PROVIDENT
RESOURCES
GROUP

PROVIDENT GROUP – FLAGSHIP PROPERTIES LLC

October 17, 2024

Re: Louisiana Public Facilities Authority Lease Revenue Bonds (Provident Group-Flagship Properties L.L.C. – Louisiana State University Nicholson Gateway Project) Series 2016

Re: Louisiana Public Facilities Authority Lease Revenue Bonds (Provident Group-Flagship Properties L.L.C. – Louisiana State University Greenhouse District (Phase II) Project) Series 2017

Re: Louisiana Public Facilities Authority Lease Revenue Bonds (Provident Group – Flagship Properties L.L.C. – Louisiana State University Greenhouse District (Phase III) Project) Series 2019

In accordance with Section 2 (a) of the Continuing Disclosure Certificate, please find enclosed the Annual Financial Information for the period ended June 30, 2024.

I represent that the Annual Financial Information provided is the Annual Financial Information required by this Disclosure Agreement and that it complies with the applicable requirements of this Disclosure Agreement.

Should you have any questions, or require anything further, please do not hesitate to contact me.

Sincerely,

Donovan O. Hicks
Chief Legal Officer of
Provident Resources Group Inc., the sole member of
Provident Group – Flagship Properties LLC

Enclosure

PROVIDENT GROUP – FLAGSHIP PROPERTIES LLC

FINANCIAL STATEMENTS
June 30, 2024 and 2023

PROVIDENT GROUP – FLAGSHIP PROPERTIES LLC

FINANCIAL STATEMENTS
June 30, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

The Member
Provident Group - Flagship Properties LLC
Baton Rouge, Louisiana

Opinion

We have audited the financial statements of Provident Group - Flagship Properties LLC (Company), which comprise the balance sheets as of June 30, 2024 and 2023, and the related statements of operations, changes in member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Company as of June 30, 2024 and 2023, and the results of its operations, 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 Company'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 Company'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of balance sheet information by facility, operations information by facility, and cash flows by facility, which are the responsibility of management, are presented for purposes of additional analysis of the financial statements and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements. That information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, that information is fairly stated in all material respects in relation to the financial statements as a whole.

Crowe LLP

Crowe LLP

New York, New York
October 16, 2024

PROVIDENT GROUP – FLAGSHIP PROPERTIES LLC
BALANCE SHEETS
June 30, 2024 and 2023

	2024	2023
ASSETS		
Current assets		
Cash	$ 9,421,963	$ 4,068,755
Assets held by trustee, current portion	16,355,529	25,117,444
Accounts receivable	39,906	123,899
Net investment in sales-type leases, current portion	1,058,554	1,058,554
Prepaid insurance and other current assets	599,203	449,066
Total current assets	27,475,155	30,817,718
Net investment in sales-type leases, net of current portion	426,963,588	424,406,236
Total assets	$ 454,438,743	$ 455,223,954
LIABILITIES AND MEMBER'S EQUITY		
Current liabilities		
Accounts payable	$ 6,103,847	$ 4,413,512
Retainage payable	94,611	91,010
Accrued interest	9,654,294	9,654,294
Accrued expenses and other liabilities	5,375,993	6,796,587
Total current liabilities	21,228,745	20,955,403
Long-term liabilities		
Revenue bonds payable	433,209,998	434,268,551
Total liabilities	454,438,743	455,223,954
Member's equity	-	-
Total liabilities and member's equity	$ 454,438,743	$ 455,223,954

See accompanying notes to financial statements.

PROVIDENT GROUP – FLAGSHIP PROPERTIES LLC
STATEMENTS OF OPERATIONS
Years ended June 30, 2024 and 2023

	2024	2023
Operating revenue		
Lease revenue	$ 7,406,475	$ 5,584,291
Interest income	17,090,380	18,250,034
Total operating revenue	24,496,855	23,834,325
Operating expenses		
Administration and general	676,545	652,150
Plant operations and maintenance	5,343,880	4,733,518
Marketing	903	33
Management fees	808,051	690,946
Total operating expenses	6,829,379	6,076,647
Operating income	17,667,476	17,757,678
Other income (expense)		
Interest income	582,556	492,356
Interest expense - senior bonds payable	(19,308,587)	(19,308,588)
Amortization of debt related items	1,058,555	1,058,554
Total other expense	(17,667,476)	(17,757,678)
Net income	$ -	$ -

See accompanying notes to financial statements.

