

**GREENPOINT MANUFACTURING AND DESIGN CENTER
LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

CONSOLIDATING FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

AND

INDEPENDENT AUDITORS' REPORT

FRIEDMAN LLP[®]

ACCOUNTANTS AND ADVISORS

**GREENPOINT MANUFACTURING AND DESIGN CENTER
LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Consolidating Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Consolidating Financial Statements	7

INDEPENDENT AUDITORS' REPORT

To the Board of Directors

Greenpoint Manufacturing and Design Center Local Development Corporation and Subsidiaries

We have audited the accompanying consolidating financial statements of Greenpoint Manufacturing and Design Center Local Development Corporation and Subsidiaries (the "Organization"), which comprise the consolidating statement of financial position as of December 31, 2020, and the related consolidating statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidating financial statements.

Management's Responsibility for the Consolidating Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidating financial statements based on our audit. We did not audit the financial statements of five subsidiaries, which statements reflect total assets of \$71,814,553 at December 31, 2020, and total revenues of \$1,697,780 for the year then ended. These financial statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for these subsidiaries, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidating financial statements are free from material misstatement.

(Continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidating financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidating financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the consolidating financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidating financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audit and the reports of other auditors, the consolidating financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Consolidating Financial Statements

The consolidating financial statements of Greenpoint Manufacturing and Design Center Local Development Corporation and Subsidiaries as of December 31, 2019 were audited by us, and our report dated June 24, 2020, expressed that the 2019 consolidating financial statements presented fairly, in all material respects, the consolidating financial position of the Organization as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. The consolidated totals as of December 31, 2019 and for the year then ended are presented within the accompanying consolidating financial statements of the Organization.

A handwritten signature in black ink that reads "Friedman LLP". The signature is written in a cursive, flowing style.

June 22, 2021

GREENPOINT MANUFACTURING AND DESIGN CENTER
LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2020
(WITH COMPARATIVE TOTALS FOR 2019)

