



LIFT Orlando, Inc. and Subsidiaries

Consolidated Financial Statements
Years Ended December 31, 2021 and 2020

The report accompanying these financial statements was issued by BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of BDO International Limited, a UK company limited by guarantee.



LIFT Orlando, Inc. and Subsidiaries

Consolidated Financial Statements
Years Ended December 31, 2021 and 2020

LIFT Orlando, Inc. and Subsidiaries

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Independent Auditor's Report

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

Opinion

We have audited the accompanying consolidated financial statements of LIFT Orlando, Inc. and its subsidiaries (the Organization), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021 and 2020, and changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, 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 the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued or 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 the Organization'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 the Organization'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.

BDO USA LLP

May 27, 2022

Consolidated Financial Statements

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

<i>December 31,</i>	2021	2020
Assets		
Current		
Cash and cash equivalents	\$ 11,725,272	\$ 8,026,853
Restricted cash	456,882	-
Contributions receivable, net, current	546,500	166,060
Related-party receivables, current	25,000	704,908
Prepays and other current assets	49,033	36,223
Total Current Assets	12,802,687	8,934,044
Property and Construction in Progress	7,864,839	4,747,318
Other Assets		
Leveraged loan receivable	9,246,250	-
Contributions receivable, net, long-term	15,750	52,473
Note receivable from related party	250,000	250,000
Related-party receivables, long-term	485,244	756,205
Investment in West Lakes Phase I	500,000	500,000
Investment in West Lakes Phase II	-	150,000
Deposit	5,000	-
Total Other Assets	10,502,244	1,708,678
Total Assets	\$ 31,169,770	\$ 15,390,040
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 1,175,162	\$ 71,225
Loan payable - the Foundation, net	-	379,213
Deferred lease revenue, current	27,273	27,273
Total Current Liabilities	1,202,435	477,711
Long-Term Liabilities		
Note payable to city of Orlando	1,250,000	1,250,000
Note payable - SBA Paycheck Protection Program	-	168,300
Notes payable, net	13,216,663	-
Deferred lease revenue	1,318,181	1,345,454
Total Long-Term Liabilities	15,784,844	2,763,754
Total Liabilities	16,987,279	3,241,465
Commitments and Contingencies (Note 13)		
Net Assets		
Without donor restrictions	13,610,354	4,648,727
With donor restrictions	572,137	7,499,848
Total Net Assets	14,182,491	12,148,575
Total Liabilities and Net Assets	\$ 31,169,770	\$ 15,390,040

See accompanying notes to consolidated financial statements.

LIFT Orlando, Inc. and Subsidiaries
Consolidated Statements of Activities

Year ended December 31,

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support						
Contributions	\$ 793,949	\$ 2,373,000	\$ 3,166,949	\$ 828,043	\$ 1,811,534	\$ 2,639,577
Development fee revenue	144,877	-	144,877	260,054	-	260,054
Lease revenue	27,273	-	27,273	27,273	-	27,273
In-kind contributions	203,426	-	203,426	11,578	-	11,578
Special events	69,995	-	69,995	-	-	-
Loan forgiveness - SBA Paycheck Protection Program	341,223	-	341,223	-	-	-
Other income	56,882	425	57,307	10,399	33,379	43,778
Net assets released from restrictions	9,301,136	(9,301,136)	-	866,301	(866,301)	-
Total Revenues and Support	10,938,761	(6,927,711)	4,011,050	2,003,648	978,612	2,982,260
Expenses						
Program	1,235,977	-	1,235,977	1,180,445	-	1,180,445
Management and general	470,410	-	470,410	514,582	-	514,582
Fundraising	270,747	-	270,747	240,160	-	240,160
Total Expenses	1,977,134	-	1,977,134	1,935,187	-	1,935,187
Change in Net Assets	8,961,627	(6,927,711)	2,033,916	68,461	978,612	1,047,073
Net Assets, beginning of year	4,648,727	7,499,848	12,148,575	4,580,266	6,521,236	11,101,502
Net Assets, end of year	\$ 13,610,354	\$ 572,137	\$ 14,182,491	\$ 4,648,727	\$ 7,499,848	\$ 12,148,575

See accompanying notes to consolidated financial statements.

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

Year ended December 31,

	2021				2020			
	Program	Management and General	Fundraising	Total	Program	Management and General	Fundraising	Total
Salaries and benefits	\$ 549,714	\$ 371,853	\$ 132,420	\$ 1,053,987	\$ 485,370	\$ 379,872	\$ 184,503	\$ 1,049,745
Professional fees	227,340	11,875	93,619	332,834	110,925	-	42,121	153,046
Communications	92,500	14,709	10,955	118,164	16,233	32,610	-	48,843
Economic viability grants	77,500	-	-	77,500	177,938	-	-	177,938
Office administration	25,614	39,165	12,047	76,826	10,647	71,712	7,490	89,849
Community engagement grants	64,750	-	-	64,750	58,125	-	-	58,125
Meetings and events	31,106	12,346	19,209	62,661	3,479	515	1,748	5,742
Education grants	33,853	-	-	33,853	167,878	-	-	167,878
Housing grants	30,000	-	-	30,000	-	-	-	-
Occupancy costs	22,978	1,453	1,571	26,002	15,368	5,959	3,577	24,904
Interest expense	25,997	-	-	25,997	2,083	-	-	2,083
Miscellaneous	15,831	8,798	926	25,555	2,096	8,096	721	10,913
Insurance	15,914	6,820	-	22,734	21,445	9,191	-	30,636
Health and wellness grants	11,000	-	-	11,000	-	-	-	-
Legal fees	4,496	3,391	-	7,887	34,378	6,627	-	41,005
Other program costs	7,384	-	-	7,384	74,480	-	-	74,480
	\$ 1,235,977	\$ 470,410	\$ 270,747	\$ 1,977,134	\$ 1,180,445	\$ 514,582	\$ 240,160	\$ 1,935,187

See accompanying notes to consolidated financial statements.

