

FORM 5. CONSERVATORSHIP ESTATE BUDGET (Cover Sheet)

Name of Person Filing Document: _____
Address: _____
City, State, Zip Code: _____
Telephone Number: _____
Attorney Bar Number (if applicable): _____
Licensed Fiduciary Number (if applicable): _____
Representing Self or Attorney for: _____

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
 AND FOR THE COUNTY OF «COUNTY»

)	NO. «Case No.»
IN THE MATTER OF THE)	
CONSERVATORSHIP FOR)	CONSERVATORSHIP
)	ESTATE BUDGET
«Protected Person’s Name»,)	<input type="checkbox"/> Amendment
)	
<input type="checkbox"/> a Minor)	(Assigned to the Honorable
<input type="checkbox"/> an Adult)	«Judicial Officer»)
_____)	

REQUIRED ATTACHMENTS, which are to be attached in the following order:

- SCHEDULE 1: Statement of Income and Expenses
- WORKSHEET 5A (if applicable): Other Income and Expenses Detail
- SCHEDULE 2: Statement of Net Assets
- Inventory: Initial Inventory Worksheet
- WORKSHEET 5B (if applicable): Other Inventory Detail
- SCHEDULE 3: Statement of Sustainability of Conservatorship
- WORKSHEET 5C: Adjustments Detail

CONSERVATOR’S CERTIFICATION

I, the undersigned, acknowledge that I have read and reviewed this form, accompanying schedules and attached supplements, and after reasonable inquiry have a good faith belief that the information in this report is true, accurate and complete to the best of my knowledge and belief.

 << Conservator Name>>

 <<Date>>

**Instructions for
Conservator Account Form 5**

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General Instructions

Purpose:

As a court-appointed conservator, you are required to file reports with the court which provide an account of the protected person's finances. Your responsibilities and duties as a conservator begin on first date of your appointment, whether it is a temporary or permanent appointment. The following instructions will assist you in completing the required conservator forms, schedules and worksheets.

Authority:

You may refer to several sources which outline your authority as the conservator and the requirement to file periodic reports/accounts with the court. These sources include: the court order you received, state law (Arizona Revised Statutes §§ 14-5418, 5419), the Arizona Rules of Probate Procedure (Rule 38), and the Arizona Code of Judicial Administration (ACJA), section § 7-302 (Forms). The forms, schedules and worksheets listed in the ACJA are the required forms pursuant to Rule 38(B) Arizona Rules of Probate Procedure.

Where to Find the Forms:

If you have access to a computer, you can access the forms on the Arizona Judicial Branch website at: www.azcourts.gov/selfservicecenter/Self-ServiceForms or www.lawforseniors.org.

You can complete the form on a computer, but you will need to save and print the form to file it with the court by the required due date. If you do not have access to a computer, contact the court and request a printed version you can complete manually. *Please keep in mind that if you need printed copies of the forms or instructions from the court, there may be a printing charge.*

Steps to Complete and File Forms:

- Step 1 Identify the appropriate form to complete. See the chart on page 2 to assist with determining the proper form. If you are uncertain as to which form to use, please contact the court that appointed you as conservator for further direction. Note: if the estate is small or has limited financial activity you may ask the court for permission to complete Form 9, which is a simplified account.
- Step 2 Gather all the documentation you may need to complete the forms including bank statements, receipts, bills, investment account statements, property information, etc.
- Step 3 Each form serves as a coversheet to your completed conservator's account. The cover sheet will indicate all the required attachments you will need to file with the form.

Step 4 Complete the required schedules and worksheets for the form you are preparing. Depending on the form you complete, certain columns on the schedules will be shaded, which indicates you do not include any information in those columns.

✓ The instructions for all the forms assume the schedules and worksheets are being completed manually. However, if you complete the form electronically, certain lines will automatically calculate.

Step 5 Review the cover sheet to make sure you have completed all the required schedules and attachments. Sign and date the conservator’s certification only after you have reviewed the completed schedules and worksheets.

Step 6 File the form with the Probate Registrar or Clerk of the Court with the court that appointed you as conservator. Note: You must also provide copies of the account to all interested parties.

Which Form to Use

Form	Title	Description
5	Conservatorship Estate Budget	The first estimate of anticipated income and expenses for the protected person during the first 9 months of the appointment. Rule 30.3, Rules of Probate Procedure
6	First Conservator’s Account	Reflects all financial activity related to the conservatorship during the first nine months after the letters of conservator were issued and the anticipated income and expenses in the next 12 months. Rule 30B(1), Rules of Probate Procedure
7	Conservator’s Account	Reflects financial activity during each account period after the after the Conservator’s First Account. Note: You will use Form 7, starting with the 2 nd Conservator’s Account and for as long as you remain appointed as Conservator, until the final account. Rule 30B(2), Rules of Probate Procedure
8	Final Conservator’s Account	Covers the final account of the conservatorship. You must file a Statement of Asset Distribution with the Final Conservator’s Account. Rule 30B(3), Rules of Probate Procedure
9	Simplified Conservator’s Account	Used throughout the conservatorship, only if the court issues an order authorizing the conservator to file a simplified account.
Appendix A	Inventory	Provides a listing of all the protected person’s assets and liabilities and serves as the opening balance for the conservatorship. You must file the Inventory with Form 5 at the beginning of the conservatorship. See Appendix A for the Inventory template and instructions. Rule 30A, Rules of Probate Procedure
Appendix B	Transaction Log	Tracks the protected person’s financial activity, including money received and money spent. You will be required to submit a transaction log with each annual conservator’s account. See Appendix B for the Transaction Log template and instructions.