PROVIDENT GROUP – FLAGSHIP PROPERTIES LLC
STATEMENTS OF MEMBER'S EQUITY
Years ended June 30, 2024 and 2023

Member's equity, July 1, 2022	$ -
Net income	-
Member's equity, June 30, 2023	-
Net income	-
Member's equity, June 30, 2024	$ -

See accompanying notes to financial statements.

PROVIDENT GROUP – FLAGSHIP PROPERTIES LLC
STATEMENTS OF CASH FLOWS
Years ended June 30, 2024 and 2023

	2024	2023
Cash flows from operating activities		
Net income	$ -	$ -
Adjustments to reconcile net income to net cash from operating activities		
Accretion of interest income	(17,090,380)	(18,250,034)
Amortization of debt related items	(1,058,555)	(1,058,554)
Changes in assets and liabilities		
Accounts receivable	83,992	23,872
Prepaid insurance and other current assets	(150,137)	(50,006)
Accounts payable	1,690,333	(227,261)
Retainage payable	3,600	(26,033)
Accrued expenses and other liabilities	(1,420,583)	2,761,565
Net cash from operating activities	(17,941,730)	(16,826,451)
Cash flows from investing activities		
Purchase of property and equipment	(3,615,908)	(5,859,333)
Cash received on sales-type leases	18,148,931	19,308,586
Net cash from investing activities	14,533,023	13,449,253
Net change in cash, cash equivalents, and assets held by trustee	(3,408,707)	(3,377,198)
Cash, cash equivalents, and assets held by trustee, beginning of year	29,186,199	32,563,397
Cash, cash equivalents, and assets held by trustee, end of year	$ 25,777,492	$ 29,186,199
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	$ 18,148,933	$ 19,308,588
Supplemental disclosure of non-cash investing and financing activities		
Additions to construction in progress included in:		
Accrued interest	$ -	$ 324,295
Retainage payable	-	26,033
Non-cash transfer of property and equipment to net investment in sales-type leases	$ 3,598,093	$ 5,859,333

See accompanying notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations: Provident Group – Flagship Properties LLC (Company), a Louisiana limited liability company, was created in May 2016, by its sole member, Provident Resources Group Inc. (Provident), a nonprofit corporation and organization exempt from federal income tax under Section 501(a) of the Internal Revenue Code of 1986, as amended (Code) as a charitable organization described in Section 501(c)(3) of the Code. The Company was created to abate and demolish the existing structures and design, develop, construct, finance, own, and operate and maintain five housing facilities with a total capacity of 1,955 beds, parking infrastructure, and retail space located on the campus of Louisiana State University (University). The facilities are expected to be developed in five years. Nicholson Gateway and Spruce Hall became operational on August 1, 2018. Evangeline Hall became operational on January 1, 2019 and Cedar Hall became operational on July 1, 2019. Highland Hall became operational on August 1, 2020. Azalea Hall and Camellia Hall became operational in August 2021.

Mission: Provident and the Company promote and advance education through various means, including, without limitation, the development, construction, acquisition, ownership, management, maintenance, operation and disposition of facilities of various types, including, but not limited to, educational, research and student-housing facilities and through the provision of development, enrichment, counseling, tutoring and other services and activities, so as to assist colleges and universities in fulfilling their educational mission.

Basis of Accounting: The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Use of Estimates: The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash, Cash Equivalents, Assets Held by Trustee: Cash and cash equivalents consist of bank deposits in accounts that are federally insured up to $250,000 per financial institution. Additionally, for purposes of the statements of cash flows, the Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. The Company has not incurred any losses from the deposits.

In accordance with the loan agreement and trust indenture, the Company is required to fund amounts into reserve accounts for debt service and replacements, which are held by the trustee. As of June 30, 2024 and 2023, such balances consisted of cash. Such funds may be released, as approved by the trustee, as needed, by the Company for construction, major repairs, and betterments. Assets required to fund the current portion of such payments are included in current assets.