LIFT Orlando, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

Year ended December 31,	2021	2020
Cash Flows from Operating Activities		
Change in net assets	\$ 2,033,916	\$ 1,047,073
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Amortization of loan costs	25,997	2,083
Contributions restricted for capital projects	(2,000,000)	(1,000,000)
Contributed services	(198,883)	-
Contributed interest	(469)	(11,484)
Forgiveness of related-party receivable	25,000	25,000
Loan forgiveness, SBA Paycheck Protection Program	(341,223)	-
Changes in assets and liabilities:		
Contributions receivable	(343,717)	119,078
Related-party receivables	1,075,869	1,148,937
Prepaid and other current assets	(12,810)	(29,566)
Deposit	(5,000)	-
Accounts payable and accrued expenses	1,103,937	4,101
Deferred lease revenue	(27,273)	(27,273)
Net Cash Provided by Operating Activities	1,335,344	1,277,949
Cash Flows from Investing Activities		
Payments for property and construction in progress	(2,006,191)	(281,675)
Proceeds issued for leveraged loan receivable	(9,246,250)	-
Net Cash Used in Investing Activities	(11,252,441)	(281,675)
Cash Flows from Financing Activities		
Payment on loan payable - the Foundation	(381,569)	(599,753)
Borrowings on note payable - SBA Paycheck Protection Program	172,923	168,300
Borrowings on notes payable	13,191,194	-
Payments of loan costs	(765,273)	-
Payments on notes payable	(144,877)	-
Contributions restricted for capital projects	2,000,000	1,000,000
Net Cash Provided by Financing Activities	14,072,398	568,547
Net Increase in Cash and Cash Equivalents	4,155,301	1,564,821
Cash and Cash Equivalents, beginning of year	8,026,853	6,462,032
Cash and Cash Equivalents, end of year	\$ 12,182,154	\$ 8,026,853
Supplemental Information		
Cash paid for interest capitalized to construction in progress	\$ 51,645	\$ -
Cash is included in the following captions on the consolidated statements of financial position:		
Cash and cash equivalents	\$ 11,725,272	\$ 8,026,853
Restricted cash	456,882	-
	\$ 12,182,154	\$ 8,026,853
Non-Cash Investing and Financing Activities		
Capitalized interest	\$ 32,368	\$ 26,761
Issuance of note payable for purchase of land	1,100,000	-
Loan forgiveness, SBA Paycheck Protection Program	341,223	-
Contributed services capitalized to construction in progress	8,505	-
Contributed services capitalized as loan costs	190,378	-

See accompanying notes to consolidated 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 organization working with residents, business leaders, and community partners toward neighborhood revitalization. LIFT Orlando strengthens neighborhoods through mixed-income housing, cradle to career education, health and wellness, and economic viability. LIFT Orlando achieves its mission of accelerating community transformation through neighborhood revitalization by investing in people, places, and partnerships.

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 serving as the charitable general partner of West Lakes Phase I, LP (WLP I), which was formed for the purpose of leasing certain land to develop and construct Phase I of a mixed-income multifamily apartment complex (Phase I) named Pendana at West Lakes (Pendana) completed in June 2018. See Note 5 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.
- *LIFT Orlando Phase II SLP, LLC (LOSLP)* - A Florida limited liability company formed in December 2015 for the purpose of serving as the special limited partner in West Lakes Phase II, LP (WLP II), which was formed for the purpose of owning and constructing an affordable senior housing community (Phase II) named Pendana Senior Residences at West Lakes completed in June 2020. See Note 6 for further discussion.
- *LIFT Orlando Impact Investment Fund Manager, LLC (LOIFM)* - A Florida limited liability company formed in September 2016 for the purpose of serving as the manager of Lift Orlando Impact Investment Fund, LLC (LOIF). See Note 2, *Investment in LOIF*, for further discussion.
- *Guinyard & Graham, LLC (G&G)* - A Delaware limited liability company formed in April 2017 for the purpose of entering into contracts for land acquisitions and other pre-development activities.
- *West Lakes HWC, Inc. (WLHWC)* - A Florida nonprofit organization formed in April 2021 as a supporting organization of LIFT Orlando for the primary purpose of the construction and operation of a Health and Wellness Center known as The Heart of West Lakes Wellness Center (Heart).

2. Summary of Significant Accounting Policies

Basis of Accounting

The consolidated financial statements of the Organization are prepared under the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

LIFT Orlando, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Principles of Consolidation

The consolidated financial statements include the accounts of LIFT Orlando and its wholly owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities; the 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.

