



90th Anniversary 1914-2004

Annual Report 2004

Board of Funeral Services

2810 - 777 Bay Street, Box 117
Toronto, ON M5G 2C8

Tel: (416) 979-5450
Toll Free: 1-800-387-4458

info@funeralboard.com
www.funeralboard.com

Annual Report

Board of Funeral Services

The Board of Funeral Services was established by the *Funeral Services Act* in 1976 to succeed the Board of Administration, which had a history dating back to 1914.

The current legislation, the *Funeral Directors and Establishments Act*, requires that the Board be composed of thirteen members, eight funeral directors and five public persons. All members are appointed by the Lieutenant-Governor-in-Council.

MEMBERS OF THE BOARD OF FUNERAL SERVICES

	2004		2005	
Chair	Rick Pedder	Toronto	Kirk Elliott	North Bay
Vice-Chair	Kirk Elliott	North Bay	Patrick McGarry	Ottawa
Executive Member	Carl Compton*	Toronto	Carl Compton*	Toronto
	Scott Doney	Shelburne	Kevin Daudlin	Toronto
	Karie Draper	Toronto	Ronn Dodge	Forest
	William Kiteley	Sault Ste. Marie	Karie Draper	Toronto
	Donald Lizzotti*	Fort Erie	Chris Ferguson*	Toronto
	Patrick McGarry	Ottawa	William Kiteley	Sault Ste. Marie
	Thomas Preston*	Oakville	Alison Knight*	Toronto
	Donald Sanderson	London	Donald Sanderson	Burlington
	Wayne Smith	Peterborough	Wayne Smith	Peterborough
	Sarah Walker*	Sudbury	Victoria Vidal-Ribas*	Toronto
	Victoria Vidal-Ribas*	Toronto	David Wilhelm*	Milton

*Denotes Public Member

Board Staff

Registrar

Joseph Richer

Manager, Inspections & Investigations

René Brakel

Inspectors

Randy Balon

Michelle Crognale

Ken Singh

Professional Competence Officer

Des Mackel

AUDITOR

Harris and Wright

Manager, Licensing & Administration

Susan Beck

Coordinator Administrative Services

Renée Toleck

Administrative Bookkeeper

Marlen Weiler

Bilingual Administrative Assistant

Claude Civil

LEGAL COUNSEL

Steinecke Maciura LeBlanc

Donald Posluns - Barrister & Solicitor



Table of Contents

Our Mission	2
Our Corporate Goals and Values	2
Getting Better with Age!	3
The Future is Taking Shape	4
Business Plan Achievements 2004	5
Strategic Outcome 1 - Maintaining High Levels of Consumer Protection	5
Strategic Outcome 2 - Advancing Service Excellence Through Professional Development ..	5
Strategic Outcome 3 - Increasing Public Awareness	6
Strategic Outcome 4 - Managing Uncertainty	6
Board Committee Updates	7
Discipline Committee	7
Complaints Committee	8
Compensation Fund Committee	9
Licensing Committee	10
The BOFS Inspection Team	12
Education Review Implementation Committee	14
Licensing and Administration Team	14
Communications and Long Range Planning Committee	17
Board of Funeral Services Financial Outlook	18
Auditors' Report	18
Balance Sheet	19
Statement of Revenue and Expense	20
Statement of Surplus	20
Statement of Cash Flows	21
Notes to Financial Statements	22
Prepaid Funeral Services Compensation Fund	
Balance Sheet	24
Statement of Revenue and Expense	24

* Pour obtenir une copie du Rapport annuel en français, visitez le site Web du Conseil à www.funeralboard.com ou communiquez avec le bureau du Conseil au 1-800-387-4458 ou (416) 979-5450.



Our Mission

The Mission of the Board of Funeral Services (the Board) is to regulate the provision of funeral services and transfer services in accordance with the *Funeral Directors and Establishments Act* (the 'Act') in order that the public interest may be served and protected.

OUR CORPORATE GOALS AND VALUES

- ◆ Protecting the interests of the consumers of Ontario by establishing, implementing, and maintaining high standards of practice, professional expertise and ethics in the provision of funeral services and transfer services in accordance with the *Act*
- ◆ Supplying information to consumers about their rights
- ◆ Developing, implementing and evaluating an ongoing plan to effectively accomplish the goals and objectives of the Board
- ◆ Developing and implementing educational programs for funeral service and transfer service providers
- ◆ Consulting with stakeholders in order to ensure their needs and interests are identified
- ◆ Developing recommendations to the Government on legislation, regulation, policy and practices

The Minister of Consumer and Business Services retains responsibility for Ontario's consumer protection legislation and regulations and oversees the quality of services provided by the Board.

Getting Better with Age!

The Board meeting held on May 6, 2004 was significant and special in that this date marked, to the very day, the 90th anniversary of the Board holding its first meeting. Throughout the history of the Board there have been other legislative and regulatory changes to keep pace with the times. In 1928, the law became the *Embalmers and Funeral Directors Act*, followed by the *Funeral Services Act* and most recently, the *Funeral Directors and Establishments Act, 1989*. Another major step is underway with the *Funeral, Burial and Cremation Services Act, 2002*, receiving Royal Assent in 2002 and draft regulations being released in bundles or clusters for public comment.

The first of two clusters released for public comment in 2004 dealt with Consumer Protection and Trusting, and was accompanied by a Policy Paper on Capital Gains. The second cluster is entitled Taxation and Care and Maintenance Fund. The third cluster is now expected sometime before March 2005. The Legislative Review Committee of the Board is responsible for crafting the Board's response to the proposed regulations and has done an admirable job with a very heavy workload.

The Board first introduced the concept of Professional Development in 1938 and in the ensuing years has always placed education high on its list of priorities. Over the past few years, great strides have been made in developing a program that is both informative and current. The most recent innovation in the education field has been the introduction of the Preceptor Training Program, a one of a kind in funeral service education in North America. Held in conjunction with its annual Professional Development Program, the program was presented to a "full house" for a third time. Demand was such that it was presented again in Kitchener, Ontario in the fall, and again the program was very well attended.

The Board's interest in education can also be seen in the educational approach taken during funeral establishment and transfer service inspections and new training programs for examiners. The Inspection Team is dedicated to helping licensees maintain compliance.

