

## MEMORANDUM

**TO: DISTRICT PERSONNEL**

**FROM: OFFICE OF GENERAL COUNSEL**

**SUBJECT: FINANCIAL AFFIDAVIT FOR A PARTNERSHIP**

The following financial information is necessary for an analysis of a partnership:

1. Audited or reviewed partnership financial statements for the previous three years (i.e. balance sheet, income statement, and statement of cash flow); or a signed, dated and **notarized** partnership financial affidavit.
2. Copies of the previous three years' partnership informational tax returns (Form 1065), with applicable schedules attached (as filed with the Internal Revenue Service).
3. Signed, dated and **notarized** financial affidavit for each general partner (Parts I and II of the financial affidavit designed for individuals and sole proprietors).
4. Copies of the previous three years' individual tax returns for each general partner.
5. A signed and dated letter of management representations (standard letter provided by DEP). SEE ATTACHMENT I

The following affidavit should be completed when a partnership does not have audited or reviewed financial statements and claims an inability to comply with corrective action or pay proposed penalties.

The partnership affidavit should not be used for the analysis of an individual, sole proprietor, corporation, or s-corporation. 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 PARTNERSHIP

## COMPLETING THE PARTNERSHIP FINANCIAL AFFIDAVIT

The following financial affidavit is used by the Department's financial analyst in determining a partnership's ability to comply with corrective action or pay proposed penalties for contaminated property when audited or reviewed financial statements are unavailable. The analysis is performed as a response to the partnership's claim of inability to pay and is voluntary on its 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 the partnership and each general partner's bank accounts, a copy of the partnership agreement, complete and current list of all partners (general and limited) and their ownership percentages;
2. Copies of 1099-dividend or miscellaneous forms for the partnership or general partners;
3. Copies of general ledgers, payroll journals, year end trial balances, depreciation worksheets, canceled checks and collateral for loans to or from partners;
4. All investment, brokerage, insurance and bank account statements of the partnership or general partners;
5. Copies of agreements for all loans, leases, rentals, promissory notes, purchases (with schedules for asset appraisals), settlements, guarantees, liens, deeds, and agreements to sell or buy receivables for the partnership or general partners;
6. Current credit reports for each general partner.

Upon completion, at least one general partner, should sign and date, as a partnership representative, the last page of the financial affidavit in the presence of a notary public or attorney.

**Submit a complete notarized/certified financial affidavit, copies of the partnership information returns for the previous three years, copies of each general partner's individual tax returns for the previous three years, with applicable schedules attached (as filed with the Internal Revenue Service), a signed, dated, and notarized/certified financial affidavit for each general partner, and a letter of management's representations 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 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.

**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 partnership's financial position.

\_\_\_\_\_  
PARTNERSHIP REPRESENTATIVE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
PARTNERSHIP REPRESENTATIVE

\_\_\_\_\_  
DATE



**PARTNERSHIP**  
**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

Partner(s)

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	_____
Trademarks	_____
Goodwill	_____
License	_____
Other Intangibles	_____
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: _____	_____
_____	_____
<b>TOTAL NET ASSETS</b>	<b>\$ _____</b>

LIABILITIES

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

EQUITY

Partnership

Capital Accounts:	% Ownership	Type (general/limited)	
Partner : _____	_____	_____	_____
Partner : _____	_____	_____	_____
Partner : _____	_____	_____	_____
Partner : _____	_____	_____	_____
Partner : _____	_____	_____	_____
Partner : _____	_____	_____	_____

**TOTAL LIABILITIES & OWNER'S 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:**

**MONTHLY**

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:		
_____		
_____		
_____		
<b>TOTAL REVENUE</b>	<b>\$</b>	

**EXPENSES**

Cost of Goods Sold	\$	
Partners' salaries paid at fixed rate (guaranteed payments)		
Other 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 \_\_\_\_\_

MONTHLY

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 EXPENSES** \$ \_\_\_\_\_

**TOTAL REVENUE** (refer to page 9) \_\_\_\_\_

**LESS: TOTAL EXPENSES** (above) \_\_\_\_\_

**NET INCOME** \$ \_\_\_\_\_

**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 _____	_____
<b>NET CASH (USED) PROVIDED BY FINANCING ACTIVITIES</b>	_____
<b>NET (DECREASE) INCREASE IN CASH</b>	_____
<b>CASH AT BEGINNING OF YEAR</b>	_____
<b>CASH AT THE END OF THE YEAR \$</b>	_____

**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. General/limited partners and members of management and their immediate families or others who reside in the same household;
2. Affiliated companies;
3. Investments accounted for under the equity method;
4. Trusts for the benefit of employees;

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**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 partnership's 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 partnership'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 partnership'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. Arrangements with financial institutions involving compensating balances or arrangements involving restrictions on cash balances and line-of-credit or similar arrangements.
  - c. Agreements to repurchase assets previously sold
6. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements or financial affidavit.
7. Provision, when material, has been made to reduce excess or obsolete inventories to their estimated net realizable value.

8. 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.

\_\_\_\_\_  
Signature of Person taking acknowledgment

\_\_\_\_\_  
Signature of Person taking acknowledgment

\_\_\_\_\_  
Name typed, printed or stamped

\_\_\_\_\_  
Name typed, printed or stamped

**STATE OF FLORIDA  
COUNTY OF**

The foregoing instrument was acknowledged before me this \_\_\_\_\_ by \_\_\_\_\_, partner (or agent) on behalf of \_\_\_\_\_, a partnership. 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**