

West Virginia Academy LTD

Statement of Financial Position

As of December 2022

	TOTAL
ASSETS	
Current Assets	
Cash	148,218 (1)
Accounts Receivable	5,990
Inventory Asset	7,501
Prepaid Expense	28,502
Total Current Assets	\$190,211
Fixed Assets	
Fixed Assets	791,910
Accumulated Depreciation	(17,157)
Accumulated Amortization	(64,763)
Total Fixed Assets	\$709,990
Security Deposits	28,864
Total ASSETS	\$929,065
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	16,224
Payroll Tax to Pay	39,146 (2)
PEIA & RHBT	3,944
Retirement Benefits to Pay	8,143
Wages to Pay	43,039
Total Current Liabilities	\$110,496
Long-Term Liabilities	
Long-Term Business Loan	562,190 (3)
Other Long-Term Liabilities	331,980
Total Long-Term Liabilities	\$894,171
Total Liabilities	\$1,004,666
Equity	
Retained Earnings	29,872
Net Revenue	(105,473)
Total Equity	\$(75,602)
TOTAL LIABILITIES AND EQUITY	\$929,065

Confidential, Unaudited, Revised

Statement of Position Notes

- (1) Cash balance includes ACF checking account which had the balance of \$1, 150 and petty cash of \$60. Petty cash was established because of the heavy volume of cash generated with the Pizza Friday Fundraiser. Some of the proceeds were used for the Basketball team's cash box. Both of those activities have since concluded and Petty Cash has been transferred to the general operating account.

- (2) This number doesn't seem right to me. I will need to revisit payroll journal entries and break down taxes payable to relevant agencies. I will especially examine those during the transition from ADP to QuickBooks in the event an accrual was not reversed properly. Problem was identified in preparation of these statements, and I have not had an opportunity to audit.

- (3) This balance includes the reclassification of the line of credit to long-term and the \$125K interest free loan from Greer Industries.

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Statement of Activity

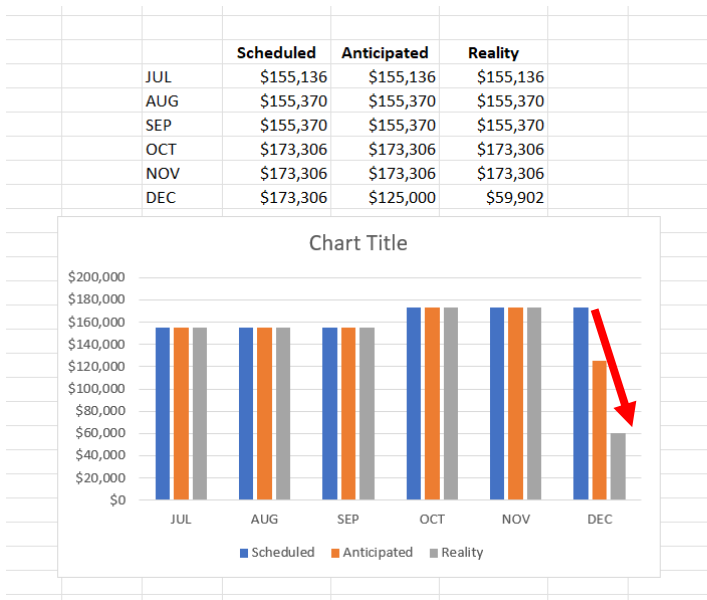
July-December 2022

	First Quarter	Second Quarter	TOTAL YTD	
Revenue				
State Aid Revenue	465,876	406,514	872,390	(1)
State Benefit Revenue	19,508	29,259	48,767	(2)
Preschool & Supplemental Revenue	29,102	30,528	59,630	
Contributed Income	19,452	104,515	123,967	(3)
Total Revenue	\$533,938	\$570,816	\$1,104,754	
Expenditures				
Payroll Expenses				
Salary & Wages	369,367	334,679	704,046	(4)
Employer Taxes	39,877	33,238	73,115	
Employer Benefits	-	48,767	48,767	(2)
Worker's Compensation Insurance	2,012	2,012	4,024	
Total Payroll Expenses	\$411,256	\$418,696	\$829,952	
Direct Student Expenses	30,088	32,028	62,116	
Insurance	9,104	7,459	16,563	
Interest Paid	9,855	15,004	24,859	(5)
Occupancy	78,497	97,463	175,960	(6)
Other Expense	5,980	12,877	18,857	(7)
Total Expenditures	\$544,780	\$583,527	\$1,128,307	
NET OPERATING REVENUE	\$(10,842)	\$(12,711)	\$(23,553)	(8)
Other Expenditures				
Depreciation	8,579	8,579	17,158	
Amortization Expenses	32,381	32,381	64,762	
Total Other Expenditures	\$40,960	\$40,960	\$81,920	
NET OTHER REVENUE	\$(40,960)	\$(40,960)	\$(81,920)	
NET REVENUE	\$(51,802)	\$(53,671)	\$(105,473)	(8)

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Statement of Activity Notes

- (1) Due to lower enrollment since May 2022, a reduction in funding (a true-up) was anticipated for December 2022. In fact, several measures were taken to meet this financial challenge head on. What was not anticipated or disclosed by key WDVE personnel is that there would be a reclaiming (a claw back) of funds already provided.



Thankfully, one of the measures taken to secure alternate funding had born fruit. That and a generous private donation made in November made up for the gap in state funding for the month of December.

- (2) This is an unrealized revenue. No cash comes in or leaves WVA. It is a benefit provided by the state for employee health care. An offsetting expense is also recorded that has no net affect on WVA’s financial position. It is a benefit to WVA and its employees therefore must be acknowledged.
- (3) 98% of first quarter contributions were in-kind contributions. 29% of second quarter contributions were in-kind contributions and 71% were of cash donations. Second quarter cash donations help fill the gap left by WVDE funding withdrawals.

- (4) Q1 reflects a shorter period, two months and 1-2 weeks due to when training started and varying hire dates. August expenses were approximately \$150K and September's expenses were approximately \$219K. Second quarter data is more evenly spread for all three months at approx. \$112K per month. Significant cuts were made to payroll at the end of the first quarter due to reduced enrollment therefore in anticipation of reduced funding.
- (5) Increase interest is due to steps taken to restructure current liabilities to long-term liabilities.
- (6) Increase in Occupancy expenses are due to higher utilities and more regular maintenance activities for 3 full months versus that of milder weather and only two and half months of occupation in the first quarter.
- (7) Increase of administrative expenses due to increased administrative activities...printing, office supplies, vehicle maintenance...etc.
- (8) Considering the blow from WVDE, the net loss is minor due to all the other cost cutting, redirecting of failing policies and new revenue generation WVA was able to accomplish in the second quarter. Had the reduction of revenue occurred as anticipated, WVA would have absorbed the first quarter loss and recognize positive revenue for the YTD results.