The Board also partnered with the Loss, Grief & Growth Education Project Inc. The program's goal is to place materials and a comprehensive curriculum in the hands of teachers throughout Ontario – Grades 1 to 12. The program is designed to assist educators when teaching about life's most difficult moments and the uphill road to recovery in a changed environment following a loss.

The Board met or exceeded all the goals of the 2004 Business Plan and additionally created an Audit, Finance and Risk Committee. The committee has the responsibility to thoroughly review, evaluate and make recommendations to the Board, on all areas of the Board's activities, both internal and external. The business plan has a number of initiatives for 2005 including investigating the feasibility of allowing, and/or phasing in, electronic on-line licence renewals. Everyone is hopeful about it, but you'll need to stay tuned.

Since its inception, the Board has evolved and matured to be able to carry out effectively its mandate of consumer protection, while also dealing with new projects and challenges. The environment of enforcement continues to change for all regulators and they must accommodate and renovate their approach as times and business practices change. The Board has done this well over the past 90 years and will no doubt continue to do so for many years to come. It is, however, getting more difficult to do with the promise of impending legislation, which will fundamentally change the way the Board operates and the tools it has available to carry out its mandate. I have no doubt the Board will find a way to navigate the course to optimize consumer protection and licensee education.

This marks the end of my six years as a Board member. I have had the opportunity to meet and work with some very fine individuals, both public members and those from the profession. I want to encourage all members of the profession to at least entertain the thought of becoming a Board member when the opportunity next presents itself. It does take effort, but is rewarding. Last but not least, I want to acknowledge and thank all of the personnel at the Board office for their professionalism and unsung commitment. Thank-you all.

Rick Pedder

Chair



The Future is Taking Shape

With two clusters of draft regulations having now been released, the future is starting to take shape. The next cluster, which deals with licensing, should give everyone a good sense of the future landscape for the sector. To date, the draft regulations have stayed true to the recommendations made by Justice George Adams, which were based on the Bereavement Sector Advisory Committee discussions. In the meantime, we forge ahead with our initiatives in education and consumer protection.

A Preceptor Training Program developed in 2003 is now fully operational and is receiving wonderful feedback from attendees. Changes made to other professional development programming is also receiving praise.

Like professionals in many other sectors, licensees had to face the challenges of implementing privacy policies and procedures required by the Federal Privacy legislation, which took force in January 2004. The Board supported licensees through workshops and newsletters.

The Board focused its attention on areas of governance in 2004, creating an Audit, Finance and Risk Committee. For the first time, the funeral director members as well as the public members of the Board were invited to take part in governance training offered by the Ministry of Consumer and Business Services to all of the Board members of the Delegated Administrative Authorities. The Board's future will require strong Board members who are prepared to face the challenges that come with new legislation and a new governance structure. The Board takes its mandate very seriously and appreciates the opportunity to meet members from other sectors to discuss common issues.

The challenge for any regulator is to strike a balance between the needs of consumers and the needs of licensees. Using a consumer focus group, the Board developed and published new consumer booklets and will look to enhance its web site in 2005, which now includes a feature that allows users to search for a provider by city or by name.

We are also listening to licensees, who provide input through surveys and discussions with Board members and staff. We have implemented changes to professional development and inspection programs to reflect licensees' needs. We will also begin to investigate the development of support materials and training programs around the proclamation of the new legislation.

We look forward to our role working with the government to ensure not only strong consumer protection, but also to ensure flexibility for new business models and a level playing field.

The Board members and staff continue to demonstrate their dedication to the consumers of Ontario and should be commended for their efforts. On behalf of the Board and staff, I would like to thank Rick Pedder for his leadership and commitment as Chair in 2004.

Joseph Richer
Registrar



2004 Business Plan Achievements

In order to carry out its mandate and achieve its goals and vision, the Board believes it must focus on the four following “Strategic Outcomes”:

- ◆ Maintaining High Levels of Consumer Protection
- ◆ Advancing Service Excellence Through Professional Development
- ◆ Increasing Public Awareness
- ◆ Managing Uncertainty

Each of the Strategic Outcomes drives the Board’s activities for the year and provides a framework for setting annual targets. Highlighted below are some key achievements this year.

Strategic Outcome 1 - Maintaining High Levels of Consumer Protection

Maintaining high levels of consumer protection requires the Board to continue to efficiently carry out site inspections and ensure high levels of compliance. In addition, it must handle consumer enquiries, and complaints in an effective and timely manner. Effective management of the Compensation Fund is important for continuing to provide financial protection for consumers in the event of the mishandling of prepayment funds.

Inspections Keep in Step

The Board exceeded its goal of 180 inspections, with the oldest inspection having been done no earlier than April 2000.

Complaint Process Continues to Improve

The Board continues to mediate complaints and has maintained its 25% mediation level. In addition, matters are handled promptly, on average a decision or resolution is made within 59 days of the receipt of the complaint.

Risk-Based Scheduling in Place for Future Inspections

The Board completed Phase II of its risk-based scheduling of inspections and 2005 will see tightened rotation for some licensees. The Inspection Team has begun scheduling inspections based on the level of compliance demonstrated by licensees, and also taking into account related factors such as complaints and reports of the public accountant.

Healthy Compensation Fund

The Compensation Fund considered only three claims in 2004 and continues to maintain a healthy balance and a diversified portfolio.

Strategic Outcome 2 - Advancing Service Excellence Through Professional Development

The Board believes that consumer protection is best provided when supported by a professional development program that continuously raises industry professionalism and knowledge. The Board has reviewed funeral service education in Ontario and has developed an implementation plan based on the recommendations in the report.

Preceptor Training Program

The Board’s Preceptor Training Program was delivered twice. Enhancements were made to make it more interactive and to respond to participants’ needs. They were well received.

Professional Development 2004 a Success

Professional Development 2004 Toronto was well attended, as was the special information session on the Federal Privacy Legislation (PIPEDA), which was tailored for our licensees.

Proactive Communications with the Profession

The Board published three newsletters, which included special updates on the *Funeral, Burial and Cremation Services Act, 2002* and the Federal Privacy Legislation.

Active Participation in the Bereavement Sector Advisory Committee (BSAC)

With Clusters 1 and 2 of the regulations under the *Funeral, Burial and Cremation Services Act, 2002* being released in 2004, the Board was busy making its submissions. The Board also supported the government's interest in having the Registrar join the Ministry's development team to act as a technical advisor.

