

HELP WITH FILLING OUT THE Personal Financial Statement

This form must be completed by the following individuals:

Each socially and economically disadvantaged owner who individually owns or contributes to an ownership interest of 51 or more percent in the firm; and whose ownership and control is relied upon for DBE certification.

If an individual is married, please note the following:

If you reside in a community property state, all assets and liabilities, **except** the ownership interest in the firm, should be halved accordingly on the form, unless there is a separate property agreement that stipulates sole ownership by one individual.

FOR EXAMPLE: John and Mary Smith jointly own their primary residence valued at \$100,000. They each claim 50% ownership on the property. John Smith would only report his 50% interest, \$50,000, on his Personal Net Worth Statement.

If you do not reside in a community property state, assets and liabilities may be halved if jointly owned. If assets and liabilities are separately owned, these items should only be reported on the respective owner's form.

The preceding does not address each item on the form; however, we have identified certain items on the form that you should pay special attention to since these items are commonly reported inaccurately or misrepresented.

Note: Please be advised that federal recipients, such as MDOT, must exclude an individual's ownership interest in his or her firm and the individual's equity in his or her primary residence. However, you must provide MDOT with the dollar amount being excluded as your ownership interest in the firm and documentation sufficient to support that exclusion. MDOT will assume, unless advised otherwise, that the equity in your primary residence is the difference between its present market value and current mortgage balance as reported by you in **Section 4, Property A (Primary Residence)** on the form.

ASSETS

Cash on-hand & in banks:

Enter the total amount of cash on-hand and in your checking accounts.

Savings Account:

Enter the total amount of cash in all savings accounts.

IRA or other Retirement Accounts:

Enter the total value of all IRAs and other retirement accounts, including any Deferred Compensation and Pension Plans. You may be requested by MDOT to provide copies of the most recent statements to substantiate the amount listed.

Accounts & Notes Receivable:

Enter the total value of all monies owed to you personally, if any. This should include shareholder loans to the applicant firm.

Life Insurance:

Enter only the cash surrender value of any life insurance policies. **A complete description is required in Section 3.

Real Estate:

Enter the current fair market value of all real estate owned. **A complete listing and description of all real estate owned is required in Section 4.

Automobile:

Enter the current fair market value of all automobiles owned.

Other Personal Property:

Enter the current fair market value of all other personal property owned but not included in any of the previous sections (i.e. furniture, jewelry, etc.). **A complete description of these assets is required in Section 5.

Ownership Interest in Firm:

Enter the current fair market value of your portion of the ownership interest/equity in the business on this line (e.g., if your sole proprietorship is worth \$40,000, this entire amount should be indicated).

Other Assets:

Enter the current fair market value of all other assets owned, but not included in the previous sections. **A complete description of these assets is required in Section 5.

Total:

Calculate the total value of all listed assets.

LIABILITIES

Accounts Payable:

Enter the total value of all unpaid accounts payable that is your responsibility (i.e. gas, electric, telephone bills, etc.).

Notes Payable to Bank & Others:

Enter the total amount due on all Notes Payable to Banks and others paid on an installment basis. Please be sure to include the total monthly payment amount in the space provided. This should include the amount of any loans from the applicant firm. This should not, however, include any mortgage balances. **A complete description of all installment accounts is required in Section 2.

Loans on Life Insurance:

Enter the total value of all loans due on Life Insurance Policies. **A complete description is required in Section 8.

Mortgages on Real Estate:

Enter the total value due on all mortgage(s) payable on Real Estate. **A complete breakdown of all mortgage(s) on Real Estate is required in Section 4.

Unpaid Taxes:

Enter the total amount of all taxes which are currently due but are unpaid. Contingent tax liabilities or anticipated taxes for the current year should not be included. **A complete description is required in Section 6.

Other Liabilities:

Enter the total value due on all other liabilities not classified in the previous sections. **A complete description is required in Section 7.

Ownership Interest in Firm:

Enter the current fair market value of your portion of the ownership interest/equity in the business on this line (e.g., if your sole proprietorship is worth \$40,000, this entire amount should be indicated).

