

## TRUST AND AGENCY FUNDS

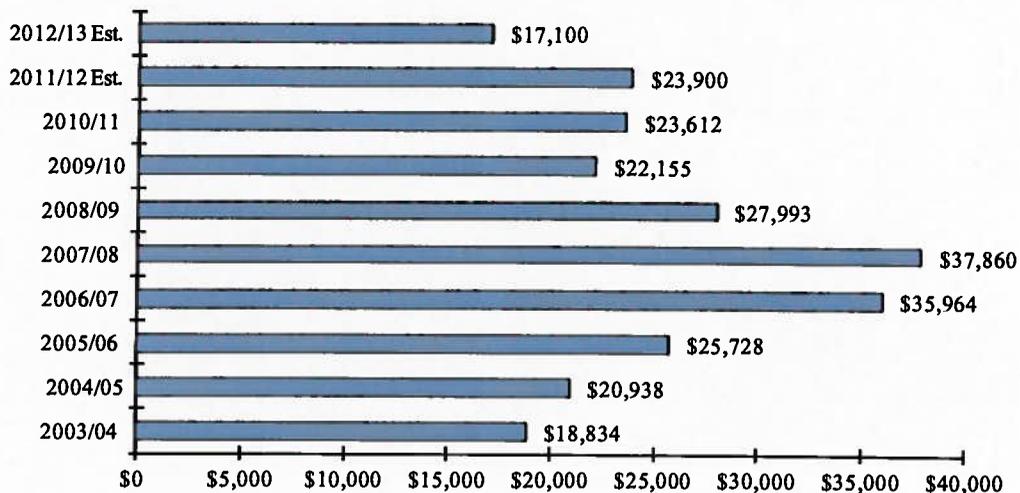
### PERPETUAL CARE INTEREST TRUST

#### GENERAL INFORMATION:

This trust fund was established to account for interest earnings on perpetual care funds received by the City of Muscatine through the operation of the municipal cemetery. As required by the State Code of Iowa, 20% of the proceeds of the sale of a cemetery lot must be set aside in a trust account. The trust funds are invested and interest earnings from the funds are utilized to support costs associated with the Cemetery operation. According to State law, the principal amount of the Perpetual Care Fund cannot be used for cemetery operations; only interest earnings can be used. Interest earnings may also fund capital improvements associated with the Cemetery.

Interest earnings have traditionally been utilized to fund all or a portion of the cost of operating the Cemetery. Perpetual Care interest earned and transferred to the General Fund from fiscal year 2003/2004 through the budgeted amount for 2012/2013 is shown in the following graph.

**Perpetual Care Interest Revenue**



Beginning in 1991/92 and continuing through 2012/2013 (with the exception of 2003/2004, 2007/2008 and 2010/2011), Cemetery revenues plus available interest earnings from this trust are not sufficient to fund operating expenditures of the Cemetery. This is attributable to several factors including declining cemetery burial and lot sales revenues over the last several years and the decline in interest rates. As a result of these factors, General Fund subsidies were made to the Cemetery in the amounts of \$39,052 for 2002/2003, none for 2003/2004, \$12,118 for 2004/2005, \$33,785 for 2005/2006, \$8,610 for 2006/2007, none for 2007/2008, \$5,175 for 2008/2009, \$28,234 for 2009/2010 and none for 2010/2011. The revised estimate for 2011/2012 projects a General Fund subsidy of \$16,800 and \$21,200 is projected for 2012/2013. Staff will continue to increase marketing efforts in 2012/2013 in order to increase operating revenues of the Cemetery.

**Perpetual Care Interest Trust**

**Fund Statement**

	<u>Actual 2009/2010</u>	<u>Actual 2010/2011</u>	<u>Budget 2011/2012</u>	<u>Revised Estimate 2011/2012</u>	<u>Budget 2012/2013</u>
Beginning Balance, July 1	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Revenues					
Interest	<u>22,155</u>	<u>23,612</u>	<u>23,900</u>	<u>23,900</u>	<u>17,100</u>
Funds Available	\$ 22,155	\$ 23,612	\$ 23,900	\$ 23,900	\$ 17,100
Expenditures					
Transfers Out Cemetery Operations	<u>22,155</u>	<u>23,612</u>	<u>23,900</u>	<u>23,900</u>	<u>17,100</u>
Ending Balance, June 30	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

<b>Increase (Decrease) in Fund Balance</b>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
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