Schedules and Worksheets

You will notice that for each form there are three schedules and three worksheets. Generally, the schedules and worksheets are the same for each form. A brief description of the schedules and worksheets is as follows:

Schedule 1:
(Statement of Income and Expenses) Provides information to the court about the budget and actual financial activity of the protected person's estate (i.e. money received and money spent), and over the course of the conservatorship, will allow the court to review any significant changes in financial activity.

Worksheet A: Itemized listing of income, expenses, and administrative fees and costs.

Schedule 2:
(Statement of Net Assets and Reconciliation) Provides the court with a summary of the value of the protected person's estate and over the course of the conservatorship, will allow the court to review any changes to the value of estate assets.

Worksheet B: Itemized listing of general assets, cash and bank accounts and liabilities.

Schedule 3:
(Statement of Sustainability of Conservatorship) Provides the court with an estimate as to whether the conservatorship can meet the expenses of the protected person for the duration of time the protected person is expected to need care and fiduciary services.

Worksheet C: Itemized listing of adjustments for net assets or recurring net income / (net expenses).

- ✓ By completing the worksheets first, the information will be automatically populated into the corresponding schedule, if completing the forms electronically. If you are completing the forms manually, the worksheets will assist you in compiling and totaling the information to transfer to the schedules. Please note that if you need additional space, print out another worksheet. Use the first page of the worksheet to compile the total for each income or expense category.

Form Filing Due Dates and Account Periods

Except for Form 5, the filing dates for each form are generally the anniversary date of when the letters of conservator were issued; however, the court may determine different dates. The general filing dates for each form are:

- Form 5 Due 90 calendar days after letters were issued (*starting on the day following the date the letters were issued*).
- Form 6 Due on the first anniversary of the date the letters were issued.
- Form 7 Due on the second and subsequent anniversary of the date the letters were issued.
- Form 8 Due 90 days after the conservatorship ends.
- Form 9 Due on the anniversary of the date the letters were issued.

You may want to use the chart below to record the due dates and account period for each form.

Form	Account Period Start Date	Account Period End Date	Filing Date – Forms are Due
Form 5			
Form 6 (1 st year)			
Form 7 (2 nd year)			
Form 7 (3 rd year)			
Form 7 (4 th year)			
Form 7 (5 th year)			
Form 9 (if applicable)			

Confidentiality

All attachments, not including the cover sheet, are confidential documents and are not available to the public for public inspection.

If You Are the Successor Conservator

If you were appointed as a successor conservator to an existing conservatorship and this is your first conservator’s account, you must include the prior conservator’s information. You are not responsible for verifying the activity by the prior conservator or the accuracy of their information previously filed.

Keep Your Records

The conservator must maintain complete records of money received (i.e. income, social security benefits, retirement or pension income, etc), money spent for the protected person (i.e. house payment or rent, utility bills, household expenses, food, clothing, medical care, etc.), and the current value of assets (such as bank accounts, investment accounts, vehicles, etc.) and liabilities or debts (such as the amount still owed on the protected person's house, credit card debt, and vehicle or other loans).

If you complete the forms electronically, it is important to save the schedules and worksheets on your computer for use in compiling future accounts.

Definitions

Absolute value	The numerical value of a number without regard to whether it is a positive or negative number. For example, the absolute value of five (5) is five (5) and the absolute value of negative five (-5) is also five (5).
Account	Detailed record of the conservatorship's financial activity.
Annuity	A series of fixed-amount payments paid at regular intervals over a period or time.
Bearer bond	An unregistered, negotiable bond on which interest and principal are payable to the holder, regardless of whom it was originally issued to. The coupons are attached to the bond, and each coupon represents a single interest payment. The holder submits a coupon, usually semi-annually, to the issuer or paying agent to receive payment. Bearer bonds are typically issued by a business entity, such as a corporation, or by a government.
Budget	A projected list of all anticipated expenses and income.
Conservator	A person who is appointed by a court to manage the estate of a protected person.
Conservatorship	The legal responsibility over a protected person's estate.
Court	The superior court of each county.
Debt	A financial obligation requiring repayment.
Deplete	To use up, reduce or exhaust.
Discretionary expense	A cost which is not essential. Discretionary expenses are most often defined as things that are "wants" rather than "needs."

