

LIFT Orlando, Inc. and Subsidiaries

Consolidated Financial Statements
Years Ended December 31, 2024 and 2023

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, 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, 2024 and 2023

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 consolidated financial statements of LIFT Orlando, Inc. and its Subsidiaries (the Organization), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, 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, 2024 and 2023, and the 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 the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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



Auditor's Responsibilities for the Audit of the 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, P.C.

May 30, 2025

Consolidated Financial Statements

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

<i>December 31,</i>	2024	2023
Assets		
Cash and cash equivalents	\$ 3,893,202	\$ 4,643,612
Restricted cash	272,569	342,319
Prepaid expenses and other assets	226,951	192,893
Contributions receivable, net	372,900	599,325
Straight line rent receivable	75,721	25,610
Related-party receivables	369,574	414,278
Note receivable from related party	250,000	250,000
Leveraged loan receivable	9,246,250	9,246,250
Construction in progress	228,213	13,890
Property and equipment, net	17,800,954	18,586,538
Investment in West Lakes Phase I	500,000	500,000
Right-of-use assets, net	794,555	793,543
Deferred lease costs, net	371,575	421,431
Total Assets	\$ 34,402,464	\$ 36,029,689
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 705,689	\$ 257,697
Tenant security deposits	34,664	34,664
Refundable advances	86,542	-
Operating lease liabilities	836,508	822,086
Deferred lease revenue	2,283,228	2,468,341
Notes payable, net	12,696,027	12,671,635
Note payable to City of Orlando	-	1,250,000
Total Liabilities	16,642,658	17,504,423
Commitments and Contingencies (Notes 7 and 13)		
Net Assets		
Without donor restrictions	16,925,270	17,483,898
With donor restrictions	834,536	1,041,368
Total Net Assets	17,759,806	18,525,266
Total Liabilities and Net Assets	\$ 34,402,464	\$ 36,029,689

See accompanying notes to consolidated financial statements.

LIFT Orlando, Inc. and Subsidiaries
Consolidated Statements of Activities

Year ended December 31,

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support						
Contributions	\$ 3,526,431	\$ 1,568,639	\$ 5,095,070	\$ 3,983,213	\$ 1,152,319	\$ 5,135,532
Lease revenue	464,781	-	464,781	249,907	-	249,907
Special events	289,994	-	289,994	22,076	-	22,076
Interest income	261,043	-	261,043	233,284	-	233,284
Other income	76,650	-	76,650	56,609	-	56,609
Management fee revenue	28,558	-	28,558	35,352	-	35,352
Contributed services	14,708	-	14,708	19,212	-	19,212
Net assets released from restrictions	1,775,471	(1,775,471)	-	2,170,822	(2,170,822)	-
Total Revenues and Support	6,437,636	(206,832)	6,230,804	6,770,475	(1,018,503)	5,751,972
Expenses						
Program	5,735,153	-	5,735,153	5,114,809	-	5,114,809
Management and general	579,811	-	579,811	703,714	-	703,714
Fundraising	681,300	-	681,300	536,353	-	536,353
Total Expenses	6,996,264	-	6,996,264	6,354,876	-	6,354,876
Change in Net Assets	(558,628)	(206,832)	(765,460)	415,599	(1,018,503)	(602,904)
Net Assets, beginning of year	17,483,898	1,041,368	18,525,266	17,068,299	2,059,871	19,128,170
Net Assets, end of year	\$16,925,270	\$ 834,536	\$17,759,806	\$ 17,483,898	\$ 1,041,368	\$ 18,525,266

See accompanying notes to consolidated financial statements.

