



*(Read the instructions beginning on page 16 before completing this report)*

## 2014 ENDOWMENT CARE AND SPECIAL CARE FUND REPORT

<b>CERTIFICATE OF AUTHORITY (LICENSE) NUMBER:</b>		Certification Use Only
<b>CORPORATION NAME:</b>		
<b>CEMETERY NAME:</b>		
<b>CEMETERY ADDRESS:</b>		
<b>CEMETERY PRESIDENT OR VICE PRESIDENT</b>		
<b>MAILING ADDRESS:</b> [For written correspondence]		
<b>CEMETERY'S TELEPHONE NUMBER:</b>	(    )	
<b>Authorized Contact Person:</b>		
<b>Contact Person Telephone Number:</b>	(    )	

**Reporting Period:** (check one)

- Calendar Year – Beginning January 1, 2014 and ending December 31, 2014**
- Fiscal Year – Beginning \_\_\_\_\_ and ending \_\_\_\_\_**

**IMPORTANT REPORTING INFORMATION**

1. **FILING DATE** – This report is due on or before June 1, or within five months after close of the cemetery authority's fiscal year, as provided for in Business and Professions Code (BPC) Sections 9560 (a) and 9650.1;
2. **AUDIT REPORT** – This report is to be accompanied by an annual audit report of the endowment care fund and special care fund, signed by a certified public accountant (CPA) or public accountant licensed in the State. The scope of the annual audit is to include the inspection, review, and audit of general purpose financial statements of the endowment care fund and special care fund, including the balance sheet, the statement of revenues, expenditures, and changes in fund balance; (BPC Sections 9650(b) and 9652(c))
3. **VERIFICATION** – BPC Section 9650(b) requires the president or vice president and at least one other officer of the cemetery corporation verify this report;

*(Read the instructions beginning on Page 16 before completing this report)*

## 2014 ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT

4. **LATE FILING** – Reports postmarked after June 1, 2015 or more than five months after the close of the cemetery authority’s fiscal year end are considered late as specified in BPC 9650.4(a); and
5. **PUBLIC RECORD** – BPC Section 9650.3 requires that a copy of each annual audit report shall be transmitted to the bureau and shall be a public record. It shall also be open for public inspection at the offices of the cemetery authority during normal business hours. If the cemetery authority does not maintain offices in the county in which its cemetery is located, it shall file a copy of the annual audit report with the county clerk of the county, which shall be subject to public inspection.

**Board of Trustees** – List all members of the board of trustees over the endowment care fund and special care fund(s) (BPC Section 9650.2). If the trustee over the trust fund(s) is a state or national bank authorized to engage in trust business, please provide the contact information of the bank and a contact person at the bank for any questions regarding the trust fund(s). **Attach additional pages if necessary.**

Trustee/Bank Contact Information	Relationship to Cemetery	Trustee Over:	
		ECF	SCF
a. _____ _____ _____ Telephone (    )	_____ _____ _____	<input type="checkbox"/>	<input type="checkbox"/>
b. _____ _____ _____ Telephone (    )	_____ _____ _____	<input type="checkbox"/>	<input type="checkbox"/>
c. _____ _____ _____ Telephone (    )	_____ _____ _____	<input type="checkbox"/>	<input type="checkbox"/>
d. _____ _____ _____ Telephone (    )	_____ _____ _____	<input type="checkbox"/>	<input type="checkbox"/>
e. _____ _____ _____ Telephone (    )	_____ _____ _____	<input type="checkbox"/>	<input type="checkbox"/>
f. _____ _____ _____ Telephone (    )	_____ _____ _____	<input type="checkbox"/>	<input type="checkbox"/>

## 2014 ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT

Do you have signed Trust agreement(s)? Yes  No   
If yes – provide the date of the agreements. \_\_\_\_/\_\_\_\_/\_\_\_\_ (CCR 2326(a) (1) (H))

1. Does the cemetery authority have a fidelity bond coverage executed by an admitted surety insurer in the amount of \$50,000 guaranteeing payment to each endowment care fund and special care fund for any monetary loss incurred by the trust funds for acts of fraud or dishonesty by the trustee or trustees? (Health & Safety Code (HSC) Section 8734) Yes  No

(a) If yes, provide the following:

- Bond Number or Policy Number: \_\_\_\_\_
- Name of Insurance Carrier: \_\_\_\_\_
- Effective dates for the Insurance Policy: \_\_\_\_\_
- Maximum Amount of Coverage per Loss: \_\_\_\_\_

(b) If no, is the trustee over the endowment care fund and/or special care fund(s) a state or national bank authorized to engage in trust business pursuant to the California Financial Code? Yes  No

2. Are the Trustees investing and reinvesting the trust funds as specified by HSC Sections 8751 & 8778, and in the manner provided in Probate Code Part 4 commencing with Section 16000? Yes  No

3. Has the cemetery performed any major improvements, replacements, and/or additions using ECF Funds? If YES – Identify and provide a brief description. Yes  No

\_\_\_\_\_  
\_\_\_\_\_

4. Are any trust fund(s) investments in default? Yes  No

If YES – Identify the investments that are in default. (Attach additional pages)

5. Is there a special endowment care trust fund as part of the Trust Funds? Yes  No   
If yes, state the balance as of the end of the fiscal year \$\_\_\_\_\_ (BPC 9650 (a)(2))

