



Memorandum No: 24/25-7

Date: February 18, 2025

To: Honorable Mayor, Vice Mayor, and Commissioners

From: Patrick Reilly, CPA *PR*
City Auditor

Re: Performance Audit of Cemeteries Administration

Objective

The objective of the audit was to determine if internal controls were adequately designed, implemented, and effective for reliability of financial recordkeeping, safeguarding of assets, compliance with laws and regulations, and efficiency and effectiveness of operations.

Conclusion

The City Auditor's Office (CAO) found that the Cemeteries administrative office operations were not effectively supervised after the in-house transition in October of 2018, in accordance with Section 10-28 of City ordinances. Specifically,

- A comprehensive system of internal controls was not designed and implemented;
- An adequate recordkeeping system was not created and maintained;
- Managerial duties relating to the Perpetual Trust fund were not fulfilled;
- Managerial duties relating to the Preneed Trust fund were not fulfilled; and
- Price reviews were incomplete and untimely.

Scope & Methodology

As part of the fiscal year 2024 audit plan, the CAO conducted a performance audit of the City's Cemeteries administrative office operations, which includes a review of internal controls. A full scope risk-based operational audit testing transactions and balances is planned for a later date. The audit period included the first five years of in-house operation, October 1, 2018 – September 31, 2023.

The City Manager position turned over once during the audit period and then once again after the audit period.

The CAO conducted its assessment of internal controls using the May 2013 updated Internal Control—Integrated Framework established by The Committee of Sponsoring Organizations of the Treadway Commission (COSO). The framework defines internal control, describes the components of internal control and underlying principles, and provides direction for all levels of management in designing and implementing internal control and assessing its effectiveness. The five components of the COSO framework are: control environment, risk assessment, control activities, information and communication, and monitoring activities.

The audit methodology included

- Performing data reliability and integrity assessment of related computer systems;
- Reviewing regulation guidance, policies and procedures, and related requirements;
- Reviewing records and reports;
- Reviewing agreements;
- Performing process walk-throughs and conducting a review of controls;
- Interviewing appropriate City staff and third party personnel; and
- Performing analyses

The CAO has identified five (5) Findings during the audit. A Finding results from a failure to comply with policies and procedures, rules, regulations, contracts, and fundamental internal control practices. These findings are considered material weaknesses.

A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance will not be prevented, or detected and corrected, on a timely basis.

This audit was conducted in accordance with generally accepted government auditing standards (GAGAS). These standards require that we plan and perform the review to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusions based on our objectives. The CAO believes that the evidence obtained provides a reasonable basis for our conclusions based on our objectives.

Background

The City of Fort Lauderdale operates a public municipal cemetery system (Cemeteries) under the Parks and Recreation Department, consisting of four cemeteries on 98 acres: Woodlawn, Evergreen, Sunset Memorial Gardens, and Lauderdale Memorial Park. Three of the cemeteries are currently active; no new interments are available at Woodlawn. The cemeteries have been owned by the City since 1917, and were managed and maintained by private contractors since 1993. Contractor management ended on September 30, 2018, with the City taking operations in-house thereafter.

Pursuant to the Code of Ordinances, Chapter 10, the City Commission appoints a Cemetery System Board of Trustees (the Board) of ten members to administer the operation of the cemetery system, as well as oversee a trust fund as Trustor, which includes recommendation for the appointment of a qualified Trustee. Additionally, the Board promulgates rules and regulations for the operation of the municipal cemetery system, subject to the approval of the City Commission.

Cemeteries employs a trust fund to ensure necessary land maintenance in perpetuity. In 2003, the City combined two existing trust funds into the current Municipal Cemetery System Perpetual Care Trust Fund. The Declaration of Trust creating and governing the Trust Fund between Trustor and Trustee was last amended and restated in 2004. In 2011, a successor Trustee (a financial institution) was appointed, who is currently the incumbent. The Declaration vests the Trustee with power to invest the Trust Fund in accordance with the Investment Policy of the Cemetery Board of Trustees, last revised in February of 2023. The City's Finance Director is named by the

Declaration as responsible for collection and separation of Trust Fund corpus and income and delivery of moneys to the Trustee. As of September 30, 2023, the Trust Fund held a balance of \$30.5 million.

The Perpetual Trust Fund derives its income, per Ordinance, from two sources: 1) portions allocated from Cemeteries sales, defined as corpus, which cannot be withdrawn for any reason, and 2) interest, dividends and capital gains earned from investments of the fund.

Trust Fund and investment management services are provided by the Trustee under a commercial contract, currently ending 2026. Per Municipal Cemetery System Rules and Regulations, last amended in August of 2019, the Trust Fund's investment earnings can only be withdrawn from the Trustee upon approval of the Board for expenditures allowed by Ordinance, which include maintenance of the cemeteries, cost of managing the fund, and capital improvements to the cemeteries, which was expanded in 2021 to include land acquisition.

A Preneed Trust also exists that is currently administered by the former private contractor. This separate trust fund contains a balance previously collected by the private contractor from certain preneed sales as a guarantee that in the future, when these contracts require interment service, funds will be available to cover those expenses. The Preneed Trust carried a balance of \$5.4 million as of calendar year end 2023.

As these sales are serviced presently by in-house staff, amounts become owed from the trust to Cemeteries for service fees and merchandise purchased out-of-pocket.

Additionally, prior to in-house transition, the former private contractor accumulated a receivables balance of approximately \$5 million from financed preneed sales. As in-house staff collect payments from customers on these preneed contracts, a portion of these funds is statutorily owed from Cemeteries to the Preneed Trust, for guarantee purposes as stated above.

The Parks and Recreation Director employs two managers to separately direct Cemeteries' administrative office and grounds maintenance operations under one enterprise fund (Exhibit 8). During fiscal year 2023, there were 12 administrative employees and 18 grounds maintenance employees, respectively reporting to each manager.

The administrative office operation primarily includes sales of interment rights (property: lots, plots, niches, and crypts), merchandise, and service fees controlled by a general price list approved by the Board. Merchandise primarily includes burial vaults and memorials. A City resident discount of 25% is offered for property and service sales.

Sales can occur as preneed or at-need; only the latter involves immediate interment services. Without a preneed license, preneed sales are limited to property only. All sales require payment in full prior to interment. Preneed sales terms are generally attractive: interest-free credit is offered for up to five years, and late payment fees are always waived; however, all sales are non-refundable after 30 days with Cemeteries entitled to cancel sales

and retain all customer payments to date as liquidated damages upon 90 days of non-payment.

Administrative office management contracted for a software system in late 2020 to record its sales transactions and manage its thousands of permanent public records, but the system has not yet been implemented as of this audit's conclusion. Disputes over contract deliverables and issues with legacy data has stalled the software implementation.

Grounds Maintenance includes performance of landscape maintenance and interment services provided with City-owned equipment valued in excess of \$850,000.

Lastly, as a cemetery system owned and operated by a municipality, both operations are largely exempt from state regulatory oversight.

During its first four years, Cemeteries' in-house operations were profitable, averaging about \$5 million per year in sales on \$4 million per year in expenses. This success ended in fiscal year 2023 when expenses outpaced revenues by approximately \$500,000 (Exhibit 2).

A Cemeteries Master Plan was presented to and approved by the Commission in April of 2019. The Master Plan's capital projects in progress include an irrigation system and mausoleums construction.

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FINDINGS

Finding 1 – Absence of a comprehensive internal controls system

Condition

Cemeteries administration did not comply with Section 218.33(3), Florida Statutes by not designing and implementing comprehensive, risk-based policies and procedures inclusive of a system of internal controls, industry best practices, and laws and regulations.

- Additionally, Cemeteries administration's policies and procedures did not comply with City PSMs 9.10.1 and 9.16.1, in that Finance executive management did not pre-review the adequacy of Cemeteries administration's new cash collections policies upon the in-house transition in 2018 and did not oversee departmental inventory practices, which omitted recordkeeping for expensive merchandise, lawn maintenance power tools, and interment equipment ("attractive items" per PSM) and limited physical counts, performed only twice in five years.
- Notably, none of Cemeteries administration's staff handling funds were bonded, a breach of Section 10-50, City ordinances (Exhibit 1). While the underlying financial risk is somewhat mitigated by an insurance policy of \$100,000 deductible, this coverage does not meet the arduous standard of bonding, as required.

Criteria

Primarily, Section 218.33(3), Florida Statutes requires local governments to implement adequate internal controls. Per City Charter section 4.09, the City Manager is responsible for controlling all activities of the City and ensuring the enforcement of City laws and ordinances. This implies adherence to the COSO internal control framework (see specifics applicable to this audit detailed in Exhibit 1).

Per Section 10-28 of City ordinances, the Cemeteries Manager, as designee, is responsible for supervising Cemeteries operations, inclusive of recordkeeping and money collection duties, implicitly in a controlled manner.

Per Section 10-28 of City ordinances, Finance is responsible for verification and receipting of moneys collected on Cemeteries' revenue streams.

Per section 10-27(a) of City ordinances, the Board of Trustees is responsible for administering (i.e. governing) the cemetery system.

Detailed criteria are contained in Exhibit 1 - Criteria.

Cause

The root cause of this condition is that upper levels of City management did not provide adequate oversight of Cemeteries administrative management.

Effect

In general, an absence of a comprehensive internal controls system can allow material fraud and errors to occur without detection.

Though this audit was not substantive in nature, we happened to observe the following relevant

incidents:

- In late 2023, a check for over \$700,000 to transfer funds between the Perpetual Trust bank account and the City's operating bank account was misplaced for approximately six weeks when this audit discovered it; both Cemeteries and Finance managers were unaware. A stop payment was placed on the check.
 - *Subsequent event:* A week after receiving the replacement check, Finance recorded the transaction in the GL revenue sub-account "other miscellaneous income" rather than the customary "perpetual maintenance reimbursement", without any apparent independent verification including from Cemeteries, with a plan to eventually record it in the customary sub-account, but that had not happened by the time CAO followed up over a month later. Note: this error does not affect financial reporting, only transaction transparency.
 - *Subsequent event:* As a result of this incident, the Director of Finance implemented a process change for these exchanges to occur as ACH transfers between banks, instead of checks.
- Cash from a deposit in the amount of \$6,000 went missing that prompted a criminal investigation, which was closed after the funds were located.
 - *Subsequent event:* As a result of this incident, the Cemeteries Manager implemented a policy change to no longer accept cash, for sales that can range into the thousands.

Recommendation

The CAO recommends the City Manager work with relevant City management to promptly

- design and implement a comprehensive, risk-based system of internal controls;
- comply with Section 218.33(3), Florida Statutes, by maintaining the system of internal controls, which should be formally scheduled; and
- collaborate with the Board to ensure enhancement and effectiveness of its administrative (governance) function relevant to internal control design and implementation, as assigned but not detailed by City ordinance.

Management Response:

Management acknowledges this finding. The Parks and Recreation Department will work closely with the Finance Department to develop a more comprehensive internal controls design for the cemetery system.

Additionally, the City purchased a crime policy from Travelers Bond & Specialty Insurance which provides coverage for employee theft in the amount of \$1,500,000. This insurance is in lieu of and is meant to satisfy the bonding requirements for staff, as stipulated in Section 10-50 of the City ordinances.

Finding 2 – Absence of an adequate recordkeeping system

Condition

Cemeteries administration did not create and maintain an adequate recordkeeping system.

- Cemeteries Manager did not expedite the acquisition and implementation of a software management system, which is vital to collecting revenues of approximately \$5 million annually from hundreds of customers, inclusive of credit sales, in a business that requires long-term retention of accurate, important records.
 - As of the end of audit fieldwork in 2024, the turnkey software acquired in 2020 was not implemented, and no alternative backup accounting software was used as a temporary solution.
- In the five years since the in-house transition, Cemeteries administration's recordkeeping operated in primarily a paper-based filing system, with use of typewriters and limited accounting spreadsheets, which was not properly controlled.

Criteria

Primarily, per City Charter section 4.09, the City Manager is responsible for controlling all activities of the City and ensuring the enforcement of City laws and ordinances. This implies adherence to the COSO internal control framework (see specifics applicable to this audit detailed in Exhibit 1).

Per Section 10-28 of City ordinances, the Cemeteries Manager, as designee, is responsible for supervising Cemeteries operations, inclusive of recordkeeping and money collection duties, implicitly in a controlled manner.

Per Section 10-28 of City ordinances, Finance is responsible for verification and receipting of moneys collected on Cemeteries' revenue streams.

Per section 10-27(a) of City ordinances, the Board of Trustees is responsible for administering (i.e. governing) the cemetery system.

