



Consolidated Financial Statements
June 30, 2022 and 2021

Delta Properties, Inc.

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Independent Auditor's Report

Board of Directors
Delta Properties, Inc.
Los Angeles, California

Report on the Consolidated Financial Statements

Opinion

We have audited the 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, 2022, and the related consolidated statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the financial position of Delta as of June 30, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") issued by the Comptroller General of the United States. 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 Delta and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Report on Comparative Information

We have previously audited the 2021 financial statements of Delta, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 24, 2022. In our opinion, the comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 consolidated 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 consolidated 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 consolidated 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 Delta'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Delta'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 consolidated financial statements as a whole. The accompanying supplementary information on pages 23-28 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the supplementary information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

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

Rancho Cucamonga, California
December 7, 2022

Delta Properties, Inc.
Consolidated Statement of Financial Position
June 30, 2022 and 2021

	2022	2021
Assets		
Current assets		
Cash	\$ 850,984	\$ 1,221,233
Restricted cash	5,766,275	5,725,872
Receivables	133,605	63,634
Receivables - related party	776,954	1,006,823
Prepaid expenses	27,227	26,520
Current portion of sales-type lease receivable	104,416	95,725
Note receivable - related party, current portion	88,589	84,350
Total current assets	7,748,050	8,224,157
Non-current assets		
Security deposit	46,172	46,172
Restricted cash	8,219,841	7,993,520
Operating lease receivable	72,029	180,133
Sales-type lease receivable, less current portion	9,785,248	9,889,804
Note receivable - related party	4,431,128	4,519,717
Property and equipment, net	91,370,160	94,091,190
Total non-current assets	113,924,578	116,720,536
Total assets	\$ 121,672,628	\$ 124,944,693
Liabilities		
Current liabilities		
Accounts payable and accruals	\$ 7,855	\$ 10,843
Accounts payable - related party	42,335	78,631
Interest payable	1,917,801	2,010,757
Deferred revenue from operating lease	325,493	149,631
Current portion of finance lease liability	104,416	95,725
Current portion of note payable	12,101,223	-
Current portion of bonds payable	1,810,000	1,715,000
Total current liabilities	16,309,123	4,060,587
Long-term liabilities		
Deferred revenue from operating lease	1,315,627	1,474,142
Finance lease liability, less current portion	9,785,388	9,889,804
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	89,343,557	91,199,431
Total long-term liabilities	100,444,572	114,579,346
Total liabilities	116,753,695	118,639,933
Net Assets		
Without donor restrictions	4,918,933	6,304,760
Total liabilities and net assets	\$ 121,672,628	\$ 124,944,693

Delta Properties, Inc.
Consolidated Statement of Activities
Years Ended June 30, 2022 and 2021

	2022	2021
Net Assets Without Donor Restriction		
Support and revenues		
Lease income	\$ 7,305,894	\$ 7,038,635
Interest income	467,891	467,143
Other income	4,767	328,409
Total support and revenues	7,778,552	7,834,187
Expenses		
Program services		
Interest	5,213,552	5,160,930
Other expenses	464,243	244,043
Depreciation and amortization	2,943,300	2,955,604
Subtotal	8,621,095	8,360,577
Management and general		
Operating expenses	543,284	229,760
Total expenses	9,164,379	8,590,337
Change in Net Assets Without Donor Restriction	(1,385,827)	(756,150)
Net Assets, Beginning of Year	6,304,760	7,060,910
Net Assets, End of Year	\$ 4,918,933	\$ 6,304,760

Delta Properties, Inc.
Consolidated Statement of Cash Flows
Years Ended June 30, 2022 and 2021

