



Consolidated Financial Statements  
June 30, 2021  
(with comparative totals for June 30, 2020)  
**Delta Properties, Inc.**

Independent Auditor’s Report.....	1
Financial Statements	
Consolidated Statement of Financial Position .....	3
Consolidated Statement of Activities .....	4
Consolidated Statement of Cash Flows .....	5
Notes to Consolidated Financial Statements.....	6
Supplementary Information	
Consolidating Statement of Financial Position .....	23
Consolidating Statement of Activities.....	26
Notes to Consolidating Statement of Financial Statements .....	29



## Independent Auditor's Report

Board of Directors  
Delta Properties Inc.  
Los Angeles, California

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Delta Properties Inc. ("Delta") (A California Nonprofit Public Benefit Corporation), which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statement of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Delta's preparation and fair presentation of the consolidated financial statements 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 Delta's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Delta as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

We have previously audited Delta's consolidated financial statement report dated December 18, 2020, in which we expressed an unmodified opinion. In our opinion, the comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California  
February 24, 2022

Delta Properties, Inc.  
Consolidated Statement of Financial Position  
June 30, 2021  
(with comparative totals for June 30, 2020)

	2021	2020
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,221,233	\$ 1,695,357
Restricted cash	5,725,872	7,089,007
Accounts receivable	63,634	593,670
Accounts receivable - related party	1,006,823	476,258
Prepaid expenses	26,520	26,000
Current portion of sales-type lease receivable	95,725	87,353
Note receivable - related party, current portion	84,350	80,111
<b>Total current assets</b>	<b>8,224,157</b>	<b>10,047,756</b>
<b>Non-current assets</b>		
Security deposit	46,172	46,172
Restricted cash	7,993,520	6,591,944
Operating lease receivable	180,133	25,630
Sales-type lease receivable, less current portion	9,889,804	9,985,529
Note receivable - related party	4,519,717	4,610,425
Property and equipment, net	94,091,190	84,030,219
<b>Total non-current assets</b>	<b>116,720,536</b>	<b>105,289,919</b>
<b>Total assets</b>	<b>\$ 124,944,693</b>	<b>\$ 115,337,675</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accruals	\$ 10,843	\$ 924,949
Accounts payable - related party	78,631	257,583
Interest payable	2,010,757	1,989,945
Deferred revenue	-	310,751
Deferred revenue from operating lease	149,631	143,930
Current portion of finance lease liability	95,725	87,353
Current portion of bonds payable	1,715,000	1,630,000
<b>Total current liabilities</b>	<b>4,060,587</b>	<b>5,344,511</b>
<b>Long-term liabilities</b>		
Deferred revenue	1,474,142	-
Finance lease liability, less current portion	9,889,804	9,985,529
Notes payable, less current portion and net of unamortized debt issuance costs	12,015,969	-
Bonds payable, less current portion and net of unamortized bond issuance costs and bond premium	91,199,431	92,946,725
<b>Total long-term liabilities</b>	<b>114,579,346</b>	<b>102,932,254</b>
<b>Total liabilities</b>	<b>118,639,933</b>	<b>108,276,765</b>
<b>Net Assets</b>		
Without donor restriction	6,304,760	7,060,910
<b>Total liabilities and net assets</b>	<b>\$ 124,944,693</b>	<b>\$ 115,337,675</b>

Delta Properties, Inc.  
Consolidated Statement of Activities  
Year Ended June 30, 2021  
(with comparative totals for June 30, 2020)

	2021	2020
Net Assets Without Donor Restriction		
Support and revenues		
Lease income	\$ 7,038,635	\$ 5,718,530
Interest income	467,143	641,218
Other income	328,409	317,854
Total support and revenues	7,834,187	6,677,602
Expense		
Program services		
Interest	5,160,930	3,853,656
Other expenses	244,043	233,342
Management and general		
Operating expenses	229,760	217,167
Total expenses before depreciation and amortization	5,634,733	4,304,165
Change in net assets before depreciation and amortization	2,199,454	2,373,437
Depreciation and amortization	2,955,604	2,373,336
Change in Net Assets Without Donor Restriction	(756,150)	101
Net Assets, Beginning of the Year	7,060,910	7,060,809
Net Assets, End of Year	\$ 6,304,760	\$ 7,060,910

Delta Properties, Inc.  
Consolidated Statement of Cash Flows  
Year Ended June 30, 2021  
(with comparative totals for June 30, 2020)

	2021	2020
Operating Activities		
Change in Net Assets	\$ (756,150)	\$ 101
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Depreciation expense	2,955,604	2,373,336
Interest expense attributable to the amortization of bond issuance costs and premium	(32,294)	(44,985)
Loss on asset transfer	684,634	-
Changes in operating assets and liabilities		
Accounts receivable	530,036	(423,342)
Accounts receivable - related party	(530,565)	344,619
Prepaid expenses	(520)	(26,000)
Operating lease receivable	(154,503)	(25,630)
Accounts payable	(914,106)	920,989
Accounts payable - related party	(178,952)	(317,813)
Accrued interest payable	20,812	(60,358)
Change in net investment in sales-type lease	87,353	41,555
Deferred rent	1,163,391	126,995
Deferred revenue from operating lease	5,701	143,930
Net Cash from (used for) Operating Activities	2,880,441	3,053,397
Investing Activities		
Purchases of property and equipment	(13,701,209)	(11,193,236)
Repayment of note receivable	86,469	69,939
Net Cash From (used for) Investing Activities	(13,614,740)	(11,123,297)
Financing Activities		
Amounts incurred for debt issuance, net	(191,531)	-
Proceeds from notes payable, net	12,207,500	-
Principal payments on finance lease	(87,353)	(41,555)
Principal payments on bonds	(1,630,000)	(695,000)
Net cash from (used for) financing activities	10,298,616	(736,555)
Net Change in Cash, Cash Equivalents, and Restricted Cash	(435,683)	(8,806,455)
Cash, Cash Equivalents and Restricted Cash, Beginning of Year	15,376,308	24,182,763
Cash, Cash Equivalents, and Restricted Cash, End of Year	\$ 14,940,625	\$ 15,376,308
Cash and cash equivalents	\$ 1,221,233	\$ 1,695,357
Cash restricted to debt obligations	13,719,392	13,680,951
Total Cash, Cash Equivalents, and Restricted Cash	\$ 14,940,625	\$ 15,376,308
Supplemental Cash Flow Information		
Cash paid during the period for interest	\$ 5,140,118	\$ 3,914,014
Noncash Investing and Financing Activities		
Net investment in sales-type lease recognized for subleased finance lease	\$ 9,985,529	\$ 10,114,437

## **Note 1 - Principal Activity and Significant Accounting Policies**

Delta Properties, Inc. (“Delta”) was formed in 2008 as a nonprofit public benefit corporation to support Green Dot Public Schools California (“GDPS CA”), formerly known as Green Dot Public Schools, together with its subsidiaries, 111th Place, LLC, 8255 Beach, LLC, 12628 S. Avalon, LLC, Manchester & 27th, LLC, 1655 27th Street Facilities, 8205 Beach, LLC, 810 East 111th, LLC, 12700 S. Avalon, LLC, 11044 S. Freeman, LLC, and 4360 Dozier LLC. On August 29, 2018, DPI East 111th Place, LLC, changed its name to 810 E. 111th, LLC. Delta’s primary purpose is the financing, development, leasing and maintenance of certain school facilities for the exclusive use by GDPS CA. GDPS CA represents a related party and transactions between GDPS CA and Delta have been identified on the face of the consolidated financial statements.