	2020										2019
	Greenpoint Manufacturing and Design Center Local Development Corporation	GMDC Two Corporation	GMDC Philadelphia	GMDC Atlantic Avenue, LLC	221 McKibbin Owner, LLC and McKibbin Master Tenant, LLC	GMDC OP LLC and GMDC OP Master Tenant, LLC	GMDC OP Manager, LLC	GMDC OP Investor, LLC	Eliminations	Consolidated Totals	Consolidated Totals
ASSETS											
Current assets											
Cash and cash equivalents - Note 2	\$ 1,075,634	\$ 4,190,918	\$ 275	\$ 424,477	\$ 1,932,091	\$ 133,245	\$ 365	\$ -	\$ -	\$ 7,757,005	\$ 8,389,623
Restricted cash - Note 2	-	-	-	147,130	-	293,911	-	-	-	441,041	827,499
Rent and other miscellaneous receivables - Note 2	150,986	199,085	-	112,449	6,828	3,330	-	-	-	472,678	195,162
Inter-company receivables	4,151,761	3,667,421	-	-	-	-	-	-	(7,819,182)	-	-
Due from related party	-	-	-	-	2,719,181	22,765	-	-	(2,741,946)	-	-
Mortgage escrow reserves - Note 2	38,390	59,668	-	-	-	-	-	-	-	98,058	98,446
Prepaid expenses and other current assets	203,336	387,114	-	55,043	31,772	45,324	-	-	-	722,589	632,809
Total current assets	5,620,107	8,504,206	275	739,099	4,689,872	498,575	365	-	(10,561,128)	9,491,371	10,143,539
Property and equipment - at cost, less accumulated depreciation - Note 8	2,235,998	3,723,767	-	11,368,191	14,074,526	36,562,291	-	-	(6,373,402)	61,591,371	63,246,936
Construction in progress - Note 16	362,601	4,861,694	-	-	8,513	-	-	-	-	5,232,808	2,992,731
Goodwill, net of accumulated amortization - Notes 2 and 12	-	-	-	-	151,657	-	-	-	-	151,657	185,161
Deferred tax asset - Note 15	-	-	-	400,550	-	-	-	-	-	400,550	331,962
Investment in 221 McKibbin Owner, LLC and McKibbin Master Tenant, LLC	10,857,223	-	-	-	-	-	-	-	(10,857,223)	-	-
Investment in GMDC OP LLC	-	-	-	-	-	-	2,898,464	-	(2,898,464)	-	-
Investment in GMDC OP Master Tenant, LLC	-	-	-	-	-	-	26,149	-	(26,149)	-	-
Investment in GMDC OP Manager, LLC	997,349	-	-	-	-	-	-	-	(997,349)	-	-
Security deposits	-	-	-	-	-	9,210	-	-	-	9,210	8,810
Loans receivable - Note 7	29,396,700	-	-	-	-	-	-	-	-	29,396,700	29,396,700
Utility deposits	10,090	12,000	-	-	1,480	-	-	-	-	23,570	23,570
Restricted cash - Note 2	-	-	-	-	-	385,611	-	-	-	385,611	385,611
Developer fee receivable	1,148,952	-	-	-	-	-	-	-	(1,148,952)	-	-
Total assets	\$ 50,629,020	\$ 17,101,667	\$ 275	\$ 12,507,840	\$ 18,926,048	\$ 37,455,687	\$ 2,924,978	\$ -	\$ (32,862,667)	\$ 106,682,848	\$ 106,715,020
LIABILITIES AND NET ASSETS											
Current liabilities											
Current portion of loans payable - Note 10	\$ 3,307,397	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,307,397	\$ 1,153,567
Current portion of mortgages payable - Note 11	173,405	356,761	-	3,853,750	198,881	-	-	-	-	4,582,797	6,506,434
Interest payable	155,009	48,667	-	71,352	15,658	-	-	-	-	266,738	290,686
Accounts payable and accrued expenses	176,988	230,911	-	6,440	5,762	32,472	-	-	-	452,573	575,972
Tenant security deposits	-	-	-	-	-	-	-	-	-	-	138,923
Inter-company payable	6,215,585	-	391,837	758,840	117,014	1,877,809	1,197,518	2,526	(10,561,129)	-	-
Total current liabilities	10,028,384	636,339	391,837	4,690,382	337,315	1,910,281	1,197,518	2,526	(10,561,129)	8,633,453	8,641,634
Loans payable, less current portion and unamortized deferred loan costs - Note 10	7,427,473	-	-	-	-	-	-	-	-	7,427,473	10,710,786
Mortgages payable, less current portion and unamortized deferred loan costs - Note 11	8,607,540	14,063,914	-	8,068,769	6,676,893	29,432,849	-	-	-	66,849,965	64,484,003
Tenant security deposits	226,066	566,097	-	128,622	169,625	62,592	-	-	-	1,153,002	1,022,036
Developer fee payable	-	-	-	-	765,626	383,326	-	-	(1,148,952)	-	-
Deferred income	774,327	27,072	-	-	-	2,643	-	-	(765,626)	38,416	64,032
Deferred tax liability - Note 15	-	-	-	-	-	-	730,111	-	-	730,111	543,144
Interest rate swap liability - Note 9	-	2,349,793	-	-	119,366	-	-	-	-	2,469,159	1,272,199
Deficit in excess of equity - GMDC Two Corporation	541,548	-	-	-	-	-	-	-	(541,548)	-	-
Deficit in excess of equity - GMDC Atlantic Avenue, LLC	379,933	-	-	-	-	-	-	-	(379,933)	-	-
Deficit in excess of equity - GMDC OP Investor, LLC	2,526	-	-	-	-	-	-	-	(2,526)	-	-
Deficit in excess of equity - GMDC Philadelphia	391,562	-	-	-	-	-	-	-	(391,562)	-	-
Total liabilities	28,379,359	17,643,215	391,837	12,887,773	8,068,825	31,791,691	1,927,629	2,526	(13,791,276)	87,301,579	86,737,834
Commitments and contingencies - Note 14											
Net assets											
Without donor restrictions (deficiency)	22,249,661	(541,548)	(391,562)	-	-	-	-	-	(4,674,665)	16,641,886	17,115,960
Member's equity (deficiency)	-	-	-	(379,933)	10,857,223	2,924,613	997,349	(2,526)	(14,396,726)	-	-
Controlling interest	-	-	-	-	-	2,739,383	-	-	-	2,739,383	2,861,226
Noncontrolling interest	-	-	-	-	-	-	-	-	-	-	-
Total net assets (deficiency)	22,249,661	(541,548)	(391,562)	(379,933)	10,857,223	5,663,996	997,349	(2,526)	(19,071,391)	19,381,269	19,977,186
Total liabilities and net assets	\$ 50,629,020	\$ 17,101,667	\$ 275	\$ 12,507,840	\$ 18,926,048	\$ 37,455,687	\$ 2,924,978	\$ -	\$ (32,862,667)	\$ 106,682,848	\$ 106,715,020

See notes to consolidating financial statements.

