

Academic Properties, Inc.
Financial Statements and Supplemental Schedules
for the Fiscal Years Ended
June 30, 2022, and 2021

Academic Properties, Inc.

Index

June 30, 2022, and 2021

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Review Report of Independent Accountants

To the Board of Trustees of Drexel University

We have reviewed the accompanying financial statements of Academic Properties Inc. (the "Company"), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities and statements of cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountants' Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountants' Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Other matter

The accompanying supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplemental schedules are the responsibility of management. We have not audited or reviewed the supplemental schedules and accordingly do not express an opinion, a conclusion, nor provide any assurance on them.

PricewaterhouseCoopers LLP

Philadelphia, Pennsylvania
October 28, 2022

Academic Properties, Inc.
Statements of Financial Position
June 30, 2022, and 2021

| | 2022 | 2021 |
|------------------------------------------|----------------------|----------------------|
| Assets: | | |
| Cash and cash equivalents | | |
| Operating | \$ 8,043,526 | \$ 6,838,499 |
| Tenants' escrow accounts | 146,689 | 112,828 |
| Accounts receivable | 94,642 | 93,518 |
| Prepaid expenses and other assets | 660,551 | 724,249 |
| Deferred charges, net | 1,498,271 | 973,862 |
| Due from Drexel University | 393,996 | 372,481 |
| Operating Lease Right of Use (ROU) Asset | 5,231 | 8,110 |
| Rental property and equipment, net | 18,722,335 | 18,506,025 |
| Total assets | \$ 29,565,241 | \$ 27,629,572 |
| Liabilities: | | |
| Accounts payable and accrued liabilities | \$ 362,954 | \$ 332,597 |
| Deferred revenue | 763,866 | 1,118,740 |
| Tenants' escrow accounts | 146,689 | 112,828 |
| Operating Lease Liability | 5,231 | 8,110 |
| Total liabilities | \$ 1,278,740 | \$ 1,572,275 |
| Net Assets: | | |
| Without donor restrictions | 28,286,501 | 26,057,297 |
| Total net assets | 28,286,501 | 26,057,297 |
| Total liabilities and net assets | \$ 29,565,241 | \$ 27,629,572 |

The accompanying notes are an integral part of these financial statements.

Academic Properties, Inc.
Statements of Activities
June 30, 2022, and 2021

| | 2022 | 2021 |
|-------------------------------------------------------------|----------------------|----------------------|
| Operating | | |
| Revenues: | | |
| Rents | | |
| Minimum lease payments | \$ 6,431,843 | \$ 5,802,384 |
| Common area expense and utilities | 2,268,191 | 2,175,659 |
| Interest | 4,247 | 4,205 |
| Management fee income - affiliate | 128,371 | 125,020 |
| Miscellaneous | 487,868 | 477,942 |
| Total revenues | 9,320,520 | 8,585,210 |
| Expenses: | | |
| Salaries and wages | 620,141 | 577,969 |
| Employee benefits | 242,308 | 177,760 |
| Depreciation and amortization | 898,669 | 896,090 |
| Other operating expenses | 3,256,304 | 3,455,311 |
| Total expenses | 5,017,422 | 5,107,130 |
| Increase in net assets from operating activities | 4,303,098 | 3,478,080 |
| Non-operating | | |
| Transfer to Drexel Endowment | (1,541,000) | (1,541,000) |
| Transfer to Drexel Brandywine Net Revenue | (532,894) | - |
| Decrease in net assets from non-operating activities | (2,073,894) | (1,541,000) |
| Total increase in net assets | 2,229,204 | 1,937,080 |
| Net assets, beginning of year | 26,057,297 | 24,120,217 |
| Net assets, end of year | \$ 28,286,501 | \$ 26,057,297 |

The accompanying notes are an integral part of these financial statements.