6. Have the corporation or any officer, employee or stockholder thereof and the trustees of the endowment care funds or special care funds entered into any transaction with respect to those endowment care funds or special care funds? Yes  No

If yes – Attach a statement showing the transactions entered into between the corporation or any officer, employee or stockholder thereof and the trustees of the endowment care funds with respect to those endowment care funds. The statement shall show the dates, amounts of the transactions, and a statement of the reasons for those transactions. (BPC Section 9650 (a)(5))

## 2014 ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT

7. List the contribution rate(s) to the endowment care fund for the sale of interment space in the cemetery during the reporting period for this report. (BPC Section 9650 (a)(1))  
**Attach additional pages if necessary.**

Type of Interment Space	Deposit Rate
<i>Grave Space:</i> (List for each type i.e., standard grave, child grave, cremated remains burial, etc.)	
_____ .....	_____ per square foot
_____ .....	_____ per square foot
_____ .....	_____ per square foot
 <i>Crypts:</i>	
_____ .....	_____ per crypt
_____ .....	_____ per crypt
 <i>Companion crypts:</i>	
First crypt.....	_____ per crypt
Additional crypts .....	_____ per additional crypt
 <i>Niches</i> .....	_____ per niche
 <i>Scatterings</i> .....	_____ per service
 <i>Other</i> (list reason for other contributions):	
_____ .....	_____ per _____
_____ .....	_____ per _____
Total number of scatterings sold.....	_____

### SCHEDULE OF INTERMENT SPACE SOLD FOR THE YEAR ENDED \_\_\_\_\_

Total number of ground burial spaces sold	_____
Total number of square feet of ground burial spaces sold	_____ square feet
Total number of crypts sold	_____
Total number of niches sold	_____

# 2014 ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT

## SCHEDULE A

### PERMANENTLY RESTRICTED ENDOWMENT CARE FUND

FISCAL YEAR ENDED \_\_\_\_\_

Line No.	Description	Amount	Total
1	<b>Initial Deposit</b>		
	<b><u>Grave Space Contributions Deposited:</u></b>		
2	Accumulated balance forward from prior year		
3	Current year deposits		
4	Total deposits for grave spaces		
	<b><u>Crypt Space Contributions Deposited:</u></b>		
5	Accumulated balance forward from prior year		
6	Current year deposits		
7	Total deposits for crypt spaces		
	<b><u>Niche Space Contributions Deposited:</u></b>		
8	Accumulated balance forward from prior year		
9	Current year deposits		
10	Total deposits for niche spaces		
	<b><u>Scattering Contributions Deposited:</u></b>		
11	Accumulated balance forward from prior year		
12	Current year deposits		
13	Total deposits for scatterings		
	<b><u>Other Contributions Deposited:</u></b>		
14	Accumulated balance forward from prior year		
15	Current year deposits		
16	Total deposits for other contributions		
17	<b>Total Principal From Initial Deposit and Contributions</b>		
	<b><u>Accumulated Capital Gains Realized:</u></b>		
18	Total net capital gains since the establishment of the fund through 12/31/13 or previous fiscal year end that has been added to the fund corpus. (This amount should be net of any capital gains previously set aside in the reserve for future maintenance.)		
	<b><u>Current Year Capital Gains Realized:</u></b>		
19	Total current year capital gain realized. (Schedule G1, line 10)		
20	Less: Amount of current year capital gains set aside in the reserve for future maintenance. (Schedule C2, line 2)		
21	Total current year net capital gains added to fund principal.		
22	<b>Total Fund Corpus From Net Capital Gains</b>		
23	<b>Total Permanently Restricted ECF Corpus</b>		

**2014 ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT**

**SCHEDULE B**

**RECONCILIATION OF THE  
ENDOWMENT CARE FUND TO THE  
AUDITED ENDOWMENT CARE FUND BALANCE**

Line No.	Description	Total
1	<b>ECF Corpus</b> (permanently restricted) <i>Schedule A, line 23</i>	
2a	Reserve for Losses (temporary restricted) <i>Schedule C1, line 5</i>	
2b	Reserve for Maintenance (temporary restricted) <i>Schedule C2, line 6</i>	
2c	Unexpended Income <i>Schedule C3, line 10</i>	
2d	<b>Total Endowment Care Fund</b>	
	Add (Subtract) Reconciling Items:	
2e	Unrealized Capital Gains (Losses) <i>Schedule E1, line 12</i>	
2f		
2g		
2h		
2i		
2j		
2k		
3	<b>Endowment Care Fund Balance Per Audited Balance Sheet</b>	

**Attach additional pages if necessary.**

# 2014 ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT

## SCHEDULE C1

### ENDOWMENT CARE FUND RESERVE FOR LOSSES TEMPORARY RESTRICTED

Line No.	Description	Total
1	Beginning balance	
2	Additions to the reserve for the current year income <i>(Schedule C3, line 6)</i>	
3	Total available reserve for losses	
4	Less: Current year's capital losses realized <i>(Schedule G1, line 11)</i>	
5	<b>Total Reserve for Losses</b>	

Explain the basis of the current year additions to the reserve for losses. If losses are applied to the reserve, give a detailed description of the losses. **Attach additional pages if necessary.**