Net Investment In Sales-Type Leases: The Company deferred the interest income on the sales-type leases, which is being recognized as interest income over the life of the leases. Each base rent cash receipt from the lessees is apportioned between principal reduction of the net investment in sales-type leases and interest income.

Lease Revenue: Pursuant to the Facilities Lease Agreements, lease revenue represents additional rent, as further described in Note 4, made by The Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (“LSU” or “Board”) to fund the Company’s operating expenses.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentration of Credit Risk: The primary benefactor of the Company's operations is LSU. As of and for the years ended June 30, 2024 and 2023, 100% of operating revenues and accounts receivable are from LSU under the terms of Facilities Lease Agreements further described in Note 4.

Property and Equipment: Property and equipment are stated at cost on the date of acquisition. Additions, improvements as well as interest costs incurred on debt directly related to the construction of the Project, are capitalized and added to the cost of construction in progress.

Long-lived assets, such as buildings, improvements, and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. At June 30, 2024 and 2023, management has concluded that they are unaware of any impairments to be recorded. The amount of interest expense capitalized during the year was $0 for the years ended June 30, 2024 and 2023.

In August 2018, the Nicholson Gateway Project was completed, and portions of fixed assets were transferred in the form of a net investment in sales-type lease. In September 2019, the Greenhouse District Project was completed, and portions of fixed assets were transferred in the form of net investment in sales-type lease. In August 2021, the Greenhouse District (Phase III) Project was completed, and portions of fixed assets were transferred in the form of net investment in sales-type lease. Refer to Note 4 for further details.

Prepaid Ground Lease: On September 1, 2016, the Company entered into a 40-year ground sublease with Nicolson Gateway Project LLC ("Nicholson Gateway LLC") (the sole member of which is the LSU Property Foundation, a nonprofit corporation controlled by the University). The ground sublease agreement requires the Company to pay ground rent. Starting in 2018, the Company is required to make annual ground rent payments of the lesser of (i) the amount noted in the Ground Rent Schedule or (ii) such lesser amount received under the Facilities Lease as rental (refer to Note 4) less certain amounts further described in the ground sublease. For the years ended June 30, 2024 and 2023, the Company paid $2,164,000 and $2,000,000, respectively, as ground rent expense. The Company is also required to pay additional ground rent payments as outlined in the ground sublease agreement. At June 30, 2024 and 2023, no additional rent payment was due.

Unamortized Deferred Financing Costs: Deferred financing costs incurred pursuant to issuance of the tax-exempt revenue bonds payable are being amortized using the effective interest method, over the term of the debt.

Deferred Revenue: Rental payments received in advance are deferred until earned and are included in accrued expenses and other current liabilities in the balance sheets.

Income Taxes: The net position of the Company, a disregarded entity for federal income tax purposes, is reported by its sole member, Provident. Accordingly, no provision or benefit for federal income taxes is included in the accompanying financial statements.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

U.S. GAAP prescribes recognition thresholds and measurement attributes for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Tax benefits will be recognized only if the tax position is more-likely-than-not sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized will be the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax benefit will be recorded. Management has concluded that they are unaware of any tax benefits or liabilities to be recognized at June 30, 2024 and 2023.

The Company is not subject to examination by U.S. federal taxing authorities for years before 2021 and for all state income taxes before 2021. The Company does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months. The Company would recognize interest and penalties related to unrecognized tax benefits in interest and income tax expense, respectively. The Company has no amounts accrued for interest or penalties as of June 30, 2024 and 2023.

Recently Adopted Accounting Standard: On July 1, 2023, the Company adopted Accounting Standards Update ("ASU") 2016-13 Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (ASC 326) using the modified retrospective approach. This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. CECL requires an estimate of credit losses for the remaining estimated life of financial assets using historical experience, current conditions, and reasonable supportable forecasts. The new standard did not have a significant impact on the Company's financial statements.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to June 30, 2024, to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended June 30, 2024. Management has performed their analysis of subsequent events through October 16, 2024, the date the financial statements were issued.

