

To: BHCA Board

From: Dwan Ramsey

Date: October 1, 2010

Subject: Updates and Notes

**Budget** – Hopefully all of you have a copy of the proposal. Please let me know if you need paper copies or additional information. Our goal is to answer all questions or concerns you have prior to next Thursday's board meeting so you can act on the budget at that time.

**Year End Audit** – Carr Riggs came in September 22-23<sup>rd</sup> and conducted their field work for the year ended June 30. We are working with them on follow up items now. This audit is on track to meet the deadline of November 1.

**401(k) Plan** – We are continuing to work with Fidelity to bring the 401(k) plan back to current status. Anti-discrimination testing, filing of the 5500, and eventual compliance restatement of the plan is expected to take several more months. Once the testing and 5500 phases are complete, the restatement can commence. We will pass on additional information to you as we can.

**August Financial Report** – The budget reflected in the August financial statements is the original preliminary budget, not the proposed budget you just received.

Our new accounting software has many features and data requirements. We are not fully operational with all aspects at this time, and continue to work on it as a top priority. This will take some time to complete. Also, over the next several months we will develop some new report formats for you. The system has a set of fixed reports as well as features to customize based on circumstances. We will expand on this later.

For the two months ended August 31, we have expenditures in excess of revenues of just over 420,000. This time last year showed a surplus of just over 106,000, which is a negative swing of 526,000. Here are some of the reasons why: Included in this year are 107,000 in capitalized computer hardware expenditures and installation costs in fund 101 (BH), 182,000k in fund 102 (NBH remodeling & renovations), 56,000 in NBH I-Pad outlay which will generally be recovered over the school term, textbooks for NBH high school of 38,000, and FRS contributions for generally all employees of 112,000.