**GREENPOINT MANUFACTURING AND DESIGN CENTER
LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

CONSOLIDATING STATEMENT OF ACTIVITIES

**YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE TOTALS FOR 2019)**

	2020										2019
	Greenpoint Manufacturing and Design Center Local Development Corporation	GMDC Two Corporation	GMDC Philadelphia	GMDC Atlantic Avenue, LLC	221 McKibbin Owner LLC and McKibbin Master Tenant, LLC	GMDC OP LLC and GMDC OP Master Tenant, LLC	GMDC OP Manager, LLC	GMDC OP Investor, LLC	Eliminations	Consolidated Totals	Consolidated Totals
Changes in net assets (deficiency)											
Revenue and other support											
Rental income - Note 18	\$ 1,263,162	\$ 2,997,024	\$ -	\$ 636,063	\$ 953,573	\$ 202,169	\$ -	\$ -	\$ -	\$ 6,051,991	\$ 5,960,962
Electric income - net of credits	62,012	110,318	-	52,215	35,069	11,504	-	-	-	271,118	339,865
Administrative and consulting fees	762,020	-	-	-	-	-	-	-	(762,020)	-	-
Contributions - Note 19	1,998,033	-	-	-	-	-	-	-	-	1,998,033	1,738,809
Contribution - loan forgiveness - Paycheck Protection Program - Note 20	277,300	-	-	-	-	-	-	-	-	277,300	-
Interest income - Note 7	504,161	2,989	-	311	215	1,206	-	-	-	508,882	522,250
Developer fee	150,000	-	-	-	-	-	-	-	(150,000)	-	-
Other income	137,133	55,429	-	23,080	597	33,781	-	-	-	250,020	71,395
Passthrough income (loss) from investments	(2,071,170)	-	-	-	-	-	(252,003)	-	2,323,173	-	-
Total revenue and other support	3,082,651	3,165,760	-	711,669	989,454	248,660	(252,003)	-	1,411,153	9,357,344	8,633,281
Expenses											
Program services											
Rental and project development	3,012,421	3,371,217	-	1,009,619	861,026	1,423,178	-	-	(911,526)	8,765,935	7,973,008
Supporting services											
Management and general	472,430	82,409	-	28,607	17,392	179,121	441	-	-	780,400	554,500
Fundraising	71,380	-	-	-	-	-	-	-	-	71,380	75,063
Total supporting services	543,810	82,409	-	28,607	17,392	179,121	441	-	-	851,780	629,563
Total expenses	3,556,231	3,453,626	-	1,038,226	878,418	1,602,299	441	-	(911,526)	9,617,715	8,602,571
Increase (decrease) in net assets before other changes in net assets	(473,580)	(287,866)	-	(326,557)	111,036	(1,353,639)	(252,444)	-	2,322,679	(260,371)	30,710
Unrealized loss on interest rate swap - Note 9	-	1,077,594	-	-	119,366	-	-	-	-	1,196,960	1,272,199
Provision for income taxes - deferred tax expense (benefit) - Note 15	-	-	-	(68,588)	-	-	186,967	-	-	118,379	194,123
	-	1,077,594	-	(68,588)	119,366	-	186,967	-	-	1,315,339	1,466,322
Change in net assets (deficiency)	(473,580)	(1,365,460)	-	(257,969)	(8,330)	(1,353,639)	(439,411)	-	2,322,679	(1,575,710)	(1,435,612)
Net assets (deficiency), beginning of year	22,723,241	823,912	(391,562)	(121,964)	10,865,553	6,037,842	1,436,760	(2,526)	(21,394,070)	19,977,186	18,107,691
Contributions	-	-	-	-	-	1,020,459	-	-	-	1,020,459	3,305,107
Distributions	-	-	-	-	-	(40,666)	-	-	-	(40,666)	-
Net assets (deficiency), end of year	\$ 22,249,661	\$ (541,548)	\$ (391,562)	\$ (379,933)	\$ 10,857,223	\$ 5,663,996	\$ 997,349	\$ (2,526)	\$ (19,071,391)	\$ 19,381,269	\$ 19,977,186

See notes to consolidating financial statements.