Cash and Cash Equivalents

Cash equivalents are defined as highly liquid investments with original maturities of three months or less at the date of purchase and consist of money market accounts.

Restricted Cash

Restricted cash includes loan proceeds that are held in reserve fund accounts for certain fees to be paid quarterly to the lenders as described in Note 8.

Contributions Receivable

Contributions receivable represent unconditional promises to give and are recorded on the date the contribution is promised. Unconditional promises to give that are expected to be collected beyond one year are recorded at the present value of their future cash flows using risk-adjusted interest rates applicable to the years in which the promises are to be received. The Organization provides an allowance for uncollectible contributions receivable based on historical collection experience.

Investment in LOIIF

LOIIF is a Florida limited liability company formed in September 2016 for the purpose of acquiring; developing; constructing; financing; holding for investment; and eventually selling, exchanging, disposing, and otherwise dealing with the investments or any other assets. LOIIFM was the sole member and manager of LOIIF until additional investors were admitted into LOIIF in 2017 and, as a result, LOIIFM's ownership became 1%. Investment in LOIIF is accounted for under the equity method of accounting due to LOIIFM's significant influence over the operating and financial policies of LOIIF. LOIIFM's share of the equity in LOIIF at December 31, 2021 and 2020 and the years then ended was determined to be immaterial to the consolidated financial statements and is, therefore, not recorded.

Property and Construction in Progress

Land and land improvements and construction in progress are recorded at cost when purchased or at fair value on the date received if donated. Construction in progress costs will be allocated to the respective fixed assets when placed in service. Interest incurred on debt related to construction in progress is capitalized as construction in progress until the completed building is placed in service.

LIFT Orlando, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Rental property consists of land and related capitalizable costs of acquiring the land to be used for Phase I.

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 2021 and 2020.

Net Assets

Net Assets Without Donor Restrictions - Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes.

Net Assets with Donor Restrictions - Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time, and/or purpose restrictions.

The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires—that is, when a stipulated time restriction ends, or purpose restriction is accomplished—the net assets are reclassified as net assets without donor restriction and reported in the consolidated statements of activities as net assets released from restrictions.

See Note 10 for more information on the composition of net assets with donor restrictions and the release of restrictions.

Contributions Revenue

The Organization recognizes contributions when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give or contributions—that is, those with a measurable performance or other barrier and a right of return—are not recognized until the conditions on which they depend have been met. If the Organization receives conditional contributions of cash, securities, or other assets, whose conditions are not met as of year-end, the Organization reports the amounts as refundable advances. There were no conditional promises to give at December 31, 2021 or 2020.

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 individuals with those skills, and would otherwise be purchased by the Organization. During 2021 and 2020, the Organization received contributed legal services in the amounts of \$4,543 and \$11,578, respectively, which are included in in-kind contribution revenue and legal fees on the accompanying consolidated financial statements. In addition, during 2021, the Organization received contributed legal services in the amount of \$8,505 to assist in land acquisition and construction matters, which was capitalized to construction in progress and \$190,378 to assist in the facilitation of the Notes Payable and New Market Tax Credits (NMTC) financing, which was capitalized as loan costs.

LIFT Orlando, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Loan Costs

Loan costs related to the Organization's loans and notes payable are amortized on a straight-line basis over the term of the related debt into interest expense. Upon the early extinguishment of the related debt, any unamortized debt issuance costs are expensed. Loan costs, net of accumulated amortization, are presented on the accompanying consolidated statements of financial position as a direct deduction from the carrying amount of the related debt.

Development Fee Revenue

Development fees are recognized as revenue when control of the promised services, which represent the Organization's performance obligations and are defined in the related *Development Services Agreements* (see Notes 5 and 6), is transferred to the property owner in an amount that reflects the consideration the Organization expects to be entitled to in exchange for these services.

The Organization has considered several factors in determining that control of these services is transferred to the property owner over time and, therefore, satisfies its performance obligation and recognizes revenue over time. These factors include that the Organization is performing services that enhance an asset that is controlled by the property owner and has a right to payment as these services are performed. Management has determined that revenue will be recognized using the input method, which recognizes revenue on the basis of efforts or inputs expended relative to the total expected inputs to be expended and represents construction costs incurred. As a result, accounts receivable have been recorded in the amount that has not yet been received for the services that have been performed and are included in related-party receivables on the accompanying consolidated statements of financial position.

Lease Revenue and Deferred Lease Revenue

During 2016, the Organization received a one-time lease payment, which will be recognized over the term of the related lease (see Note 5). The unrecognized amount is shown as deferred lease revenue on the accompanying consolidated statements of financial position.

Functional Allocation of Expenses

The accompanying consolidated statements of functional expenses present expenses by function and natural classification. Salaries and related payroll expenses and certain office administration expenses are allocated among functional categories based on the estimated proportion of time spent relative to each function. Occupancy and certain office administration expenses are allocated among functional categories based on the estimated square footage used by employees in the various functional categories.

Income Taxes

LIFT Orlando and WLHWC are tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code (IRC) and are exempt from state income taxes under similar provisions in the Florida Income Tax Code. LIFT Orlando's other 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, except for LOGP. Therefore, no provision for income taxes has been included in the accompanying consolidated financial statements.

