

ARKANSAS CEMETERY BOARD

Enabling Laws

Act 229 of 2012

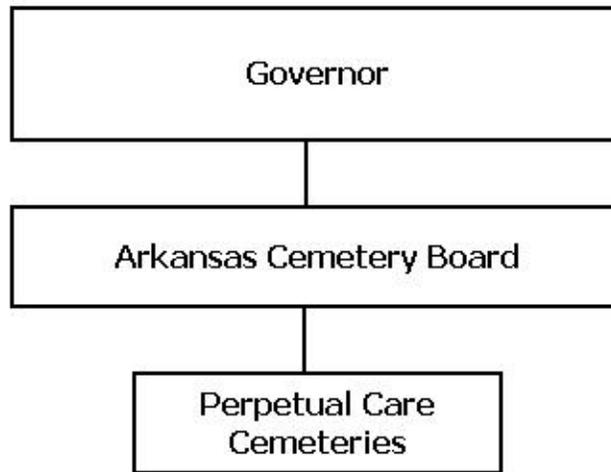
Ark. Code Ann. §20-17-1001, et seq.

Ark. Code Ann. §20-17-1301, et seq.

History and Organization

Act 352 of 1977 created The Arkansas Cemetery Board. This Act established a seven (7) member Board to administer the issuance of permits to perpetual care cemeteries and to regulate and protect these perpetual care funds. Prior to Act 352 the regulation of perpetual care cemeteries was governed by Act 250 of 1953, as amended. Act 131 of 1983 increased the size of the Board by the addition of one member 60 years of age or over to serve as a representative of the State's elderly population. The Securities Commissioner is a voting member of the Board. The Governor appoints the six members of the Board. Four (4) of the six (6) members of the Board appointed by the Governor are owners or operators of licensed cemeteries in Arkansas. One of the members appointed by the Governor shall not have any interest in a cemetery or funeral home either within or outside of the State. One of the members appointed by the Governor shall be sixty (60) years of age or older, and shall represent the elderly. This member shall not be actively engaged in or retired from any profession or occupation regulated by the Board. The Governor also appoints one (1) alternate member that comes from the industry. The alternate member shall substitute when a conflict of interest disqualifies a regular member. Members are appointed for terms of four (4) years.

The mission of the Board is to protect the interests of Arkansas citizens who have purchased or own spaces in Arkansas cemeteries that are advertised or operated as being perpetual care or permanent maintenance cemeteries. The Board, in conjunction with the staff of the Arkansas Securities Department, performs the duties of this agency.



Agency Commentary

The Arkansas Cemetery Board is responsible for protecting the financial interests of the public by ensuring the physical care of cemeteries and the sound financial condition of the trust funds through the regulation of those companies advertising or operating perpetual care cemeteries in the State of Arkansas. The Board relies on the staff of the Arkansas Securities Department to perform the duties of the Board, such as conduct examinations, examine annual reports, investigate and issue permits, provide legal services and perform administrative duties.

At the quarterly Board meeting held on June 27, 2012, the Board directed the staff of the Department to start measures to authorize a compliance examination program to inspect the physical condition and examine the books and records of regulated cemeteries. In order to perform the compliance examinations of the cemeteries, the Board will need to increase its operating expenses in the amounts of \$1,500 for meals and \$1,500 for lodging in each fiscal year. Operating Expenses for both fiscal years would increase from a total of \$69,000 to \$72,000.

Based upon the level of funding and the amount of revenue expected, the Board is requesting an increase in the appropriation for loans to receivers for insolvent cemeteries from \$26,000 to \$40,000 in each fiscal year. The Board feels that it is important to have the ability to loan funds to insolvent cemeteries that are in court appointed receivership to adequately maintain the care and operation of those cemeteries. The loans to receivers are paid from the Insolvent Loan Fund.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS CEMETERY BOARD
FOR THE YEAR ENDED JUNE 30, 2011

Findings

Recommendations

None

None

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Publication of the Board's Quarterly and Special Board Meeting Agendas	Required by Rule 4.01 of the Ark. Cemetery Board	N	N	110	Publish and mail agenda for each meeting of the Ark. Cemetery Board to interested parties and the public as required by Rule 4.01 of the Board's Rules and to comply with Freedom of Information Act.