Detailed criteria are contained in Exhibit 1 - Criteria.

Cause

The root cause of this condition is that upper levels of City management did not provide adequate oversight of Cemeteries administrative management.

- Additionally, specific to the software implementation condition, Cemeteries Manager impeded finalization of software customization necessary to record present sales transactions by
 - placing inordinate priority for the vendor to complete a historical data conversion task, questionably combined within the software agreement, which was not essential to the process of recording present sales; and
 - negotiating a conflict resolution with the software vendor in mid-2023 that resulted in an agreement amendment that proved later that year to be entirely irrelevant to the goal of software implementation, which then led to more conflict and delays with the vendor.

- *Subsequent event:* In early fiscal year 2024, a *Notice To Cure* was sent from the City to the software vendor, to which the vendor provided a multi-page response. The conflict had not been resolved by end of audit fieldwork.

Effect

The absence of accounting software and file management controls, with inadequate oversight, notably resulted in

- revenues continuously recorded a few months late in Finance’s financial records (ERP system), which is expected to
 - delay Finance’s bank reconciliation control and
 - interfere with proper budgeting (Exhibits 3 & 5);
- errors and omissions within important Cemeteries data, supporting the City’s financial reports, that despite years of in-house staff effort to correct still have not been remediated;
- uncertainty by both Cemeteries management and its credit customers of outstanding balances and a relatively low, prolonged collection rate over years due to the inability to periodically bill credit customers (without software);
 - As a result, at least \$50,000 per year was spent in compensation solely for a worker to research and respond to customer inquiries of their current balances owed.
- a double sale of a gravesite occurring in 2022;
- commingled recording of unrelated revenue streams: service fees and merchandise sales within a single general ledger account, which obscures insight into cost of goods sold;
- exposure to loss of important, voluminous hardcopy files due to absence of digital backups;
- a relatively unorganized and overloaded Cemeteries network drive, containing 13,000 electronic files;
- an informal complaint log, the completeness of which is not clear; and
- a slow audit request response rate by Cemeteries administration.

Recommendation

The CAO recommends the City Manager work with relevant City management to implement the following in an expedited manner:

- software adequate for transaction recording and long-term file management;
- centralized, complete digitization and backup of all hardcopy files; and
- correction of all errors and/or omissions in legacy and in-house transactions data and any potentially existing within hardcopy documents.

As an option, it should be considered that these tasks can be outsourced to private contractors.

Management Response:

Management is aware and acknowledges that we do not currently have an adequate recordkeeping system. Management has been actively working towards obtaining a comprehensive system and recently have been approved through the budget process to obtain an accounts receivable software. Management has been engaged with Cemsites (Cemetery Software Vendor) to integrate the software in operations but several concerns outlined by staff (Parks and IT) on areas where the system did not function properly.

In addition, the vendor has not provided the SOC2 (security features) as outlined in the RFP. As such, the CMO has engaged Cemsites directly in an effort to work through some of those concerns

and determine next steps. Ultimately, the data which is compiled from years of information from a third party, is not reliable and we must cleanse the data to ensure the information is formulated appropriately so the details and information are recorded correctly.

To resolve these challenges, management will prioritize the timely implementation of a secure and efficient recordkeeping system, ensure comprehensive digitization of historical records, and rectify data inaccuracies.

Rebuttal

The City Auditor's Office emphasizes that the primary concern of correcting current and legacy data integrity and structure needs to be expedited regardless of the selected software system.

Finding 3 – Unfulfilled managerial duties relating to the Perpetual Care Trust fund

Condition

Both Cemeteries administration and Finance did not fulfill managerial duties related to the Perpetual Care Trust fund.

- Cemeteries Manager repeatedly made unnecessary requests of the Board for material trust withdrawals to reimburse operational maintenance expenses that were fully covered by operations profit (Exhibit 5). These withdrawals totaling \$6 million were also in excess of capital project needs, which were appropriated as \$3 million (Exhibit 5).
- Finance, in its contractual duty to the trust (provision 6), accurately and completely fulfilled these requests, as approved by the Board, via bank transfers.
- No one within the City questioned necessity of these transfers (Exhibit 4).

Criteria

Primarily, per City Charter section 4.09, the City Manager is responsible for controlling all activities of the City and ensuring the enforcement of City laws and ordinances. This implies adherence to the COSO internal control framework (see specifics applicable to this audit detailed in Exhibit 1).

Per Section 10-28 of City ordinances, the Cemeteries Manager, as designee, is responsible for supervising Cemeteries operations, inclusive of recordkeeping and money collection duties, implicitly in a controlled manner.

Per Trust agreement provisions 6, “The Trustee shall disburse funds from the Trust only upon the written order of the Finance Director...together with a copy of the...Board of Trustees minutes authorizing such disbursement...”

Per section 10-27(a) of City ordinances, the Board of Trustees is responsible for administering (i.e. governing) the cemetery system.

Detailed criteria are contained in Exhibit 1 - Criteria.

Cause

The root cause of this condition is that upper levels of City management did not provide adequate oversight of Cemeteries administrative management.

Effect

By the end of fiscal year 2023, an excess of approximately \$5 million had accumulated for Cemeteries in the City’s operational account because of unnecessary Perpetual Trust withdrawals. Under certain conditions, this excess balance of trust funds in the City’s bank account could breach City ordinance 10-47 that restricts the nature of Perpetual Care Trust fund spending (Exhibit 1).

Recommendation

Relevant to the Perpetual Care Trust fund, the CAO recommends the City Manager work with relevant City management to

- design and implement adequate oversight internal controls; and

- collaborate with the Board to ensure enhancement and effectiveness of its administrative (governance) function in relation to trust fund activities, as assigned but not detailed by City ordinance.

Management Response:

Management does not agree with this finding. All requests for reimbursement were reviewed and validated. It is management's responsibility to determine the sufficient funding levels for the Cemetery operations fund and to make the decision to waive the duly owed reimbursement from the trust. The issue appears to stem from the lack of a documented policy outlining thresholds for operational account balances before requesting trust reimbursements. While this absence is noted, it does not inherently signify a failure of managerial responsibility. Moving forward, we will work with the board to develop and document such policies to enhance transparency and governance.

Rebuttal

The CAO agrees that Management will work with the board to develop and document policies to enhance transparency and governance relevant to withdrawals from the Perpetual Card Trust Fund. We strongly encourage monitoring of all withdrawals from the Perpetual Card Trust Fund.

Finding 4 - Unfulfilled managerial duties relating to Pre-Need Trust fund

Condition

The exchange of funds, as owed between Cemeteries and a third party Preneed Trust fund, has not occurred for five years, resulting in uncertainty about significant accumulated balances owed by both parties. Additionally, Cemeteries was not in compliance with State laws.

- A recorded balance approaching \$550,000 toward the end of fiscal year 2023 from continuous cash collections by City staff of historical credit sales has been set aside in escrow for eventual contribution to the Preneed Trust.
 - A detailed verification of this balance by inspection of sales and deposit support was not performed by CAO due to the limited scope of this audit. However, we asked the Director of Finance for an estimate to determine the accuracy of this balance, and this request was deferred to the Cemeteries Manager to provide support to aid this task. However, support was not readily available, so no estimate was provided.
 - Because Cemeteries does not hold a preneed license but directly collected cash flows owed to the Preneed Trust, it did not comply with State law.
 - Further, as these collections were due to the Trust within 30 days after the end of the calendar month of receipt but never remitted, Cemeteries did not comply with State law.
- In turn, the Preneed Trust has not reimbursed Cemeteries for its purchases of merchandise and performances of service in satisfaction of historical preneed sales that have come due for at-need service after the in-house transition.
 - Cemeteries Manager was unaware of the balance owed to the City by the Trust that had accumulated over five years.
 - Per Florida Statutes, as cited by the former private contractor, the Preneed Trust cannot legally release the funds to Cemeteries until Cemeteries obtains either a preneed license or an agent with a license.
 - The Preneed Trust carried a balance of \$5.4 million as of calendar year end 2023.

In April of 2024, the CAO notified the City Attorney, as required by GAGAS, of legal non-compliance.

Criteria

Primarily, per City charter section 4.09, the City Manager is responsible for controlling all activities of the City and ensuring the enforcement of City laws and ordinances. This implies adherence to the COSO internal control framework (see specifics applicable to this audit detailed in Exhibit 1).

Per Section 10-28 of City ordinances, the Cemeteries Manager, as designee, is responsible for supervising Cemeteries operations, inclusive of recordkeeping and money collection duties, implicitly in a controlled manner.

Per Section 10-28 of City ordinances, Finance is responsible for verification and receipting of moneys collected on Cemeteries' revenue streams.

Per section 10-27(a) of City ordinances, the Board of Trustees is responsible for administering (i.e. governing) the cemetery system.

Detailed criteria are contained in Exhibit 1 - Criteria.

Cause

The accumulation of balances owed was initially due to an unresolved, problematic legal relationship with the former private contractor, who in part administers the Preneed Trust, upon termination of its agreement in late 2018. Terms and conditions of a new agreement with this private contractor to establish transactions with the Preneed Trust were never settled.

However, because alternative solutions exist, as discussed in the Recommendation, but have not been pursued over the past five years, the root cause of this condition is that upper levels of City management did not provide adequate oversight of Cemeteries administrative management.

- Two possible solutions, licensing or outsourcing, have been discussed periodically among Cemeteries administrative management, the Board, and the City Attorney's Office (Exhibit 6).
 - The option of licensure, which would eliminate need for a new agreement with the former private contractor, was advised in the first year of in-house operations by the former City Attorney, but Cemeteries Manager did not pursue it.
- *Subsequent event:* Most recently, in April 2024, the City Attorney again advised the Director of Parks and Recreation to file for Cemeteries' preneed licensure, which as of the date of this report has not yet been filed.

Effect

Material amounts owed remain unresolved and risk understatement in a poor recordkeeping environment.

Cemeteries has paid out-of-pocket an unknown sum for preneed merchandise purchased on these legacy accounts.

Recommendation

The CAO recommends the City Manager work with relevant City management to perform a long-term cost-benefit analysis of options (Exhibit 6) to resolve the accumulated balances owed to and from the Preneed Trust, and promptly implement the most favorable option in collaboration with the City Attorney's Office.

Management Response:

Management acknowledges gaps in managing responsibilities associated with the Preneed Trust fund, particularly following the termination of our agreement with the former contractor.

Additionally, management recognizes that less-than-desirable recordkeeping practices. Due to the reliance on manual operations, it has further compounded these challenges. Once we identify and implement a suitable software system in which we have confidence in, we believe these issues will be resolved.

Furthermore, management has actively sought to vet the process and feasibility of obtaining a preneed license multiple times since we have taken over cemetery operations. It is essential to consider the implications of the Cemeteries holding a preneed license, as this could result in the forfeiture of our current exemption from state regulatory oversight.

Further discussion is necessary to assess the potential impacts on the City and explore whether outsourcing preneed merchandise and services to a licensed agent may be more advantageous.

A thorough reconciliation of the accumulated balances is imperative to determine the amounts owed by Carriage Funeral Services and the City.

Rebuttal

The City Auditor's Office recommends expediting access to over \$5 million in Preneed Trust funds, which can be done by obtaining licensure or outsourcing to a licensed entity.

Finding 5 – Incomplete and untimely price review practices

Condition

The Cemeteries Manager did not timely implement adequate prices to ensure continuous profitability of Cemeteries operations and competitiveness with the local market.

- Since Cemeteries operations were transitioned in-house in late 2018, the Board’s review of prices occurred only once, during fiscal year 2023, despite economic inflationary pressures commencing in 2021.

Additionally, by review of Cemeteries Board minutes CAO found limited structure for the price review process (Exhibit 7f).

Criteria

Primarily, per City Charter section 4.09, the City Manager is responsible for controlling all activities of the City and ensuring the enforcement of City laws and ordinances. This implies adherence to the COSO internal control framework (see specifics applicable to this audit detailed in Exhibit 1).

Per Section 10-28 of City ordinances, the Cemeteries Manager, as designee, is responsible for supervising Cemeteries operations, inclusive of selling at the price set by the Commission.

Per section 10-27(a) of City ordinances, the Board of Trustees is responsible for administering (i.e. governing) the cemetery system.

Per section 10-46 of City ordinances, the Board is the trustor of the perpetual care trust.

Per section 10-29 of City ordinances, “The prices to be charged...within the municipal cemetery system shall be as established by the parks and recreation director or...designee subject to review by the cemetery system board of trustees and with the approval by resolution of the city commission.”

Detailed criteria are contained in Exhibit 1 - Criteria.

Cause

The root cause of this condition is that upper levels of City management did not provide adequate oversight of Cemeteries administrative management.

