

SIMPLIFIED ANNUAL ACCOUNTING



PINAL COUNTY

**TO FILE AN ANNUAL ACCOUNT OF CONSERVATOR FOR
WARD OR PROTECTED PARTY**

INSTRUCTIONS AND FORMS

**Provided as a Public Service by
Amanda Stanford
Clerk of the Superior Court**

INSTRUCTIONS

SIMPLIFIED ACCOUNTING GUIDELINES FOR CONSERVATORSHIP ACCOUNTS

READ ME. The court has prepared Accounting Guidelines for Conservator Accounts. This is a **SIMPLIFIED** version of the guidelines to help non-accountants and non-lawyers complete the court paperwork. If you are not sure how to complete the court papers, contact an accountant or a lawyer for help.

BACKGROUND INFORMATION. The following information is to assist you in preparing an account of the estate for approval by the Judge/Commissioner. The purpose of an account is to present financial information in a format which is meaningful to the interested parties. Persons who are not accountants and lawyers should understand the account. The information should be presented in a simple but complete format to help everyone understand the administration of the estate. Parties should easily be able to determine what came into the estate, what went out, and what is left in the estate at the end of the accounting period.

- 1. Number of this Accounting:** Number the account you are submitting (1st, 2nd, 3rd, and so forth). The last account (when the minor has reached age 18, or the adult dies, or the conservatorship is ended, or the administration of the estate is closed) should be numbered and called "Final" (for example: the Tenth and Final).
- 2. Time period:** Write the dates for which this accounting was prepared (for example: March 1, 1995 to February 28, 1996).
- 3. Bond:** If this applies to your case, write in the current bond amount. Write in the amount the bond should be increased or decreased based on the amount that will cover the estate's unrestricted assets plus the unrestricted income for the next accounting period (generally one year).

ACCOUNT SUMMARY:

INSTRUCTIONS: Complete lists A through F. Then, write the final amounts from each list on the Account Summary.

LIST A

BEGINNING BALANCE:

- If this is the First Account, use the Inventory and Appraisal figure you submitted when you were appointed Personal Representative. If this is the Second Account or any other account, use the same information you used as the ending balance for the previous Account. You can copy the ending balance from the previous account and write the amount in **LIST A**.
- List the account numbers and institution for all bank accounts. List all assets with an adequate description so that the asset can be located and identified (addresses of properties, year, make, and model of vehicles, insurance company name and policy number, and so forth). List life insurance policies at cash value (or if a carrying value is used, then report the cash value in the Information Schedule on Investments).
- Include with the beginning and ending assets all information about any debts owed or liens on the assets, like a house or automobile. Include the following information about the debt or lien:
 - 1) The payee,
 - 2) Principal balance,
 - 3) Interest rate, and
 - 4) Pay-off date.

Note: Be sure that if any assets are restricted you label them "restricted."

After you finish List A, put the total at the bottom of the page on line A of page 1.

LIST B

MONEY RECEIVED DURING THIS ACCOUNT PERIOD:

- Only list items which represent **income** to the estate during this account period.
- Itemize all money received by:
 - 1) Date of receipt,
 - 2) Payer,
 - 3) Description by type of receipt (interest income, dividends, social security, and so forth), and other details to identify the income source (such as account numbers), and amount.
- If you have a lot of receipts (more than two pages for **List B**), group some receipts together. For example, report the total interest earned from one particular account on one line. In addition, if you group the receipts together, you must keep a back-up schedule detailing the money received under each group and attach a copy of the back-up schedule to this form.
- Do not include transfers of funds from one account to another within the same estate. Report transfers of funds on an additional paper. Report anytime you closed or opened an account, cashed in or purchased an insurance policy, or any other transfer of funds in which the original form of the asset is discontinued or a new asset is obtained.

After you finish List B, put the total at the bottom of the page on line B of page 1.

LIST C

SCHEDULE OF ALL GAINS DURING THIS ACCOUNT PERIOD:

- Write the details of sales with gains. This includes:
 - 1) The date of sale,
 - 2) Purchaser (person sold to),
 - 3) Description of what was sold, and
 - 4) The amount gained (sale price minus fees, and minus the value of the asset as reported in the previous Account or Inventory and Appraisalment).

Note: If you sold an asset but had no gain and no loss, you must still report the transaction and list the gain as zero.