### **Basis of Accounting**

The accompanying consolidated financial statements were prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”) as applicable to nonprofit organizations. Revenues are recognized as discussed below, and expenditures are recognized in the accounting period in which the liability is incurred.

### **Principles of Consolidation**

The consolidated financial statements include the accounts of Delta and its wholly owned subsidiary single member limited liability companies: 111th Place, LLC, 8255 Beach, LLC, 12628 S. Avalon, LLC, Manchester & 27th, LLC, 1655 27th Street Facilities, 8205 Beach, LLC, 810 East 111th, LLC, 12700 S. Avalon, LLC, 11044 S. Freeman, LLC, and 4360 Dozier LLC. All significant intra-entity accounts and transactions have been eliminated in consolidation. Unless otherwise noted, these consolidated entities are hereinafter referred to as Delta. See the supplementary schedules on pages 23 and 28 for supplemental consolidating statements.

### **Comparative Financial Information**

The accompanying consolidated financial statements include certain prior-year summarized comparative information in total. Such information does include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with Delta’s audited consolidated financial statements for the year ending June 30, 2020, from which summarized information was derived.

### **Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor restrictions.



*Net Assets with Donor Restrictions* – Net assets subject to donor (or certain grantor) restrictions. Some donor imposed (or grantor) 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 restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Delta did not have net assets with donor restrictions for the year ended June 30, 2021.

### **Cash and Cash Equivalents**

Delta considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

### **Restricted Cash**

Restricted cash and non-current restricted cash in the amount of \$13,719,392 arise from conditions required by various financing arrangements, held to satisfy current obligations and long-term obligation, and required by various financing arrangements.

### **Receivables and Credit Policies**

Accounts receivable consist primarily of noninterest-bearing amounts. Management determines the allowance for uncollectable accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable. No allowance for doubtful accounts has been established, as Delta deems all amounts to be fully collectible. Substantially all outstanding accounts receivable as of June 30, 2021, are expected to be collected within a period of less than one year.

### **Intra-Entity Transactions**

Intra-entity receivable/payable results from a net cumulative difference between resources provided by Delta home office to each individual subsidiaries and reimbursement for those resources from each individual subsidiaries to Delta home office.

### **Property and Equipment**

Property and equipment additions over \$5,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 40 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the statement of activities. Cost of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Delta reviews the carrying values of fixed assets for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended June 30, 2021.

### **Revenue and Revenue Recognition**

Revenue is recognized when earned. Contributions are recognized when cash or notification of an entitlement is received. Conditional contributions, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. At June 30, 2021, Delta did not have any conditional contributions that have not been recognized in the accompanying consolidated financial statements.

Contributions of goods are recorded at fair value. Contributions of services are recorded at fair value as revenue at the time the service is rendered when specialized skills are required and when Delta would otherwise purchase the services. No amounts have been reflected in the accompanying consolidated financial statements for contributed goods or services during the year being reported because items did not meet the definition above. Contributions with donor restrictions received are recorded as increases in net assets with donor restrictions. Net assets with donor restrictions received are recognized as revenue without donor restrictions when the terms of the restrictions are met, which may be in the same period if the revenue is received and the restriction satisfied during the same period. All contributions are considered to be available for use without donor restrictions unless specifically restricted by the donor.

The selling profit or loss under a sales-type lease is recognized upon the commencement of the lease, if the collection of payments is probable. Interest income is recognized over the term of the lease. An operating lease results in the recognition of lease income on a straight-line basis.

### **Debt Issuance Costs**

Debt issuance costs are amortized over the period the related obligation is outstanding using the straight-line method, which is a reasonable approximation of the effective interest method. Debt issuance costs are included within bonds payable in the statement of financial position. Amortization of debt issuance costs is included in interest expense in the accompanying consolidated financial statements.

### **Functional Allocation of Expenses**

The consolidated financial statements report categories of expenses that are attributed to program service activities or supporting services activities such as management and general activities. The costs of program and supporting services activities have been presented according to the natural classification detail of expenses by function in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on management's estimates. All expenses, excluding depreciation and grant disbursements, are allocated on the basis of estimates of time and effort.

## **Income Taxes**

Delta is organized as a California nonprofit corporation and has been recognized by the Internal Revenue Service (“IRS”) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), and qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi). It is also exempt from State franchise and income taxes under Section 23701(d) of the California Revenue and Taxation Code. Delta is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, Delta is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. Delta determined that it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS. All subsidiaries qualify for exemption from the California state LLC fee under California Revenue and Taxation Code Section 23701(x). All subsidiaries qualify for exemption from the California state LLC fee under California Revenue and Taxation Code Section 23701(h). Accordingly, no provision for income taxes has been made. Delta files informational returns in the U.S. Federal jurisdiction, and the State of California. The statute of limitations for Federal and California State purposes is generally three and four years, respectively.

Management believes Delta has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the consolidated financial statements. Delta would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

## **Reclassification**

Certain amounts in the prior period consolidated financial statements have been reclassified to conform to the presentation of the current period consolidated financial statements. These reclassifications had no effect on the previously reported net assets.

## **Estimates**

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

## **Financial Instruments and Credit Risk**

Deposit concentration risk is managed by placing cash, money market accounts, and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, no losses have been experienced in any of these accounts. Credit risk associated with accounts receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies supportive of the Delta’s mission.

### Recent Accounting Pronouncements

In September 2020, FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities Contributed Nonfinancial Assets*, which requires a nonprofit entity to present contributed nonfinancial assets in the consolidated statement of activities as a line item that is separate from contributions of cash or other financial assets. ASU 2020-07 also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category. The ASU is effective for Delta for the year ended June 30, 2022. Management is evaluating the impact of the adoption of this standard.

### Change in Accounting Principle

As of July 1, 2020, Delta adopted the provisions of FASB Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*, which provides a comprehensive revenue recognition model for all contracts with customers. The new model requires revenue recognition to depict the transfer of promised goods or services to customers at an amount that reflects the consideration expected to be received in exchange for those goods or services. Management has determined that the adoption of this standard did not have a significant impact on Delta's consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*, which modifies the disclosure requirements for fair value measurements by removing, modifying, or adding certain disclosures. ASU 2018-13 is effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Delta has adopted this ASU as of July 1, 2020. Management has determined that the adoption of this standard did not have a significant impact on Delta's consolidated financial statements.

### Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, comprise of the following:

Financial Assets	
Cash and cash equivalents	\$ 1,221,233
Accounts receivable	<u>63,634</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 1,284,867</u></u>

As part of the Delta's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

### Note 3 - Cash and Cash Equivalent

Delta maintains cash and cash equivalent accounts with several financial institutions. cash and cash equivalent are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times, cash in these deposit accounts exceeds the insured limits. At June 30, 2021, Delta had \$1,163,250 in excess of FDIC insured limits. Delta has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

### Note 4 - Restricted Cash

Restricted cash arise from conditions required by the various financing arrangements. Consolidated financial statement classification is based on whether the restricted cash are held to satisfy current or long-term obligations. Restricted cash consist of money market funds which are carried at fair value in accordance with current accounting guidance. Restricted cash balance consist of the following at June 30, 2021 and 2020:

	Restricted cash					
	2021			2020		
	Current	Noncurrent	Total	Current	Noncurrent	Total
111th Place, LLC	\$ 100,093	\$ 605,771	\$ 705,864	\$ -	\$ 605,589	\$ 605,589
8255 Beach LLC	66,547	-	66,547	-	-	-
12628 S. Avalon LLC	100,531	2,023,625	2,124,156	-	2,027,844	2,027,844
Manchester & 27th, LLC	471,910	761,699	1,233,609	997,178	230,002	1,227,180
1655 27th Street facilities	124,012	272,712	396,724	-	105,012	105,012
810 E. 111th LLC	35,397	-	35,397	-	-	-
8205 Beach LLC	270,084	-	270,084	-	-	-
12700 S. Avalon LLC	49,527	-	49,527	-	-	-
11044 S. Freeman LLC	40,992	-	40,992	-	-	-
4360 Dozier LLC	-	192,016	192,016	-	-	-
Delta Home Office	4,466,779	4,137,697	8,604,476	6,091,829	3,623,497	9,715,326
<b>Total</b>	<b>\$ 5,725,872</b>	<b>\$ 7,993,520</b>	<b>\$ 13,719,392</b>	<b>\$ 7,089,007</b>	<b>\$ 6,591,944</b>	<b>\$ 13,680,951</b>

Delta has restricted cash balance held in money market accounts that are not protected against loss; however, Delta's money market accounts are held in AAA rated investments. At June 30, 2021, Delta held \$13,527,375 in money market funds. Management believes Delta is not exposed to any significant risk related to restricted cash and investments.

Delta's restricted cash in the amount of \$13,719,392 arise from conditions required by various financing arrangements, with \$5,725,872 held to satisfy current obligations and \$7,993,520 held to satisfy long-term obligations. Consolidated financial statement classification is based on whether the restricted cash are held to satisfy current or long-term obligations.

**Note 5 - Accounts Receivable**

Accounts receivable consist of the following at June 30, 2021 and 2020:

		2021			
		111th Place, LLC	8255 Beach LLC	12628 S. Avalon LLC	1655 27th Street Facilities,
Local sources		\$ -	\$ -	\$ -	\$ -
	810 East 111th LLC	8205 Beach LLC	12700 S. Avalon LLC	11044 Freeman LLC	Total
Local sources	\$ 26,017	\$ 37,617	\$ -	\$ -	\$ 63,634
		2020			
		111th Place, LLC	8255 Beach LLC	12628 S. Avalon LLC	1655 27th Street Facilities,
Local sources		\$ 60,936	\$ 54,364	\$ 54,366	\$ 82,933
	810 East 111th LLC	8205 Beach LLC	12700 S. Avalon LLC	11044 Freeman LLC	Total
Local sources	\$ 50,587	\$ 221,894	\$ 48,636	\$ 19,954	\$ 593,670

**Note 6 - Accounts Receivable – Related Party**

Accounts receivable – related party consist of the following at June 30, 2021 and 2020:

		2021			
		111th Place, LLC	8255 Beach LLC	12628 S. Avalon LLC	1655 27th Street Facilities,
GDPS CA		\$ 75,097	\$ 10,000	\$ 10,000	\$ 80,000
	810 East 111th LLC	8205 Beach LLC	Total		
GDPS CA		\$ 172,463	\$ 659,263	\$ 1,006,823	
		2020			
		111th Place, LLC	8255 Beach LLC	12628 S. Avalon LLC	1655 27th Street Facilities,
GDPS CA		\$ -	\$ 10,000	\$ 10,000	\$ 80,000
	810 East 111th LLC	8205 Beach LLC	Total		
GDPS CA		\$ 225,000	\$ 151,258	\$ 476,258	

**Note 7 - Note Receivable – Related Party**

On October 1, 2018, GDPS CA entered into a loan agreement with 11044 S. Freeman LLC for the purpose of building a gym for use by Ánimo Leadership Charter High School. 11044 S. Freeman LLC agreed to lend the principal sum of \$4,760,475 with accrued interest on the principal sum outstanding with a maturity date of June 25, 2048. A portion of the principal was used to pay an allocated share of all costs of issuance of the bonds and other expenses. Interest only payments were made through June 30, 2019. Principal payments for the loan commence July 25, 2019, and change annually, but are approximately \$7,029 per month. As of June 30, 2021, the remaining balance outstanding was \$4,604,067.

Future minimum note payments are as follows:

Year Ending June 30,	Principal
2022	\$ 84,350
2023	88,589
2024	92,827
2025	97,490
2026	102,153
Thereafter	4,138,658
Total	<u>\$ 4,604,067</u>

**Note 8 - Property and Equipment**

Property and equipment consist of the following at June 30, 2021 and 2020:

	2021				
	111th Place, LLC	8255 Beach, LLC	12628 S. Avalon, LLC	Manchester & 27th, LLC	1655 27th Street Facilities
Land	\$ 4,286,305	\$ 5,179,000	\$ 1,894,806	\$ 1,956,419	\$ 5,098,030
Construction in progress	-	-	-	-	-
Building and improvements	8,640,288	6,581,046	6,821,301	4,480,135	18,907,934
Equipment	-	-	-	436,078	-
	<u>12,926,593</u>	<u>11,760,046</u>	<u>8,716,107</u>	<u>6,872,632</u>	<u>24,005,964</u>
Less accumulated depreciation	<u>(1,762,900)</u>	<u>(2,678,481)</u>	<u>(2,614,832)</u>	<u>(2,140,756)</u>	<u>(6,145,077)</u>
Total	<u>\$ 11,163,693</u>	<u>\$ 9,081,565</u>	<u>\$ 6,101,275</u>	<u>\$ 4,731,876</u>	<u>\$ 17,860,887</u>