Dividend	Amount paid to shareholders for each share they own, which is usually based on the number of shares of stock in a corporation and the rate of payout approved by the board of directors or management.
Earned income	Income an individual receives for their efforts. Earned income includes all the taxable income and wages a person receives from working, either through one's own business or by working for another entity (business, government, non-profit organization, etc.). Earned income includes wages, salaries, tips, and net earnings from self-employment earnings.
Estate	An estate is the net worth of a person at any point in time, including the person's property, entitlements and obligations. If the protected person has a spouse, the estate includes only the separate property and the share of the community property belonging to the protected person whose affairs are subject to oversight.
Fair market value	The amount for which property would sell on the open market if offered for sale in the ordinary course of business.
Fiduciary	A person who serves as a court-appointed guardian or conservator.
Gross value	The value of an asset before applying any deductions, such as interest, taxes, etc.
Interest	The money paid by someone else for the use of a person's money, as on a loan or debt, on a checking account in a bank, on a certificate of deposit, promissory note or the amount due on a judgment.
Interested parties	Any person who has appeared before the court in the conservatorship case including but not limited to court appointed counsel.
Letters	Letters testamentary, letters of guardianship, letters of administration, and letters of conservatorship, as provided in Arizona Revised Statutes §14-1201(32). Letters of conservatorship provide evidence of transfer of all assets of a protected person to the conservator to provide the conservator authority to conduct business on behalf of the protected person. Note: A court may not always issue Letters of Conservatorship on the same date it appoints a conservator.
Liabilities	An obligation that legally binds an individual or company to repay a debt.
Liquidating	To convert assets into cash or equivalents by selling them on the open market.

Marketable securities	Securities that can be converted into cash quickly at a reasonable price including commercial paper (unsecured, short-term <u>debt</u> instrument issued by a corporation), banker's acceptances (short-term debt instrument issued by a firm as part of a commercial transaction and that is guaranteed by a commercial bank), and treasury bills (a government debt obligation).
Notes	Unsecured or secured payment in installments (payments paid at regular intervals), or on demand, as well as made with or without interest.
Payables	The unpaid bills of a business or the money owed to suppliers and other creditors.
Protected Person	Any person for whom a conservator has been appointed.
Rent	An agreed amount paid at fixed intervals by a tenant to a landlord for possession and use of real property.
Royalty income	A payment received for the use of artistic works, patents and mineral rights.
Schedule	The summary document which captures financial information required in the conservator's account.
Secured	To grant a seller or lender a legal interest in personal or real property. A security interest allows a creditor to repossess and sell the collateral of a debtor if a debtor fails to pay a secured debt.
Structured settlement	An agreement entered into by parties to a lawsuit by which specific payments are made over a period of time.
Successor conservator	A conservator who is appointed to a conservatorship in which a different conservator was previously appointed.
Tax-deferred	Income, assets, or investments in which taxes are not paid until a future date.
Transaction log	A detailed record of financial transactions in much the same manner as one maintains a check register to record money received and money spent.
Worksheet	A list or table which serves as supporting detail to a specific schedule.

SCHEDULE 1 (Statement of Income and Expenses)

Since Schedule 1 for Form 5 represents the first budget for the conservatorship, you will be required to only complete **Column F**.

Schedule 1 Heading

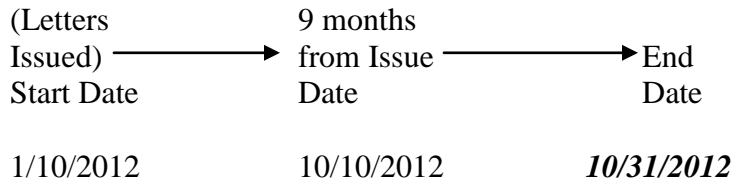
At the top of Schedule 1, insert the name of the protected person after it states, **In the matter of:** and insert the case number after it states, **Case No.**

Line 1 (Start Date of Account Period)

Enter the date the letters of conservator were issued. For example, if your letters were issued on 1/10/2012, you would write 1/10/2012 in Column F.

Line 2 (End Date of Account Period)

Enter the last day of the 9th month after the letters of conservator were issued. For example:



Income (Money Received): Lines 3 through 8

Income includes any money received, whether income, sale of any general estate asset, or money received from any loan to the estate. Include only the money the estate actually received or is expected to receive during the account period. **DO NOT** account for a source of income on two different lines.

When reporting budgeted income for Form 5, enter the projected amount for the first 9 months of the conservatorship, beginning on the date the letters were issued. For example, you would calculate a \$1,000 monthly retirement income as follows: $\$1,000 \times 9 = \$9,000$ (enter \$9,000 in Column F on the line for Retirement and Disability Income).

- ✓ WORKSHEET A will assist you in itemizing and calculating the required income information for Schedule 1.

- ✓ If there is no information to report for an income category, indicate such by placing "0" in that line.

Line 3 (Retirement and Disability Income)

Enter all regular income that is a result of retirement or disability. *Examples:* Social Security, Railroad Retirement, pension benefits, Social Security Disability, Supplemental Security Income, and worker's compensation benefits. **DO NOT** include payments received from tax-deferred investments, such as 401K and IRA funds; include these sources of income on line 7.

Line 4 (Annuities, Structured Settlements, and Trust Income)

Enter all income from annuities, structured settlements or trusts. *Note: These terms are defined in the General Instructions, starting on page 5.*

Line 5 (Wages and Earned Income)

Enter all wages and earned income of the protected person.

Line 6 (Investment and Business Income)

Enter all investment and business income. *Examples:* Interest, dividend, rent, and royalty income. *Note:* if interest earned on an investment or retirement account is returned to the fund balance, rather than as a separate amount paid to the protected person, **DO NOT** include as income (this information will be reported in Schedule 2).

Line 7 (Other Income)

Report other income that is not already included on lines 3 through 6. *Examples:* Any distributions from tax-deferred investments, such as 401K or IRA funds, any amount from selling an asset, or the proceeds from any new loan to the protected person's estate.