LIFT Orlando, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

During 2018 and 2020, LOGP and LOSLP, respectively, elected to be treated as a taxable corporation under provisions of the IRC and the Florida Income Tax Code. LOGP and LOSLP did not have any revenues during 2021 or 2020. 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 consolidated statements 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.

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 - This level consists of unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 - This level consists of 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.

Level 3 - This level consists of 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 equivalents; related-party receivables, current; accounts payable; and accrued expenses. The fair value of the Organization's note receivable; related-party receivable, long-term; and loans and notes payable are estimated based on current rates that would be available for debt of similar terms, which is not significantly different from its stated value.

LIFT Orlando, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

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.

Accounting Pronouncement Issued but Not Yet Adopted

Leases

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. This ASU requires a lessee to record, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments. For leases with a lease term of 12 months or less, a practical expedient is available whereby a lessee may elect, by class of underlying asset, not to recognize a right-of-use asset or lease liability. A lessee making this accounting policy election would recognize lease expense over the term of the lease, generally in a straight-line pattern. This guidance is effective for financial statements issued for fiscal years beginning after December 15, 2021. Early adoption is permitted. In transition, a lessee and a lessor will recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. The modified retrospective approach includes a number of optional practical expedients. These practical expedients relate to identifying and classifying leases that commenced before the effective date, initial direct costs for leases that commenced before the effective date, and the ability to use hindsight in evaluating lessee options to extend or terminate a lease or to purchase the underlying asset. ASU 2018-11, *Leases*, was issued in June 2018, which permits entities to choose to initially apply ASU 2016-02 at the adoption date and recognize a cumulative-effect adjustment to the opening balance of net assets in the period of adoption. Management is currently evaluating the impact of this ASU on its consolidated financial statements.

Contributed Nonfinancial Assets

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for Profit Entities for Contributed Nonfinancial Assets*, which amends guidance for not-for-profit entities that receive contributed nonfinancial assets. The update requires not-for-profits to present contributed nonfinancial assets as a separate line item in the statement of activities and to disclose information regarding each type of non-contributed nonfinancial asset. The update is to be applied on a retrospective basis and is effective for annual reporting periods beginning after June 15, 2021. Management is currently evaluating the impact of this ASU on its consolidated financial statements.

Reclassifications

Certain items have been reclassified in the 2020 consolidated financial statements to conform to the 2021 presentation. These reclassifications did not have an impact on change in net assets.

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

3. Contributions Receivable

Contributions receivable are due as follows:

<i>December 31,</i>	2021		2020	
Less than one year	\$	546,500	\$	171,500
One to five years		15,750		62,250
		562,250		233,750
Less:				
Allowance for uncollectible contributions receivables		-		(5,517)
Present value discount on contributions receivable ranging from 1.58% to 1.62%		-		(9,700)
	\$	562,250	\$	218,533
Contributions receivable, current, net	\$	546,500	\$	166,060
Contributions receivable, long-term, net		15,750		52,473
	\$	562,250	\$	218,533

4. Property and Construction in Progress

Property and construction in progress is summarized as follows:

<i>December 31,</i>	2021		2020	
Land and land improvements	\$	1,130,981	\$	-
Rental property		4,156,032		4,155,563
Construction in progress		2,577,826		591,755
	\$	7,864,839	\$	4,747,318

At December 31, 2021, the Organization has a remaining commitment to a contractor for the construction of the core and shell of the Heart for approximately \$6,350,000.

5. Investment in West Lakes Phase I, LP

Investment in WLP I is recorded at carrying value on the consolidated statements of financial position. Recognized gains and losses, dividends, interest, and other income generated by this investment will be reported in the consolidated statements of activities as increases in net assets without donor restrictions. WLP I was formed on February 24, 2015 for the purpose of leasing certain land to develop and construct Phase I of Pendana to consist of 200 mixed-income housing units. WLP I obtained financing for Phase I in the form of tax incentive credits and equity financing and entered into a ground lease as discussed below for the underlying property owned by LOCL. Phase I constitutes a “qualified low-income housing project,” as defined by Section 42(g)(1) of the IRC and was completed in June 2018. LOGP made a capital contribution to WLP I in the amount of \$500,000 in 2017 and has a 0.0051% interest in WLP1.

Effective May 4, 2015, LOCL entered into a 55-year ground lease with WLP 1 for the real property owned by LOCL for Phase I and received a one-time rent payment of \$1,500,000 on April 28, 2016,

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in the form of cash of \$1,250,000 and a promissory note for the remaining amount due of \$250,000 presented as note receivable from related party on the accompanying consolidated statements of financial position. The note receivable accrues interest at 3% per annum and is due on April 28, 2048, including accrued interest, and is subordinated to other debt of WLP I. As of December 31, 2021 and 2020, accrued interest of \$42,596 and \$35,096, respectively, is included in related-party receivables, long-term, on the accompanying consolidated statements of financial position. The one-time rent payment of \$1,500,000 was recorded as deferred lease revenue on the accompanying consolidated statements of financial position and is amortized to lease revenue over the term of the lease. Deferred lease revenue was \$1,345,454 and \$1,372,727 at December 31, 2021 and 2020, respectively. The Organization recognized \$27,273 of lease revenue during each of years ended December 31, 2021 and 2020.