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

Year ended December 31,

	2024				2023			
	Program	Management and General	Fundraising	Total	Program	Management and General	Fundraising	Total
Salaries and benefits	\$ 1,849,248	\$ 378,326	\$ 450,057	\$ 2,667,631	\$ 1,654,726	\$ 485,706	\$ 384,488	\$ 2,524,920
Education grants	906,487	-	-	906,487	1,013,987	-	-	1,013,987
Depreciation	785,458	2,028	1,860	789,346	371,364	2,470	938	374,772
Professional fees	501,235	142,004	66,786	710,025	473,216	120,155	69,144	662,515
Meetings, events and training	286,624	8,572	97,612	392,808	299,801	5,063	34,091	338,955
Common area maintenance expenses	242,454	-	-	242,454	145,058	-	-	145,058
Interest expense	240,137	-	-	240,137	182,198	-	-	182,198
Educational and achievements awards	201,819	-	-	201,819	72,755	-	1,000	73,755
Communications	120,643	1,583	27,339	149,565	105,068	4,302	6,959	116,329
Office administration	107,643	13,334	26,011	146,988	86,468	33,276	25,267	145,011
Community engagement grants	146,900	-	-	146,900	41,740	-	-	41,740
Legal fees	92,739	12,867	-	105,606	109,776	18,666	-	128,442
Other program costs	64,360	-	-	64,360	55,208	-	-	55,208
Housing grants	59,000	-	-	59,000	59,000	-	-	59,000
Insurance	37,306	4,953	4,548	46,807	35,083	12,545	-	47,628
Ground lease	33,906	-	-	33,906	33,888	-	-	33,888
Miscellaneous expenses	16,100	3,936	5,760	25,796	216,729	11,903	14,107	242,739
Occupancy costs	14,278	1,054	968	16,300	-	2,459	-	2,459
Economic viability grants	15,000	-	-	15,000	145,000	-	-	145,000
Health and wellness grants	13,000	-	-	13,000	13,000	-	-	13,000
Taxes and licenses	816	11,154	359	12,329	744	7,169	359	8,272
	\$ 5,735,153	\$ 579,811	\$ 681,300	\$ 6,996,264	\$ 5,114,809	\$ 703,714	\$ 536,353	\$ 6,354,876

See accompanying notes to consolidated financial statements.

LIFT Orlando, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

Year ended December 31,	2024	2023
Cash Flows from Operating Activities		
Change in net assets	\$ (765,460)	\$ (602,904)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation expense	789,346	374,772
Amortization of loan costs	45,392	46,011
Noncash rent expense	18,767	17,829
Forgiveness of note payable to City of Orlando	(1,250,000)	-
Amortization of discount on multi-year pledges	(6,875)	-
Forgiveness of related-party receivable	-	25,000
Contributed services capitalized to construction in progress	-	(1,630)
Changes in assets and liabilities:		
Prepaid expenses and other assets	(34,058)	(133,763)
Contributions receivable	233,300	466,050
Straight line rent receivable	(50,111)	(25,610)
Related party receivable	44,704	(59,704)
Deferred lease costs	49,856	(21,219)
Accounts payable and accrued expenses	356,904	(2,499,043)
Operating lease liabilities	(5,357)	(3,840)
Deferred lease revenue	(185,113)	1,105,805
Refundable advances	86,542	-
Tenant security deposits	-	34,664
Net Cash Used in Operating Activities	(672,163)	(1,277,582)
Cash Flows from Investing Activities		
Payments for property and equipment and construction in progress	(126,997)	(3,351,677)
Net Cash Used in Investing Activities	(126,997)	(3,351,677)
Cash Flows from Financing Activities		
Payments on notes payable	(21,000)	(138,400)
Net Cash Used in Financing Activities	(21,000)	(138,400)
Net Decrease in Cash, Cash Equivalents, and Restricted Cash	(820,160)	(4,767,659)
Cash, Cash Equivalents, and Restricted Cash, beginning of year	4,985,931	9,753,590
Cash, Cash Equivalents, and Restricted Cash, end of year	\$ 4,165,771	\$ 4,985,931
Supplemental Cash Flow Information		
Cash and cash equivalents is included in the following captions on the consolidated statements of financial position:		
Cash and cash equivalents	\$ 3,893,202	\$ 4,643,612
Restricted cash	272,569	342,319
Total Cash, Cash Equivalents, and Restricted Cash	\$ 4,165,771	\$ 4,985,931
Cash Paid for Interest Capitalized to Construction in Progress	\$ -	\$ 57,653
Cash Paid for Interest	\$ 194,745	\$ 134,165
Non-Cash Investing and Financing Activities		
Additions to construction in progress in accounts payable	\$ 91,088	\$ 82,517
Addition of right-of-use asset and operating lease liability	19,779	-
Transfer of construction in progress to property and equipment	-	13,678,677
Contributed services capitalized to construction in progress	-	761