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012					FY2012 - 2013						
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total			Filled	Unfilled	Total	Total	
0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %	0	0	0	0	0	0.00 %

Analysis of Budget Request

Appropriation: 843 - Cemetery - Cash Operations

Funding Sources: NCB - Cemetery Board - Cash in Treasury

The Arkansas Cemetery Board ("Board") was created by Act 352 of 1977 to regulate perpetual care cemeteries including municipal, church, family, and non-profit community cemeteries. The Board is a Cash in Treasury agency funded from the issuance of permits, amended permits, and examination of cemeteries. The staff of the Arkansas Securities Department handles all administrative work; therefore, no positions are needed.

Arkansas Code Annotated §20-17-1025 empowers the Board to provide the funding necessary to make loans to a court appointed receiver or conservator. The loans help assure that a cemetery placed in receivership will be properly maintained and will continue to be a viable operation.

The Board does not have any full-time employees. The Base Level request of \$2,100 each year of the biennium for Regular Salaries is for board member Stipend payments. Base Level Personal Services Matching is for payment of the fringe benefits associated with these payments.

The Board's Change Level requests total \$17,000 each year and reflect the following:

An increase of \$14,000 each year in the Loans line item to ensure sufficient appropriation is available to make loans to insolvent cemeteries in court appointed receivership in order to adequately maintain and operate those cemeteries.

An additional \$3,000 each year in Operating Expenses for travel costs to be incurred in a new program of examinations and inspections of regulated cemeteries.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 843 - Cemetery - Cash Operations
Funding Sources: NCB - Cemetery Board - Cash in Treasury

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	1,140	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
#Positions	0	0	0	0	0	0	0	0	0
Personal Services Matching 5010003	87	161	161	161	161	161	161	161	161
Operating Expenses 5020002	60,433	69,000	69,000	69,000	72,000	72,000	69,000	72,000	72,000
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0	0	0
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Loans 5120029	0	26,000	26,000	26,000	40,000	40,000	26,000	40,000	40,000
Total	61,660	97,261	97,261	97,261	114,261	114,261	97,261	114,261	114,261
Funding Sources									
Fund Balance 4000005	167,739	168,017		130,556	130,556	130,556	93,095	76,095	76,095
Cash Fund 4000045	61,938	59,800		59,800	59,800	59,800	59,800	59,800	59,800
Total Funding	229,677	227,817		190,356	190,356	190,356	152,895	135,895	135,895
Excess Appropriation/(Funding)	(168,017)	(130,556)		(93,095)	(76,095)	(76,095)	(55,634)	(21,634)	(21,634)
Grand Total	61,660	97,261		97,261	114,261	114,261	97,261	114,261	114,261

Change Level by Appropriation

Appropriation: 843 - Cemetery - Cash Operations
Funding Sources: NCB - Cemetery Board - Cash in Treasury

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	97,261	0	97,261	100.0	97,261	0	97,261	100.0
C01	Existing Program	17,000	0	114,261	117.5	17,000	0	114,261	117.5

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	97,261	0	97,261	100.0	97,261	0	97,261	100.0
C01	Existing Program	17,000	0	114,261	117.5	17,000	0	114,261	117.5

Justification

C01	Based upon the level of funding and the amount of revenue expected, the Board is requesting an increase in the appropriation for loans to receivers for insolvent cemeteries from \$26,000 to \$40,000 in each fiscal year. Additionally, the Board requests an increase in Operating Expenses in the amount of \$3,000 in each fiscal year to pay for meals and lodging incurred as part of the compliance examination program.
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