Strategic Outcome 3 - Increasing Public Awareness

The Board of Funeral Services believes that increased public awareness and education will ultimately lead to increased levels of consumer protection. Increasing the profile of the Board and educating consumers about the need to deal with duly licensed funeral establishments or transfer services will continue to be a key area of focus.

Educating Youth About Loss, Grief and Growth

The Board is committed to education and supports the efforts of the Loss, Grief and Growth Education Project Inc., committing seed money to get the project going. With pilots in place in various school boards, the program will teach students in Grades 1 to 12, about loss, grief and healthy growth that can occur through grieving a loss.

Consumer Access to Information & the Board Made Easy

The Board has developed new consumer information pieces. The two booklets will be available in December 2004 and are entitled: *Arranging a Funeral: What You Need to Know*, and *Prearranging a Funeral: What You Need to Know*. They were developed with input from consumers for consumers; they provide information that is essential to making informed choices.

Web Site Enhancements Improve Communications

It is now possible to search for a provider by name or by city on the site. Look for a fresh look to the web site in 2005.

Strategic Outcome 4 - Managing Uncertainty

Pending legislative reform and the possibility of the creation of a single Delegated Administrative Authority for the entire Bereavement Sector, the Board believes the key to its ongoing success will be maintaining a focus on its mandate and operational delivery. The Board is periodically revisiting and if necessary, adjusting its goals to ensure that it is on track in achieving its Strategic Outcomes. The Board is also committed to maintaining ongoing communications with staff and the profession at large.

No Loss of Focus on Current Mandate and Operational Delivery

The goal of the Board was to maintain numbers of inspections and quality of service. In 2004 the Inspection Team carried out over 200 inspections, exceeding its target of 180.

Privacy and Transparency is Key to Stakeholder Confidence

The Board has implemented policies to ensure privacy implications are addressed for consumers and licensees. The Board has established a privacy code and training for its staff to ensure compliance with the Personal Information and Electronic Documents Act (PIPEDA).

Board Accountability Strengthened

The Audit, Finance and Risk Committee continues to review processes to ensure effectiveness, efficiency and proper accountability.

Ongoing Communication with the Profession

The Board kept the profession informed of ongoing initiatives through regular newsletters and bulletins.

Board Committee Updates

The Board of Funeral Services has established seven Committees or Teams, which together enable the Board to carry out its mandate and strive towards achieving the Strategic Outcomes of its business plan:

- ◆ Discipline Committee
- ◆ Complaints Committee
- ◆ Compensation Fund Committee
- ◆ Licensing Committee
- ◆ Inspection Team
- ◆ Education Review Implementation Committee
- ◆ Licensing and Administration Team
- ◆ Communications and Long Range Planning Committee

While the activities of each Committee may contribute more directly to one or two specific Strategic Outcomes in our Annual Business Plan, it is the combined efforts and cooperation of the Committees and the Board that has enabled the organization to achieve its greatest success. The following are the reports of each Committee's findings, activities and accomplishments in 2004.

ENSURING RIGHTS OF CONSUMERS – Discipline Committee

Mandate

The Board of Funeral Services is committed to ensuring its licensees act professionally at all times to ensure that consumers rights are protected and that their needs are met. The Board's Discipline Committee considers allegations of professional misconduct or incompetence against funeral directors. The allegations can be referred to the Discipline Committee by the Complaints Committee, the Executive Committee, or the Board itself.

The Discipline Committee follows established procedures for hearings and is advised by independent legal counsel. The Board of Funeral Services is represented by legal counsel and the funeral director has the right to be represented by legal counsel as well. Decisions of the Discipline Committee may be appealed to the *Licence Appeal Tribunal* ("the Tribunal"), which is independent from the Board.

Cases Heard in 2004

In 2004, the Discipline Committee heard two cases leading to findings of professional misconduct.

In the first case, the Committee found a funeral director guilty of professional misconduct for releasing the cremated remains of a deceased to a third party (the son of the deceased), without authorization of the spouse of the deceased. The Discipline Committee ordered the following penalty: that the funeral director's licence be suspended for one month, that the funeral director be reprimanded, that the funeral director be fined \$2000, that the funeral director be prohibited from supervising an intern or co-op student for a period of one year after the licence is restored, and that the funeral director attend Professional Development 2005.

In the second matter, the funeral director was also found to be guilty of professional misconduct but the funeral director appealed the decision to the Tribunal. The Tribunal upheld the Committee's decision and the licensee has now appealed to the Superior Court of Ontario. The matter will be heard in 2005 and the details of the decision will be released if the Superior Court upholds the Committee's decision.

Sarah Walker

Chair



KEEPING OUR STANDARDS HIGH – Complaints Committee

Mandate

The mandate of the Complaints Committee is to consider and adjudicate consumer complaints regarding the conduct of any licensee.

Complaint Summary

The Board of Funeral Services received twenty-one complaints between November 1, 2003 and October 31, 2004. Of these, seventeen were dealt with in 2004 and four will be carried forward into the fiscal year 2005. The Committee also dealt with three complaints from 2003 and therefore reviewed a total of twenty complaints this year. The following is a breakdown of their dispositions:

In Favour of Licensee	6
In Favour of Complainant	6
Mediated by Board Staff	6
Withdrawn	1
Referred to Discipline	1

Although either party in the complaint process may appeal the recommendations of the Complaints Committee to the *Licence Appeal Tribunal* ("LAT"), no appeals were made this year.

When complaints are received from licensees, the Committee reminds the parties that the complaint process should not be used as a forum to resolve their business disputes. While this has been an area of concern in the past, in 2004, there was only one complaint from one licensee against another.

Resolved Disputes

The Committee is pleased that the staff was able to resolve 30% of the complaints received. The Committee reviews every resolution to ensure that it is appropriate given the circumstances. The Committee was satisfied with all of the resolutions presented. The resolutions resulted in the consumers receiving refunds or price reductions for a total value of \$4,305.00.

High Level of Service

Some time ago, the Committee set a target of 90 days in which it would either make a decision about a complaint or resolve the matter through mediation. This year, the average turnaround time was 59 days from the date the complaint was received. The Committee is very proud of this significant accomplishment.

Concerns About Type of Complaints

Again, the Committee is concerned about a number of complaints against funeral directors who are not taking direction from the proper person when making funeral arrangements. In these cases, the Committee reminded licensees of their obligation to deal with the correct person. In addition, there were a number of complaints that the level of service did not meet expectations.