  

	2021				
	810 East 111th, LLC	8205 Beach, LLC	12700 S. Avalon, LLC	4360 Dozier LLC	Total
Land	\$ 1,380,000	\$ 4,200,000	\$ 1,706,321	\$ 2,638,005	\$ 28,338,886
Construction in progress	993,131	-	-	-	993,131
Building and improvements	6,596,685	12,710,866	6,969,509	10,580,453	82,288,217
Equipment	-	-	-	-	436,078
	<u>8,969,816</u>	<u>16,910,866</u>	<u>8,675,830</u>	<u>13,218,458</u>	<u>112,056,312</u>
Less accumulated depreciation	<u>(1,256,744)</u>	<u>(506,838)</u>	<u>(638,871)</u>	<u>(220,623)</u>	<u>(17,965,122)</u>
Total	<u>\$ 7,713,072</u>	<u>\$ 16,404,028</u>	<u>\$ 8,036,959</u>	<u>\$ 12,997,835</u>	<u>\$ 94,091,190</u>

	2020				
	111th Place, LLC	8255 Beach, LLC	12628 S. Avalon, LLC	Manchester & 27th, LLC	1655 27th Street Facilities
Land	\$ 4,286,305	\$ 5,179,000	\$ 1,894,806	\$ 1,956,419	\$ 5,098,030
Construction in progress	-	-	-	-	-
Building and improvements	8,640,288	6,500,000	6,821,301	4,480,135	18,907,934
Equipment	-	-	436,078	-	-
	<u>12,926,593</u>	<u>11,679,000</u>	<u>9,152,185</u>	<u>6,436,554</u>	<u>24,005,964</u>
Less accumulated depreciation	(1,405,123)	(2,437,501)	(2,387,456)	(1,986,750)	(5,514,815)
Total	<u>\$ 11,521,470</u>	<u>\$ 9,241,499</u>	<u>\$ 6,764,729</u>	<u>\$ 4,449,804</u>	<u>\$ 18,491,149</u>

  

	2020				
	810 East 111th, LLC	8205 Beach, LLC	12700 S. Avalon, LLC	4360 Dozier LLC	Total
Land	\$ 1,380,000	\$ 4,200,000	\$ 1,706,321	\$ -	\$ 25,700,881
Construction in progress	568,166	-	-	-	568,166
Building and improvements	6,596,685	13,395,500	6,969,509	-	72,311,352
Equipment	-	-	-	-	436,078
	<u>8,544,851</u>	<u>17,595,500</u>	<u>8,675,830</u>	<u>-</u>	<u>99,016,477</u>
Less accumulated depreciation	(773,892)	(74,166)	(406,555)	-	(14,986,258)
Total	<u>\$ 7,770,959</u>	<u>\$ 17,521,334</u>	<u>\$ 8,269,275</u>	<u>\$ -</u>	<u>\$ 84,030,219</u>

In connection with work in progress, Delta capitalized interest in the amount of \$450,432 and has entered into commitments for its construction projects. As of June 30, 2021, Delta has commitment of \$1,906,870 of costs to incur to complete commitments on its projects.

### Note 9 - Accounts Payable

Accounts payable and accruals balance consist of the following at June 30, 2021 and 2020:

	2021			
	810 East 111th LLC	8205 Beach LLC	Delta	Total
Accruals	<u>\$ 9,653</u>	<u>\$ -</u>	<u>\$ 1,190</u>	<u>\$ 10,843</u>

  

	2020			
	810 East 111th LLC	8205 Beach LLC	Delta	Total
Accruals	<u>\$ -</u>	<u>\$ 902,180</u>	<u>\$ 22,769</u>	<u>\$ 924,949</u>



**Note 10 - Accounts Payable – Related Party**

Accounts payable – related party balance consist of the following at June 30, 2021 and 2020:

	2021					
	111th Place, LLC	Manchester & 27th, LLC	11044 Freman LLC	4360 Dozier LLC	Delta	Total
GDPS CA	\$ -	\$ 60,197	\$ 16,658	\$ 1,326	\$ 450	\$ 78,631
	2020					
	111th Place, LLC	Manchester & 27th, LLC	11044 Freman LLC	4360 Dozier LLC	Delta	Total
GDPS CA	\$ 11,651	\$ 76,645	\$ 16,428	\$ -	\$ 152,859	\$ 257,583

**Note 11 - Deferred Revenue**

Deferred revenue balance consists of the following at June 30, 2021 and 2020:

	2021				
	111th Place, LLC	8255 Beach, LLC	8205 Beach LLC	4360 Dozier LLC	Total
Revenues from facility rent	\$ -	\$ -	\$ -	\$ 1,474,142	\$ 1,474,142
	2020				
	111th Place, LLC	8255 Beach, LLC	8205 Beach LLC	4360 Dozier LLC	Total
Revenues from facility rent	\$ 107,050	\$ 76,707	\$ 126,994	\$ -	\$ 310,751

**Note 12 - Notes Payable**

Promissory note in the amount of \$5,210,000, collateralized by real property; with interest of 5.5% per annum due monthly commencing on November 5, 2020, full outstanding principal maturing on October 1, 2022.	\$ 5,210,000
Promissory note in the amount of \$6,997,500, collateralized by debt service reserve account; with interest of 5.5% per annum due monthly commencing on November 5, 2020, with full outstanding principal maturing on October 1, 2022.	<u>6,997,500</u>
Subtotal outstanding notes payable	12,207,500
Debt issuance costs on notes payable	<u>(191,531)</u>
Total	<u><u>\$ 12,015,969</u></u>

Future maturities of notes payable excluding interest are as follows:

Year Ending June 30,	Principal
2023	\$ 12,207,500
Less unamortized debt issuance costs	(191,531)
Total	\$ 12,015,969

### Note 13 - Bonds Payable

#### 3425 Manchester LLC

##### Charter Revenue Bonds, Series 2011A-1 and 2011A-2

In July 2011, 3425 Manchester LLC obtained bond financing through the California Statewide Community Development Authority in the amount of \$8,260,000 secured by a deed of trust by GDPS CA school facilities. Due diligence is performed annually and the investment rating of BBB- remains assigned to GDPS CA by Fitch. The bonds mature on August 1, 2031 and August 1, 2041, with interest rates of 6.90-7.25%, respectively. Proceeds of the bonds were used to acquire school facilities for use by GDPS CA. Starting February 1, 2012, interest coupon payments are due semi-annually on February 1 and August 1. Bond principal payments are due annually beginning August 1, 2018 for series 2011A-1 and August 1, 2032 for series 2011A-2. Issuance secured by a deed of trust by GDPS CA. The bond agreement requires 3425 Manchester LLC to comply with various covenants, conditions and restrictions including maintaining certain financial ratios.