The substance requiring oversight is two-fold, involving processes of both the Board and Cemeteries management.

- 1) In general, City ordinances do not define details such as objectives, processes, and timeliness, of the Board’s administrative duty, specifically including the required price review. In this absence, additionally a general cause of this finding is that the Board had not implemented administrative policies and procedures to ensure it would consistently, effectively, and timely provide adequate administrative oversight.

- In effect, the Board’s objective of reviewing prices and the process of achieving that objective were unclear and affected by the limited support provided by Cemeteries Manager (Exhibits 7a and 7d).
 - Within Board minutes (Exhibit 7f), the CAO could only discern that the Board was primarily concerned with establishing new prices based on a customer impact perspective. No statement was found within minutes regarding a duty or interest to preserve the Trust’s “perpetual” balance by ensuring operational profitability, which is derived from fiscally responsible pricing.
- 2) The Cemeteries Manager has some discretion to implement actual sales prices via a detailed price list (Exhibit 7c) derived from the Board-approved “general price list,” (Exhibit 7b) where price ranges occur for some items. It’s reasonable to expect Cemeteries Manager to establish all discretionary prices to achieve at least a break-even outcome. The incurred deficit in fiscal year 2023 implies this expectation was not met.
- A contributing factor of the deficit is that the City’s job description, updated in 2018, for the Cemeteries Manager position does not include specific duties as to establishing adequate pricing or maintaining consistent profitability.
 - Though Cemeteries Manager set discretionary prices higher within the approved ranges, this effort was not enough to avoid the loss outcome. For example, in 2022 at one cemetery, burial spaces were priced at \$3,595 and \$3,895 from the approved range of \$2,495 - \$4,095; and even priced beyond the approved range at \$4,195 (Exhibit 7c).

Effect

Attributable in part to low pricing, the extent of the financial loss in fiscal year 2023 was approximately \$500,000 (Exhibit 2). Despite the recent price increase, if costs continue to outpace revenues, future deficits could be incurred. Due to prior years’ profitability, the fiscal year 2023 deficit resulted in no reduction in the Perpetual Care Trust fund.

Recommendation

The CAO recommends the City Manager work with relevant City management to

- design and implement internal controls for adequate and timely price review, ensuring at least break-even Cemeteries financial results; and
- collaborate with the Board to ensure enhancement and effectiveness of its administrative (governance) function relevant to internal control design and implementation, as assigned but not detailed by City ordinance.

Management Response:

Management recognizes the importance of conducting regular and comprehensive price reviews to ensure the financial sustainability of cemetery operations.

An annual review of the general price should be conducted by the Cemetery System Board of Trustees to ensure appropriate adjustments are made to achieve a revenue positive or break-even outcome.

However, it is crucial to perform a comprehensive and detailed analysis of revenues in relation to

expenditures in order to gain a clearer understanding of our financial position. While it may be suggested that the deficit in FY 2023 was primarily due to incomplete and untimely price reviews, this conclusion does not fully capture the complexity of our financial situation. During FY 2023, we made several significant improvements to our cemetery system.

Additionally, it is important to consider the impact of external factors, such as the COVID-19 pandemic, which notably influenced financial performance in FY 2021 and FY 2022. The pandemic led to a surge in demand for at-need burial services, increasing revenue during those years. Moreover, staffing vacancies during this timeframe contributed to salary savings, further affecting our financial position.

cc: Susan Grant, Acting City Manager
D'Wayne M. Spence, Interim City Attorney
David Soloman, City Clerk
Ben Rogers, Acting Assistant City Manager
Carl Williams, Director of Parks and Recreation
Linda Short, Director of Finance

EXHIBITS

Exhibit 1 – Criteria

Below are the detailed sources of criteria applicable to audit findings not included entirely within Criteria statements.

City Charter, section 4.09 (excerpts) as to the establishment of a comprehensive system of internal controls and enforcement of city ordinances, inclusive of those relevant to Cemeteries recordkeeping and reporting duties (further below)

“The city manager shall be responsible to the city commission for the proper administration of all affairs of the city coming under his or her jurisdiction, and to that end he or she shall: (a) See that the laws and ordinances of the city are enforced.... c) Exercise control, direct, and supervise all activities of the municipal government, except as otherwise provided in this charter.”

City ordinances, section 10-27 (excerpts) as to the Board’s administrative duty, interpreted by this audit as a governance function, over the cemetery system (not just the perpetual care trust)

“...(a)There is hereby created a cemetery system board of trustees, consisting of ten (10) members, which shall administer the operation of the cemetery system.”

City ordinances, section 10-28 (excerpts) as to the supervisory duties of the Cemeteries Manager relevant to recordkeeping and the monitoring duties of Finance

“Supervision of the municipal cemetery system shall be under the direction of the parks and recreation director or the parks and recreation director's designee. The duties of the parks and recreation director or the parks and recreation director's designee, with regard to the cemetery system are as follows:

...(2) Record of burials, entombments and inurnments. To keep complete and accurate records at the cemetery system administrative office of the names of the deceased, the subdivision, lot, section and plot in which the burial is made, or the mausoleum wall, row, and crypt in which an entombment is made, or columbarium wall, row and niche in which an inurnment is made, the date of burial, entombments, or inurnment, and the name of the funeral director conducting the funeral.

...(5) Monthly and annual reports. To make monthly and annual reports to the cemetery system board of trustees, city manager and director of finance showing the total number of interments, entombments and inurnments with other pertinent information, including a statement of the lots, crypts and niches sold and funds received and deposited with the city treasurer.

...(9) Record of plots, crypts and niches sold. To keep a plat and plat book of the cemeteries on which shall be shown all plots, crypts and niches which are sold or are for sale and a record made of the date, name of purchaser and the amount received for each sale.

(10) Selling lots, plots, crypts and niches. To sell such lots, plots, crypts and niches in the municipal cemetery system as are authorized by the cemetery system board

of trustees under the restrictions imposed by such board and at the price set by the city commission, and to issue a certificate of ownership of burial rights, entombment rights or inurnment rights upon a payment of the whole amount, naming such special restrictions as are not set forth in this article, signed by the proper city officials and stamped with the seal of the city.

(11) Record transfers of certificates of ownership. To record the transfer of certificates of ownership of burial rights, entombment rights or inurnment rights from one (1) owner to another, after a request for transfer has been made and the appropriate fee has been paid.

(12) Record in cemetery office certain transactions. To record in the office of the cemetery manager all owners' declaration of reservation for burial rights, entombment rights and inurnment rights with the signatures of the owners, the names of all proposed interments, entombments or inurnments, the individual's relationship to the owner and a complete legal description of the designated plot, crypt or niche to be used.

(13) Collection of moneys. To collect all money in payment for lots, plots, crypts, niches, perpetual care, interments, entombments, inurnments, merchandise and for all services rendered by the employees of the cemetery system in the performance of their duties, and such moneys so collected, after being checked by the finance department, shall be deposited with the city treasurer who shall give a receipt for the funds received.

City ordinances, section 10-50 as to a particular mandated internal control

“All persons handling funds in the operation of the cemetery system shall be bonded in the amount decided upon by the director of finance.”

City ordinances, section 10-47 (excerpts) as to restrictions on perpetual care trust fund spending (a fiduciary care obligation)

“...(2) Expenditures. The income of the perpetual care trust shall be used only for the following purposes: a. The perpetual care of lots, plots, crypts, and niches; and b. The repair of lots, plots, crypts, and niches to the extent that such are damaged through the maintenance process, which maintenance shall not include the regular repair, cleaning, refinishing or replacement of any item deteriorated from age or use, but shall include the cleaning and maintenance of the mausoleum and the columbarium as well as the turf and common areas surrounding structures; and c. The cost of managing the perpetual care trust; and d. Real property acquisition and/or capital improvements to the cemetery system when recommended by the cemetery system board of trustees and approved by the city commission may be funded with excess accumulated income from all years, provided that the finance director has determined that such action will not adversely affect the perpetual operation and maintenance of the cemetery system.

No portion of the corpus of the perpetual care trust shall be withdrawn for any reason whatsoever. The corpus of the perpetual care trust consists of all income

deposited in the trust pursuant to Section 10-47(a)(1) of the Code of Ordinances of the City of Fort Lauderdale. The corpus shall not include any dividends, capital gains, interest or other income earned and resulting therefrom.”

Section 218.33(3), Florida Statutes (excerpts) as to local government internal control requirements

“(3) Each local governmental entity shall establish and maintain internal controls designed to:

- (a) Prevent and detect fraud, waste, and abuse as defined in s. 11.45(1).
- (b) Promote and encourage compliance with applicable laws, rules, contracts, grant agreements, and best practices.
- (c) Support economical and efficient operations.
- (d) Ensure reliability of financial records and reports.
- (e) Safeguard assets.

Section 497.452, Florida Statutes (excerpts) as to licensure requirements to sell and collect on preneed merchandise and service contracts

“(1)(a) No person, including any cemetery exempt under s. 497.260, may sell, advertise to sell, or make an arrangement for a preneed contract without first having a valid preneed license.

(3) No person may obtain a preneed license under this chapter for the preneed sale of merchandise or services unless such person or its agent, in the case of a corporate entity, holds a license as a funeral establishment, cemetery company, direct disposal establishment, or monument establishment.”

Section 497.459(5), Florida Statutes (excerpts) as to whom preneed trust funds are paid (i.e. licensee) upon contract cancellation from default

“If a purchaser is 90 days past due in making payments on a preneed contract, the contract shall be considered to be in default, and the preneed licensee shall be entitled to cancel the contract, withdraw all funds in trust allocable to merchandise items, and retain such funds as liquidated damages. Upon making such withdrawal, the preneed licensee shall return all funds in trust allocable to services, facilities, or cash advance items to the purchaser, provided that the preneed licensee has provided the purchaser with 30 days’ written notice of its intention to exercise any of its rights under this provision.”

City PSM 9.10.1 – Policy for New Revenue Collections as to Finance duties relevant to Cemeteries’ revenue policies and procedures after in-house transition

“Prior to the initiation of any collections of new revenues detailed procedures shall be established by the collecting department and submitted to the Director of Finance, or his designated representative, and the Internal Auditor, or his designated representative. This is to ensure that correct procedures and necessary

controls are established in accordance with generally accepted accounting practices, and other applicable City policies.”

City PSM 9.16.1 (2)(I) – General Fixed Assets Policy as to Finance duties for ensuring quality departmental inventorying practices of attractive items

“Assets below the capitalization threshold but warranting control are called “attractive items”. Attractive items are defined as tangible personal property used in operations that has a value or cost less than capitalization threshold and that requires special attention to ensure legal compliance, protect public safety, and avoid potential liability, or to compensate for heightened risk of theft. ...These items shall be inventoried and controlled at the department level. ...The Finance Director shall have the right to request copies of the inventory and/or updated inventory of attractive items so as to periodically review the information and adherence to policy.”

COSO framework components as relevant to a comprehensive system of internal controls

Principle 2: The board of directors demonstrates independence from management and exercises oversight of the development and performance of internal control.

Principle 5: The organization holds individuals accountable for their internal control responsibilities in the pursuit of objectives.

Principle 7: The organization identifies risks to the achievement of its objectives across the entity and analyzes risks as a basis for determining how the risks should be managed.

Principle 10: The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.

Principle 12: The organization deploys control activities through policies that establish what is expected and procedures that put policies into action.

Principle 14: The organization internally communicates information, including objectives and responsibilities for internal control, necessary to support the functioning of internal control.

Principle 16: The organization selects, develops, and performs ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning.

