LANCER EDUCATIONAL HOUSING CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

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LANCER EDUCATIONAL HOUSING CORPORATION
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YEAR ENDED JUNE 30, 2024

INDEPENDENT AUDITORS' REPORT

Board of Directors
Lancer Educational Housing Corporation
Riverside, California

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Lancer Educational Housing Corporation (the Organization), which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization, as of June 30, 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Related Party Relationships

Lancer Educational Housing Corporation is a California nonprofit corporation that has been organized and operates to provide student housing and auxiliary facilities for the benefit of California Baptist University. See Notes 1 and 6 for additional information regarding related parties and related party transactions. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Board of Directors
Lancer Educational Housing Corporation

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Glendora, California
September 20, 2024

LANCER EDUCATIONAL HOUSING CORPORATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024

ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	$ 27,006,626
Accounts Receivable - Related Party	3,426,377
Total Current Assets	30,433,003
LONG-TERM ASSETS	
Cash Restricted for Bond Debt Service Reserves	12,724,153
Deposit	250,000
Property, Plant, and Equipment (Net of Depreciation)	160,489,873
Total Long-Term Assets	173,464,026
Total Assets	$ 203,897,029
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accrued Liabilities - Related Party	$ 10,749,493
Accrued Liabilities	1,086,852
Deferred Revenue	401,754
Security Deposit	9,528
Bonds Payable - Current Portion	4,056,880
Total Current Liabilities	16,304,507
LONG-TERM LIABILITIES	
Bonds Payable - Net of Current Portion	167,078,724
Total Long-Term Liabilities	167,078,724
Total Liabilities	183,383,231
NET ASSETS	
Net Assets Without Donor Restriction	20,513,798
Total Liabilities and Net Assets	$ 203,897,029

See accompanying Notes to Consolidated Financial Statements.

LANCER EDUCATIONAL HOUSING CORPORATION
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

OPERATING REVENUES, WITHOUT DONOR RESTRICTION	
Student Housing Fees	$ 22,153,436
Lease Income - Related Party	4,521,959
Interest Income	1,252,022
Other Income	6,065
Total Operating Revenues	27,933,482
OPERATING EXPENSES	
Program Activities:	
Student Work Wages	766,791
Contracted Services - Other	2,329,147
Repair and Maintenance	2,060,975
Depreciation Expense	6,692,079
Utilities	2,184,973
Interest Expense	8,676,810
Management Fee - Related Party	1,595,981
Total Program Activities	24,306,756
Management and General:	
Insurance Expense	698,243
Other Operating Expense	90,022
Management Fee - Related Party	219,922
Total Management and General	1,008,187
Total Operating Expenses	25,314,943
CHANGE IN OPERATING NET ASSETS WITHOUT DONOR RESTRICTION	2,618,539
NONOPERATING ACTIVITIES	
Contributions	(2,000,000)
CHANGE IN NONOPERATING NET ASSETS WITHOUT DONOR RESTRICTION	(2,000,000)
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTION	618,539
Net Assets Without Donor Restriction - Beginning of Year	19,895,259
NET ASSETS WITHOUT DONOR RESTRICTION - END OF YEAR	$ 20,513,798

See accompanying Notes to Consolidated Financial Statements.

LANCER EDUCATIONAL HOUSING CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets Without Donor Restriction	$ 618,539
Adjustments to Reconcile Change in Net Assets Without Donor Restriction to Net Cash Flows Provided by Operating Activities:	
Depreciation	6,692,079
Cost of Issuance Amortization	217,884
Bond Discount Amortization	(201,831)
Change in Operating Assets:	
Accounts Receivable	(2,153,922)
Change in Operating Liabilities:	
Accrued Liabilities - Related Party	2,810,735
Accrued Liabilities	232,602
Deferred Revenue	5,221
Net Cash Flows Provided by Operating Activities	8,221,307
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of Property, Plant, and Equipment	(2,852,645)
Net Cash Flows Used in Investing Activities	(2,852,645)
CASH FLOWS FROM FINANCING ACTIVITIES	
Payments on Bonds Payable	(3,760,000)
Net Cash Flows Used in Financing Activities	(3,760,000)
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,608,662
Cash and Cash Equivalents - Beginning of Year	38,122,117
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 39,730,779
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION	
Cash Paid for Interest, Net of Capitalized Interest	$ 9,073,877
RECONCILIATION OF CASH AND CASH EQUIVALENTS	
Cash and Cash Equivalents	$ 27,006,626
Restricted Cash	12,724,153
Total Cash and Cash Equivalents	$ 39,730,779