Effective April 15, 2016, WLP I entered into a Development Services Agreement (DSA) with LOCD and New Affordable Housing Partners, LLC (NAHP) (collectively, the Developers), as amended on March 3, 2017. NAHP is an affiliate of the general and limited partner of WLP I. NAHP and LOCD earned a development fee for supervising and coordinating the development and construction of Phase I completed in June 2018. Total developer fees earned by LOCD and due from WLP I as of December 31, 2021 and 2020 are \$410,802 and \$497,558, respectively, and are payable as stipulated in the agreement, but no later than the 15th anniversary date of the completion of Phase I, and are included in related-party receivables, current, of \$0 and related-party receivables, long-term, of \$410,802 and \$497,558, respectively.

6. Investment in West Lakes Phase II, LP

Investment in WLP II is recorded at carrying value on the consolidated statements of financial position. Recognized gains and losses, dividends, interest, and other income generated by this investment will be reported in the consolidated statements of activities as increases in net assets without donor restrictions. WLP II is a Florida limited liability company formed in June 2015 for the purpose of holding the contract right to purchase fee interest in land from LOCL for Phase II of Pendana. WLP II obtained financing for Phase II in the form of tax incentive credits and equity financing and HOME project funds from the city of Orlando. Phase II is a “qualified low-income housing project,” as defined by Section 42(g)(1) of the IRC and was completed in June 2020 and placed in service in September 2020. LIFT Orlando made a \$150,000 capital contribution to WLP II in 2018, which was shown as investment in WLP II on the accompanying consolidated statements of financial position at December 31, 2020. LOSLP and several third parties were admitted as special classes of limited partners, and LIFT Orlando, the general partner, has a 0.007% interest in WLP II following the admissions of the limited partners. During 2021, LIFT Orlando received a return of capital from WLP II in the amount of \$150,000 and as such, investment in WLP II is \$0 at December 31, 2021.

Effective September 24, 2018, WLP II entered into a DSA with LOCD and NAHP (collectively, the Developers). NAHP is an affiliate of the general and limited partner of WLP II. NAHP and LOCD earned a development fee for supervising and coordinating the development and construction of Phase II, and the portion earned by LOCD of \$0 and \$260,054 was recorded as development fee revenue during the years ended December 31, 2021 and 2020, respectively. Total developer fees earned by LOCD and due from WLP II as of December 31, 2020 were payable as stipulated in the agreement, but no later than the 15th anniversary date of the completion of Phase II, and were included in related-party receivables, current, of \$679,908 and related-party receivables, long-term, of \$166,666 at December 31, 2020. Full payment was received during 2021 and no balance remains outstanding at December 31, 2021.

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7. Loan Payable to the Foundation

On May 1, 2015, LOCL entered into a \$4,000,000 loan agreement (the Loan) with a local foundation (the Foundation) to acquire the land and cover the costs of the demolition (including environmental remediation) of the vacant apartment complex for Phase I and Phase II of Pendana.

Annual interest under the Loan is 1%, which is considered a below-market interest rate. The Organization recorded contributions with donor restrictions at the time the proceeds were drawn under the Loan for the difference in the stated interest rate and market interest rate, which was recorded as a reduction of Loan payable as “unamortized interest rate contribution” and is amortized to real property (since the proceeds of the Loan were used to purchase and improve real property) over the term of the Loan. Net assets with donor restrictions are released from restriction as amounts are amortized. The Loan states that upon timely principal payments, all outstanding accrued interest will be forgiven and will be recorded as in-kind contributions. The Loan was repaid in full in 2021. During 2021 and 2020, \$2,356 and \$19,949, respectively, were released from net assets with donor restrictions for amortization of the interest rate contribution. In addition, during 2021 and 2020, \$0 and \$11,484, respectively, was recorded as an in-kind contribution for the forgiveness of the 1% interest for payments made on the Loan. At December 31, 2021 and 2020, interest of \$520,227 and \$519,758, respectively, has been capitalized and included in rental property.

8. Leveraged Loan Receivable, NMTC Financing

NMTC Financing

On June 22, 2021, WLHWC entered into a loan agreement and related notes payable in connection with the NMTC transaction to help finance the construction of the Heart. The NMTC Program was designed to stimulate investment and economic growth in low-income communities by offering a seven-year, 39% federal tax credit for Qualified Equity Investments (QEI) made through investment vehicles known as Community Development Entities (CDEs). CDEs use capital derived from tax credits to make loans to or investments in businesses and projects in low-income areas under favorable economic terms, typical of this type of tax credits-based transaction.

The NMTC transaction is composed of several sub-transactions, as described below:

QALICB - For the sole purpose of facilitating the NMTC transaction as a Qualified Active Low-Income Community Business (QALICB), LIFT Orlando created WLHWC, which was formed pursuant to the filing of those certain Articles of Incorporation with the Florida Secretary of State on April 20, 2021.

Leverage Loan - As part of the NMTC transaction, LIFT Orlando committed to lend \$9,246,250 to an Investment Fund owned by Truist Community Capital (Investor). The proceeds of this Leverage Loan were used by the Investment Fund towards making a QEI into two CDEs as listed below. The Leverage Loan bears an interest rate of 1% and matures on June 30, 2056.

