



## 2009 PRENEED FUNERAL TRUST FUND REPORT

LICENSE NUMBER: FD \_\_\_\_\_

Check All That Apply:

FUNERAL ESTABLISHMENT: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

- \_\_\_\_\_ PRE-1977
- \_\_\_\_\_ POST-1977
- \_\_\_\_\_ COMBINED
- \_\_\_\_\_ OTHER (specify) \_\_\_\_\_

Reporting Period: (check one)

- Calendar Year – Beginning January 1, 2009 and ending December 31, 2009
- Fiscal Year – Beginning \_\_\_\_\_ and ending \_\_\_\_\_
- Final Report – Beginning \_\_\_\_\_ and ending \_\_\_\_\_
- OTHER: \_\_\_\_\_ – Beginning \_\_\_\_\_ and ending on \_\_\_\_\_  
 (e.g., stop, start, transfer, etc.)

### IMPORTANT REPORTING INFORMATION

- ANNUAL FILING DATE** – The annual report must be filed with the Bureau on or before May 1, 2010, or 120 days after the close of the approved fiscal year end. The fee for timely filing is \$200.
- COMBINED ANNUAL REPORT** – Two (2) or more funeral establishments who utilize a common trust fund may cause the trustee(s) of the fund to file one (1) combined annual report. A combined report must disclose each funeral establishment's *Preneed Funeral Trust Summary* (pages 4 and 5) separately. The fee for timely filing a combined report is \$200.  
  
 (Note: A combined report may only be filed by the trustee of a common trust fund. Establishments under common ownership, which do not meet this criterion, may not file a combined report.)
- LICENSE TRANSFER/CESSATION OF BUSINESS** – A final preneed trust fund report is required upon the transfer of a funeral establishment license. The final report and the applicable report fee must accompany an *Application for Assignment of Funeral Establishment License*. A final preneed trust fund report is required upon the cessation of business. Reporting forms will be mailed upon request. The report and the applicable report fee must be filed with the Bureau 30 days prior to the closure of the funeral establishment.
- LATE FILING** – Any report postmarked after the required filing date is considered late. The fee for filing any report late is \$300. **Failure to file the report may result in disciplinary action by the Bureau.**

(Read instructions on pages 8-9 before completing this report)

FOR BUREAU USE ONLY		
Reviewer: _____	Receipt No.: _____	Date Received: _____
Date: _____	____ P/C ____ B/C ____ M/O ____ CSH	Amount: _____

## QUESTIONNAIRE

1. Type of Business Organization:

Individual  Partnership  Corporation

2. Are you also a licensed cemetery certificate of authority?

YES  NO

3. Is this trust active (i.e., receiving payments and/or adding new trustors)?

YES  NO

**If 3 is YES – Attach a blank copy of the current trust agreement.**

4. How are trust funds invested?

Individual Passbooks  Commingled Savings  
 Commingled Investments  Other (Explain)

5. Is the entire corpus returned upon revocation?

YES  NO (If NO, please explain.)

6. Are requests for revocation honored within 15 days?

YES  NO (If NO, please explain.)

7. Were any investment in default for more than sixty days (60)?

YES  NO (If YES, please explain.)

8. Have individual beneficiary ledger accounts been established?

YES  NO (If NO, please explain.)

9. Do actual expenses exceed the 4% allowable annual trust administration fee limitation?

YES  NO (If YES, please detail on page 5 and explain.)

10. Have all funds collected been deposited into trust within thirty (30) days?

YES  NO (If NO, please explain.)

11. List all trustees and include each individual's residence or business address and telephone numbers (not the funeral establishment address and telephone number). Identify any and all relationships with individual trustees who are designated as NON-FIRM MEMBERS, including business and personal relationships.

<u>NAME</u>	<u>ADDRESS</u>	<u>PHONE</u>
a. _____ (Firm Member or Non-Firm Member)	_____	(____)_____
b. _____ (Non-Firm Member)	_____	(____)_____
c. _____ (Non-Firm Member)	_____	(____)_____
d. _____ (Non-Firm Member)	_____	(____)_____
e. _____ (Non-Firm Member)	_____	(____)_____

12. How are the trustees selected?

- (a)  By the licensee
- (b)  By the depositor
- (c)  Other (Please explain) \_\_\_\_\_

13. Where, **in California**, are the books and records of the trust funds are available for inspection or audit by the Cemetery and Funeral Bureau?