Use Worksheet A to list and enter any other income that is not included in lines 3 through 6. Add all other income and place the totals for the account period in the upper right corner of the worksheet. Copy the total from the box in the upper right corner of the worksheet onto line 7, Schedule 1. *If you are completing the form electronically, the total will be automatically calculated and entered on line 7, Schedule 1.*

Line 8 (Subtotal of Income)

Add lines 3 through 7. *If completing the form electronically, the total will automatically calculate.*

Line 9 (Assets/Liabilities as Income)

It is important for the court to know whether the conservatorship can meet the future needs of the protected person for as long as he or she needs fiduciary care and services. Therefore, the court needs to know how much of the income already reported is from selling or liquidating assets or from borrowing money. By subtracting this income from the subtotal of income, the court will have a better picture of how long the protected person's estate can last to cover all expenses.

Enter on line 9 the amount of money received that is already included in line 8 that comes from selling or liquidating an asset or from a new debt or liability.

Examples: When selling or liquidating an asset, such as a home for the protected person, the amount received for the sale is entered on line 7 and on line 9. When borrowing money to pay bills for the protected person, the amount of the new loan is entered on line 7 and on line 9.

Line 10 (Total Income)

Subtract line 9 from line 8. *If completing the form electronically, the total will automatically calculate.*

Expenses (Money Spent for Protected Person): Lines 11 through 17

When reporting budgeted expenses for Form 5, complete only Column F by entering the projected expense for the first 9 months of the conservatorship, beginning on the date the letters were issued. For example, you would multiply a \$500 monthly mortgage payment by 9 for a total budgeted mortgage expense amount of \$4,500. If an expense occurs less than monthly, such as a quarterly or biannually, multiply the amount by the number of times the payment will be paid within the account period. For example, you would multiply a quarterly expense by 3, as that particular expense will be paid 3 times in the 9-month period.

- ✓ WORKSHEET A will assist you in itemizing and calculating the required expense information for Schedule 1.
- ✓ If there is no information to report for an expense category, indicate such by placing "0" in that line.

Line 11 (Food, Clothing, and Shelter)

Enter the budgeted expenses for food, clothing and shelter (comprised of household expenses, care facility costs and personal care expenses) for the protected person. Items in this expense category include, but are not limited to, the following examples:

- *Food and Clothing – groceries, clothing, and toiletries.*
- *Household Expenses – home mortgage payments, utilities (including electric, gas, water, telephone and cable), and homeowners association fees.*
- *Care Facility – regular fees to a care facility.*
- *Personal Care – companion care, home care, and transportation.*

Line 12 (Medical Costs)

Enter the budgeted medical expenses for the protected person, which includes dental, vision and hearing. **Examples:** *Medical equipment and supplies (including incontinent supplies, or adult diapers), prescription and non-prescription medicines, medical insurance premiums and co-pays.*

Line 13 (Personal Allowance)

Enter the amount of money or cash provided directly to the protected person as a spending allowance. You **DO NOT** have to report how the protected person spent the money; report only the spending allowance amount.

Line 14 (Payments on Debt)

Enter the amount of payments made on the protected person's debts, such as loans and personal debts. **Examples:** *Monthly car payments, monthly credit card payments, payments on loans taken out to cover the care and care services of the protected person.*

Line 15 (Discretionary Expenses)

Enter the amount of money spent for discretionary (optional) expenses. Discretionary expenses include all goods and services provided to the protected person that are not essential for survival but are meant to improve or prolong the quality and enjoyment of life. **Examples:** *Entertainment, dining out, and vacation costs.*

Line 16 (Other Expenses)

Report other expenses that are not already included on lines 11 through 15. **Examples:** *The purchase of an asset (such as a vehicle, computer or a cash down payment on a residence), tax payments, or stock or mutual fund purchases.*

Use Worksheet A to list any other expenses that are not included in lines 11 through 15. Add all *other expenses* and place the totals for the account period in the upper right corner of the worksheet. Copy the total from the box in the upper right corner of the worksheet onto line 16, Schedule 1. *If you are completing the form electronically, the total will be automatically calculated and entered on line 16, Schedule 1.*

Line 17 (Total Expenses For Protected Person) Add lines 11 through 16. *If you are completing the form electronically, the total will automatically calculate.*

Conservatorship Administrative Costs: (Lines 18 through 22)

When reporting budgeted conservatorship administrative costs and fees for Form 5, complete only Column F by entering the projected administrative costs and fees for the first 9 months of the conservatorship, beginning on the date the letters were issued.

- ✓ WORKSHEET A will assist you in itemizing and calculating the required administrative fees and costs for Schedule 1.
- ✓ If there is no information to report for an administrative fee and cost category, indicate such by placing “0” in that line.

Line 18 (Fiduciary Fees And Costs) Enter the amount of fiduciary fees and costs. Fees are compensation paid to the fiduciary. Costs include administrative charges that are authorized in the Statewide Fee Guidelines, such as filing fees and postage. Indicate whether the expense is a fee or a cost.

Line 19 (Fiduciary’s Attorney Fees and Costs) Enter the fiduciary’s attorney fees and costs. Indicate whether the expense is a fee or a cost.

