



(Please read the instructions beginning on page 7 before completing this report.)

ANNUAL FUNERAL PRENEED TRUST FUND REPORT

FUNERAL ESTABLISHMENT LICENSE NUMBER:	FD:	Bureau Use Only
INDIVIDUAL, PARTNERS, OR CORPORATION NAME:		
FUNERAL ESTABLISHMENT NAME:		
FUNERAL ESTABLISHMENT ADDRESS:		

Reporting Period: (check one and fill in the applicable dates)

- Calendar Year – Beginning January 1 and ending December 31, 20__**
- Fiscal Year – Beginning _____, 20__ and ending _____, 20__**
- Other – Beginning _____, 20__ and ending _____, 20__**

IMPORTANT REPORTING INFORMATION (See CCR Section 1269 unless otherwise noted).

- **FILING DATE** – This report must be filed with the Cemetery and Funeral Bureau on or before May 1 of each year unless otherwise approved by the Bureau. Funeral establishments may request permission, in writing to the Bureau, to file the report on a fiscal year basis. If approved, the report is due no later than 120 days after the close of the approved fiscal year.
- **LICENSE TRANSFER** – Funeral establishments must file this report upon a change in ownership (as defined in CCR Section 1213(b)). The report must accompany the *Application for Assignment of Funeral Establishment License* if it is submitted due to license transfer.
- **CESSATION OF BUSINESS** – Funeral establishments must file this report thirty (30) days prior to cessation of business.
- **COMBINED REPORTS** – Two (2) or more funeral establishments depositing preneed funds to a common trust fund may cause the trustee(s) to file one (1) combined report. However, the combined report must provide a summary of trust transactions (as shown on page 4) for each of the funeral establishments for which preneed funds are being held.
- **INDEPENDENT AUDIT REPORT** – Unless all preneed funds are held in individual savings accounts for each preneed contract purchaser or beneficiary, an independent audit report meeting the requirements of BPC Section 7737.3 and CCR Section 1269(d) must accompany this report.
- **FILING FEE** – The fee for a timely filing of this report is \$200. Any report postmarked after it is due will be considered late. The fee for late filing is an additional \$100 (CCR Section 1257(l)).

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1. Type of Business Organization:

Individual Partnership Corporation

2. Do the owners of the funeral establishment also own cemeteries and/or crematories licensed by the Cemetery and Funeral Bureau?

Yes No

3. Is the preneed trust fund active (i.e. receiving payments and/or adding new contract funds)?

Yes No

4. Are all preneed funds received by the funeral establishment deposited to the preneed trust fund within thirty (30) days as required by CCR Section 1275(k)?

Yes No

5. How are preneed trust funds invested?

The funds are held in individual savings accounts established for each preneed contract purchaser (trustor)¹ or beneficiary as specified by CCR Section 1267(b) and CCR Section 1269(c).

The funds are commingled for the purpose of investment in accordance with CCR Section 1268 and the investment requirements of CCR Section 1263.

Other (please explain) _____

6. Does the funeral establishment comply with the record keeping requirements of CCR Section 1267, including the establishment of individual trustor or beneficiary ledger accounts to meet the requirements of CCR Section 1267(b)?

Yes No

7. In the event of a trustor revoking (cancelling) his or her preneed contract, does the funeral establishment ensure the entire paid-in corpus and the applicable portion of accumulated income is returned to the trustor or his or her beneficiary(s) as required by CCR Section 1275(j)?

Yes No

8. Does the funeral establishment honor trustors' written cancellation requests within fifteen (15) days of receipt as required by CCR Section 1275(k)?

Yes No

¹ BPC Section 7736 defines "trustor" as any person who pays the money or deposits the securities used for preneed arrangements.

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9. Are trust administration expenses (including trustee fees) paid from trust income earned in the prior twelve (12) months only, and limited to the four (4) percent maximum specified by BPC Section 7735 and CCR Section 1265?

Yes No

10. Provide the name and residence or business address (*not the funeral establishment address*) for each trustee of the preneed trust fund. Also provide each trustee's direct telephone number, and identify whether he or she is an owner or employee of the funeral establishment. (Attach additional pages as necessary).

Name	Address	Telephone #	Funeral Establishment Owner or Employee?	
		() -	<input type="checkbox"/> Yes	<input type="checkbox"/> No
		() -	<input type="checkbox"/> Yes	<input type="checkbox"/> No
		() -	<input type="checkbox"/> Yes	<input type="checkbox"/> No
		() -	<input type="checkbox"/> Yes	<input type="checkbox"/> No
		() -	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Check box if additional pages are attached.

11. How are the trustees selected?

- By the owners or board of directors of the funeral establishment.
- Other (please specify) _____

12. Has the funeral establishment or its owners / board of directors entered into a trust agreement with the trustee(s) identifying requirements for the trusting and disposition of preneed funds in accordance with BPC Section 7737?