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## SCHEDULE C2

### ENDOWMENT CARE FUND RESERVE FOR FUTURE MAINTENANCE TEMPORARY RESTRICTED

Line No.	Description	Total
1	Beginning balance	
2	Addition to the reserve for the current year's capital gains <i>(Schedule A, line 20)</i>	
3	Addition to the reserve from current year's income <i>(Schedule C3, line 7)</i>	
4	Total available reserve for future maintenance	
5	Less: current year reserve expended for maintenance <i>(Schedule H, line 3c)</i>	
6	<b>Total Reserve for Future Maintenance</b>	

## SCHEDULE C3

### ENDOWMENT CARE FUND INCOME

Line No.	Description	Total
1	Beginning balance unexpended income	
	<b>Additions:</b>	
2	Interest, Dividends and Rental Income	
3	Total income	
	<b>Subtractions:</b>	
4	Administrative expenses <i>(HSC Section 8733)</i>	
5	Compensation paid to the board of trustees <i>(HSC Section 8733)</i>	
6	Allocation to Reserve for Losses <i>(Schedule C1, line 2)</i>	
7	Allocation to Reserve for Future Maintenance <i>(Schedule C2, line 3)</i>	
8	Expenditures for cemetery maintenance <i>(Schedule H, line 3a)</i>	
9	Total Expenditures and Distributions	
10	<b>Total unexpended income</b>	

# 2014 ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT

## SCHEDULE D1

### SPECIAL CARE FUND (SCF) CORPUS (For Preneed Services and Merchandise)

Line No.	Description	Additions / Deductions	Total
1	<b>Beginning Balance</b>		
	<b>Additions:</b>		
2	Principal Received this Period		
3	Earned Income (Interest, Dividends, and Rental Income)		
4	Capital Gains/ (Losses) Realized This Period (Schedule G2, Line 9)		
5	<b>Total Additions</b>		
	<b>Subtractions:</b>		
6	Serviced Preneed Accounts		
7	Refunds for; Canceled or Revoked Preneed Accounts		
8	Revocation Fees		
9	Non-Burial Services Provided		
10	<b>Total Subtractions</b>		
	<b>Expenses:</b>		
11	Administrative Fees (HSC Section 8778.5 (b))		
12	Maintenance Expenses (Schedule H, line 3b)		
13	Income Taxes		
14	<b>Total Expenses</b>		
15	<b>Total SCF Corpus</b>		

Does the Special Care Fund Corpus contain any funds from voided contracts due to death of beneficiary and/or interment elsewhere?

Yes  No

## SCHEDULE D2

### UNCLAIMED PRENEED SERVICES AND MERCHANDISE (VOIDED CONTRACTS)

Line No.	Description	Total
1	<b>Total Special Care Fund Trust Corpus (Schedule D1, line 15)</b>	
	<b>Subtractions</b>	
2	Voided Contracts Refunded to beneficiary estate or heir(s)	
3	Voided Contracts Escheated to the State of California	
4	<b>Total Subtractions</b>	
5	<b>Net Special Care Fund Corpus</b>	

**2014 ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT**

**SCHEDULE E1**

**ENDOWMENT CARE FUND INVESTMENTS**

Line No.	Description	Market Value	Cost Basis
1			
2			
3			
4			
5			
6			
7			
8			
9	<b>Total Investments</b>		

Net unrealized gain (loss):

Line No.	Description	Total
10	Total market value	
11	Less: Total cost basis	( )
12	<b>Net unrealized gain (loss)</b>	

**Attach additional pages if necessary**

**2014 ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT**

**SCHEDULE E2**

**SPECIAL CARE FUND INVESTMENTS**

Line No.	Description	Market Value	Cost Basis
1			
2			
3			
4			
5			
6			
7			
8			
9	<b>Total Investments</b>		

Net unrealized gain (loss):

Line No.	Description	Total
10	Total market value	
11	Less: Total cost basis	)
12	<b>Net unrealized gain (loss)</b>	

**Attach additional pages if necessary**

**2014 ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT**

**SCHEDULE F**

**CORPUS AND INVESTMENT RECONCILIATION**

Line No.	Description	Amount
1	Total endowment care fund corpus, reserves, and unexpended income <i>(Schedule B, line 2d)</i>	
2	Total special care trust fund(s) corpus <i>(Schedule D2, line 5)</i>	
3	Total trust fund(s)	
4	Less: Total investments at cost <i>(Schedule E1, line 11) + (Schedule E2, line 11 if applicable)</i>	
5	Difference	

**If there is a difference, please explain.**

**2014 ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT**

**SCHEDULE G1**

**ENDOWMENT CARE FUND REALIZED CAPITAL GAINS AND LOSSES**

Line No.	Description	Date of Disposition	Amt. From Disposition	Cost Basis	Gain (Loss)
1					
2					
3					
4					
5					
6					
7	Total net realized gain (loss)				
8	Income tax effect of gain realized				
9	Total net realized gain (loss) after income tax				