Academic Properties, Inc.
Statements of Cash Flows
June 30, 2022, and 2021

| | 2022 | 2021 |
|---------------------------------------------------------------------------------------------|---------------------|---------------------|
| Operating activities: | | |
| Increase in net assets: | \$ 2,229,204 | \$ 1,937,080 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation and amortization | 898,669 | 896,090 |
| Transfer to Drexel Endowment | 1,541,000 | 1,541,000 |
| Transfer to Drexel Brandywine Net Revenue | 532,894 | - |
| Changes in assets and liabilities that provide / (use) cash: | | |
| Accounts receivable | (1,124) | (23,524) |
| Prepaid expenses and other assets | 63,698 | (651,769) |
| Tenants' escrow asset | (33,861) | 58,775 |
| Tenants' escrow liability | 33,861 | (58,775) |
| Deferred charges, net | (524,409) | (557,190) |
| Accounts payable and accrued liabilities | 30,357 | 115,985 |
| Deferred revenue | (354,874) | 581,447 |
| Net cash provided by operating activities | 4,415,415 | 3,839,119 |
| Investing activities: | | |
| Building Improvements | (1,114,980) | (548,722) |
| Net cash used in investment activities | (1,114,980) | (548,722) |
| Financing activities: | | |
| Due from Drexel University | (21,514) | 485,332 |
| Transfer to Drexel Endowment | (1,541,000) | (1,541,000) |
| Transfer to Drexel Brandywine Net Revenue | (532,894) | - |
| Net cash used in financing activities | (2,095,408) | (1,055,668) |
| Net increase in cash and cash equivalents | 1,205,027 | 2,234,729 |
| Cash and cash equivalents, beginning of year | 6,838,499 | 4,603,770 |
| Cash and cash equivalents, end of year | \$ 8,043,526 | \$ 6,838,499 |

The accompanying notes are an integral part of these financial statements.

Academic Properties, Inc.

Notes to Financial Statements

June 30, 2022, and 2021

1. Organization

Academic Properties, Inc. (the “Company” or “API”) is 100% owned by Academic Assets, Inc. and Academic Assets, Inc. is 100% owned by the Drexel University. API is an exempt organization under Section 501 (c) (3) or the Internal Revenue Code. API manages properties used by Drexel, as well as other strategically located properties contiguous to its campus.

2. Summary of Significant Accounting Policies

Basis of Accounting and Financial Statement Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and with the provision of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*, which requires API to classify its net assets into two categories according to donor-imposed restrictions; net assets without donor imposed restrictions and net assets with donor imposed restrictions.

Net Assets without Donor Restrictions – Net assets without donor restrictions are funds which have no restrictions, and over which the Board has discretionary control.

Net Assets with Donor Restrictions - Net assets with donor restrictions are subject to donor-imposed stipulations that (a) may be fulfilled by actions of API to meet the stipulations, (b) may become unrestricted at the date specified by the donor or (c) are subject to donor-imposed stipulations that they be retained and invested permanently by API.

There were no net assets classified as with donor restrictions as of June 30, 2022, and 2021.

Measure of Operations

API’s measure of operations as presented in the statement of activities includes rental income from properties, management fee income from affiliates, and other miscellaneous revenues. Operating expenses are reported on the statement of activities by natural classification.

Liquidity and Availability

API’s financial assets available within one year of the balance sheet date for general expenditure as of June 30, 2022, and 2021 are as follows:

| | 2022 | 2021 |
|------------------------------------------------------------------------|---------------------|---------------------|
| Total assets at year-end | \$ 29,565,241 | \$ 27,629,572 |
| Less: non-financial and financial assets not available within one year | | |
| Prepaid expenses and other assets | (660,551) | (724,249) |
| Tenants' escrow accounts | (146,689) | (112,828) |
| Deferred charges, net | (1,498,271) | (973,862) |
| Operating Lease Right of Use (ROU) Asset | (5,231) | (8,110) |
| Rental property and equipment, net | (18,722,335) | (18,506,025) |
| Financial assets available at year-end for current use | \$ 8,532,164 | \$ 7,304,498 |

API has \$8,532,164 of financial assets that are available within one year of the balance sheet date to meet cash needs for general expenditure. In addition to these available financial assets, a significant portion of API’s annual expenditures will be funded by current year operating revenues including rental income from properties, management fee income from affiliates, and other miscellaneous revenues. API structures its financial assets to be available as general expenditures, liabilities and other obligations come due.

