



(Read the instructions before completing this report.)

2023 ENDOWMENT CARE FUND AND
SPECIAL CARE FUND REPORT (ANNUAL REPORT)
NET INCOME METHOD

LICENSE NUMBER:
CORPORATION NAME:
CEMETERY NAME:
CEMETERY ADDRESS:
CEMETERY PRESIDENT OR VICE PRESIDENT
MAILING ADDRESS:
AUTHORIZED CONTACT PERSON:
AUTHORIZED CONTACT TITLE:
CONTACT PERSON'S TELEPHONE NUMBER:
CONTACT PERSON'S EMAIL:

FOR OFFICIAL USE ONLY

Reviewer:
Date:
Amount:
Receipt No:

Reporting Period: (check one)

- Calendar Year - Beginning January 1, 2023 and ending December 31, 2023
Fiscal Year - Beginning and ending
Final - 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...
2. LATE FILING - Any report received or postmarked after June 1, 2024, or within five months after close of the cemetery authority's fiscal year...
3. AUDIT REPORT - This report is to be accompanied by an annual audit report, prepared in accordance with generally accepted accounting principles...

**ENDOWMENT CARE FUND AND SPECIAL CARE FUND
REPORT (ANNUAL REPORT) NET INCOME METHOD**

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 section 7612.6(b)).

- 4. PUBLIC RECORD** – 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 the 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 (BPC section 7612.9).

Board of Trustees – List all members of the board of trustees over the endowment care fund and special care fund(s). If the trustee over the trust fund(s) is a state or national bank authorized to engage in the 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) (BPC Section 7612.8).

Check box if additional pages are attached in response to this question.

Trustee 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"/>

**ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT
(ANNUAL REPORT) NET INCOME METHOD**

1. Does the cemetery authority have a fidelity bond coverage executed by an admitted surety insurer in an amount not less than \$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? (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. Is the trustee investing and reinvesting the trust funds as specified by HSC Sections 8751, 8751.1 and 8778 (as applicable) and in the manner provided in Part 4 of Division 9 of the Probate Code (commencing with section 16000)?

Yes No

3. Has the income earned from the investment of the endowment care fund been used solely for the general care, maintenance, and embellishment of the cemetery authorized by law? (HSC section 8726)

Yes No

4. Are any trust fund(s) investments in default? If yes, identify the investments that are in default. (BPC Sections 7614.7 and 7614.8).

Yes No

Check box if additional pages are attached in response to this question.

5. Is there a special endowment care trust fund, such as a flower fund? If yes, state the balance as of the end of the fiscal year \$_____ and complete the applicable schedules (BPC section 7612.6(a))

Yes No

6. Has the corporation or any officer, employee, or stockholder thereof and the trustee of the endowment care fund or special care fund entered into any transaction with respect to those endowment care funds or special care funds? 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 fund with respect to those endowment care funds. The statement must show the dates, amounts of the transactions, and a statement of the reason(s) for those transactions. (BPC section 7612.6(a)(5))

Yes No

7. Has the cemetery considered the amount it currently collects for endowment care fees based upon current and projected maintenance expenditures, and made any necessary adjustments to ensure sufficient funds are available to perform the maintenance required by the cemetery (16 CCR section 2333(g))? **Provide a copy of this analysis.**

Yes No

ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT (ANNUAL REPORT) NET INCOME METHOD

8. List the contribution rates(s) to the endowment care fund for the sale of interment space in the cemetery during the reporting period for this report (HSC section 8738). If contributions were made to the endowment care fund for the sale of interment space in the cemetery at more than one rate per category during the reporting period, attach additional pages and check the box below.

Check box if additional pages are attached in response to this question.

Grave Space: Fill in for each type – standard grave, child grave, cremated remains burial, etc. New. Contribution rates are effective January 1, 2023 (HSC section 8738).

Grave Space: Minimum contribution must be either 6 percent of net price or two hundred dollars (\$200), whichever is greater, with a required deposit not to exceed six thousand dollars (\$6,000), for each grave.

Type of grave space	Net price per grave	x 6% =	Contribution Amount	or \$200	6% \$200 Select method used
Type of grave space	Net price per grave	x 6% =	Contribution Amount	or \$200	6% \$200 Select method used
Type of grave space	Net price per grave	x 6% =	Contribution Amount	or \$200	6% \$200 Select method used

Or, if the cemetery has deposited more than the minimum required contribution as calculated above, provide the contribution amounts below.