	2022	2021
Operating Activities		
Change in net assets	\$ (1,385,827)	\$ (756,150)
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Depreciation expense	2,943,300	2,955,604
Interest expense attributable to the amortization of bond issuance costs and premium	39,380	(32,294)
Loss on assets transfer	-	684,634
Changes in operating assets and liabilities		
Receivables	(69,971)	530,036
Receivables - related party	229,869	(530,565)
Prepaid expenses	(707)	(520)
Operating lease receivable	108,104	(154,503)
Accounts payable	(2,988)	(914,106)
Accounts payable - related party	(36,296)	(178,952)
Accrued interest payable	(92,956)	20,812
Change in net investment in sales-type lease	95,865	87,353
Deferred revenue from operating lease	17,347	1,169,092
	1,845,120	2,880,441
Net Cash from (used for) Operating Activities		
Investing Activities		
Purchases of property and equipment	(222,270)	(13,701,209)
Repayment of note receivable	84,350	86,469
	(137,920)	(13,614,740)
Net Cash from (used for) Investing Activities		
Financing Activities		
Amounts incurred for debt issuance, net	-	(191,531)
Proceeds from notes payable, net	-	12,207,500
Principal payments on finance lease	(95,725)	(87,353)
Principal payments on bonds	(1,715,000)	(1,630,000)
	(1,810,725)	10,298,616
Net Cash from (used for) Financing Activities		
Net Change in Cash and Restricted Cash	(103,525)	(435,683)
Cash and Restricted Cash, Beginning of Year	14,940,625	15,376,308
Cash and Restricted Cash, End of Year	\$ 14,837,100	\$ 14,940,625
Cash	\$ 850,984	\$ 1,221,233
Cash restricted to debt obligations	13,986,116	13,719,392
Total Cash and Restricted Cash	\$ 14,837,100	\$ 14,940,625
Supplemental Cash Flow Disclosure		
Cash paid during the period in interest	\$ 5,267,128	\$ 5,140,118

Note 1 - Principal Activity and Significant Accounting Policies

Organization

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 LLC, 8205 Beach LLC, 810 E. 111th LLC, 12700 S. Avalon LLC, 11044 S. Freeman LLC, 4360 Dozier LLC, and 900 Rosecrans 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.

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 LLC, 8205 Beach LLC, 810 E. 111th LLC, 12700 S. Avalon LLC, 11044 S. Freeman LLC, 4360 Dozier LLC, and 900 Rosecrans 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 23-28 for supplemental consolidating 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.

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, 2021, 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, 2022.

Restricted Cash

Restricted cash and non-current restricted cash in the amount of \$13,986,116 arise from conditions required by various financing arrangements, held to satisfy current obligations and long-term obligation.

Receivables and Credit Policies

Receivables consist primarily of noninterest-bearing amounts. Management determines the allowance for uncollectable receivables based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Receivables 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 receivables as of June 30, 2022, are expected to be collected within a period of less than one year.

Intra-Entity Transactions

Intra-entity receivables/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. All significant intra-entity accounts and transactions have been eliminated in consolidation.

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, 2022.

Lease Income

Properties are rented under lease agreements with terms of more than one year. Rental income payments are recognized in the month in which they are earned rather than received. Any rent payments received prior to the month of occupancy is reported as prepaid rent.

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 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.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to program services and administration; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. Donated professional services are recorded at the respective fair values of the services received. No significant contributions of such goods or services were received during the year ended June 30, 2022.

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 summarized on a functional basis in the consolidated statement of activities. The consolidated statement of activities presents the natural classification detail of expenses by function. 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 general accepted accounting principles 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 receivables is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from an organization supportive of Delta’s mission.

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:

Cash and cash equivalents	\$ 850,984
Receivables	133,605
Receivables - related party	776,954
	<u>776,954</u>

Financial assets available to meet cash needs for general expenditures within one year	\$ 1,761,543
	<u>1,761,543</u>

As part of 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 - 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 commenced July 25, 2019, and change annually, but are approximately \$7,029 per month. As of June 30, 2022, the remaining balance outstanding was \$4,519,717.