Exhibit 2 - All Years ACFR Financial Results for Cemeteries Operating Fund

Account	FY19	FY20	FY21	FY22	FY23
Operating Revenues					
Charges for Services	\$3,408,411	\$4,875,939	\$5,776,130	\$5,452,744	\$4,694,030
Miscellaneous Income	\$178,288	\$126,998	\$140,504	\$118,947	\$126,743
Total Operating Revenues	\$3,586,699	\$5,002,937	\$5,916,634	\$5,571,691	\$4,820,773
Operating Expenses					
Personal Services	\$1,459,212	\$2,454,906	\$2,582,983	\$2,287,335	\$2,957,853
Materials, Supplies and Other	\$1,980,532	\$1,321,344	\$2,224,722	\$2,076,332	\$2,464,670
Depreciation	\$92,770	\$102,751	\$136,222	\$152,669	\$160,315
Total Operating Expenses	\$3,532,514	\$3,879,001	\$4,943,927	\$4,516,336	\$5,582,838
Operating Income/(Loss)	\$54,185	\$1,123,936	\$972,707	\$1,055,355	-\$762,065
Nonoperating Revenues					
Interest Income	\$7,840	\$72,270	\$3,503	-\$263,603	\$317,938
Gain on Disposal of Capital Assets	\$1,275		\$48,100	\$9,000	-\$62,798
Income before Contributions and Transfers	\$63,300	\$1,196,206	\$1,024,310	\$800,752	-\$506,925
Transfers In	\$1,907,763	\$1,652,260	\$2,191,365	\$408,968	
Transfers Out	-\$738,536	-\$48,896	-\$85,804	-\$100,291	-\$135,399
Change in Net Position	\$1,232,527	\$2,799,570	\$3,129,871	\$1,109,429	-\$642,324

Exhibit 3 - FY23 Late Revenues Postings within ERP

Posting Month, Year	Transaction Month, Year	Sum of Transaction Amount	Average Months Delay	
Oct 2022	Oct 2022	\$411	0.0	
Nov 2022	Nov 2022	\$0.00	0.0	Note 5
Dec 2022	Jun 2022	-\$411	5.2	
	Dec 2022	\$4,515	0.0	
Jan 2023	Jan 2023	\$2,499	0.0	
	Oct 2022	-\$400,510	2.7	Note 4
Feb 2023	Feb 2023	\$25,290	0.0	
	Aug 2022	-\$1,500	6.0	Note 4
	Nov 2022	-\$355,992	2.4	Note 4
	Dec 2022	-\$398,632	1.8	Note 4
Mar 2023	Feb 2023	-\$10,597	1.0	Note 4
	Mar 2023	\$1,216	0.0	
Apr 2023	Jan 2023	-\$451,371	2.2	Note 4
	Apr 2023	\$1,984	0.0	
May 2023	Feb 2023	-\$387,885	2.9	Note 4
	May 2023	\$684	0.0	
Jun 2023	Mar 2023	-\$489,862	2.3	Note 4
	Jun 2023	\$2,840	0.0	
Jul 2023	Apr 2023	-\$347,435	2.9	Note 4
	May 2023	-\$291,313	2.0	Note 4
	Jul 2023	\$983	0.0	
Aug 2023	May 2023	-\$93,304	2.2	Note 4
	Jun 2023	-\$418,795	1.8	Note 4
Sep 2023	Jul 2023	-\$435,520	1.3	Note 4
	Aug 2023	-\$415,151	0.5	Note 4
	Sep 2023	-\$370,858	0.0	
Total		-\$4,828,713		

Notes:

- 1) FY23 is an example year; prior years exhibited a similar pattern
- 2) Negative (credit) amounts are positive revenues
- 3) Significant revenue postings have been highlighted
- 4) Schedule shows almost no revenues posted the first 3 months of FY23 & Late postings also occurred in subsequent months
- 5) No postings occurred in November 2022

Exhibit 4 – Perpetual Trust Withdrawals Board Minutes

Board of Trustees minutes excerpts for maintenance reimbursements – all unanimous votes, consistently throughout the audit period

January 2022

D. Maintenance Reimbursement Request for October 2021 & November 2021 (Discussion/Motion)

Chair Kurtz mentioned the maintenance reimbursement for October 2021 and November 2021.

Mr. Nesbitt commented the water sewer bill is sporadic.

Motion made by Mr. Nesbitt, seconded by Vice Chair Zeiler, to approve the October 2021 maintenance reimbursement in the amount of \$93,904.07. In a voice vote, the **motion** passed unanimously. (7-0)

Motion by Mr. Nesbitt, and seconded, to approve the November 2021 maintenance reimbursement request in the amount of \$133,796.37. In a voice vote, the **motion** passed unanimously. (7-0)

May 2021

D. Maintenance Reimbursement Request for February 2021 & March 2021. (Discussion/Motion)

Chair Kurtz commented that the March reimbursement was \$135,358.04.

Ms. Spates reported the February reimbursement was \$118,898.56.

Motion by Mr. Nesbitt, seconded by Vice Chair Zeiler, to approve the maintenance reimbursement for February 2021 in the amount of \$118,898.56. In a voice vote, the **motion** passed unanimously (8-0).

Motion by Vice Chair Zeiler, seconded by Mr. Nesbitt, to approve the maintenance reimbursement for March in the amount of \$135,358.04. In a voice vote, the **motion** passed unanimously (8-0).

January 2020

C. Maintenance Reimbursement Request for January 2020 (Discussion/Motion)

Motion made by Mr. Watson, seconded by Mr. Kurtz, to approve the Maintenance Reimbursement for January 2020 in the amount of \$159,417.61 to the City of Fort Lauderdale. In a voice vote, the motion passed unanimously.

November 2019

B. Quarterly Maintenance Reimbursement for September & October 2019 (Discussion/Motion)

Motion to approve the Quarterly Maintenance Reimbursement for the period of September and October 2019, in the amount of **\$304,280.16** payable to the City of Fort Lauderdale was made by Mr. Nesbitt and seconded by Ms. Zeiler.

In a voice vote, the motion passed unanimously.

Board of Trustees minutes excerpts explaining how capital project reimbursement works

March 2023 capital project budgeting process

Exhibit 4 – Perpetual Trust Withdrawals Board Minutes

Mr. Nesbitt questioned where they are with mausoleum construction.

Ms. Spates stated they cannot do mausoleum construction without going out to bid again. It was on the agenda last night for the budget amendment because they have to add more money to the project because it is coming in higher. They have to move money because the RFP cannot go out without funding being in place. It takes approximately two or three weeks to make sure funding is in place. She noted that Project Manager fees must be included.

Mr. Nesbitt questioned if this is money in the Operating Budget or the CIP Budget.

Chair Van Rees stated usually it is CIP.

Mr. Nesbitt asked if that money will be replaced once it is spent.

Ms. Spates stated they take the money out of the CIP and then they ask for a reimbursement because the Board voted to support funding.

August 2023 capital project reimbursement approval (paid in FY24)

B. Reimbursement of CIPs for Sunset Irrigation & LMP Maintenance Yard

Ms. Spates noted it was pre-approved and the projects were completed.

Chair Van Rees said two motions are needed.

Motion made by Mr. Nesbitt, seconded by Ms. Krebs, to reimburse the City of Fort Lauderdale from the Perpetual Care Fund for Sunset Irrigation System in amount of \$645,760. In a voice vote, the **motion** passed unanimously. (6-0)

Motion made by Mr. Nesbitt, seconded by Mr. Busa, to reimburse the City of Fort Lauderdale from the Perpetual Care Fund for the Lauderdale Memorial Park Maintenance Yard in the amount of \$89,351. In a voice vote, the **motion** passed unanimously. (6-0)

Exhibit 5 - Perpetual Trust Withdrawals Aided by Unreliable Budget Projections

Note: Source of detailed data shown below is OMB. ACFR figures are shown for reconciliation purposes, the only material difference occurring in FY19 actuals primarily due to a receivable write-off allowance. Profit calculations on Actuals use the published ACFR; OMB data is used for Budgeted calculations.

This shows that OMB, based on Cemeteries administrative management guidance, consistently forecasted unreliable financial performance which unnecessarily prompted Perpetual Trust withdrawals to cover expected losses

Sub-Object Name	FY 2019 Actuals	FY 2020 Budgeted	FY 2020 Actuals	FY 2021 Budgeted	FY 2021 Actuals	FY 2022 Budgeted	FY 2022 Actuals	FY 2023 Budgeted	FY 2023 Actuals	Totals
Total lot sales (net of trust contributions)	\$ 1,996,557	\$ 1,569,087	\$ 2,404,091	\$ 1,600,000	\$ 2,424,510	\$ 1,800,000	\$ 1,929,560	\$ 1,800,000	\$ 2,036,541	
Total merch sales	\$ 1,411,855	\$ 950,000	\$ 2,471,847	\$ 1,200,000	\$ 3,351,622	\$ 1,500,000	\$ 3,523,184	\$ 1,800,000	\$ 2,657,488	
Total other gain/loss	\$ 187,402	\$ -	\$ 199,267	\$ 72,983	\$ 188,004	\$ 107,512	\$ (135,657)	\$ 133,202	\$ 384,863	
Total revenues	\$ 3,595,814	\$ 2,519,087	\$ 5,075,205	\$ 2,872,983	\$ 5,964,136	\$ 3,407,512	\$ 5,317,087	\$ 3,733,202	\$ 5,078,892	
ACFR total revenues	\$ 3,595,814		\$ 5,075,207		\$ 5,968,237		\$ 5,317,088		\$ 5,075,913	\$ 25,032,259
Total expenses (excluding capital projects)	\$ 4,074,530	\$ 3,319,087	\$ 3,884,641	\$ 4,361,229	\$ 4,926,543	\$ 4,645,022	\$ 4,471,575	\$ 5,575,692	\$ 5,582,836	
ACFR total expenses	\$ 3,532,514		\$ 3,879,001		\$ 4,943,927		\$ 4,516,336		\$ 5,582,838	\$ 22,454,616
Total profit	\$ 63,300	\$ (800,000)	\$ 1,196,206	\$ (1,488,246)	\$ 1,024,310	\$ (1,237,510)	\$ 800,752	\$ (1,842,490)	\$ (506,925)	\$ 2,577,643
Profit Margin	2%	-32%	24%	-52%	17%	-36%	15%	-49%	-10%	

Total Trust withdrawals (Transfers in)	\$ 1,907,763		\$ 1,652,260		\$ 2,191,365		\$ 408,968		*	\$ 6,160,356
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Note: Perpetual Trust withdrawals could occur for two primary purposes: maintenance expense reimbursement and capital project spending reimbursement

The schedule below shows that all trust withdrawals during the audit period occurred for maintenance expense reimbursement

Capital project appropriations approved (eventually to be reimbursed via trust withdrawal)	
Note: When capital project amounts are appropriated, funds transfer from trust to operating account doesn't occur until project is completed.	
Year: Amount	Project
FY19: \$0*	*entire transfer/appropriation was uniquely to general fund in FY19
FY20: \$450,000	Sunset irrigation system
FY21: \$175,000	Sunset irrigation system
FY22: \$2,292,089	LMP & Sunset mausoleums
FY23: \$0	
Capital projects trust withdrawals transferred	
FY19: \$0	
FY20: \$0	
FY21: \$0	
FY22: \$0	
FY23: \$0	(capital withdrawal approved in FY23, but not transferred until FY24*)
*Includes \$89,351 for LMP maintenance yard project excluded from CIP budget	

Note: Cemeteries Rules and Regs created by Board (per Ordinance) grant Board authority to spend funds however it sees fit within formal restrictions, yet objectively just because the money can be spent doesn't mean it should be spent, especially when unnecessary; that is, when maintenance overhead is fully covered by accumulated profits. There is no ordinance that prohibits unnecessary spending of trust funds.

Exhibit 6 - Preneed Trust Solutions

As mentioned in the report, two options exist, as listed below, to bring Cemeteries into compliance with Florida Statutes regarding the City's collection of funds owed to a preneed trust and to avail Cemeteries revenue generation through the sale of preneed merchandise and service, which is currently prohibited without a preneed license per Section 497.452(1)(a), Florida Statutes.

However, each incurs a respective cost that needs to be considered.

- 1) State licensure of Cemeteries for the sale of preneed merchandise and service
 - The Preneed Trust would be administered by the City as Trustor.
 - While most four preneed licensure avenues, listed in Section 497.452(3), Florida Statutes, statutorily require operational costs, such as equipment purchase, these costs are not necessarily significant among all, particularly the avenue of "cemetery company" licensure.
 - Additionally, as a potential financial benefit directly exclusive to this option, cancellation of non-paying contracts would avail Cemeteries to the ownership of Preneed Trust funds previously collected on those contracts, without further obligation to the contract purchaser.
 - If licensure were decided the best option, but the City doesn't fit within parameters established by the regulatory agency, a non-profit organization could be established for this purpose.
- 2) Contract with an outsourced service provider that currently holds a preneed license to act as the City's preneed sales agent
 - This option would simply move the Preneed Trust from one private contractor to another.
 - The expected primary cost of this option is commission paid to the private contractor on all gross sales of preneed merchandise and service. Though this commission rate could be minimized through competitive solicitation, CAO was told the market rate was recently 18%. For example, if the private contractor sold \$5 million per year of preneed merchandise and service, the opportunity cost to Cemeteries (comparative to the licensure option above) would be \$900,000/year; Cemeteries' net revenue would be \$4.1 million.
 - In contrast with the licensure option above, though non-paying contracts can also be cancelled under the outsourced option, Section 497.459(5), Florida Statutes inures the related Preneed Trust funds to the benefit of the license holder, i.e. the outsourced contractor in this option.
 - However, it might be possible for the City Attorney to draft an agreement with the contractor that circumvents this statute by obligating the contractor to forward such funds to the City.