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Lancer Educational Housing Corporation (the Organization) is a California nonprofit corporation that has been organized and operates to provide student housing and auxiliary facilities. The Organization is the sole voting member of Lancer Educational Housing, LLC (LEH LLC) and Lancer Plaza LLC (Plaza), California limited liability companies organized to serve as title holding companies. The LLCs were not established for any purpose other than to support the tax-exempt charitable purposes of the Organization.

Principles of Consolidation

These consolidated financial statements contain the activity of Lancer Educational Housing Corporation and its single member LLCs: Lancer Educational Housing, LLC and Lancer Plaza, LLC. All intercompany accounts and transactions have been eliminated.

Basis of Accounting

The consolidated financial statements have been prepared on the accrual method of accounting and accordingly reflect all significant receivables and other liabilities.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Financial Accounting Standards Board.

Donor-Imposed Restrictions

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Organization had no donor restricted net assets as of June 30, 2024.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donor-Imposed Restrictions (Continued)

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Revenue Recognition and Disaggregation of Revenue

Student housing fees are recognized in the fiscal year in which the services are provided. Student housing is available during the three academic semesters of California Baptist University: Fall (early September – late December), Spring (early January – late April), and Summer (early May – late August). Payments of student housing fees for the summer semester are recognized as performance obligations are met. Because the summer semester spans two reporting periods, a portion of the payments is included in deferred revenue as of June 30, 2024 (see deferred revenue below). Students that withdraw from the University may be refunded or credited on a prorated basis upon approval of a written appeal. Refunds are issued two weeks from approval and reduce the amount of revenue recognized. Payments for housing fees are due approximately one week prior to the start of the academic term.

Deferred Revenue

Deferred revenue represents payments for student housing fees and lease payments prior to satisfaction of the performance obligation. The following table depicts activities for deferred revenue related to student housing fees and lease payments:

Balance at 6/30/2023	Revenue Recognized, Deposits Applied/Forfeited	Cash Received in Advance of Performance	Balance at 6/30/2024
$ 396,533	$ (396,533)	$ 401,754	$ 401,754

Deferred revenue includes the subsequent month's lease payment for Lancer Plaza LLC in the amount of $199,856.

The balance of deferred revenue at June 30, 2024, less any refunds issued, will be recognized as revenue over the summer semester as services are rendered. The Organization applies the practical expedient in ASC 606-10-50-14 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Organization is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and from state income taxes; accordingly, no provision for income taxes has been made in these consolidated financial statements. The Organization is subject to income tax on net income that is derived from business activities that are unrelated to the exempt purposes. Management has determined that all income tax positions are more likely than not of being sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required. The Organization files an exempt Organization return and applicable unrelated business income tax return in the U.S. federal jurisdiction and with the California Franchise Tax Board.

Lancer Educational Housing LLC and Lancer Plaza LLC qualify as tax exempt title holding companies under California Revenue and Taxation Code Section 23701x.