Future minimum note payments are as follows:

Year Ending June 30,	Principal
2023	\$ 88,589
2024	92,827
2025	97,490
2026	102,153
2027	107,663
Thereafter	4,030,995
	<u>4,030,995</u>
Total	<u>\$ 4,519,717</u>

Note 4 - Property and Equipment

Property and equipment consist of the following at June 30, 2022 and 2021:

	2022				
	111th Place LLC	8255 Beach LLC	12628 S. Avalon LLC	Manchester & 27th LLC	1655 27th Street Facilities LLC
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>(2,120,671)</u>	<u>(2,903,252)</u>	<u>(2,842,209)</u>	<u>(2,294,761)</u>	<u>(6,775,342)</u>
Total	<u>\$ 10,805,922</u>	<u>\$ 8,856,794</u>	<u>\$ 5,873,898</u>	<u>\$ 4,577,871</u>	<u>\$ 17,230,622</u>

	2022				
	810 E. 111th LLC	8205 Beach LLC	12700 S. Avalon LLC	4360 Dozier LLC	Total
Land	\$ 1,380,000	\$ 4,200,000	\$ 1,706,321	\$ 2,615,474	\$ 28,316,355
Construction in progress	1,328,056	-	-	-	1,328,056
Building and improvements	6,596,687	12,710,866	6,969,509	10,490,327	82,198,093
Equipment	-	-	-	-	436,078
	<u>9,304,743</u>	<u>16,910,866</u>	<u>8,675,830</u>	<u>13,105,801</u>	<u>112,278,582</u>
Less accumulated depreciation	<u>(1,689,980)</u>	<u>(930,093)</u>	<u>(871,189)</u>	<u>(480,925)</u>	<u>(20,908,422)</u>
Total	<u>\$ 7,614,763</u>	<u>\$ 15,980,773</u>	<u>\$ 7,804,641</u>	<u>\$ 12,624,876</u>	<u>\$ 91,370,160</u>

Delta Properties, Inc.
Notes to Consolidated Financial Statements
June 30, 2022 and 2021

	2021				
	111th Place LLC	8255 Beach LLC	12628 S. Avalon LLC	Manchester & 27th LLC	1655 27th Street Facilities LLC
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 E. 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>

In connection with work in progress, Delta capitalized interest in the amount of \$884,585 and has entered into commitments for its construction projects. As of June 30, 2022, Delta has commitment of \$1,571,944 of costs to incur to complete commitments on its projects.

Note 5 - Notes Payable

Promissory note in the amount of \$5,210,000, collateralized by real property; located at 4360 Dozier Street and 4401 East Cesar E Chavez Avenue, Los Angeles, California 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>(106,277)</u>
Total	<u><u>\$ 12,101,223</u></u>

Future maturities of notes payable excluding interest are as follows:

Year Ending June 30,	Principal
2023	<u>\$ 12,207,500</u>
Less unamortized debt issuance costs	<u>(106,277)</u>
Total	<u><u>\$ 12,101,223</u></u>

Note 6 - 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 BB+ 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 percent, 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.

\$ 7,095,000

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 & Poor's. The bonds were priced on September 14, 2015 at a 4.95 percent 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 percent. Proceeds of the bonds were 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, 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 were 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, 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.

\$ 1,220,000

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 were 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.

54,310,000

Subtotal outstanding bonds

89,335,000

Premium on School Facility Revenue Bonds, Series 2015A

594,869

Premium on School Facility Revenue Bonds, Series 2018A

3,684,971

Subtotal premium on bonds

4,279,840

Bond issuance costs on Charter Revenue Bonds, Series 2011

(440,597)

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

(884,050)

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

(1,136,636)

Subtotal debt issuance costs on bonds

(2,461,283)

Total

\$ 91,153,557

Future maturities of bonds payable are as follows:

Year Ending June 30,	Principal
2023	\$ 1,810,000
2024	1,900,000
2025	2,000,000
2026	2,095,000
2027	2,190,000
Thereafter	79,340,000
Total future maturities	89,335,000
Plus: unamortized bond premium	4,279,840
Less unamortized debt issuance costs	(2,461,283)
Total	\$ 91,153,557