Line 20 (Protected Person’s Attorney Fees and Costs) Enter the fees and costs for the protected person’s attorney, including court-appointed counsel and guardian ad litem, if paid by the protected person’s estate. Indicate whether the expense is a fee or a cost.

Line 21 (Other Administrative Fees and Costs) Report other administrative fees and costs that are not already included on lines 18 through 20. *Examples:* Payments made to an appraiser, financial advisor, court investigator, or accountant.

Use Worksheet A to list any other administrative fees and costs that are not included on lines 18 through 20. Add all other administrative fees and costs and place the totals for the account period in the upper right corner of the worksheet. Copy the total from the box in the upper right corner of the worksheet onto line 21, Schedule 1. *If you are completing the form electronically, the total will be automatically calculated and entered on line 21, Schedule 1.*

Line 22 (Total Administrative Costs)

Add lines 18 through 21. *If you are completing the form electronically, the total will automatically calculate.*

Line 23 (Subtotal of Expenses)

Add line 17 and line 22. *If you are completing the form electronically, the subtotal will automatically calculate.*

Line 24 (Assets/Liabilities as Expenses)

Identify the amount of money spent from the estate to purchase assets or to reduce the principal balance of the protected person's debts. Since these expenses are not ongoing and regular expenses, they need to be subtracted from the total expense amount indicated on line 23.

Examples: When buying an asset, such as a home for the protected person: the down payment is entered on line 16 and on line 24. As another example, if the conservatorship previously borrowed money to pay the bills of the protected person, enter the debt service payment for the loan on line 14 (including principal and interest), and enter the principal amount paid (but not interest) on line 24.

Line 25 (Total Expenses)

Subtract line 24 from line 23. *If you are completing the form electronically, the total will automatically calculate.*

Line 26 [Total Surplus/ (Shortfall)]

Subtract line 23 from line 8. *If you are completing the form electronically, the total will automatically calculate.*

If the amount is a positive number, this means there is a surplus of cash flow in the estate. If the amount is a negative number, this means there is shortage of cash flow for the estate (or the estate does not have enough income to cover all expenses). Please note: to indicate a negative number, place parenthesis around the number. For example, negative \$1,000 is shown as (\$1,000).

Line 27 [Net Income/ (Net Expenses)]

Subtract line 25 from line 10. *If you are completing the form electronically, the amount will automatically calculate. Please note: if calculating manually, place parenthesis around the number to signify there is a net expense rather than a net income. For example, a negative expense would be shown as (\$1,000).*

Amended Budget

An amended budget will be required if the expenses are projected to exceed either 10% or \$2,000, whichever is greater, unless a different amount to require an amended budget is revised by the Arizona Judicial Council. *Since the budget amendment requirement is subject to change, you may want to check with the court to verify the current requirement.*

Remember to use the amended budget information for the period just ended when completing Column B on Schedule 1.

SCHEDULE 2 (Statement of Net Assets and Reconciliation)

Section 1: Net Assets

Line 1 (Valuation Report Date) Enter in Column B the date you filed the *Inventory* with the court, starting on the day following the date the letters were issued. Remember, the Inventory is due 90 days after the letters of conservator were issued.

General Assets, Excluding Cash and Bank Accounts: Lines 2 through 9

For Form 5, you will only need to complete Column B to display the Inventory Summary. The information you provide in this column should match the information you presented in the *Inventory*.

DRAFTER'S NOTE: Discussion during focus group meetings held on February 13, 2012 suggest the potential for not requiring conservators to complete Schedule 2 for Form 5, primarily because it is the same information presented in the *Inventor* (they were less concerned about the requirement to complete Schedule 2 for the other forms). If the information in Schedule 2 should match the *Inventory*, then focus group members wondered whether the *Inventory* should include information related to liabilities; although they acknowledged that doing so would distort the estate value.

- ✓ WORKSHEET B will assist you in itemizing and calculating the required general asset information for Schedule 2.

- ✓ If there is no information to report for an expense category, indicate such by placing "0" in that line.

Line 2 (Real Estate)

Enter the value of real estate owned by the estate. ***Examples:*** The protected person's residence, rental or vacation real estate, and cemetery plots. ***Remember to enter the gross value of the real estate which is the tax-assessed fair market value with no discounts for any amount still owed on the real estate, such as liens or mortgage balance (the amount owed on real estate will be entered on line 17). Gross value should also reflect the interest owned by the protected person, in the event another individual has rights to a certain portion of the same real estate.***

Line 3 [Vehicle(s)] Enter the value of vehicles owned by the estate. *Examples:* Personal automobile(s), motorcycle, golf cart, watercraft, airplane, or recreational vehicle.

Line 4 (Business Ownership Interests) Enter the value of any business ownership interests, such as a family business. **DO NOT** list shares in a publicly traded corporation; this information will be included on line 6.

Line 5 (Household Items And Personal Items) Enter the fair market value of household or personal items owned by the protected person. *Examples:* Items within the protected person's primary residence, such as furniture, televisions, computers, clothing, costume jewelry, and displayed collectible items. *However, DO NOT include on line 5 any household or personal items that are of significant value, such as precious jewelry and valuable collections; these items will be listed in Worksheet B and included in the total value on line 8.*

Line 6 (Stocks, Bonds, and Mutual Funds Not Tax-Deferred) Enter the present value of stocks, bonds, mutual funds, and other marketable securities. *Examples:* Savings bonds and bearer bonds.