In both options, the cancellation of non-paying preneed contracts would free unoccupied interment spaces for re-sale to paying customers, generating further revenue for Cemeteries.

Exhibit 7a - Price Review - Comparison of 2019 Prices with Select Other Cemeteries

Current GPL Prices as of August 2019			2023 Proposed (Prices based on non-resident rate)		GPL Comparison with Local Cemeteries			
Property and Services	City Fort Lauderdale Municipal Cemeteries		City Fort Lauderdale Municipal Cemeteries - LMP, Sunset & Evegreen		Bailey Memorial	Forest Lawn South	Forest Lawn Central	Fred Hunter's
	Resident w/ discount	Non-Resident	Resident w/ discount	Non-Resident				
Single Plot	\$1,871 - \$4,346	\$2,495 - \$5,795	\$2,846 - \$6,559	\$3,795 - \$8,745	\$5,995 - \$15,595	\$11,995 - \$15,995	\$2,095 - \$4,795	\$5,495 - \$6,395
Double Depth Lawn Crypts	\$4871 - \$7496	\$5,695 - \$9995	\$5,621 - \$10,496	\$7,495 - \$13,995	N/A	\$18,995 - \$72,995	\$5,995	Starting at \$8,995
Cremation Ground	\$1,046	\$1,395	1,646	2,195	\$4,995	N/A	N/A	
Mausoleums	\$3,938 - \$20,250	\$5,250 - \$27,000	\$6,375 - \$20,250	\$8,500 - \$27,000	N/A	\$25,295 - \$36,095	N/A	\$4,200 - \$21,590
Niches	\$746 - \$3,071	\$995 - \$4,095	\$1,721	\$2295 - \$6,800	N/A	\$2,995 - \$12,061	\$1595	\$525 - \$5,050
2nd Right of Internment	\$1,395	\$1,395	\$2,195	\$2,195	\$2,195	\$2,195	\$2195	\$2,747 - \$2,947
Infant	\$300	\$400	\$338	\$450	N/A	N/A	\$450	\$475 - \$675
Veterans Garden with DD214	\$1,871	\$2,495	\$2,471	\$3,295				\$4300

Interment Services									
Interment (Monday - Saturday 9am - 3:00 pm)	\$1,170 - \$1,320	\$1,560 - \$1760		\$2,021	\$2,695	\$2,695	\$2,695	\$2,595	\$3,695
Veterans Garden	\$825 - \$900	\$1,100 - \$1,200		\$1,088	\$1,450	N/A	N/A	N/A	\$3,695
Mausoleum Entombment	\$956 - \$1,538	\$1,275 - \$2,050		\$2,021	\$2,695	\$2,695	\$2,695	\$2,595	\$3,595
Ground Inurnment	\$619 - \$694	\$825 - \$925		\$971	\$1,295	\$1295	\$1295	\$1295	\$1795
Niche Inurnment	\$563 - \$600	\$750 - \$800		971	\$1,295	\$1,295	\$1295	\$1295	\$1,695 -\$1,720
Infant Interment	\$150 - \$244	\$200 - \$325		\$371	\$495	\$495	\$495	\$495	\$1295
Additional Charges to the Standard Fee - After 3:00 p.m	\$113 - \$225	\$150 - \$300		\$500	\$500	Holiday Rates	\$700	\$650	\$955 - \$1,300
Sunday (9:00 am - 1:00 pm) Additional Charges to Standard Fee	\$600	\$800		\$1,000	\$1,000				\$1,755 - \$3,100
Disinterment Fees									
Ground Disinterment	\$1,650 - \$2,025	\$2,200 - \$2,700		\$3,595	\$3,595	\$4,595	\$5,395	\$4,995	\$2,195
Mausoleum Disentombment	\$1,346 - \$1,721	\$1,795 - \$2,295		\$3,595	\$3,595	\$4,595	\$5,395	\$4,995	\$2,195
Disinurnment	\$596 - \$769	\$795 - \$1,025		\$1,590	\$1,590	\$1,590	\$1,590	\$1,590	\$595 - \$695
Infant Disinterment	\$225 - \$300	\$300 - \$400		\$950	\$950	\$950	\$950	\$950	
Miscellaneous Services									
Outer Burial Container Installation	\$135	\$170		\$245	\$245	\$245	\$245	\$245	\$100
Outer Burial Containers	\$595 - \$14,495	\$595 - \$14,495		\$995 - \$15,200	\$995 - \$15,200	\$1,595 - \$6095	\$1,595 - \$15,200	\$795 - \$15,200	\$995 - \$3,895
Mausoleum Casket Tray	\$0	\$0		\$195	\$195	N/A	\$195	\$195	\$595
North Woodlawn Wall Inscription				\$195	\$195				
Administration Fees									
Administration Fees	\$75	\$75		\$125	\$125	\$250	\$250	\$250	\$125
Duplicate Deed	\$50	\$50		\$100	\$100	\$250	\$250	\$250	\$25 + doc stamps

Auditor comment: Interment Services Fee structure is **Exhibit 7e**. Within it, there's an Administrative Expenses section (outlined), suggesting the separate Administration Fee is redundant to the Interment Services Fee.

Auditor Comments on Price Review Exhibits:
This (above) consists of a general price list comparison with competitors within Broward County as selected by Cemeteries Manager, though these may not be the full options for customers in the entire South Florida region.

This schedule along with **Exhibits 7b and 7d** were provided by Cemeteries Manager to the Cemeteries Board relevant to the price review process.

- Support provided to the Board excludes at a minimum:
- analysis of whether the proposed pricing will be adequate to meet expected costs on expected volume with consideration of unexpected results, i.e., a cost-volume-profit & sensitivity analysis;
 - analysis of interment services fee sufficiency, according to cost component criteria established as best practice by Cemeteries Manager (**Exhibit 7e**); and
 - metrics such as sales cycle length, remaining inventory levels per location, etc. for various considerations, such as price adjustments due to scarcity.

See also **Exhibit 7f** for Board minutes as to discussion topics during the price review, which was in general deemed unstructured or absent of agreed-upon criteria consequential to the financial health of Cemeteries and the Perpetual Care Trust.

Exhibit 7b - 2019 General Price List

Reviewed by Cemeteries Board

FORT LAUDERDALE RESIDENTS RECEIVE A 25% DISCOUNT ON ALL PROPERTY RIGHTS AND INTERMENT SERVICES (NOT MERCHANDISE)
Every purchaser utilizing the City of Fort Lauderdale resident discount program must show two (2) proofs of residency. One of which must be a picture ID.

BURIAL RIGHTS	Non-Resident	Non-Resident	Non-Resident	City Resident	City Resident	City Resident
	LAUDERDALE	SUNSET	EVERGREEN	LAUDERDALE	SUNSET	EVERGREEN
SINGLE SPACE	\$2,495 - \$4,095	\$2,495 - \$4,095	\$5,295 - \$5,795	\$1,871 - \$3,071	\$1,871 - \$3,071	\$3,971 - \$4,346
PERIMETER SPACES ADD	\$500	NA	NA	\$375	NA	NA
2nd RIGHT OF INTERMENT	\$1,395	\$1,395	\$1,395	\$1,395	\$1,395	\$1,395
DOUBLE DEPTH LAWN CRYPTS	\$6,495	\$5,695	\$9,995	\$4,871	\$4,271	\$7,496
MAUSOLEUMS	\$6,500 - 27,000	\$5,250 - \$14,600	NA	\$ 4,875 - 20,250	\$3,938 - 10,950	NA
COUCH CRYPTS / IN GROUND ABBEYS	\$35,000 - \$50,000	NA	NA	\$26,250 - \$37,500	NA	NA
CREMATION GROUNDS	\$1,395	NA	NA	\$1,046	NA	NA
NICHES	\$995 - 4,095	\$995 - \$2,795	NA	\$746 - 3,071	\$746 - \$2,096	NA
VETERANS GARDEN with DD214	\$2,495	\$2,495	NA	\$1,871	\$1,871	NA
OSSUARY CREMATION	\$495	NA	NA	\$371	NA	NA
INFANT	\$400	\$400	NA	\$300	\$300	NA

INTERMENT SERVICES (UPON ARRIVAL) GROUND BURIALSERVICE	See Exhibit 7e FORT LAUDERDALE RESIDENT					
	LAUDERDALE	SUNSET	EVERGREEN	LAUDERDALE	SUNSET	EVERGREEN
Veterans Only with DD214 Monday - Saturday	\$1,100	\$1,100	\$1,200	\$825	\$825	\$900
Monday - Saturday (*Exclude Holidays) 9:00 a.m. - 3:00 p.m.	\$1,560	\$1,560	\$1,760	\$1,170	\$1,170	\$1,320
3:00 - 4:00 p.m.	\$1,860	\$1,860	\$2,060	\$1,395	\$1,395	\$1,545
4:00 - 5:00 p.m.	\$2,010	\$2,010	\$2,210	\$1,508	\$1,508	\$1,658
Sunday 9:00 a.m.- 1:00 p.m.	\$2,360	\$2,360	\$2,460	\$1,770	\$1,770	\$1,845
Infant Interment Monday - Saturday 9:00 a.m. - 3:00 p.m.	\$200	\$200	\$325	\$150	\$150	\$244
Infant Interment Sunday 9:00 a.m. - 1:00 p.m.	\$400	\$400	\$400	\$300	\$300	\$300
MAUSOLEUM ENTOMBMENT						
Monday - Saturday (*Exclude Holidays) 9:00 a.m. - 3:00 p.m.	\$1,275	\$1,275	NA	\$956	\$956	NA
3:00 - 4:00 p.m.	\$1,575	\$1,575	NA	\$1,181	\$1,181	NA
4:00 - 5:00 p.m.	\$1,725	\$1,725	NA	\$1,294	\$1,294	NA
Sunday 9:00 a.m. -1:00 p.m.	\$2,050	\$2,050	NA	\$1,538	\$1,538	NA
GROUND INURNMENT OF CREMATED REMAINS						
Monday - Saturday (*Exclude Holidays) 9:00 a.m. - 3:00 p.m.	\$825	\$825	\$925	\$619	\$619	\$694
3:00 - 4:00 p.m.	\$1,125	\$1,125	\$1,200	\$844	\$844	\$900
4:00 - 5:00 p.m.	\$1,275	\$1,275	\$1,400	\$956	\$956	\$1,050
Sunday 9:00 a.m. - 1:00 p.m.	\$1,500	\$1,500	\$1,625	\$1,125	\$1,125	\$1,219
NICHE INURNMENT OF CREMATED REMAINS						
Monday - Saturday (*Exclude Holidays) 9:00 a.m. - 3:00 p.m.	\$750	\$750	\$800	\$563	\$563	\$600
3:00 - 4:00 p.m.	\$800	\$800	\$850	\$600	\$600	\$638
4:00 to 5:00 p.m.	\$900	\$900	\$1,000	\$675	\$675	\$750
Sunday 9:00 a.m.-1:00 p.m.	\$1,250	\$1,250	\$1,250	\$938	\$938	\$938
*No Burials on the following Holidays: New Years Day, MLK, Easter, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving & Day After, Christmas						
DISINTERMENT WEEKDAYS ONLY 9:00 a.m. - 2:00 p.m.						
GROUND DISINTERMENT	\$2,200	\$2,200	\$2,700	\$1,650	\$1,650	\$2,025
INFANT DISINTERMENT	\$300	\$300	\$400	\$225	\$225	\$300
DISENTOMBMENT	\$1,795	\$1,795	\$2,295	\$1,346	\$1,346	\$1,721
DISINURNMENT OF CREMATED REMAINS FROM NICHE	\$795	\$795	\$925	\$596	\$596	\$694
DISINURNMENT OF CREMATED REMAINS FROM GROUND	\$825	\$825	\$1,025	\$619	\$619	\$769

MEMORIALS	
Bronze Memorial	\$595 - Custom
Granite	\$395 - Custom
Benches (1)	\$2,145 - Custom
Monuments	Upon Request
Engraving/Incising	\$400 - Custom
Niche Bronze Plates	\$995 - Custom
Per Character Charge	\$7.00
Standard Emblem	\$175 - Custom
Crypt/Niche Lamp/ Bronze Vase	\$695 - Custom
Marker Refinish(Sgl/Comp)	\$350 - \$475
Granite / Monument Cleaning	Upon Request

OTHER PRODUCTS AND SERVICES:				
ARCHIVING AND RECORD FEES		\$75		
All contracts \$750 or more				
DOCUMENTARY STAMPS		.007 OF NET RIGHTS		
PERPETUAL ENDOWMENT CONTRIBUTION CARE		19% OF NET RIGHTS		
DUPLICATE DEED		\$50		
DEED TRANSFER		\$50		
OVERSIZED REMAINS MUST PURCHASE ADDITIONAL SPACE				
ALL MEMORIALS & BENCHES INCLUDE PERPETUAL CARE		(\$0.20 CENTS PER SQ. INCH BASE)		
INSTALLATION REQUEST CHARGES		(\$0.30 CENTS PER SQ. IN. BASE)		
PRIVATE ESTATES		PRICED UPON REQUEST		
FOUNTAIN CREMATION GARDEN		PRICED UPON REQUEST		
GROUND PREVAULTED ESTATES		PRICED UPON REQUEST		
INSTALLATION OF VENDOR VAULT		Resident	\$135	Non-Resident \$170
OUTER BURIAL CONTAINERS		\$595 - \$14,495		
CREMATION VAULTS		\$350 - \$1,475		
CREMATION URNS		\$195 - Custom		

Note: (1) Traditional Benches only permitted in City Cemeteries. Benches with pedestal bases permitted at Evergreen. Cremation Benches only in designated gardens.

