

LANCER EDUCATIONAL HOUSING CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED DECEMBER 31, 2024



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LANCER EDUCATIONAL HOUSING CORPORATION
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ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Lancer Educational Housing Corporation
Riverside, California

Management is responsible for the accompanying consolidated financial statements of Lancer Educational Housing Corporation (a California nonprofit corporation), which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities and cash flows for the six months 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 consolidated 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 consolidated financial statements, they might influence the user's conclusions about Lancer Educational Housing Corporation's financial position, activities, and cash flows. Accordingly, the consolidated financial statements are not designed for those who are not informed about such matters.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Glendora, California
February 13, 2025

LANCER EDUCATIONAL HOUSING CORPORATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024
(SEE ACCOUNTANTS' COMPILATION REPORT)

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 35,563,545
Accounts Receivable - Related Party	4,370,024
Prepaid Expenses and Other Assets	403,408
Total Current Assets	<u>40,336,977</u>

LONG-TERM ASSETS

Restricted Cash and Cash Equivalents	12,724,153
Deposit	250,000
Property, Plant, and Equipment (Net of Depreciation)	157,676,308
Total Long-Term Assets	<u>170,650,461</u>

Total Assets	<u><u>\$ 210,987,438</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accrued Liabilities - Related Party	\$ 18,634,251
Accrued Liabilities	838,519
Deferred Revenue	199,856
Security Deposit	9,528
Bonds Payable - Current Portion	4,102,852
Total Current Liabilities	<u>23,785,006</u>

LONG-TERM LIABILITIES

Bonds Payable - Net of Current Portion	<u>166,256,326</u>
Total Long-Term Liabilities	<u>166,256,326</u>

Total Liabilities	190,041,332
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NET ASSETS

Without Donor Restrictions	<u>20,946,106</u>
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Total Liabilities and Net Assets	<u><u>\$ 210,987,438</u></u>
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LANCER EDUCATIONAL HOUSING CORPORATION
CONSOLIDATED STATEMENT OF ACTIVITIES
SIX MONTHS ENDED DECEMBER 31, 2024
(SEE ACCOUNTANTS' COMPILATION REPORT)

REVENUES, WITHOUT DONOR RESTRICTION

Student Housing Fees	\$ 12,183,148
Lease Income - Related Party	1,935,790
Interest Income	694,701
Other Income	87
Total Revenues	<u>14,813,726</u>

EXPENSES

Program Activities:

Contracted Services - Compensation & Benefits	1,114,735
Contracted Services - Other	1,214,490
Repair and Maintenance	1,757,449
Depreciation	3,346,039
Utilities	1,187,654
Interest Expense	4,224,871
Management Fee - Related Party	932,842
Total Program Activities	<u>13,778,080</u>

Management and General:

Insurance Expense	437,987
Other Operating Expense	129,208
Management Fee - Related Party	36,143
Total Management and General	<u>603,338</u>

Total Expenses	<u>14,381,418</u>
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CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTION

432,308

Beginning - Net Assets Without Donor Restriction

20,513,798

ENDING - NET ASSETS WITHOUT DONOR RESTRICTION

\$ 20,946,106

LANCER EDUCATIONAL HOUSING CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS
SIX MONTHS ENDED DECEMBER 31, 2024
(SEE ACCOUNTANTS' COMPILATION REPORT)

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets Without Donor Restriction	\$ 432,308
Adjustments to Reconcile Change in Net Assets Without Donor Restriction to Net Cash Provided by Operating Activities:	
Depreciation	3,346,039
Cost of Issuance Amortization	104,889
Bond Discount Amortization	(136,315)
Change in Operating Assets:	
Accounts Receivable - Related Party	(936,912)
Prepaid Expenses and Other Assets	(403,408)
Change in Operating Liabilities:	
Accrued Liabilities - Related Party	7,878,023
Accrued Liabilities	(248,333)
Deferred Revenue	(201,898)
Net Cash Provided by Operating Activities	<u>9,834,393</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of Property, Plant, and Equipment	<u>(532,474)</u>
Net Cash Used by Investing Activities	(532,474)

CASH FLOWS FROM FINANCING ACTIVITIES

Payments on Bonds Payable	<u>(745,000)</u>
Net Cash Used by Financing Activities	<u>(745,000)</u>

NET CHANGE IN CASH AND CASH EQUIVALENTS

8,556,919

Cash and Cash Equivalents - Beginning of Period

39,730,779

CASH AND CASH EQUIVALENTS - END OF PERIOD

\$ 48,287,698

SUPPLEMENTAL CASH FLOW DISCLOSURES

Cash Paid for Interest	<u><u>\$ 4,263,281</u></u>
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RECONCILIATION OF CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents	\$ 35,563,545
Restricted Cash	<u>12,724,153</u>
Total Cash and Cash Equivalents	<u><u>\$ 48,287,698</u></u>