Name of the Custodian: \_\_\_\_\_ Telephone:(\_\_\_\_)\_\_\_\_\_

Name of Entity or Location: \_\_\_\_\_

Address: \_\_\_\_\_ City \_\_\_\_\_ ZIP \_\_\_\_\_

14. Who prepared this report?

Name: \_\_\_\_\_ Telephone:(\_\_\_\_)\_\_\_\_\_

Address: \_\_\_\_\_ City \_\_\_\_\_ ZIP \_\_\_\_\_

15. List the authorized contact person for any questions regarding this report.

Name: \_\_\_\_\_ Telephone:(\_\_\_\_)\_\_\_\_\_

**SUMMARY OF TRUST TRANSACTIONS**

For the year ending 12/31/09 (or fiscal year ending \_\_\_\_\_)

	<b>CORPUS</b>	<b>+</b>	<b>INCOME</b>	<b>=</b>	<b>TOTAL</b>
1. Beginning Balance	_____		_____		_____
<b>ADD:</b>					
2. Corpus Received this Period	+		_____		+
3. Income Earned this Period			+		+
<b>SUBTRACT:</b>					
Funds From Corpus Applied to:					
4. Serviced Accounts	-		_____		-
5. Canceled Accounts	-		_____		-
Funds From Income Applied to:					
6. Serviced Accounts			-		-
7. Canceled Accounts			-		-
8. Revocation Fees			-		-
9. Annual Administration Fees			-		-
10. Income Taxes			-		-
11. Ending Balances:	=		=		=
12. Ending Balances Based Upon 12/31/09 Market Value					=
Total Number of Trustors at the Beginning of the Year			=		_____
<b>ADD:</b>					
New Trustors			+		_____
<b>SUBTRACT:</b>					
Serviced Accounts			-		_____
Canceled Accounts			-		_____
Total Number of Trustors at the End of the Year			=		_____

**ADMINISTRATION FEE SUMMARY**

For the period ending 12/31/09 (or fiscal year ending \_\_\_\_\_)

	<b><u>AMOUNT</u></b>
INVESTMENT FEES .....	_____
FILING FEES .....	_____
ATTORNEY FEES .....	_____
BOOKKEEPING FEES .....	_____
AUDITING FEES .....	_____
ADMINISTRATIVE FEES .....	_____
TRUSTEE FEES .....	_____
_____ .....	_____
_____ .....	_____
<b>TOTAL ADMINISTRATION EXPENSES INCURRED THIS PERIOD .....</b>	_____
<b>TOTAL ADMINISTRATION FEES RECOVERED THIS PERIOD .....</b>	_____
<b>EXCESS AMOUNT WITHDRAWN OR &lt;UNRECOVERED EXPENSES ACCURED&gt; .....</b>	_____

NOTE: The annual trust administration fee may not exceed 4% of the 2009 year end balance of corpus plus all prior year's accumulated income, and may only be recovered from the income received during the 2009 reporting period. (16 CCR § 1265 (eff. 2/1//90)).

**SUMMARY OF TRUST FUND INVESTMENTS**

**A. Individual Passbooks:**

<b>Financial Institution &amp; Location</b>	<b>No. of Accounts</b>	<b>Amount</b>	<b>Average Int. Rate</b>
1. _____	_____	_____	_____
2. _____	_____	_____	_____
3. _____	_____	_____	_____
4. _____	_____	_____	_____
5. _____	_____	_____	_____
6. _____	_____	_____	_____
<b>A1 Total Income Earned this Period:</b>		_____	
<b>A2 Total Ending Corpus:</b>			_____

**B. Commingled Checking and/or Savings Accounts:**

<b>Financial Institution &amp; Location</b>	<b>Account Number</b>	<b>Amount</b>	<b>Annual Return</b>
1. _____	_____	_____	_____
2. _____	_____	_____	_____
3. _____	_____	_____	_____
4. _____	_____	_____	_____
5. _____	_____	_____	_____
6. _____	_____	_____	_____
<b>B1 Total Income Earned this Period:</b>		_____	
<b>B2 Total Ending Corpus:</b>			_____

**C. Commingled Investments (All commingled investments other than savings accounts):**

Attach a detailed schedule of assets showing the original cost and fair market value as of 12/31/09 or fiscal year end. Provide an income statement that includes realized gains and losses.