\$ 7,255,000

##### School Facility Revenue Bonds, Series 2015A and 2015B

Due diligence is performed annually and the investment rating of BBB- remains assigned to GDPS CA by Standard & Poors. The bonds were priced on September 14, 2015 at a 4.95% weighted interest rate on a par amount of \$31,105,000. The bond transaction closed on September 29, 2015. Details of these bonds are as follows:

##### Series 2015A

Series 2015A consisted of \$26,710,000 in tax-exempt School Facility Revenue Bonds. The bonds mature from August 1, 2025 through August 1, 2045, with interest rates of 4.00-5.00%. Proceeds of the bonds will be used to to acquire, construct, expand, remodel, renovate, improve, furnish and equip school facilities for use by GDPS CA. Issuance secured by a deed of trust on those school facilities. Starting February 1, 2016, interest coupon payments are due semi-annually on February 1 and August 1. Bond Principal payments are due annually on August 1, beginning August 1, 2023.

26,710,000

**Series 2015B**

Series 2015B consisted of \$4,395,000 in taxable School Facility Revenue Bonds. The bonds mature on August 1, 2023, with an interest rate of 5.00 percent. Proceeds of the bonds will be used to to acquire, construct, expand, remodel, renovate, improve, furnish and equip school facilities for use by GDPS CA. Issuance secured by a deed of trust on those school facilities. Starting February 1, 2016, interest coupon payments are due semi-annually on February 1 and August 1. Bond Principal payments are due annually on August 1, beginning August 1, 2016.

1,830,000

**School Facility Revenue Bonds, Series 2018A**

Due diligence is performed annually by Standard & Poor's and an investment grade rating of BBB- was assigned to GDPS CA. The bonds were priced on September 27, 2018 at a 5.00 percent weighted interest rate on a par amount of \$56,155,000. The bond transaction closed on October 11, 2018. Details of these bonds are as follows:

**Series 2018A**

Series 2018A consisted of \$55,570,000 in tax-exempt School Facility Revenue Bonds. The bonds mature on August 1, 2048, with interest rates of 5.00 percent. Proceeds of the bonds will be used to acquire, construct, expand, remodel, renovate, improve, furnish and equip school facilities for use by GDPS CA. Issuance secured by a deed of trust on those school facilities. Starting February 1, 2019, interest coupon payments are due semi-annually on February 1 and August 1. Bond Principal payments are due annually on August 1, beginning August 1, 2020.

\$ 55,255,000

Subtotal outstanding bonds

91,050,000

Premium on School Facility Revenue Bonds, Series 2015A

616,905

Premium on School Facility Revenue Bonds, Series 2018A

3,861,075

Subtotal premium on bonds

4,477,980

Bond issuance costs on Charter Revenue Bonds, Series 2011

(463,685)

Bond issuance costs on School Facility Revenue Bonds, Series 2015A and 2015B

(922,668)

Bond issuance costs on School Facility Revenue Bonds, Series 2018A

(1,227,196)

Subtotal debt issuance costs on bonds

(2,613,549)

Future maturities of bonds payable are as follows:

Year Ending June 30,	Principal
2022	\$ 1,715,000
2023	1,810,000
2024	1,900,000
2025	2,000,000
2026	2,095,000
Thereafter	<u>81,530,000</u>
Total future maturities	91,050,000
Plus: unamortized bond premium	4,477,980
Less unamortized debt issuance costs	<u>(2,613,549)</u>
Total	<u>\$ 92,914,431</u>

**Note 14 - Finance Leases**

**Finance Lease**

Delta leases certain real property commonly known by the street address of 840 East 111<sup>th</sup> Place, Los Angeles, California for 30 years under long-term, non-cancelable finance lease agreements. The lease expires on December 31, 2049 and provides for a renewal option of 4 years and 5 months. Delta included in the determination of the lease liability any renewal options when the options are reasonably certain to be exercised. The lease provides for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases. Also, the agreements generally require Delta to pay real estate taxes, insurance, and repairs.

Delta elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate.

Delta has elected the short-term lease exemption for all leases with a term of twelve (12) months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis. Delta did not have any short-term leases in the 2020 fiscal year.

Delta has elected the practical expedient not to separate lease and non-lease components for real estate leases.

Total lease costs for the year ended June 30, 2021 were as follows:

Finance lease cost	
Interest expense	\$ 227,767
	<u>227,767</u>

The following table summarizes the supplemental cash flow information for the year ended June 30, 2021:

Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from finance leases	\$ 227,767
Financing cash flows from finance leases	<u>87,353</u>
Total	<u>\$ 315,120</u>

The following summarizes the weighted-average remaining lease term and weight-average discount rate for the year ended June 30, 2021:

Weighted-average remaining lease term:	
Finance leases	32.9 Years
Weighted-average discount rate:	
Finance leases	2.27%

The future minimum lease payments under noncancelable finance lease with terms greater than one year are listed below as of June 30, 2021.

<u>Year Ending June 30,</u>	
2022	\$ 321,422
2023	327,851
2024	334,408
2025	341,096
2026	347,918
Thereafter	<u>13,097,619</u>
Total minimum lease payments	14,770,314
Less amount representing interest	<u>(4,784,785)</u>
Total	<u>\$ 9,985,529</u>

#### Sales-type lease

Delta, as a lessor, entered into a thirty (30) year sales-type sub-lease agreement with GDPS CA, a related party, for the operation of charter schools. This resulted in Delta not recording a right-of-use asset, as it is recorded on the consolidated financial statements of GDPS CA.

The following is a maturity analysis of the annual undiscounted cash flows of the sales-type lease payments to be received as of June 30, 2021:

<u>Year Ending June 30,</u>	
2022	\$ 321,422
2023	327,851
2024	334,408
2025	341,096
2026	347,918
Thereafter	<u>13,097,619</u>
Total sales-type lease payments	14,770,314
Less unearned interest income	<u>(4,784,785)</u>
Total	<u>\$ 9,985,529</u>
Current portion	\$ 95,725
Long-term portion	<u>9,889,804</u>
Total	<u>\$ 9,985,529</u>

**Note 15 - Operating Lease**

Operating leases arise from Delta's subsidiaries leasing property to GDPS CA, a related party, for the operation of charter schools. Initial lease terms generally range from 14 to 30 years. Depreciation expense for assets subject to operating leases is provided primarily on the straight-line method over the term of the lease in amounts necessary to reduce the carrying amount of the asset to its estimated residual value. Estimated and actual residual values are reviewed on a regular basis to determine that depreciation amounts are appropriate. Depreciation expense relating to buildings held as investments in operating leases was \$3,395,901 for the year ended June 30, 2021.