Bridge Loan - On June 22, 2021, LIFT Orlando entered into a loan agreement and promissory note for \$786,194 with TCDE 87, LLC (Truist) in order to facilitate the funding of the Leverage Loan. The Bridge Loan bears an interest rate of 3.35% and matures on June 22, 2023 (Maturity Date). Interest-only payments are due monthly commencing August 1, 2021 through June 1, 2023 and a final payment equal to the unpaid balance of principal plus accrued and unpaid interest on the Maturity Date. The outstanding balance on the loan as of December 31, 2021 was \$635,850, which

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is net of amortized loan costs of \$5,467 and included in notes payable, net, on the accompanying consolidated statements of financial position.

Investment by Investor - As part of the transaction, the Investor contributed \$3,705,000 as an equity investment into the Investment Fund, which represented 76% of the new market tax credits it obtained of \$4,875,000.

Allocation of Investment Fund to Sub-CDEs - From the \$12,951,250 total Investment Fund created as a result of the transactions above, fees totaling \$451,250 were deducted, which resulted in a net QEI of \$12,500,000. This was allocated between two Sub-CDEs as follows: (i) BBIF Subsidiary CDE 14, LLC (BBIF) for \$9,500,000; and (ii) Truist for \$3,000,000. A total of \$95,000 in fees was deducted at the time of allocation by the Sub-CDEs, which resulted in a net amount of \$12,405,000 available to lend.

Qualified Low-Income Community Investment Loans (QLICI Loans) - Under the NMTC transaction, the following QLICI A and B Loans were made to the Organization from the Sub-CDEs and included in notes payable in the accompanying consolidated statements of financial position:

December 31, 2021

QLICI Loan A (BBIF)	\$	7,135,450
QLICI Loan B (BBIF)		2,269,550
QLICI Loan A (Truist)		2,110,800
QLICI Loan B (Truist)		889,200
Total QLICI Loans Payable		12,405,000
Less: unamortized loan costs		(890,448)
QLICI Loans Payable, Net	\$	11,514,552

The QLICI Loans bear interest at a fixed rate equal to 1.04371% and mature on June 30, 2056. The QLICI Loans are secured by all assets of WLHWC, including reserve cash, which is shown as restricted cash on the accompanying consolidated statements of financial position.

Effective June 22, 2021, LIFT Orlando entered into an unconditional continuing payment and completion guaranty with the CDEs under which LIFT Orlando guarantees compliance with all payments, obligations, duties, and agreements of WLHWC under the terms of the debt agreements.

Neither LIFT Orlando nor WLHWC controls or has economic interest in the assets of either the QEI or the CDEs. The QEI is controlled and wholly owned by Truist Community Capital, and the Investment Fund controls and funds the CDEs.

In order for the Investor to earn the tax credit, the QEI must remain invested in the CDEs for a seven-year period from June 22, 2021 through June 21, 2028 (Compliance Period). WLHWC has significant reporting requirements to its lenders, including financial reports and community impact reports during the Compliance Period. WLHWC is restricted against accumulating and holding certain types of assets (including options, stocks, promissory notes, and excess cash), having its own employees, or otherwise engaging in activities unrelated to LIFT Orlando. Provided WLHWC satisfies the foregoing requirements and avoids violating the foregoing restrictions, it will remain in substantial compliance with its obligations pursuant to the NMTC financing.

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LIFT Orlando and the Investor have executed a Put and Call Agreement to take place at the end of the Compliance Period. Under the Put and Call Agreement, the Investor can exercise a put option to sell all its interest in the Investment Fund for \$1,000 to Lift Orlando. If the Investor does not exercise the put option within six months after the Compliance Period, LIFT Orlando can exercise a call option to purchase the interest of the Investment Fund at an appraised fair market value. The intention is for the Investor to exercise the put option at the end of the Compliance Period in order to allow them to pursue other NMTC projects, and management of LIFT Orlando believes that there is no incentive for the Investor to stay in the project thereafter. These put/call options do not represent embedded derivatives and, accordingly, have not been accounted for as derivative instruments in LIFT Orlando's financial statements.

Assuming compliance with the requirements of the NMTC transaction, management of LIFT Orlando intends on exercising the Put and Call Agreement at the end of the Compliance Period. The Put and Call Agreement will allow LIFT Orlando to gain control of the Investment Fund, there would be no residual amounts due to or from any external third parties, and LIFT Orlando would record a net gain before any transaction expenses of \$3,158,750 associated with the dissolution of the \$9,246,250 Leverage Loan receivable from the Investment Fund and the \$12,405,000 QLICI Loans payable.

Land Financing

On May 27, 2021, WLHWC entered into a loan agreement and promissory note for \$1,100,000 with Health Holding I, LLC (Health Holding), a related party of LIFT Orlando, for the purchase of the underlying land for the Heart. The loan bears interest at an annual rate of 3.5%, matures on July 1, 2033 (Maturity Date), and is guaranteed by LIFT Orlando. Interest-only payments are due monthly commencing July 1, 2021 through July 1, 2024 and thereafter, monthly interest and principal payments are due through the Maturity Date, including a balloon payment of \$284,000 on the Maturity Date. The outstanding balance on the loan as of December 31, 2021 was \$1,066,261, which is net of amortized debt costs of \$33,739 and is included in notes payable, net, on the accompanying consolidated statements of financial position.