Use of Estimates

The preparation of consolidated financial statements in conformity with principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property, Plant, and Equipment

Property, plant, and equipment are stated at cost and depreciated on the straight-line method. Useful lives used in the calculation of accumulated depreciation by major category of assets are as follows:

Buildings and Improvements (Considering the Date Originally Constructed or Purchased and Remaining Useful Life)	15 to 40 Years
Equipment and Fixtures	10 Years

Property, plant, and equipment balances as of June 30, 2024 are as follows:

Construction in Progress	$ 438,304
Building and Improvements	200,114,011
Equipment	10,503,211
Vehicles	26,333
Accumulated Depreciation	(50,591,986)
Property, Plant, and Equipment, Net	$ 160,489,873

No interest expense was capitalized for the year ended June 30, 2024.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases – Organization as Lessor

Revenue from lease payments is recognized under the accrual method. Lease payments are included in income as rents become due. Lease payments received in advance are deferred until earned. At the commencement of an operating lease, no revenue is recognized; subsequently, lease payments received are recognized in revenue on the straight-line basis.

Lessor costs such as property taxes, insurance and maintenance paid directly by a lessee to third parties on the lessor's behalf are excluded from variable lease payments. Reimbursements paid by lessees to the Organization are included in variable lease payments.

The Organization has elected to apply the practical expedient to combine lease and non-lease components identified in lease contracts. Revenue from lease payments includes consideration received for common area maintenance services provided by the Organization.

The Organization has elected to not evaluate whether certain sales taxes and other similar taxes collected from lessees are lessor or lessee costs. Instead, the Organization accounts for those taxes as if they are lessee costs and has excluded them from lease revenue.

The Organization applies a general reserve to its portfolio of operating lease receivables by recording bad debt expense. Receivables from troubled leases are removed from the portfolio by recording a reduction in revenue.

Leases – Organization as Lessee

The Organization determines if an arrangement is a lease at inception. The Organization has no significant operating leases and only one financing lease (see Notes 6 and 7).

Functional Expenses

The Organization reports its expenses on a functional basis in the consolidated statement of activities. Natural categories of expenses are directly allocated to a function based on the program or supporting function benefiting from the activity. The management fee is allocated between program and support based on the ratio of program and supporting expenses excluding the management fee.

Subsequent Events

All events subsequent to the consolidated statement of financial position date through September 20, 2024, which is the date these consolidated financial statements were available to be issued, have been evaluated in accordance with accounting principles generally accepted in the United States of America.

NOTE 2 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure are those that do not have donor or other restrictions limiting their use and are available to meet general expenditures within one year of the statement of financial position date. As of June 30, 2024, financial assets available for general expenditures are as follows:

Cash and Cash Equivalents	$ 27,006,626
Accounts Receivable - Related Party	3,426,377
Financial Assets Available for General Expenditure	$ 30,433,003

As part of its liquidity management, the Organization maintains excess cash and cash equivalents on hand to ensure general expenditures can be met. Housing and lease income is set to ensure adequate cash flow to meet debt service and operating needs.

NOTE 3 CONCENTRATION OF CREDIT RISK

The Organization maintains several cash accounts with financial institutions. Because of the need to periodically maintain high cash balances in its accounts for operational purposes, a portion of its deposits exceeded the $250,000 insured by the Federal Deposit Insurance Corporation (FDIC) as of June 30, 2024.

NOTE 4 CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents represent investments in highly liquid accounts or debt instruments with an original maturity of three months or less and deposits with trustee that are being held to satisfy current debt service requirements.

NOTE 5 BONDS PAYABLE

Lancer Educational Housing, LLC

In November 2016, LEH LLC obtained $113,555,000 in financing through the CSCDA to be used to refinance existing bond debt and to acquire certain student housing facilities owned by California Baptist University. The bonds are considered limited obligations of the LEH LLC, secured by a pledge of certain gross revenues and a deed of trust on the leasehold interest of the student housing facilities acquired.

The loan agreement requires the LEH LLC to comply with various covenants, conditions, and restrictions, including maintaining certain financial ratios. The bonds bear interest rates ranging from 4% to 5% and mature on June 1, 2046. The balance outstanding as of June 30, 2024 is $96,345,000.