See accompanying notes to consolidated financial statements.

LIFT Orlando, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

1. Nature of the Organization

LIFT Orlando, Inc. (LIFT Orlando) is a place-based community development nonprofit organization that works with residents, business leaders, and community partners to strengthen neighborhoods so people can thrive. LIFT Orlando strengthens neighborhoods through mixed-income housing, cradle-to-career education pathways, health and wellness services, and economic viability opportunities. Lift Orlando invests 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.
- *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 (GAAP).

LIFT Orlando, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

Liquidity

Assets are presented in the accompanying consolidated statements of financial position according to their nearest of conversion to cash and liabilities according to the nearness of their maturity and resulting use of cash.

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.

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. Cash equivalents as of December 31, 2024 and 2023 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 lenders as described in Note 6.

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.

Straight-Line Rent Receivable

Straight-line rent receivable consists of the straight-line amortization of total rents provided for in tenant leases, net of rent collected and reimbursements due from tenants. Lease revenue is recorded on a straight-line basis. All lessor leases include annual escalation clauses that increase rent by a set percentage. The difference between the straight-line rent revenue and the cash received generates a straight-line rent receivable balance. As of December 31, 2024 and 2023, the straight-line rent receivable was \$75,721 and \$25,610, respectively.

Allowance for Credit Losses

The Organization analyzes potential credit losses on its related party receivables, note receivable from related party and leveraged loan receivable, to estimate the net amount expected to be collected. The allowance for credit losses is based on losses expected to arise over the contractual term of the assets. The estimate of expected credit losses is based on information about past events, historical loss experience, balances past due, prior payment history with affected borrowers, geographic conditions, current economic conditions, and forecasts of future economic conditions that affect the collectability. Assets are written off when the Organization deems the financial assets to be uncollectible. Write-offs are recognized as a deduction from the allowance for credit

LIFT Orlando, Inc. and Subsidiaries

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losses. Expected recoveries of amounts previously written off, which do not exceed the aggregate of previous write-offs, are included in determining the allowance account. Assets are pooled based on similar risk characteristics in estimating expected credit losses. For assets that do not share similar risk characteristics, such assets are assessed individually.

As of December 31, 2024 and 2023, the Organization did not deem it necessary to record an allowance for credit losses and did not have any credit losses incurred during the years then ended.

Construction in Progress

Construction in progress is recorded at cost when purchased or at fair value on the date received if donated. Interest incurred on debt related to construction in progress is capitalized as construction in progress until the completed building is placed in service. During 2023, construction of the Heart was completed and costs totaling \$13,678,677 were transferred to the respective classes of property and equipment, at which time the assets were placed in service. During 2023, the Organization began construction of a financial wellbeing center, which is part of the Heart. As of December 31, 2024 and 2023, \$228,213 and 13,890, respectively, had been incurred and recorded as construction in progress on the accompanying consolidated statement of financial position. For the years ended December 31, 2024 and 2023, the Organization capitalized interest costs in the amount of \$0 and \$57,653, respectively.