**GREENPOINT MANUFACTURING AND DESIGN CENTER
LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES

**YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE TOTALS FOR 2019)**

Greenpoint Manufacturing and Design Center Local Development Corporation																
	Program Services	Supporting Services				Total Expenses	GMDC Two Corporation	GMDC Philadelphia	GMDC Atlantic Avenue, LLC	221 McKibbin Owner, LLC and McKibbin Master Tenant, LLC	GMDC OP LLC and GMDC OP Master Tenant, LLC	GMDC OP Manager, LLC	GMDC OP Investor, LLC	Eliminations	2020	2019
	Rental and Project Development	Management and General	Fundraising	Total	Total										Total	
					Consolidated Expenses										Consolidated Expenses	
Salaries	\$ 796,578	\$ 265,526	\$ 44,254	\$ 309,780	\$ 1,106,358	\$ 566,098	\$ -	\$ 21,183	\$ 31,775	\$ 51,022	\$ -	\$ -	\$ -	\$ 1,776,436	\$ 1,775,922	
Payroll taxes and fringe benefits	300,198	100,066	16,678	116,744	416,942	16,903	-	5,296	7,944	10,349	-	-	-	457,434	452,394	
Repairs and maintenance	49,677	5,520	-	5,520	55,197	55,698	-	10,430	13,536	14,829	-	-	-	149,690	153,475	
Professional fees	56,177	38,631	-	38,631	94,808	82,409	-	28,607	17,392	179,121	-	-	-	402,337	237,000	
Trash removal	1,300	-	-	-	1,300	2,897	-	61	234	286	-	-	-	4,778	5,289	
Security	11,814	-	-	-	11,814	22,391	-	8,247	2,747	4,747	-	-	-	49,946	36,932	
Building licenses and permits	1,890	-	-	-	1,890	6,821	-	-	-	7,165	-	-	-	15,876	911	
Building filing fees	1,900	-	-	-	1,900	2,384	-	2,790	1,223	-	-	-	-	8,297	11,069	
Insurance	59,785	19,928	3,321	23,249	83,034	190,316	-	53,038	59,699	90,473	-	-	-	476,560	335,201	
Utilities	55,972	18,658	3,110	21,768	77,740	197,178	-	68,280	59,339	38,651	-	-	-	441,188	471,038	
Phone and internet	17,819	5,940	990	6,930	24,749	4,492	-	4,794	3,803	4,695	-	-	-	42,533	34,658	
Interest	1,033,248	-	-	-	1,033,248	723,288	-	292,161	251,948	332,527	-	-	-	2,633,172	2,648,720	
Real estate taxes	239,378	-	-	-	239,378	550,365	-	52,215	-	-	-	-	-	841,958	760,629	
Office expenses	35,813	11,938	1,990	13,928	49,741	-	-	-	-	-	-	-	-	49,741	76,167	
Administrative fees	-	-	-	-	-	700,000	-	50,885	-	11,135	-	-	(762,020)	-	-	
NMTC reimbursement expenses	-	-	-	-	-	-	-	86,092	-	102,600	-	-	-	188,692	79,989	
Depreciation	339,598	3,801	633	4,434	344,032	319,094	-	334,238	394,934	750,206	-	-	(149,506)	1,992,998	1,387,638	
Amortization	-	-	-	-	-	-	-	-	33,504	-	-	-	-	33,504	33,504	
Taxes	4,008	-	-	-	4,008	100	-	1,145	-	420	-	-	-	5,673	36,684	
Bad debt expense	-	-	-	-	-	93	-	16,000	-	-	-	-	-	16,093	47,067	
Miscellaneous	7,266	2,422	404	2,826	10,092	13,099	-	2,764	340	4,073	441	-	-	30,809	18,284	
Total expenses, 2020	\$ 3,012,421	\$ 472,430	\$ 71,380	\$ 543,810	\$ 3,556,231	\$ 3,453,626	\$ -	\$ 1,038,226	\$ 878,418	\$ 1,602,299	\$ 441	\$ -	\$ (911,526)	\$ 9,617,715	\$ -	
Total expenses, 2019	\$ 3,225,258	\$ 385,253	\$ 75,063	\$ 460,316	\$ 3,685,574	\$ 3,570,863	\$ -	\$ 1,001,523	\$ 902,068	\$ 329,264	\$ 21,884	\$ -	\$ (908,605)	\$ -	\$ 8,602,571	

* With the exclusion of Greenpoint Manufacturing and Design Center Local Development Corporation, expenses for all other entities presented in the consolidating schedule of functional expenses are considered to be program services, with the exception of professional fees, which are considered to be supporting services, and all expenses related to GMDC OP Manager, LLC and GMDC OP Investor, LLC, which are considered to be supporting services.