Note 7 - Finance Leases

Finance Lease

Delta leases certain real property commonly known by the street address of 840 E. 111th 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 2022 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, 2022 were as follows:

Finance lease cost	
Interest expense	\$ 225,698

The following table summarizes the supplemental cash flow information for the year ended June 30, 2022:

Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from finance leases	\$ 225,698
Financing cash flows from finance leases	<u>95,725</u>
Total	<u><u>\$ 321,423</u></u>

The following summarizes the weighted-average remaining lease term and weight-average discount rate for the year ended June 30, 2022:

Weighted-average remaining lease term:	
Finance leases	31.9 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, 2022.

<u>Year Ending June 30,</u>	
2023	\$ 327,851
2024	334,408
2025	341,096
2026	347,918
2027	354,876
Thereafter	<u>12,742,743</u>
Total minimum lease payments	14,448,892
Less amount representing interest	<u>(4,559,228)</u>
Total	<u><u>\$ 9,889,664</u></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, 2022:

Year Ending June 30,	
2023	\$ 327,851
2024	334,408
2025	341,096
2026	347,918
2027	354,876
Thereafter	12,742,743
Total sales-type lease payments	14,448,892
Less unearned interest income	(4,559,228)
Total	\$ 9,889,664
Current portion	\$ 104,416
Long-term portion	9,785,248
Total	\$ 9,889,664

Note 8 - 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 \$3,379,379 for the year ended June 30, 2022.

Operating leases are as follows at June 30, 2022:

	2022				
	111th Place LLC	8255 Beach LLC	12628 S. Avalon LLC	Manchester & 27th LLC	1655 27th Street Facilities LLC
Land and Buildings, at cost	\$ 12,926,593	\$ 11,760,046	\$ 8,716,107	\$ 6,872,632	\$ 24,005,964
Accumulated depreciation	(2,120,671)	(2,903,252)	(2,842,209)	(2,294,761)	(6,775,342)
Net investments in operating leases	\$ 10,805,922	\$ 8,856,794	\$ 5,873,898	\$ 4,577,871	\$ 17,230,622

	2022				
	810 E. 111th LLC	8205 Beach LLC	12700 S. Avalon LLC	4360 Dozier LLC	Total
Land and Buildings, at cost	\$ 7,976,687	\$ 16,910,866	\$ 8,675,830	\$ 13,105,801	\$ 110,950,526
Accumulated depreciation	<u>(1,689,980)</u>	<u>(930,093)</u>	<u>(871,189)</u>	<u>(480,925)</u>	<u>(20,908,422)</u>
Net investments in operating leases	<u>\$ 6,286,707</u>	<u>\$ 15,980,773</u>	<u>\$ 7,804,641</u>	<u>\$ 12,624,876</u>	<u>\$ 90,042,104</u>
	2021				
	111th Place LLC	8255 Beach LLC	12628 S. Avalon LLC	Manchester & 27th LLC	1655 27th Street Facilities LLC
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 E. 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>

The following is a maturity analysis of the annual undiscounted cash flows of the operating lease payments to be received as of June 30, 2022:

Fiscal Year Ending June 30,	111th Place LLC	8255 Beach LLC	12628 S. Avalon LLC	Manchester & 27th LLC	1655 27th Street Facilities LLC
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
2027	769,348	648,098	648,098	681,982	995,761
Thereafter	16,784,977	14,203,477	14,203,477	12,909,341	24,838,789
	<u>\$ 20,624,499</u>	<u>\$ 17,447,749</u>	<u>\$ 17,447,749</u>	<u>\$ 16,306,864</u>	<u>\$ 29,815,472</u>

