

TRUST AND AGENCY FUNDS

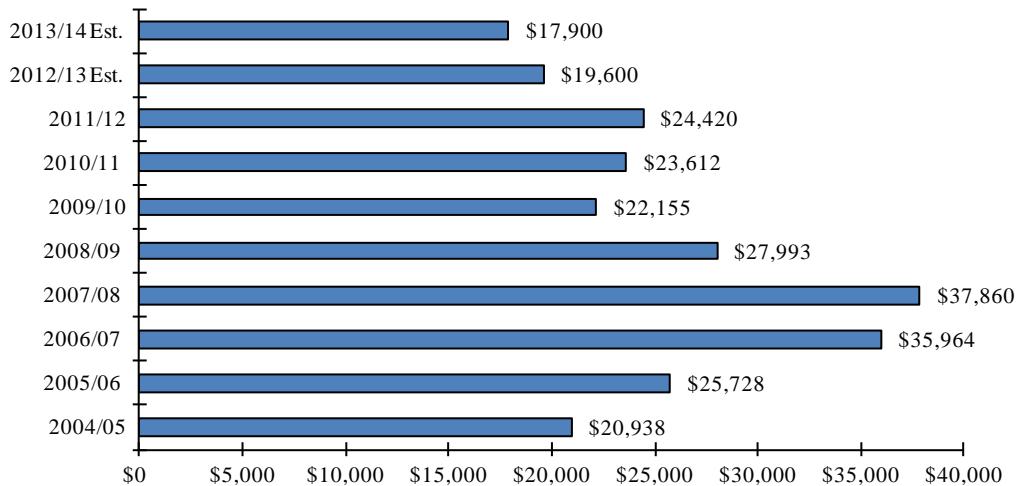
PERPETUAL CARE INTEREST TRUST

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 2004/2005 through the budgeted amount for 2013/2014 is shown in the following graph.

Perpetual Care Interest Revenue



Beginning in 1991/92 and continuing through 2013/2014 (with the exception of 2003/2004, 2007/2008 and 2010/2011), Cemetery revenues plus available interest earnings from this trust have not been 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 \$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, none for 2010/2011 and \$5,410 in 2011/2012. The revised estimate for 2012/2013 projects a General Fund subsidy of \$18,600 and \$28,200 is projected for 2013/2014. Staff will continue to increase marketing efforts in 2013/2014 in order to increase operating revenues of the Cemetery.

Perpetual Care Interest Trust

Fund Statement

| | <u>Actual</u> <u>2010/2011</u> | <u>Actual</u> <u>2011/2012</u> | <u>Budget</u> <u>2012/2013</u> | <u>Revised</u> <u>Estimate</u> <u>2012/2013</u> | <u>Budget</u> <u>2013/2014</u> |
|--|-----------------------------------|-----------------------------------|-----------------------------------|---|-----------------------------------|
| Beginning Balance, July 1 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Revenues | | | | | |
| Interest | <u>23,612</u> | <u>24,420</u> | <u>17,100</u> | <u>19,600</u> | <u>17,900</u> |
| Funds Available | \$ 23,612 | \$ 24,420 | \$ 17,100 | \$ 19,600 | \$ 17,900 |
| Expenditures | | | | | |
| Transfers Out | | | | | |
| Cemetery Operations | <u>23,612</u> | <u>24,420</u> | <u>17,100</u> | <u>19,600</u> | <u>17,900</u> |
| Ending Balance, June 30 | <u><u>\$ 0</u></u> | <u><u>\$ 0</u></u> | <u><u>\$ 0</u></u> | <u><u>\$ 0</u></u> | <u><u>\$ 0</u></u> |
| Increase (Decrease) in Fund Balance | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |