Food Stamps		_____
Welfare		_____
Pension, Retirements or Annuity Distributions		_____
Social Security Benefits		_____
Interest and Dividends		_____
Rental income (gross receipts minus ordinary and necessary expenses required to produce income)		_____
Farm Income (loss)		_____
Income from Royalties, trust or estates		_____
Reimbursed expenses and in-kind payments to the extent that they reduce personal living expenses		_____

Gains derived from dealing in property (not including non-recurring gains) _____

Itemize any other income of a recurring nature _____

TOTAL MONTHLY INCOME \$ _____

LESS DEDUCTIONS:

Federal, state and local income taxes (corrected for filing status and actual number of withholding allowances) \$ _____

FICA or self-employment tax (annualized) _____

Mandatory union dues _____

Other Monthly Retirement Contributions:

 Self-Employment Plan _____

 Individual Retirement Account _____

 401K Contributions _____

 Pension Annuities _____

Health insurance payments _____

Court ordered support payments for children (payments actually paid) _____

Alimony payments _____

TOTAL DEDUCTIONS \$ _____

TOTAL NET MONTHLY INCOME \$ _____

TOTAL MONTHLY ITEMIZED EXPENSES: \$ _____
(enter total from page 6)

NET OR (DEFICIT) \$ _____

AVERAGE MONTHLY EXPENSES

HOUSEHOLD:

Mortgage or rent payments	\$	_____
Property taxes		_____
Electricity		_____
Water, garbage & sewer		_____
Cable		_____
Telephone		_____
Fuel, oil or natural gas		_____
Repairs and maintenance		_____
Lawn and pool care		_____
Pest control		_____
Housewares		_____
Food and grocery items		_____
Maid Service		_____
Meals outside home		_____
Property Insurance:		
Mortgage Insurance		_____
Homeowners Insurance (Hazard)		_____
Aircraft Insurance		_____
Watercraft Insurance (Boat)		_____
Miscellaneous:		_____
_____		_____
SUB-TOTAL	\$	_____

AUTOMOBILE:

Gasoline and oil	\$	_____
Repairs		_____
Auto tag and license		_____
Insurance		_____
Miscellaneous transportation:		
Bus Fare		_____
Cab Fare		_____
Monthly <u>recurring</u> toll fees		_____
Other: _____		_____
SUB-TOTAL	\$	_____

CHILDREN'S EXPENSES:

Nursery or baby-sitting expense	\$	_____
School tuition		_____
School supplies		_____
Lunch money		_____

Allowance		_____
Clothing		_____
<hr/>		
Medical, dental, prescriptions		_____
Barber/beauty parlor		_____
Cosmetics/toiletries		_____
Gifts or special holidays		_____
Other expenses:		_____
Miscellaneous expenses:		_____
SUB-TOTAL	\$	_____

INSURANCE:

Health:		
Medical	\$	_____
Dental		_____
Life		_____
Medicare Part B		_____
Other Insurance:		

SUB-TOTAL	\$	_____

OTHER EXPENSES NOT LISTED ABOVE:

Dry cleaning and laundry	\$	_____
Affiant's clothing		_____
Affiant's medical/dental/ prescriptions		_____
Affiant's beauty parlor / barber		_____
Affiant's cosmetics/ toiletries		_____
Pets:		
Grooming		_____
Veterinarian		_____
Food		_____
Membership dues:		
Professional dues		_____
Social dues		_____
Entertainment		_____
Vacations		_____
Publications		_____

Contributions:		
Church		_____
Charities:_____		_____
Legal and Professional expenses		_____
Pre-paid taxes		_____
Miscellaneous:		_____
_____		_____
_____		_____
SUB-TOTAL	\$	_____

PAYMENTS TO CREDITORS:

Credit Cards:	\$	_____
_____		_____
_____		_____
_____		_____
SUB-TOTAL		_____

TOTAL MONTHLY ITEMIZED EXPENSES	\$	_____
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PART II- INDIVIDUAL NET WORTH

INSTRUCTIONS FOR COMPLETING THE STATEMENT OF PERSONAL NET WORTH AND BALANCE SHEET

This section applies to personal assets, liabilities, and equity. Business net worth information should be reported on pages thirteen and fourteen, if applicable. Assets and liabilities should be reported only once and in the section to which they best apply.

Please read the following instructions prior to beginning this portion of the affidavit.

