

STONE MOUNTAIN MEMORIAL ASSOCIATION
DEVELOPMENT AND FINANCE COMMITTEES MEETING
March 18, 2014

A joint meeting of the Development and Finance Committees of the Stone Mountain Memorial Association was held at 11:00 a.m. on Tuesday, March 18, 2014, at Evergreen Conference Center, Stone Mountain Park.

FINANCE COMMITTEE MEMBERS PRESENT

Scott Johnson, Chairman Finance Committee
Greer Johnson, SMMA Vice Chairman
Dick Childers
Roy Roberts

DEVELOPMENT COMMITTEE MEMBERS PRESENT

Ray S. Smith III, Chairman Development Committee
Becky Kelley
Joan Thomas
Perry Tindol

OTHERS PRESENT

Carolyn Meadows, Chairman SMMA
Bill Stephens, C.E.O.
Gail Durham, Director of Finance
Bob Cowhig, Director of Planning and Development
Duane Studdard, Administration Manager
Meredith Lipson, Partner, Mauldin & Jenkins CPA's

Call to Order

The meeting was called to order.

Review of Year-to-Date Financial Statements

Ms. Durham reported that year-to-date revenues through February 28, 2014 were \$1,712,000 and better than budget. Net profit before interest and depreciation was \$726,000 and after depreciation the net loss for the first two months of operation was \$257,000 compared to the budgeted loss of \$420,000.

The statement of cash flows reflects cash used in operating activities year-to-date of \$228,000. The payment to GEMA for the receipt of funds in excess of claims allowed for the 2009 flood was paid out in February. The cash and investment balance at the end of February was \$9.2 million.

Mr. Studdard updated the Board on the status of the communication system project. The system is currently being built and Mr. Studdard and Chief Kelley will travel to Schaumburg, Illinois for testing and training. The system may be installed and functional prior to the July 4th holiday.

Discussion of 2013 Audit Report

Ms. Meredith Lipson presented the 2013 audit report for the Stone Mountain Memorial Association. She distributed the 2013 Financial Report and the Annual Audit Agenda to all members. She encouraged the members to read the management discussion and analysis in the financial report and stated this contained an overview and highlights of activities for the year.

The report reflects total operating revenues for 2013 of \$10,343,398 and total operating expenses of \$6,468,708. Operating expenses were about \$500,000 less than the 2012 expenses and include reductions in salaries, wages and benefits. Part-time labor replaced several full-time positions and healthcare benefits were reduced through changes in employee plan deductibles and co-pays. Other operating expenses were also reduced through management control. Depreciation expense was about \$560,000 greater than the prior year. This is a result of the heavy capital investment over the last several years. Nonoperating revenues and expenses include fund received of \$220,000 from the Department of Transportation to assist with a paving project, and an additional amount due to GEMA for excess funds received from the claim filed for the 2009 flood that occurred in the Park. The change in net position is consistent with the prior year and reflects a loss of about \$1.97 million.

The Statements of Cash Flows indicates net cash provided by operating activities of \$3.25 million and about \$2.3 million invested in the purchase of property and equipment. At the end of 2013, SMMA had a cash and equivalents balance of \$5,839,760 and an additional investment in the Georgia Extended Asset Pool of \$3,574,794.

The Audit Agenda discusses required communications under Government Auditing Standards and includes an overview of the audit opinion, a review of financial statements and footnotes, a compliance report and audit scopes and procedures. A "clean" or unmodified audit report was issued. The SMMA financial statements are considered to present fairly the financial position and results of operation as of, and for the year ended December 31, 2013.

Ms. Lipson thanked the Board for the opportunity to present the audit report and invited them to contact her with any questions.

Adjourn to Executive Session

Mr. Smith made a motion to go into Executive Session and Ms. Johnson seconded the motion. The committees unanimously approved the motion and the meeting was suspended. SMMA staff was dismissed from the meeting. Committee members and Mr. Stephens remained in Executive Session.

After Executive Session the meeting reconvened and was adjourned.

Meeting adjourned at 12:10 p.m.
Notes taken by
Gail Durham