(Continued)

NOTE 2 - REVENUE BONDS PAYABLE

A summary of revenue bonds at June 30, 2024 and 2023, is as follows:

	Fixed/ Variable Rate	Fiscal Year Maturity	Interest Rate	2024	2023
Series 2016A senior tax-exempt revenue bonds payable to the Louisiana Public Finance Authority	Various Fixed	July 1, 2056	4.00%- 5.00%	$ 226,795,000	$ 226,795,000
Series 2016B taxable revenue bonds payable to the Louisiana Public Finance Authority	Fixed	July 1, 2043	4.50%	8,500,000	8,500,000
Series 2017A senior tax-exempt revenue bonds payable to the Louisiana Public Finance Authority	Various Fixed	July 1, 2057	4.00%- 5.00%	87,705,000	87,705,000
Series 2019A lease revenue bonds payable to the Louisiana Public Finance Authority	Various Fixed	July 1, 2059	4.00%- 5.00%	80,385,000	80,385,000
Series 2019B taxable lease revenue bonds payable to the Louisiana Public Finance Authority	Fixed	January 1, 2038	3.875%	250,000	250,000
				403,635,000	403,635,000
Unamortized premium on Series 2016A bonds underlying the bonds payable				19,098,188	19,823,302
Unamortized premium on Series 2017A bonds underlying the bonds payable				5,535,625	5,746,748
Unamortized premium on Series 2019A bonds underlying the bonds payable				10,495,180	10,817,889
Unamortized deferred financing costs on Series 2016A bonds				(2,778,477)	(2,883,969)
Unamortized deferred financing costs on Series 2017A bonds				(1,284,021)	(1,332,993)
Unamortized deferred financing costs on Series 2019A bonds				(1,491,497)	(1,537,426)
				433,209,998	434,268,551
Less current maturities				-	-
				$ 433,209,998	$ 434,268,551

The bonds are collateralized by substantially all of the Company's assets.

NOTE 2 - REVENUE BONDS PAYABLE (Continued)

Aggregate annual maturities of revenue bonds payable at June 30, 2024, are as follows:

2025	$ -
2026	-
2027	-
2028	-
2029	-
Thereafter	403,635,000
	$ 403,635,000

The bonds are subject to certain optional redemption provisions as stated in the trust indenture. The Series 2016A bonds maturing on or after July 1, 2027 are subject to optional redemption by the Company on or after July 1, 2026. The Series 2016B bonds are subject to optional redemption by either the Company or by the bondholders at any date, but only after the Series 2016A Bonds have been redeemed. The 2017A bonds maturing on or after July 1, 2028 are subject to optional redemption by the Company on or after July 1, 2027. The Series 2019A bonds maturing on or after July 1, 2030 are subject to optional redemption by the Company on or after July 1, 2029. The Series 2019B bonds maturing on or after July 1, 2030, are subject to optional redemption by the Company on or after July 1, 2029. Pursuant to the loan agreement, trust indenture, and ground lease, the Company is subject to certain financial covenants and other requirements. At June 30, 2024 and 2023, management believes the Company was in compliance with all covenants.

NOTE 3 - CONSTRUCTION COMMITMENTS

The Company has construction commitments related to completion of the Project totaling $229,684 and $6,553,984 for the years ended June 30, 2024 and 2023, respectively. Portions of the project were placed into service in August 2018, January 2019, July 2019, August 2020, and August 2021.

NOTE 4 - NET INVESTMENT IN SALES-TYPE LEASES

LSU entered into a Cooperative Endeavor and Ground Lease Agreement with Nicholson Gateway LLC. LSU also entered into two more Ground Lease Agreements with Greenhouse District Project LLC. In conjunction with these ground lease agreements, Nicholson Gateway LLC and Greenhouse District Project LLC entered into agreements with the Company to sublease the same properties located near the University with the intent to provide for or cause the demolition, construction, and renovation of buildings, other structures and improvements. The agreements to sublease the grounds on which the facilities were constructed commenced on September 28, 2016, October 3, 2017, and September 26, 2019, and will end on the fortieth anniversary of their respective commencement dates. Demolition, construction, and renovation was funded with proceeds from the Series 2016A, Series 2016B, Series 2017, Series 2019A and Series 2019B further described in Note 2.

