

Instructions for Completing Personal Financial Statement

Personal Net Worth means the net value of the assets of an individual remaining after total liabilities are deducted. An individual's net worth does not include the individual's ownership interest in an applicant firm or the individual equity in his or her primary place of residence. (**Note:** The Alabama Department of Transportation will exclude an individual's equity in his or her primary residence. ALDOT will assume, unless advised otherwise, that the equity in the primary residence is the difference between its present market value and current mortgage balance as reported by you in **Section 4** on the form. However, you must provide this information.)

Each individual owner of an applicant firm, whose ownership and control are relied upon for DBE certification, must submit a signed statement of personal net worth.

If an eligible individual has a personal net worth of \$750,000 or more, that individual is not considered socially and economically disadvantaged for purposes of this program.

If an individual is married, please note the following:

All assets and liabilities should be halved accordingly on the form if jointly held. If assets and liabilities are separately owned, these items should only be reported on the respected owner's form.

EXAMPLES:

John and Mary Smith jointly own their primary residence valued at \$200,000. They each claim 50% ownership on the property. John would only report his 50% interest, \$100,000, on his Personal Net Worth Statement.

Mary Smith has a vacation home in another state valued at \$200,000. She owns the vacation home in its entirety. John would not report this on his Personal Net Worth Statement.

The Personal Financial Statement must be filled out in its entirety leaving **no** line blank. For any section where no asset or liability exists, you may indicate \$0 as a response to a numerical question or *Not Applicable* or None as a word response. The Personal Financial Statement must be complete, legible, and accurate. If you require more space in any section, attach additional sheets, and reference the appropriate section number and heading.

ASSETS

Cash on hand & banks:

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

Savings Account:

Enter the total cash in all savings accounts.

IRA or other Retirement Accounts:

Enter the present values of all IRAs and other retirement accounts, including any Deferred and Pension Plans. That is, how much the asset is actually worth today, not what its face value is or what the individuals return on it may be at some time in the future.

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 the cash surrender value of any life insurance policies. **A complete description is required in Section 8.

Stocks and Bonds:

Enter the current market value of your stocks/bonds. ** A complete listing and description is required in Section 3.

Real Estate:

Enter the current fair market value of all real estate owned. Excluding the Business Real Estate. If the Residence is part of a farm or other large portion of real estate, submit a separate valuation for the Residence and the remaining land.

**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 the previous sections. (i.e. furniture, jewelry, guns, cameras, electronic equipment, etc.). This category could also include motorcycles, motor home(s), boat(s) and other recreational vehicles. ** A complete description of these assets is required in Section 5.

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.

(**Note:** Other assets could be other business enterprises in which the applicant is a partial owner. For other business assets, a copy of the most recent balance sheet must be submitted along with information as to the applicant ownership share of the net worth.)

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 and Others:

Enter the total amount due on all Notes Payable to Banks and others, paid on an installment basis. Please be sure to indicate the total monthly payment 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 that are currently due, but are unpaid. Contingent tax liabilities or anticipated taxes for 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 section. **A complete description is required in Section 7.

Total Liabilities:

Calculate the total of all listed liabilities.

Net Worth:

Calculate your net worth by subtracting your "Total Liabilities" from you "Total Assets." Indicate negative net worth with parenthesis ().

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

Total:

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

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

SECTION 1. SOURCE OF INCOME

Salary:

Enter the amount of your total annual salary. This includes 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 in 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 and Judgments:

Enter the potential liabilities due as a result of legal claims from judgments, 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 note holder(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 shares, names of securities, cost, fair market value, and the date of fair market value for all shares of stocks and bonds held. **(Note: Do not include your interest in the applicant firm in this section.)**

SECTION 4. REAL ESTATE OWNED

Starting with your primary residence, enter the type of property, address, date of purchase, 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. Additionally, these values should correspond with the "Mortgages on Real Estate" amount listed in the "LIABILITIES" 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 the contingent tax liabilities or anticipated taxes owed for the current year.

SECTION 7. OTHER LIABILITIES

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

SECTION 8. LIFE INSURANCES HELD

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

**FINALLY, PLEASE BE SURE TO SIGN AND
DATE THE PERSONAL FINANCIAL STATEMENT
IN THE SPACE PROVIDED.**