Line 7 (Tax-Deferred Assets) Enter the present value of tax-deferred assets. *Examples:* IRA and 401(K) accounts, tax-deferred cash accounts, certificates of deposit, savings accounts, and brokerage accounts.

Line 8 (Other General Assets) Report the present value of all other assets that are not already listed in lines 2 through 7. *Examples:* Valuable collections (including coin collections), precious jewelry, the cash value of insurance policies or prepaid benefits such as prepaid funeral plans. **DO NOT** include cash and regular bank accounts; this information will be accounted for on lines 10 through 15.

Use Worksheet B to provide an itemized list and the total amount of the protected person's other general assets that are not included in lines 2 through 7. Add all other general assets and place the total in the upper right corner of the worksheet. Copy the total from the box in the upper right corner of the worksheet onto line 8, Schedule 2. *If completing the form electronically, the total will be automatically calculated and entered on line 8, Schedule 2.*

Line 9 (Total General Assets) Add lines 2 through 8. *If completing the form electronically, the total will automatically calculate.*

Cash and Regular Bank Accounts: Lines 10 through 15

- ✓ WORKSHEET B will assist you in itemizing and calculating the required cash and bank account information for Schedule 2.
- ✓ If there is no information to report for an expense category, indicate such by placing “0” in that line.

**Line 10 (Bank Accounts-
Restricted Access)**

Enter the total cash balance of any bank account that is court-restricted; this means funds may not be withdrawn without a court order. *Examples:* Checking, savings, certificates of deposit, money market accounts, and all other similar accounts, whether in a bank, credit union, or other similar financial institution.

**Line 11 (Bank Accounts-
Unrestricted Access)**

Enter the total cash balance of bank accounts that are NOT court-restricted; this means funds may be withdrawn without a court order. *Examples:* Checking, savings, certificates of deposit, money market accounts, and all other similar accounts, whether in a bank, credit union, or other similar financial institution.

Line 12 (Cash on Hand)

Enter the amount of currency that you have on behalf of the estate. *Remember, any coin collection with value above the face value of the coins should be reported as an “Other General Asset” on line 8.*

**Line 13 (Other Money-
Denominated Assets)**

Report the present value of other money-denominated assets with a cash value that are not already listed in lines 10 through 12. *Examples:* Cash card or gift card. These assets are similar to money in a bank account or cash on hand and generally do not change in value.

Use Worksheet B to provide a description and the total amount of the protected person’s other money-denominated assets that are not included in lines 10 through 12. Add all other money-denominated assets and place the total in the upper right corner of the worksheet. Copy the total from the box in the upper right corner of the worksheet onto line 13, Schedule 2. *If completing the form electronically, the total will be automatically calculated and entered on line 13, Schedule 2.*

**Line 14 (Total Cash and
Bank Accounts)**

Add lines 10 through 13. *If completing the form electronically, the total will automatically calculate.*

Line 15 (Total Available Assets) Add line 9 and line 14. *If completing the form electronically, the total will automatically calculate.*

Line 16 (Bills & Payables More than 30 Days Old) Report the amount of past-due bills and payables (more than 30 days overdue) plus ALL fiduciary and attorney fees and costs for services already provided but not yet paid, as of the end of the account period.

Use Worksheet B to provide an itemized list and total amount of the protected person's unpaid bills and payables that remain unpaid at the end of the account period. Add all bills and payables and place the total in the upper right corner of the worksheet. Copy the total from the box in the upper right corner of the worksheet onto line 16, Schedule 2. *If completing the form electronically, the total will be automatically calculated and entered on line 16, Schedule 2.*

Line 17 (Other Debts) Report the amount of other debts not already included on line 16. ***Examples:*** Notes, mortgages, credit cards and personal loans.

Use Worksheet B to provide a description and total balance amount of the protected person's other debts. Add all other debts and place the total in the upper right corner of the worksheet. Copy the total from the box in the upper right corner of the worksheet onto line 17, Schedule 2. *If completing the form electronically, the total will be automatically calculated and entered on line 16, Schedule 2.*

Line 18 (Total Liabilities) Add line 16 and line 17. *If completing the form electronically, the total will automatically calculate.*

Line 19 (Net Assets) Subtract line 18 from line 15. *If completing the form electronically, the amount will automatically calculate.*

Section 2: Reconciliation of Conservator's Account

This reconciliation helps verify that the estate value at the end of the account period accurately reflects additions (income) and subtractions (expenses) and changes in value of estate assets.

✓ You do not need to complete Section 2 for Form 5.

SCHEDULE 3 (Statement of Sustainability of Conservatorship)

The information provided on this schedule is a good faith estimate based upon the information that is reasonably available to you. This schedule requires you to share what you believe to be true in this particular case for this particular protected person, not what you can prove to be true.

Line 1 (Report Date of Sustainability Estimate)

Enter the date of the report of sustainability, which is 90 days from the date the letters of conservator were issued, starting on the day following the date the letters were issued. Note: This is the same as the date of the inventory valuation report date which can be found on Schedule 2, Column B, Line 1.