1. Separate personal assets and liabilities from business assets and liabilities.
2. Specify which asset(s) relates to each mortgage in the liability section.
3. If more than one business is owned by the applicant, list all assets and liabilities separately for each business in the Balance Sheet.
4. List assets and liabilities based upon present title and ownership.
5. Definitions:
 - a. Accounts Receivable - claims to cash which are expected to be received within one year.
 - b. Intangible Assets - resources which have no physical attributes, but which provide benefits for more than one year (ex. patents, copyrights, franchises, goodwill, organization costs, and trademarks or tradenames).
 - c. Accounts Payable - balances owed to other individuals for goods, supplies, and services purchased on account.
 - d. Notes Payable - obligations in the form of written promissory notes. (ex. tradenotes, short-term loan notes, current maturities of long-term debts.)
 - e. Current Liabilities - any liability payable within one year.
 - f. IRA - individual retirement account
 - g. Prepaid Expense- an item paid and recorded in advance of its use or consumption by a business, part of which represents expense of the current period and part of which represents an asset on hand at the end of the period. Common examples of include homeowners/automobile insurance, rental/lease payments, newspaper or magazine subscriptions, and advertising.

Prepaid expenses should be listed on the Balance Sheet for Sole Proprietors (Part IV).

Please refer to the example on page eight for further explanation of calculating prepaid expense.

**PREPAID
EXPENSE EXAMPLE**

When payments are made for services, in advance of their performance, these services are considered to be prepaid. At the end of a business' reporting year (i.e. December 31, 1996), a business calculates the remaining amount of prepaid assets for the balance sheet.

EXAMPLE:

Automobile insurance was purchased

Premium	=	\$1200
Policy period	=	April 1, 1996 to March 30, 1997 (twelve months)
Payment	=	made on April 1, 1996 for \$1,200.00
Balance Sheet date	=	year end December 31, 1996

- The total prepaid asset as of April 1, 1996 is \$1,200.00
- Therefore, the insurance company will provide automobile coverage during a portion of 1996 and 1997.
 - 1996 service = coverage for April 1, 1996 to December 31, 1996 = 9 months
 - 1997 service = coverage for January 1, 1997 to March 30, 1997 = 3 months
- As the coverage period elapses, a portion of the prepaid asset (originally \$1200) will be used

Calculate the amount of prepaid asset used during the current year (1996):

1) Divide the number of months from the inception of the policy to the business year end by the total number of months during the policy to get the percent of the policy period which has elapsed. Multiply that percent times the total premium to obtain the cost of services already provided.

APRIL 1, 1996 TO DECEMBER 31, 1996	=	9 months
TOTAL NUMBER OF MONTHS UNDER THE POLICY	=	12 months

9/12= 75%; the insurance company has provided 75% of the services promised for the \$1200

2) Multiply the total premium paid by the percent of coverage provided to date.

TOTAL PREMIUM PAID	\$1,200.00
% OF COVERAGE PROVIDED	X .75
COST OF COVERAGE TO DATE	<u>900.00</u>

Calculate the amount of the prepaid asset remaining at year end

The remaining amount of prepaid insurance is the difference between what was paid April 1, 1996 and the value of services provided by the insurance company by December 31, 1996.

That remaining prepaid asset will be earned by the insurance company during the next business year.

PREPAID ASSET 4/1/96	\$1,200.00
COST OF COVERAGE PROVIDED FROM 4/1/96-12/31/96	<u>- 900.00</u>
REMAINING PREPAID ASSET	300.00

**STATEMENT OF PERSONAL
NET WORTH AS OF _____**

(Date)

ASSETS:

<u>DESCRIPTION</u>		<u>TOTAL VALUE</u>
Cash	\$	_____
Checking		_____
Savings Accounts		_____
Money Market Accounts		_____
Certificate of Deposit(s)		_____
Retirement Accounts (IRA)		_____
Stocks		_____
Bonds		_____
Notes		_____
Loans Receivable		_____
Property (excluding business property):		_____
Home		_____
Second Home		_____
Investment/ Rental Property		_____
Timber Land		_____
Other Land		_____
_____		_____
SUB-TOTAL	\$	_____
 Automobiles:		
_____		_____
_____		_____
_____		_____
 Recreational Vehicles:		
Boats		_____
Motorcycles		_____
Aircraft		_____
Other watercraft		_____
Other land vehicles _____		_____
 Contents of home		_____
Contents of apartment		_____
Jewelry		_____
Life Insurance- cash surrender value		_____
Other Assets:		_____
Inheritances to be received within the next 6 months		_____
Livestock		_____
 <u>TOTAL ASSETS:</u>	\$	_____

LIABILITIES:

<u>CREDITORS:</u>	<u>COLLATERAL</u>		<u>BALANCE</u>
Mortgage (first)	_____	\$	_____
Mortgage (second)	_____		_____
Other Mortgages	_____		_____
Automobile Loan- Auto 1	_____		_____
Automobile Loan- Auto 2	_____		_____
Notes Payable- Secured	_____		_____
Notes Payable- Unsecured	_____		_____
Unpaid Income Tax	_____		_____
Credit Cards:	_____		_____
_____	_____		_____
_____	_____		_____
_____	_____		_____
Other Debt:	_____		_____
_____	_____		_____
_____	_____		_____
_____	_____		_____
<u>TOTAL LIABILITIES</u>		\$	_____
TOTAL ASSETS (refer to the last line on page 9)		\$	_____
LESS: TOTAL LIABILITIES (above)			_____
NET WORTH		\$	_____

