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SEBTS INTEROFFICE MEMORANDUM

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TO: DR. BART NEAL, G. PAUL FLETCHER  
FROM: RYAN R. HUTCHINSON  
SUBJECT: MAGNOLIA HILL PROJECT FUNDS -- 3-03-375-10-00  
DATE: 8/20/2003  
CC: GEORGE HARVEY, SKIP MIDKIFF

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At the beginning of the 1996-1997 Fiscal Year, the Magnolia Hill Project account did not have any funds. After three years, the account contains a balance of \$276,794.15. This number **does** include the \$25,000 gift from the Lockman Foundation. The gift was transferred on our books from the Held-Decision Lambeth account on April 27, 1998 to the Magnolia Hill Project account.

There has only been one expense paid from this account. It was for the purchase of plates for \$7,775.00 on February 3, 1999.

All transactions from the subsidiary ledger (Development's Campaigns) have been reconciled with the general ledger account. Outside of the expense for the plates and the gift from the Lockman Foundation, four transactions do not appear in the subsidiary ledger. The total of the transactions is \$13,289.15. Of this amount, \$3,000.00 appears on our side as "Donor Redesignation". The remaining \$10,289.15 is money received from Smith Barney. This appears to be the cash received from Mr. Prince's Non-Cash gift on June 4, 1999. If this is true, this is a double booking and the balance is overstated. Therefore, the balance of the Magnolia Hill Project account would decrease by \$10,480.00 to a balance of **\$266,314.15**.

Attached is the documentation leading to the above conclusion. The reconciliation of the general ledger to the subsidiary ledger is shown via cross-footing. Brown sheets represent the general ledger information. Ivory sheets contain the documentation for transaction not appearing on the subsidiary ledger. Gray sheets represent the subsidiary ledger information. All documentation is arranged in fiscal year order.