

**Michigan Department of Labor & Economic Growth
Bureau of Commercial Services
Administrative Services Division
Audit Section
P.O. Box 30018, Lansing, MI 48909**

2007 PREPAID FUNERAL AND CEMETERY SALES ACT ANNUAL REPORT

AUTHORITY: P.A. 255 OF 1986, as amended

COMPLETION: MANDATORY

PENALTY: Failure to complete may cause formal action that may result in a fine not to exceed \$5,000.00; suspension or revocation of registration; and other penalties as set forth in Section 20 of the Act.

This information may be released to the public in accordance with the Freedom of Information Act, 1976 PA 442, as amended.

INSTRUCTIONS

The annual report is to be submitted in sufficient time to ensure the bureau receives it by July 15, 2008. The **registrant** is to complete the annual report. A Michigan Licensed Certified Public Accountant (CPA) is to attest to the annual report's accuracy through examination for issuance of an opinion utilizing the attestation report that is attached. The CPA is to also complete the Schedule of Findings that is attached.

If you have not sold, provided, or agreed to provide merchandise or funeral or cemetery services in accordance with a prepaid contract and have no obligations with respect to an outstanding prepaid contract as of December 31, 2007, you must submit a sworn statement to that effect utilizing the attached form at page 8. The form is to be submitted in sufficient time to ensure the bureau receives it by July 15, 2008. **If a sworn statement is submitted, an attestation by a CPA is not required.**

Please note: The escrow provisions of the Act apply to all proceeds of the contract where the registrant has any legal duty to provide funeral or cemetery services or merchandise of any kind after death.

REGISTRANT INFORMATION

Name of Registrant		Michigan Registration Number	
		34-01-	
Street Address			
City		State	Zip Code
Contact Person		Telephone Number	

LOCATION WHERE RECORDS REQUIRED BY THE ACT CAN BE INSPECTED (if different than mailing address above)

Street Address			
City		State	Zip Code
Contact Person		Telephone Number	

SCHEDULE A - PREPAID CONTRACT ESCROW ANALYSIS

NOTE: If the registrant is registered (licensed) as a cemetery and electing to escrow cemetery merchandise funds received according to Section 12(2), go to Schedule B. Schedule A is to be used exclusively by entities not permitted to make the election or choosing not to.

1. Total number of prepaid contracts sold and outstanding (not provided) as of December 31, 2007:
2. Total amount of funds held in escrow for contracts as of December 31, 2007 **(A)**:
3. Total amount of prepaid contract funds **required** to be deposited to escrow as of December 31, 2007 **(B) (Please see note B below before completing)**:
4. Total amount of prepaid contract funds deposited to escrow as of December 31, 2007 **(C)**:
5. Total amount of prepaid contract funds not deposited as required (line 3 less line 4):
6. In the event line 5 is greater than \$0.00, describe the cause and plan of action the registrant is taking to remedy the deposit shortage (attach additional pages if needed). Also provide supporting documentation for subsequent funding, such as check copies, escrow statement showing deposits, etc.:

7. List the name, address, and phone number of all escrow agents and depositories being utilized for contracts below (attach additional pages if needed):

8. In the event the contracts reported above utilize insurance policies please complete the following:

A. The number of contracts utilizing insurance:

B. The amount of prepaid contract funds utilizing insurance reported on line 3:

9. Provide the following for contracts utilizing insurance not reported above:

A. The number of contracts utilizing insurance:

B. The amount of funds received as of November 30, 2007, for contracts using insurance:

C. The name and address of the Insurance Companies used:

(A): Line 2 is the amount of contract funds deposited to escrow for all outstanding contracts as of December 31, 2007, excluding any contracts which have been fulfilled and withdrawn from escrow by that date, plus all net income earned on the funds as of December 31, 2007, less any fees withdrawn and/or losses realized.

(B): Line 3 is the total amount of funds received in connection with a prepaid contract as of November 30, 2007. Note: If contract funds are received in December 2007 and deposited with the escrow agent in December 2007, you are to include the amounts in question on lines 3 and 4 above. If a contract has been fulfilled and withdrawn from escrow as of December 31, 2007, do not include it on any of the lines above. Do not include commissions not escrowed or earnings received on the funds.

(C): Line 4 is the total amount of funds received in connection with a prepaid contract as of November 30, 2007, that was **actually deposited** to escrow as of December 31, 2007, excluding any contracts which have been fulfilled and withdrawn from escrow by that date. Note: If contract funds are received in December 2007 and deposited with the escrow agent in December 2007, you are to include the amounts in question on lines 3 and 4 above. Do not include commissions not escrowed or earnings received on the funds.

SCHEDULE C - COMPLIANCE DISCLOSURES

If the response to any of the questions is no, please provide the details regarding the negative response, and a corrective action plan.

1. Are deposit notices sent to contract buyers as required by Section 12(10) of the Act?

2. Are annual statements of the escrow monies furnished to contract buyers? If no, was the annual statement waived in writing by the buyer in accordance with Section 12(14) of the Act?

3. Are contract buyers notified if the escrow agent or depository has changed as required by Section 14(3) of the Act?

4. Are the books and records maintained in the State of Michigan in accordance with Section 8(1) of the Act?

5. Are the books and records maintained for at least three years after fulfillment of the contract obligation in accordance with Section 8(1) of the Act?

6. Do contracts used by the registrant contain disclosures required by Section 15 of the Act?

7. Are current escrow agreements in effect as required by Section 7(a),(b),(c) and (d) of the Act?

8. Are the escrow agents utilized in compliance with Section 12(4) of the Act (the contract seller or provider may not serve as the escrow agent on guaranteed price contracts)?