**TOTALS FOR REFERENCE**

10	Total net capital gain <i>(Schedule A, line 19)</i>				
11	Total net capital loss <i>(Schedule C1, line 4)</i>				

**Attach additional pages if necessary.**

**2014 ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT**

**SCHEDULE G2**

**SPECIAL CARE FUND REALIZED CAPITAL GAINS AND LOSSES**

Line No.	Description	Date of Disposition	Amt. From Disposition	Cost Basis	Gain (Loss)
1					
2					
3					
4					
5					
6					
7	Total net realized gain (loss)				
8	Income tax effect of gain realized				
9	Total net realized gain (loss) after income tax ( <i>Schedule D1, line 4</i> )				

**Attach additional pages if necessary.**

**2014 ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT**

**SCHEDULE H**

**ENDOWMENT CARE CEMETERY MAINTENANCE EXPENSES**

***Maintenance Expenses***

Line No.	Descriptive Title of Maintenance Cost	Amount
1a		
1b		
1c		
1d		
1e		
1f		
1g		
1h		
1i		
1j		
1k		
1l		
1m		
1n		
<b>2</b>	<b>Total Cemetery Maintenance Expenses</b>	

***Funding of Maintenance Expenses***

Line No.	Revenue Allocation by Source	Amount
3a	Endowment Care Fund Income ( <i>Schedule C3, line 8</i> )	
3b	Special Care Fund Income ( <i>Schedule D1, line 12</i> )	
3c	Reserve for Maintenance ( <i>Schedule C2, line 5</i> )	
3d	Income from Cemetery Corporation	
<b>4</b>	<b>Total Revenue Allocated to Maintenance Expenses</b>	

**Attach Additional Pages if Necessary**

# 2014 ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT

## VERIFICATION of 2014 ENDOWMENT CARE FUND and SPECIAL CARE FUND REPORT

I certify under penalty of perjury, under the laws of the State of California that I am a duly appointed, qualified and acting officer of the cemetery corporation and that the statements contained and answers given in this report, including all attachments thereto, are complete, true and correct to the best of my knowledge and belief.

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

(President or Vice President)

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

(Other Corporate Officer)

Date: \_\_\_\_\_

### FILING THE REPORT

- The report must be postmarked on or before June 1, 2015, (fiscal year filers must file within five months after the close of the fiscal year).
- The report is not considered filed if it is not accompanied by the required audit report.
- The report is not considered filed if it is not verified above by the president or vice president and one other officer of the cemetery corporation.
- If the report is not filed by the required date, the cemetery authority is subject to a fine of \$400 per month, not to exceed \$2000. **Failure to file the report may also result in other disciplinary action by the Bureau.**

Mail the completed *2014 Endowment Care Fund and Special Care Fund Report* along with the required audited balance sheet, the statement of revenue, expenditures, and changes in fund balance, to:

**Cemetery and Funeral Bureau  
Annual Cemetery Trust Fund Reports  
1625 North Market Blvd., Suite S-208  
Sacramento, CA 95834**

## **INSTRUCTIONS FOR 2014 ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT**

### **Background**

Each cemetery authority shall file with the bureau annually, on or before June 1, or within five months after close of their fiscal year, provided approval has been granted by the bureau, as provided for in Section 9650.1, a written report in a form prescribed by the bureau. (Business and Professions Code (BPC) Section 9650(a))

### **Records**

Each cemetery shall at all times maintain and keep within the State of California all books, accounts, records, cash and evidences of investments of its general and special care funds. They shall be readily available for inspection and examination by the Cemetery and Funeral Bureau in accordance with the provisions of the Business and Professions Code. (Health and Safety Code (HSC) Section 8747.5)

### **Bureau's Audit Unit**

BPC Section 9652(a) requires the Cemetery and Funeral Bureau (Bureau) to examine the endowment care funds and special care funds whenever:

- Whenever it deems necessary and at least once every five years;
- The cemetery authority in charge of endowment care funds fails to file the report required by this article; or
- The accountant or auditor qualifies his or her certification of the report that is prepared and signed by a certified public accountant licensed in the state and prepared in accordance with BPC Section 9650.

The actual and necessary expense of the examination shall, in the discretion of the bureau, be paid by the cemetery authority, whenever the examination requires more than one day and the need for continuing the examination is directly related to identified omissions and errors in the management of endowment care funds. (BPC Section 9652)

# 2014 ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT

## Page 1

Ensure that you are working with latest form prescribed by the Bureau. The Endowment Care and Special Care Fund Report always notes the year reported on the top of each page. In addition, you will be able to locate the form revision date on the bottom of each page of the Endowment Care and Special Care Fund Report.

Fill your basic information listed of the basic information portion of the report:

- Enter the Certificate of Authority Number cemetery license number (COA #).
- Enter the Corporation Name.
- Enter the Cemetery Name.
- Enter the Cemetery Address.
- Enter the Cemetery President or Vice President.
- Enter Mailing Address.
- Enter the Cemetery's Telephone Number.
- Enter the Authorized Contact Person.
- Enter the Contact Person Telephone Number.

## Reporting Period

- Check Calendar Year; or
- Check Fiscal Year and enter accounting period.

## Important Reporting Information

- Informational

## Page 2

### Board of Trustee

Per BPC Section 9650.2, provide a list of all board trustees over the Endowment Care and Special Care funds. Indicate their relationship to the cemetery and if they are trustees over the ECF, SCF, or both.

