



LIFT Orlando, Inc. and Subsidiaries

Consolidated Financial Statements
Year Ended December 31, 2015

LIFT Orlando, Inc. and Subsidiaries

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Independent Auditor's Report

Board of Directors
LIFT Orlando, Inc. and Subsidiaries
Orlando, Florida

We have audited the accompanying consolidated financial statements of LIFT Orlando, Inc. and Subsidiaries which comprise the consolidated statement of financial position as of December 31, 2015, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the 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 the entity'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 the entity'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 LIFT Orlando, Inc. and Subsidiaries as of December 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

BDO USA, LLP

BDO USA, LLP
July 15, 2016

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Consolidated Financial Statements

LIFT Orlando, Inc. and Subsidiaries
Consolidated Statement of Financial Position

<i>December 31,</i>	2015
Assets	
Current:	
Cash	\$ 483,881
Grant receivable (Note 5)	198,500
Related party receivable (Note 3)	96,314
Total current assets	778,695
Property held for development (Notes 3, 4 and 5)	3,237,114
Loan costs, net of accumulated amortization of \$4,167	27,083
	\$ 4,042,892
Liabilities and Net Assets	
Current:	
Accounts payable and other accrued expenses	\$ 161,139
Accrued legal fees	146,842
Related party payable (Note 3)	46,688
Total current liabilities	354,669
Notes payable (Note 4)	3,392,266
Total liabilities	3,746,935
Net assets:	
Unrestricted	128,223
Temporarily restricted (Note 6)	167,734
Total net assets	295,957
	\$ 4,042,892

See accompanying consolidated notes to financial statements.

LIFT Orlando, Inc. and Subsidiaries

Consolidated Statement of Activities

<i>Year Ended December 31, 2015</i>	Unrestricted	Temporarily Restricted	Total
Revenues and Support:			
Contributions	\$ 366,693	\$ 135,035	\$ 501,728
In-Kind Contribution (Note 4)	-	169,495	169,495
Net assets released from restrictions (Note 6)	136,796	(136,796)	-
Total revenues and support	503,489	167,734	671,223
Expenses:			
Program	187,747	-	187,747
Management and general	132,979	-	132,979
Fundraising	54,540	-	54,540
Total expenses	375,266	-	375,266
Change in net assets	128,223	167,734	295,957
Net assets, beginning of year	-	-	-
Net assets, end of year	\$ 128,223	\$ 167,734	\$ 295,957

See accompanying consolidated notes to financial statements.

LIFT Orlando, Inc. and Subsidiaries
Consolidated Statement of Functional Expenses

<i>Year Ended December 31, 2015</i>	Program	Management and General	Fundraising	Total
Salaries and benefits	\$ 16,662	\$ 102,864	\$ 24,143	\$ 143,669
Professional fees	55,047	11,240	12,444	78,731
Education grant	67,000	-	-	67,000
Communications	12,329	-	10,768	23,097
Meetings	16,617	922	1,584	19,123
Rent	5,249	10,498	1,750	17,497
Health and wellness grants	6,293	-	-	6,293
Utilities	1,601	3,852	736	6,189
Amortization	4,167	-	-	4,167
Insurance	2,091	1,394	-	3,485
Miscellaneous	270	546	2,435	3,251
Office administration	421	1,663	680	2,764
	\$ 187,747	\$ 132,979	\$ 54,540	\$ 375,266

See accompanying consolidated notes to financial statements.

LIFT Orlando, Inc. and Subsidiaries

Consolidated Statement of Cash Flows

<i>Year Ended December 31,</i>	2015
Cash flows from operating activities:	
Change in net assets	\$ 295,957
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Amortization	4,167
In-kind contribution	(107,734)
(Increase) decrease in:	
Grant receivable	(198,500)
Related party receivable	(96,314)
Increase (decrease) in:	
Accounts payable and other accrued expenses	161,139
Accrued legal fees	146,842
Related party payable	46,688
Net cash provided by operating activities	252,245
Cash flows from investing activities:	
Payments for property held for development	(3,237,114)
Cash flows from financing activities:	
Proceeds from notes payable	3,500,000
Loan costs	(31,250)
Net cash provided by financing activities	3,468,750
Net increase in cash	483,881
Cash, beginning of year	-
Cash, end of year	\$ 483,881

See accompanying consolidated notes to financial statements.