9. Are non-guaranteed contracts invested in federally insured interest bearing accounts in accordance with Section 12(7)(a) of the Act?

10. Are guaranteed price contract funds invested only in accordance with section 7302 of the estates and protected individuals code, 1998 PA 386, MCL 700.7302, except that funds shall not be invested in a company owned by, operated by, or affiliated in any way with a contract seller or provider or their authorized agents, or in loans to any person directly connected with or employed by a contract seller or provider or their authorized agents as required by Section 12(7)(b) of the Act?

11. Are withdrawals made from escrow accounts or depositories in accordance with Section 12, 13 and 15 of the Act?

12. Are contract funds deposited with an escrow agent within 30 days after receipt in accordance with Section 12(6) of the Act?

Registrants Official Signature

(Note: Report will not be accepted without a signature)

We declare that the assertions⁽¹⁾ contained in the is 2007 Prepaid Funeral and Cemetery Sales Act Annual Report are true to the best of our knowledge and belief.

Signature of Owner, Director or Officer

Date

Type or Print Name of Owner, Director or Officer

Signature of Owner, Director or Officer

Date

Type or Print Name of Owner, Director or Officer

⁽¹⁾The assertions include the accuracy and completeness of the numbers and dollar amounts reported on Schedule A and B.

INDEPENDENT ACCOUNTANTS' REPORT

We have examined management's assertions⁽¹⁾ about (name of entity)'s _____ compliance with Public Act 255 of 1986, as amended for the period ending December 31, 2007, included in the accompanying 2007 Prepaid Funeral and Cemetery Sales Act Annual Report. Management is responsible for (name of entity)'s _____ compliance with those requirements. Our responsibility is to express an opinion on management's assertions⁽¹⁾ about the Registrant's compliance based on our examination.

Our examination was made in accordance with standards established by the American Institute of Certified Public Accountants and accordingly, included examining, on a test basis, evidence about (name of entity)'s _____ compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on (name of entity)'s _____ compliance with specified requirements.

In our opinion, management's assertions⁽¹⁾ included in the accompanying 2007 Prepaid Funeral and Cemetery Sales Act Annual Report are fairly stated, in all material respects.

Signature of CPA

Date

Type or Print CPA Name

11-01-

CPA Michigan License Number ⁽²⁾

CPA Firm Name

11-02-

CPA Firm Michigan License Number ⁽²⁾

Street Address

Telephone Number

City

State

Zip Code

(1) These assertions include the accuracy and completeness of the numbers and dollar amounts reported on the schedules included in the accompanying annual report.

(2) The attestation Report must be prepared by a CPA currently licensed in Michigan

*Reference: Statement on Standards for Attestation Engagements, note that an agreed upon procedures engagement is not permitted an examination is required. Also note that the above is an example of an unqualified opinion, in the event a qualified or adverse opinion is warranted, it will be necessary to modify the above.

SCHEDULE OF FINDINGS

Instructions: The Certified Public Accountant(s) who performed the attestation engagement is required to include an explanation of any matters that have come to his or her attention below, which caused the belief that the registrant has not complied with Public Act 255 of 1986, as amended, in effect, issues or non-compliance on the schedules should be addressed. (attach additional pages if needed).

Signature of CPA

Date

Type or Print CPA Name

11-01-

CPA Michigan License Number

CPA Firm Name

11-02-

CPA Firm Michigan License Number

2007 SWORN STATEMENT

I do swear that (name of entity) _____ has not sold, provided or agreed to provide merchandise or funeral or cemetery services in accordance with a prepaid contract and has no obligations with respect to an outstanding prepaid contract (there are no prepaid contracts which have not been provided) as of December 31, 2007. **If a sworn statement is submitted, an attestation by a CPA is not required.**

Signature

Date

Type or Print Name

Position Held

REGISTRANT INFORMATION (THIS SECTION MUST BE COMPLETED)

Name of Registrant		Michigan Registration Number	
		34-01-	
Street Address			
City	State	Zip Code	
Contact Person		Telephone Number	

Note: If a sworn statement is submitted, the entire form must be completed, including Registrant Information. The sworn statement must be received by the bureau by July 15, 2008.

2007 EXTENSION REQUEST

Note: If an extension request is submitted, the entire form must be completed, including Registrant Information. The request must be received by the bureau no later than July 1, 2008.

I/We are requesting a _____ day extension for submitting the 2007 PREPAID FUNERAL AND CEMETERY SALES ACT ANNUAL REPORT, for (name of entity) _____.

Signature

Date

Type or Print Name

Position Held

REGISTRANT INFORMATION (THIS SECTION MUST BE COMPLETED)

Name of Registrant		Michigan Registration Number	
		34-01-	
Street Address			
City	State	Zip Code	
Contact Person	Telephone Number		

The report is due July 15, 2008. However an extension may be requested. One extension may be granted for not more than 90 days, upon approval by the Department. All requests must be in writing and must be received by the Bureau of Commercial Services no later than July 1, 2008. A letter shall be sent to the registrant in reply notifying them of the approval.

Please send the completed documents and any requests for extensions to the following address:

Michigan Department of Labor & Economic Growth
Bureau of Commercial Services
Administrative Services Division
Audit Section
P.O. Box 30018, Lansing MI 48909

In the event you have any questions please call (517) 241-9202 and you will be directed to the appropriate personnel.