Type of grave space	Contribution Amount	Select box if this method is used
Type of grave space	Contribution Amount	Select box if this method is used
Type of grave space	Contribution Amount	Select box if this method is used

ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT (ANNUAL REPORT) NET INCOME METHOD

Niche Space: Minimum contribution must be either 6 percent of net price or two hundred dollars (\$200), whichever is greater, with a required deposit not to exceed six thousand dollars (\$6,000), for each niche.

_____	x 6% =	_____	or \$200	6% \$200
Net price per niche		Contribution Amount		Select method used

Or, if the cemetery has deposited more than the minimum required contribution as calculated above, provide the contribution amounts below.

_____	Select box if this method is used
Contribution Amount	

Crypt Space: Minimum contribution must be either 6 percent of net price or two hundred dollars (\$200), whichever is greater, with a required deposit not to exceed six thousand dollars (\$6,000), for each crypt.

_____	_____	x 6% =	_____	or \$200	6% \$200
Type of crypt space	Net price per crypt		Contribution Amount		Select method used

_____	_____	x 6% =	_____	or \$200	6% \$200
Type of crypt space	Net price per crypt		Contribution Amount		Select method used

Or, if the cemetery has deposited more than the minimum required contribution as calculated above, provide the contribution amounts below.

_____	_____	Select box if this method is used
Type of crypt space	Contribution Amount	

_____	_____	Select box if this method is used
Type of crypt space	Contribution Amount	

**ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT
(ANNUAL REPORT) NET INCOME METHOD**

**SCHEDULE A1
ENDOWMENT CARE FUND**

Line No.	Description	Amount	Total
1	Initial Deposit		
	<u>Grave Space Contributions Deposited:</u>		
2	Accumulated balance forward from prior year		
3	Current year's deposits		
4	Total deposits for grave spaces		
	<u>Crypt Space Contributions Deposited:</u>		
5	Accumulated balance forward from prior year		
6	Current year's deposits		
7	Total deposits for crypt spaces		
	<u>Niche Space Contributions Deposited:</u>		
8	Accumulated balance forward from prior year		
9	Current year's deposits		
10	Total deposits for niche spaces		
	<u>Scattering Contributions Deposited:</u>		
11	Accumulated balance forward from prior year		
12	Current year's deposits		
13	Total deposits for scatterings		
	<u>Other Contributions Deposited:</u>		
14	Accumulated balance forward from prior year		
15	Current year's deposits		
16	Total deposits for other contributions		
17	Total Corpus From Initial Deposit and Contributions		
	<u>Accumulated Capital Gains/(Losses) Realized:</u>		
18	Total net capital gains/(losses) since the establishment of the fund through 12/31/2022 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 and net of any losses applied against the reserve for losses.)		
	<u>Current Year Capital Gains/(Losses) Realized:</u>		
19	Capital gains/(losses) for the year (<i>Schedule G1, line 9</i>)		
20	If line 19 is a loss, enter amount from <i>Schedule C1, line 4</i>		
21	Total Current year Capital Gains/(Losses) Realized		
22	Less amount of current year capital gains set aside in the reserve for future maintenance (<i>Schedule C2, line 2</i>)		
23	Current year net capital gains/(losses) added to Accumulated Capital Gains.		
24	Total Accumulated Capital Gains/(Losses) add lines 18 and 23		

**ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT
(ANNUAL REPORT) NET INCOME METHOD**

**SCHEDULE A2
SPECIAL ENDOWMENT CARE FUND**

Line No.	Description	Amount	Total
1	Initial Deposit		
	Grave Space Contributions Deposited: (if applicable)		
2	Accumulated balance forward from prior year		
3	Current year's deposits		
4	Total deposits for grave spaces		
	Crypt Space Contributions Deposited: (if applicable)		
5	Accumulated balance forward from prior year		
6	Current year's deposits		
7	Total deposits for crypt spaces		
	Niche Space Contributions Deposited: (if applicable)		
8	Accumulated balance forward from prior year		
9	Current year's deposits		
10	Total deposits for niche spaces		
	Scattering Contributions Deposited: (if applicable)		
11	Accumulated balance forward from prior year		
12	Current year's deposits		
13	Total deposits for scatterings		
	Other Contributions Deposited:		
14	Accumulated balance forward from prior year		
15	Current year's deposits		
16	Total deposits for other contributions		
17	Total Corpus From Initial Deposit and Contributions		
	Accumulated Fund Earnings:		
18	Total accumulated unexpended earnings since the establishment of the fund through 12/31/2022 or previous fiscal year end		
	Current Year Unexpended Earnings:		
19	Ending balance of unexpended earnings for the year (Schedule C4, line 9)		
20	Total Accumulated Fund Earnings - add lines 18 and 19		
21	Total Special Endowment Care Fund (initial deposit, contributions, and accumulated fund earnings) add lines 17 and 20		

**ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT
(ANNUAL REPORT) NET INCOME METHOD**

**SCHEDULE B1
RECONCILIATION OF THE ENDOWMENT CARE FUNDS TO THE
AUDITED ENDOWMENT CARE FUND BALANCES**

Line No.	Description	Total
1a	Total Endowment Care Principal (Schedule A1, line 25)	
1b	Endowment Care Reserve for Losses (Schedule C1, line 5)	
1c	Endowment Care Reserve for Maintenance (Schedule C2, line 6)	
1d	Unexpended Endowment Care Income (Schedule C3, line 10)	
1e	Total Endowment Care Fund	
2a	Total Special Endowment Care Fund (Schedule A2, line 21)	
2b	Total Endowment Care and Special Endowment Care Funds	
	Add/(Subtract) Reconciling Items:	
2c	Endowment Care Unrealized Capital Gains/(Losses) (Schedule E1, line 12)	
2d	Special Endowment Care Unrealized Capital Gains/(Losses) (Schedule E3, line 12)	
2e		
2f		
2g		
2h		
2i		
2j		
3	Endowment Care and Special Endowment Care Fund Balances Per Audited Balance Sheet	

**ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT
(ANNUAL REPORT) NET INCOME METHOD**

**SCHEDULE B2
RECONCILIATION OF THE SPECIAL CARE FUND TO THE
AUDITED SPECIAL CARE FUND BALANCE**

Line No.	Description	Total
1a	Total Special Care Fund (Schedule D, line 16)	
	Add/(Subtract) Reconciling Items:	
2a	Special Care Unrealized Capital Gains/(Losses) (Schedule E2, line 12)	
2b		
2c		
2d		
2e		
2f		
2g		
3	Special Care Fund Balance Per Audited Balance Sheet	

**ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT
(ANNUAL REPORT) NET INCOME METHOD**

**SCHEDULE C1
ENDOWMENT CARE FUND RESERVE FOR LOSSES**

Line No.	Description	Total
1	Beginning balance of Reserve for Losses	
2	Addition to the reserve from the current year's income (Schedule C3, line 6)	
3	Total available reserve for losses	
4	Less amount applied to current year's capital losses realized (Schedule A1, line 20)	
5	Total Reserve for Losses	

**SCHEDULE C2
ENDOWMENT CARE FUND RESERVE FOR MAINTENANCE**

Line No.	Description	Total
1	Beginning balance of Reserve for Maintenance	
2	Addition to the reserve from the current year's capital gains (Schedule A1, line 22)	
3	Addition to the reserve from the current year's income (Schedule C3, line 7)	
4	Total available reserve for future maintenance	
5	Less current year reserve expended for maintenance (Schedule H, line 3d)	
6	Total Reserve for Maintenance	

**SCHEDULE C3
ENDOWMENT CARE FUND INCOME**

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

**ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT
(ANNUAL REPORT) NET INCOME METHOD**

**SCHEDULE C4
SPECIAL ENDOWMENT CARE FUND EARNINGS**

Line No.	Description	Total
1	Beginning balance Special Endowment Care Unexpended Earnings	
	Additions:	
2	Interest, Dividends, and Rental Income	
3	Net Realized Capital Gains/Losses	
4	Total earnings	
	Subtractions:	
5	Administrative expenses	
6	Compensation paid to the board of trustees (HSC section 8733)	
7	Expenditures for cemetery maintenance (Schedule H, line 3b)	
8	Total Expenditures and Distributions	
9	Total Special Endowment Care Unexpended Earnings	

**ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT
(ANNUAL REPORT) NET INCOME METHOD**

**SCHEDULE D
SPECIAL CARE FUND
(Preneed Services and Merchandise)**

Line No	Description	Corpus	Unexpended Income
1	Beginning Balance		
	Additions:		
2	Current Year Deposits		
3	Earned Income (Interest, Dividends, and Rental Income)		
4	Capital Gains/(Losses) Realized This Period (Schedule G2, Line 9)		
5	Total Additions		
	Subtractions:		
6	Serviced Preneed Accounts		
7	Refunds for Canceled or Revoked Preneed Accounts		
8	Revocation Fees		
9	Non-Burial Services Provided		
10	Total Subtractions		
	Expenses:		
11	Administrative Fees (HSC section 8778.5(b))		
12	Maintenance Expenses (Schedule H, line 3c)		
13	Taxes Paid on Net Income		
14	Total Expenses add lines 9, 10 and 11		
15	Total Corpus and Unexpended Income		
16	Total Special Care Fund		

**ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT
(ANNUAL REPORT) NET INCOME METHOD**

**SCHEDULE E1
ENDOWMENT CARE FUND INVESTMENTS**

Line No	Description	Market Value	Cost Value
1	Cash and cash equivalents		
2			
3			
4			
5			
6			
7			
8			
9	Total Investments		

Net Unrealized Gain/(Loss):

Line No	Description	Total
10	Total market value	
11	Less total cost basis	
12	Net Unrealized Gain/(Loss)	

Check box if additional pages are attached in response to this question.
Do not provide a complete list of transaction detail; a transaction summary is preferred.

**ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT
(ANNUAL REPORT) NET INCOME METHOD**

**SCHEDULE E2
SPECIAL CARE FUND INVESTMENTS**

Line No	Description	Market Value	Cost Value
1	Cash and cash equivalents		
2			
3			
4			
5			
6			
7			
8			
9	Total Investments		

Net Unrealized Gain/(Loss):

Line No	Description	Total
10	Total market value	
11	Less total cost basis	
12	Net Unrealized Gain/(Loss)	

Check box if additional pages are attached in response to this question.
Do not provide a complete list of transaction detail; a transaction summary is preferred.

**ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT
(ANNUAL REPORT) NET INCOME METHOD**

**SCHEDULE E3
SPECIAL ENDOWMENT CARE FUND INVESTMENTS**

Line No	Description	Market Value	Cost Value
1	Cash and cash equivalents		
2			
3			
4			
5			
6			
7			
8			
9	Total Investments		

Net Unrealized Gain/(Loss):

Line No	Description	Total
10	Total market value	
11	Less total cost basis	
12	Net Unrealized Gain/(Loss)	

Check box if additional pages are attached in response to this question.
Do not provide a complete list of transaction detail; a transaction summary is preferred.

**ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT
(ANNUAL REPORT) NET INCOME METHOD**

**SCHEDULE F
CORPUS AND INVESTMENT RECONCILIATION**

Line No	Description	Amount
1	Total endowment care and special endowment care fund principal, reserves, and unexpended income (Schedule B1, line 2b)	
2	Total special care trust fund balance (Schedule B2, line 1a)	
3	Total trust fund(s)	
4	Less total investments at cost (Schedule E1, line 11 plus Schedule E2, line 11 plus Schedule E3, line 11)	
5	Difference	

If there is a difference, please explain.

**ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT
(ANNUAL REPORT) NET INCOME METHOD**

**SCHEDULE G1
ENDOWMENT CARE FUND REALIZED CAPITAL GAINS AND LOSSES**

Line No.	Description	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 (Schedule A1, line 19)			

Check box if additional pages are attached in response to this question.

**ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT
(ANNUAL REPORT) NET INCOME METHOD**

**SCHEDULE G2
SPECIAL CARE FUND REALIZED CAPITAL GAINS AND LOSSES**

Line No.	Description	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 (Schedule D, line 4)			

Check box if additional pages are attached in response to this question.

**ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT
(ANNUAL REPORT) NET INCOME METHOD**

**SCHEDULE H
CEMETERY MAINTENANCE EXPENSES**

Total Maintenance Expenses

Line No.	Descriptive Title of Maintenance Cost	Amount
1a		
1b		
1c		
1d		
1e		
1f		
1g		
1h		
1i		
1j		
1k		
1l		
1m		
1n		
2	Total Cemetery Maintenance Expenses (must equal line 4 below)	

Funding of Total Maintenance Expenses

Line No.	Revenue Allocation by Source (amounts cannot be negative)	Amount
3a	Endowment Care Fund Income allocated to maintenance expenses (Schedule C3, line 8)	
3b	Special Endowment Care Fund Earnings allocated to maintenance expenses (Schedule C4, line 7)	
3c	Special Care Income (Schedule D, line 12)	
3d	Reserve for Maintenance (Schedule C2, line 5)	
3e	Income from Cemetery Operation	
4	Total Revenue Allocated to Maintenance Expenses (must equal line 2 above)	

Check box if additional pages are attached in response to this question.

**ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT
(ANNUAL REPORT) NET INCOME METHOD**

**VERIFICATION of ANNUAL REPORT
BPC section 7612.6(5)(b)**

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 ANNUAL REPORT

- The Annual Report must be postmarked on or before June 1, 2024 (fiscal year filers must file within five months after the close of the fiscal year).
- The Annual Report is not considered filed unless accompanied by the filing fee of \$500 or \$750 if late.
- The report is not considered filed if it is not accompanied by an independent auditor's report.
- The report is not considered filed if it is not verified (see above) by the president or vice president and one other officer of the cemetery corporation.
- If the report is not filed by the applicable due date, a late fee shall be assessed (150% of timely fee) and the cemetery authority is subject to a fine of \$400 per month, not to exceed \$2,000. Failure to file the report may also result in disciplinary action by the Bureau.
- Mail the completed *Endowment Care Fund and Special Care Fund Report (Annual Report)* along with the fee and a copy (a bound or original copy is not required) of all required audited financial statements including 1) a balance sheet and 2) a statement of revenues, expenditures, and 3) changes in fund balance, to:

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

ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT (ANNUAL REPORT) NET INCOME METHOD

INSTRUCTIONS FOR ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT (ANNUAL REPORT) NET INCOME METHOD

Authority

Each cemetery authority shall file with the Bureau annually, on or before June 1, or within five months after close of their fiscal year, a written report in a form prescribed by the Bureau ([BPC section 7612.6](#)).

Records

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

Bureau's Audit Unit

[BPC section 7613](#) The bureau shall examine the reports filed with it as to their compliance with the requirements of the Health and Safety Code as to the amount of endowment care funds collected and as to the manner of investment of those funds. [BPC section 7613.1](#) requires the Bureau to examine the endowment care funds of a cemetery authority:

- (a) Whenever it deems necessary and at least once every five years.
- (b) Whenever the cemetery authority in charge of endowment care funds fails to file the report required by this article.
- (c) Whenever the accountant or auditor qualifies their 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 7612.6](#).
- (d) Whenever the bureau receives a valid complaint alleging the authority has engaged in financial misconduct or neglect of duties.
- (e) The reasonable and necessary cost of the examination performed under subdivision (b) or (c) shall be paid by the cemetery authority.
- (f) A certified copy of the actual costs, or a good faith estimate of the costs where actual costs are not available, signed by the director or the director's designee, shall be prima facie evidence of the reasonable and necessary costs of the examination.
- (g) The actual and necessary expense of the examination under subdivision (a) 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.

ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT (ANNUAL REPORT) NET INCOME METHOD

PAGE 1

Ensure that you are working with the correct form which are labeled as **NET INCOME METHOD** or **UNITRUST DISTRIBUTION MEHOD**.

Complete the basic information portion of the report:

- Enter the License Number (COA #)
- Enter the Corporation Name (as applicable)
- Enter the Cemetery Name
- Enter the Cemetery Address
- Enter the Name of the Cemetery President or Vice President
- Enter the Mailing Address
- Enter the Name of the Authorized Contact Person
- Enter the title of Authorized Contact Person
- Enter the telephone number for the Contact Person
- Enter the email address for the Contact Person

Reporting Period

- Check Calendar Year.
- Check Fiscal Year and enter accounting period. Prior approval is required ([BPC section 7612.7](#)). The bureau may approve such petition provided that no report shall be for a period of more than 12 months. The Annual Report to be completed is determined by the fiscal year begin date, unless the Bureau has instructed otherwise.
- Check Final Report if the cemetery authority is closing and ceasing business operations or applying for a new license number. Indicate the normal start of the accounting period and the last date the cemetery authority operated. In order for the closure to be effective, the Bureau's licensing unit **must** be notified of the closure and all closure documents received by the Bureau.

PAGE 2

Board of Trustees

Provide a list of all board trustees. Indicate their relationship to the cemetery and if they are the trustee over the ECF, SCF, or both ([BPC section 7612.8](#)).

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 the 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 the role of a trustee in managing trust funds. The

ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT (ANNUAL REPORT) NET INCOME METHOD

cemetery authority shall retain the acknowledgment for the duration of the trustee's term of office ([HSC section 8731\(c\)\(1\)](#)).

Ensure that trustee(s) understand their role and the purpose of the trust under their management and are familiar with the applicable 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](#)).

PAGE 3

Item No. 1

Ensure that your bond is current for the fiscal year reported (if applicable). Surety bonds should not be 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 No. 2

This acknowledges that trustees are knowledgeable in the management of the trust funds.