Academic Properties, Inc.

Notes to Financial Statements

June 30, 2022, and 2021

Cash

Cash and cash equivalents represent demand deposits and other investments with an initial maturity date not exceeding 90 days. On June 30, 2022, and 2021, API had cash balances in financial institutions, which exceed federal depository insurance limits. Management believes the credit risks related to these deposits to be minimal. Cash and cash equivalents are carried at cost, which approximates fair value.

Expenses

All API expenses are in support of one program, which is managing Drexel's properties.

Rental Property and Equipment, Net

Land, building, and equipment are stated at cost, or the original purchased cost transferred from Drexel. The Company recognizes depreciation over the useful lives of the depreciable assets on a straight-line basis. Useful lives range from 3 to 20 years.

Deferred Charges

Deferred charges represent rent revenues recognized on a straight-line basis over the term of the Company's lease agreements that have not been billed as of year-end.

Deferred Revenue

Deferred revenue represents cash paid in advance for future rent.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Asset Retirement Obligation/Asset

The Company determined there were legal obligations to perform certain asset retirement activities associated with certain fire doors, carpeting and storage tanks. The total asset retirement cost and obligation recognized was \$6,885 and \$197,336 respectively, for 2022 and \$6,185 and \$194,780 respectively, for 2021 and is included in rental property and equipment, net, and accrued expenses, respectively.

Recently Adopted Accounting Pronouncements

In August 2018, the FASB issued ASU No. 2018-15, *Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*. The ASU aligns the accounting for costs incurred to implement a cloud computing arrangement that is a service arrangement with the guidance on capitalizing costs associated with developing or obtaining internal-use software. ASU No. 2018-15 is effective for annual periods beginning after December 15, 2021, with early adoption permitted. Entities can apply the guidance prospectively or retrospectively. API has early adopted the standard on a prospective basis effective July 1, 2020. The adoption of this guidance did not have a material impact on its financial statements.

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

In November 2018, the FASB issued ASU No. 2018-18, *Collaborative Arrangements (Topic 808) – Clarifying the Interaction between Topic 808 and Topic 606*, which seeks to clarify that certain transaction between collaborative arrangement participants should be accounted for as revenue and apply all relevant guidance under Topic 606 to these revenues. In addition this ASU provides more comparability in the presentation of revenue for certain transaction between collaborative arrangement participants. ASU No. 2018-18 is effective for annual periods beginning after December 15, 2020. API has adopted the standard effective July 1, 2021. The adoption of this guidance did not have a material impact on its financial statements.

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which increases the transparency of contributed nonfinancial assets within the financial statements of not-for-profit entities through the enhancement of the presentation and disclosure of such activities. The new guidance is effective for fiscal years beginning after June 15, 2021, and interim periods with fiscal years beginning after June 15, 2022. Early adoption is permitted, and amendments should be applied on a retrospective basis. API has adopted the standard on a retrospective basis, and the adoption of this guidance did not have a material impact on its financial statements.

API has determined that there are no other recently issued accounting standards that will have a material impact on its financial statements.