AGENT DATE

CUSTOMER DATE

CAM 19-0236
Exhibit 1

Exhibit 7c - Price Review - Prior Detailed Price List



This is the list developed by Cemeteries administrative management relative to the 2019 General Price List (Exhibit 7b), to provide customers with more precise sales prices when a price range applies.



Lauderdale Memorial Park

At-Need Pricing

	<u>Non-Resident</u>	<u>Resident</u>
Garden 47 or 48 Property (Single Space)	\$3595.00	\$2696.25
Doc. Stamps	\$25.20	\$18.90
Administrative Fee	\$75.00	\$75.00
Opening and Closing	\$1560.00	\$1170.00
Liner Vault	\$595.00	\$595.00
Total Cost	\$5850.20	\$4555.15

\$6150.20

	<u>Non-Resident</u>	<u>Resident</u>
Garden 47 or 48 Property (Single Space)	\$3595.00	\$2696.25
Doc. Stamps	\$25.20	\$18.90
Administrative Fee	\$75.00	\$75.00
Opening and Closing	\$1560.00	\$1170.00
Vault Install (FH provide vault)	<u>\$170.00</u>	<u>\$135.00</u>
Total Cost	\$5425.20	\$4095.15

	<u>Non-Resident</u>	<u>Resident</u>
Garden 8 or 25 Property (Single Space)	\$3895.00	\$2921.25
Doc. Stamps	\$27.30	\$21.00
Administrative Fee	\$75.00	\$75.00
Opening and Closing	\$1560.00	\$1170.00
Liner Vault	<u>\$595.00</u>	<u>\$595.00</u>
Total Cost	\$6152.30	\$4782.25

	<u>Non-Resident</u>	<u>Resident</u>
Garden 8 or 25 Property (Single Space)	\$3895.00	\$2921.25
Doc. Stamps	\$27.30	\$21.00
Administrative Fee	\$75.00	\$75.00
Opening and Closing	\$1560.00	\$1170.00
Vault Install (FH provide vault)	<u>\$170.00</u>	<u>\$135.00</u>
Total Cost	\$5727.30	\$4322.25

Pricing subject to change based on the adoption of a new General Price List

Parks and Recreation Department

Municipal Cemetery Division- Lauderdale Memorial Park

2001 SW 4th Avenue, Fort Lauderdale, FL 33315

Telephone: (954) 828-7050



Lauderdale Memorial Park

At-Need Pricing

	<u>Non-Resident</u>	<u>Resident</u>
Garden 33 or 44 Property (Single Space)	\$4195.00	\$3146.25
Doc. Stamps	\$29.40	\$22.40
Administrative Fee	\$75.00	\$75.00
Opening and Closing	\$1560.00	\$1170.00
Liner Vault	<u>\$595.00</u>	<u>\$595.00</u>
Total Cost	\$6454.40	\$5008.65

	<u>Non-Resident</u>	<u>Resident</u>
Garden 33 or 44 Property (Single Space)	\$4195.00	\$3146.25
Doc. Stamps	\$29.40	\$22.40
Administrative Fee	\$75.00	\$75.00
Opening and Closing	\$1560.00	\$1170.00
Vault Install (FH provide vault)	<u>\$170.00</u>	<u>\$135.00</u>
Total Cost	\$6029.40	\$4548.65

Note: \$4195 exceeds the allowable ceiling for single space burial rights (\$4095) shown in Exhibit 7b, suggesting some customers may have been overcharged.

Pricing subject to change based on the adoption of a new General Price List

Parks and Recreation Department
Municipal Cemetery Division-Lauderdale Memorial Park
2001 SW 4th Avenue, Fort Lauderdale, FL 33315
Telephone: (954) 828-7050

Equal Opportunity Employer

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RLG
12/9/2022





Lauderdale Memorial Double Depth Lawn Crypt At-Need Pricing

Non-Resident

Garden 47 or 48 (vault included)	\$6495.00
Doc. Stamps	\$45.50
Administrative Fee	\$75.00
Opening and Closing	<u>\$1560.00</u>
Total Cost	\$8175.50

Resident

Garden 47 or 48 (vault included)	\$4871.25
Doc. Stamps	\$34.30
Administrative Fee	\$75.00
Opening and Closing	<u>\$1170.00</u>
Total Cost	\$6150.55

Pricing subject to change based on the adoption of a new General Price List

Parks and Recreation Department
Municipal Cemetery Division-Lauderdale Memorial Park
2001 SW 4th Avenue, Fort Lauderdale, FL 33315
Telephone: (954) 828-7050

Equal Opportunity Employer

Printed On Recycled Paper.

RLG
12/9/2022



Exhibit 7d - Price Review - 2019 General List Prices Comparison to Proposed List

BURIAL RIGHTS*	Current GPL as of August 2019					
	Non-Resident			City of Fort Lauderdale Resident		
	LAUDERDALE	SUNSET	EVERGREEN	LAUDERDALE	SUNSET	EVERGREEN
SINGLE SPACE PLOT	\$2,495 - \$4,095	\$2,495 - \$4,095	\$5,295 - \$5,795	\$1,871 - \$3,071	\$1,871 - \$3,071	\$3,971 - \$4,346
PERIMETER SPACES ADD	\$500	NA	NA	\$375	NA	NA
2nd RIGHT OF INTERMENT, INURNMENT & ENTOMBMENT	\$1,395	\$1,395	\$1,395	\$1,395	\$1,395	\$1,395
DOUBLE DEPTH LAWN CRYPTS	\$6,495	\$5,695	\$9,995	\$4,871	\$4,271	\$7,496
MAUSOLEUM CRYPTS	\$6,500 - \$27,000	\$5,250 - \$14,600	NA	\$4,875 - 20,250	\$3,938 - 10,950	NA
COUCH CRYPTS / IN-GROUND ABBEY CRYPTS	\$35,000 - \$50,000	NA	NA	\$26,250 - \$37,500	NA	NA
CREMATION GROUND INURNMENT	\$1,395	NA	NA	\$1,046	NA	NA
NICHE INURNMENT	\$995 - 4,095	\$995 - \$2,795	NA	\$746 - 3,071	\$746 - \$2,096	NA
VETERANS GARDEN with DD214	\$2,495	\$2,495	NA	\$1,871	\$1,871	NA
OSSUARY CREMATION	\$495	NA	NA	\$371	NA	NA
INFANT	\$400	\$400	NA	\$300	\$300	NA

*Oversized Remains must purchase additional plot

INTERMENT SERVICES (UPON ARRIVAL)	LAUDERDALE	SUNSET	EVERGREEN	LAUDERDALE	SUNSET	EVERGREEN
GROUND BURIAL SERVICE						
Veterans Garden with DD214 - Monday - Saturday 9:00 a.m. - 3:00 p.m.	\$1,100	\$1,100	\$1,200	\$825	\$825	\$900
Infant Interment Monday - Saturday 9:00 a.m. - 3:00 p.m.	\$200	\$200	\$325	\$150	\$150	\$244
Monday - Saturday 9:00 a.m. - 3:00 p.m.	\$1,560	\$1,560	\$1,760	\$1,170	\$1,170	\$1,320
Additional Charges to Standard Fee after 3:00 p.m.						
3:00 p.m. – 4:00 p.m.	\$1,960	\$1,960	\$2,060	\$1,395	\$1,395	\$1,645
4:00 p.m. – 5:00 p.m.	\$2,040	\$2,040	\$2,240	\$1,608	\$1,608	\$1,658
Sunday 9:00 a.m. – 1:00 p.m.	\$2,360	\$2,360	\$2,460	\$1,770	\$1,770	\$1,845
Sunday 9:00 a.m.- 1:00 p.m. Additional Charges to Standard Fee						
Infant Interment Sunday 9:00 a.m. – 1:00 p.m.	\$400	\$400	\$400	\$300	\$300	\$300

MAUSOLEUM ENTOMBMENT	LAUDERDALE	SUNSET	EVERGREEN	LAUDERDALE	SUNSET	EVERGREEN
Monday - Saturday 9:00 a.m. - 3:00 p.m.	\$1,275	\$1,275	NA	\$956	\$956	NA
Additional Charges to Standard Fee after 3:00 p.m.						
3:00 – 4:00 p.m.	\$1,675	\$1,675	NA	\$1,181	\$1,181	NA
4:00 – 5:00 p.m.	\$1,725	\$1,725	NA	\$1,294	\$1,294	NA
Sunday 9:00 a.m. – 1:00 p.m.	\$2,050	\$2,050	NA	\$1,638	\$1,638	NA
Sunday 9:00 a.m.- 1:00 p.m. Additional Charges to Standard Fee						

GROUND INURNMENT OF CREMATED REMAINS	LAUDERDALE	SUNSET	EVERGREEN	LAUDERDALE	SUNSET	EVERGREEN
Monday - Saturday 9:00 a.m. - 3:00 p.m.	\$825	\$825	\$925	\$619	\$619	\$694
Additional Charges to Standard Fee after 3:00 p.m.						
3:00 – 4:00 p.m.	\$1,125	\$1,125	\$1,200	\$844	\$844	\$900
4:00 – 5:00 p.m.	\$1,275	\$1,275	\$1,400	\$956	\$956	\$1,050
Sunday 9:00 a.m. – 1:00 p.m.	\$1,600	\$1,600	\$1,625	\$1,125	\$1,125	\$1,219
Sunday 9:00 a.m.- 1:00 p.m. Additional Charges to Standard Fee						

NICHE INURNMENT OF CREMATED REMAINS	LAUDERDALE	SUNSET	EVERGREEN	LAUDERDALE	SUNSET	EVERGREEN
Monday - Saturday 9:00 a.m. - 3:00 p.m.	\$750	\$750	\$800	\$563	\$563	\$600
Additional Charges to Standard Fee after 3:00 p.m.						
3:00 – 4:00 p.m.	\$800	\$800	\$850	\$600	\$600	\$638
4:00 to 5:00 p.m.	\$900	\$900	\$1,000	\$675	\$675	\$750
Sunday 9:00 a.m. – 1:00 p.m.	\$1,250	\$1,250	\$1,250	\$938	\$938	\$938
Sunday 9:00 a.m.- 1:00 p.m. Additional Charges to Standard Fee						

*No Burials on City recognized holidays

DISINTERMENT FEES WEEKDAYS ONLY 9:00 a.m. - 2:00 p.m.	LAUDERDALE	SUNSET	EVERGREEN	LAUDERDALE	SUNSET	EVERGREEN
GROUND DISINTERMENT	\$2,200	\$2,200	\$2,700	\$1,650	\$1,650	\$2,025
INFANT DISINTERMENT	\$300	\$300	\$400	\$225	\$225	\$300
MAUSOLEUM DISENTOMBMENT	\$1,795	\$1,795	\$2,295	\$1,346	\$1,346	\$1,721
DISINURNMENT OF CREMATED REMAINS FROM NICHE	\$795	\$795	\$925	\$596	\$596	\$694
DISINURNMENT OF CREMATED REMAINS FROM GROUND	\$825	\$825	\$1,025	\$619	\$619	\$769

MEMORIALS	
Bronze Memorial	\$595 - Custom
Granite	\$395 - Custom
Benches (1)	\$2,145 - Custom
Monuments	Upon Request
Engraving/Incising	\$400 - Custom
Niche Bronze Plates	\$995 - Custom
Per Character Charge	\$7.00
Standard Emblem	\$175 - Custom
Crypt/Niche Lamp/ Bronze Vas	\$695 - Custom
Marker Refinish(Sgl/Comp)	\$350 - \$475
Granite / Monument Cleaning	Upon Request

OTHER PRODUCTS AND SERVICES:	
ARCHIVING AND RECORD FEES	\$75
ALL CONTRACTS \$750 OR MORE	
DOCUMENTARY STAMPS	.007 OF NET RIGHTS
PERPETUAL ENDOWMENT CONTRIBUTION CARE	19% OF NET RIGHTS
DUPLICATE DEED	\$50
DEED TRANSFER	\$50
OVERSIZED REMAINS MUST PURCHASE ADDITIONAL SPACE	
ALL MEMORIALS & BENCHES INCLUDE PERPETUAL CARE	(\$0.20 CENTS PER SQ. INCH BASE)
INSTALLATION REQUEST CHARGES	(\$0.30 CENTS PER SQ. IN. BASE)
PRIVATE ESTATES	PRICED UPON REQUEST
FOUNTAIN CREMATION GARDEN	PRICED UPON REQUEST
GROUND PREVAULTED ESTATES	PRICED UPON REQUEST
INSTALLATION OF VENDOR VAULT	Resident \$135 Non-Resident \$170
OUTER BURIAL CONTAINERS	\$595 - \$14,495
CREMATION VAULTS	\$350 - \$1,475
CREMATION URNS	\$195 - Custom

Note: (1) Traditional Benches only permitted in City Cemeteries. Benches with pedestal bases permitted at Evergreen. Cremation Benches only in designated gardens.