Learning from Complaints

The Committee often uses the Board's newsletter as an educational tool to advise licensees of issues that result in complaints. In 2004, the Committee published two articles, one about guaranteeing contracts and the other about refunds to consumers. As the title suggests, the first was about guaranteeing contracts and the need to be clear about the terms of such guarantees. The article set out the legislative requirements and a sample for licensees to consider. The second article was about the different types of refunds uncovered by the Board's inspectors. The reasons for the refunds range from surplus on fulfilled prepaid contracts, overpayment on disbursements, using the wrong price list and charging the wrong amount for taxes.

The number of complaints continues to be below the yearly average and is very low relative to the number of deaths recorded annually. The consumers of Ontario are well served by the licensees who are well versed in statutory and regulatory requirements and continue to demonstrate a professional level of service. The Board is committed to increasing public awareness through public advisories, its web site and information packages made available to the public. The Board responded to 36 consumer requests for information, including 18 requests for complaint forms.

The Complaints Committee is pleased that Ontario's consumers, who are in need of funeral services, are being cared for in a professional manner.

Kirk Elliott

Chair

WORKING HARD TO PROTECT EVERYONE'S INTEREST – Compensation Fund Committee

Mandate

The Compensation Fund Committee administers the Prepaid Funeral Services Compensation Fund, which provides compensation to consumers when they have suffered a financial loss because their prepayment funds were mishandled. All claims must be supported by documentation, such as proof of payment.

Claims Paid

In 2004, the Committee considered and approved three claims valued at \$12,322.68. Two of the claims had been submitted in 2003 and the third in 2004. The three claims were made because a funeral director accepted the monies, but failed to place them in trust as required by law and was unable to repay the monies. The funeral director subsequently agreed to resign his licence and undertook never to re-apply for a licence, rather than face a disciplinary hearing.

Managing the Fund

During the year, the Committee reviewed the fund's asset mix with the Trustee to ensure that the fund is sufficiently diversified and secured. The Committee also reviewed the trust agreement and schedule of fees to ensure they were current and appropriate. At the year-end, the fund was valued at approximately \$1.75 Million.

The Committee would like to thank the members of the staff for their work and the Board for its support. The Committee would like to extend special thanks and appreciation to Tom Preston who lent his financial expertise to the Committee for six years and chaired the committee for much of his six-year term.

Bill Kiteley

Chair

MAINTAINING PROFESSIONAL STANDARDS THROUGH EDUCATION – Licensing Committee

Mandate

The three member Licensing Committee is made up of one public member and two funeral directors. This busy committee is committed to continually reviewing the effectiveness of its processes and funeral service education in Ontario. The Committee is mandated to consider matters that are referred to it by the Registrar regarding the eligibility of applicants applying for a licence. The Committee also considers any other matters related to licensing such as examinations, internship programs and professional development.

The *Professional Competency Profile* published in 2003 continues to inform the direction of new education programming and training.

Training Preceptors and Practical Examiners

The Board continues to focus on training for preceptors (those who train aspiring funeral directors through on the job training) and the examiners who carry out practical examinations on behalf of the Board.

We have developed an *Intern Training Program* that will give the intern clear direction of their accountabilities, an *Intern Performance Review* that facilitates the evaluation of the intern's performance and a *Guide to Training Plan and Performance Review* that provides the preceptor with additional supporting documentation.

We continue to investigate opportunities to deliver the Preceptor Training Program as a joint venture with other organizations. With 62 licensees having taken the program so far, and another 24 scheduled for November 2004, many active preceptors and others who train staff will soon have taken the program.

The Board engages funeral directors to carry out practical examinations of individuals seeking a licence that permits embalming. The Licensing Committee implemented a new process for training those carrying out the examinations. The revised process will make the program more practical to administer, without compromising the integrity of the training.

Professional Development Program

The Board held its 67th annual Professional Development Program in Toronto in the spring of 2004 and the highlight was a visit by Jim Watson, Minister of Consumer and Business Services. Minister Watson addressed the 350 participants recognizing the Board's 90th anniversary and the profession's commitment to education.

As part of the 90th anniversary celebration, the Board recognized the nine funeral directors in attendance who had been licensed for 50 years or more and reviewed the history of the Board and funeral service in a short multi-media presentation. The nine funeral directors demonstrate the commitment funeral directors have to their profession.

The Preceptor Training Program was also offered in conjunction with Professional Development 2004, providing an alternative to the main Professional Development Program.

We're Listening!

Based on recommendations made by licensees at Professional Development 2003, we increased the choices of speakers to nine and shortened the sessions to allow licensees to attend more sessions. The addition of the Preceptor Training Program and the additional speaker reduced the number of people in each session, creating a more comfortable environment and allowing for more interaction.

The Committee appreciates licensees' invaluable input and will continue to do its utmost to address the needs of licensees, balanced with maintaining the high programming standards that it has set.

Licensing Examinations

Licensing exams are continually reviewed and updated to reflect the ongoing changes in the profession. The Committee is in regular contact with the Funeral Service Education Programs to ensure they are aware of changes to the curriculum. The Committee was pleased to present awards to Gary Eide of Humber College and Veronique Brunet of Collège Boréal for achieving the highest marks on the licensing exams for their respective programs.

Sharing Ideas

The Board and the Licensing Committee appreciate the opportunity to meet with funeral service regulators from across North America to discuss licensing, examinations and other related matters. Board representatives attended the Annual Convention of the International Conference of Funeral Service Examining Boards and a meeting of the Canadian Regulators to discuss common issues. The Committee is very pleased with the high level of involvement the Board has in both of these opportunities.

A Quick Look at 2005

We anticipate that in 2005 some of the work that has been carried out by the Education Review Implementation Committee will be transferred to the Licensing Committee to carry on the work. The Committee also anticipates unveiling its plan to introduce a credit based professional development system, but will have to see how the *Funeral, Burial and Cremation Services Act, 2002* will affect its plans before doing so.

We cannot forget to acknowledge the input and hard work of so many: the Registrar, the Manager of Licensing and Administration, the Coordinator of Administrative Services, our Professional Competence Officer, the rest of the staff, and the Board as a whole. It is truly a team effort.