Yes No

13. Where, in California, are the books and records of the preneed trust fund available for inspection or audit by the Cemetery and Funeral Bureau in accordance with CCR Section 1267?

Name of Custodian: _____ Telephone Number: (____) _____

Name of Entity: _____

Street Address: _____ City _____ ZIP _____

14. Who prepared this report?

Name: _____ Telephone Number: (____) _____

Street Address: _____ City _____ ZIP _____

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SUMMARY OF TRUST TRANSACTIONS

Entire Trust Or FD #

TRANSACTION	CORPUS	INCOME AND EXPENSE	TOTAL
BEGINNING BALANCE:	\$ _____	\$ _____	\$ _____
ADD:			
Corpus Received this Period	+ _____		+ _____
Income Earned this Period		+ _____	+ _____
SUBTRACT:			
Funds From Corpus Applied to:			
Serviced Accounts	- _____		- _____
Canceled Accounts	- _____		- _____
Funds From Income Applied to:			
Serviced Accounts		- _____	- _____
Canceled Accounts		- _____	- _____
Revocation Fees		- _____	- _____
Trust Administration		- _____	- _____
Taxes		- _____	- _____
ENDING BALANCE:	= \$ _____	= \$ _____	= \$ _____
ENDING MARKET VALUE OF THE TRUST			= \$ _____

Total Number of Trustors at the Beginning of the Reporting Period = _____

ADD: New Trustors + _____

SUBTRACT: Serviced Accounts - _____

Canceled Accounts - _____

Total Number of Trustors at the End of the Reporting Period = _____

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SUMMARY OF TRUST INVESTMENTS

A. Funds Deposited to Individual Savings Accounts for Each Individual Trustor or Beneficiary:
 (List by Financial Institution. Attach additional pages as necessary)

Financial Institution Name and Location	Number of Accounts	Balance of Accounts
Total Balance		

Check box if additional pages are attached.

B. Funds Commingled for Investment Purposes (Attach additional pages as necessary.)

Description	Market Value	Cost Basis
Total		

Check box if additional pages are attached.

Note: If preneed funds are commingled for investment purposes, also provide an independent audit report prepared and signed by a Certified Public Accountant or Public Accountant meeting the requirements of BPC Section 7737.3 and CCR Section 1269(d). Note that BPC Section 7737.3 requires audits and reports of noncompliance to be filed simultaneously.

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VERIFICATIONS

(All signature lines in Part I and Part II A or B are required. Please see the instructions.)

PART I:

A. SINGLE OWNER, TWO PARTNERS, OR IN THE CASE OF A CORPORATION, THE PRESIDENT OR VICE-PRESIDENT AND ONE OTHER CORPORATE OFFICER:

I / We hereby certify and declare under penalty of perjury, under the laws of the State of California that, to the best of my /our knowledge and belief, the foregoing report, including all attachments thereto, is complete, true and correct.

1. Signature: _____ Date: _____
Print Name: _____ Title: _____
Telephone Number: _____

2. Signature: _____ Date: _____
Print Name: _____ Title: _____
Telephone Number: _____

PART II:

A. TWO TRUSTEES NOT OWNING OR EMPLOYED BY THE FUNERAL ESTABLISHMENT:

We hereby certify and declare under penalty of perjury, under the laws of the State of California that, to the best of our knowledge and belief, the foregoing report, including all attachments thereto, is complete, true and correct.

1. Signature: _____ Date: _____
Print Name: _____ Title: _____

2. Signature: _____ Date: _____
Print Name: _____ Title: _____

– OR –

B. AN AUTHORIZED REPRESENTATIVE OF THE TRUST COMPANY LEGALLY AUTHORIZED TO ACT AS A TRUSTEE:

I hereby certify and declare under penalty of perjury, under the laws of the State of California that, to the best of my knowledge and belief, the foregoing report, including all attachments thereto, is complete, true and correct.

Signature: _____ Date: _____
Print Name: _____ Title: _____
Trust Company Name: _____

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INSTRUCTIONS

(It is not necessary to return the instructions with the completed report.)

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Identifying Information:

For reports filed for one funeral establishment and one trust:

- Enter the funeral establishment license number (FD #)
- Identify each owner. If an individual, enter the owner's name; if a partnership, enter all partners' names; if a corporation, enter the corporation name.
- Enter the name of the funeral establishment.
- Enter the funeral establishment address

For reports filed for two or more funeral establishments utilizing a common trust:

- For funeral establishment license number (FD #), enter "Multiple."
- If there is a common owner of all of the funeral establishments for which you are reporting, enter the individual, partners', or corporate owner's name(s). If there are multiple owners, enter "Multiple."
- For funeral establishment name, enter the name of the funeral preneed trust for which you are reporting.
- For funeral establishment address, enter the trustee's address or, if more than one trustee, enter "Multiple."