Net Assets Available to Conservatorship: Lines 2 through 4

There may be additional factors that may impact the protected person's estate going forward, such as income from an inheritance or a personal injury claim. Also, some assets may be needed for known one-time expenditures, such as a major medical expense or the startup costs for the conservatorship. Once these adjustments are made, if any, the remaining net assets should be available to meet the typical needs of the protected person from this point forward.

- ✓ The objective of the conservator must always focus on the protected person's best interests, while respecting the protected person's wishes to the extent they are not inconsistent with the protected person's best interest.

For Form 5, you will only need to complete Column B to display the original sustainability estimate

Line 2 (Net Assets)

Enter the value of the Net Assets available to the estate, found on Schedule 2, Column B, line 19. *If completing the form electronically, the amount is entered automatically.*

Line 3 (Adjustments)

Enter zero, unless an adjustment to the available Net Assets is required. The adjustment would include any significant expected expenses or income. If adjustments are necessary:

- ✓ Enter as a positive value any new and significant income/assets you expect to come into the conservatorship, such as an inheritance or a personal injury award.

- ✓ Enter as a negative value any assets that need to be used to satisfy any planned, one-time, significant expenditures. **Examples:** One-time medical costs, large repairs, or the cost to stabilize the conservatorship. If the adjustment amount is negative, enclose the value in parenthesis. For example, a negative adjustment of \$5,000 would be imputed as (\$5,000).

Use Worksheet C to provide a description and amount of the adjustment(s) to the net assets. Add all of the adjustment amounts and place the total in the upper right corner of the worksheet. Copy the total onto line 3, Column B, Schedule 3. *If completing the form electronically, the total will be automatically calculated and entered on line 3, Column B, Schedule 3.*

Line 4 (Adjusted Net Assets)

This is your estimate of the assets that will be available to meet the ongoing needs of the protected person. If the adjustment amount in line 3 is a positive value, add line 2 and line 3. If the adjustment amount in line 3 is a negative value, subtract line 3 from line 2. *If completing the form electronically, the amount is automatically calculated.*

Example: *If the net asset value on line 2 has a positive value of \$100,000, and line 3 has a positive value of \$5,000, add both numbers and place \$105,000 on line 4. However, if line 3 has a negative value of (\$8,000), you would subtract the \$8,000 on line 3 from the \$100,000 on line 2 to get an adjusted net asset amount of \$92,000.*

Recurring Net Income/(Net Expenses): Lines 5 through 7

Line 5 [Net Income/Net Expenses]

Enter the value of net income or net expenses for the estate as calculated on Schedule 1, line 27, Column F. If the amount on line 27 is a positive number, enter the amount as a positive number. If the amount on line 27 is a negative number, enter the amount as a negative number by using parenthesis to indicate the negative number. *If completing the form electronically, the amount will automatically calculate.*

Line 6 (Adjustments)

Enter zero, unless an adjustment is required. If an adjustment is necessary:

- ✓ Enter as a positive value any significant or recurring income that was not recognized (or not fully recognized) when calculating the net income or net expenses for the year just ended, such as a new source of income like disability benefits.

- ✓ Enter as a positive value any significant one-time expenses that were recognized as an expense when calculating the net income or net expenses for the year just ended. **Examples:** One-time medical costs, large repairs, or the cost to stabilize the conservatorship.
- ✓ Enter as a negative value any significant and recurring expense that was not recognized (or not fully recognized) when calculating the net income or net expenses for the year just ended. **Example:** New or increased expenses for the protected person's care.

Use Worksheet C to provide a description and amount of the adjustment. Note: Remember to place parenthesis around the adjustment amount if it is an expense. Add all of the adjustment amounts and place the total in the upper right corner of the worksheet (Remember any negative value should be subtracted from any positive for the net result). Copy the total onto line 6, Column B, Schedule 3. *If completing the form electronically, the total will be automatically calculated and entered on line 6, Column B, Schedule 3.*

Line 7 [Adjusted Net Income/(Net Expenses)]

The amount on this line provides an estimate of the net income or net expenses the conservatorship expects on a regular and ongoing basis. If the adjustment amount in line 6 is a positive value, add line 5 and line 6. If the adjustment amount in line 6 is a negative value, subtract line 6 from line 5. *If completing the form electronically, the amount is automatically calculated.*

If line 7 is a positive value, you are estimating that the conservatorship is sustainable because the conservatorship is expected to produce more income (or cash flow) than it spends.

If line 7 is positive, **DO NOT** complete lines 8 through 10.

DRAFTER'S NOTE: Discussion during focus group meetings held on February 13, 2012 suggest it might be helpful to calculate the sustainability estimate (as calculated using lines 8 through 10) regardless of whether the amount on line 7 is positive or negative.

Line 8 (Enter Adjusted Net Assets)

Enter the amount calculated on line 4 here. *If completing the form electronically, the amount is automatically entered.*

Line 9 (Enter Adjusted Net Expenses)

Enter the absolute value of the amount calculated on line 7 here. This means you will enter a positive number for the value that is shown on line 7, even if it is a negative number. For example, *enter \$5,000 for (\$5,000). If completing the form electronically, the amount is automatically entered.*

Line 10 (Estimated Years of Sustainability)

This is an estimate of the number of years the conservatorship can fund the protected person's regular and ongoing expenses before the entire net estate is depleted. To calculate, divide line 8 by line 9. *If completing the form electronically, the estimate will automatically calculate.*

Line 11 (Conservatorship Is Sustainable)

Enter "Yes" if the Years of Sustainability, as indicated on line 10 is equal to or greater than the number of years the protected person is expected to need care or fiduciary services. Otherwise, enter "No."