NOTE 5 BONDS PAYABLE (CONTINUED)

In May 2019, LEH LLC obtained $47,735,000 in additional financing through the CSCDA to be used to acquire, construct, improve, renovate, furnish, and equip certain housing facilities for faculty, staff, and students of California Baptist University. The bonds are considered limited obligations of the LEH LLC, secured by a pledge of certain gross revenues and a deed of trust on the leasehold interest of the student housing facilities acquired. The loan agreement requires the LEH LLC to comply with various covenants, conditions and restrictions, including maintaining certain financial ratios. The bonds bear interest rates ranging from 3% to 5% and mature on June 1, 2051. The balance outstanding as of June 30, 2024 is $46,295,000.

Bonds payable are reported on the consolidated statement of financial position including a premium of $4,942,695. The premium is being amortized over the life of the bonds.

LEH LLC is required to maintain in bond reserve cash accounts amounts equal to the total bond reserve requirement which is currently $10,440,084, which represents an amount equal to the greatest amount of bond debt service in any fiscal year during the period commencing the fiscal year the determination is being made and terminating with the last fiscal year in which any bond is due. LEH LLC must deposit for credit to the bond fund account an amount sufficient to pay principal and interest payable on the next ensuing payment date. A portion of the bonds are subject to early redemption at the option of the Borrower on any date after June 1, 2026.

Lancer Plaza LLC

In May 2013, Lancer Plaza LLC obtained financing through the California Statewide Communities Development Authority (CSCDA). The amount loaned to Lancer Plaza LLC was $32,275,000 to be applied to the construction, rehabilitation, and acquisition of educational facilities and equipment. The bonds are considered unconditional general obligations of the Plaza, secured by a pledge of certain gross revenues. The loan agreement requires the Plaza to comply with various covenants, conditions and restrictions, including maintaining certain financial ratios. The bonds bear interest rates ranging from 5.125% to 5.875% and mature on November 1, 2043. The balance outstanding as of June 30, 2024 is $26,550,000.

The Plaza is required to maintain in a bond reserve cash account an amount equal to the bond reserve requirement which is currently $2,284,069, which represents an amount equal to the greatest amount of bond debt service in any fiscal year during the period commencing with the fiscal year the determination is being made and terminating with the last fiscal year in which any bond is due. Commencing on November 1, 2013, the Plaza must deposit for credit to the bond fund account an amount sufficient to pay principal and interest payable on the next ensuing payment date. Principal is payable annually each November 1st. A portion of the bonds are subject to early redemption at the option of the Plaza on any date after November 1, 2023, together with accrued interest.

NOTE 5 BONDS PAYABLE (CONTINUED)

Debt Issue Costs

Costs associated with the issuance of bonds payable are reported as a reduction of the bonds payable on the statement of financial position. These costs are amortized over the term of the bonds. Amortization of the issuance costs for the year ended June 30, 2024 was $217,884.

Future maturities under bonds payable are as follows:

Year Ending June 30,	Amount
2025	$ 3,995,000
2026	4,240,000
2027	4,485,000
2028	4,775,000
2029	5,025,000
Thereafter	146,670,000
Total Future Maturities	169,190,000
Unamortized Issue Costs	(2,997,091)
Unamortized Premium	4,942,695
Net Bonds Payable	$ 171,135,604

NOTE 6 RELATED PARTY

The Organization's board is comprised of two employees of California Baptist University (the University) and three other unrelated persons. The University is a private institution of higher education, offering both undergraduate and graduate courses to students. The University is located in Riverside, California.

The facilities owned by LEH LLC are managed by the University under management agreements. Management fees charged to the Organization under these agreements for the year ended June 30, 2024 amounted to $1,815,903. The University also has a contingent operating expense agreement by which the expenses related to the facilities are paid for by the University and reimbursed by each LLC. At June 30, 2024, the Organization had accounts receivable from the University in the amount $3,426,377 and an amount owed to the University of $10,749,493 relating to these agreements.

