

Minutes

South Carolina Perpetual Care Cemetery Board Meeting
Synergy Business Park
110 Centerview Drive, room 108
Columbia, SC 29210
10:00 a.m., January 23, 2008

Mr. Russ, Chairman, called the meeting to order at 10:20 a.m.

Board members attending the meeting included: J. W. Russ, of Conway; Rick Riggins, of Lancaster; Thomas Johnson of Charleston; and Roger Finch, of Honea Path.

Board members granted an excused absence: W. Russel Floyd, Jr., of Spartanburg; Andrew Cone, of Pickens; and John E. Bartus, of Mauldin.

Staff members participating included: Wendi Elrod, Administrative Specialist; Doris Cubitt, Administrator; Sheridan Spoon, General Counsel; and Robin Wilkes, CPA Consultant for LLR.

Members of the public participating included: David Brown, Florence Memorial Gardens, Florence, SC.

Meeting Called to Order – S.C. Perpetual Care Cemetery Board staff properly posted public notice of this meeting at the S.C. Department of Labor, Licensing and Regulation office, Synergy Business Park, Kingstree Building, and provided notice 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 was present.

Pledge of Allegiance

All present recited the Pledge of Allegiance.

Chairman's Remarks – J. W. Russ

Mr. Russ welcomed all visitors.

Administrator's Remarks, For Information – Doris Cubitt

Ms. Cubitt welcomed everyone and thanked them for attending. Ms. Cubitt reminded all Board members that they will be receiving their ethics forms so please complete them and mail to the ethics commission before April 15, 2008.

Action Items (Vote Required)

Unfinished Business

1. Approval of Cemetery Audits

a. Florence Memorial Gardens – J W Russ

Mr. Russ asked Mr. David Brown about the differences in the trust fund. Mr. Brown stated that SCI, the seller of the cemetery, had not disclosed that information to him yet. Mr. Russ also asked why the merchandise account exceeded the total account liability or how did the auditor determine the liability. Mr. Brown indicated that he wasn't aware of the under funding. Mr.

Brown also provided documentation that the Trust fund was irrevocable per the Board's request at the November 2007 board meeting.

Mr. Robin Wilkes discussed possibilities for the differences in the account. Mr. Wilkes stated that one way there may be a difference in the trust fund and/or the merchandise account is that the auditor used the average prices multiplied by the number of lots sold to get an amount that should have been deposited. So the estimated amount may be slightly different than the actual deposit. However; this cemetery deposited the actual cost into the merchandise account. So the over funding in the merchandise account would be earned income on the account.

Mr. Wilkes stated that the audit was adequate for audit purposes. He also stated that the care and maintenance report indicated that the trust is deficient by \$40,001 and the merchandise account exceeds by \$175,111.

Ms. Cubitt stated that the Board staff made preparation to include Mr. Mike Smith with SCI via conference call to answer any such questions.

Ms. Cubitt inquired if the amount that was deposited in to the merchandise account was the cost of the merchandise or the sale price. Mr. Brown stated that it was the cost of the merchandise.

Mr. Russ asked Mr. Smith about the \$40,001 under funding in the care and maintenance trust account and the over funding in the merchandise account. Mr. Smith stated that he would provide a written statement explaining the short fall. On the merchandise account Mr. Smith stated that there are monies for markers that have not been withdrawn yet. Mr. Smith indicated that SCI will provide documentation to support any withdraws. He will also give written explanation on the differences in the opening and closing account.

Motion

Mr. Riggins made a motion that the Board gives their approval to accept the audit as is and the sale of the cemetery pending a copy of the sale contract between SCI and Mr. Brown. Also documentation from SCI indicating that the care and maintenance trust has been made whole and Mr. Brown has assumed the liability; seconded by Mr. Johnson and unanimously carried.

b. Rock Hill Memorial Gardens – J W Russ

Ms. Cubitt stated that the audit for Rock Hill Memorial Gardens has also been submitted. Mr. Wilkes stated that the audit was adequate for audit purposes. He also stated that the care and maintenance report indicated that the trust is deficient by \$34,785 and the merchandise account exceeds by \$60,562.

Since the seller of this cemetery is the same as the Florence Memorial Gardens, the Board requested that SCI also furnish documentation to support any withdraws from the merchandise account for any money from markers that has not been withdrawn yet. The Board also requested a copy of the sale contract excluding sale price.

The Board tabled the issue until someone can be present on behalf of the cemetery.

c. **Fredrick Memorial Gardens – J W Russ**

Ms. Cubitt stated that the audit for Fredrick Memorial Gardens has also been submitted. Mr. Wilkes stated that the audit was adequate for audit purposes. He also stated that the care and maintenance trust fund and merchandise account reports indicate that both exceed the calculated liability.

Motion

Mr. Riggins made a motion that the Board approves the sale of the cemetery pending documentation verifying the opening and closing amounts and that StoneMor assumes the liability; seconded by Mr. Johnson and unanimously carried.

d. **Graceland East Memorial Park – J W Russ**

Ms. Cubitt stated that the audit for Rock Hill Memorial Gardens has also been submitted. Mr. Wilkes stated that the audit was adequate for audit purposes. He also stated that the care and maintenance report indicate that the trust exceeds the calculated trust liability. The merchandise account shows that it is deficient by \$14,156. Mr. Frank Millis stated at the November 30, 2007 meeting that the merchandise account was deficient \$14,156. Mr. Millis stated that SCI may fund the full deficient amount at the time of closing. If they do not then StoneMor will fund it within thirty (30) days after closing.

Motion

Mr. Riggins made a motion that the Board approves the sale of the cemetery pending documentation verifying the opening and closing amounts. Also provided that the \$14,156 has been satisfied; seconded by Mr. Johnson and unanimously carried.

2. Audit extensions – J W Russ

Ms. Cubitt discussed with the board that Mr. Jim Holloway is the Accountancy Boards consultant CPA. Mr. Holloway has a lot of experience with Agreed Upon Procedures. Ms. Cubitt informed the Board that Mr. Holloway would be willing to meet with the Board to discuss any questions that they may have and maybe give a new perspective to the Agreed Upon Procedures. Mr. Russ asked staff to invite Mr. Holloway to the next Board meeting on March 14, 2008.

Ms. Cubitt informed the Board that she has been giving a thirty (30) day extension on a case by case situation and felt that anything more needed to be approved by the Board.

Motion

Mr. Riggins made a motion to extend the deadline of the Agreed Upon Procedures to June 1, 2008, due to the extensive time frame covered (1991 to present) and to grant Ms. Cubitt the authority to authorize extensions past the deadline in thirty (30) day increments on a case-by-case basis, not to exceed past September 1, 2008. Seconded by Mr. Johnson and unanimously passed.

Executive Session (To Consider Disciplinary Matters and/or Seek Legal Advice)

Motion

Mr. Finch made a motion to enter executive session at 10:50 am for discussion. Mr. Riggins seconded the motion, which carried unanimously.

Return to Public Session to Report on Executive Session

Motion

Mr. Riggins made a motion at 11:30 am, seconded by Mr. Johnson and unanimously carried to come out of executive session.

Mr. Russ noted for the record that no motions were made and no votes were taken during executive session.

Break 11:35 am to 11:40 am

Adjournment

There being no further business to be discussed at this time, Mr. Riggins made a motion that the meeting be adjourned at 12:40 pm, seconded by Mr. Finch unanimously carried.

The next meeting of the S.C. Perpetual Care Cemetery Board has been scheduled for March 14, 2008.