Wayne Smith

Chair



STRIVING TO ENSURE COMPLIANCE – The BOFS Inspection Team

The Inspection Team

The Inspection Team is the backbone of the enforcement side of the Board of Funeral Services and 2004 was a very busy and productive year. The team remains focused on the Board's mandate of consumer protection and continues to focus its resources on licensees that demonstrate lower levels of compliance through a risk-based inspection scheduling program.

Inspection Details for 2004

The Inspection Team completed 210 inspections, surpassing its 2004 goal of 180. During the inspections the team uncovered over \$13,000 owing to consumers, which is a significant decrease from the previous year. It is the hope that this is a result of the team's focus in this area over the past few years. The following is a breakdown of the inspection data for 2004.

	<u>2004</u>	<u>2003</u>
Inspections	210	226
Routine	190	207
New Premises or New Ownership	15	14
Premises Closed	5	6
Refunds to Consumers	\$13,420	\$36,372

Overall Compliance

In 2004, the Inspection Team did not observe any new major trends but did notice a lower number of non-compliance items reported for each inspection (8.9 in 2003 compared to 7.4 in 2004). The team focused on documents (contracts and price lists) to ensure they were consumer friendly and easy to understand. The average number of contract and price list issues amounted to approximately 32% of the non-compliance items. In the majority of cases, the licensee quickly remedied the non-compliance items.

Investigations

In 2004, the Inspection Team conducted 34 investigations, 27 of which were closed in 2004. The investigations involved a variety of issues including individuals operating without a licence, false advertising, the disappearance of charitable donations, funeral homes going into bankruptcy and unlicensed persons offering transfer services. While several of the issues raised in the investigations were resolved, others resulted in cautions or in no action being required.

Approximately 60 percent of the investigations were initiated by information received from licensees. This is a strong indication that the funeral sector is concerned about being in compliance with the regulations.

Focusing our Resources

The team is committed to focusing its resources in order to have the greatest impact on consumer protection.

While the risk-based approach to scheduling inspections will allow the Inspection Team to focus its resources on those licensees who demonstrate lower levels of compliance, it will take some time to see the effectiveness of the program. Inspections carried out in 2005 will give us our first glimpse at the effect the scheduling program is having.

In 2003 the Inspection Team identified issues and problems it had witnessed in the sector, and assessed each, considering the level of risk it posed to consumers as well as how frequently it occurred. The team then targeted the top ten problems and proposed a plan to try to reduce or eliminate them. In 2004, the team revisited the list to assess the action it had taken. While there appeared to be an improvement in most cases, many of the issues are difficult to measure or need more time to fully assess the impact of the action.

As an example, the team identified the lack of consumer understanding of contract cancellation rights and more importantly the cancellation fees or penalties incurred with some insurance funding products, as a problem. To help raise awareness of this issue to licensees, the team prepared an article for the Board's December 2004 newsletter that encouraged disclosure and comparison of funding options available so that consumers could make an informed choice. The team will also help to reinforce the issue with licensees during inspections. It may take some time to see any effects from these steps.

Strong Customer Service – Responding to Stakeholder Needs

The Inspection Team is committed to providing quality service through its balanced approach to inspections. It continues to be proactive on compliance issues and continues to improve their relationship with licensees. In 2004 the Inspection Team reviewed the 2003 inspection quality assurance survey results and have taken steps wherever possible to address the suggestions made by the licensees. The BOFS Inspection Team is open to suggestions from the industry on how to improve the inspection/compliance process to be less intrusive and useful as an educational tool without compromising consumer protection efforts.

The Inspection Team evaluated the solutions implemented to address licensee comments made in previous surveys. In all cases, it was noted that none of the comments for which remedies were implemented reappeared in 2003, which indicates a high level of success. A good portion of the solutions fell into the category of educating licensees further, providing them with additional information, and managing expectations.

Inspectors are now giving licensees more detailed explanations and regulatory references to explain why changes should or could be made to documentation such as contracts. Some licensees did not understand why their contracts needed to be changed when they had been acceptable in previous years. What they did not realize was that they had in fact made procedural or policy changes since their contracts were last reviewed and they therefore had to be changed in order to be consistent with the new procedures or policies. In other cases, when inspectors suggested to licensees that they modify their documents to make them clearer for consumers, the licensees thought the suggestions were actually requirements under the Regulations. To resolve this problem, the team has tried to do a better job of communicating when something is a requirement versus a suggestion, which seems to be working.

Another issue raised by licensees was the delay in getting phone calls back from inspectors. Voice mail messages are updated to inform callers when they will not be in the office, thereby helping licensees to know when they might get a call back. Since implementing the changes, these concerns have virtually been eliminated.

On average, it has taken the Inspection Team 8.5 days to issue inspection letters to licensees and it has taken licensees 33.3 days to respond to the inspection letter. For 2005, the Inspection Team will attempt to reduce this to 25 days by making changes to clarify expectations with respect to a response. Making the inspection letters available electronically and by accepting responses via e-mail should make it easier for licensee(s) to respond to and communicate with the Inspection Team.

On occasion, the team deals directly with consumers' needs. Upon a funeral home's closure in 2004, the team took over control of the prepayment funds and looked after their return to consumers. While this does not happen frequently, when it does the team takes steps to ensure that consumer monies are properly administered in a timely manner.

What's in Store for 2005?

For 2005, the Inspection Team will focus on reducing the non-compliance items demonstrated by licensees from one inspection to the next. The team will also alter its processes to more easily identify the licensees where non-compliance issues arise repeatedly. The team will investigate ways to use the information to further refine the risk-based approach it has undertaken.

The Inspection Team will be reviewing the licensing procedures for new businesses and changes of ownership with a view to increase both effectiveness and efficiency.

In addition to its regular activities, the Inspection Team will be involved in reviewing anticipated draft regulations made under the *Funeral, Burial and Cremation Services Act, 2002*. The team is dedicated to helping licensees through the transition to the new law. It will begin working on some educational tools for licensees and drafting sample price lists and contracts that conform to the draft legislation and regulations. The sample documents should help give licensees a better idea of what is required under the new legislation.

René Brakel

Manager, Inspections & Investigations



EDUCATION REVIEW IMPLEMENTATION COMMITTEE

The Board of Funeral Services continues to work on the recommendations put forward in the *Education Report* published in 2001. We continue to consider every recommendation and ways to implement each. While we believe that all of the recommendations are good, we will not be implementing all of them, since some may simply be cost prohibitive, in which case alternatives will be sought.