Property and Equipment

The Organization capitalizes all property and equipment with a cost of \$5,000 or more. Property and equipment are recorded at cost when purchased or constructed, or at fair value at the date of gift, if contributed. Depreciation of property and equipment is computed using the straight-line method of accounting over the estimated useful lives of the depreciable assets. Routine maintenance and repair costs are charged to expense as incurred, while major replacements and improvements are capitalized as additions to the related assets. When assets are sold or retired, the related cost and accumulated depreciation are removed from the accounts and gains or losses from dispositions are credited or charged to income. 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, 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 2024 and 2023.

Investment in LOIF

LOIF 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. LOIFM was the sole member and manager of LOIF until additional investors were admitted into LOIF in 2017 and, as a result, LOIFM's ownership became 1%. Investment in LOIF is accounted for under the equity method of accounting due to LOIFM's significant influence over the operating and financial policies of LOIF.

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Notes to Consolidated Financial Statements

LOIIFM's share of the equity in LOIIF as of December 31, 2024 and 2023 and the years then ended was determined to be immaterial to the consolidated financial statements and is, therefore, not recorded.

Leases

The Organization determines if an arrangement is a lease or contains a lease, including lease classification as operating or finance, at inception. In a lessee arrangement, leases result in the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis.

The lease liability is measured at the present value of the lease payments over the lease term for new leases. The ROU asset equals the lease liability adjusted for any initial direct costs and lease incentives. The Organization elected the practical expedient to use a risk-free rate (the rate of a zero-coupon U.S. Treasury instrument) for the initial and subsequent measurement of all lease liabilities. The risk-free rate is determined using a period comparable with the lease term remaining as of the date of adoption. Lease expense is generally recognized on a straight-line basis over the lease term.

The Organization elected the practical expedient not to separate lease and non-lease components for all leases. Lease terms may include options to extend the lease and the present value of future minimum lease payments includes these options only when they are reasonably certain to be exercised.

The Organization also elected the practical expedient not to record leases with an initial term of 12 months or less on the accompanying consolidated statements of financial position. Lease expense on such leases is recognized on a straight-line basis over the lease term.

Deferred Lease Costs

WLHWC paid a lease incentive on a lessor lease arrangement which was recognized as deferred lease costs. The lease incentive is being amortized on a straight-line basis over the term of the related lease which commenced on June 1, 2023. During 2024 and 2023, \$49,856 and \$21,219, respectively, was amortized and recorded as a reduction of lease revenue on the accompanying consolidated statements of activities.

Deferred Lease Revenue

In connection with the operating ground lease discussed in Note 5, the Organization received a onetime lease payment, which will be recognized over the term of the related lease. The unrecognized amount is included in deferred lease revenue on the accompanying consolidated statements of financial position.

WLHWC is the lessor of several lease arrangements whereby the lessees paid for leasehold improvements that were concluded to be owned by the Organization. Payments received by the Organization prior to lease commencement for leasehold improvements that are considered lessor owned assets are recorded as deferred lease revenue. This liability represents the Organization's obligation to provide the use of the asset over the term of the lease. Upon commencement of the

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related lease, the Organization recognizes lease revenue on a straight-line basis over the shorter of the useful life of the improvements or the lease term.

As of December 31, 2024 and 2023, the Organization has deferred lease revenue of \$2,283,228 and \$2,468,341, respectively, on the accompanying consolidated statements of financial position. During 2024 and 2023, \$188,001 and \$98,048, respectively, was amortized and is included in lease revenue on the accompanying consolidated statements of activities.

Loan Costs

Loan costs related to the Organization's 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.

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, which are 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. Assets received under conditional contributions before the related conditions are met are recorded as refundable advances on the accompanying consolidated statements of financial position. The Organization has refundable advances of \$86,542 and \$0 as of December 31, 2024 and 2023, respectively. There were no conditional promises to give as of December 31, 2024. The Organization had conditional contributions of \$446,250 as of December 31, 2023, which were recognized during 2024 when the related conditions were met.