Fiscal Year Ending June 30,	810 E. 111th LLC	8205 Beach LLC	12700 S. Avalon LLC	4360 Dozier LLC	Total
2023	\$ 607,463	\$ 1,223,748	\$ 584,037	\$ 680,736	\$ 6,835,044
2024	607,069	1,222,955	583,659	680,736	6,837,361
2025	607,082	1,222,981	583,671	680,736	6,835,319
2026	606,645	1,222,101	583,251	680,736	6,828,866
2027	607,388	1,223,598	583,965	680,736	6,838,974
Thereafter	15,151,008	30,522,069	14,566,740	12,253,198	155,433,076
	<u>\$ 18,186,655</u>	<u>\$ 36,637,451</u>	<u>\$ 17,485,323</u>	<u>\$ 15,656,878</u>	<u>\$189,608,640</u>

Total lease income for the year ended June 30, 2022 and 2021 were as follows:

	2022	2021
Sales-type lease income	\$ 225,698	\$ 227,767
Operating lease income	6,798,945	6,582,863
Total lease income	<u>\$ 7,024,643</u>	<u>\$ 6,810,630</u>

Note 9 - Related Party Transactions

Together with its subsidiaries, 111th Place LLC, 8255 Beach LLC, 12628 S. Avalon LLC, Manchester & 27th LLC, 1655 27th Street Facilities LLC, 8205 Beach LLC, 810 E. 111th LLC, 12700 S. Avalon LLC, 11044 S. Freeman LLC, 4360 Dozier LLC, and 900 Rosecrans LLC, Delta’s primary purpose is to finance, develop, lease, and maintain certain school facilities for the exclusive use of GDPS CA.

	2022	2021
Lease income	\$ 7,305,894	\$ 7,038,635

Green Dot Public School National (“GDPS National”) is a national organization providing finance and accounting services to Delta. In exchange, Delta pays service fees to GDPS National.

	2022	2021
Service expense	\$ 160,000	\$ 160,000

Refer to the table below for Receivables – Related party and Accounts payable – related party that resulted from the transactions noted above:

	2022	2021
Receivables - related party	\$ 776,954	\$ 1,006,823
Accounts payable - related party	\$ 42,335	\$ 78,631

Note 10 - Subsequent Events

Delta’s management has evaluated events or transactions that may occur for potential recognition or disclosure in the consolidated financial statements through December 7, 2022, which is the date the consolidated financial statements were available to be issued. Management has determined that there were no subsequent events or transactions, other than those noted below, that would have a material impact on the current year consolidated financial statements.

The name of Manchester & 27th LLC was changed to 3425 Manchester LLC effective October 14, 2022.

School Facility Revenue Bonds, Series 2022A and 2022B, are being issued as of November 1, 2022. Proceeds of the bonds will be used to finance, develop, lease, and maintain school facilities for the exclusive use of GDPS CA.



Supplementary Information
June 30, 2022

Delta Properties, Inc.

Delta Properties, Inc.
Consolidating Statement of Financial Position
June 30, 2022