3. Rental Property and Equipment

At June 30, 2022 and 2021, rental property and equipment consisted of the following:

| | 2022 | 2021 |
|---------------------------------------------------|----------------------|----------------------|
| Land: | \$ 4,427,655 | \$ 4,427,655 |
| Building and Building Improvements: | | |
| One Drexel Plaza | 2,033,814 | 2,033,814 |
| All Other Properties | 5,735,158 | 6,557,844 |
| Building Improvements | 19,074,192 | 26,702,734 |
| Total buildings and building improvements | 26,843,164 | 35,294,392 |
| Furniture and Fixtures: | | |
| Furniture and fixtures | 187,596 | 187,596 |
| Equipment | 47,259 | 47,259 |
| Total furniture, fixtures, and equipment | 234,855 | 234,855 |
| Total rental property and equipment, gross | 31,505,674 | 39,956,902 |
| Less: Accumulated depreciation | (12,783,339) | (21,450,877) |
| Total rental property and equipment, net | \$ 18,722,335 | \$ 18,506,025 |

The values related to One Drexel Plaza included in rental property and equipment - net amounted to \$6,528,829 and \$6,412,617 on June 30, 2022, and 2021, respectively.

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

4. Lease Rentals

The Company leases space to tenants under leases that are accounted for as operating leases. Lease periods range from six months to one year on student leases and from two to fifteen years on commercial leases. The estimated future rent receivable on non-cancelable leases is as follows:

| | <u>Minimum Lease</u> |
|--------------|----------------------|
| June 30 | |
| 2023 | 4,388,808 |
| 2024 | 4,259,623 |
| 2025 | 4,052,455 |
| 2026 | 3,866,111 |
| 2027 | 3,974,150 |
| Thereafter | 9,940,266 |
| <u>Total</u> | <u>30,481,412</u> |

Rent for new leases or the exercise of renewal options under existing leases is not included in the table above, its operating leases, the Company records rent revenue on a straight-line basis over the term of the lease agreements based on fixed and scheduled minimum rent increases. The difference between actual rent and straight-line rent for the fiscal year ending June 30, 2022, and 2021 was \$524,409 and \$557,189, respectively. As of June 30, 2022, and 2021, the deferred rent asset amounted to \$1,498,271 and \$973,862, respectively and the deferred rent liability amounted to \$0 for both years.

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

5. Functional and Natural Classification of Expenses

Expenses are presented by functional classification in accordance with the overall service mission of API. Each functional classification displays all expenses related to the underlying operations by natural classification. Depreciation is allocated based on the square footage occupancy. Plant operations and maintenance represent space related costs which are allocated to the functional categories directly and/or based on the square footage occupancy.

Expenses by functional classification for the year ended June 30, 2022, consist of the following:

| | 2022 | | |
|-------------------------------|-----------------------------|-----------------------------------|---------------------|
| | Program Services | Management and General | Total |
| Salaries and wages | \$ 620,141 | \$ - | \$ 620,141 |
| Employee benefits | 242,308 | - | 242,308 |
| Depreciation and amortization | 901,225 | - | 901,225 |
| Other operating expenses | 3,243,448 | 10,300 | 3,253,748 |
| Total expenses | \$ 5,007,122 | \$ 10,300 | \$ 5,017,422 |

Expenses by functional classification for the year ended June 30, 2021, consist of the following:

| | 2021 | | |
|-------------------------------|-----------------------------|-----------------------------------|---------------------|
| | Program Services | Management and General | Total |
| Salaries and wages | \$ 577,969 | \$ - | \$ 577,969 |
| Employee benefits | 177,760 | - | 177,760 |
| Depreciation and amortization | 896,090 | - | 896,090 |
| Other operating expenses | 3,445,761 | 9,550 | 3,455,311 |
| Total expenses | \$ 5,097,580 | \$ 9,550 | \$ 5,107,130 |

6. Related-Party Transactions

Drexel University rents approximately 113,590 square feet of space at One Drexel Plaza location from the Company. These leases are for a ten-year period and the monthly base rent average totals approximately \$247,188 during the year ended June 30, 2022.

The Company also received \$128,372 and \$125,020 from Drexel for services rendered in managing properties owned by Drexel during the years ended June 30, 2022, and 2021, respectively.