Operating leases are as follows at June 30, 2021:

	2021				
	111th Place, LLC	8255 Beach, LLC	12628 S. Avalon, LLC	Manchester & 27th, LLC	1655 27th Street Facilities,
Land and Buildings, at cost	\$ 12,926,593	\$ 11,760,046	\$ 8,716,107	\$ 6,436,554	\$ 24,005,964
Accumulated depreciation	<u>(1,762,900)</u>	<u>(2,678,481)</u>	<u>(2,614,832)</u>	<u>(1,704,678)</u>	<u>(6,145,077)</u>
Net investments in operating leases	<u>\$ 11,163,693</u>	<u>\$ 9,081,565</u>	<u>\$ 6,101,275</u>	<u>\$ 4,731,876</u>	<u>\$ 17,860,887</u>
	2021				
	810 East 111th, LLC	8205 Beach, LLC	12700 S. Avalon, LLC	4360 Dozier LLC	Total
Land and Buildings, at cost	\$ 7,976,685	\$ 16,910,866	\$ 8,675,830	\$ 13,218,458	\$ 110,627,103
Accumulated depreciation	<u>(1,256,744)</u>	<u>(506,838)</u>	<u>(638,871)</u>	<u>(220,623)</u>	<u>(17,529,044)</u>
Net investments in operating leases	<u>\$ 6,719,941</u>	<u>\$ 16,404,028</u>	<u>\$ 8,036,959</u>	<u>\$ 12,997,835</u>	<u>\$ 93,098,059</u>

	2020				
	111th Place, LLC	8255 Beach, LLC	12628 S. Avalon, LLC	Manchester & 27th, LLC	1655 27th Street Facilities,
Land and Buildings, at cost	\$ 12,926,592	\$ 11,679,000	\$ 8,716,107	\$ 6,436,553	\$ 22,808,128
Lease originations costs					
Accumulated depreciation	(1,405,124)	(2,437,502)	(2,387,455)	(1,550,671)	(5,165,445)
Net investments in operating leases	<u>\$ 11,521,468</u>	<u>\$ 9,241,498</u>	<u>\$ 6,328,652</u>	<u>\$ 4,885,882</u>	<u>\$ 17,642,683</u>

	2020				
	810 East 111th, LLC	8205 Beach, LLC	12700 S. Avalon, LLC	4360 Dozier LLC	Total
Land and Buildings, at cost	\$ 10,779,723	\$ 17,595,500	\$ 8,531,607	\$ -	\$ 99,473,210
Lease originations costs					-
Accumulated depreciation	(787,920)	(74,162)	(398,142)	-	(14,206,421)
Net investments in operating leases	<u>\$ 9,991,803</u>	<u>\$ 17,521,338</u>	<u>\$ 8,133,465</u>	<u>\$ -</u>	<u>\$ 85,266,789</u>

The following is a maturity analysis of the annual undiscounted cash flows of the operating lease payments to be received as of June 30, 2021:

Ending June 30,	111th Place, LLC	8255 Beach, LLC	12628 S. Avalon, LLC	Manchester & 27th, LLC	1655 27th Street Facilities,
2022	\$ 741,331	\$ 662,481	\$ 662,481	\$ 681,057	\$ 1,075,858
2023	767,298	648,448	648,448	678,983	995,883
2024	770,062	648,212	648,212	681,218	995,238
2025	769,426	649,376	649,376	677,413	995,259
2026	763,388	650,138	650,138	677,928	994,543
Thereafter	17,554,325	14,851,575	14,851,575	13,591,323	25,834,550
	<u>\$ 21,365,830</u>	<u>\$ 18,110,230</u>	<u>\$ 18,110,230</u>	<u>\$ 16,987,921</u>	<u>\$ 30,891,330</u>

Fiscal Year Ending June 30,	810 East 111th, LLC	8205 Beach, LLC	12700 S. Avalon, LLC	4360 Dozier LLC	Total
2022	\$ 607,447	\$ 1,223,717	\$ 584,022	\$ 680,736	\$ 6,238,394
2023	607,463	1,223,748	584,037	680,736	6,154,308
2024	607,069	1,222,955	583,659	680,736	6,156,625
2025	607,082	1,222,981	583,671	680,736	6,154,583
2026	606,645	1,222,101	583,251	680,736	6,148,130
Thereafter	15,758,396	31,745,667	15,150,705	12,933,934	149,338,115
	<u>\$ 18,794,102</u>	<u>\$ 37,861,168</u>	<u>\$ 18,069,345</u>	<u>\$ 16,337,614</u>	<u>\$ 180,190,155</u>

Total lease income for the year ended June 30, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Sales-type lease income	\$ 227,767	\$ 133,631
Operating lease income	<u>6,582,863</u>	<u>5,718,530</u>
Total lease income	<u>\$ 6,810,630</u>	<u>\$ 5,852,161</u>

### Note 16 - Related Party Transactions

Delta, a California nonprofit public benefit corporation, was formed to support GDPS CA. GDPS CA is the sole member of Delta.

Green Dot Public School National (“GDPS National”) is a national organization providing finance and accounting services to Delta and other related entities. In exchange, Delta pays service fees to GDPS National. During the year ended June 30, 2021, Delta paid service fees of \$160,000 to GDPS National.

### Note 17 - Subsequent Events

Delta's management has evaluated events or transactions that may occur for potential recognition or disclosure in the consolidated financial statements through February 24, 2022, which is the date the consolidated financial statements were issued. Management has determined that there were no subsequent events or transactions that would have a material impact on the current year consolidated financial statements.





Supplementary Information  
June 30, 2021

**Delta Properties, Inc.**

Delta Properties, Inc.  
Consolidating Statement of Financial Position  
Year Ended June 30, 2021