	111th Place LLC	8255 Beach LLC	12628 S. Avalon LLC	Manchester & 27th LLC
Assets				
Current assets				
Cash	\$ 498,948	\$ -	\$ -	\$ 1,579
Restricted cash	471,406	403,397	439,855	481,647
Receivables	-	35,468	-	-
Receivables - related party	5,333	63,393	5,334	2,298
Intra-entity receivables	155,749	25,783	89,800	-
Prepaid expenses	-	-	-	177
Current portion of sales-type lease receivable	-	-	-	-
Note receivable - related party, current portion	-	-	-	-
Total current assets	<u>1,131,436</u>	<u>528,041</u>	<u>534,989</u>	<u>485,701</u>
Non-current assets				
Security deposit	-	-	-	-
Restricted cash	759,305	152,405	2,173,716	761,605
Operating lease receivable	69,580	-	-	2,449
Sales-type lease receivable, less current portion	-	-	-	-
Note receivable - related party	-	-	-	-
Property and equipment, net	10,805,922	8,856,794	5,873,898	4,577,871
Total non-current assets	<u>11,634,807</u>	<u>9,009,199</u>	<u>8,047,614</u>	<u>5,341,925</u>
Total Assets	<u>\$ 12,766,243</u>	<u>\$ 9,537,240</u>	<u>\$ 8,582,603</u>	<u>\$ 5,827,626</u>
Liabilities				
Current liabilities				
Accounts payable and accruals	\$ -	\$ 333	\$ 333	\$ 4,999
Accounts payable - related party	-	-	-	-
Interest payable	213,735	180,882	180,882	210,857
Intra-entity payables	-	-	-	14,157
Deferred revenue from operating lease	-	26,277	35,200	57,161
Current portion of finance lease liability	-	-	-	-
Current portion of note payable	-	-	-	-
Current portion of bonds payable	213,333	213,333	213,333	175,000
Total current liabilities	<u>427,068</u>	<u>420,825</u>	<u>429,748</u>	<u>462,174</u>
Long-term liabilities				
Deferred revenue from operating lease	-	-	-	-
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	10,184,314	8,407,344	8,409,163	6,479,403
Total long-term liabilities	<u>10,184,314</u>	<u>8,407,344</u>	<u>8,409,163</u>	<u>6,479,403</u>
Total liabilities	<u>10,611,382</u>	<u>8,828,169</u>	<u>8,838,911</u>	<u>6,941,577</u>
Net Assets				
Without donor restriction	<u>2,154,861</u>	<u>709,071</u>	<u>(256,308)</u>	<u>(1,113,951)</u>
Total liabilities and net assets	<u>\$ 12,766,243</u>	<u>\$ 9,537,240</u>	<u>\$ 8,582,603</u>	<u>\$ 5,827,626</u>

See Notes to Supplementary Information

Delta Properties, Inc.
Consolidating Statement of Financial Position
June 30, 2022

	1655 27th St. Facilities LLC	810 E. 111th LLC	8205 Beach LLC	12700 S. Avalon LLC
Assets				
Current assets				
Cash	\$ 153,240	\$ 4,745	\$ -	\$ -
Restricted cash	639,072	1,900,775	882,113	345,724
Receivables	-	33,066	37,617	27,454
Receivables - related party	40,333	-	659,596	334
Intra-entity receivables	71,154	-	510,398	14,903
Prepaid expenses	-	27,050	-	-
Current portion of sales-type lease receivable	-	104,416	-	-
Note receivable - related party, current portion	-	-	-	-
Total current assets	<u>903,799</u>	<u>2,070,052</u>	<u>2,089,724</u>	<u>388,415</u>
Non-current assets				
Security deposit	-	46,172	-	-
Restricted cash	1,553,056	660,902	1,331,402	635,415
Operating lease receivable	-	-	-	-
Sales-type lease receivable, less current portion	-	9,785,248	-	-
Note receivable - related party	-	-	-	-
Property and equipment, net	17,230,622	7,614,763	15,980,773	7,804,641
Total non-current assets	<u>18,783,678</u>	<u>18,107,085</u>	<u>17,312,175</u>	<u>8,440,056</u>
	<u>\$ 19,687,477</u>	<u>\$ 20,177,137</u>	<u>\$ 19,401,899</u>	<u>\$ 8,828,471</u>
Liabilities				
Current liabilities				
Accounts payable and accruals	\$ -	\$ -	\$ 333	\$ 333
Accounts payable - related party	-	187	-	-
Interest payable	302,327	184,410	371,498	177,300
Intra-entity payables	-	98,352	-	-
Deferred revenue from operating lease	231	27,051	122,710	135
Current portion of finance lease liability	-	104,416	-	-
Current portion of note payable	-	-	-	-
Current portion of bonds payable	265,865	162,171	326,697	155,917
Total current liabilities	<u>568,423</u>	<u>576,587</u>	<u>821,238</u>	<u>333,685</u>
Long-term liabilities				
Deferred revenue from operating lease	-	-	-	-
Finance lease liability, less current portion	-	9,785,388	-	-
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	14,948,164	9,157,762	18,431,294	8,806,397
Total long-term liabilities	<u>14,948,164</u>	<u>18,943,150</u>	<u>18,431,294</u>	<u>8,806,397</u>
Total liabilities	<u>15,516,587</u>	<u>19,519,737</u>	<u>19,252,532</u>	<u>9,140,082</u>
Net Assets				
Without donor restriction	<u>4,170,890</u>	<u>657,400</u>	<u>149,367</u>	<u>(311,611)</u>
Total liabilities and net assets	<u>\$ 19,687,477</u>	<u>\$ 20,177,137</u>	<u>\$ 19,401,899</u>	<u>\$ 8,828,471</u>