2023 PROPOSED					
Non-Resident			City of Fort Lauderdale Resident		
LAUDERDALE	SUNSET	EVERGREEN	LAUDERDALE	SUNSET	EVERGREEN
\$3,795 - \$5,395	\$3,795 - \$5,395	\$8,745	\$2,846 - \$4,046	\$2,846 - \$4,046	\$6,559
\$500	\$500	\$500	\$375	\$375	\$375
\$2,195	\$2,195	\$2,195	\$2,195	\$2,195	\$2,195
\$7,495	\$7,495	\$13,995	\$5,621	\$5,621	\$10,496
\$8,500 - \$27,000	\$8,500 - \$27,000	NA	\$6,375 - \$20,250	\$6,375 - \$20,250	NA
\$35,000 - \$50,000	NA	NA	\$26,250 - \$37,500	NA	NA
\$2,195	\$2,195	\$2,195	\$1,646	\$1,646	\$1,646
\$2,295 - \$6,800	\$2,295 - \$6,800	NA	\$1,721 - \$5,100	\$1,721 - \$5,100	NA
\$3,295	\$3,295	NA	\$2,471	\$2,471	NA
\$495	NA	NA	\$371	NA	NA
\$450	\$450	\$450	\$338	\$338	\$338

LAUDERDALE	SUNSET	EVERGREEN	LAUDERDALE	SUNSET	EVERGREEN
\$1,450	\$1,450	N/A	\$1088	\$1088	N/A
\$495	\$495	\$495	\$371	\$371	\$371
\$2,695	\$2,695	\$2,695	\$2,021	\$2,021	\$2,021
\$500	\$500	\$500	\$500	\$500	\$500
.					
\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000

\$2,695	\$2,695	N/A	\$2,021	\$2,021	NA
\$500	\$500	\$500	\$500	\$500	\$500
					NA
					NA
					NA
\$1,000	\$1,000	N/A	\$1,000	\$1,000	NA

\$1295	\$1295	\$1295	\$971	\$971	\$971
\$500	\$500	\$500	\$500	\$500	\$500
\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000

\$1295	\$1295	\$1295	\$971	\$971	\$971
\$500	\$500	\$500	\$500	\$500	\$500
\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000

\$3,595	\$3,595	\$3,595	\$3,595	\$3,595	\$3,595
\$950	\$950	\$950	\$950	\$950	\$950
\$3,595	\$3,595	\$3,595	\$3,595	\$3,595	\$3,595
\$1590	\$1590	\$1590	\$1590	\$1590	\$1590
\$1590	\$1590	\$1590	\$1590	\$1590	\$1590

MEMORIALS	
Bronze Memorial	\$595 - Custom
Granite	\$395 - Custom
Benches (1)	\$2,145 - Custom
Monuments	Upon Request
Engraving/Incising	\$400 - Custom
Niche Bronze Plates	\$995 - Custom
Per Character Charge	\$7.00
Standard Emblem	\$175 - Custom
Crypt/Niche Lamp/ Bronze Vase	\$695 - Custom
Marker Refinish(Single/Companion)	\$350 - \$475
Granite / Monument Cleaning	Upon Request
North Woodlawn Wall Inscription	\$195

OTHER PRODUCTS AND SERVICES:	
ARCHIVING AND RECORD FEES	\$125
ALL CONTRACTS \$750 OR MORE	
DOCUMENTARY STAMPS	.007 OF NET RIGHTS
PERPETUAL ENDOWMENT CONTRIBUTION CARE	19% OF NET RIGHTS
DUPLICATE DEED	\$100
DEED TRANSFER FEE	\$50
MAUSOLEUM CASKET TRAY	\$195
ALL MEMORIALS & BENCHES INCLUDE PERPETUAL CARE	(\$0.20 CENTS PER SQ. INCH BASE)
INSTALLATION REQUEST CHARGES	(\$0.30 CENTS PER SQ. IN. BASE)
PRIVATE ESTATES	PRICED UPON REQUEST
FOUNTAIN CREMATION GARDEN	PRICED UPON REQUEST
GROUND PREVAULTED ESTATES	PRICED UPON REQUEST
INSTALLATION OF VENDOR VAULT	\$245
OUTER BURIAL CONTAINERS	\$995 - \$15,200
CREMATION VAULTS	\$350 - \$1,475
CREMATION URNS	\$195 - Custom

This schedule was reviewed by Cemeteries Board relevant to its new price list approval decision

Exhibit 7e - Component Costs within Services Fee

"Interment Services Fee"

"Company Name" - What's Included in the Professional Service Fee

Many assume that the Professional Service is merely the work of opening the grave. Actually, it is only 1 of 61 distinct operations involved in the service as conducted by our company.

To ensure that the charge for Professional Service and recording is recognized as fair and in keeping with the operation of an economical and efficient cemetery, and consistent with the excellent standards requested by lot owners or other family members; a detailed list of these services follow:

1. Discuss the order for interment with the funeral director. Date and time of funeral - Casket size - Vault type and size.
2. Examine the record of lot owner to determine ownership.
3. Check permanent files for any special instructions issued by the lot owner to determine ownership, of affidavits effecting interment.
4. Make necessary telephone calls.
5. Make entry in data system and interment order book.
6. Meet with family and review Interment Authorizing form.
7. Prepare supporting affidavits if required to establish ownership.
8. Record interment in database and interment register as required by state law.
9. Prepare interment card for the deceased, copy for the ground staff and for office.
10. Enter interment information on the cemetery software system regarding the lot owner records.
11. Distribute interment information to staff, place interment on service board and check all papers in connection with funeral.
12. Prepare instructions to ground staff for grave layout.
13. Check burial information (by superintendent) to ensure correct location.
14. Prepare instructions to foreman for grave opening operation.
15. Prepare instructions to those responsible for digging of the grave.
16. Prepare list of funerals daily for attendants.
17. Locate the grave and lay out the exact boundaries.
18. Deliver to grave site by truck:
 - a. Canvas and boards to protect surrounding lots.
 - b. Spades, shovels picks and bars.
 - c. Planks for installation of lowering device.
 - d. Power equipment and tools for breaking frozen or other hard ground.

- e. Air compressor.
19. Remove sod.
20. Open grave - have gravesite neat and clean.
21. Haul away all dirt.
22. Deliver equipment for removal of rock or shale when encountered in digging.
23. Remove rock or shale.
24. Haul away such equipment.
25. Install/Inspect vault used for interment service.
26. Deliver lowering device and stand, casket placer, grass rugs, carpets and runners, tents, chairs, etc.
27. Set up this equipment.
28. In winter, removal of snow from roadway to permit funeral to reach gravesite.
29. Remove snow from roadway to grave.
30. Location of lot verified by checker during opening operations.
31. Prepare instructions for truck driver for any special deliveries to or from the gravesite.
32. Give information and directions to truck driver delivering vault.
33. Review burial list and schedule funeral to avoid conflict with other services being conducted in cemetery premises.
34. Determine if a veteran and install flags for Patriot Walk.
35. Escort flowers to gravesite.
36. Attendant assists in carrying and arranging flowers, if needed.
37. Attendant with automobile leads funeral cortege from entrance of cemetery to interment site.
38. Attendant directs and aids pallbearers with casket.
39. Lower casket after service is completed.
40. Waiting time of attendant and field workers.
41. Direct cars from grave location after services.
42. Remove lowering device and stand, grass rugs, carpets and runners, tents, chairs, etc.
43. Place vault lid and seal.
44. Truck excavated earth to grave.
45. Fill in grave and tamp dirt
46. Remove excess earth.
47. Re-sod, topsoil and/or seed grave.
48. Rearrange flowers after filling grave.
49. Remove flags, fold, and store for next use.
50. Haul away the lowering device and stand, casket placer, grass rugs, carpets and runners, tents, chairs, etc.
51. Clean or dry out lowering device, grass rugs, carpets and runners.

52. After 3 to 5 days, remove flowers, baskets, and wire frames.
53. Water sod and maintain level of grave.
54. Complete Board of Health Permit and return to proper official.
55. File affidavit and related papers.
56. Submit paperwork to Department of Vital Statistics.
57. Give location of grave to friends and relatives of deceased forever after.
58. Answer questions as to rules and regulations governing use of grave.
59. Provide Memorial information to relatives and update mailing list.
60. Render extra services that may be necessary.
61. Check and recheck all details to avoid errors.

Some of the material and equipment necessary for burial:

- a. Back hoe
- b. Dump truck
- c. Equipment wagon
- d. Truck or tractor to pull equipment cart
- e. Hand digging tools, shovels, spades, picks, boards, etc.
- f. Air compressor and accessories for frozen or hard ground.
- g. Snow plow, snow blower, and snow shovels during winter.
- h. Vault lid lowering device
- i. Casket lowering device
- j. Artificial grass
- k. Carpets, runners, tent, chairs, etc.

Administrative expenses: depreciation cost of repairs, maintenance of office building, equipment, furniture, service building, tool house, garage equipment, heat, lights, telephone, insurance, printing, stationary, postage, grounds and public liability insurance, labor expense, labor cost, and supervision.

When coordinating arrangements for a burial, there can be no failure in service, in equipment, or shortage of labor. No matter how severe or disagreeable the weather may be - during the extreme heat of the summer or the bitter cold of the winter - during rain, sleet or snow - this work must go on. It is hoped that a perusal of the above 61 distinct operations will create a more enlightened understanding that the interment service as conducted at "the company" is not just the opening of the grave - it is only one among 61 other services provided.

Exhibit 7f - Price Review - Cemeteries Board Minutes

Auditor Comment: No decision structure or collective, objective criteria were readily discernible from these discussions.



APPROVED
CEMETERY SYSTEM BOARD OF TRUSTEES
MINUTES OF REGULAR MEETING
CITY OF FORT LAUDERDALE
FIRE STATION 2 ADMINISTRATION/HQ
528 NW 2nd STREET, FORT LAUDERDALE, FL 33311
THURSDAY, JULY 13 8, 2023 – 3:30 P.M.

C. General Price List Review

Chair Van Rees led a review of the proposed general price list in the Board packet.

....

Chair Van Rees commented that there was an increase from 2019 to 2023, but there had not been a true increase in a number of years. Ms. Spates confirmed that plot prices had not been increased since 2015. She stated there were minor increases made to the costs for opening and closing in 2019.

Mr. Nesbitt stated the prices were still less than the competitors. Ms. Spates agreed and noted this is leading to a flood of requests.

....

Mr. Nesbitt stated he does not believe in price gouging. Ms. Spates noted that salaries and operations still needed to be supported. She added that it is much more expensive to conduct a burial in Miami.

Ms. Zeiler indicated that in her mind, no services should be in the red at the resident rates, and non-residents should have a significant profit margin. She suggested additional increases.

....

Mr. Kurtz stated he believed the non-resident price should be doubled in Fort Lauderdale.

Chair Van Rees pointed out that the increase would have to affect all three (3) cemeteries.

Mr. Kurtz agreed that the non-resident charge should be increased and added that he believed the residents of Fort Lauderdale should be given a 50 percent discount instead of 25 percent. He asked whether a recommendation of a larger discount was within the purview of the Board.