In conjunction with the ground sublease agreements, the Company entered into Facilities Lease Agreements to lease the respective projects to LSU. The facility lease terms commenced September 1, 2016 (“Phase I”), October 3, 2017 (“Phase II”), and September 1, 2019 (“Phase III”) with terms ending on the fortieth anniversary of their respective commencement dates. Throughout the lease terms, LSU has the right and option to purchase the Company’s right, title, and interest in and to the premises. The purchase prices are nominal amounts as defined in the respective Facilities Lease Agreements.

(Continued)

NOTE 4 - NET INVESTMENT IN SALES-TYPE LEASES (Continued)

The Phase I sales-type lease became operational on August 1, 2018 and relates to the Nicholson Gateway Project. The Phase II sales-type lease became operational on September 1, 2019 and relates to the Greenhouse District Project. The Phase III sales-type lease became operational on August 1, 2021 and relates to the Greenhouse 3 Project.

The Company deferred the base rent income on the sales-type leases, which is being recognized as interest income over the life of the leases. Base rent is comprised of principal and interest due, loan cost amortization, and bond premium amortization on the Series 2016, Series 2017, and Series 2019 bonds. Each cash receipt from the University is apportioned between principal reduction of the net investment in the sales-type leases and interest income.

The components of the net investment in sales-type leases at June 30, 2024 and 2023, are as follows:

	2024	2023
Minimum lease payments receivable	$ 932,242,070	$ 950,373,191
Unearned interest income	(501,695,995)	(518,786,375)
Available funds for construction	(2,523,933)	(6,122,026)
Net investment in sales-type leases	$ 428,022,142	$ 425,464,790
Current portion	$ 1,058,554	$ 1,058,554
Long-term portion	426,963,588	424,406,236
	$ 428,022,142	$ 425,464,790

Future minimum lease payments receivable as of June 30, 2024, including interest components, are as follows:

2025	$ 19,308,587
2026	19,308,587
2027	19,308,587
2028	19,308,587
2029	19,308,587
Thereafter	835,699,135
	$ 932,242,070

Base rent lease payments are due bi-annually on June 25th and December 25th under the sales-type lease agreements. The Phase I sales-type lease bears interest at a variable rate of interest of between 4% and 5% on the 2016A Bonds and at a 4.5% rate of interest on the 2016B Bonds. The Phase II sales-type lease bears interest at a variable rate of interest of between 4% and 5% on the 2017 Bond. The Phase III sales-type lease bears interest at a variable rate of interest of between 4% and 5% on the 2019A Bonds and at a 3.875% rate of interest on the 2019B Bonds. LSU is responsible for the direct payment of property taxes and property, casualty and liability insurance, which are not reported in these financial statements.

NOTE 4 - NET INVESTMENT IN SALES-TYPE LEASES (Continued)

The sales-type lease agreements also call for additional rent for all other operating costs of the projects. Additional rent is recognized as costs are incurred. Such costs include ground rent, directors and officer insurance, maintenance, other taxes, and other costs incidental to the use of the property.

NOTE 5 - RELATED PARTY TRANSACTIONS

Provident receives a fee from the Company to cover corporate administrative overhead costs. For the years ended June 30, 2024 and 2023, corporate administrative overhead costs, which are included in management fees in the statements of operations were $209,556 and $185,000, respectively. As of June 30, 2024 and 2023, no amounts were accrued.

NOTE 6 - MANAGEMENT AGREEMENT

The Project is managed by RISE Residential LLC, an unaffiliated management agent. The management fee was $598,495 and $505,946 for the years ended June 30, 2024 and 2023, respectively. As of June 30, 2024 and 2023, $45,587 and $43,404, respectively, remained unpaid and accrued in the accompanying balance sheets. Each of the respective management agreements for the facilities is for a term of five years with an automatic one-year renewal. The management agreements may be terminated for cause in accordance with the provisions of the management agreement.

