

Letterhead

Oct XX, 2020

Tulare County Grand Jury
5963 S. Mooney Blvd.
Visalia, Calif. 93277

INTRODUCTION:

The Tulare Public Cemetery District supports the Tulare County Civil Grand Jury in the operation and implementation of its statutory authority to investigate local governmental agencies and process citizen complaints involving local government concerns. The volunteers of the Tulare County Civil Grand Jury are an important part of insuring that our local government works effectively, efficiently, and to the best interest of all citizens.

The Tulare County Civil Grand Jury in October 2019 requested of the Tulare Public Cemetery District a substantial amount of financial and employee information dating from January 2017 to October 2019, a span of 34 months. It included:

- Bank statements and cancelled checks, monthly reports of income and expenses, income and balance sheets
- External audits, tax returns, a listing of all assets, federal form 941's
- Employee information such as time cards, W-2's, rates of pay, bereavement requests.

The time spent on providing this information took our office staff approximately 80 hours of labor, to take paper documents and scan them for presentation to the Tulare County Civil Grand Jury. This required the Tulare Public Cemetery District to hire a temporary employee for 40 hours in addition to our manager. The cost of this request to the Tulare Public Cemetery District was approximately \$1,800 in labor and benefits, not including the loss of productivity necessary to operate a cemetery with seven employees and ongoing interments.

At the conclusion of the Tulare County Civil Grand Jury report California Penal Code 933(c) requires a response to said document with the findings and recommendations. A response is due by December 9, 2020 to the Honorable Judge David Mathias and the Tulare County Civil Grand Jury. Below is the Tulare Public Cemetery District's response.

FINDINGS:

F1: Office staff was using antiquated bookkeeping practices which led to inaccurate and lost payroll documents as well as endowment fund practices not being followed for several years. Payroll was done by averaging hours rather than hours worked.

DISAGREE PARTIALLY:

The Tulare Public Cemetery District prior to fiscal year 2018-19 was using a bookkeeping system that although not on a computer, had been used for many years to provide accounting that could be used for payroll, and provided an accurate financial picture of the district. For example, in the District's annual audit ending June 30, 2017, the firm conducting the audit opined that "the financial statements present fairly, in all material respects, the financial position of the Tulare Public Cemetery District, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted." This is the highest rating that an auditor can give an organization.

Payroll documents were inaccurate and lost because of the action of a Board member, who removed these documents in 2017 with no authorization or permission from the office and took them home. These documents were returned only after Tulare County Council notified the Board member by mail demanding their return. Our office staff indicates that subsequently some payroll documents are still missing for 2017.

Endowment funds were found not being lawfully transferred annually as they should be by the Board in 2018. The Tulare Public Cemetery District Board took action in 2019 to correct this situation using calculations provided by our auditor at the completion of our fiscal year 2018-19 annual audit.

Payroll was calculated using averaging hours until 2018 when actual work hours were utilized for payroll. The District continues using actual hours for payroll calculations to date, will continue to do so in the future, and disagrees with the Grand Jury's findings to the contrary.

F2: Information contained in the Board packets are frequently incomplete and not all members are provided information to which they are entitled. Requests on August 29, 2019, September 30, 2019 and October 10, 2019 by a board member for information was not received by the board member.

AGREE:

It is important that all board members receive the same information in their board packets that are required or available for an upcoming Board meeting. The Tulare Public Cemetery District Board is committed to doing this and part of the action taken in January of this year was to properly staff the office to account for the workload required to meet board needs. It is felt this should alleviate this situation.

F3: "Caring Cause" is a volunteer group, which is disruptive to Board Meetings.

AGREE:

The Facebook group called Caring Cause and its active members in attendance at Tulare Public Cemetery District meetings have been intentionally disruptive in many instances. In response to the group's behavior, the District now includes Rules of Conduct with all meeting agendas. The chair is has been trained on how to properly remove meeting attendants who create disruptions that interfere with the orderly conduction of meetings, and, if necessary, contact law enforcement to assist with orderly conduction of meetings.

