

STONE MOUNTAIN MEMORIAL ASSOCIATION
March 16, 2009

A meeting of the Stone Mountain Memorial Association was held at 1:00 p.m. on Monday, March 16, 2009, at Evergreen Conference Center, Stone Mountain Park, Stone Mountain, Georgia.

ASSOCIATION MEMBERS PRESENT

Greer Johnson, Vice Chairman
Brent Brown
Bill Chappell
Carolyn Meadows
Mike Pentecost
Ray S. Smith, III
Joan Thomas

ASSOCIATION MEMBERS ABSENT

Mark Baxter, Chairman
Noel Holcomb

OTHERS PRESENT

Curtis Branscome, C.E.O.
Bob Cowhig, Director of Planning & Construction
Gail Durham, Director of Finance
Meredith Lipson, Partner, Mauldin & Jenkins CPA's, LLC
Gerald Rakestraw, V.P. – Silver Dollar City Stone Mountain Park
Other SMMA staff

CALL TO ORDER

Greer Johnson, Vice Chairman, called the meeting to order.

APPROVAL OF MINUTES

A motion was made by Ray Smith, seconded by Mike Pentecost, and unanimously approved to waive the reading of the minutes of the January 26, 2009 and the February 18, 2009 meetings and to adopt the minutes as printed. A draft copy of the minutes was sent to each Board Member prior to the meeting.

PUBLIC COMMENT

None.

PRESENTATION OF 2008 AUDIT AND ANNUAL FINANCIAL REPORT

Mr. Branscome stated that Meredith Lipson of Mauldin & Jenkins Certified Public Accountants had presented the audit report to the Finance Committee earlier and would summarize that report for the Board.

Ms. Lipson stated that the audit for the year 2008 had been completed and discussed in detail with the Finance Committee. She said that the audit opinion was a clean, unqualified opinion. The financial statements are the responsibility of the Association's management and Board members. The auditor's responsibility is to express an opinion on the financial statements based on the audit procedures.

The financial statements reflect an increase in net assets of \$1.3 million for the year and there were no audit findings to present.

Mr. Branscome stated that Mr. Chappell, Chairman of the Finance Committee had recommended in the meeting held earlier that the audit report be accepted by the Board. A motion was made by Ms. Thomas to accept the 2008 audit report. Mr. Smith seconded the motion and the Board unanimously approved the report.

Ms. Lipson thanked the Board for the opportunity for her firm to serve SMMA and encouraged each of them to communicate with her should they have any questions in the future.

FINANCE COMMITTEE REPORT

Ms. Durham reported on the financial statement for the month ended January 31, 2009. Revenues for the month were below budget due to a timing difference in the percentage rent payment from HFEC. The percentage rent payment was budgeted in the month of January, but not actually received until February. Operating expenses were \$438,000 for the month and the budget was \$496,000. Net profit before interest and depreciation was \$555,000 and the bottom line results for the month were \$271,000.

The cash flow statement reflects cash provided by operating activities of \$215,000 and an increase of cash for the month and year to date of \$211,000. Capital projects in progress include installation of fiber optic cable, water and sewer system improvements, repaving of roadways, and the new Services complex. The Old Hugh Howell Road project reflects some design costs year to date.

SILVER DOLLAR CITY/STONE MOUNTAIN PARK REPORT

Gerald Rakestraw said that Snow Mountain was a success and a three year endeavor to bring to implementation. Mr. Rakestraw said the success of the project reflected on the SMMA Board because they approved the concept and supported the project.

The economic downturn has impacted hotel revenues and the hospitality industry as a whole.

Spring Break starts April 4th with a new 4-D theater film, "Journey to the Center of the Earth." Mr. Smith asked if there would be any changes to Sky Hike this year. Mr. Rakestraw said they were tweaking it some to add shade and misting fans. Ms. Thomas inquired why this attraction was not open during Snow Mountain. Mr. Rakestraw said it required a large labor pool, the winter jackets were not compatible with the harnesses and it was a logistical challenge.

CAPITAL BUDGET APPROVAL

Mr. Branscome stated that \$15 million has been spent on capital projects since the 2005 Master Plan amendment was adopted. From 2009-2012 we are proposing to invest an additional \$16.9 million. This is about \$1 million less than previously approved. We now have good estimates on the water and sewer projects as a result of engineering studies performed. The budget for water and sewer has been reduced from \$10 million to \$5 million based on the recommended program of work.

The Services Complex is budgeted at \$3.3 million and site work has begun on this project. The construction portion of this project is ready for bids.

\$2 million has been included in the revised budget for demolition of the Tennis Stadium and the 2012 budget includes \$2.8 million for improvements on Old Hugh Howell Road. Improvements at Indian Island are estimated at \$450,000. The Old Hugh Howell and Indian Island projects could be delayed if cash flow problems develop.

Leased area infrastructure projects over a five year period will cost \$11.7 million. A new roof at Evergreen and repairs to the Exterior Foam Insulation System are estimated at \$2.8 million. \$400,000 is allocated for a full power emergency generator for the aerial tramway for use in emergency situations to evacuate people from the top of the mountain.

Memorial Lawn improvements are proposed with a budget of \$2.5 million. New railroad equipment and a rebuild of the current railroad shop over a two year period is estimated at \$2.6 million. The Yellow Daisy parking lot and a new roof at the Stone Mountain Inn will cost approximately \$1.7 million and \$1.5 million respectively.

Mr. Branscome stated that the Finance Committee considered this capital budget and has recommended approval. Mr. Smith made a motion, seconded by Mr. Chappell to adopt the \$16,850,000 capital budget for 2009-2012 and the leased area infrastructure budget of \$11.7 million. The motion passed unanimously.

OLD BUSINESS

None.

NEW BUSINESS

None.

ADJOURNMENT

There being no other business, the meeting was adjourned at 1:25 p.m.

Greer Johnson, Vice Chairman

Submitted by
Gail Durham, Secretary