The schedule of maturities of the above debt is as follows:

Year ending December 31,

2022	\$	-
2023		641,317
2024		21,000
2025		36,000
2026		57,000
Thereafter		13,391,000
Total Future Principal Payments	\$	14,146,317

9. City of Orlando Agreements

Contract of Sale for Real Property and Development Agreement

During 2015, the city of Orlando entered into a Contract of Sale with LIFT Orlando for the sale of certain land and two vacant apartment complexes to be used for Phase I and Phase II of Pendana for a purchase price of approximately \$2,826,000. The Phase II portion of the land was sold during 2018, with the remaining amount related to Phase I of \$2,293,677 included in rental property on

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the accompanying consolidated statements of financial position. In connection with the Contract for Sale, the city of Orlando entered into a Development Agreement with LIFT Orlando and LOCL to redevelop the two apartment complexes, which required the demolition of two of the vacant apartment complexes and construction of Phase I and Phase II of Pendana. Phase I was completed in June 2018 and Phase II was completed in June 2020.

Note Payable and 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 (see discussion below) for the removal of asbestos and environmental contamination from the apartment complex for Phase I (the Property), which was completed by September 30, 2016, in accordance with the CDBG Agreement. 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. All units were occupied as of December 31, 2018.

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 CDBG Note, the amount will be forgiven in its entirety. The CDBG Note is secured by a mortgage on the Property held by WLP I.

At December 31, 2021 and 2020, \$1,250,000 is recorded as note payable to the city of Orlando on the accompanying consolidated statements of financial position until the CDBG Note is forgiven, at which time it will be recognized as a contribution.

10. Net Assets with Donor Restrictions and Releases from Restrictions

Net assets with donor restrictions are available for the following purposes:

<i>December 31,</i>	2021	2020
Construction and/or related financing of the Heart	\$ 300,000	\$ 6,967,047
Community education strategy	94,477	-
Time-restricted contribution receivable	62,250	233,750
Financial Wellbeing Center	54,982	195,367
Community economic viability	44,617	68,612
Restricted for fundraising support	10,925	4,544
Community housing strategy	4,886	-
Community health and wellness	-	23,983
Boys & Girls Clubs of Central Florida, Inc. project leadership	-	4,189
In-kind contribution of interest on loan payable	-	2,356
	\$ 572,137	\$ 7,499,848

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Net assets were released from donor restrictions as follows:

<i>Year ended December 31,</i>	2021	2020
Construction and related financing of the Heart	\$ 8,667,473	\$ -
Time-restricted contribution receivable	171,500	162,000
Financial Wellbeing Center	140,385	237,524
Community economic viability	108,995	31,388
Fundraising support	93,619	35,456
Community housing strategy	60,113	-
Community health and wellness	23,983	143,230
Community Quarterback support	13,000	83,684
MVP Families	10,000	-
Education grants	5,523	77,000
Boys & Girls Clubs of Central Florida, Inc. project leadership	4,189	3,220
In-kind contribution of interest on loan payable	2,356	19,949
Legends Academy	-	70,850
Jones High School Choir	-	2,000
	\$ 9,301,136	\$ 866,301

The in-kind contribution of interest on the loan payable as discussed in Note 7 was released over the term of the loan.

11. Financial Assets and Liquidity Resources

Financial assets and liquidity resources available within one year for general expenditure, such as operating expenses and scheduled principal payments on debt, were as follows:

<i>December 31,</i>	2021	2020
Cash and cash equivalents	\$ 11,725,272	\$ 8,026,853
Contributions receivable, current	546,500	166,060
Related-party receivable, current	-	679,908
Total Financial Assets Available Within One Year	12,271,772	8,872,821
Less:		
Expected repayment on notes payable	-	(379,213)
Net assets with time or purpose restrictions	(572,137)	(6,739,677)
Total Financial Assets Available to Management for General Expenditure Within One Year	\$ 11,699,635	\$ 1,753,931

Liquidity Management

Cash and cash equivalents and current receivables as reported on the consolidated statements of financial position at December 31, 2021 and 2020, are the primary liquid resources used by the Organization to meet its general expenditure needs within the next year. As part of liquidity management, the Organization's policy is to manage its financial assets and budget to meet its general expenditure needs. To help manage unanticipated liquidity needs, the Organization seeks financial support of the Board of Directors, community partners, and other donors.

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12. Concentrations

Concentration of Credit Risk

Financial instruments that potentially expose the Organization to concentrations of credit risk, as defined by U.S. GAAP, include bank accounts in excess of federally insured balances at December 31, 2021. In management's opinion, the capitalization and operating history of the financial institutions that hold its accounts are such that the likelihood of loss is remote.

Concentration of Revenues and Support

A substantial portion of the Organization's revenues and support are derived from contributions from donors in the Orlando area. If a significant reduction in the level of contributions occurred, this may have an adverse effect on the Organization's programs and activities.

