

STONE MOUNTAIN MEMORIAL ASSOCIATION
2027 Old Hugh Howell Rd.
Stone Mountain, Georgia 30083

(770) 498-5611

MEMORANDUM

TO: Bill Stephens
FROM: Edna Zimmerman
DATE: November 10, 2020
SUBJECT: 2021 Budget

Attached is a draft of the SMMA 2021 Budget. Operating profit before depreciation is budgeted at \$998,030, which is \$1.7 million less than the 2020 Budget. The net loss after depreciation is budgeted at \$4,777,638. The increased net loss is due to the ongoing impact of Covid-19 on Stone Mountain Park. Total operating expenses are budgeted at \$7,403,259. This amount reflects \$701,000 less than the 2020 budget. Below is an analysis of major differences from the 2020 Budget.

1. The lease base rent is budgeted at \$7.29 million and reflects the estimated lease base rent expected to be collected for 2021. The CPI-U% adjustment is not factored in. No lease percentage rent has been included in the budget, but the annual payment for "ballroom rent" of \$238,000 is included in total revenues. Total revenues budgeted at \$8.4 million are less than the 2020 budgeted revenues due to the current pandemic, which ultimately affects the lease base rent, occupancy tax proceeds, and interest income.
2. Occupancy tax revenue of \$230,000 is included in the 2021 budget. This reflects the hotel occupancy tax proceeds expected from the operation of Evergreen Conference Resort and Stone Mountain Inn.
3. Labor costs have decreased from last year's budget by \$189,000 or 5%.
4. Employee benefits are budgeted at 37% of total labor costs. Due to the aging workforce, accrued vacation payouts are included in anticipation of possible employee retirements.
5. Advertising expense is expected to be about \$232,000 in 2021. This expenditure is offset by the estimated hotel occupancy tax revenue of \$230,000.
6. The budget for professional fees has remained about the same at \$193,000 for anticipated attorney's fees and other services.

GA General Obligation Bonds
\$ 12.4 MM Hotel
\$ 5.0 MM Campground

7. Outside services is budgeted at \$340,000 for 2021. This account has been further divided into the following accounts:

Outside Services –	\$ 51,000
Outside Services – Road Maintenance	14,000
Outside Services – Landscaping	228,000
Outside Services – Portable Restrooms	29,000
Outside Services – Waste Removal	11,000
Outside Services – Other	7,000

8. Maintenance and repair costs are budgeted at \$570,000. As the Park ages, repairs and maintenance are required. This account has been further divided into the following accounts:

Repairs and Maintenance (Park)	\$153,000
Repairs and Maintenance – Technology	321,000
Fleet and Vehicle Expenses	96,000

9. Operating supplies and other expenses are budgeted to decrease collectively by \$77,000 due to all departments making a concerted effort to control costs.
10. Depreciation expense for 2021 is budgeted at \$5.8 million. This reflects depreciation for current SMMA capital projects as well as the final renovation of the hotel and campground projects funded by general obligation bonds. Depreciation expense is an estimate and varies depending on the timing of capital project completion dates.

The capital and equipment budget is itemized by department and totals \$1,394,850. Capital items include replacement/repair of storm water drain pipes, fuel monitoring equipment, public safety vehicles, and other equipment.

Please let me know if you have any questions.

Stone Mountain Memorial Association Capital Requests – 2021

Operations and Planning

• Stormwater Infrastructure Repair/Replacement	\$1,200,000*	
• Ford F-150 Replacement	34,500	
• Ford Ranger Replacement	26,000	
• Replacement of fuel monitoring equipment	18,500	
• Vehicle Diagnostic Scanner	<u>2,850</u>	\$1,281,850

Public Safety

• Police patrol vehicles (2)	\$ 80,000	
• Golf cart replacement	11,000	
• Light conversion to LED	<u>22,000</u>	<u>\$ 113,000</u>