- You should also list other increases to the estate on **List C** and add them to the total at the bottom of the page. Increases to the estate may include:
 - 1) Assets you did not know about at the last accounting but now you do;
 - 2) Assets that increased in value since the last accounting, such as investments or insurance, and so forth.

Note: You should only show increases or decreases in value of an asset if the value can be supported by documentation (such as a written appraisal, or when the market value is easily available, as for securities).

- For most assets other than investments or insurance, it is not necessary to adjust the values of the assets. You do not need to obtain appraisals (or otherwise incur unnecessary expenses) to adjust an asset's value for an account. However, if you are aware of a significant change in value of an asset, you should mention it in a note at the bottom of **List C**.
- Show marketable securities at the carrying value and the current value in a separate list on investments. The difference between these values is the adjustment. If you want to carry the investment at the carrying value (no adjustment is made), you should still attach another list on investments showing the carrying values with the current market values (the same information needed for an adjustment). This is necessary to assess your investment performance and the appropriate bond level when you prefer not to adjust assets such as marketable securities to current market value.

After you finish List C, put the total at the bottom of the page on line C of page 1.

LIST D

MONEY SPENT (DISBURSEMENTS) DURING THIS ACCOUNT PERIOD:

- Now you need to list money you spent on behalf of the estate during the Account period. Only include items which are expenses of the estate. List the following:
 - 1) Date,

- 2) Person you paid,
- 3) Purpose of expense, **AND**
- 4) Amount.

Note: If the expense is unusual or appears questionable, you should provide additional information in a note attached to **List D**.

- If you have many transactions to report (generally more than 4 pages), group them into categories. For example, all expenses for nursing care may be shown on one line. These categories must be specific. **Categories such as "miscellaneous" and "cash" are not acceptable.** Grouped expenses must also list purpose and payee. In addition, if you group the receipts together, you must keep a back-up schedule detailing the money received under each group and attach a copy of the back-up schedule to this form.
- Transfer of funds are not receipts or disbursements and should be reported on a paper attached to **List B**. A "purchase" for purposes of investment is a transfer of funds and not a disbursement.
- Distributions of an estate in probate are also reported on **List D**. Describe each disbursement by date, payee, purpose, and amount.

After you finish List D, put the total at the bottom of the page on line D of page 1.

LIST E

SCHEDULE OF LOSSES DURING THIS ACCOUNT PERIOD:

- List all losses and show:
 - 1) The date,
 - 2) The purchaser,
 - 3) S description of the transaction, and
 - 4) The amount of loss. Loss means price minus fees and minus the carrying value of the asset (the value of the asset as you reported it in the previous Account or Inventory and Appraisalment).

Note: If you sold an asset at neither a gain nor a loss, report the transaction and show a gain of zero in **List C**.

- List other decreases to the estate. Decreases may include:
 - 1) Decreases in values of assets,
 - 2) Loss of assets, and so forth.

As with gains, you should only list a decrease in value if they are supported with documentation such as an appraisal, or are readily ascertainable, as with value of marketable securities. List all adjustments to the value of marketable securities with carrying value and current market value.

- For most assets which are not investments you do not need to adjust the value, but you should disclose a significant loss in value in a note at the bottom of **List E**. For example you cannot take depreciation adjustments. If you are aware that the property is worth well below the carrying value, you should state your estimate of the current value on **List E**.

After you finish List E, put the total at the bottom of the page on line E of page 1.

LIST F

VALUE OF PROPERTY AT END OF ACCOUNTING PERIOD:

- List everything remaining in the estate at the end of the accounting period. This is the state of all assets after all the transactions of the Account have occurred.
- List all assets that exist at the end of the account period. Be specific so that the assets can be identified and located (account numbers, banks, property addresses). As with **List A**, also include any debts owed or liens on the assets, like a house or automobile. Include the following information about the debt or lien:
 - 1) Payee Name,
 - 2) Principal balance,

- 3) Interest rate, and
- 4) Pay-off date.

Finally, label any restricted assets as "restricted."

After you finish List F, put the total at the bottom of the page on line F of page 1.

GO BACK TO THE ACCOUNT SUMMARY: Now that you have completed Lists A through F, check to be sure you filled in the blanks on the Account Summary as follows:

- Enter the beginning balance of the account from the total at the bottom of **List A**;
- Add the total money received during the account period from the total at the bottom of **List B**;
- Add the gains on property from the total at the bottom of **List C**;
- Subtract the money spent (disbursed) from the total at the bottom of **List D**;
- Subtract the losses on property from the total at the bottom of **List E**;
- The total should be the same as the total you entered at the bottom of **List F**.