See Notes to Supplementary Information

Delta Properties, Inc.
Consolidating Statement of Financial Position
June 30, 2022

	11044 Freeman LLC	4360 Dozier LLC	900 Rosecrans LLC	Delta	Inter-company Eliminations	Total
Assets						
Current assets						
Cash	\$ -	\$ 5,817	\$ -	\$ 186,655	\$ -	\$ 850,984
Restricted cash	202,286	-	-	-	-	5,766,275
Receivables	-	-	-	-	-	133,605
Receivables - related party	-	-	-	333	-	776,954
Intra-entity receivables	-	160	-	-	(867,947)	-
Prepaid expenses	-	-	-	-	-	27,227
Current portion of sales-type lease receivable	-	-	-	-	-	104,416
Note receivable - related party, current portion	88,589	-	-	-	-	88,589
Total current assets	290,875	5,977	-	186,988	(867,947)	7,748,050
Non-current assets						
Security deposit	-	-	-	-	-	46,172
Restricted cash	-	192,035	-	-	-	8,219,841
Operating lease receivable	-	-	-	-	-	72,029
Sales-type lease receivable, less current portion	-	-	-	-	-	9,785,248
Note receivable - related party	4,431,128	-	-	-	-	4,431,128
Property and equipment, net	-	12,624,876	-	-	-	91,370,160
Total non-current assets	4,431,128	12,816,911	-	-	-	113,924,578
	\$ 4,722,003	\$ 12,822,888	\$ -	\$ 186,988	\$ (867,947)	\$ 121,672,628
Liabilities						
Current liabilities						
Accounts payable and accruals	\$ 333	\$ -	\$ -	\$ 1,191	\$ -	\$ 7,855
Accounts payable - related party	555	15,993	25,600	-	-	42,335
Interest payable	95,910	-	-	-	-	1,917,801
Intra-entity payables	15,364	-	-	740,074	(867,947)	-
Deferred revenue from operating lease	-	56,728	-	-	-	325,493
Current portion of finance lease liability	-	-	-	-	-	104,416
Current portion of note payable	-	12,101,223	-	-	-	12,101,223
Current portion of bonds payable	84,351	-	-	-	-	1,810,000
Total current liabilities	196,513	12,173,944	25,600	741,265	(867,947)	16,309,123
Long-term liabilities						
Deferred revenue from operating lease	-	1,315,627	-	-	-	1,315,627
Finance lease liability, less current portion	-	-	-	-	-	9,785,388
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	4,519,716	-	-	-	-	89,343,557
Total long-term liabilities	4,519,716	1,315,627	-	-	-	100,444,572
Total liabilities	4,716,229	13,489,571	25,600	741,265	(867,947)	116,753,695
Net Assets						
Without donor restriction	5,774	(666,683)	(25,600)	(554,277)	-	4,918,933
Total liabilities and net assets	\$ 4,722,003	\$ 12,822,888	\$ -	\$ 186,988	\$ (867,947)	\$ 121,672,628

Delta Properties, Inc.
Consolidating Statement of Activities
Year Ended June 30, 2022