NOTE: Prior to forwarding to the Department, please ensure that the balance sheet does in fact
balance: $TOTAL\ ASSETS = TOTAL\ LIABILITIES + NET\ WORTH$

PART III-BUSINESS MONTHLY SURPLUS OR DEFICIT

**PROFIT/LOSS FROM BUSINESS OR PROFESSION
AS OF _____**

If tax returns were not submitted for the previous three years, this form should be completed. Otherwise, submittal of the tax returns and applicable schedules (i.e. Schedule C, Form 1040) is sufficient. The affidavit should then be continued on page thirteen.

Business Name _____
 Business Activity _____
 Business Address _____
 City, State, Zip _____
 Employer Identification Number _____
 Accounting Method _____

BUSINESS INCOME

	Business I	Business II	Business III	
	_____ (Company Name)	_____ (Company Name)	_____ (Company Name)	
Revenue:				
Gross Receipts from services	\$ _____	\$ _____	\$ _____	
Gross Receipts from sales	_____	_____	_____	
Returns and allowances	(_____)	(_____)	(_____)	Less:
Cost of Good Sold/Operations	(_____)	(_____)	(_____)	
Other Income	_____	_____	_____	
Total Gross Income	\$ _____	_____	_____	

BUSINESS EXPENSES:

Wages and Salaries	\$ _____	_____	_____
Commissions	_____	_____	_____
Advertising	_____	_____	_____
Travel, Meals, Inc.	_____	_____	_____
Utilities	_____	_____	_____
Office Expense	_____	_____	_____
Bad Debts from Sales/Svcs	_____	_____	_____
Rent/Lease:			
Building	_____	_____	_____
Machinery	_____	_____	_____

Other Business	_____	_____	_____
Repairs	_____	_____	_____
Supplies	_____	_____	_____
Car/Truck			
Expense	_____	_____	_____
Depletion	_____	_____	_____
Depreciation and			
Section 179			
Deductions	_____	_____	_____
Employee			
Benefits	_____	_____	_____
Insurance	_____	_____	_____
Legal/Professional			
Fees	_____	_____	_____
Pension/Profit			
Share	_____	_____	_____
Dues	_____	_____	_____
Publications	_____	_____	_____
Other Expense	_____	_____	_____
Total Expenses	\$ _____	\$ _____	\$ _____
NET BUSINESS INC.			
(LOSS)	\$ _____	\$ _____	\$ _____

PART IV- BUSINESS NET WORTH

This section applies to business assets and liabilities. Assets and liabilities entered in the personal net worth section, pages nine and ten, should not be repeated on this form.

BALANCE SHEET
AS OF _____
 (DATE)

<u>ASSETS</u>	<u>BUSINESS I</u> (Company Name)	<u>BUSINESS II</u> (Company Name)	<u>BUSINESS III</u> (Company Name)
Cash	_____	_____	_____
Checking	_____	_____	_____
Savings	_____	_____	_____
Money Market	_____	_____	_____
Stocks	_____	_____	_____
Bonds	_____	_____	_____
Certificate of Deposit	_____	_____	_____
Accounts Receivable	_____	_____	_____
Notes Receivable	_____	_____	_____
Prepaid Expenses:			
Insurance	_____	_____	_____
Rent	_____	_____	_____
Other	_____	_____	_____
U.S. & Governmental Securities	_____	_____	_____
Inventory	_____	_____	_____
Equipment	_____	_____	_____
Furniture/Fixtures	_____	_____	_____
Real Property/Buildings/Land:			
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Automobiles:			
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Intangible Assets	_____	_____	_____
Other Assets:			
_____	_____	_____	_____
Sub-Total	\$ _____	\$ _____	\$ _____
TOTAL ASSETS	\$ _____	\$ _____	\$ _____

LIABILITIES

Accounts Payable	\$ _____	\$ _____	\$ _____
Notes Payable	_____	_____	_____
Creditors:			
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Current Liabilities:			
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Long-term Liabilities:			
_____	_____	_____	_____
_____	_____	_____	_____
TOTAL LIABILITIES	\$ _____	\$ _____	\$ _____
TOTAL ASSETS	\$ _____	\$ _____	\$ _____
LESS: TOTAL LIABILITIES (above)	\$ _____	\$ _____	\$ _____
NET WORTH	\$ _____	\$ _____	\$ _____

NOTE: Prior to forwarding to the Department, please ensure that the balance sheet does in fact
balance: TOTAL ASSETS = TOTAL LIABILITIES + NET WORTH