COMMON ERRORS: These are common errors the Court Accountant finds in Accounts.

- **Addition.** The total at the bottom of each list must be the same as the amount you put on the Account Summary, page 1. Double-check all the totals on your lists.
- **An incorrect beginning balance.** The beginning balance must match the ending balance of the previous Account or Inventory. If the ending balance of the previous Account or the Inventory was wrong, use it anyway, and make corrections on **List C** for gains or **List E** for losses, and explain what you are doing.
- **Value of assets on Lists A and F.** All valuable estate assets should be included on both lists.
- **Social Security Income survivor benefits for minors.** Often, the proceeds of a settlement are properly reported but the conservator for the minor fails to report the Social Security benefits received. Report these benefits as receipts on **List B**, and report expenditures of these funds on **List D**.
- **Omission of expenses on List D that were not paid by check.** Generally, you should not make cash withdrawals. You should use checks whenever possible to document the expenses. If you do pay for something other than by check, save all vouchers, receipts, statements, and other supporting documentation to prove the transaction, in case of questioning or audit. This includes bank charges and cash withdrawals.
- **Bond increase.** The bond should be set to cover the unrestricted assets plus the unrestricted income of one accounting period (generally one year). Often, the fiduciary fails to ask for a bond increase when the estate assets have increased from what they were the previous year.
- **How to describe an expense.** "Reimbursement" is not an adequate description for a disbursement. You must state the purpose of the expense, not just that you were paid back. If an expense is incurred pursuant to a Court order, the description of the disbursement should say this, and the date of the Court order.
- **How to describe an expense.** "Reimbursement" is not an adequate description for a disbursement. You must state the purpose of the expense, not just that you were paid back. If an expense is incurred pursuant to a Court order, the description of the disbursement should say this, and the date of the Court order.
- **Unusual expenditures** with no explanation will be questioned. If there has been an unusual expenditure and/or a substantial change in the expenditures when compared to a prior account, you should provide a written explanation along with the Account.
- **Payments to credit cards** and other similar disbursements may be questioned. You should state whether the expenditure was made on existing charges before you took over this administration. If you are using credit cards, you must report the expenditures made on credit in detail. The court might require you to submit credit card statements for the accounting period and/or from the time you were appointed.

Note: It would be helpful for you to keep all credit card statements from the time you were appointed in case you need to provide these to the court.

4. **Court Order Regarding Petition for Approval of Annual Accounting # (1st, 2nd, 3rd, etc.) and Fee Statement (if applicable):** Complete the following areas: Name of Person Filing Document, case number and case caption.
5. **Submit the original Simplified Annual Accounting and Court Order Regarding Petition for Approval of Annual Accounting with the Court:** After you have completed both forms - make a copy of each form, the Simplified Annual Accounting form and Court Order.
In person: Bring the **original and copy of the Simplified Annual Accounting and Court Order**, to the Clerk of Court. You must also submit a self-addressed stamped envelope.
You should go to the Court **at least two Hours before it closes**. You may file your court papers at one of our Pinal County Superior Court locations:

Visit our website for office locations or feel free to give us a call.

Contact Information for all Offices

Toll Free: 888.431.1311 • Local: 520.509.3555 or 311 • Fax: 520.866.5320

www.coscpinalcountyaz.gov/office.html

The Clerk's office will file in the original Annual Report and stamp your copy and return to you. The original Annual Accounting Report and original and copy of Court Order, along with the self-addressed stamped envelope stamp copy will be forwarded to the Judge for review.

Upon signing of the Court Order by the Judge, the copy of the Court Order will be mailed to you in the self-addressed stamped envelope.

By Mail: If you cannot or do not want to file the original report in person, you can also mail the original and copies of Simplified Annual Accounting and Court Order to the Superior Court. Include a self-addressed stamped envelope so that the Clerk can return your stamped conformed copies to you.

AMANDA STANFORD
Clerk of the Superior Court
PO Box 2730
Florence AZ 85132

SIMPLIFIED ANNUAL ACCOUNTING FOR CONSERVATORSHIPS

COURT CASE NUMBER: GC

TODAY'S DATE: _____

INSTRUCTIONS. This form is provided for you to summarize the financial transactions made during a given accounting period. Accounting Guidelines are also included in this packet to help you complete this form. Attach this form to the Petition for Approval of the Annual Account.