All the buildings and improvements for the Company were designated by the Drexel Board of Trustees as quasi-endowment assets of the Drexel University in February 2011. Accordingly, the distribution to endowment for both years ended June 30, 2022, and 2021 was \$1,541,000 and represent a payout to the Drexel endowment.

Effective January 1, 2022, housing was provided to the CEO of St. Christopher's Hospital at 3200 Summer Street. 3200 Summer Street is a Drexel-Owned, API managed property and costs for this transaction are within Drexel's financial statements. The taxable benefit is capped at \$3,300 per month and includes rent and customary utilities.

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

7. COVID-19

The outbreak of the COVID-19 pandemic has caused domestic disruptions in the operations for API. The long-term effect to API of the COVID-19 pandemic depends on various factors, which cannot be fully quantified at this time. API continues to monitor the situation including the potential impact of the related COVID-19 variants. As of June 30, 2022, and 2021, and through the date of these financial statements no material estimates were identified.

8. Subsequent Events

API evaluated events subsequent to June 30, 2022, through October 28, 2022, and determined that there were no additional events requiring adjustment to or disclosure in the financial statements.

Supplemental Schedules

Academic Properties, Inc.
Supplemental Schedule of Revenue and Expenses by Property Category
Year Ended June 30, 2022

| | One Drexel Plaza | 201 Cheswold Street | All Other Properties | Total |
|-------------------------------------------------------------------|------------------------|---------------------------|----------------------------|----------------------|
| Operating | | | | |
| Revenues: | | | | |
| Rents | | | | |
| Minimum lease payment, net | \$ 4,975,272 | \$ - | \$ 1,456,571 | \$ 6,431,843 |
| Common area expense and utilities | 2,266,046 | - | 2,145 | 2,268,191 |
| Interest | - | - | 4,247 | 4,247 |
| Management fee income, affiliate | - | - | 128,371 | 128,371 |
| Miscellaneous | 453,469 | - | 34,399 | 487,868 |
| Total revenues | 7,694,787 | - | 1,625,733 | 9,320,520 |
| Expenses: | | | | |
| Depreciation and amortization | 271,667 | - | 627,002 | 898,669 |
| Commissions | 69,538 | - | - | 69,538 |
| Dues and licenses | 2,515 | - | 12,331 | 14,846 |
| Payroll | 504,815 | 45,329 | 69,997 | 620,141 |
| Employee benefits | 195,680 | 18,304 | 28,324 | 242,308 |
| Insurance | 197,366 | - | 73,475 | 270,841 |
| Office | 5,700 | - | 6,817 | 12,517 |
| Professional development | 29,637 | - | 5,773 | 35,410 |
| Professional fees | 135,799 | - | 22,836 | 158,635 |
| Property taxes | 76,126 | - | - | 76,126 |
| Repairs and maintenance | 816,018 | - | 723,236 | 1,539,254 |
| Security | 364,907 | - | 41,196 | 406,103 |
| Taxes other | - | - | 32,941 | 32,941 |
| Telephone | 2,072 | - | 14,861 | 16,933 |
| Trash removal | 4,831 | - | 55,866 | 60,697 |
| Utilities | 322,879 | - | 225,663 | 548,542 |
| Miscellaneous | 8,211 | - | 5,710 | 13,921 |
| Total expenses | 3,007,761 | 63,633 | 1,946,028 | 5,017,422 |
| Increase / (decrease) in net assets - operating activities | 4,687,026 | (63,633) | (320,295) | 4,303,098 |
| Non-operating | | | | |
| Transfers to Drexel Endowment | (1,290,588) | - | (250,412) | (1,541,000) |
| Transfer to Drexel Brandywine Net Revenue | (532,894) | - | - | (532,894) |
| Decrease in net assets - non-operating activities | (1,823,482) | - | (250,412) | (2,073,894) |
| Total increase / (decrease) in net assets | \$ 2,863,544 | \$ (63,633) | \$ (570,707) | \$ 2,229,204 |
| Net assets, beginning of year | 28,538,019 | (640,114) | (1,840,609) | 26,057,297 |
| Net assets, end of year | \$ 31,401,563 | \$ (703,747) | \$ (2,411,316) | \$ 28,286,501 |