The **Internship Implementation Committee** has continually improved and expanded the Preceptor Training Program, building on its initial success. The program has become more interactive and participatory with additional materials being developed and distributed to new preceptors for use in the workplace. The program has been delivered three (3) times since its initial introduction and to date over 60 licensees have taken the program.

The **Professional Development Committee** has identified the key areas for the development of a framework for a credit-based system. The Board staff is currently working on new guidelines, which will make the future professional development system more flexible while still addressing necessary areas. While there is still much work to be done before a credit-based system is up and running, we are committed to pursuing the goal all the way to its implementation.

The **Pre-Admission and Academic Committee** has addressed most of the recommendations, but some will have to wait until the full effects of the new legislation are known. In the meantime, the Committee believes that there are no significant gaps in the program and that the admissions program is well structured and administered.

My six year term with the Board of Funeral Services will have ended in December 2004 and it is my expectation that the project will then be transferred to the Board of Funeral Services Licensing Committee for its supervision and further implementation. Seeing the project through from its inception to where it is now has been extremely rewarding. There is still work to be done, but the Committee's progress to date is tremendous thanks to the unflinching resolution of the Committee members and the Board staff who have been moving the project forward amidst many other challenges.

The funeral directors of Ontario have loudly voiced their support of the project and we have worked diligently to develop and implement the recommendations on your behalf.

Copies of the *Education Implementation Report Card* detailing our progress to date are available from the Board office.

Scott Doney
Chair

LICENSING AND ADMINISTRATION TEAM

The Licensing and Administration Team handles licensing operations for approximately 3,100 licence renewals, as well as providing support to the Board and staff. It is the first point of contact for the Board and as such it plays an important role in the process of requests from consumers, the profession, government and other stakeholders.

Staffing changes toward the end of the year saw one new member join the team and we hope the other position will be filled in the near future.

To help the team to carry out its duties more effectively, the team introduced an automated-attendant to allow callers to direct their own calls more quickly, while providing callers with the option to speak to someone immediately. A successful test period supported the change on a full time basis. We will continue to look for ways to provide professional service in an effective and efficient manner using the technology available.

Changes to the *Board of Funeral Services Annual Directory* making it a "business directory" will allow it to be made available to all stakeholders, thereby addressing concerns raised by the Federal Privacy legislation introduced in 2004. The business directory will again be available to all stakeholders in 2005.

Licensing / Registration

Again the team met its target of processing approximately 3,100 licences within 30 days of the application deadline. Minor adjustments to the procedure are on-going to ensure it continues to be effective and efficient. In 2004, the team took on average 3 days to process a renewal of a funeral director's licence (from date of receipt to printing of the licence). The turnaround time to issue a business licence was, on average 7 days.

The team continues to work to find ways to reduce errors and the need to return applications to licensees. For the 2005 application process the team has implemented the following:

- ◆ Published a checklist in the December 2004 Newsletter, to assist licensees when sending in their renewals.
- ◆ Half way through the year, we sent a memo to all managers reminding them of the importance of doing a quarterly reconciliation of prepaid contracts to avoid reporting errors.
- ◆ We sent a letter with the licence applications to all managers whose previous licence application contained errors providing explanations of common errors.
- ◆ The Inspection Team will assist in responding to issues involving the reporting of prepaid contracts and prepayment funds.

The team will continue to monitor the applications and where possible will make changes to help licensees reduce the number of errors in future applications.

STATISTICS FOR 2003/2004

Registrations and Licences Issued in 2004 #

Funeral Directors	
Active	1818
Inactive	702
Conditional	17
Resigned	0
Revoked	0
Suspended	0
Emeritus	52
Re-instated	4
Registered Transfer Service Operators	5
Labour Mobility Transfer	1

Licences 2004

Funeral Establishments Transfer Services

Offering Services to the Public	565	35
Not Offering Services to the Public	3	-
Conditional	1	-
Revoked	1	-
Refused to Issue	1	-
New Establishments	7	7
Changes of Ownership	19	-
Closed	7	1

Proposals / Orders / Conditions & LAT

Licensees generally accept proposals, which place conditions on their licences to avoid hearings before the *Licence Appeal Tribunal* (LAT). Some however, choose to have a hearing before LAT. Of the appeals filed to LAT, all but two were resolved before the date of the hearing. During the year, two businesses were refused a licence and both applicants appealed to LAT. In one case, LAT upheld the Registrar's decision. The other appeal is scheduled to be heard in 2005. During the year, one business licence was revoked.

The team continues to monitor the conditions placed on licensees.



Education & Professional Development

In honour of the Board's 90th Anniversary, the Honourable Jim Watson, Minister of Consumer and Business Services addressed the registrants at Professional Development 2004. For the first time, the Board also offered the Preceptor Training Program at the same time as the Professional Development Program to give licensees more choice.

Changes recommended by licensees were incorporated in 2004 and were met with positive response. The Preceptor Training Program was also tailored to better meet the needs of preceptors and interns. All of the changes have been well received.

The 92 interns and their preceptors received a revised survey about their experiences. For the first time, the survey results were circulated back to participants, giving them a better sense of where they stand in comparison to their peers.

The new format and other revisions made to the Practical Examiner Training Session & Qualification Program this year were well received. The changes will allow examiners to qualify every two years, rather than every year as was previously the case.

Exams Attempted in 2004

	Licensing Exams December 2003	Licensing Exams June 2004	Active/Inactive Exams	Re-instatement Exams	Out of Province (Legislative Exam)
Candidates	6	87	1	4	1

Improving Information and Access to Services

Again the Board published three newsletters in 2003 / 2004 and inserted several special bulletins about topical issues, such as the impending *Funeral, Burial and Cremations Services Act, 2002*.

A search feature of providers was added to the Board's web site, allowing visitors to search for a provider by city or by name. This will help consumers find businesses 24 hours a day reducing the need to contact the office during business hours.

In response to the new Federal Privacy legislation, the Board adopted a Privacy Code. The policy is in place and may be viewed on the Board's web site. Staff and Board members have also been trained in its implementation.

Goals and Objectives 2005

Having met the goals set for 2004 the Licensing and Administration Team has set the following goals and objectives for 2005:

- ◆ The team will continue to ensure that the profession is kept abreast of the regulatory developments by preparing updates regarding the draft FBCSA regulations in the newsletter and on the Board's web site.
- ◆ Changes will continue to be made to the web site based on the input received from consumers and licensees. A more user-friendly approach will be developed for back dated documents such as newsletters.
- ◆ In conjunction with the Licensing Committee, the team will investigate the feasibility of on-line licence renewals and the delivery of the newsletter electronically.
- ◆ The team will also investigate and assess various support mechanisms for interns and preceptors.