LIFT Orlando, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

1. Nature of Organization

LIFT Orlando, Inc. ("LIFT Orlando") is a non-profit, tax exempt organization founded in 2013 to represent a new approach for solving complex social problems in order to break the cycle of poverty through neighborhood revitalization. LIFT Orlando was formed by Orlando business leaders partnering with residents to accelerate community transformation by achieving the shared goals of mixed income housing, cradle to career education, community wellness and long-term economic viability.

LIFT Orlando is the sole member and manager of the following wholly owned subsidiaries (collectively, the "Organization"):

- LIFT Orlando Community Land, LLC ("LOCL") - a Florida limited liability company formed in February 2015 for the purpose of acquiring, financing and operating real property that will be used to foster low income housing.
- LIFT Orlando GP, LLC ("LOGP") - a Florida limited liability company formed in February 2015 for the purpose of owning a .051% general partnership interest and serving as the charitable general partner of West Lakes Phase I, LP, which was formed for the purpose of leasing certain land to develop and construct Phase I of an affordable and mixed income multifamily apartment complex named The Villages at West Lakes (the "Project"). See Note 3 for further discussion.
- LIFT Orlando Community Development, LLC ("LOCD") - a Florida limited liability company formed in February 2015 for the purpose of development activity that fosters low income housing. LOCD had no activity during 2015.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of LIFT Orlando and its wholly-owned subsidiaries LOCL, LOGP and LOCD. All significant intercompany balances and transactions have been eliminated.

LIFT Orlando and LOGP are partners in West Lakes Phase II, LP ("WLP2") and collectively own 100% of WLP2, which will therefore be considered a wholly-owned subsidiary. WLP2 had no activity during the year ended December 31, 2015.

Investment in West Lakes Phase I, LP

LOGP has a .051% investment in West Lakes Phase I, LP ("WLP1"), which is to be recorded at acquisition cost. The acquisition cost was determined to be immaterial to the consolidated financial statements and is therefore not reflected in the accompanying statement of financial position.

Basis of Presentation

The accompanying consolidated financial statements are presented on the accrual basis of accounting.

LIFT Orlando, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Net Assets

Unrestricted net assets consist of amounts that are available for use in carrying out the activities of the Organization. Temporarily restricted net assets represent those amounts which are not available until future periods or are donor restricted for specific purposes. Permanently restricted net assets result from gifts and bequests from donors who place restrictions on the use of the funds which mandate that the original principal be invested in perpetuity. The Organization did not have any permanently restricted net assets at December 31, 2015.

Property Held for Development

Property held for development is recorded at cost and represents the land acquired for the Project, including costs to acquire the land and interest on the borrowings used to purchase the land.

Impairment of Long-Lived Assets

In the event that facts and circumstances indicate that long-lived assets or other assets, including intangibles, may be impaired, an evaluation of recoverability would be performed. If an evaluation is required, the estimated future undiscounted cash flows associated with the asset would be compared to the asset's carrying amount to determine if a write-down is required. If a write-down is required, the Organization would prepare a discounted cash flow analysis to determine the amount of the write-down. There was no impairment of long-lived assets during 2015.

Contributions and Donor Restrictions

Contributions, including unconditional promises to give, are recorded at fair value when made. All contributions are available for unrestricted use unless specifically restricted by the donor. Contributions receivable are reduced to the amount estimated to be realized by an allowance for uncollectible contributions. Contributions to be received in future periods greater than one year are generally discounted to their present value in the year the contribution is made. Conditional promises to give are not recognized until they become unconditional, that is, when the condition on which they depend are substantially met.

Contributions received that are designated for future periods or are restricted by the donor for specific purposes are reported as temporarily or permanently restricted support that increases those net asset classes. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the consolidated statement of activities as net assets released from restriction.

Contributions of assets other than cash are recorded at fair market value at the date of donation. Contributed services are recognized as contributions if the services create or enhance nonfinancial assets, require specialized skills and are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization did not receive any contributed services during 2015.

LIFT Orlando, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Grants Receivable and Revenue

Certain grants received by the Organization are exchange transactions in which each party receives and sacrifices commensurate value. Funds from these exchange transactions are not considered contributions and, as such, are deemed to be earned and reported as revenue when such funds have been expended towards their designated purpose. Deferred revenue represents grant payments collected in advance of revenue recognition.