Equity in Primary Residence:

Enter the difference between the present market value of your primary residence and your current mortgage balance.

Total Liabilities:

Calculate the total of all listed liabilities.

Net Worth:

Calculate your net worth and enter the amount on the "Affidavit of Personal Net Worth." This is calculated by subtracting your "Total Liabilities" from your "Total Assets."

$$\begin{array}{r} + \text{ Total Assets} \\ - \text{ Total Liabilities} \\ \hline = \text{ Net Worth*} \end{array}$$

*Indicate negative net worth with parenthesis ().

Total:

Add the values entered for "Total Liabilities" and "Net Worth." This amount must equal the total value of all assets.

$$\begin{array}{r} + \text{ Total Liabilities} \\ + \text{ Net Worth} \\ \hline = \text{ Total Assets} \end{array}$$

SECTION 1. SOURCE OF INCOME

Salary:

Enter the amount of your total annual salary. This should include any salary from the applicant firm and if applicable, any salary from outside employment.

Net Investment Income:

Enter the total amount of all investment income (i.e. dividends, interest, etc.).

Real Estate Income:

Enter the total amount of all real estate income received from the sale, rental, lease, etc. of real estate held.

Other Income:

Enter the total amount of all other income received (i.e. alimony, Social Security, Pension, etc.) Please be sure to describe the source of the other income in the space provided below this section.

CONTINGENT LIABILITIES

As Endorser or Co-Maker:

Enter the total potential liabilities due as a result of being a co-signer for a loan or other commitments.

Legal Claims & Judgements:

Enter the total potential liabilities due as a result of legal claims from judgements, lawsuits, etc.

Provisions for Federal Income Tax:

Enter the total amount of all Federal taxes for which you are potentially liable due to an anticipated gain on the pending sale of an asset or other circumstances, such as pending disputes or litigation which could possibly result in a personal tax liability.

Other Special Debt:

Enter the total amount due on all remaining potential debts not accounted for.

SECTION 2. NOTES PAYABLE TO BANKS AND OTHERS

Enter the name and address of noteholder(s), original balance, current balance, payment amount, frequency, and how secured for each note payable as entered in the "**LIABILITIES**" column.

SECTION 3. STOCKS AND BONDS

Enter the number of public shares, name of securities, cost, fair market value, and the date of fair market value for all public shares of stock and bonds held.

NOTE: Do not include your membership interest in the firm/business in this section.

SECTION 4. REAL ESTATE OWNED

Starting with your primary residence, enter the type of property, address, date purchased, original cost, present fair market value, name and address of mortgage holder, mortgage account number, mortgage balance, amount of payment, and status of mortgage for all real estate held. Second mortgages also should be included in this section. Please ensure that this section contains all real estate owned, including rental properties, commercial properties, etc.

These values should correspond with the "Real Estate" amount listed in the "ASSETS" column

SECTION 5. OTHER PERSONAL PROPERTY

Describe the "Other Personal Property" and "Other Assets" owned as listed in the "ASSETS" column.

SECTION 6. UNPAID TAXES

Describe in detail, as to the type, to whom payable, when due, amount, and to what property, if any, the tax lien attaches. Please refer to the unpaid taxes listed in the "LIABILITIES" column. If none, state NONE. This section should not include contingent tax liabilities or anticipated taxes owed for the current year.

SECTION 7. OTHER LIABILITIES

Describe in detail all other liabilities as referenced by the value listed in the "LIABILITIES" column. If none, state NONE.

SECTION 8. LIFE INSURANCE HELD

Describe all life insurance policies held. Please be sure to include the face amount of the policies, name of insurance company, beneficiaries and the cash surrender values of the policies.

FINALLY, PLEASE BE SURE TO SIGN AND DATE THE PERSONAL FINANCIAL STATEMENT, AND INDICATE YOUR SOCIAL SECURITY NUMBER IN THE SPACE PROVIDED.