Contributed Services

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. Contributed services are valued and recorded at their

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estimated fair value based on current rates for similar services on the dates provided. For the years ended December 31, 2024 and 2023, the Organization received contributed legal services in the amounts of \$14,708 and \$17,582, respectively, which are included in contributed services revenue and legal fees on the accompanying consolidated statements of activities and consolidated statements of functional expenses. In addition, during 2023, the Organization received contributed legal services in the amount of \$1,630 to assist in land acquisition and construction matters, which was capitalized to construction in progress.

Lease Revenue

Lease revenue arises from contractual obligations that convey the right to control the use of identified property or equipment for a period of time in exchange for consideration. Lease revenue is recognized when control of space has been given to the tenant and the rent commencement date occurs. When rental payments due under leases vary from a straight-line basis because of free rent periods or stepped increases, income is recognized on a straight-line basis. Recoveries from tenants, consisting of amounts due from tenants for common area maintenance, insurance and other recoverable costs are recognized as revenue in the period during which the expenses are incurred. See Note 8.

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 Agreement (see Note 5), 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 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. For the years ended December 31, 2024 and 2023, the Organization did not recognize any development fee revenue.

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 related functional category. All other expenses are directly charged to the functional category to which they relate.

LIFT Orlando, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

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 and LOSLP. Therefore, no provision for income taxes has been included in the accompanying consolidated financial statements.

LOGP and LOSLP elected to be treated as taxable corporations under provisions of the IRC and the Florida Income Tax Code and are subject to federal and states taxes. The provision for income taxes is determined using the asset and liability approach of accounting for income taxes. Under this approach, deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes and net operating loss and tax credit carryforwards. The amount of deferred taxes, if any, on these temporary differences is determined using the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, as applicable, based on tax rates and laws in the respective tax jurisdiction enacted as of the consolidated statements of financial position date. There are no deferred tax assets or liabilities at December 31, 2024 and 2023.

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.

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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, contributions receivable, accounts payable, and accrued expenses. Contributions due beyond one year are recorded at their net present value using a risk-free interest rate based on U.S. Treasury issues at the date the pledge was made with an equivalent term approximately equal to the number of years the contribution will be paid, which approximates fair value. The fair value of the Organization's note receivable, leverage loan receivable, operating lease liability, 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.

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 GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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 those estimates.

Reclassifications

Certain items have been reclassified in the 2023 consolidated financial statements to conform to the 2024 presentation with no impact on previously reported change in net assets or total net assets.

3. Contributions Receivable

Contributions receivable are due as follows:

<i>December 31,</i>	2024		2023	
Less than one year	\$	200,000	\$	233,300
One to five years		200,000		400,000
		400,000		633,300
Less: present value discount on contributions receivable ranging from 2.85% to 4.17%		(27,100)		(33,975)
	\$	372,900	\$	599,325

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4. Property and Equipment and Construction in Progress

Property and equipment and construction in progress is summarized as follows:

December 31,

	Useful Life (Years)	2024	2023
Land and land improvements	-	\$ 1,144,252	\$ 1,140,490
Rental property (Note 5)	-	4,156,032	4,156,032
Building and building improvements	5-40	12,760,847	12,760,847
Furniture, fixtures, and equipment	5	903,941	903,941
Construction in progress	-	228,213	13,890
		19,193,285	18,975,200
Less: accumulated depreciation		(1,164,118)	(374,772)
		\$ 18,029,167	\$ 18,600,428

Depreciation expense for the years ended December 31, 2024 and 2023, was \$789,346 and \$374,772, respectively, presented as depreciation on the accompanying consolidated statements of functional expenses. As of December 31, 2024, the Organization anticipates completing construction of the Financial Wellbeing Center and having the space ready for occupancy by June 3, 2025. The Organization has a remaining estimated construction commitment of approximately \$291,000.

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, 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, 2024 and 2023, accrued interest of \$65,096 and \$57,596, respectively, is included in related-party receivables 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 relating to this ground lease was \$1,263,636 and \$1,290,909 at December 31, 2024 and

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2023, respectively. The Organization recognized \$27,273 of lease revenue relating to this ground lease during both years ended December 31, 2024 and 2023.