Income Taxes

LIFT Orlando is a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code and is exempt from state income taxes under similar provisions in the Florida Income Tax Code. LIFT Orlando's wholly owned subsidiaries were incorporated under the Florida Revised Limited Liability Company Act and are considered disregarded entities for federal and state income tax purposes. Therefore, no provision for income taxes has been included in the accompanying consolidated financial statements.

The Organization identifies and evaluates uncertain tax positions, if any, and recognizes the impact of uncertain tax positions for which there is a less than more-likely-than-not probability of the position being upheld when reviewed by the relevant taxing authority. Such positions are deemed to be unrecognized tax benefits and a corresponding liability is established on the statement of financial position. The Organization has not recognized a liability for uncertain tax positions. If there were an unrecognized tax benefit, the Organization would recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. The Organization's tax years subject to examination by the Internal Revenue Service generally remain open for three years from the date of filing.

Functional Allocation of Expenses

The costs of providing the various programs and other activities of the Organization have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Fair Value Measurements

The Organization reports its financial assets and liabilities using a three-tier hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described below:

Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates); and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

LIFT Orlando, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Level 3 - Inputs that are both significant to the fair value measurement and unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management. The respective carrying values of certain on-balance-sheet financial instruments approximated their fair values due to the short-term nature of these instruments. These financial instruments include cash and cash equivalents, accounts receivable, accounts payable and accrued expenses. The fair value of the Company's notes payable is estimated based on current rates that would be available for debt of similar terms which is not significantly different from its stated value.

At December 31, 2015, the Organization does not have any financial assets or liabilities that are required to be fair valued on a recurring basis that would need to be disclosed as Level 1, 2 or 3 financial instruments in the fair value hierarchy.

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 consolidated financial statements and the reported amounts of revenues, gains, and other support and expenses during the reporting period. Actual results could differ from those estimates.

Recent Accounting Pronouncements

Revenue

In May 2014, the FASB issued Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers (ASU 2014-09), which supersedes nearly all existing revenue recognition guidance under U.S. GAAP. The core principle of ASU 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services. ASU 2014-09 defines a five step process to achieve this core principle and, in doing so, more judgment and estimates may be required within the revenue recognition process than are required under existing U.S. GAAP.

The standard is effective for annual periods beginning after December 15, 2018, using either of the following transition methods: (i) a full retrospective approach reflecting the application of the standard in each prior reporting period with the option to elect certain practical expedients, or (ii) a retrospective approach with the cumulative effect of initially adopting ASU 2014-09 recognized at the date of adoption (which includes additional footnote disclosures). The new standard allows for early adoption for annual periods beginning after December 15, 2016. The Organization is currently evaluating the impact of its pending adoption of ASU 2014-09 on its financial statements and has not yet determined the method by which it will adopt the standard.

LIFT Orlando, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Leases

In February 2016, the FASB issued Accounting Standards Update No. 2016-02, *Leases*. The new standard establishes a right-of-use (ROU) model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement.

This new standard is effective for fiscal years beginning after December 15, 2019. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Organization is currently evaluating the impact of its pending adoption of the new standard on its financial statements.

3. Investment in West Lakes Phase I, LP

West Lakes Phase I, LP ("WLP1") was formed on February 24, 2015 for the purpose of leasing certain land to develop and construct Phase I of the Project to consist of 200 affordable housing units ("Phase I"). WLP1 is responsible for obtaining financing for Phase I in the form of tax incentive credits and equity financing and entering into a ground lease for the underlying property owned by LOCL. The Project is expected to constitute a "qualified low-income housing project" as defined by Section 42(g)(1) of the Internal Revenue Code. LOGP is the charitable general partner of WLP1 and participates materially in the charitable activities of WLP1 in accordance with the Amended and Restated Agreement of Limited Partnership of WLP1 dated May 4, 2015.

On October 28, 2015, WLP1 entered into a Carryover Allocation Agreement with the Florida Housing Finance Corporation, whereby it will receive an estimated \$23 million award of low income housing credits based upon the expected cost basis of the development project. Annual allocations are not to exceed \$2,110,000. WLP1 received its first allocation payment in April 2016 in the amount of \$400,000. In order for the closing of these credits to take place, WLP1 is required to commence construction and close its tax credit partnership by July 31, 2016, as well as submit certain progress reports as stipulated in the agreement. In addition, WLP1 is required to expend a minimum of 10% of the cost basis of \$22,813,383 by April 30, 2016 which was achieved. All buildings must be placed in service on or before October 31, 2017. If the requirements of the Carryover Allocation Agreement are not met or related deadlines extended, the credits allocated will be considered returned to the Florida Housing Finance Corporation.

