

ECCS Building Corp.

September, 2007 Information - UNAUDITED

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OVERVIEW

Attached are:

1. Audited Balance Sheet for 6/30/07 (p. 5 of audited statements);
2. Audited Income Statement for the period 7/1/06 – 6/30/07 (p. 6 of audited statements);
3. Un-audited Balance Sheet for 9/30/07;
4. Un-audited Income Statement for the period 7/1/07 – 9/30/07 (Quarter 1 FY08).

BALANCE SHEET

The Balance Sheet represents ECCS Building Corp. financial status at a stated moment in time. This statement illustrated what is owned (assets), what is owed (liabilities), and what remains (QB presents this as "Equity").

Changes from un-audited 6/30/07 Balance Sheet: Based on prior discussion with the auditors, \$273,545 of building expenses and the \$165,000 Sale of the Modular Facility were budgeted from Legacy Academy's Operating Fund and Capital Reserve Fund. During the audit, it was determined that these expenses should have been listed as Transfers Out for the Operating and Capital Reserve Funds and "Capital Outlay" (not as expenses). This change affected the Balance Sheet for both Legacy Academy and ECCS Building Corp. as of 6/30/07.

Additionally, there was an audit adjustment to record adjustments to interest expense and accrued interest payable (\$74,328).

Assets – On September 30th, the Building Corp. had current assets of \$648,176, land value of \$347,000, building and improvements value of \$5,465,722 and issuance costs of \$194,952. Total assets were \$6,655,850.

For comparison, total assets September 30, 2006: \$6,313,884.

Liabilities – On September 30th, the Building Corp. had total liabilities of \$6,011,116.

For comparison, total liabilities September 30, 2006: \$5,908,646.

Equity – Total Equity as of September 30th was \$644,734.

For comparison, total equity September 30, 2006: \$405,238.

INCOME STATEMENT

The Income Statement quantifies financial activity over a given period of time. This statement illustrates the amount of income earned (by source of income), the amount spent, and the remaining balance (Net Income or Net Loss). While a balance sheet measures financial status on a given date (typically the end of a month), an income statement denotes changes in financial position that occur in between balance sheet dates.

Changes from un-audited 6/30/07 Income Statement: Based the above change of classification of the \$273,545 of building expenses budgeted from Legacy Academy's Operating Fund, these transactions had been posted to "Buildings and Improvements"; with the change of classification, these transactions have been posted to "Transfers In" (an "Other Income" item on the Income Statement).

Income – Total income for the period of July 1, 2007 – September 30, 2007 was \$128,226. Interest Income was \$2,946.

Expense - Total Expense for the period of July 1, 2007 – September 30, 2007 was \$217,638. Interest Expense was \$216,909, Transaction Fees were \$729.

Net Income – As of September 30th, ECCS Building Corp. has recorded a net loss of \$89,412.

ECCS Building Corp

Balance Sheet As of June 30, 2007

	<u>Jun 30, 07</u>	<u>Jun 30, 06</u>
ASSETS		
Current Assets		
Checking/Savings		
Principal Fund CT2004-3304	23,009	15,852
Interest CT2004-3304-01	158,844	161,215
Reserve 1004 CT-3304-02	504,125	504,125
Project Fund 2004 CT-3304-03	0	596,177
R&R Fund CT2004-3304-05	51,611	25,102
Total Checking/Savings	<u>737,588</u>	<u>1,302,470</u>
Total Current Assets	737,588	1,302,470
Fixed Assets		
Land	347,000	347,000
Buildings and Improvements	5,465,722	199,319
Construction in Process	0	4,869,016
Issuance Costs	194,952	200,891
Total Fixed Assets	<u>6,007,674</u>	<u>5,616,226</u>
TOTAL ASSETS	<u>6,745,262</u>	<u>6,918,696</u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
Accounts Payable	0	260,551
Retainage Payable	0	130,620
Total Accounts Payable	0	391,171
Other Current Liabilities		
Current Portion Long Term Debt	65,000	60,000
Accrued Interest Payable	144,606	145,956
Total Other Current Liabilities	<u>209,606</u>	<u>205,956</u>
Total Current Liabilities	209,606	597,127
Long Term Liabilities		
Discount on Debt Issuance	-39,262	-40,716
Loss on Bond Refunding	-49,229	-65,638
Long Term Debt -Par	<u>5,890,000</u>	<u>5,955,000</u>
Total Long Term Liabilities	<u>5,801,509</u>	<u>5,848,646</u>
Total Liabilities	6,011,116	6,445,772
Equity		
Beginning Fund Balance	456,441	456,441
Retained Earnings	16,482	-248,486
Net Income	<u>261,223</u>	<u>264,969</u>
Total Equity	<u>734,147</u>	<u>472,924</u>
TOTAL LIABILITIES & EQUITY	<u>6,745,262</u>	<u>6,918,696</u>