**Note:** Not more than one member of the board of trustees of an endowment care fund may have a proprietary interest in the cemetery authority. (HSC Section 8732)

**Note:** No sum in excess of 5 percent of the net income derived from endowment care fund, or special care fund, or both in any year shall be paid as compensation to the board of trustees for its services as trustee. (HSC Section 8733)

**Note:** Each member of the board of trustees shall provide signatory acknowledgment of understanding of the role of a trustee in managing trust funds. The cemetery authority shall retain acknowledgment during the duration of the trustee's term of office. (HSC Section 8731(c)(1))

Ensure that trustee(s) understand his or her role and purpose of the Trust under their management and are familiar with different sections of the probate code concerning Trustee duties, powers, and liabilities as contained in Part 4 of Division 9 of the Probate Code (commencing with Section 16000).

## 2014 ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT

### Page 3

Ensure that trust agreement is up to date reflecting your current trustee(s) and the acknowledgment of accepting trust. Report any changes of trustee to the Bureau within 30 days after the change is made. (BPC Section 9650.2)

#### Item #1

Ensure that bond is current for the fiscal year reported (if applicable). Surety bond should be not less than \$50,000 for each Trust managed by your Trustee(s). The Bond should cover any monetary loss incurred by the Trust(s) for acts of fraud, or dishonesty by the Trustee(s). Provide evidence of fidelity bond coverage for each Trust fund:

- Bond number or policy number
- Name of insurance carrier
- Effective dates of the insurance policy
- Maximum amount of coverage

#### Item #2

The Board of Directors of the cemetery authority should execute a Trust agreement with the Trustee(s). Keep the most recent copy of any Trust(s) agreement in your office.

#### Item #3

HSC Section 8726 states that the principal of all funds for endowment care shall be invested and the income only may be used for the care, maintenance, and embellishment of the cemetery.

#### Item #4

Per BPC Section 9660: Any security or other evidence of debt if in default as to principal or interest or if not amply secured shall not be valued as an asset of the endowment care fund above its market value.

#### Item #5

Should the cemetery hold a special endowment care fund i.e. flower fund. State the balance of such trust held as of the last day of your fiscal year.

#### Item #6

The officers of the corporation or employee, or stockholder and the trustees of the endowment care fund or special care fund must disclose any related party transactions with respect to funds held in trust. The cemetery must prepare a statement showing the dates, amounts of the transactions, and reasons for those transactions.

A Special Endowment Care Trust Fund can be held in conjunction with the Endowment Care Fund but should be reported separately for internal control purposes. A Special Endowment Care Fund is temporary restricted for the purpose chosen by the fund owner, i.e. a flower fund;

## **2014 ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT**

it's a trust fund held to grant a person or family wish to expend extra money to purchase flowers for a certain grave or graves.

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#### Item #7

- Enter the contribution rates charged by the cemetery for grave spaces, crypt spaces, niches, scatterings and any other contributions received.
- Enter the total grave spaces, crypts, niches, and scatterings sold during the period.
- Enter the total number of square feet of grave spaces sold.

HSC Section 8738 states in part:

"...The minimum amounts required by law to be deposited in the endowment care fund at the time of or not later than completion of the initial sale are:

- (a) Four dollars and fifty cents (\$4.50) a square foot for each grave.
- (b) Seventy dollars (\$70) for each niche.
- (c) Two hundred twenty dollars (\$220) for the first crypt and one hundred ten dollars (\$110) for each additional crypt.
- (d) Seventy dollars (\$70) for the cremated remains of each deceased person scattered in the cemetery at a garden or designated open area that is not an interment site subject to subdivision (a)."

# 2014 ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT

## SCHEDULE A

### PERMANENTLY RESTRICTED ENDOWMENT CARE FUND

This schedule reports the composition of the Permanently Restricted portion of the Endowment Care Fund. The initial deposit, and prior year contributions, combined with current year deposits are called "The Total Principal." The total principal is added to the accumulated capital gains from prior periods and the portion of capital gains added in the current year to form the total permanently restricted fund Corpus. This "Total Permanently Restricted ECF Corpus" cannot be expended for any reason.

Line 1 – The initial deposit balance carried forward from the prior year report, Schedule A, line 1

Lines 2 through 16 – These are the contributions to the endowment care fund. The first line per source is the "Accumulated balance forward from the prior year." The second line is the amount deposited in the current year. The third is the sum of the two lines.

**Note:** Contributions to the endowment care fund must be deposited at the time of or no later than the completion of the initial sale as required by HSC Section 8738.

Line 17 – Add lines 1, 4, 7, 10, 13, and 16.

Line 18 – Enter the amount from prior year Schedule A, line 24.

Line 19 – Enter the current year's total net realized gain after income tax. (from Schedule G1, line 10)

Line 20 – Enter amount of current year capital gains set aside in the reserve for future maintenance. (to Schedule C2, line 2)

Line 21 – Subtract line 19 from 20.

Line 22 – Add lines 18 and 21.

Line 23 – Add lines 17 and 22.

The endowment care fund under the provisions of this code shall be kept separate and apart from all other cemetery funds. (HSC Section 8738.2) Any donations and/or other contributions should be reported as permanently restricted funds in the "Other Contributions Deposits section" of Schedule A, line 14-16.

