

**STONE MOUNTAIN MEMORIAL ASSOCIATION  
DEVELOPMENT AND FINANCE COMMITTEES MEETING**

March 15, 2016

A joint meeting of the Development and Finance Committees of the Stone Mountain Memorial Association was held at 11:00 a.m. on Monday, March 15, 2016, at Evergreen Conference Center, Stone Mountain Park.

**FINANCE COMMITTEE MEMBERS PRESENT**

Scott Johnson, Chairman Finance Committee  
Greer Johnson, SMMA Board Vice Chairman  
Dick Childers

**DEVELOPMENT COMMITTEE MEMBERS PRESENT**

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

**COMMITTEE MEMBERS ABSENT**

Roy Roberts

**OTHERS PRESENT**

Carolyn Meadows, SMMA Board Chairman  
Bill Stephens, C.E.O.  
Bob Cowhig, Director of Planning and Development  
Debbie Blihovde, Benefits Administrator  
Edna Zimmerman, Director of Finance  
Chief Chuck Kelley, Director of Public Safety  
Duane Studdard, Administration Manager  
Mike Lee, Assistant Chief of Police & Fire  
Hope Pendergrass, Mauldin & Jenkins

**CALL TO ORDER**

The meeting was called to order.

**REVIEW OF YEAR-TO-DATE FINANCIAL STATEMENTS**

Ms. Zimmerman reported that year-to-date revenues through January 31, 2016 were \$1,012,789 and better than a budgeted amount of \$860,100. Total operating expenses were \$437,447 compared to the budgeted amount of \$567,882. The net operating profit before depreciation was \$577,736 compared to a budgeted amount of \$293,452. The year to date excess of revenue over expenses was \$67,984 compared to a budgeted loss of \$213,548.

Ms. Zimmerman reported that year-to-date revenues through February 29, 2016 were \$2,366,250 and better than a budgeted amount of \$1,720,200. Total operating expenses were \$859,202 compared to the budgeted amount of \$1,146,819. The net operating profit before depreciation was \$1,511,902 compared to a budgeted amount of \$575,849. Year to date revenue over expense was \$492,391 compared to a budgeted loss of \$438,151.

The statement of cash flows reflects net cash provided by operating activities of \$1,292,095 year to date. The net increase in cash through February was \$1,069,043. The cash and investment balance at the end of the period was about \$11.2 million.

There are three capital projects that are still remaining from 2015; the Tram Rescue Project with a remaining estimated cost of \$217,251, the Culvert Project with a current cost of \$217,251(\$14,522 over budget) and the Playground Project with a remaining estimated cost of \$24,142. Once the remaining invoices are sent from HFEC, the outstanding portion of the 2015 Tram Rescue Project will be reduced significantly.

## **DISCUSSION OF 2015 AUDIT REPORT**

Ms. Zimmerman introduced Hope Pendergrass who is a manager and CPA with Mauldin & Jenkins. Ms. Pendergrass has over 13 years experience in public accounting. She has spent 100% of her 13 years serving state and local governments. She is a graduate of Wesleyan College.

Ms. Pendergrass distributed copies of the annual audit report for the year ended December 31, 2015. The Auditor's Discussion & Analysis (AD&D) Financial & Compliance Audit Summary document was also distributed. The AD&D is a written communication that discusses the standards followed by auditors along with required communications under Government Auditing Standards. This document also has information about Mauldin & Jenkins and the engagement team.

The audited financial statements were discussed. Pages one and two contain the audit report. SMMA received an unmodified or "clean" opinion. The financial statements are the responsibility of management. The auditor's responsibility is to express an opinion on the financial statements based on the audit procedures. There were no audit adjustments.

Pages three through eight present the Management Discussion and Analysis (MD&A). Each year Mauldin & Jenkins has emphasized that this section is written by management and the auditor verifies that information presented agrees to the financial statements. This is a good analysis comparing 2014 to 2015. Three years of comparative analysis is presented in the MD&A and it is a good tool to give an overall analysis of the financial activity during the year.