Effective May 4, 2015, WLP1 entered into a Ground Lease with LOCL for the real property owned by LOCL upon which Phase I will be developed. The Ground lease is for a period of 55 years from the date WLP1 takes possession of the real property. The possession date is defined as the date of closing of the equity financing from a low income housing tax credit investor for Phase I and the one-time rent payment of \$1,500,000 is made. In April 2016, WLP1 paid LOCL \$1,250,000 and entered into a promissory note with LOCL for the remaining amount due of \$250,000, with interest accruing at a rate of 3% per annum. The entire unpaid principal amount together with accrued interest shall be due and payable on April 28, 2048. This note is subordinated to other debt of WLP1. The Ground Lease will automatically terminate on May 4, 2017 if the equity financing has not occurred and rent payment has not been made.

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Notes to Consolidated Financial Statements

Effective April 15, 2016, WLP1 entered into a Development Services Agreement (“DSA”) with LOCD and New Affordable Housing Partners, LLC (“NAHP”), an affiliate of the general and limited partner of WLP1, in connection with the Organization’s Development Agreement with the City of Orlando (see Note 5). NAHP and LOCD will earn a development fee for supervising and coordinating the development and construction of Phase I. NAHP will have the primary responsibility for performing such services and LOCD will work with local governments and organizations when requested by NAHP to assist in obtaining the necessary permits and approvals and to obtain local support as well as provide meaningful input on the plans and renderings. The development fee will be earned no later than the completion of Phase I. The development fee will be in the maximum amount permitted by Florida Housing Finance Corporation and will be split between NAHP and LOCD as follows: 1) the first 25% paid to NAHP; 2) the next 15% paid to LOCD; and 3) the remaining 60% be split equally between NAHP and LOCD.

The Organization paid \$96,314 of expenses on behalf of WLP1 during the year ended December 31, 2015 related to carrying costs related to the land, which is recorded as related party receivable on the accompanying statement of financial position and was partially repaid in 2016.

During the year ended December 31, 2015, WLP1 paid \$46,688 of expenses on behalf of the Organization related to costs to remove environmental contamination from the Phase I property which is being funded by the City of Orlando (See Note 5) and is recorded as related party payable on the accompanying statement of financial position. This was paid to WLP1 in 2016.

4. Notes Payable

On May 1, 2015, LOCL entered into a \$4,000,000 loan agreement with a local foundation (the “Foundation”) in connection with the issuance of two notes payable for 1) \$3,100,000 to acquire the land for the Project and 2) \$900,000 made available for the demolition (including environmental remediation) of the vacant apartment complex for Phase I of the Project (collectively, the “Notes”). The Organization borrowed \$3,500,000 under these Notes as of December 31, 2015.

Annual interest under the Notes is 1%, which is considered a below market interest rate. Accordingly, a temporarily restricted in-kind contribution from the Foundation is recorded in the amount of \$169,495 on the accompanying statement of activities which represents the difference between the fair value of the loans at their stated rate and the fair value of the loans at a market interest rate. This amount reduced the notes payable balance and will be amortized to property held for development over the life of the loans. Principal payments are due as follows:

- \$1,250,000 (Phase I Payment) is due upon the closing of the equity financing from a low income housing tax credit investor for Phase I (see Note 3). This amount was paid to the Foundation in April 2016.
- \$2,150,000 is due from developer fees received by LOCD for Phase I and subsequent phases in connection with the DSA (see Note 3).
- \$600,000 is due upon the date a fixed one-time rent payment (see Note 3) is received at the time equity financing from a low income housing tax credit investor to commence construction of subsequent phases of the Project.

LIFT Orlando, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

The maturity date of the Notes is May 1, 2020, but will be accelerated to May 1, 2018 if, by April 1, 2018, the financing for Phase I is not completed and the Phase I Payment noted above is not made.

The Notes are collateralized by the land and all developer fees payable to LOCL under the DSA.