	111th Place LLC	8255 Beach LLC	12628 S. Avalon LLC	Manchester & 27th LLC
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 499,281	\$ 58,059	\$ 45,294	\$ 1,912
Restricted cash	100,093	66,547	100,531	471,910
Accounts receivable	-	-	-	-
Accounts receivable - related party	75,097	10,000	10,000	-
Intra-entity receivable	662,113	500,123	561,052	-
Prepaid expenses	-	-	-	-
Current portion of sales-type lease receivable	-	-	-	-
Note receivable - related party, current portion	-	-	-	-
Total current assets	<u>1,336,584</u>	<u>634,729</u>	<u>716,877</u>	<u>473,822</u>
<b>Non-current assets</b>				
Security deposit	-	-	-	-
Restricted cash	605,771	-	2,023,625	761,699
Operating lease receivable	46,387	19,726	-	4,156
Sales-type lease receivable, less current portion	-	-	-	-
Note receivable - related party	-	-	-	-
Property and equipment, net	11,163,693	9,081,565	6,101,275	4,731,876
Total non-current assets	<u>11,815,851</u>	<u>9,101,291</u>	<u>8,124,900</u>	<u>5,497,731</u>
Total Assets	<u>\$ 13,152,435</u>	<u>\$ 9,736,020</u>	<u>\$ 8,841,777</u>	<u>\$ 5,971,553</u>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable and accruals	\$ -	\$ -	\$ -	\$ -
Accounts payable - related party	-	-	-	60,197
Interest payable	217,968	185,120	185,120	215,457
Intra-entity payable	-	-	-	14,155
Deferred revenue from operating lease	-	-	23,466	-
Current portion of finance lease liability	-	-	-	-
Current portion of bonds payable	203,333	203,333	203,333	160,000
Total current liabilities	<u>421,301</u>	<u>388,453</u>	<u>411,919</u>	<u>449,809</u>
<b>Long-term liabilities</b>				
Deferred revenue	-	-	-	-
Finance lease liability, less current portion	-	-	-	-
Note payable, less current portion and net of unamortized debt issuance costs	-	-	-	-
Bonds payable, less current portion and net of unamortized bond issuance costs and bond premium	10,400,479	8,609,893	8,613,866	6,631,315
Total long-term liabilities	<u>10,400,479</u>	<u>8,609,893</u>	<u>8,613,866</u>	<u>6,631,315</u>
Total liabilities	<u>10,821,780</u>	<u>8,998,346</u>	<u>9,025,785</u>	<u>7,081,124</u>
<b>Net Assets</b>				
Without donor restriction	<u>2,330,655</u>	<u>737,674</u>	<u>(184,008)</u>	<u>(1,109,571)</u>
Total net assets (deficit)	<u>2,330,655</u>	<u>737,674</u>	<u>(184,008)</u>	<u>(1,109,571)</u>
Total liabilities and net assets	<u>\$ 13,152,435</u>	<u>\$ 9,736,020</u>	<u>\$ 8,841,777</u>	<u>\$ 5,971,553</u>

Delta Properties, Inc.  
Consolidating Statement of Financial Position  
June 30, 2021

	1655 27th St. Facilities LLC	810 East 111th LLC	8205 Beach LLC	12700 S. Avalon LLC
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 227,685	\$ 14,752	\$ -	\$ 637
Restricted cash	124,012	35,397	270,084	49,527
Accounts receivable	-	26,017	37,617	-
Accounts receivable - related party	80,000	172,463	659,263	-
Intra-entity receivable	1,660,313	2,425,115	2,445,857	936,330
Prepaid expenses	-	26,520	-	-
Current portion of sales-type lease receivable	-	95,725	-	-
Note receivable - related party, current portion	-	-	-	-
Total current assets	<u>2,092,010</u>	<u>2,795,989</u>	<u>3,412,821</u>	<u>986,494</u>
<b>Non-current assets</b>				
Security Deposit	-	46,172	-	-
Restricted cash	272,712	-	-	-
Operating lease receivable	336	28,526	-	23,290
Sales-type lease receivable, less current portion	-	9,889,804	-	-
Note receivable - related party	-	-	-	-
Property and equipment, net	17,860,887	7,713,072	16,404,028	8,036,959
Total non-current assets	<u>18,133,935</u>	<u>17,677,574</u>	<u>16,404,028</u>	<u>8,060,249</u>
	<u>\$ 20,225,945</u>	<u>\$ 20,473,563</u>	<u>\$ 19,816,849</u>	<u>\$ 9,046,743</u>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable and accruals	\$ -	\$ 9,653	\$ -	\$ -
Accounts payable - related party	-	-	-	-
Interest payable	307,593	187,620	377,963	180,385
Intra-entity payable	-	-	-	-
Deferred revenue from operating lease	-	-	126,165	-
Current portion of finance lease liability	-	95,725	-	-
Current portion of bonds payable	252,505	154,022	310,280	148,082
Total current liabilities	<u>560,098</u>	<u>447,020</u>	<u>814,408</u>	<u>328,467</u>
<b>Long-term liabilities</b>				
Deferred revenue	-	-	-	-
Finance lease liability, less current portion	-	9,889,804	-	-
Note payable, less current portion and net of unamortized debt issuance costs	-	-	-	-
Bonds payable, less current portion and net of unamortized bond issuance costs and bond premium	15,242,637	9,330,365	18,796,247	8,970,562
Total long-term liabilities	<u>15,242,637</u>	<u>19,220,169</u>	<u>18,796,247</u>	<u>8,970,562</u>
Total liabilities	<u>15,802,735</u>	<u>19,667,189</u>	<u>19,610,655</u>	<u>9,299,029</u>
<b>Net Assets</b>				
Without donor restriction	4,423,210	806,374	206,194	(252,286)
Total net assets (deficit)	<u>4,423,210</u>	<u>806,374</u>	<u>206,194</u>	<u>(252,286)</u>
Total liabilities and net assets	<u>\$ 20,225,945</u>	<u>\$ 20,473,563</u>	<u>\$ 19,816,849</u>	<u>\$ 9,046,743</u>

Delta Properties, Inc.  
Consolidating Statement of Financial Position  
June 30, 2021

	11044 Freman LLC	4360 Dozier LLC	Delta	Inter-company Eliminations	Total
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	\$ -	\$ 5,375	\$ 368,238	\$ -	\$ 1,221,233
Restricted cash	40,992	-	4,466,779	-	5,725,872
Accounts receivable	-	-	-	-	63,634
Accounts receivable - related party	-	-	-	-	1,006,823
Intra-entity receivable	159,096	60	-	(9,350,059)	-
Prepaid expenses	-	-	-	-	26,520
Current portion of sales-type lease receivable	-	-	-	-	95,725
Note receivable - related party, current portion	84,350	-	-	-	84,350
<b>Total current assets</b>	<b>284,438</b>	<b>5,435</b>	<b>4,835,017</b>	<b>(9,350,059)</b>	<b>8,224,157</b>
<b>Non-current assets</b>					
Security Deposit	-	-	-	-	46,172
Restricted cash	-	192,016	4,137,697	-	7,993,520
Operating lease receivable	-	57,712	-	-	180,133
Sales-type lease receivable, less current portion	-	-	-	-	9,889,804
Note receivable - related party	4,519,717	-	-	-	4,519,717
Property and equipment, net	-	12,997,835	-	-	94,091,190
<b>Total non-current assets</b>	<b>4,519,717</b>	<b>13,247,563</b>	<b>4,137,697</b>	<b>-</b>	<b>116,720,536</b>
	<b>\$ 4,804,155</b>	<b>\$ 13,252,998</b>	<b>\$ 8,972,714</b>	<b>\$ (9,350,059)</b>	<b>\$ 124,944,693</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Accounts payable and accruals	\$ -	\$ -	\$ 1,190	\$ -	\$ 10,843
Accounts payable - related party	16,658	1,326	450	-	78,631
Interest payable	97,580	55,951	-	-	2,010,757
Intra-entity payable	-	-	9,335,904	(9,350,059)	-
Deferred revenue from operating lease	-	-	-	-	149,631
Current portion of finance lease liability	-	-	-	-	95,725
Current portion of bonds payable	80,112	-	-	-	1,715,000
<b>Total current liabilities</b>	<b>194,350</b>	<b>57,277</b>	<b>9,337,544</b>	<b>(9,350,059)</b>	<b>4,060,587</b>
<b>Long-term liabilities</b>					
Deferred revenue	-	1,474,142	-	-	1,474,142
Finance lease liability, less current portion	-	-	-	-	9,889,804
Note payable, less current portion and net of unamortized debt issuance costs	-	12,015,969	-	-	12,015,969
Bonds payable, less current portion and net of unamortized bond issuance costs and bond premium	4,604,067	-	-	-	91,199,431
<b>Total long-term liabilities</b>	<b>4,604,067</b>	<b>13,490,111</b>	<b>-</b>	<b>-</b>	<b>114,579,346</b>
<b>Total liabilities</b>	<b>4,798,417</b>	<b>13,547,388</b>	<b>9,337,544</b>	<b>(9,350,059)</b>	<b>118,639,933</b>
<b>Net Assets</b>					
Without donor restriction	5,738	(294,390)	(364,830)	-	6,304,760
<b>Total net assets (deficit)</b>	<b>5,738</b>	<b>(294,390)</b>	<b>(364,830)</b>	<b>-</b>	<b>6,304,760</b>
<b>Total liabilities and net assets</b>	<b>\$ 4,804,155</b>	<b>\$ 13,252,998</b>	<b>\$ 8,972,714</b>	<b>\$ (9,350,059)</b>	<b>\$ 124,944,693</b>