Item No. 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 No. 4

[BPC section 7614.8](#) states that 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 No. 5

If the cemetery has a special endowment care fund (such as a flower fund established to grant a person's/family's wish to purchase flowers for a specific grave(s)), state the balance of such trust as of the last day of the reporting year and complete Schedule A2, Schedule C4, and Schedule E2,

A special endowment care fund created through an irrevocable trust agreement differs from a preneed special care fund, which is created by revocable trust agreements. [BPC section 7612.6](#) specifically requires the following to be reported for

ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT (ANNUAL REPORT) NET INCOME METHOD

both general endowment care funds and special endowment care funds: amounts collected and deposited ([BPC section 7612.6\(a\)\(2\)](#)); the total amount invested in each of the investments authorized by law and the amount of cash on hand not invested, and the financial condition of the funds ([BPC section 7612.6\(a\)\(3\)](#)); and the location, description, and character of the investments in which the funds are invested ([BPC section 7612.6\(a\)\(4\)](#)).

Item No. 6

The officers of the corporation, employees, stockholders, 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.

Item No. 7

[16 CCR Section 2333](#)(g) requires the amount collected by the cemetery in endowment care fees under [HSC section 8738](#) to be reconsidered annually by the cemetery based upon current and projected maintenance expenditures and adjusted as necessary to ensure that sufficient funds are available to perform the maintenance required by their rules and regulations. **A copy of this assessment is requested.**

Item No. 8

Enter the endowment amounts deposited by the cemetery for grave spaces, crypt spaces, niches, scatterings, and any other contributions received; enter the total number of and dollar amount of grave spaces, crypts, niches, and scatterings sold during the period; enter the total number of square feet of grave spaces sold.

**ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT
(ANNUAL REPORT) NET INCOME METHOD**

**SCHEDULE A1
ENDOWMENT CARE FUND**

This schedule shows the initial deposit and prior year balances forward, along with the current year deposits for each category. The combined total is added to the accumulated capital gains/losses from prior periods, and the total current year's net capital gains/losses to arrive at the "Total Principal", which is added to the "Reserve for Losses", "Reserve for Maintenance", and "Unexpended Income" on Schedule B.

Line 1 – This is 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 entry is the "accumulated balance forward from the prior year." The second line entry is the amount deposited in the current year. The third line is the sum of these two entries.

Note: Contributions to the endowment care fund must be deposited at the time of or no later than the completion of the initial sale ([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/(losses) after income tax (from Schedule G1, line 9).

Line 20 – If line 19 is a loss, enter the amount to be applied against the loss, from the Reserve for Losses, Schedule C1, line 4.

Line 21 – Add line 19 and 20.

Line 22 – Enter the amount set aside in the Reserve for Future Maintenance (Schedule C2, line 2).

Line 23 – Subtract line 22 from 21.

Line 24 – Add lines 18 and 23.

Line 25 – Add lines 17 and 24.

The endowment care fund shall be kept separate and apart from all other cemetery funds ([HSC section 8738.2](#)).

**ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT
(ANNUAL REPORT) NET INCOME METHOD**

**SCHEDULE A2
SPECIAL ENDOWMENT CARE FUND**

Special Endowment Care Funds, which may include for example flower funds, are not common. This schedule shows the initial deposit, and prior year contributions, combined with the current year deposits for Special Endowment Care Funds. The total is added to the accumulated capital gains/losses from prior periods, and the total current year's net capital gains/losses. The "Total Corpus", and "Unexpended Income" on Schedule B.

Line 1 – This is the original initial deposit made to the Special Endowment Care Fund. This may be the only deposit to the fund.

Lines 2 through 16 – These are subsequent contributions to the special endowment care fund. The first line entry is the "accumulated balance forward from the prior year." The second line entry is the amount deposited in the current year. The third line is the sum of these two entries.

Note: Contributions to the special endowment care fund must be deposited within 30 days of receipt ([HSC section 8777](#)).

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

Line 18 - Enter the amount from prior year's unexpended earnings since the establishment of the fund through 12/31/2021 or previous fiscal year end.

Line 19 - Ending balance of unexpended earnings for the year (Schedule C4, line 9)

Line 20 – Add lines 18 and 19.

Line 21 – Add lines 17 and 20.

**ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT
(ANNUAL REPORT) NET INCOME METHOD**

**SCHEDULE B1
RECONCILIATION OF THE ENDOWMENT CARE FUND TO
THE AUDITED ENDOWMENT CARE FUND BALANCE**

This schedule shows the "Total Principal" from Schedule A added to the ending balances of the "Reserve for Losses", "Reserve for Maintenance", "Unexpended Endowment Care Income" and "Unexpended Special Endowment Care Income", to arrive at the "Total Endowment Care and Special Endowment Care Fund". This is reconciled with the endowment care fund balances reported on the audited financial statements. Reconciling items are reported in detail.

Line 1a – Enter the amount from Schedule A1, line 25.