SUPPLEMENTARY INFORMATION

PROVIDENT GROUP – FLAGSHIP PROPERTIES LLC
SCHEDULE OF BALANCE SHEET INFORMATION BY FACILITY
June 30, 2024

	Nicholson Gateway Corp.	Nicholson Gateway Project	Spruce Hall	**Nicholson Gateway Consolidated**	Greenhouse District Corp.	Evangeline Hall	Cedar Hall	Highland Hall	**Greenhouse District Consolidated**	Greenhouse 3 Corp.	Azalea Hall	Camellia Hall	**Greenhouse 3 District Consolidated**	**Total**
ASSETS														
Current assets														
Cash	$ 6,722,496	$ 977,124	$ 353,126	**$ 8,052,746**	$ -	$ 162,865	$ 282,644	$ 160,991	**$ 606,500**	$ -	$ 382,431	$ 380,286	**$ 762,717**	**$ 9,421,963**
Assets held by trustee, current portion	7,212,417	-	-	**7,212,417**	4,071,013	-	-	-	**4,071,013**	5,072,099	-	-	**5,072,099**	**16,355,529**
Accounts receivable	45,945	24,746	(164)	**70,527**	(30,000)	(68)	(150)	(61)	**(30,279)**	-	(178)	(164)	**(342)**	**39,906**
Net investment in sales-type lease, current portion	619,623	-	-	**619,623**	162,152	-	-	-	**162,152**	276,779	-	-	**276,779**	**1,058,554**
Prepaid insurance and other current assets	406,984	120,008	1,296	**528,288**	64,218	1,384	1,438	975	**68,015**	-	1,454	1,446	**2,900**	**599,203**
Total current assets	15,007,465	1,121,878	354,258	**16,483,601**	4,267,383	164,181	283,932	161,905	**4,877,401**	5,348,878	383,707	381,568	**6,114,153**	**27,475,155**
Net investment in sales-type lease, net of current portion	250,042,944	-	-	**250,042,944**	90,222,662	-	-	-	**90,222,662**	86,697,982	-	-	**86,697,982**	**426,963,588**
Total assets	$ 265,050,409	$ 1,121,878	$ 354,258	**$ 266,526,545**	$ 94,490,045	$ 164,181	$ 283,932	$ 161,905	**$ 95,100,063**	$ 92,046,860	$ 383,707	$ 381,568	**$ 92,812,135**	**$ 454,438,743**
LIABILITIES AND MEMBER'S EQUITY														
Current liabilities														
Accounts payable	$ 5,894,979	$ 186,538	$ (769)	**$ 6,080,748**	$ -	$ 491	$ (464)	$ 251	**$ 278**	$ -	$ 11,850	$ 10,971	**$ 22,821**	**$ 6,103,847**
Retainage payable	-	-	-	**-**	94,611	-	-	-	**94,611**	-	-	-	**-**	**94,611**
Accrued interest	5,609,125	-	-	**5,609,125**	2,099,400	-	-	-	**2,099,400**	1,945,769	-	-	**1,945,769**	**9,654,294**
Accrued expenses and other liabilities	1,931,593	935,340	355,027	**3,221,960**	339,430	163,690	284,396	161,654	**949,170**	462,409	371,857	370,597	**1,204,863**	**5,375,993**
Total current liabilities	13,435,697	1,121,878	354,258	**14,911,833**	2,533,441	164,181	283,932	161,905	**3,143,459**	2,408,178	383,707	381,568	**3,173,453**	**21,228,745**
Revenue bonds payable	251,614,712	-	-	**251,614,712**	91,956,604	-	-	-	**91,956,604**	89,638,682	-	-	**89,638,682**	**433,209,998**
Total liabilities	265,050,409	1,121,878	354,258	**266,526,545**	94,490,045	164,181	283,932	161,905	**95,100,063**	92,046,860	383,707	381,568	**92,812,135**	**454,438,743**
Member's equity	-	-	-	**-**	-	-	-	-	**-**	-	-	-	**-**	**-**
Total liabilities and member's equity	$ 265,050,409	$ 1,121,878	$ 354,258	**$ 266,526,545**	$ 94,490,045	$ 164,181	$ 283,932	$ 161,905	**$ 95,100,063**	$ 92,046,860	$ 383,707	$ 381,568	**$ 92,812,135**	**$ 454,438,743**