Susan Beck

Manager, Licensing and Administration

TEACHING OUR CHILDREN WELL – Communications & Long Range Planning Committee

As part of its commitment to consumer awareness and education, the Board has taken a different approach, moving away from traditional print and radio awareness campaigns. The Board has decided to use these resources instead to support the Loss, Grief and Growth Education Project Inc., which is designed to teach students in Grades 1 to 12, about loss, grief and the healthy growth that can occur through grieving a loss. With pilots in place in various school boards across Ontario, the Board believes the program will be invaluable to consumers in the long term. The Board has committed seed money to the project in anticipation that other benefactors will support the project as well.

New Consumer Information Pieces

The Board has developed new consumer information pieces. The two booklets entitled, “*Arranging a Funeral: What You Need to Know*” and “*Prearranging a Funeral: What You Need to Know*”, will be available in December 2004. Developed with input from consumers for consumers, they provide information that is essential to making informed choices.

Licensee Education

In order to keep licensees up to date with information and initiatives, we published three newsletters, which included special inserts from the Ministry of Health and Long-Term Care (Ontario Releases its Plan for the Pandemic Influenza) and from the Ministry of Consumer and Business Services about the *Funeral, Burial and Cremation Services Act, 2002*.

Setting Goals for Success

The Committee led the development of the 2005 Business Plan, identifying future goals, targets and timelines.

On behalf of the Committee, I would like to thank the staff of the Board of Funeral Services for its on-going support.

Kirk Elliott

Chair



Financial Outlook

Harris & Wright audited the Board of Funeral Services and the Prepaid Funeral Services Compensation Fund. They reported that the financial statements present fairly, in all material respects, the financial position of the Board as at October 31, 2004. Complete financial statements are available from the Board of Funeral Services upon request.

AUDITORS' REPORT

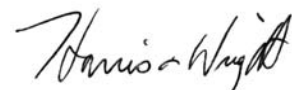
To the Directors of
Board of Funeral Services

We have audited the balance sheet of the Board of Funeral Services as at October 31, 2004 and the statements of revenue and expense - operations & special initiatives, surplus, and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluation of the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at October 31, 2004 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario November 30, 2004



Chartered Accountants

BOARD OF FUNERAL SERVICES
(Under the *Funeral Directors and Establishments Act*, 1989)

BALANCE SHEET
October 31, 2004

		Comparative 2003
ASSETS		
Current assets:		
Cash and bank	\$ 94,487	\$ 134,879
Sundry receivables (Note 4)	20,450	17,611
Prepaid expense	22,921	17,356
	<u>137,858</u>	<u>169,846</u>
Investments - at cost: (Note 3)	<u>1,924,748</u>	<u>2,081,182</u>
Capital assets - at cost: (Note 2a)		
Office furniture and equipment	197,593	199,015
Leasehold alterations	21,353	21,353
	<u>218,946</u>	<u>220,368</u>
Less - Accumulated depreciation	<u>136,637</u>	<u>124,740</u>
	<u>82,309</u>	<u>95,628</u>
	<u>\$ 2,144,915</u>	<u>\$ 2,346,656</u>
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 66,671	\$ 65,321
Deferred licence fee revenue (Note 2b)	227,283	198,685
	<u>293,954</u>	<u>264,006</u>
	<u>1,850,961</u>	<u>2,082,650</u>
Surplus	<u>\$ 2,144,915</u>	<u>\$ 2,346,656</u>

BOARD OF FUNERAL SERVICES

STATEMENT OF REVENUE AND EXPENSE - OPERATIONS & SPECIAL INITIATIVES

Year ended October 31, 2004

		Comparative 2003
REVENUE		
Funeral Directors' licence fees	\$ 382,575	\$ 377,125
Funeral Establishments' licence fees	816,580	796,510
Transfer Service licence fees	20,540	17,720
	<u>1,219,695</u>	<u>1,191,355</u>
Duplicate certificates	240	270
Student registration fees	4,600	4,600
Student examination fees	13,850	13,550
Professional development	90,565	83,305
Investment revenue	105,541	103,530
Administration fees - Compensation Fund	3,000	3,000
Sale of Directories, Acts and Miscellaneous revenue	4,497	8,145
Reimbursement - Ministry of Consumer and Business Services	27,888	27,311
	<u>1,469,876</u>	<u>1,435,066</u>
 EXPENSE (Schedule A)		
Salaries, benefits and compensation	\$ 744,920	\$ 702,665
Transportation and communication	249,735	264,848
Services	258,201	202,471
Supplies and equipment	237,324	225,943
	<u>1,490,180</u>	<u>1,395,927</u>
 EXCESS OF REVENUE OVER EXPENSE (EXPENSE OVER REVENUE)	<u>(20,304)</u>	<u>39,139</u>
 SPECIAL INITIATIVES (NOTE 6)	<u>211,385</u>	<u>133,379</u>
 EXCESS OF EXPENSE OVER REVENUE AFTER SPECIAL INITIATIVES	<u>\$ (231,689)</u>	<u>\$ (94,240)</u>

BOARD OF FUNERAL SERVICES

STATEMENT OF SURPLUS

Year ended October 31, 2004

		Comparative 2003
BALANCE, beginning of year	\$ 2,082,650	\$ 2,176,890
EXCESS OF EXPENSE OVER REVENUE AFTER SPECIAL INITIATIVES	<u>(231,689)</u>	<u>(94,240)</u>
BALANCE, end of year	<u>\$ 1,850,961</u>	<u>\$ 2,082,650</u>

