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California Court Accounting: What is Included?

When someone passes away without setting up a trust or only has a will, it is sometimes difficult to determine how their property will be distributed. In California, court accounting is required by the state if the decedent's estate falls under either of these conditions: assets are not co-owned with another person or if the total dollar value of assets exceeds \$150,000. Get more information about what a court accounting is, when you might need it, and what's included.

What is a Court Accounting?

In short, a court accounting is an accounting of the assets and liabilities of an estate. There are two ways the deceased's estate can be settled: informal or formal court accountings. The first is a court accounting performed by the executor, while the latter could be completed by a court-appointed administrator or trustee.

When Would I Need a Court Accounting?

A court accounting typically occurs when there is no will or the deceased does not select an executor. If an

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What Our Clients Say About Us

"Marcia & her staff make it a professional and yet friendly experience."

—DM

What is Cryptocurrency?

With recent news reports on the rises and falls of the cryptocurrency market, you might be wondering: what is cryptocurrency?

Cryptocurrency is decentralized digital money that's based on blockchain technology. You may be familiar with the most popular versions, Bitcoin and Ethereum, but there are more than 5,000 different cryptocurrencies in circulation.

How Does Cryptocurrency Work?

A cryptocurrency is a medium of exchange that is digital, encrypted and decentralized. Unlike the U.S. Dollar or the Euro, there is no central authority that manages and maintains the value of a cryptocurrency. Instead, these tasks are broadly distributed among cryptocurrency's users via the internet.

You can use crypto to buy regular goods and services, but it's not a form of payment with mainstream acceptance quite yet. Most people invest in cryptocurrencies as they would in other assets, like stocks or precious metals. While cryptocurrency is a novel and exciting asset class, purchasing it can be risky as you must take on a fair amount of research to fully understand how each system works.

What Is a Blockchain?

A blockchain is an open, distributed ledger that records transactions in code. In practice, it's a little like a checkbook that's distributed across countless computers around the world. Transactions are recorded

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California Court Accounting: What is Included? Continued From Pg. 1
 executor is chosen, it is their responsibility to perform the accounting. If the decedent appointed an executor and beneficiaries disagree with that person on the distribution of assets or any other transactions, a formal court accounting will take place instead.

In the state of California, executors are required to complete a court account each year.

What are the Steps Involved in a Court Accounting?

In the state of California, there are three components of a court accounting. They are the beginning inventory, the additions and subtractions of assets, and the ending inventory. Learn more about each below.

- **Take beginning inventory:** Take an inventory of the estate assets at the time of death.
- **Record receipts and disbursements:** Keep track of gains and losses, deposits and expenses.
- **Distribute remaining estate assets:** Once court-approved, assets are distributed.

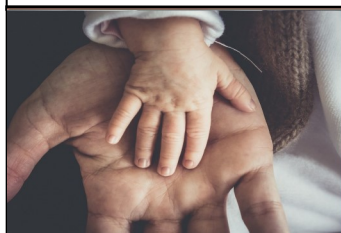
Get more information about each component from our website, detailing each part individually including descriptions and clarification on what's expected. If you need court accounting in California, the team at Marcia L. Campbell, CPA is always ready to help and provide guidance.

Source: www.mcampbellcpa.com

Please contact our office for more information.†

“Success is not final, failure is not fatal: it is the courage to continue that counts.”

~ Winston Churchill



Happy Father's Day

6/19/22

*Happy
Independence
Day*

7/4/22



What is Cryptocurrency? Continued From Pg. 1
 in “blocks” that are then linked together on a “chain” of previous cryptocurrency transactions.

With a blockchain, everyone who uses a cryptocurrency has their own copy of the digital ledger to create a unified transaction record. Software logs each new transaction as it happens, and every copy of the blockchain is updated simultaneously with the new information, keeping all records identical and accurate.

To prevent fraud, each transaction is checked using one of two main validation techniques: proof of work or proof of stake. Both methods verify transactions before they're added to a blockchain which rewards verifiers with more cryptocurrency.

Opinions on Cryptocurrency

Experts hold mixed opinions about investing in cryptocurrency. Because crypto is a highly speculative investment, with the potential for intense price swings, some financial advisors don't recommend people invest at all. For example, Bitcoin (BTC) nearly quadrupled in value over the course of 2020. By April 2021, the price of BTC had more than doubled from where it started the year, but all those gains had been lost by July. Then BTC more than doubled again, hitting an intraday high above \$68,990 on November 10, 2021—and then dropped to around \$46,000 at the end of 2021. As you can see, cryptocurrencies can be very volatile.

Taxes on Cryptocurrency

The term "currency" is a bit of a red herring when it comes to taxes in the U.S. Cryptocurrencies are taxed as property, rather than currency. That means that when you sell them, you'll pay tax on the capital gains, or the difference between the price of the purchase and sale. And if you're given crypto as payment or as a reward for verifying transactions, you'll be taxed on the value at the time you received them.

Source: <https://www.forbes.com/advisor/investing/cryptocurrency/what-is-cryptocurrency/>
<https://www.nerdwallet.com/article/investing/cryptocurrency>

Please contact our office for more information.†



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