

AGENDA
South Carolina Perpetual Care Cemetery Board
Board Meeting
10:00 a.m., May 18, 2006
Synergy Business Park
110 Centerview Drive, Kingstree Building, Room 108
Columbia, South Carolina

Mr. Russ, Chairman, called the meeting to order at 10:15 a.m.

Board members attending the meeting included: J. W. Russ, of Conway; W. Russel Floyd, Jr., of Spartanburg; Roger Finch, of Honea Path; Andrew Cone, of Pickens; Rick Riggins, of Lancaster and Thomas Johnson of Charleston.

Board members granted an excused absence for John E. Bartus, of Mauldin

Staff members participating included: Wendi Elrod, Administrative Specialist; Randall L. Bryant, Assistant Deputy Director, Barbara Foster, Assistance Supervisor and Sharon Dantzler, General Counsel.

Members of the public participating included: Al Cannon with Smith Barney.

Meeting Called to Order – Public notice of this meeting was properly posted at the S. C. Perpetual Care Cemetery Board office, Synergy Business Park, Kingstree Building, provided to all requesting persons, organizations, and news media in compliance with Section 30-4-80 of the South Carolina Freedom of Information Act. A quorum is present.

Pledge of Allegiance

All present recited the Pledge of Allegiance.

Approval of February 15, 2006 Meeting Minutes

The minutes were approved as they are.

Motion

Mr. Johnson made a motion for the minutes to be accepted with no changes made, seconded by Mr. Finch and unanimously carried.

Chairman's Remarks – J. W. Russ

Mr. Russ welcomed everyone for being there. Mr. Russ also welcomed and introduced Mr. Al Cannon with Smith Barney to the meeting.

Assistant Deputy Director's Remarks, For Information – Randall L. Bryant

Mr. Bryant discussed that the Director, Adrienne Youmans, has approved for Robin Wilkes a Certified Public Accountant to be hired to support staff with the Perpetual Care Trust Funds and Merchandise Accounts as of June 14, 2006. Mr. Wilkes was Ms. Doris Cubitt's predecessor as the Administrator of the Accountancy Program.

Mr. Bryant stated that Mr. Raymond Lee had completed a number of cemetery inspections prior to having to take a leave of absence due to a major family crisis so the cemetery inspections hasn't been running at 100 percent.

Mr. Bryant indicated that the four (4) cemeteries that had not been licensed are now licensed.

Mr. Bryant indicated that in the brief overview of the Perpetual Care Funds there were ten (10) cemeteries that appeared to have problems. Mr. Bryant stated that the staff CPA, Mr. Wilkes, will review the records for these cemeteries.

Action Items (Vote Required)

New Business

1. Trust Funds commingle

Mr. Russ introduced Mr. Al Cannon with Smith Barney. Mr. Cannon discussed what he and his firm had been working on for the Perpetual Care Trust Fund. He has been working with North Carolina with how they manage their funds. The idea is to have a way for all cemeteries large and small to have proper management of their funds.

This will not be affiliated with the association however the trustee will give discounts to members of the association. Smith Barney will handle the investment portion of the portfolios and County Bank in Greenwood, South Carolina will be the trustee.

Mr. Cannon reviewed his presentation with the Board. He also stated that he had been working with Jerry Stevens, who heads up the program in North Carolina, which was started in 1994.

Mr. Russ asked Mr. Cannon, if all wording is correct to Labor, Licensing and Regulation specifications, how long before Smith Barney can implement? Mr. Cannon stated that if everything is correct then Smith Barney would be ready immediately.

Mr. Cannon stated that there are two (2) accounts for cemeteries. Merchandise Account is to hold the funds for purchase of preneed items which will be supplied in the future. The Care and Maintenance fund which produces income for the cemetery for present and future maintenance costs. Income is derived from investment and/or interest from the corpus of the trust fund.