Total **\$1,394,850**

SMMA plans to apply for \$1,000,000 funding directly from Georgia State Finance and Investment Commission (GSFIC) for necessary and critical repairs/replacement of stormwater drains throughout the Park. GSFIC will award up to \$1,000,000 to State agencies and authorities for "shovel ready" projects that use the resources of local contractors and sub-contractors. In 2020, SMMA commissioned an engineering study of eighty-six stormwater pipes within SMP to determine the overall condition and needed repairs to this aging infrastructure. These pipes & head and footer walls are adjacent to or under main roadways throughout the Park and most were installed in the early 1960s. The study determined that nineteen stormwater pipes and/or header or footer walls required critical repairs. An additional six pipes require substantial repairs within the next 12 months.

Stone Mountain Memorial Association
Budget
2021

	TOTAL
Revenues	
Communication Revenue	192,000
Lease Base Rent	7,290,000
Bond Revenue	362,000
Lease Percentage Rent	-
Occupancy Tax Revenue	230,000
Interest Income	70,000
Other Income	18,960
Gain (Loss) - Disposal Assets	-
Additional Ballroom Rent	<u>238,329</u>
Total Revenues	<u>8,401,289</u>
Expenses	
Labor	3,409,243
Employee Benefits	1,273,319
Advertising	231,800
Travel & Entertainment	21,100
Rentals	308,160
Professional Fees	193,060
Outside Services	340,343
Repairs & Maintenance	569,572
Operating Supplies	189,900
Utilities	527,128
Insurance	145,400
Interest	-
Other	<u>194,234</u>
Total Expenses	<u>7,403,259</u>
Operating Profit	<u>998,030</u>
Depreciation	<u>5,775,668</u>
Net Profit (Loss)	<u><u>(4,777,638)</u></u>

Stone Mountain Memorial Association



**FINANCIAL STATEMENTS
TEN MONTHS ENDED
OCTOBER 31, 2020**

STONE MOUNTAIN MEMORIAL ASSOCIATION

UNAUDITED BALANCE SHEET

as of

OCTOBER 31, 2020, and OCTOBER 31, 2019

ASSETS	2020	2019
CURRENT ASSETS:		
Cash and cash equivalents	5,402,516	8,448,238
Short-term investment - at cost		
plus accrued interest:	7,226,874	7,168,278
(Restricted By Board Action on 6-21-10 \$5,000,000		
Designated for self-insurance reserve \$500,000)	12,629,390	15,616,516
Accounts receivable	9,387	265,239
Inventory - operating supplies	0	0
Prepaid expenses:		
Insurance, Maintenance, & Rent	2,065	1,260,598
Deferred expenses & Marriott 5% reserve	2,143,372	2,679,286
	2,145,437	3,939,884
Total current assets	14,784,214	19,821,638
 NOTES RECEIVABLE - Long Term	 4,860,000	
 PROPERTY, PLANT AND EQUIPMENT 176,823,531		174,973,176
Less accumulated depreciation of 125,803,860	51,019,671	121,299,086
Construction in progress	7,283,886	53,674,090
Net Property, plant and equipment	58,303,557	880,170
	58,303,557	54,554,260
TOTAL ASSETS	77,947,772	74,375,898
 LIABILITIES AND FUND BALANCE		
CURRENT LIABILITIES:		
Accounts payable	431,992	117,302
Payroll items payable	315,096	316,291
Deferred revenue	0	0
Due to other Governments	0	0
Total current liabilities	747,087	433,592
Total liabilities	747,087	433,592
 BEGINNING FUND BALANCE	 73,933,321	 75,531,242
Year to date - Income/(Loss)	3,267,363	(1,588,936)
Change in fund balance	3,267,363	(1,588,936)
Ending Fund Balance	77,200,684	73,942,306
TOTAL LIABILITIES AND FUND BALANCE	77,947,772	74,375,898