PROVIDENT GROUP – FLAGSHIP PROPERTIES LLC
SCHEDULE OF OPERATIONS INFORMATION BY FACILITY
Year ended June 30, 2024

	Nicholson Gateway Corp.	Nicholson Gateway Project	Spruce Hall	**Nicholson Gateway Consolidated**	Greenhouse District Corp.	Evangeline Hall	Cedar Hall	Highland Hall	**Greenhouse District Consolidated**	Greenhouse 3 Corp.	Azalea Hall	Camellia Hall	**Greenhouse 3 Consolidated**	**Total**
Operating revenue														
Lease revenue	$ 2,260,395	$ 2,771,369	$ 355,151	**$ 5,386,915**	$ (108,947)	$ 131,742	$ 308,253	$ 77,975	**$ 409,023**	$ 930,821	$ 347,320	$ 332,396	**$ 1,610,537**	**$ 7,406,475**
Interest income	10,598,628	-	-	**10,598,628**	4,036,648	-	-	-	**4,036,648**	2,455,104	-	-	**2,455,104**	**17,090,380**
Total operating revenue	12,859,023	2,771,369	355,151	**15,985,543**	3,927,701	131,742	308,253	77,975	**4,445,671**	3,385,925	347,320	332,396	**4,065,641**	**24,496,855**
Operating expenses														
Administration and general	64,616	301,700	63,121	**429,437**	10,000	25,841	55,826	20,072	**111,739**	10,000	66,329	59,040	**135,369**	**676,545**
Plant operations and maintenance	2,211,000	2,164,363	234,384	**4,609,747**	-	80,817	198,700	42,649	**322,166**	-	205,131	206,836	**411,967**	**5,343,880**
Marketing	-	886	4	**890**	-	1	3	1	**5**	-	4	4	**8**	**903**
Management fees	209,557	304,420	57,642	**571,619**	-	25,083	53,724	15,253	**94,060**	-	75,856	66,516	**142,372**	**808,051**
Total operating expenses	2,485,173	2,771,369	355,151	**5,611,693**	10,000	131,742	308,253	77,975	**527,970**	10,000	347,320	332,396	**689,716**	**6,829,379**
Operating income	10,373,850	-	-	**10,373,850**	3,917,701	-	-	-	**3,917,701**	3,375,925	-	-	**3,375,925**	**17,667,476**
Other income (expense)														
Interest income	224,777	-	-	**224,777**	118,947	-	-	-	**118,947**	238,832	-	-	**238,832**	**582,556**
Interest expense - senior bonds payable	(11,218,250)	-	-	**(11,218,250)**	(4,198,800)	-	-	-	**(4,198,800)**	(3,891,537)	-	-	**(3,891,537)**	**(19,308,587)**
Amortization of debt related items	619,623	-	-	**619,623**	162,152	-	-	-	**162,152**	276,780	-	-	**276,780**	**1,058,555**
Total other expense	(10,373,850)	-	-	**(10,373,850)**	(3,917,701)	-	-	-	**(3,917,701)**	(3,375,925)	-	-	**(3,375,925)**	**(17,667,476)**
Net income	$ -	$ -	$ -	**$ -**	$ -	$ -	$ -	$ -	**$ -**	$ -	$ -	$ -	**$ -**	**$ -**

See independent auditor's report.