ECCS Building Corp

Balance Sheet

As of September 30, 2007

	<u>Sep 30, 07</u>	<u>Sep 30, 06</u>
ASSETS		
Current Assets		
Checking/Savings		
Principal Fund CT2004-3304	39,537	26,852
Interest CT2004-3304-01	52,308	57,940
Reserve 1004 CT-3304-02	504,125	504,125
Project Fund 2004 CT-3304-03	0	1,361
R&R Fund CT2004-3304-05	52,207	25,400
Total Checking/Savings	<u>648,176</u>	<u>615,678</u>
Total Current Assets	648,176	615,678
Fixed Assets		
Land	347,000	347,000
Buildings and Improvements	5,465,722	199,319
Construction in Process	0	4,950,996
Issuance Costs	194,952	200,891
Total Fixed Assets	<u>6,007,674</u>	<u>5,698,206</u>
TOTAL ASSETS	<u>6,655,850</u>	<u>6,313,884</u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Other Current Liabilities		
Current Portion Long Term Debt	65,000	60,000
Accrued Interest Payable	144,606	0
Total Other Current Liabilities	<u>209,606</u>	<u>60,000</u>
Total Current Liabilities	209,606	60,000
Long Term Liabilities		
Discount on Debt Issuance	-39,262	-40,716
Loss on Bond Refunding	-49,229	-65,638
Long Term Debt -Par	5,890,000	5,955,000
Total Long Term Liabilities	<u>5,801,509</u>	<u>5,848,646</u>
Total Liabilities	6,011,116	5,908,646
Equity		
Beginning Fund Balance	456,441	456,441
Retained Earnings	277,705	16,482
Net Income	-89,412	-67,685
Total Equity	<u>644,735</u>	<u>405,238</u>
TOTAL LIABILITIES & EQUITY	<u>6,655,850</u>	<u>6,313,884</u>

ECCS Building Corp

Income Statement

July 2006 through June 2007

	Jul - Sep 06	Oct - Dec 06	Jan - Mar 07	Apr - Jun 07	TOTAL
Ordinary Income/Expense					
Income					
Building Lease Operating Inco...	125,042	124,467	125,121	124,705	499,335
Interest Income Non-Operating	9,562	12,337	3,218	11,893	37,011
Total Income	134,605	136,804	128,340	136,598	536,347
Expense					
Depreciation	0	0	0	150,375	150,375
Amortization Expense	0	0	0	5,939	5,939
Interest Expense	201,228	0	218,934	-29,767	390,396
Transaction Fees	1,061	94	734	70	1,959
Total Expense	202,290	94	219,668	126,617	548,668
Net Ordinary Income	-67,685	136,710	-91,328	9,981	-12,322
Other Income/Expense					
Other Income	0	0	0	273,545	273,545
Transfer In - ECCS	0	0	0	273,545	273,545
Total Other Income	0	0	0	273,545	273,545
Net Other Income	0	0	0	273,545	273,545
Net Income	-67,685	136,710	-91,328	283,526	261,223

ECCS Building Corp
Income Statement
 July through September 2007

	Jul 07	Aug 07	Sep 07	TOTAL
Ordinary Income/Expense				
Income				
Building Lease Operating Inco...	41,568.23	42,143.23	41,568.23	125,279.69
Interest Income Non-Operating	807.82	1,024.86	1,113.37	2,946.05
Total Income	42,376.05	43,168.09	42,681.60	128,225.74
Expense				
Interest Expense	0.00	0.00	216,909.38	216,909.38
Transaction Fees	41.04	626.34	61.13	728.51
Total Expense	41.04	626.34	216,970.51	217,637.89
Net Ordinary Income	42,335.01	42,541.75	-174,288.91	-89,412.15
Net Income	<u>42,335.01</u>	<u>42,541.75</u>	<u>-174,288.91</u>	<u>-89,412.15</u>