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

Line 1c - Enter the amount from Schedule C2, line 6.

Line 1d - Enter the amount from Schedule C3, line 10.

Line 1e – Add line 1a, 1b, 1c and 1d.

Line 2a – Enter the amount from Schedule A2, line 21.

Line 2b – Add lines 1e and 2b.

Line 2c – Enter the amount from Schedule E1, line 12.

Line 2d – Enter the amount from Schedule E2, line 12.

Line 2e through 2j – Enter the reconciliation items that account for any variances between the "Total Endowment Care and Special Endowment Care Fund" reported on line 2e, and the fund balance reported on the audited financial statements.

Line 3 – This is the combined total of endowment care and special endowment care funds reported on the audited financial statements.

Reconciling items, "Unrealized Capital Gains/(Losses)" are given. Other reconciling items may be receivables, payables, due to/from the preneed fund or cemetery general fund, deferred taxes and other expenses, or accrued income not yet received.

**ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT
(ANNUAL REPORT) NET INCOME METHOD**

**SCHEDULE B2
RECONCILIATION OF THE SPECIAL CARE FUND TO THE
AUDITED SPECIAL CARE FUND BALANCE**

This schedule shows the “Special Care Fund” from Schedule D and reconciled with the endowment care fund balances reported on the audited financial statements. Reconciling items are reported in detail.

Line 1a – Enter the amount from Schedule D, line 16.

Line 2a – Special Care Unrealized Capital Gains/(Losses) (Schedule E3, line 12)

Line 2b through 2g – Enter the reconciliation items that account for any variances between the “Total Endowment Care and Special Endowment Care Fund” reported on line 2e, and the fund balance reported on the audited financial statements.

Line 3 – This is the combined total of endowment care and special endowment care funds reported on the audited financial statements.

Reconciling items, “Unrealized Capital Gains/(Losses)” are given. Other reconciling items may be receivables, payables, due to/from the preneed fund or cemetery general fund, deferred taxes and other expenses, or accrued income not yet received.

**ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT
(ANNUAL REPORT) NET INCOME METHOD**

**SCHEDULE C1
ENDOWMENT CARE FUND RESERVE FOR LOSSES**

The purpose of a reserve for losses is to set aside income for the replenishment of realized capital losses (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](#) requires the trustee of the endowment care fund to 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 (to Schedule A, line 20).

Line 5 – Subtract line 4 from line 3.

**SCHEDULE C2
ENDOWMENT CARE FUND RESERVE FOR FUTURE MAINTENANCE**

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 up to 50 percent annual net capital gains of the ECF. The amount of the reserve may vary but cannot exceed 10 percent of the market value of the endowment care fund ([HSC section 8726.1](#)).

Line 1 – Enter the amount from prior year Schedule C2, line 6.

Line 2 – Enter the addition to the reserve from current year realized capital gains (from Schedule A, line 22).

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

Line 4 – Add lines 1 through 3.

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

**ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT
(ANNUAL REPORT) NET INCOME METHOD**

Line 6 – Subtract line 5 from line 4.

**SCHEDULE C3
ENDOWMENT CARE FUND INCOME**

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

Line 1 – Enter the amount from prior year Schedule C3, line 10.

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

Line 3 – Add lines 1 and 2.

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

Line 5 – Enter amount paid to the board of trustees during the year. No sum in excess of 5 percent of the net income derived from an 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. 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.

Line 6 – Enter the amount allocated to 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.

**ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT
(ANNUAL REPORT) NET INCOME METHOD**

**SCHEDULE C4
SPECIAL ENDOWMENT CARE FUND INCOME**

This schedule reports the current year, and prior year's balance forward, of SECF investment income (interest, dividends, rental income, and capital gains), fund administration costs, any compensation paid to the board of trustees, and any amounts expended for cemetery maintenance. The beginning balance of the prior year unexpended income is added to the current year's income, and expenditures and allocations are deducted to arrive at the ending unexpended balance. The ending balance of unexpended income should agree with Schedule B, line 2d, and **cannot be a negative number**.

Line 1 – Enter the amount from prior year Schedule C4, line 1 (as applicable).

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

Line 3 – Enter the net realized Capital Gains/Losses

Line 4 – Add lines 1, 2 and 3.

Line 5 – Enter administration expenses paid during the year, including bank and audit fees.

Line 6 – Enter amount paid to the board of trustees during the year. No sum in excess of 5 percent of the net income derived from an 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. 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.

Line 7 - Enter amount reported for cemetery maintenance (to Schedule H, line 3b).

Line 8 - Add lines 5, 6 and 7.