PROVIDENT GROUP – FLAGSHIP PROPERTIES LLC
SCHEDULE OF CASH FLOWS BY FACILITY
Year ended June 30, 2024

	Nicholson Gateway Corp.	Nicholson Gateway Project	Spruce Hall	**Nicholson Gateway Consolidated**	Greenhouse District Corp.	Evangeline Hall	Cedar Hall	Highland Hall	**Greenhouse District Consolidated**	Greenhouse 3 Corp.	Azalea Hall	Camellia Hall	**Greenhouse 3 Consolidated**	**Total**
Cash flows from operating activities														
Net income	$ -	$ -	$ -	**$ -**	$ -	$ -	$ -	$ -	**$ -**	$ -	$ -	$ -	**$ -**	**$ -**
Adjustments to reconcile net income to net cash from operating activities														
Accretion of interest income	(10,598,628)	-	-	**(10,598,628)**	(4,036,648)	-	-	-	**(4,036,648)**	(2,455,104)	-	-	**(2,455,104)**	**(17,090,380)**
Amortization of debt related items	(619,623)	-	-	**(619,623)**	(162,152)	-	-	-	**(162,152)**	(276,780)	-	-	**(276,780)**	**(1,058,555)**
Changes in assets and liabilities														
Accounts receivable	(5,001)	78,287	148	**73,434**	10,000	62	136	51	**10,249**	-	2,580	(2,271)	**309**	**83,992**
Prepaid insurance and other current assets	(17,643)	(72,866)	(41)	**(90,551)**	(61,718)	5	(185)	82	**(61,816)**	-	1,134	1,096	**2,230**	**(150,137)**
Accounts payable	1,559,463	136,376	(10,842)	**1,684,997**	-	776	(12,340)	507	**(11,057)**	-	5,860	10,533	**16,393**	**1,690,333**
Retainage payable	-	-	-	**-**	3,600	-	-	-	**3,600**	-	-	-	**-**	**3,600**
Accrued expenses and other liabilities	(189,830)	(196,346)	75,739	**(310,437)**	(516,673)	23,713	92,282	50,073	**(350,604)**	(960,834)	102,317	98,975	**(759,542)**	**(1,420,583)**
Net cash from operating activities	(9,871,262)	(54,550)	65,004	**(9,860,808)**	(4,763,591)	24,556	79,893	50,713	**(4,608,429)**	(3,692,718)	111,891	108,333	**(3,472,494)**	**(17,941,730)**
Cash flows from investing activities														
Purchase of property and equipment	(2,307,625)	-	-	**(2,307,625)**	(119,184)	-	-	-	**(119,184)**	(1,189,099)	-	-	**(1,189,099)**	**(3,615,908)**
Cash received on sales-type leases	11,218,250	-	-	**11,218,250**	4,198,800	-	-	-	**4,198,800**	2,731,881	-	-	**2,731,881**	**18,148,931**
Net cash from investing activities	8,910,625	-	-	**8,910,625**	4,079,616	-	-	-	**4,079,616**	1,542,782	-	-	**1,542,782**	**14,533,023**
Net change in cash, cash equivalents, and assets held by trustee	(960,637)	(54,550)	65,004	**(950,183)**	(683,975)	24,556	79,893	50,713	**(528,813)**	(2,149,936)	111,891	108,333	**(1,929,712)**	**(3,408,707)**
Cash, cash equivalents, and assets held by trustee, beginning of year	14,895,550	1,031,674	288,122	**16,215,346**	4,754,988	138,309	202,751	110,278	**5,206,326**	7,222,035	270,540	271,953	**7,764,528**	**29,186,199**
Cash, cash equivalents, and assets held by trustee, end of year	$ 13,934,913	$ 977,124	$ 353,126	**$ 15,265,163**	$ 4,071,013	$ 162,865	$ 282,644	$ 160,991	**$ 4,677,513**	$ 5,072,099	$ 382,431	$ 380,286	**$ 5,834,816**	**$ 25,777,492**
Supplemental disclosure of cash flow information														
Cash paid during the year for interest	$ 11,218,250	$ -	$ -	**$ 11,218,250**	$ 4,198,800	$ -	$ -	$ -	**$ 4,198,800**	$ 2,731,883	$ -	$ -	**$ 2,731,883**	**$ 18,148,933**
Supplemental disclosure of non-cash investing and financing activities														
Non-cash transfer of property and equipment to net investment in sales-type leases	$ 2,307,625	$ -	$ -	**$ 2,307,625**	$ 119,184	$ -	$ -	$ -	**$ 119,184**	$ 1,171,284	$ -	$ -	**$ 1,171,284**	**$ 3,598,093**

See independent auditor's report.