Delta Properties, Inc.  
Consolidating Statement of Activities  
June 30, 2021

	111th Place LLC	8255 Beach LLC	12628 S. Avalon LLC	Manchester & 27th LLC
Net Assets Without Donor Restriction				
Revenue and support				
Lease income	\$ 770,433	\$ 658,214	\$ 656,448	\$ 722,378
Interest income	392	79	648	516
Other income	107,049	76,707	-	-
Total revenue and support	<u>877,874</u>	<u>735,000</u>	<u>657,096</u>	<u>722,894</u>
Expenses				
Program services				
Interest	530,301	463,684	463,550	541,048
Other expenses	9,090	18,258	8,612	33,081
Management and general				
Operating expenses	<u>5,720</u>	<u>5,110</u>	<u>5,109</u>	<u>9,959</u>
Total expenses before depreciation and amortization	<u>545,111</u>	<u>487,052</u>	<u>477,271</u>	<u>584,088</u>
Change in net assets before depreciation and amortization	<u>332,763</u>	<u>247,948</u>	<u>179,825</u>	<u>138,806</u>
Depreciation and amortization	<u>357,777</u>	<u>240,980</u>	<u>227,376</u>	<u>154,006</u>
Change in Net Assets Without Donor Restriction	(25,014)	6,968	(47,551)	(15,200)
Net Assets, Beginning of the Year	<u>2,355,669</u>	<u>730,706</u>	<u>(136,457)</u>	<u>(1,094,371)</u>
Net Assets, End of Year	<u>\$ 2,330,655</u>	<u>\$ 737,674</u>	<u>\$ (184,008)</u>	<u>\$ (1,109,571)</u>

Delta Properties, Inc.  
Consolidating Statement of Activities  
June 30, 2021

	1655 27th St. Facilities LLC	810 East 111th LLC	8205 Beach LLC	12700 S. Avalon LLC
Net Assets Without Donor Restriction				
Revenue and support				
Lease income	\$ 1,085,689	\$ 635,658	\$ 1,322,133	\$ 591,075
Interest income	1,091	228,307	363	113
Other income	-	-	126,994	-
Total revenue and support	<u>1,086,780</u>	<u>863,965</u>	<u>1,449,490</u>	<u>591,188</u>
Expenses				
Program services				
Interest	732,679	323,831	820,460	418,436
Other expenses	6,107	28,522	94,972	7,186
Management and general				
Operating expenses	<u>3,398</u>	<u>6,563</u>	<u>526</u>	<u>1,780</u>
Total expenses before depreciation and amortization	<u>742,184</u>	<u>358,916</u>	<u>915,958</u>	<u>427,402</u>
Change in net assets before depreciation and amortization	<u>344,596</u>	<u>505,049</u>	<u>533,532</u>	<u>163,786</u>
Depreciation and amortization	<u>610,300</u>	<u>482,272</u>	<u>432,672</u>	<u>229,913</u>
Change in Net Assets Without Donor Restriction	(265,704)	22,777	100,860	(66,127)
Net Assets, Beginning of the Year	<u>4,688,914</u>	<u>783,597</u>	<u>105,334</u>	<u>(186,159)</u>
Net Assets, End of Year	<u>\$ 4,423,210</u>	<u>\$ 806,374</u>	<u>\$ 206,194</u>	<u>\$ (252,286)</u>

Delta Properties, Inc.  
Consolidating Statement of Activities  
June 30, 2021

	11044 Freman LLC	4360 Dozier LLC	Delta	Total
Net Assets Without Donor Restriction				
Revenue and support				
Lease income	\$ 10	\$ 596,597	\$ -	\$ 7,038,635
Interest income	235,619	15	-	467,143
Other income	-	-	17,659	328,409
Total revenue and support	<u>235,629</u>	<u>596,612</u>	<u>17,659</u>	<u>7,834,187</u>
Expenses				
Program services				
Interest	234,522	632,419	-	5,160,930
Other expenses	-	38,215	-	244,043
Management and general				
Operating expenses	<u>402</u>	<u>60</u>	<u>191,133</u>	<u>229,760</u>
Total expenses before depreciation and amortization	<u>234,924</u>	<u>670,694</u>	<u>191,133</u>	<u>5,634,733</u>
Change in net assets before depreciation and amortization	<u>705</u>	<u>(74,082)</u>	<u>(173,474)</u>	<u>2,199,454</u>
Depreciation and amortization	<u>-</u>	<u>220,308</u>	<u>-</u>	<u>2,955,604</u>
Change in Net Assets Without Donor Restriction	705	(294,390)	(173,474)	(756,150)
Net Assets, Beginning of the Year	<u>5,033</u>	<u>-</u>	<u>(191,356)</u>	<u>7,060,910</u>
Net Assets, End of Year	<u>\$ 5,738</u>	<u>\$ (294,390)</u>	<u>\$ (364,830)</u>	<u>\$ 6,304,760</u>

**Note 1 - Purpose of Supplementary Schedules**

**Delta Consolidating Statement of Financial Position and Consolidating Statement of Activities,**

The Consolidating Statement of Financial Position and Consolidating Statement of Activities report the activities of the Delta and related entities and are presented on the accrual basis of accounting. Eliminating entries in the Consolidating Statement of Financial Position are for activities between the Delta and related entities.