5. City of Orlando Agreements

Contract of Sale for Real Property and Development Agreement

On March 9, 2015, the City of Orlando entered into a Contract of Sale with LIFT Orlando for approximately \$3,226,000 for the sale of certain land and three vacant apartment complexes to be used for the Project. On April 9, 2015, this Contract was amended to eliminate one of the apartment complexes and reduce the purchase price to approximately \$2,826,000. Effective May 1, 2015, the City of Orlando entered into a Development Agreement with LIFT Orlando and LOCL (as required by the Contract of Sale) to redevelop two of the apartment complexes, one of which is designated as Phase I of the Project (see Note 3). The Development Agreement requires the demolition of two of the vacant apartment complexes and construction of Phase I of the Project be completed by May 1, 2017.

Community Development Block Grant

On October 26, 2015, LIFT Orlando and LOCL entered into a Community Development Block Grant Program Agreement ("CDBG Agreement") with the City of Orlando, whereby the City will provide \$1,250,000 in the form of a loan for the removal of asbestos and environmental contamination from the apartment complex for Phase I (the "Property") to be completed by September 30, 2016. The CDBG Agreement requires the Property be restricted to use as affordable housing for low- and moderate-income households for five years and 51% of the units be occupied by such households by December 31, 2018, the expiration date of the CDBG Agreement.

On November 3, 2016, LOCL entered into a Promissory Note ("CDBG Note") for \$1,250,000 in connection with the CDBG Agreement which is due on December 31, 2023; however, if LOCL is not in default under the terms of the CDBG Agreement or Note, the amount will be forgiven in its entirety. The CDBG Note is secured by a mortgage on the Property and is subordinate to the Notes payable to the Foundation (see Note 4), the mortgage securing the State Apartment Incentive Loan provided by the Florida Housing Finance Corporation (see Note 3) and future mortgages to be obtained for construction of Phase I.

Amounts received in connection with the CDBG Agreement and Note will be recorded as a loan payable to the City of Orlando until the CDBG Note is forgiven, at which time it will be recognized as revenue. During 2015, costs of \$198,500 were incurred by LIFT Orlando which were not funded by the City of Orlando until 2016 and was recorded as grant receivable at December 31, 2015.

LIFT Orlando, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

6. Temporarily Restricted Net Assets and Releases from Restrictions

Temporarily restricted net assets are available for the following purposes:

<i>December 31,</i>	2015
In-kind contribution of interest on notes payable	\$ 107,734
Education grant to Nap Ford Community Center	50,000
Community needs evaluation and research	10,000
	<hr/>
	\$ 167,734

Net assets were released from donor restrictions as follows:

<i>Year Ended December 31,</i>	2015
In-kind contribution of interest on notes payable	\$ 61,761
Education grant to Nap Ford Community Center	67,000
Health and wellness grant and other	8,035
	<hr/>
	\$ 136,796

The in-kind contribution of interest on the notes payable as discussed in Note 4 will be released over the life of the related notes.

7. Concentrations

Concentration of Credit Risk

Financial instruments which potentially expose the Organization to concentrations of credit risk, as defined by accounting principles generally accepted in the United States of America, include bank accounts in excess of federally insured balances at December 31, 2015. In management's opinion, the capitalization and operating history of the financial institution which holds its accounts is such that the likelihood of loss is remote.

Concentration of Revenue

A substantial portion of the Organization's revenues are derived from contributions from donors in the Orlando area and a grant from the City of Orlando.

LIFT Orlando, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

8. Subsequent Events

The Organization has evaluated events and transactions occurring subsequent to December 31, 2015 as of July 15, 2016, which is the date the consolidated financial statements were available to be issued. Subsequent events occurring after July 15, 2016 have not been evaluated by management. No material events have occurred since December 31, 2015, that require recognition or disclosure in the consolidated financial statements except as follows:

- In March 2016, WLP1 amended its limited partnership agreement to reflect a change in ownership, which did not change LOGP's .051% ownership percentage of WLP1. WLP1 entered into a Commitment Letter with the new partners for acquisition of the partnership interests.
- In April 2016, LOCL received \$1,250,000 from WLP1 related to the \$1,500,000 one-time rent payment under the Ground Lease with WLP1 (see Note 3) and entered into a promissory note for \$250,000 for the remaining amount due. The payment was used to pay-down the principal borrowed on the notes payable with the Dr. P. Philips Foundation (see Note 4).
- In April 2016, WLP1 entered into a loan in the amount of approximately \$22 million with a financial institution to fund development costs of Phase I of the Project.