**VERIFICATION of 2009 PRENEED FUNERAL TRUST FUND REPORT**

**Notice:** Verification A & B are both required (See instructions)

**A. OWNER, PARTNERS, OR CORPORATE OFFICERS:**

I certify or 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: \_\_\_\_\_  
 (President or Vice President)

2. Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
 Print Name: \_\_\_\_\_ Title: \_\_\_\_\_

Name of the Funeral Establishment: \_\_\_\_\_

License Number: FD- \_\_\_\_\_

(BOTH VERIFICATIONS ARE REQUIRED, EXCEPT AS NOTED IN THE INSTRUCTIONS)

**B. TRUSTEES:**

I certify or 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: \_\_\_\_\_

2. Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
 Print Name: \_\_\_\_\_ Title: \_\_\_\_\_

(BOTH VERIFICATIONS ARE REQUIRED, EXCEPT AS NOTED IN THE INSTRUCTIONS)

## INSTRUCTIONS

**Detach these instructions. Do not return instructions with the completed report.**

### **PAGE 1**

- Enter the funeral establishment license number (FD#), and funeral establishment name and address.
- Indicate which type of report is being filed.
- Check whether this is a current, final, or other report. If the report covers a period other than a calendar year, indicate in the space provided what time period is covered. [See Title 16, California Code of Regulations Section 1269(a) for requesting a *fiscal year* reporting period.]

### **PAGE 2**

- Answer all questions and provide all requested information. Provide explanations as required and/or necessary. Attach additional pages as necessary.
- **ITEM 3 – Attach a blank copy of the current trust agreement.**
- **ITEM 4 – If trust funds have been commingled for investment purposes, this report must include an independent audit report with the accompanying financial statements** prepared by a Certified Public Accountant or a Public Accountant, currently licensed in the State of California. The scope of the independent audit must certify compliance with the provisions of Article 9, Chapter 12, Division 3 of the Business and Professions Code and with the provisions of Title 16, Chapter 12, Article 8 of the California Code of Regulations. The auditor must identify any findings of noncompliance with existing law regarding preneed trust funds in a **separate report**, for review and action by the Bureau. Audits and reports of noncompliance shall be filed simultaneously. [See Business and Professions Code Section 7737.3 and Title 16, California Code of Regulations Section 1269 (d).]

### **PAGE 3**

- **ITEM 11 – Complete the trustee information for each trustee over the trust funds.**  
The "trustee" must be either a bank or trust company authorized to act as a trustee in California; or not less than three (3) individuals.

Only one of the individual trustees may be an employee, partner, officer, owner, director or agent of the funeral establishment.

**NOTE: Do not use this form to submit a change in trustees.** If you have a change in trustees, call the Cemetery and Funeral Bureau at (916) 574-7870 to obtain a *Notification of Change* form (fee for *Notification of Change* is \$50). Forms are also available on the Bureau's website at: [www.cfb.ca.gov/cemetery](http://www.cfb.ca.gov/cemetery).

- **Item 14 –** Indicate who is responsible for maintaining the trust books and records in California and where those records are maintained,. If they are maintained at the funeral establishment enter "on site" on the line asking for the name of the entity or location. If the books and records are maintained at a location other than the funeral establishment, enter the appropriate information.

### **PAGE 4**

**Line 1 –** Enter the beginning balances as of 1/1/09 (or as of the start of the fiscal year) and total. The **beginning balances** should match the prior year's **ending balances**. If these figures do not match, attach a detailed explanation with supporting documentation.

#### **ADD:**

**Line 2 –** Enter the amount of new funds received this year in the "Corpus" column.

**Line 3 – "Income Earned this Period"** is the amount of gross income or earnings derived from all trust investments including capital gains/(losses) realized from investments this year. Enter this amount in the "Income" column.

#### **SUBTRACT:**

**Lines 4 & 5 –** Enter the amount of dollars taken out of corpus for serviced/canceled accounts in the "Corpus" column.

**Lines 6 & 7 –** Enter the amount of income taken out for serviced/canceled accounts in the "Income" column.

**Line 8 –** Enter the amount charged upon cancellation of individual trustor accounts into the "Income"



column. The amount of revocation fees must not exceed 10% of the paid-in-corporus and is chargeable against **earned income only**. [See Business and Professions Code Section 7735 and Title 16, California Code of Regulations Section 1275 (j).]

**Line 9 – "Administration Fees"** An annual trust administration fee of up to four percent of the trust balance as of December 31, 2009, may be recovered from accumulated trust income; however the fee cannot exceed the total amount of the reporting year's income. No annual administration fees may be withdrawn from corpus.

To calculate the <i>maximum allowable administrative fee</i> , complete the following work sheet:	
Amount in Total Column for Line 1 _____	
Amount in Total Column for Line 2 _____	
Total _____	
Multiply by .04	<b>X .04</b>
<i>Maximum Administration Fee</i>	<u>                    </u>
The allowable administration fee that can be charged to the funeral trust fund and entered on Line 9 is the " <b>lesser</b> " of the maximum allowable administration fee (computed above) or the <b>sum</b> amount in the income column of Lines 3. [See Title 16, California Code of Regulations Section 1265.]	

**Line 10 –** Enter the amount of any taxes paid on the earnings of the trust fund pursuant to the Revenue and Taxation Code Section 17760.5.