# **2014 ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT**

## **SCHEDULE B**

### **RECONCILIATION OF THE ENDOWMENT CARE FUND TO THE AUDITED ENDOWMENT CARE FUND BALANCE**

This schedule shows the Permanently Restricted Endowment Care Fund Corpus from Schedule A added to the ending balances of the, Reserve for Losses, Reserve for Maintenance (temporary restricted funds), and Unexpended Income, to give the Total Endowment Care Fund. This is reconciled with the Endowment Care Fund balance reported on the audited financial statements. Reconciling items are report in detail.

Line 1 – Enter the amount from Schedule A, line 23.

Line 2a – Balance from Schedule C1, line 5.

Line 2b – Balance from Schedule C2, line 6.

Line 2c – Balance from Schedule C3, line 10.

Line 2d – Add lines 1, 2a, 2b, and 2c.

Line 2e – Balance from Schedule E1, line 12.

Line 2f through 2k – Enter the reconciliation items that account for any variances between the Endowment Care Fund reported on line 2d, and the fund balance reported on the audited financial statements.

Line 3 – This is the total endowment care fund reported on the audited financial statements.

For COAs using accrual basis of accounting, the first reconciliation item, “Unrealized capital gains (losses)” is given. Other reconciling items may be; receivables, payables, due to, or due from cemetery general fund, deferred taxes and other expenses, or accrued income not yet received.

If the COA is using the cash, modified accrual, or other method of accounting, there may not be any reconciling items.

# 2014 ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT

## SCHEDULE C1

### ENDOWMENT CARE FUND RESERVE FOR LOSSES TEMPORARY RESTRICTED

The purpose of the Reserve for Losses is to set aside income for the replenishment of principal investment losses. The reserve for losses is funded only from the income (interest, dividends, and rental income) of the ECF. HSC Section 8726.1 states in part: "The trustee of the endowment care fund shall create a reserve from which principal losses may be replaced by setting aside a reasonable percentage of the income from the fund..."

Line 1 – Enter the amount from prior year Schedule C1, line 5.

Line 2 – Enter the income added to the reserve in the current year. (from Schedule C3, line 6)

Line 3 – Add lines 1 and 2.

Line 4 – Enter the amount of capital losses realized in the current year. (from Schedule G1, line 11)

Line 5 – Subtract line 4 from line 3.

## SCHEDULE C2

### ENDOWMENT CARE FUND RESERVE FOR FUTURE MAINTENANCE TEMPORARY RESTRICTED

The Reserve for Future Maintenance sets aside funds for repair or restoration of property or embellishments in the cemetery which may be necessary or desirable as a result of wear, deterioration, accident, damage, or destruction. This reserve is funded from either income or net capital gains of the ECF. The amount of the reserve may vary, but should not exceed 10 percent of the endowment care fund balance found on Schedule A, line 23. (HSC Section 8726.1)

Line 1 – Enter the amount from prior year Schedule C2, line 5.

Line 2 – Enter the addition to the reserve from current year capital gains. (from Schedule A, line 20)

**or**

Line 3 – Enter the addition to the reserve from current year income. (from Schedule C3, line 7)

Line 4 – Add lines 1 and 2, **or** lines 1 and 3.

Line 5 – Enter the amount expended for maintenance during the period. (to Schedule H, line 3c)

Line 6 – Subtract line 5 from line 4.

**Note:** For lines 2 or 3 above, HSC Section 8726.1 states in part: "...The trustee may also set aside out of income or net capital gains from investments, reserves for future maintenance, repair or restoration of property or embellishments in the cemetery..."

# 2014 ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT

## SCHEDULE C3

### ENDOWMENT CARE FUND INCOME

This schedule reports the current year, and prior year's balance of ECF investment income (interest, dividends, and rental income) and the expenditures for cemetery maintenance, fund administrative, and allocations to reserves for losses and maintenance. The beginning balance of the prior year unexpended income is added to the current year's investment income, and expenditures and allocations are deducted to arrive at the ending unexpended balance. This schedule should be for reporting investment income only. Capital gains are reported on Schedule G1. The ending balance of unexpended income should agree with Schedule B, line 2C, and should not be a negative number.

Line 1 – Enter the amount from prior year (2013) Schedule A, line 28.

Line 2 – Enter current year income: interest, plus dividends, plus rental income.

Line 3 – Add lines 1 and 2.

Line 4 – Enter administrative expenses paid during the year, including bank and audit fees.

Line 5 – Enter amount paid to the board of trustees during the year. (5% of net income)

Line 6 – Enter the amount deposited into the Reserve for Losses. (to Schedule C1, line 2)

Line 7 – Enter the amount allocated to Reserve for Future Maintenance. (to Schedule C2, line 3)

Line 8 – Enter amount reported for cemetery maintenance. (to Schedule H, line 3a)

Line 9 - Add lines 4 through 8.

Line 10 – Subtract line 9 from line 3.

**Note:** "Net income" means the amount of income remaining after reasonable administrative expenses, including bookkeeping, postage, taxes, and other costs directly related to generating income to the trust fund have been deducted from the gross income derived from the fund. (HSC Section 8733)

# 2014 ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT

## SCHEDULE D1 SPECIAL CARE FUND (SCF) CORPUS (For preneed Services and Merchandise)

HSC Section 8777: All money or property received by a cemetery authority for deposit in a special care fund shall be placed in the custody of the trustee or trustees thereof within 30 days after receipt by the cemetery authority.