Line 12 (Management Plan from Prior Period and Going Forward)

If you entered "No" on line 11, describe your management plan for the conservatorship, since the estate is not expected to last the entire length of time the protected person needs care or fiduciary services. The plan shall include how the future care and needs of the protected person will be met. For example, there may be a need to adjust the protected person's standard of living or a future need for public assistance.

Appendix A
Inventory of Conservatorship

Inventory General Instructions

The inventory provides a listing of all the protected person's assets and liabilities, which help the court assess the value of the estate and account for all of the protected person's possessions.

An inventory is required from a conservator and is a required attachment to Form 5. Arizona Revised Statutes § 14-5418 states "*Within ninety days after appointment, a conservator shall prepare and file with the court an inventory of the assets of the protected person on the date of the conservator's appointment, listing it with reasonable detail and indicating the fair market value of each asset as of the date of appointment.* Note: The date of appointment is considered to be the date the letters of conservator were issued.

Unless otherwise ordered by the court, **DO NOT** include in the inventory any property that is titled in the name of a different legal entity, such as property held by a trust or corporation, unless you, as conservator, can exercise a power of direction over the asset.

When listing the value of all assets **DO NOT** deduct any liens or mortgages. Report debts (amounts owed on real or personal property) separately but identify if any debt is secured against any particular asset. Please note: the value of an asset is the market value of the asset. For example, use the current value of the home as the inventory value, not the mortgage balance remaining.

For the assets for which valuation documentation exists, such as bank accounts and investment accounts, use the most recent account information. You must deduct any outstanding checks or add any deposits that are not yet received.

✓ Important: Pursuant to Arizona Revised Statutes § 14-5418, "[t]he conservator shall attach to the inventory a copy of the protected person's consumer credit report from a credit reporting agency that is dated within ninety days before the filing of the inventory."

In the matter of: _____

Case No. _____

INVENTORY

(Use additional sheets if necessary)

Inventory Date: _____

CHECKING ACCOUNTS, SAVINGS ACCOUNTS, MONEY MARKET ACCOUNTS

Include both Restricted and Unrestricted Bank Accounts

Name of Bank	Bank Address	Account Type	Name Account is Under	Account Number	Value

STOCKS, BONDS, MUTUAL FUNDS AND OTHER INVESTMENTS

Include Other Money-Denominated Assets, and Tax Deferred Assets

Company Name	Company Address	Number of Shares or Units	Value Per Unit	Actual Value

LIFE INSURANCE POLICIES

Company Name	Policy Number	Cash Value

CASH ON HAND

Location of Cash at Home or On Ward	Value Amount

REAL PROPERTY (Real estate)

Property Description and Address	Community OR Separate Property	Estimated Value in Dollars	Current Balance Owed	Was Property Value Appraised, Yes OR No?

Total estimated fair market value of real property: \$ _____

Total estimated debt on real property: \$ _____

Appendix B Transaction Log

Transaction Log

You will be required to provide the court supporting detail of all financial transactions for the conservatorship during the account period. Although there is no specific format you are required to follow, you may wish to use the Transaction Log below to assist you in maintaining the detailed list, by reporting category. The Transaction Log provides both income and expense categories. As you capture the financial transactions as they occur, indicate:

- Date of the financial transaction,
- Check number written (if you made a payment),
- Payer (if conservatorship received money) or the payee (if a payment was made),
- Income or expense category (see below for the specific categories),
- Purpose or description of the payment or receipt, and
- Amount of the payment made or income received.

Income/Expense Categories

Income:

<u>Category #</u>	<u>Description</u>
1	Retirement and Disability Income
2	Annuities, Structured Settlements and Trusts
3	Wages and Earned Income
4	Investment and Business Income
5	Other Income

Expense:

<u>Category #</u>	<u>Description</u>
6	Food, Clothing and Shelter
7	Medical Costs
8	Dignity Funds
9	Debt Payments
10	Discretionary Expenses
11	Other Expenses
12	Fiduciary Fees and Costs
13	Fiduciary's Attorney Fees and Costs
14	Protected Person's Attorney Fees and Costs
15	Other Administrative Fees and Costs
16	Payments to Reduce Debt or Acquire an Asset (See Schedule 1, Line 24)

Appendix B: Transaction Log
Instructions and Form

The following table provides an example of how you would complete the Transaction Log:

Date	Check #	Payer/Payee	Category	Purpose/Description	Income Amount	Expense Amount
1/3/12		Arizona State Retirement System	1	Pension	\$1,000.00	
1/5/12	1234	Manor Estates	6	Nursing Home		\$3,000.00
1/15/12	1235	Walmart	6	Winter clothing		\$305.45
1/15/12	1236	Walgreens	7	Prescription		\$10.00
1/15/12	1237	Applebee's	10	Dining Out		\$18.75

On the following page, a blank Transaction Log has been provided for your use, although it is not mandatory to use this exact format. As you will need to capture all financial transactions throughout the conservatorship, you may want to make additional copies of the Transaction Log for ongoing use.