	111th Place LLC	8255 Beach LLC	12628 S. Avalon LLC	Manchester & 27th LLC
Net Assets Without Donor Restriction				
Revenue and support				
Lease income	\$ 705,518	\$ 660,027	\$ 657,407	\$ 731,810
Interest income	4,896	2,511	4,278	365
Other income	-	-	-	-
Total revenue and support	<u>710,414</u>	<u>662,538</u>	<u>661,685</u>	<u>732,175</u>
Expenses				
Program services				
Interest	510,984	445,746	443,592	530,066
Other expenses	8,485	12,004	9,053	36,409
Depreciation and amortization	<u>357,771</u>	<u>224,771</u>	<u>227,377</u>	<u>154,005</u>
Subtotal	<u>877,240</u>	<u>682,521</u>	<u>680,022</u>	<u>720,480</u>
Management and general				
Operating expenses	<u>8,968</u>	<u>8,620</u>	<u>53,963</u>	<u>16,075</u>
Total expenses	<u>886,208</u>	<u>691,141</u>	<u>733,985</u>	<u>736,555</u>
Change in Net Assets Without Donor Restriction	(175,794)	(28,603)	(72,300)	(4,380)
Net Assets, Beginning of the Year	<u>2,330,655</u>	<u>737,674</u>	<u>(184,008)</u>	<u>(1,109,571)</u>
Net Assets, End of Year	<u>\$ 2,154,861</u>	<u>\$ 709,071</u>	<u>\$ (256,308)</u>	<u>\$ (1,113,951)</u>

Delta Properties, Inc.
Consolidating Statement of Activities
Year Ended June 30, 2022

	1655 27th St. Facilities LLC	810 E. 111th LLC	8205 Beach LLC	12700 S. Avalon LLC
Support and revenues				
Lease income	\$ 1,084,575	\$ 629,712	\$ 1,317,979	\$ 593,808
Interest income	5,068	227,167	119	(38)
Other income	-	-	74	-
Total revenue and support	<u>1,089,643</u>	<u>856,879</u>	<u>1,318,172</u>	<u>593,770</u>
Expenses				
Program services				
Interest	699,150	324,211	855,154	408,120
Other expenses	5,761	19,388	87,355	7,233
Depreciation and amortization	630,265	433,236	423,255	232,318
Subtotal	<u>1,335,176</u>	<u>776,835</u>	<u>1,365,764</u>	<u>647,671</u>
Management and general				
Operating expenses	<u>6,787</u>	<u>229,018</u>	<u>9,235</u>	<u>5,424</u>
Total expenses	<u>1,341,963</u>	<u>1,005,853</u>	<u>1,374,999</u>	<u>653,095</u>
Change in Net Assets Without Donor Restriction	(252,320)	(148,974)	(56,827)	(59,325)
Net Assets, Beginning of the Year	<u>4,423,210</u>	<u>806,374</u>	<u>206,194</u>	<u>(252,286)</u>
Net Assets, End of Year	<u>\$ 4,170,890</u>	<u>\$ 657,400</u>	<u>\$ 149,367</u>	<u>\$ (311,611)</u>

Delta Properties, Inc.
Consolidating Statement of Activities
Year Ended June 30, 2022

	11044 Freeman LLC	4360 Dozier LLC	900 Rosecrans LLC	Delta	Total
Support and revenues					
Lease income	\$ -	\$ 925,058	\$ -	\$ -	\$ 7,305,894
Interest income	231,602	20	-	(8,097)	467,891
Other income	3,522	75	-	1,096	4,767
Total revenue and support	235,124	925,153	-	(7,001)	7,778,552
Expenses					
Program services					
Interest	230,537	765,992	-	-	5,213,552
Other expenses	-	252,930	25,600	25	464,243
Depreciation and amortization	-	260,302	-	-	2,943,300
Subtotal	230,537	1,279,224	25,600	25	8,621,095
Management and general					
Operating expenses	4,551	18,222	-	182,421	543,284
Total expenses	235,088	1,297,446	25,600	182,446	9,164,379
Change in Net Assets Without Donor Restriction	36	(372,293)	(25,600)	(189,447)	(1,385,827)
Net Assets, Beginning of the Year	5,738	(294,390)	-	(364,830)	6,304,760
Net Assets, End of Year	\$ 5,774	\$ (666,683)	\$ (25,600)	\$ (554,277)	\$ 4,918,933

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