F4: TCCGJ (Tulare County Civil Grand Jury) found no evidence to confirm that required ethics training had been administered.

DISAGREE:

The Grand Jury never requested evidence of ethics training. The District will provide this evidence upon request.

F5: The cemetery district addressed accounting issues with the new accounting practices and software.

AGREE:

The financial documents for the fiscal year 2018-19 and going forward to today are input into our QuickBooks software to meet modern accounting system practices, and retained the services of a Certified Public Accountant to review our finances for accuracy.

F6: The TC BOS (Tulare County Board of Supervisors) has neglected to provide essential oversight to ensure that the public interest is served. They continue to reappoint trustees who have demonstrated an inability/unwillingness to adhere to accepted practices as they relate to conduct of Cemetery District board meetings.

DISAGREE PARTIALLY:

The Tulare Public Cemetery as a Special District in California does not have the Tulare County Board of Supervisors provide essential oversight in its daily operation or service to customers. The Tulare County Board of Supervisors oversight does involve appointing Board members for their terms of service. The Tulare Public Cemetery District Board affirms the importance of appointing Board members that have displayed the experience, knowledge, competency and community recognition for their conduct in public, and the ability to work together.

RECOMMENDATIONS:

R1. An independent forensic audit of TPCD (Tulare Public Cemetery District) should be conducted covering the last five years.

WILL NOT BE IMPLEMENTED:

A forensic audit is an examination of an organizations financial records to derive evidence which can be used in a court of law or legal proceeding. There is no evidence of any financial irregularity to justify the large cost of hiring a forensic audit specialist.

R2: A complete restructuring of TPCS's policies, procedure and internal controls be implemented with the next 12 months.

WILL BE IMPLEMENTED AS TO FINANCIAL POLICIES AND INTERNAL CONTROLS OVER THE NEXT 12 MONTHS:

The Tulare Public Cemetery District is in need of providing better arrangement of our policies into a more cohesive format and is committed to doing that. The Tulare Public Cemetery District is always willing to improve and add policies as deemed necessary in the operation of the District. The Tulare Public Cemetery District currently works with two Certified Public Accountants, one for annual audits and the second for review of our quarterly financials. These financial experts provide advice to improve our procedures and internal controls.

R3: The agenda be posted at least 72 hours in advance of any regularly scheduled meeting as required by the Brown Act.

HAS BEEN IMIPLEMENTED:

It is important to the Tulare Public Cemetery District board that we follow the Brown Act and we are committed to meeting the goal of posting agendas properly 72 hours in advance for those board meetings requiring this time frame.

R4: Transfer of endowment funds needs to be made on a more regular basis.

HAS BEEN IMPLEMENTED:

The transfer of endowment interest monies from the endowment fund accumulated during the 2019-20 fiscal year was completed in September 2020. This practice will continue annually.

CONCLUSION:

The Tulare Public Cemetery has changed dramatically in the last several years and is now an improved governed organization. This improvement can be observed by the following:

- Increased annual budget spending, reduced operating costs, increased income to fund needed equipment and capital improvements.
- Increased fiscal oversight and reporting.
- Increased interments in our District as the community supports two cemeteries with improved grounds, maintenance, and desire to have their loved ones buried or cremated remains on our property.
- Increased staffing in the office and grounds to properly meet the increased workload demands and improve the operation of the cemetery while meeting the needs of the community.
- Increased regulatory compliance and governance to meet legal requirements.
- Updated software to maintain burial database and provides for future search by name on our website.
- Supporting a new 501(c)3 Foundation, The Cemeterians, with volunteers to serve the ongoing needs of our cemeteries.

The Tulare Public Cemetery District Board wishes to thank the Tulare County Civil Grand Jury for their time and effort and their dedication to service on behalf of all citizens who live in Tulare County.

This letter was approved by the Tulare Public Cemetery Board on XX/XX/2020.

Respectively;

Steve Presant
Chair, Tulare Public Cemetery

Cc:

The Honorable Judge David Mathias
County Civic Center Room 303
221 S. Mooney Blvd.
Visalia, CA 93291