

LANCER EDUCATIONAL HOUSING LLC

Compiled Financial Statements

For the Year Ended June 30, 2024



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LANCER EDUCATIONAL HOUSING LLC

**FINANCIAL STATEMENTS
For the Year Ended June 30, 2024**

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ACCOUNTANTS' COMPILATION REPORT

To the Member(s) of
Lancer Educational Housing LLC
Riverside, California

Management is responsible for the accompanying financial statements of Lancer Educational Housing LLC, a California limited liability company, which comprise the statement of financial position as of June 30, 2024, and the related statements of activities and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about Lancer Educational Housing LLC's financial position, activities, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Glendora, California
August 12, 2024

LANCER EDUCATIONAL HOUSING LLC
STATEMENT OF FINANCIAL POSITION
June 30, 2024

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 25,309,201
Accounts Receivable - Related Party	3,426,377
Total Current Assets	<u>28,735,578</u>

LONG-TERM ASSETS

Cash Restricted for Bond Debt Service Reserves	10,440,084
Property, Plant, and Equipment (Net of Depreciation)	139,182,653
Total Long-Term Assets	<u>149,622,737</u>

Total Assets	<u><u>\$ 178,358,315</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accrued Liabilities - Related Party	\$ 11,315,372
Accrued Liabilities	582,575
Deferred Revenue	201,898
Bonds Payable - Current Portion	3,357,577
Total Current Liabilities	<u>15,457,422</u>

LONG-TERM LIABILITIES

Bonds Payable - Net of Current Portion	141,781,375
Total Long-Term Liabilities	<u>141,781,375</u>

Total Liabilities	157,238,797
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NET ASSETS

Net Assets Without Donor Restriction	<u>21,119,518</u>
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Total Liabilities and Net Assets	<u><u>\$ 178,358,315</u></u>
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See Accountants' Compilation Report.

LANCER EDUCATIONAL HOUSING LLC
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

	<u>Actual</u>	<u>Budget</u>
OPERATING REVENUES, WITHOUT DONOR RESTRICTION		
Student Housing Fees	\$ 22,153,436	\$ 22,402,500
Lease Income - Related Party	2,123,687	2,123,687
Interest Income	<u>1,043,635</u>	<u>178,000</u>
Total Revenues	25,320,758	24,704,187
OPERATING EXPENSES		
Program Activities:		
Student Work Wages	766,791	1,255,671
Contracted Services - Other	2,329,147	2,514,589
Repair and Maintenance*	2,060,975	2,654,742 *
Depreciation Expense	5,952,373	5,794,407
Utilities	2,184,973	2,461,862
Interest Expense/Debt Service	7,075,524	7,278,900
Management Fee - Related Party	<u>1,595,981</u>	<u>1,076,153</u>
Total Program Activities	21,965,764	23,036,324
Management and General:		
Insurance Expense	698,243	622,150
Other Operating Expense	90,022	84,581
Management Fee - Related Party	<u>219,922</u>	<u>27,525</u>
Total Management and General	1,008,187	734,256
Total Operating Expenses	<u>22,973,951</u>	<u>23,770,580</u>
CHANGE IN OPERATING NET ASSETS WITHOUT DONOR RESTRICTION	2,346,807	<u><u>\$ 933,607</u></u>
NONOPERATING ACTIVITIES		
Contributions	<u>(2,000,000)</u>	
CHANGE IN NONOPERATING NET ASSETS WITHOUT DONOR RESTRICTION	<u>(2,000,000)</u>	
CHANGE IN TOTAL NET ASSETS WITHOUT DONOR RESTRICTION	346,807	
Net Assets Without Donor Restriction - Beginning of Year	<u>20,772,711</u>	
NET ASSETS WITHOUT DONOR RESTRICTION - END OF YEAR	<u><u>\$ 21,119,518</u></u>	

Repair and Maintenance line item in budget column includes Repair and Replacement reserve funding of \$978,778

See Accountants' Compilation Report.

LANCER EDUCATIONAL HOUSING LLC
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets Without Donor Restriction	\$ 346,807
Adjustments to Reconcile Change in Net Assets Without Donor Restriction to Net Cash Flows Provided by Operating Activities:	
Depreciation	5,952,373
Cost of Issuance Amortization	170,454
Bond Premium Amortization	(201,831)
Change in Operating Assets:	
Accounts Receivable	(2,153,922)
Change in Operating Liabilities:	
Accrued Liabilities - Related Party	4,285,150
Accrued Liabilities	(9,667)
Deferred Revenue	5,221
Net Cash Flows Provided by Operating Activities	<u>8,394,585</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of Property, Plant, and Equipment	<u>(2,809,991)</u>
Net Cash Flows Used by Investing Activities	(2,809,991)

CASH FLOWS FROM FINANCING ACTIVITIES

Payments on Bonds Payable	<u>(3,050,000)</u>
Net Cash Flows Used by Financing Activities	<u>(3,050,000)</u>

NET CHANGE IN CASH AND CASH EQUIVALENTS

2,534,594

Cash and Cash Equivalents - Beginning of Year

33,214,691

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 35,749,285

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash Paid for Interest, Net of Capitalized Interest	<u><u>\$ 7,520,021</u></u>
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RECONCILIATION OF CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents	\$ 25,309,201
Restricted Cash	<u>10,440,084</u>
Total Cash and Cash Equivalents	<u><u>\$ 35,749,285</u></u>

See Accountants' Compilation Report.