**Line 11 –** By Column add the amounts on Lines 1 through 3 and subtract the amounts in Lines 4 through 10 to arrive at the totals for Line 11.

**Line 12 –** If the report is filed for a calendar year, enter the Market Valuation as of 12/31/09. If the report is filed for a fiscal year, enter the Market Valuation as of the fiscal year end.

**PAGE 5**

- Detail all actual expenses attributable to the administration of the trust.

**PAGE 6**

**Under the columns entitled "No. of Accounts" and "Account Number" –** Enter the account numbers with the respective financial institutions.

**Under the columns entitled "Amount" –** Enter the total account balance as of 12/31/09. If the report is filed for a fiscal year, enter the account balance as of the fiscal year end.

**Under the columns entitled "Average Int. Rate" and "Annual Return" –** Enter the percentage return on the investment for the year.

**PAGE 7**

**A – Owners, Partners or Corporate Officers.** Must be completed for all reports, except combined reports filed pursuant to Title 16, California Code of Regulations Section 1269(c).

The verification must be completed and signed by the owner, the partners or, in the case of a corporation, two (2) corporate officers, including the president or vice-president and one other officer of the corporation.

**B – Trustees.** Must be completed for all reports, including combined reports filed pursuant to Title 16, California Code of Regulations Section 1269(c), except as provided below.

The verification must be completed and signed by two (2) individual, non-firm member trustees, if individuals act as trustee; or by an authorized representative of the institutional trustee if a bank or trust company acts as trustee.

In cases where individual passbook-type accounts are used, and the depositor and/or family or friends of the depositor act as trustees, along with one member of the firm, Verification B is not required.

**FINAL REPORTS**

**For trusts filing their "Final Report", they must file in the following manner.**

**PAGE 1**

- Check the box for "Final Report" and report the normal start of the accounting period, but indicate the last date the preneed trust operated.

**Note:** When a trust supports a single funeral establishment which ceases to operate and/or is unable to perform the services. The trust funds must be returned to the beneficiary, trustor or the legal

representative of either the beneficiary or trustor. If the appropriate individual can not be located to refund the trust funds, then the funds must be escheated to the California State Controllers Office. The only funds that can be retained by the trust are for those contracts in which the trustor and beneficiary designate a new funeral establishment to provide the services and retain the services of the trustee.

**Title 16 California Code of Regulations Section**

**1274** If, for any reason, a licensed funeral establishment or licensed funeral director is unable to perform the funeral services prior to or upon the death of the beneficiary of a preneed trust agreement, then the trustees shall pay all trust corpus and net income to the beneficiary, trustor or the legal representative of either the beneficiary or trustor without the imposition of any revocation charge.

In instances where it is a combined trust and one or more of the funeral establishments is unable to perform the services, only the trust accounts related to the funeral establishments unable to perform the services must be returned the trust funds to the beneficiary, trustor or the legal representative of either the beneficiary or trustor.

**PAGE 2 & 3**

- Except the following items, answer the questions as if the trust was still operating.

**Note:** The trust can only file a “Final Report” when they no longer retain any preneed trust funds.

- **Item 3** – Check the box “No”.
- **Item 4, 5, and 7** – These are no longer applicable as no trust funds have been retained and no trust accounts should be open.
- **Item 11** – Report who the trustees were on the last day the trust held the preneed funds.
- **Item 13 and 15** – Identify who and where the records will be retained for the next seven years.

**Title 16 California Code of Regulations Section**

**1269(i)** All of the foregoing records shall be retained for a period of one year after the account has been canceled or serviced and audited by the State Board and compliance with all recommendations made and audit exceptions resolved or **7 years from the date of service or**

**cancellation**, whichever comes first. (Emphasis added)

**PAGE 4**

- **Total Column “Ending Balance” and “Ending Balance Based Upon 12/31/09 Market Value” lines** – These balances must be zero.
- **Total Number of Trustors at the End of the Year line** – This balance must be zero.

**PAGE 6**

**Note:** – This page is not applicable as the trust should have returned all the funds and the balances must be zero.

**FILING THE REPORT**

- The fee for timely filing the report is \$200.
- Any report postmarked after the required filing date is considered late.
- The fee for filing **any** report late is \$300.
- The report is not considered filed unless the proper fee accompanies it.
- The report is not considered filed unless it is accompanied by the appropriate audit report(s), in cases where an audit is required.
- The report is not considered filed unless it contains the required verifications/signatures on page 8.
- **Failure to file the report may result in disciplinary action by the Bureau.**

Mail the completed form and filing fee to:

**Cemetery and Funeral Bureau  
Annual Funeral Trust Report  
P.O. Box 989003  
West Sacramento, CA 95798-9003**



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