STONE MOUNTAIN MEMORIAL ASSOCIATION

Unaudited Statement of Revenue and Expenses

Period Ending OCTOBER 31, 2020

	-----MONTH-----			-----YEAR TO DATE-----		
	Actual	Budget	% Var. to Budget	Actual	Budget	% Var. to Budget
REVENUES:						
Lease Revenues	810,000	810,000	0.0%	8,100,000	8,100,000	0.0%
Rentals	15,555	17,600	-11.6%	155,697	159,400	-2.3%
Occupancy Tax	19,679	35,000	-43.8%	199,854	427,000	-53.2%
Bond Revenue	564,736	500,000	12.9%	4,009,494	4,050,000	-1.0%
Misc.	144	760	-81.0%	(765)	10,735	-107.1%
Total Revenues	1,410,114	1,363,360	3.4%	12,464,280	12,747,135	-2.2%
EXPENSES:						
Labor	234,890	267,324	-12.1%	2,520,176	2,965,270	-15.0%
Benefits	84,863	116,912	-27.4%	926,872	1,169,120	-20.7%
Advertising	8,415	14,000	-39.9%	268,086	427,100	-37.2%
Travel & Ent.	932	1,925	-51.6%	10,438	25,100	-58.4%
Rentals	25,371	24,820	2.2%	267,985	262,000	2.3%
Outside Services	59,646	46,056	29.5%	432,422	527,177	-18.0%
Repairs & Maint.	75,978	71,343	6.5%	439,633	472,350	-6.9%
Operating Supplies	12,288	20,968	-41.4%	144,752	223,278	-35.2%
Utilities	31,701	43,986	-27.9%	376,967	439,005	-14.1%
Insurance	4,260	12,100	-64.8%	39,025	111,400	-65.0%
Other	7,719	14,696	-47.5%	95,383	166,907	-42.9%
Total	546,065	634,130	-13.9%	5,521,740	6,788,707	-18.7%
NET PROFIT/(LOSS) BEFORE INTEREST, DEPN, & ASSET DISP:	864,049	729,230	18.5%	6,942,540	5,958,428	16.5%
INTEREST INCOME AND EXPENSES:						
Interest Income	608	10,000	-93.9%	38,734	97,000	-60.1%
NET OPERATING PROFIT/(LOSS) BEFORE DEPN:	864,656	739,230	17.0%	6,981,275	6,055,428	15.3%
DEPRECIATION:	347,469	563,290	-38.3%	3,713,912	5,276,069	-29.6%
EXCESS/(DEFICIENCY) OF REVENUE OVER EXPENSE	517,188	175,940	194.0%	3,267,363 *	779,359	319.2%

* Includes leased revenue earned, but not received. Net loss without leased revenue would have been \$1.6 million.

STONE MOUNTAIN MEMORIAL ASSOCIATION

UNAUDITED STATEMENT OF CASH FLOWS

For Period Ending
OCTOBER 31, 2020

	Month to date	YTD Calendar 2020
OPERATING ACTIVITIES:		
Excess/(Deficiency) of revenue over expense	517,188	3,267,363
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	347,469	3,713,912
Changes in operating assets and liabilities		
(Increase)/Decrease in accounts receivable	(2,373)	544,751
(Increase)/Decrease in prepaid expense	(762,682)	(626,056)
(Increase)/Decrease in long term note receivable	0	(4,860,000)
Increase/(Decrease) in accounts payable, accrued expenses and revenues	<u>(35,066)</u>	<u>(395,528)</u>
Net cash provided/(used) by operating activities	64,537	1,644,441
INVESTING ACTIVITIES		
Additions to/Pending Capital Assets	<u>(405,820)</u>	<u>(4,865,787)</u>
Net cash used by investing activities	(405,820)	(4,865,787)
FINANCING ACTIVITIES		
Net cash provided/(used) by financing activities		0
Increase/(Decrease) in cash and cash equivalents	(341,283)	(3,221,347)
Cash and cash equivalents at the beginning of period	<u>12,970,674</u>	<u>15,850,736</u>
Cash and cash equivalents at the end of period	<u><u>12,629,390</u></u>	<u><u>12,629,389</u></u>