Line 9 – Subtract line from line 4.

**ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT
(ANNUAL REPORT) NET INCOME METHOD**

**SCHEDULE D
SPECIAL CARE FUND - Preneed Services and Merchandise
Do not include Special Endowment Care Fund activity**

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(s) thereof within 30 days after receipt by the cemetery authority. This includes payments for preneed services and merchandise that are received for deposit in a special care fund ([HSC section 8777](#)). Do not include any special endowment care funds such as a flower fund.

Line 1 – Enter the prior year ending balance of the Special Care Fund – corpus and unexpended income. The sum of corpus and unexpended income should equal the previous year’s Schedule D, Line 15.

Line 2 – Enter current year additions to the fund.

Line 3 – Enter earned income (interest, dividends, and rental income).

Line 4 – Enter capital gains/(losses) realized (from Schedule G2, line 9).

Line 5 – Add lines 2, 3, and 4 – corpus and unexpended income.

Line 6 – Enter the amount withdrawn for serviced preneed accounts – corpus and income.

Line 7 – Enter the amount withdrawn for refunds, cancellations, or revoked preneed accounts- corpus and income.

Line 8 – Enter the amount of revocation fees withdrawn ([HSC section 8778.5\(b\)](#)).

Line 9 – Enter other withdrawals for non-burial services provided - corpus and income.

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 taxes paid on net income for the period.

Line 14 – Add lines 11, 12, and 13.

**ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT
(ANNUAL REPORT) NET INCOME METHOD**

Line 15 – Add lines 1 and 5 – corpus and income, Subtract lines 10 and 14 – corpus and income.

Line 16 – Add line 15 – corpus and income.

**SCHEDULES E1, E2 and E3
ENDOWMENT CARE INVESTMENTS
SPECIAL CARE INVESTMENTS (as applicable)
SPECIAL ENDOWMENT CARE INVESTMENTS (as applicable)**

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 and if the cemetery holds special endowment care trust funds and the funds are not commingled with endowment care funds, Schedule E3 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 11 from 10.

Note: Any investment(s) in default should be identified.

[HSC section 8725](#) states: A cemetery authority that 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 net 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, its directors, or in the name of the trustees appointed by the cemetery authority.

**ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT
(ANNUAL REPORT) NET INCOME METHOD**

[BPC section 7614.7](#) 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.

**SCHEDULE F
CORPUS AND INVESTMENT RECONCILIATION**

The purpose of this schedule is to reconcile the fund balances of the endowment care fund, special endowment care fund and the special care fund shown on Schedule B1, Schedule B2 and Schedule D1 with the total investment balances stated at cost. An explanation should be provided for any differences.

Line 1 – Enter the endowment care trust fund and special endowment care fund balance from Schedule B, line 2d.

Line 2 – Enter the special care trust fund balance from Schedule B2, line 1a.

Line 3 - Add lines 1 and 2.

Line 4 – Enter total investments at cost (Schedule E1, line 11, Schedule E2, line 11 and Schedule E3, line 11).

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

**ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT
(ANNUAL REPORT) NET INCOME METHOD**

**SCHEDULES G1 and G2
ENDOWMENT CARE FUND REALIZED CAPITAL GAINS AND LOSSES
SPECIAL CARE FUND REALIZED CAPITAL GAINS AND LOSSES (if applicable)**

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 funds, Schedule G2 must be completed.

Lines 1 through 6 – Provide a summary of 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. Also, include any adjusting entries for prior period(s). If needed, additional detail should be attached. Do not provide a complete list of transaction detail; a transaction summary is preferred.

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 line 7 is a (loss), the income tax effect will be positive and reduce the loss.

Note: The income tax reported on line 8 is the tax as it relates to the realized capital gain.

**ENDOWMENT CARE FUND AND SPECIAL CARE FUND REPORT
(ANNUAL REPORT) NET INCOME METHOD**

**SCHEDULE H
CEMETERY MAINTENANCE EXPENSES**

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

The second part of this schedule reports the funding sources that covered the cemetery's total maintenance 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 all expenses for the total spent by the cemetery during the period.

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 endowment care fund income (from Schedule D, line 12).

Line 3c – Enter total maintenance expenses funded by the special care fund income (from Schedule D, line 12).

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

Line 3e – Enter the total maintenance expenses funded by cemetery operations. **This amount cannot be negative.**

Line 4 – Add all funding for the total revenue allocated to maintenance expenses.

Note: Line 2 should agree with line 4.

NOTICE ON COLLECTION OF PERSONAL INFORMATION click [here](#) for details