Reporting Period:

Check the appropriate box to identify the reporting period and enter the beginning and ending dates of the reporting period.

Important Reporting Information:

This section provides information about filing due dates and other reporting requirements.

PAGES 2-3

Answer all questions and provide information / explanations as requested. Attach additional pages if necessary.

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PAGES 2–3 (continued)

ITEM 10 Note that BPC Section 7736 requires the “trustee” to be either a bank or trust company authorized to act as a trustee in California, or not less than three (3) persons, only one of whom may be an employee of the funeral establishment.

Additionally, CCR Section 1271 requires funeral establishments to report to the Bureau any change of trustees within thirty (30) days after the effective date of change. To report a change of trustees, use the “Notification of Change” form available on the Bureau’s website at http://www.cfb.ca.gov/forms_pubs/index.shtml.

ITEM 13 CCR Section 1267 details requirements for the keeping of preneed trust financial records. In response to item 13, indicate who is responsible for maintaining the required financial records in California and where those records are maintained. If they are maintained at the funeral establishment, enter the words “on site” on the lines asking for the entity’s name and address. If the financial records are maintained at a location other than the funeral establishment, enter the appropriate information.

PAGE 4

Provide one (1) summary of trust transactions detailing the entire trust and check the box, “Entire Trust” in the top, left portion of the table.

Additionally, if you are filing a combined report, whereby two (2) or more funeral establishments have deposited preneed funds to a common trust, also provide a page 4 summary of trust transactions for each funeral establishment having preneed trust transactions during the reporting period. Identify each funeral establishment’s license number in the top left portion of the table.

Corpus of the Trust:

“Beginning Balance: Corpus” should match the ending balance for the prior reporting period. If the amounts do not agree, attach a detailed explanation for the difference with supporting documentation.

“Corpus Received this Period” is the amount of preneed funds delivered to the preneed trust during the reporting period.

“Funds From Corpus Applied to Serviced Accounts” is the amount of corpus delivered to the funeral establishment during the reporting period as a result of its providing contracted merchandise and services to the beneficiaries of preneed contracts.

“Funds From Corpus Applied to Cancelled Accounts” is the amount of corpus returned to trustors or beneficiaries of preneed contracts during the reporting period as a result of their revoking (cancelling) their contracts or as a result of a funeral establishment’s inability to perform the contracted services.

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Income and Expense:

“Beginning Balance: Income and Expense” should match the ending balance for the prior reporting period. If the amounts do not agree, attach a detailed explanation for the difference with supporting documentation.

“Income Earned this Period” is the total realized income and earnings derived from all trust investments during the reporting period.

“Funds From Income Applied to Serviced Accounts” is the total trust income delivered to the funeral establishment during the reporting period as a result of its providing contracted merchandise and services to the beneficiaries of preneed contracts.

“Funds From Income Applied to Cancelled Accounts” is the total trust income refunded to trustors who cancelled their contracts during the reporting period.

“Funds From Income Applied to Revocation Fees” is the total trust income delivered to the funeral establishment during the reporting period as a result of trustors cancelling their contracts. Revocation fees applied to each cancelled contract shall in no event exceed ten percent (10%) of the paid-in corpus and are chargeable against earned income only (BPC Section 7735 and CCR Section 1275(j)).

“Funds From Income Applied to Trust Administration” is the total trust income withdrawn for trust administration during the reporting period, including trustee fees. In no case shall the total amount withdrawn in a year for trust administration exceed the total amount of posted trust income for the immediate 12 preceding months (BPC Section 7735). Additionally, the annual fee for administering a trust may be recovered by withdrawals from current trust income, but total withdrawals in any year shall not exceed four percent (4%) of the trust balance on December 31 of that year, or on the cancellation or maturity date during that year, of all payments deposited into trust, plus all prior years accumulated income. Any remaining current income shall be accumulated in trust (CCR Section 1265).

“Funds From Income Applied to Taxes” is the total taxes paid on the trust’s earnings during the reporting period.

Ending Market Value of the Trust:

The market value of the funeral preneed trust fund as of the end of the reporting period.

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Provide trust investments detail as indicated. If preneed funds are commingled for investment purposes, also provide an independent audit report prepared and signed by a Certified Public Accountant or Public Accountant meeting the requirements of BPC Section 7737.3 and CCR Section 1269(d). Note that BPC Section 7737.3 requires audits and reports of noncompliance to be filed simultaneously.

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- Part I: This verification must be completed and signed by the owner, two (2) partners or, in the case of a corporation, by the president or vice-president and one (1) other officer.
- Part II: This verification must be completed by at least two (2) trustees not employed by the funeral establishment. Or, if the funeral establishment has appointed a banking institution or trust company legally authorized to act as a trustee within the meaning of BPC Section 7736, verification must be completed by an authorized representative of the trustee (CCR Section 1269(c)).

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