Academic Properties, Inc.
Supplemental Schedule of Revenue and Expenses by Property Category
Year Ended June 30, 2021

| | One Drexel Plaza | 201 Cheswold Street | All Other Properties | Total |
|-------------------------------------------------------------------|------------------------|---------------------------|----------------------------|----------------------|
| Operating | | | | |
| Revenues: | | | | |
| Rents | | | | |
| Minimum lease payment, net | \$ 4,417,409 | \$ - | \$ 1,384,975 | \$ 5,802,384 |
| Common area expense and utilities | 2,173,299 | - | 2,360 | 2,175,659 |
| Interest | - | - | 4,205 | 4,205 |
| Management fee income, affiliate | - | - | 125,020 | 125,020 |
| Miscellaneous | 427,720 | - | 50,222 | 477,942 |
| Total revenues | 7,018,428 | - | 1,566,782 | 8,585,210 |
| Expenses: | | | | |
| Depreciation and amortization | 264,472 | - | 631,618 | 896,090 |
| Commissions | 46,359 | - | - | 46,359 |
| Dues and licenses | 2,626 | - | 9,140 | 11,766 |
| Payroll | 438,288 | 44,817 | 94,864 | 577,969 |
| Employee benefits | 141,322 | 14,571 | 21,867 | 177,760 |
| Insurance | 150,529 | - | 58,833 | 209,362 |
| Office | 4,208 | - | 4,858 | 9,066 |
| Professional development | 32,988 | - | 7,239 | 40,227 |
| Professional fees | 149,459 | - | 65,811 | 215,270 |
| Property taxes | 86,356 | - | 2,125 | 88,481 |
| Repairs and maintenance | 880,195 | - | 673,014 | 1,553,209 |
| Security | 422,721 | - | 41,831 | 464,552 |
| Taxes other | - | - | 31,067 | 31,067 |
| Telephone | 35,564 | - | 14,919 | 50,483 |
| Trash removal | 8,206 | - | 84,294 | 92,500 |
| Utilities | 392,093 | - | 199,592 | 591,685 |
| Miscellaneous | 37,639 | - | 13,645 | 51,284 |
| Total expenses | 3,093,025 | 59,388 | 1,954,717 | 5,107,130 |
| Increase / (decrease) in net assets - operating activities | 3,925,403 | (59,388) | (387,935) | 3,478,080 |
| Non-operating | | | | |
| Transfers to Drexel Endowment | (1,290,588) | - | (250,412) | (1,541,000) |
| Decrease in net assets - non-operating activities | (1,290,588) | - | (250,412) | (1,541,000) |
| Total increase / (decrease) in net assets | \$ 2,634,815 | \$ (59,388) | \$ (638,347) | \$ 1,937,080 |
| Net assets, beginning of year | 25,903,204 | (580,726) | (1,202,262) | 24,120,217 |
| Net assets, end of year | \$ 28,538,019 | \$ (640,114) | \$ (1,840,609) | \$ 26,057,297 |

Academic Properties, Inc.
Notes to the Supplement Schedules of Revenue and Expenses by Property Category
June 30, 2022 and 2021

1. Notes to the Supplemental Schedule of Revenue and Expenses by Property Category

The accompanying supplemental information includes the information related to certain properties owned by the Company as of June 30, 2022, and 2021 and the related statements of activities for the years then ended. It has been prepared in a manner consistent with generally accepted accounting principles and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The supplemental combining information is presented only for purposes of additional analysis and not as a presentation of the statement of activities.