The Statement of Net Position is on page nine. Total current assets are \$12.2 million. Capital Assets are \$76.6 million and total assets are \$88.8 million. Total liabilities, which are few, are about \$757,370. There are no long-term liabilities and the Association

has no debt. The net position or equity is \$88 million, with the largest portion of this being Investment in Capital Assets of \$76.6 million.

The Statement of Revenues, Expenses and Changes in Net Position is comparative and presents information for 2014 and 2015. Operating revenues are \$11.2 million; operating expenses are \$7.4 million. SMMA had operating income before depreciation of \$3.8 million. Depreciation expense is \$6 million and the operating loss for 2015 is \$2.2 million. Nonoperating revenues and expenses were \$16,444 and the change in net position was a loss of \$2.2 million. The net position at the end of the year was \$88 million compared to \$90.2 million the previous year.

The Statements of Cash Flows indicates a positive cash flow for the year. Net cash provided by operating activities was \$4.3 million compared to \$3.2 million the prior year. Cash flows from investing activities are minimal at about \$5,507 and arise from the investment accounts held with the State of Georgia.

The remainder of the financial statements contains the footnotes to the financial statements. Note 1 discusses the nature of the business of the Association and the significant accounting policies. These have not changed from the prior year. Note 2 concerns cash and investments. The Georgia Fund 1 account and the Georgia Extended Asset Pool (GEAP) accounts are discussed in this footnote. Note 3 on page 18 provide capital asset activity for the year. Note 4 discuss the 401(k) Plan and Note 5 deals with transactions with the State of Georgia. SMMA uses certain services from other State agencies for legal, engineering, forestry, and insurance.

The cash flows from capital and related financing activities include funding for HFEC current and future capital improvements. This includes the escrow funding for the Marriott hotels per amendment 8 in the lease agreement with HFEC.

Cash and cash equivalents increased \$1.9 million in 2015 and the cash and cash equivalents at the end of 2015 were \$6.5 million. This balance does not include the \$3.6 million held in the GEAP investment account because the GEAP account is not considered a cash equivalent for the purposes of this financial statement.

The last few pages of the audit report contain the auditor's report on internal control. The auditor looks at internal control during this examination and no findings were observed. No material weaknesses or significant deficiencies were identified. The auditor looks at policies and procedures and conducts a "walk through" to test these procedures.

## **UPDATES**

Mr. Stephens updated the board on new attractions HFEC wants to offer at the Park and Snow Mountain. He also wanted to inform the Board about the proposal for a new City of Greenhaven and April 23rd rallies that are happening in the Park.

A large percentage of the guests coming to the park are interested in recreation. HFEC wants to offer something for these guests. HFEC would like to contract with a company to offer canoes, paddle boards and Kayaks on the lake. They would start with

approximately 10 canoes, 30 paddle boards and 15 Kayaks. HFEC would also like to offer bike rentals and one-hour tours on Segways. The bikes would come with electrical assistance.

Mr. Stephens discussed Snow Mountain. Annually, after Snow Mountain is disassembled, HFEC replaces sod to restore the lawn. They are considering the possibility of moving Snow Mountain to another location within the Park so that it has a permanent location and the lawn remains pristine.

Mr. Stephens updated the Board on a lawsuit that was heard before the Georgia Court of Appeals. Oral argument has been completed and we are waiting on their ruling.

Mr. Stephens informed the Board that there is a senate bill he is tracking. SB221 creates a new city made up of most of the southern part of Dekalb County called Green Haven. The park would be part of this new city. The senate bill has passed the State Senate and is in the State House of Representatives.

Mr. Stephens informed the Board that SMMA's permitting ordinance went into effect on January 19, 2016 and several requests for permits from protesters and counter protesters were requested for April 23, 2016. It was emphasized that while Stone Mountain Park has free speech areas, its focus will be on the safety and security of everyone, including employees, guest, protesters and the Park. The Stone Mountain Park Police have been working with other law enforcement agencies to ensure everyone's safety.

Meeting adjourned at 12:15 p.m.  
Notes taken by  
Debbie Blihovde