In November 2016, LEH LLC purchased the Colony Student Housing LLC buildings and equipment and the Point from the University for $48,535,584. The University retained title to the land. In April 2017, the Organization purchased the College Park Apartments from the University for $6,545,496.

NOTE 6 RELATED PARTY (CONTINUED)

Although LEH LLC purchased the buildings as described above, all interest in the buildings and any improvements revert back to the University at the expiration of the ground lease term described in this footnote (see Ground Leases). Therefore, these two purchases have been reported as a financing lease. All amounts under the lease have been prepaid and therefore there are no future minimum future lease payments. The cost and book value of leased assets as of June 30, 2024 was $55,081,080 and $43,277,993, respectively.

<u>Ground Leases</u>

LEH LLC does not own the fee title to the land upon which its facilities are located; LEH LLC has a ground leasehold interest, pursuant to a Ground Lease between LEH LLC and the University. The term of the Ground Lease ends on November 15, 2051, except as to the portion of the premises identified as Magnolia Crossings, which ends on June 1, 2056. The title to the facilities and any other improvements that may be constructed by LEH LLC during the lease term are vested in LEH LLC, until the expiration of the lease term. Pursuant to the Ground Lease, the University has an option to terminate the Ground Lease early, by paying to LEH LLC an amount equal to the greater of: (i) fair market value for such leasehold interest, or (ii) the amount of all outstanding bonds. At the expiration of the lease term, the title to the facilities and other improvements on the land revert to the fee owner (i.e. the University).

Lancer Plaza LLC does not own the fee title to the land upon which its facilities are located; Lancer Plaza LLC has a ground leasehold interest, pursuant to a ground lease between Lancer Plaza LLC and the University. The term of the ground lease ends on June 30, 2063. The title to the facilities and other improvements that may be constructed during the lease term are vested in Lancer Plaza LLC, until the expiration of the lease term. Pursuant to the Ground Lease, the University has an option to terminate the Ground Lease early, by paying to Lancer Plaza LLC an amount equal to the great of: (i) fair market value for such leasehold interest, or (ii) the amount of all outstanding bonds. At the expiration of the lease term, the title to the facilities and other improvements on the land revert to the fee owner (i.e. the University).

<u>Master Lease</u>

Lancer Plaza LLC also has a lease with the University for the use of Lancer Plaza LLC's facilities. The lease commenced in May 2013, expires in June 2043, and requires monthly lease payments in the amount of $199,856. Total lease revenue for the year ended June 30, 2024 was $2,398,272.

NOTE 6 RELATED PARTY (CONTINUED)

Future minimum lease receipts expected under this agreement are as follows:

Year Ending June 30,	Amount
2025	$ 2,398,272
2026	2,398,272
2027	2,398,272
2028	2,398,272
2029	2,398,272
Thereafter	33,575,808
Total Future Minimum Lease Payments	$ 45,567,168

Operating Lease
LEH LLC leases a portion of its facilities to the University under a month-to-month arrangement for which the University pays the equivalent of what the student housing fees would have been had the units been available for students. For the year ended June 30, 2024, LEH LLC had $2,123,687 in revenue from the University under this lease.

NOTE 7 ADDITIONAL LEASE DISCLOSURES UNDER ASC 842

All of the Organization's leases are with California Baptist University (a related party) and are described in Note 6. Additional disclosures relating to these leases are as follows:

Organization as Lessee LEH LLC – Financing Lease
The financing lease right of use asset is $43,277,993 and is included with Property, Plant, and Equipment in the statement of financial position. Total amortization on the right of use asset was $1,573,744 for the year ended June 30, 2024 and the remaining lease term is 27.4 years. As the amounts for this lease were prepaid, there is no discount rate applicable and there is no lease liability or future payments.

Organization as Lessor Lancer Plaza LLC Master Lease – Operating Lease
Following is a summary of property held for lease as of June 30, 2024:

Building and Improvements	$ 29,502,931
Accumulated Depreciation	(8,238,365)
Property, Plant, and Equipment, Net	$ 21,264,566