Line 1 – Enter the prior year ending balance of the Special Care Fund. (Schedule D, Line 15)

Line 2 – Enter current year additions to the fund corpus from collections for preneed services, merchandise, or burial space.

Line 3 – Enter earned income. (Interest, Dividends, and Rental Income)

Line 4 – Capital Gains/(Losses) realized. (from Schedule G2, line 9)

Line 5 – Add lines 2, 3, and 4.

Line 6 – Enter the amount spent to service preneed accounts.

Line 7 – Enter the amount spent for refunds, cancellations, or revoked preneed accounts.

Line 8 – Enter the amount of revocation fees collected. (HSC 8778.5 (b))

Line 9 – Enter the cost of non-burial services provided.

Line 10 – Add lines 6, 7, 8, and 9.

Line 11 – Enter the amount of Administrative Fees charged to the Special Care Fund.

Line 12 – Enter the amount expended from the fund for maintenance (to Schedule H, line 3b).

Line 13 – Enter the amount of income taxes incurred for the period.

Line 14 – Add lines 11, 12, and 13.

Line 15 – Add lines 1 and 5, Subtract lines 10 and 14. (to Schedule D2, line 1)

### **Note :**

On Schedule D1, line 11; HSC Section 8778.5(b) states in part: "...The board of trustees may charge an annual fee for administering a revocable special care trust fund, which may be recovered by administrative withdrawals from current trust income, but the total administrative withdrawals in any year shall not exceed 4 percent of the trust balance."

### **Note :**

"Does your Special Care Fund Corpus contain voided contracts due to death of beneficiary and/or interment elsewhere?" To answer the question; the cemetery should go through all of its valid preneed contracts and establish the fact that those beneficiaries still have a vested right of interment in the cemetery and that they are still alive.

# 2014 ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT

## SCHEDULE D2

### UNCLAIMED PRENEED SERVICES AND MERCHANDISE (VOIDED CONTRACTS)

Beneficiaries often forget that a Trust account exists, and/or moves with no forwarding address. However, in some cases, the beneficiary dies and is buried elsewhere. Often heirs have no knowledge of the beneficiaries pre-paid death arrangements made elsewhere.

HSC Section 8675 states: "A vested right of interment may be waived and is terminated upon the interment elsewhere of the remains of the person in whom vested."

If the cemetery could not establish customer contact and it is found that the beneficiary is dead, the contract is considered void. Therefore, the cemetery should annually sanitize its trust records of voided contracts. Should you become aware of such unclaimed trust funds, the cemetery should annually fill Schedule D2:

Line 1 - Enter the amount from Schedule D1, line 15.

Line 2 - Subtract any funds refunded to estates or heirs of dead beneficiaries.

Line 3 - Subtract any escheated funds to the State Controller's Office as unclaimed property.

Line 4 - Add lines 2 and 3.

Line 5 - Subtract line 4 from 1.

**Note:** To complete Schedule D2, it is recommended that a sanitization of the funds held in trust by:

- 1- Run the SCF beneficiaries' information against "a death index."
- 2- Isolate any fund representing services and merchandise that belong to dead beneficiaries.
- 3- Try to locate the beneficiary's heirs or estate and refund the entrusted service and merchandise monies within 30 days or sooner.
- 4- If heirs or estates could not be located within a fiscal year; escheat all service and merchandise monies of all dead beneficiaries to the State Controller's Office as unclaimed property.

# 2014 ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT

## SCHEDULE E1 and E2

### ENDOWMENT CARE INVESTMENTS

#### SPECIAL CARE INVESTMENTS \*

These schedules report cash and investments of the amounts deposited in the trust funds. If the cemetery holds Special Care Trust Funds; Schedule E2 must be completed. Investments are shown at both market value and cost.

Lines 1 through 8 – List all investments of the fund assets individually, including the current market value and the initial cost of investment. If needed, additional detail should be attached.

Line 9 – Add lines 1 through 8 for both the market value and the cost basis of the invested assets.

Line 10 – Enter the total market value from line 9.

Line 11 – Enter the total cost basis from line 9.

Line 12 – Subtract line 10 from 11.

**Note:** Any investments in default should be identified.

HSC Section 8725 states: "Every cemetery authority which now or hereafter maintains a cemetery may place its cemetery under endowment care and establish, maintain, and operate an endowment care fund. Endowment care and special care funds consisting of trust funds created by irrevocable trust agreements may be commingled for investment and the income therefrom shall be divided between the endowment care and special care funds in the proportion that each fund contributed to the principal sum invested. Special care funds derived from trusts created by a revocable agreement shall not be commingled for investment and shall be accounted for separately from all other funds. The funds may be held in the name of the cemetery authority or its directors or in the name of the trustees appointed by the cemetery authority."

BPC Section 9659 states: "In any report to the bureau all bonds, debentures or other evidences of debt held by a cemetery corporation if amply secured and if not in default as to principal or interest may be valued as follows:

(a) If purchased at par at the par value.

(b) If purchased above or below par on the basis of the purchase price adjusted so as to bring the value to par at maturity and so as to yield the effective rate of interest on the basis at which the purchase was made.

(c) In such valuation the purchase price shall in no case be taken at a higher figure than the actual market value at the time of purchase."