1. This is the # _____ (1st, 2nd, and so forth) annual accounting for this estate. This accounting covers the time period from _____ (date) to _____ (date).
2. The current amount of the bond is _____. It should be increased to \$_____, or decreased to \$_____ to cover the unrestricted assets plus the unrestricted income of the next accounting period.

ACCOUNT SUMMARY

INSTRUCTIONS: Complete Lists A-F first, then enter the total from each list on this summary.

A	The beginning balance of the Ward or Protected Person account from LIST A , page 2.			\$ _____
B.	PLUS the money I received during this period of time on behalf of the Ward or Protected Person from LIST B , page 3.	+		\$ _____
C.	PLUS the gains on the value of property I sold or otherwise disposed of and other adjustments as itemized in LIST C , page 4.	+		\$ _____
D.	MINUS the money I have spent during this time period as itemized in LIST D , page 5.	-		\$ _____
E.	MINUS the losses on the value of property I sold or otherwise disposed of and other reductions, as itemized in LIST E , page 6.	-		\$ _____
F.	EQUALS the ending balance of the property of the Ward or Protected Person as itemized in LIST F , page 7.			
	(Total)	=		\$ _____

LIST A - BEGINNING BALANCE

Itemization of assets of Ward or Protected Person at the beginning of this account period
(Add as many sheets of paper as necessary to describe)

	DESCRIPTION	VALUE
<p>List all checking accounts, savings accounts, money market accounts: (include name of bank, address, account type, name account is under, account number)</p>		
<p>List all stocks, bonds, mutual funds: (include company name, address, number of shares, value per unit)</p>		
<p>List all Life Insurance Policies: (include company name, policy number, cash value)</p>		
<p>List all personal property: Automobiles: (year, make, model)</p> <p>Household property: (total inventory value)</p> <p>Art or jewelry: (attach separate list and describe)</p> <p>Other: (itemize and assign value)</p>		
<p>List all real property:</p>		

ENTER TOTAL FROM LIST A HERE AND ON PAGE 1, LINE A\$ _____

Note: If the estate owes debts on any of the property listed above, including credit card debt, then for each debt also indicate the payee, principal balance, interest rate, payoff date.

**LIST F - VALUE OF THE WARD or PROTECTED PERSON'S
PROPERTY AS OF THE END OF THIS ACCOUNT PERIOD**

Itemization of assets of the Ward or Protected Person at the end of this account period

(Add as many sheets of paper as necessary to describe)

	DESCRIPTION	VALUE
List all checking accounts, savings accounts, money market accounts: (include name of bank, address, account type, name account is under, account number)		
List all stocks, bonds, mutual funds: (include company name, address, number of shares, value per unit)		
List all Life Insurance Policies: (include company name, policy number, cash value)		
List all personal property: Automobiles: (year, make, model) Household property: (total inventory value) Art or jewelry: (attach separate list and describe) Other: (itemize and assign value)		
List all real property:		

ENTER TOTAL FROM LIST F HERE AND ON PAGE 1, LINE F \$ _____

Note: If the estate owes debts on any of the property listed above, including any credit card debt, then for each debt also indicate the payee, principal balance, interest rate, payoff date.

Name of Person Filing: _____
 Street Address: _____
 City, State, Zip Code: _____
 Telephone Number: _____
 Email Address: _____
 Representing Self (No Attorney) or Represented by Attorney
 If Attorney, Bar Number: _____

**SUPERIOR COURT OF ARIZONA
 PINAL COUNTY**

In the Matter of (check one or both)
 Guardianship Conservatorship

CASE NUMBER: GC _____

**COURT ORDER REGARDING PETITION FOR
 APPROVAL OF ANNUAL ACCOUNTING #
 (1st, 2nd, 3rd, etc.)
 AND FEE STATEMENT (if applicable)**

 (Name of Ward or Protected Person)

HONORABLE: _____

NOTICE: This is an important court order that could affect your legal rights. Read it carefully. If you do not understand it, consult an attorney for legal advice.

FINDINGS OF THE COURT:

1. A Petition for Approval of Annual Accounting # _____ was filed by _____.
2. Notice of the Petition was given as required by law or waived by all interested persons or other:
3. The Petition for Approval has been reviewed by the Court Accountant and by the Court.

IT IS ORDERED:

1. **The Accounting is approved** as submitted for the period from _____ to _____.
- OR**
- The Accounting is approved but** with the following provisions: _____

OR