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, 2024 and 2023 are \$297,646, 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 on the accompanying consolidated statements of financial position.

6. 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 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 (Bridge Loan) with TCDE 87, LLC (Truist) in order to facilitate the funding of the Leverage Loan. The Bridge Loan matured on June 22, 2023 and the outstanding balance was fully repaid on that date.

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.

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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:

<i>December 31,</i>	2024	2023
QLICI Loan A (BBIF)	\$ 7,135,450	\$ 7,135,450
QLICI Loan B (BBIF)	2,269,550	2,269,550
QLICI Loan A (Truist)	2,110,800	2,110,800
QLICI Loan B (Truist)	889,200	889,200
Total QLICI Loans Payable	12,405,000	12,405,000
Less: unamortized loan costs	(765,723)	(807,298)
QLICI Loans Payable, Net	\$ 11,639,277	\$ 11,597,702

The QLICI Loans bear interest at a fixed rate equal to 1.04371%. Interest-only payments are due quarterly commencing October 1, 2021, through October 1, 2028. Thereafter, quarterly principal and interest payments are due from January 1, 2029, through June 30, 2056. No prepayment of principal is allowed prior to December 31, 2028. The QLICI Loans are secured by all assets of WLHWC, including reserve cash accounts to cover certain quarterly fees to be paid to the QLICI Loan holders, 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.

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.

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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.

The schedule of maturities of these loans is approximately as follows:

Year ending December 31,

2025	\$	-
2026		-
2027		-
2028		-
2029		388,000
Thereafter		12,017,000
Total Future Principal Payments	\$	12,405,000

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 subsidiary of LOIFF, 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, 2024 and 2023 was \$1,056,750 and \$1,073,933, respectively, which is net of amortized debt costs of \$22,250 and \$26,067, respectively, and is included in notes payable, net, on the accompanying consolidated statements of financial position.

The schedule of maturities of this loan is approximately as follows:

Year ending December 31,

2025	\$	36,000
2026		57,000
2027		72,000
2028		100,000
2029		120,000
Thereafter		694,000
Total Future Principal Payments	\$	1,079,000

7. Operating Leases

In connection with the Land Financing as discussed in Note 6, 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 payable monthly through

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July 31, 2058 and has an option to extend through July 31, 2068 which is not reasonably expected to be exercised.

During 2024, LIFT Orlando entered into a lease for equipment that is payable monthly and expires on September 1, 2029, with an option to extend through September 1, 2030, which is not reasonably expected to be exercised.

These leases are accounted for as operating leases, and the lease agreements do not contain any material residual value guarantees or material restrictive covenants. As of December 31, 2024 and 2023, the weighted average remaining lease term for the operating leases is approximately 19 years and 34.5 years, respectively. The weighted average discount rate used to calculate the operating lease obligations is approximately 3% and 2% for fiscal 2024 and 2023, respectively.

ROU assets related to the operating leases consist of the following:

<i>December 31,</i>	2024	2023
ROU Asset	\$ 829,136	\$ 829,136
Additions to right-of-use assets	19,779	-
Less: accumulated amortization	(54,360)	(35,593)
ROU Assets, Net	\$ 794,555	\$ 793,543

WLHWC incurred \$33,906 and \$33,888 of Ground Lease expense for the years ended December 31, 2024 and 2023, respectively, which is presented as ground lease on the accompanying consolidated statements of functional expenses. Amortization of right-of-use assets for the years ended December 31, 2024 and 2023, was \$18,767 and \$17,829, respectively, and is included in ground lease expense and occupancy costs on the accompanying consolidated statements of functional expenses.