13. Commitments and Contingencies

Ground Lease

In connection with the Land Financing as discussed in Note 8, WLHWC entered into an Assignment and Assumption of Ground Lease (Ground Lease) with Health Holding effective May 27, 2021 related to a parcel of land included on the Heart property for which Health Holding has a lease agreement with a third party that was assigned to WLHWC. The Ground Lease is accounted for as an operating lease and is payable monthly through July 31, 2058. WLHWC incurred \$9,567 of Ground Lease expense for the year ended December 31, 2021.

Future minimum lease payments under the Ground Lease are as follows:

Year ending December 31,

2022	\$	18,772
2023		19,335
2024		19,915
2025		20,512
2026		21,128
Thereafter		1,119,483
	\$	1,219,145

Legal

The Organization may be involved in lawsuits in the normal course of business. Management cannot predict the outcome of the lawsuits or estimate the amount of any loss that may result. Accordingly, no provision for any contingent liabilities that may result has been made in the consolidated financial statements. Management believes that losses resulting from these matters, if any, would not have a material adverse effect on the financial position or results of operations of the Organization.

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14. Related Party Transactions

On January 1, 2019, the Organization entered into an employment agreement with its president. Amongst other provisions, the agreement stipulated that the Organization pay the president an advance in the amount of \$100,000. This advance will accrue interest at a rate of 2.37% per annum and will be repaid to the Organization if the president's employment is terminated, as defined in the agreement. If the president remains employed, the Organization will forgive a portion of the advance, including any accrued interest, annually beginning in 2020 until the expiration of the agreement on December 31, 2023.

In connection with the NMTC Financing as discussed in Note 8, WLHWC entered into a Development and Construction Administrative Agreement with LIFT Orlando effective June 22, 2021 and paid \$144,877 to LIFT Orlando as an administrative fee for overseeing the administration for the development and construction of the Heart, which is included in building construction in progress. An additional \$350,000 administrative fee will be paid to LIFT Orlando upon receipt of a temporary certificate of occupancy.

As a portion of the pre-development costs of the Heart was already paid for by LIFT Orlando, WLHWC agreed to reimburse LIFT Orlando for the costs up to 24 months prior to the closing date of the NMTC financing of June 22, 2021 (Transfer Date). WLHWC paid the reimbursement of \$789,506 to LIFT Orlando at the Transfer Date, which was recorded as construction in progress. There was also an in-kind contribution related to architectural services provided to LIFT Orlando related to the Heart, which was transferred to WLHWC at the Transfer Date and was recorded as construction in progress on the accompanying consolidated statements of financial position.

The Organization has also entered into various other related party transactions disclosed within the notes to the consolidated financial statements. The following represents a summary of the related party receivable balances outstanding:

December 31, 2021

	Current	Long-Term
Developer fees due from WLP I (Note 5)	\$ -	\$ 410,802
Developer fees due from WLP II (Note 6)	-	-
Advance due from president	25,000	25,000
Accrued interest on note receivable from WLP I (Note 5)	-	42,596
Other	-	6,846
Total Related-Party Receivables	\$ 25,000	\$ 485,244

December 31, 2020

	Current	Long-Term
Developer fees due from WLP I (Note 5)	\$ -	\$ 497,558
Developer fees due from WLP II (Note 6)	679,908	166,666
Advance due from president	25,000	50,000
Accrued interest on note receivable from WLP I (Note 5)	-	35,096
Other	-	6,885
Total Related-Party Receivables	\$ 704,908	\$ 756,205

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15. Paycheck Protection Program Loans

On March 27, 2020, the Coronavirus Aid, Relief, and Economics Security Act (the CARES Act) was enacted to address the economic fallout of the COVID-19 outbreak on the economy. The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer-side social security payments, and net operating loss carryback periods. It also appropriated funds for the Small Business Administration (SBA) Paycheck Protection Program (PPP), as well as Economic Injury Disaster Loans to provide liquidity to small businesses harmed by COVID-19. The Organization accounted for these loans in accordance with Accounting Standards Codification (ASC) 470, *Debt*. Under this guidance, a liability is derecognized upon repayment to the creditor or upon legal release. Legal release occurs upon confirmation of forgiveness from the SBA, at which time the liability will be released and recorded as income.

The Organization applied for, and received, funds under the first round of PPP funding in the amount of \$168,300 on April 20, 2020, which is shown as a loan payable on the accompanying consolidated statement of financial position as of December 31, 2020. On April 7, 2021, the Organization was notified by the SBA that the entire unpaid principal balance of \$168,300 was forgiven, which is included in loan forgiveness revenue on the accompanying consolidated statement of activities for the year ended December 31, 2021.

The Organization also applied for, and received, funds under the second round of PPP funding in the amount of \$172,923 on March 26, 2021. On September 16, 2021, the Organization was notified by the SBA that the entire unpaid principal balance of \$172,923 was forgiven, which is included in loan forgiveness revenue on the accompanying consolidated statement of activities for the year ended December 31, 2021.

16. Subsequent Events

The Organization has evaluated events and transactions occurring subsequent to December 31, 2021 as of May 27, 2022, which is the date the consolidated financial statements were available to be issued. Subsequent events occurring after May 27, 2022 have not been evaluated by management. No material events have occurred since December 31, 2021 that require recognition or disclosure in the consolidated financial statements.