BOARD OF FUNERAL SERVICES

STATEMENT OF CASH FLOWS

Year ended October 31, 2004

		Comparative 2003
CASH PROVIDED FROM (USED IN) OPERATIONS		
Excess of expense over revenue after special initiatives	\$ (231,689)	\$ (94,240)
Items not affecting working capital:		
Depreciation and amortization	22,602	24,750
	(209,087)	(69,490)
Net change in non-cash working capital (see below)	21,544	60,620
Cash used in operations	(187,543)	(8,870)
CASH PROVIDED USED IN INVESTING ACTIVITIES		
Capital asset additions	(9,283)	(12,131)
Decrease in cash	(196,826)	(21,001)
Cash at beginning of year	2,216,061	2,237,062
CASH AT END OF YEAR	\$ 2,019,235	\$ 2,216,061
Cash at end of year represented by:		
Cash	\$ 94,487	\$ 134,879
Investments	1,924,748	2,081,182
	\$ 2,019,235	\$ 2,216,061
NET CHANGE IN NON-CASH WORKING CAPITAL		
Increase (decrease) in:		
Current assets:		
Sundry receivables	\$ 2,839	\$ (17,306)
Prepaid expense	5,565	(22,609)
	8,404	(39,915)
Current liabilities:		
Accounts payable and accrued liabilities	1,350	22,970
Deferred licence fee revenue	28,598	(2,265)
	29,948	20,705
NET INCREASE (DECREASE) IN NON-CASH WORKING CAPITAL	\$ (21,544)	\$ (60,620)

NOTES TO FINANCIAL STATEMENTS

Year ended October 31, 2004

1. MISSION

The mission of the Board of Funeral Services (the 'Board') is to regulate the provision of funeral services and transfer services in accordance with the *Funeral Directors and Establishments Act* (the 'Act') in order that the public interest may be served and protected.

Corporate Goals and Values:

- Protecting the interests of the consumers of Ontario by establishing, implementing, and maintaining high standards of practice, professional expertise and ethics in the provision of funeral services and transfer services in accordance with the Act;
- Supplying information to consumers about their rights;
- Developing, implementing and evaluating an ongoing plan to effectively accomplish the goals and objectives of the Board;
- Developing and implementing educational programs for funeral service and transfer service providers;
- Consulting with stakeholders in order to ensure their needs and interests are identified;
- Developing recommendations to the Government on legislation, regulation, policy and practices.

The Minister of Consumer and Business Services retains responsibility for Ontario's consumer protection legislation and regulation and oversees the quality of services provided by the Board.

The Compensation Fund Committee manages the affairs of the Prepaid Funeral Services Compensation Fund that was established under the *Funeral Directors and Establishments Act*, 1989.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Depreciation

Depreciation on furniture and equipment is provided on the straight-line basis using a 10% annual rate. Leasehold alterations are written off over the term of the lease.

(b) Deferred licence fee revenue

Deferred licence fee revenue represents the prepaid portion of fees that pertain to the last two months of the calendar year and all 2005 fees collect

3. INVESTMENTS - Market value \$ 1,962,658 (2003 - \$2,104,635)

Comparative
2003

Canada Bond - 4.367%, maturing December 1, 2005	124,733	215,481
Canada Bond - 5.082%, maturing June 1, 2008	1,155,356	1,097,097
Canada Bond - 3.958%, maturing March 15, 2009	424,383	405,728
Ontario Hydro - 2.490%, matured October 15, 2004	-	100,625
Province of Ontario - 4.407%, maturing December 2, 2006	220,276	210,949
TD Canadian Money Market	-	51,302
	<u>\$ 1,924,748</u>	<u>\$ 2,081,182</u>

All investment transactions were made within the scope of the Board's by-laws.

4. SUNDRY RECEIVABLES

Comparative
2003

Ministry of Consumer and Business Services - reimbursement	\$ 16,504	\$ 12,097
Compensation fund and miscellaneous revenue	3,946	5,514
	<u>\$ 20,450</u>	<u>\$ 17,611</u>

5. LEASE COMMITMENTS

Office space is leased under a long-term agreement expiring September 1, 2006. Autos, which are leased for the inspectors, have lease expiry dates of April 2006. Future minimum rental payments under the leases with expiry dates of one year or more consisted of the following at October 31, 2004:

2005	\$	51,041
2006		38,588
2007		13,585
2008		6,704
2009		<u>2,572</u>
	\$	<u>112,490</u>

6. SPECIAL INITIATIVES

		Comparative 2003
Accreditation	\$ 3,272	\$ 2,074
Computer - data base consultant	1,764	12,220
Education Review	1,253	18,730
Labour Mobility Forum expense - Competency Profile	2,113	4,998
Legal	107	-
Professional development - Thunder Bay	-	3,568
Public relations	1,007	84,282
Public relations - Loss, Grief & Growth Project	155,000	-
Salaries	34,562	-
Web site	<u>12,307</u>	<u>7,507</u>
	<u>\$ 211,385</u>	<u>\$ 133,379</u>

The Excess of Expense over Revenue of \$231,689 (2003: \$94,240) is a direct result of the Board's decision to draw on its accumulated surplus for these planned budgeted initiatives.

PREPAID FUNERAL SERVICES COMPENSATION FUND(Under the *Funeral Directors and Establishments Act*, 1989)**BALANCE SHEET**

October 31, 2004

**Comparative
2003****ASSETS****Current assets:****Cash:**

Toronto Dominion Bank	\$ 33,992	\$ 27,456
TD Private Client Group	10,501	15,185
Interest receivable	7,167	8,151
	<u>51,660</u>	<u>50,792</u>

Investments - at cost (Note 3)	1,755,265	1,713,008
	<u>\$ 1,806,925</u>	<u>\$ 1,763,800</u>

LIABILITIES**Current liabilities:**

Accrued trust administration fee	\$ 1,470	\$ 1,435
Accrued administration costs	3,000	3,000
Accrued legal fee	-	424
Accrued audit fee	2,500	2,500
Sales tax and sundry	1,374	1,143
	<u>8,344</u>	<u>8,502</u>

Surplus	1,798,581	1,755,298
	<u>\$ 1,806,925</u>	<u>\$ 1,763,800</u>

STATEMENT OF REVENUE AND EXPENSE

Year ended October 31, 2004

**Comparative
2003****Revenue:**

Initial payments	\$ 5,580	\$ 2,700
Capital gains distributions	4,663	-
Interest and dividend income	70,088	78,546
Other Income	500	-
	<u>80,831</u>	<u>81,246</u>

Expense:

Administration costs	3,000	3,000
Bank charges	5	25
Prepaid funds compensated	12,323	9,410
Professional fees	2,916	3,340
Trust administration fees	19,304	11,391
	<u>37,548</u>	<u>27,166</u>

Excess of revenue over expense	<u>\$ 43,283</u>	<u>\$ 54,080</u>
---------------------------------------	------------------	------------------