Future minimum lease payments under the operating leases are as follows:

<i>Year ending December 31,</i>	
2025	\$ 24,847
2026	25,463
2027	26,097
2028	26,749
2029	26,340
Thereafter	1,052,220
Total Lease Payments	1,181,716
Less: imputed interest	(345,208)
Total Operating Lease Obligations	836,508
Less: current portion	(8,854)
Long-Term Operating Lease Obligations	\$ 827,654

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8. Lease Revenue

WLHWC is a lessor under various facility non-cancelable operating lease arrangements that all commenced during 2023 and have expiration dates through 2033. The leases have varying terms, escalation clauses, and renewal rights. Some of the leases contain variable costs for common area maintenance income and insurance, which are recognized as the related expenses are incurred.

The future minimum lease payments to be received under non-cancellable operating leases as of December 31, 2024, are as follows:

<i>Year ending December 31,</i>	
2025	\$ 359,136
2026	359,136
2027	359,136
2028	349,660
2029	271,122
Thereafter	927,210
Long-Term Operating Lease Revenue	\$ 2,625,400

Lease revenue is comprised of the following:

<i>December 31,</i>	2024	2023
Operating lease revenue	\$ 359,005	\$ 198,915
Common area maintenance	63,185	41,754
Insurance payments	15,953	9,238
Parking and other rental income	26,638	-
Lease Revenue	\$ 464,781	\$ 249,907

The Organization's leasing arrangements do not contain any significant residual value guarantees or restrictive covenants.

The following is a summary of property and equipment on lease at:

<i>December 31,</i>	2024	2023
Building and building improvements	\$ 12,760,847	\$ 12,760,847
Rental property	4,156,032	4,156,032
Furniture, fixtures, and equipment	842,808	842,808
	17,759,687	17,759,687
Less: accumulated depreciation	(1,145,268)	(368,149)
Property and Equipment on Lease	\$ 16,614,419	\$ 17,391,538

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9. City of Orlando Agreements

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 would 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 was due on December 31, 2023; however, if LOCL is not in default under the terms of the CDBG Agreement or CDBG Note, the amount would be forgiven in its entirety. The CDBG Note is secured by a mortgage on the Property held by WLP I.

At December 2023, \$1,250,000 was recorded as note payable to the city of Orlando on the accompanying consolidated statements of financial position. In February 2024, the Organization was notified by the city of Orlando that the note payable had been forgiven. At that time, the amount was recognized as contribution revenue and is included in contributions on the accompanying consolidated statements of activities.

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>	2024	2023
Time-restricted contributions receivable	\$ 372,900	\$ 599,325
Early Learning Centers support - Education	361,386	266,070
Construction of Financial Wellbeing Center	85,676	-
Community economic viability	14,574	106,631
Community quarterback	-	67,795
Community housing strategy	-	1,547
	\$ 834,536	\$ 1,041,368

Net assets were released from donor restrictions as follows:

<i>Year ended December 31,</i>	2024	2023
Education grants	\$ 1,129,684	\$ 953,614
Construction of Financial Wellbeing Center	214,323	-
Time-restricted contributions receivable	200,000	480,023
Community economic viability	161,432	208,153
Community quarterback	67,795	88,178
Community housing strategy	1,547	12,400
Staff support	690	-
Construction and/or related financing of the Heart	-	428,454
	\$ 1,775,471	\$ 2,170,822

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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>	2024	2023
Cash and cash equivalents	\$ 3,893,202	\$ 4,643,612
Contributions receivable, current	201,135	233,300
Total Financial Assets Available Within One Year	4,094,337	4,876,912
Less: net assets with time or purpose restrictions	(633,401)	(808,068)
Total Financial Assets Available to Management for General Expenditure Within One Year	\$ 3,460,936	\$ 4,068,844

Liquidity Management

Cash and cash equivalents and current receivables at December 31, 2024 and 2023, are the primary liquid resources to be 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.

12. Concentrations

Concentration of Credit Risk

Financial instruments that potentially expose the Organization to concentrations of credit risk, as defined by GAAP, include bank accounts in excess of federally insured balances at December 31, 2024. 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. Contingencies

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

Operating Lease

On February 6, 2023, LIFT Orlando entered into an operating lease with WLHWC for office, assembly, and parking facilities, with the lease term ending on May 1, 2033, with an option to renew. LIFT Orlando recognized a ROU asset with a balance of \$560,563 and \$615,573, and lease liability with a balance of \$569,927 and \$620,235, at December 31, 2024 and 2023, respectively, which have been eliminated from the accompanying consolidated statements of financial position.

Lease payments, which were recorded as lease expense by LIFT Orlando and as lease revenue by WLHWC of \$130,008 and \$51,746, have been eliminated from the accompanying consolidated statement of activities for fiscal 2024 and 2023, respectively. In relation to this lease, WLHWC recorded a straight-line rent receivable of \$9,365 and \$4,680 as of December 31, 2024 and 2023, respectively, along with a security deposit of \$6,255 for both years, recorded as tenant security deposits payable by WLHWC and security deposits receivable by LIFT Orlando, which have been eliminated from the accompanying consolidated statements of financial position.

Management Fees and Cost Reimbursements

On December 22, 2022, LIFT Orlando entered into a management agreement with WLHWC, appointing LIFT Orlando as the service provider to manage WLHWC and provide management services. The agreement renews annually on the same date unless terminated according to its provisions. The management services fee is \$24,000 per year. During the years ended December 31, 2024 and 2023, total costs under this agreement were \$24,000 annually, recorded as revenue by LIFT Orlando and as expenses by WLHWC, and have been eliminated from the accompanying consolidated statements of activities.

Additionally, WLHWC reimburses LIFT Orlando for employee compensation costs incurred by LIFT Orlando for the benefit of WLHWC. During the years ended December 31, 2024 and 2023, LIFT Orlando billed \$53,075 and \$13,907, respectively, to WLHWC for labor costs related to maintenance services on the Heart provided by LIFT Orlando's facility technicians. These amounts were recorded as other revenue by LIFT Orlando and as expenses by WLHWC and have been eliminated from the accompanying consolidated statements of activities.

Development and Construction Administrative Agreement

In connection with the NMTC Financing as discussed in Note 4, the WLHWC entered into a Development and Construction Administrative Agreement with the Organization effective June 22, 2021 and paid \$144,877 to the Organization as a fee for overseeing the administration of the development and construction of the Heart. An additional \$350,000 administrative fee was to be paid to the Organization upon receipt of a certificate of occupancy. During 2023, the Heart was completed, and a certificate of occupancy was issued, at which time, the \$350,000 administrative fee was paid to the Organization. These fees were included in construction in progress and subsequently transferred to property and equipment when the Heart was placed into service and have been eliminated from the accompanying consolidated financial statements.

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Other Related Party Transactions

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, 2024

Developer fees due from WLP I (Note 5)	\$	297,646
Note receivable from WLP I (Note 5)		250,000
Accrued interest on note receivable from WLP I (Note 5)		65,095
Other		6,832
Total Related-Party Receivables	\$	619,574

December 31, 2023

Developer fees due from WLP I (Note 5)	\$	297,646
Note receivable from WLP I (Note 5)		250,000
Accrued interest on note receivable from WLP I (Note 5)		57,596
Receivable from WLP II		51,695
Other		7,341
Total Related-Party Receivables	\$	664,278

15. Subsequent Events

The Organization has evaluated events and transactions occurring subsequent to December 31, 2024 as of May 30, 2025, which is the date the consolidated financial statements were available to be issued. No material events have occurred since December 31, 2024 that require recognition or disclosure in the consolidated financial statements, except as follows:

On April 18, 2025, Guinyard & Graham (G&G) entered into a commitment to purchase land in the amount of \$1,400,000. As of the date of this report, G&G is currently securing funding for this purchase. The purchase is expected to close on or before October 31, 2025, conditional upon terms of the purchase agreement.