Mr. Kurtz asserted the rate structure was the reason Sunset is in the shape it is.

....

Chair Van Rees stated he believed the non-resident rate was still well below what others are charging, and noted he was open to discussion of that rate.

Mr. Nesbitt stated changes to the resident rate automatically raise the non-resident rates.

....

Ms. Zeiler stated that change would require an increase in fees for residents to break even. She noted there was a balance to be struck, but she believes anyone from outside the City should be bearing the significant brunt of the costs. She added that if a mausoleum cannot be built on these rates, there should be further review.

Mr. Busa asserted the issue is that when burying a family member, most people don't really care if it is Fort Lauderdale or Pompano Beach, it is price driven. Ms. Spates confirmed this was largely true except for heritage. She stated Fairway, the newest private cemetery in the area, had been purchased and prices would be increasing.

....

Chair Van Rees commented on the line item under miscellaneous services for outer burial containers. He stated the higher rate was in line with the industry, but the lower number of \$795 was too low.

Mr. Nesbitt asked whether the outer burial container had to be purchased from the cemetery. Ms. Spates stated it did not.

Ms. Zeiler asked what Chair Van Rees would recommend. Chair Van Reese suggested \$995. He pointed out it is a requirement but can be provided by anyone.

....

Chair Van Rees explained his thought was that the Board approve the current structure so it can go before the Commission but come back together soon to tackle the change. Discussion continued regarding frequency of the rate review.

Chair Van Rees asserted there had not been many increases to the rate schedule, but the cemetery operations had experienced dramatic increases from vendors, suppliers, and in labor. He noted he recently learned that the labor is unionized, and the days interments are performed can be affected.

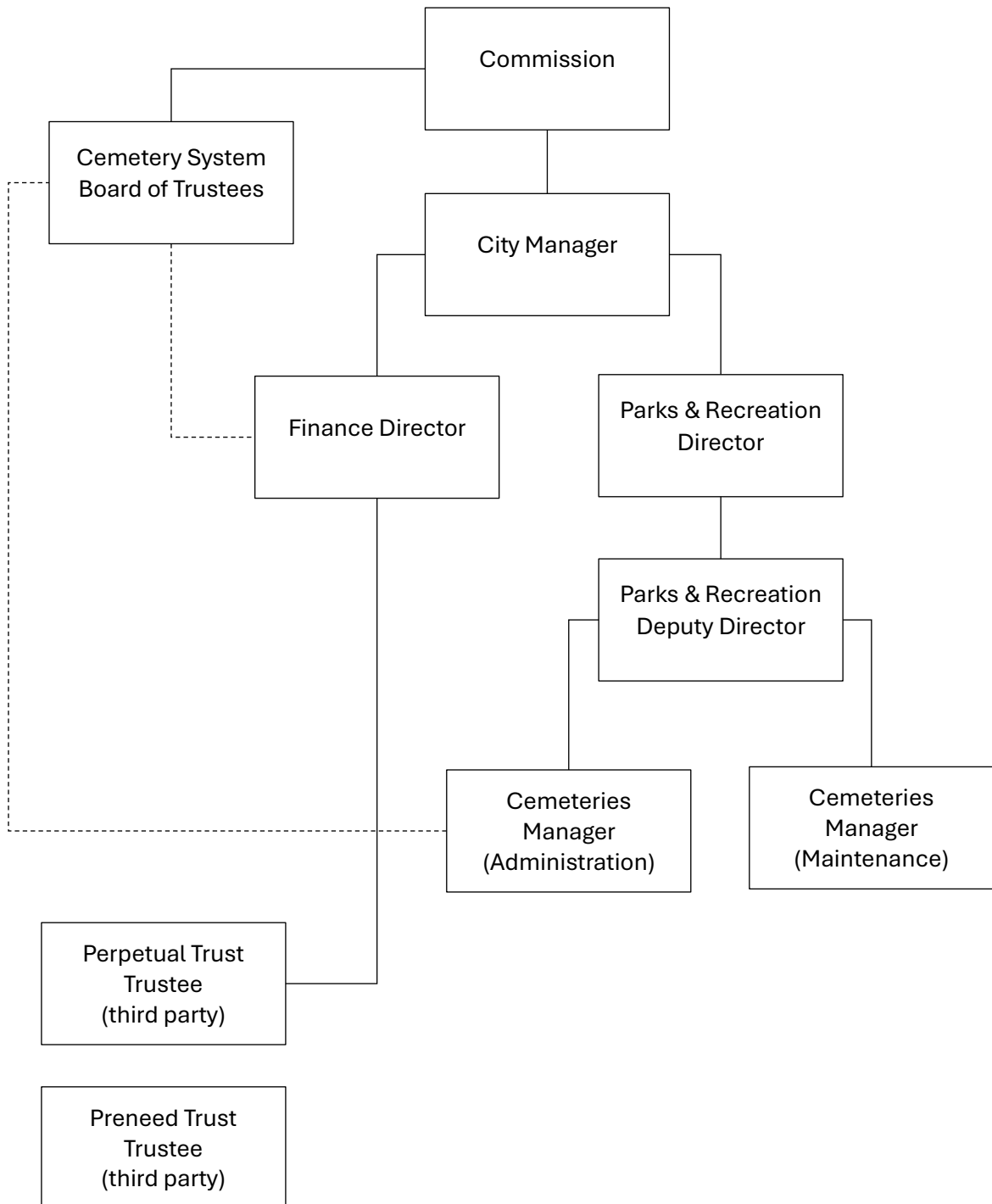
....

Motion made by Mr. Nesbitt, seconded by Mr. Watson, to recommend the City Commission amend the rate schedule for residents and non-residents to round the prices up to whole dollars. In a voice vote, the motion passed unanimously. (8-0) CAM 23-0780

Motion made by Mr. Nesbitt, seconded by Ms. Krebs, to recommend the City Commission amend the rate schedule so the minimum under "burial containers" increases from \$795 to \$995. In a voice vote, the motion passed unanimously. (8-0)

Motion made by Ms. Zeiler, seconded by Ms. Krebs, to recommend adoption of the new price structure as amended. In a voice vote, the motion passed unanimously. (8-0)

Exhibit 8 – Cemeteries Organizational Chart (audit period)



FULL TEXT OF MANAGEMENT RESPONSES



City Manager Memorandum

Memorandum No: 25-02

Date: February 12, 2025

To: Patrick Reilly, City Auditor

From: Susan Grant, Acting City Manager *Susan Grant*

Re: Performance Audit of Cemeteries Administration

Management appreciates the City Auditor examining internal controls of the City's Cemeteries administrative office operations. The examination identified Findings that will be addressed by Management.

The following are Management Responses to the examination Findings:

Finding 1

Finding:

A comprehensive system of internal controls was not designed and implemented.

Recommendations:

The CAO recommends the City Manager work with relevant City management to promptly

- design and implement a comprehensive, risk-based system of internal controls;
- comply with Section 218.33(3), Florida Statutes, by maintaining the system of internal controls, which should be formally scheduled; and
- collaborate with the Board to ensure enhancement and effectiveness of its administrative (governance) function relevant to internal control design and implementation, as assigned but not detailed by City ordinance.

Management Response:

Management acknowledges this finding. The Parks and Recreation Department will work closely with the Finance Department to develop a more comprehensive internal controls design for the cemetery system.

Additionally, the City purchased a crime policy from Travelers Bond & Specialty Insurance which provides coverage for employee theft in the amount of \$1,500,000. This insurance is in lieu of and is meant to satisfy the bonding requirements for staff, as stipulated in Section 10-50 of the City ordinances.

Finding 2

Finding:

An adequate recordkeeping system was not created and maintained.

Recommendations:

The CAO recommends that the City Manager work with relevant City management to implement the following in an expedited manner:

- software adequate for transaction recording and long-term file management;
- centralized, complete digitization and backup of all hardcopy files; and
- correction of all errors and/or omissions in legacy and in-house transactions data and any potentially existing within hardcopy documents.

As an option, it should be considered that these tasks can be outsourced to private contractors.

Management Response:

Management is aware and acknowledges that we do not currently have an adequate recordkeeping system. Management has been actively working towards obtaining a comprehensive system and recently have been approved through the budget process to obtain an accounts receivable software. Management has been engaged with Cemsites (Cemetery Software Vendor) to integrate the software in operations but several concerns outlined by staff (Parks and IT) on areas where the system did not function properly.

In addition, the vendor has not provided the SOC2 (security features) as outlined in the RFP. As such, the CMO has engaged Cemsites directly in an effort to work through some of those concerns and determine next steps. Ultimately, the data which is compiled from years of information from a third party, is not reliable and we must cleanse the data to ensure the information is formulated appropriately so the details and information are recorded correctly.

To resolve these challenges, management will prioritize the timely implementation of a secure and efficient recordkeeping system, ensure comprehensive digitization of historical records, and rectify data inaccuracies.

Finding 3

Finding:

Managerial duties relating to the Perpetual Trust fund were not fulfilled.

Recommendations:

Relevant to the Perpetual Care Trust fund, the CAO recommends the City Manager work with relevant City management to.

- design and implement adequate oversight internal controls; and
- collaborate with the Board to ensure enhancement and effectiveness of its administrative (governance) function in relation to trust fund activities, as assigned but not detailed by City ordinance.

Management Response:

Management does not agree with this finding. All requests for reimbursement were reviewed and validated. It is management's responsibility to determine the sufficient funding levels for the Cemetery operations fund and to make the decision to waive the duly owed reimbursement from the trust. The issue appears to stem from the lack of a documented policy outlining thresholds for operational account balances before requesting trust reimbursements. While this absence is noted, it does not inherently signify a failure of managerial responsibility. Moving forward, we will work with the board to develop and document such policies to enhance transparency and governance.

Finding 4

Finding:

Managerial duties relating to the Preneed Trust fund were not fulfilled.

Recommendations:

The CAO recommends the City Manager work with relevant City management to perform a long-term cost-benefit analysis of options (Exhibit 6) to resolve the accumulated balances owed to and from the Preneed Trust, and promptly implement the most favorable option in collaboration with the City Attorney's Office.

Management Response:

Management acknowledges gaps in managing responsibilities associated with the Preneed Trust fund, particularly following the termination of our agreement with the former contractor.

Additionally, management recognizes that less-than-desirable recordkeeping practices. Due to the reliance on manual operations, it has further compounded these challenges. Once we identify and implement a suitable software system in which we have confidence in, we believe these issues will be resolved.

Furthermore, management has actively sought to vet the process and feasibility of obtaining a preneed license multiple times since we have taken over cemetery operations. It is essential to consider the implications of the Cemeteries holding a preneed license, as this could result in the forfeiture of our current exemption from state regulatory oversight.

Further discussion is necessary to assess the potential impacts on the City and explore whether outsourcing preneed merchandise and services to a licensed agent may be more advantageous.

A thorough reconciliation of the accumulated balances is imperative to determine the amounts owed by Carriage Funeral Services and the City.

Finding 5

Finding:

Price reviews were incomplete and untimely.

Recommendations:

The CAO recommends the City Manager work with relevant City management to

- design and implement internal controls for adequate and timely price review, ensuring at least break-even Cemeteries financial results; and
- collaborate with the Board to ensure enhancement and effectiveness of its administrative (governance) function relevant to internal control design and implementation, as assigned but not detailed by City ordinance.

Management Response:

Management recognizes the importance of conducting regular and comprehensive price reviews to ensure the financial sustainability of cemetery operations.

An annual review of the general price should be conducted by the Cemetery System Board of Trustees to ensure appropriate adjustments are made to achieve a revenue positive or break-even outcome.

However, it is crucial to perform a comprehensive and detailed analysis of revenues in relation to expenditures in order to gain a clearer understanding of our financial position. While it may be suggested that the deficit in FY 2023 was primarily due to incomplete and untimely price reviews, this conclusion does not fully capture the complexity of our financial situation. During FY 2023, we made several significant improvements to our cemetery system.

Additionally, it is important to consider the impact of external factors, such as the COVID-19 pandemic, which notably influenced financial performance in FY 2021 and FY 2022. The pandemic led to a surge in demand for at-need burial services, increasing revenue during those years. Moreover, staffing vacancies during this timeframe contributed to salary savings, further affecting our financial position.

c: Anthony G. Fajardo, Assistant City Manager
Christopher Cooper, Acting Assistant City Manager
Laura Reece, Acting Assistant City Manager
Ben Rogers, Acting Assistant City Manager
D'Wayne M. Spence, Acting City Attorney
David R. Soloman, City Clerk
Patrick Reilly, City Auditor
Department Directors
CMO Managers