Mr. Bryant thanked Mr. Cannon for his presentation however he stated that under the Preneed section it referenced the incorrect law. The presentation indicated in the Preneed section the Funeral Service Board law, however this is the Perpetual Care Cemetery Board so the correct law should be referenced. Mr. Cannon apologized for the error and stated that it will be corrected.

Ms. Dantzler referenced the term commingle, which is not a good accounting term. There needs to be a good accounting sub division in the pooled funds. It is vital that the Bank can provide a separate accounting report for each cemetery ninety (90) days after the end of their fiscal year. Mr. Floyd stated that Smith Barney wouldn't know how many cemeteries contribute to the fund. Ms. Dantzler stated that from a statute point of view it is great, however the wording needs a little work.

2. Future Audits

Mr. Bryant indicated that in the brief overview of the Perpetual Care Funds there were ten (10) cemeteries that appeared to have problems.

It is the consensus of the Cemetery Board there are two (2) main issues.

- 1. The ground maintenance of the cemetery.*
- 2. The funding in the Perpetual Care Trust Fund and the Merchandise Account.*

The issue was tabled until a future date after the CPA on staff Mr. Wilkes has an opportunity to review the Perpetual Care Trust Fund and Merchandise Account information for the cemeteries.

Unfinished Business

1. Rosemont Cemetery

The Board ruled after discussion that a Cease and Desist Order should be issued if the cemetery does not comply by getting licensed.

Motion

Mr. Floyd made a motion for a Cease and Desist Order to be issued for this cemetery if they do not get in to compliance by getting licensed, seconded by Mr. Johnson and unanimously carried.

2. Twin Cities – cemetery sale

Mr. Russ stated that Mr. Sonny Claridy didn't understand what he needed, to satisfy the Cemetery Board's request for information. He is new to the business so Mr. Claridy submitted a request for an extension for the audit of his cemetery.

Mr. Floyd suggested that LLR should get the staff CPA, Mr. Wilkes to review the information maybe he can contact Mr. Claridy or his CPA for any questions they may have.

Motion

Mr. Floyd made a motion for an extension to be granted, seconded by Mr. Johnson and unanimously carried.

3. Southeastern Cemetery's Audit

Mr. Bryant stated that the audit for Southeastern Memorial Gardens has not been submitted at this time. Mr. Russ suggested that the Board send the inspector, Mr. Raymond Lee out to inquire on the status of the audit.

The Board tabled the issue until the audit of the Perpetual Care Trust Fund and the Merchandise Account has been submitted.

4. Discussion of agreed upon procedures for Annual Trust Fund reporting

Ms. Cubitt and Mr. Keisler would like to review the agreed upon procedures with Mr. Wilkes prior to the Board's review.

5. Clarification between profit and nonprofit

The Board ruled that if a cemetery holds themselves out to be a Perpetual Care or Endowment Care facility then the Perpetual Care Cemetery law applies to them.

6. Annual Perpetual Care Reporting forms

Ms. Cubitt and Mr. Keisler would like to review the Perpetual Care Trust Fund form with Mr. Wilkes prior to the Board's review.

7. Review Merchandise reporting form

Ms. Cubitt and Mr. Keisler would like to review the Merchandise Account form with Mr. Wilkes prior to the Board's review.

8. IRC

Mr. Bryant stated that there was only one (1) complaint reviewed at the last IRC meeting case # 2005-4. The cemetery had not placed a marker in the cemetery after LLR had made two (2) requests. The IRC recommendation was that a Consent Agreement be issued to the cemetery.

Motion

Mr. Finch made a motion for the IRC recommendation to be accepted, seconded by Mr. Cone and unanimously carried.

Adjournment

There being no further business to be discussed at this time, Mr. Riggins made a motion that the meeting be adjourned at 11:48 am, seconded by Mr. Floyd.

The next meeting of the S.C. Perpetual Care Cemetery Board has been scheduled for August 16, 2006.