\* *If applicable*

# **2014 ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT**

## **SCHEDULE F**

### **CORPUS AND INVESTMENT RECONCILIATION**

The purpose of this schedule is to reconcile the fund balances of the endowment care fund, and the special care fund, shown on Schedule B, and Schedule D of the Annual Report with the total investment balances, stated at cost. An explanation should be provided for any differences.

Line 1 – Enter the Endowment Care Fund balance from Schedule B, line 2d.

Line 2 – Enter the Special Care Fund balanced from Schedule D2, line 5.

Line 3 – Add lines 1 and 2.

Line 4 – Enter total investments at cost. Schedule E1, line 11 plus Schedule E2, line 11.

Line 5 – Subtract line 4 from 3. Provide explanations for any differences.

# **2014 ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT**

## **SCHEDULE G1 and G2**

### **ENDOWMENT CARE FUND REALIZED CAPITAL GAINS AND LOSSES**

### **SPECIAL CARE FUND REALIZED CAPITAL GAINS AND LOSSES \***

These schedules report the net realized capital gains or (losses) resulting from the sale of invested assets during the year. If the cemetery holds Special Care Trust Fund, Schedule G2 must be completed.

Lines 1 through 6 – List all sales of investments during the year. Include the date of the disposition, the amount realized from the sale, the cost basis of the investment sold, and any gain or loss realized. If needed, additional detail should be attached.

Line 7 – Add lines 1 through 6 for the net gain/(loss) realized during the year.

Line 8 – Enter income tax effect of gain/(loss) realized during the year.

Line 9 – Subtract line 8 from line 7.

- If line 7 is a gain, the income tax will reduce the gain.

\* If Applicable

### **TOTAL FOR REFERENCE (G1)**

The amount on lines 10 or 11 should be transferred to the reference schedule so that it can be entered on other schedules in the report.

Line 10 – Enter the amount on line 9, if it is a gain. (to Schedule A, line 19)

Line 11 – Enter the amount on line 9, if it is a loss. (to Schedule C1, line 4)

# 2014 ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT

## SCHEDULE H

### ENDOWMENT CARE CEMETERY MAINTENANCE EXPENSES

The first part of this schedule reports the total maintenance expenses incurred by the cemetery. These expenses should be broken down by components such as labor, benefits, equipment, supplies, materials, etc.

The second part of this schedule reports the funding sources that cover the above reported expenses and the amount allocated from each source.

#### **Maintenance Expenses:**

Lines 1a through 1n – Enter the item and dollar amount for of the cemetery maintenance expenses incurred during the period.

Line 2 – Add lines 1a through 1n.

#### **Funding of Maintenance Expenses:**

Line 3a – Enter total maintenance expenses funded by the Endowment Care Fund Income. (from Schedule C3, line 8)

Line 3b – Enter total maintenance expenses funded by the Special Care Fund Income. (from Schedule D1, line 12)

Line 3c – Enter the total maintenance expenses funded by reserve for maintenance. (from Schedule C2, line 5)

Line 3d – Enter the total maintenance expenses funded by cemetery corporation.

Line 4 – Add lines 3a through 3d.

#### **Attach Additional Pages if necessary**

**Note:** Line 2 should agree with line 4



## NOTICE ON COLLECTION OF PERSONAL INFORMATION

### Collection and Use of Personal Information

The Cemetery and Funeral Bureau of the Department of Consumer Affairs collects the personal information requested on this form as authorized by Business and Professions Code Sections 30, 144, 7617.1, 7618, 7619, 7620, 7628, 7642, 7643, 7661, 7662, 7665, 7667, 9650, 9650.2, 9650.3, 9700, 9701, 9702.1, 9704, 9715, 9715.1, 9716, 9723, 9723.1, 9741, 9745, 9746, 9781, 9787.3 and the Information Practices Act. The Cemetery and Funeral Bureau uses this information principally to identify and evaluate applicants for licensure, issue and renew licenses, and enforce licensing standards set by law and regulation.

### Mandatory Submission

Submission of the requested information is mandatory unless otherwise noted on the form. The Cemetery and Funeral Bureau cannot consider your application for licensure or renewal unless you provide all of the requested information.

### Access to Personal Information

You may review the records maintained by the Cemetery and Funeral Bureau that contain your personal information, as permitted by the Information Practices Act. See below for contact information.

### Possible Disclosure of Personal Information

We make every effort to protect the personal information you provide us. The information you provide, however, may be disclosed in the following circumstances:

- In response to a Public Records Act request (Government Code Section 6250 and following), as allowed by the Information Practices Act (Civil Code Section 1798 and following);
- To another government agency as required by State or Federal law; or,
- In response to a court or administrative order, a subpoena, or a search warrant.

### Contact Information

For questions about this notice or access to your records, you may contact the Custodian of Records, Cemetery and Funeral Bureau at 1625 North Market Boulevard, Suite S-208, Sacramento, CA 95834, by phone at (916) 574-7870, or by e-mail at [emailcfb@dca.ca.gov](mailto:emailcfb@dca.ca.gov). For questions about the Department's Privacy Policy, you may contact the Department of Consumer Affairs at 1625 North Market Boulevard, Sacramento, CA 95834, by phone at (800) 952-5210, or by e-mail at [dca@dca.ca.gov](mailto:dca@dca.ca.gov).