

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

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

IN RE:

IN THE OFFICE OF THE
_____ DISTRICT

_____ /

FINANCIAL AFFIDAVIT

STATE OF FLORIDA)
) ss
COUNTY OF _____)

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:

PARTNERSHIP INFORMATION

PARTNERSHIP NAME: _____

ADDRESS: _____

EMPLOYER ID NUMBER #: _____

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

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

TOTAL NUMBER OF PARTNERS: _____
(general, limited, etc.)

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: _____	_____
_____	_____
TOTAL NET ASSETS	\$ _____

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:	
_____	_____
_____	_____
_____	_____
TOTAL LIABILITIES	_____

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:		
_____		_____
_____		_____
_____		_____
TOTAL REVENUE	\$	_____

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

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;

**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