See notes to consolidating financial statements.

**GREENPOINT MANUFACTURING AND DESIGN CENTER
LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

CONSOLIDATING STATEMENT OF CASH FLOWS

**YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE TOTALS FOR 2019)**

	2020										2019	
	Greenpoint Manufacturing and Design Center Local Development Corporation	GMDC Two Corporation	GMDC Philadelphia	GMDC Atlantic Avenue, LLC	221 McKibbin Owner, LLC and McKibbin Master Tenant, LLC	GMDC OP LLC and GMDC OP Master Tenant, LLC	GMDC OP Manager, LLC	GMDC OP Investor, LLC	Eliminations	Consolidated Totals	Consolidated Totals	
Cash flows from operating activities												
Change in net assets (deficiency)	\$ (473,580)	\$ (1,365,460)	\$ -	\$ (257,969)	\$ (8,330)	\$ (1,353,639)	\$ (439,411)	\$ -	\$ 2,322,679	\$ (1,575,710)	\$ (1,435,612)	
Adjustments to reconcile change in net assets (deficiency) to net cash provided by (used in) operating activities												
Depreciation and amortization	344,032	319,094	-	334,238	428,438	750,206	-	-	(149,506)	2,026,502	1,421,142	
Interest expense - debt issuance costs	46,800	10,928	-	25,418	16,854	28,923	-	-	-	128,923	206,029	
Bad debt expense	-	93	-	16,000	-	-	-	-	-	16,093	47,067	
Contribution - loan forgiveness - Paycheck Protection Program	(277,300)	-	-	-	-	-	-	-	-	(277,300)	-	
Investment income	2,071,170	-	-	-	-	-	252,003	-	(2,323,173)	-	-	
Accretion of favorable and unfavorable operating leases	-	-	-	-	-	-	-	-	-	-	(1,827)	
Unrealized loss on interest rate swap	-	1,077,594	-	-	119,366	-	-	-	-	1,196,960	1,272,199	
Deferred income taxes	-	-	-	(68,588)	-	-	186,967	-	-	118,379	194,123	
(Increase) decrease in assets												
Rent and other miscellaneous receivables	(125,513)	(76,316)	-	(94,342)	661	1,901	-	-	-	(293,609)	(62,571)	
Inter-company receivables	(159,510)	1,709,785	-	-	17,574	1,731,833	-	-	(3,299,682)	-	-	
Prepaid expenses and other current assets	(10,112)	(45,681)	-	(4,068)	(3,845)	(26,074)	-	-	-	(89,780)	(77,941)	
Security deposits	-	-	-	-	-	(400)	-	-	-	(400)	(3,500)	
Developer fee receivable	2,525,565	-	-	-	-	-	-	-	(2,525,565)	-	-	
Deferred rent	-	-	-	-	-	-	-	-	-	-	66,840	
Increase (decrease) in liabilities												
Accounts payable and accrued expenses	67,489	(173,578)	-	(10,718)	2,479	(9,071)	-	-	-	(123,399)	427,177	
Inter-company payable	(1,800,042)	-	-	84,690	(106,171)	(1,492,952)	761	-	3,313,714	-	-	
Interest payable	(28,932)	(13,257)	-	71,352	(5,215)	-	-	-	-	23,948	167,701	
Deferred income	(157,043)	(18,842)	-	-	-	270	-	-	-	(175,615)	(106,438)	
Tenant security deposits	5,294	(11,311)	-	(11,735)	(2,208)	12,004	-	-	-	(7,956)	40,414	
Net cash provided by (used in) operating activities	2,028,318	1,413,049	-	84,278	459,603	(356,999)	320	-	(2,661,533)	967,036	2,154,803	
Cash flows from investing activities												
Property, equipment, renovations and fees	(445,300)	(1,911,464)	-	(22,853)	(14,575)	(183,320)	-	-	150,000	(2,427,512)	(8,817,030)	
Development fee	-	-	-	(135,968)	-	(2,375,565)	-	-	2,511,533	-	-	
Construction costs	-	-	-	-	-	-	-	-	-	-	(2,376,326)	
Net cash used in investing activities	(445,300)	(1,911,464)	-	(158,821)	(14,575)	(2,558,885)	-	-	2,661,533	(2,427,512)	(11,193,356)	
Cash flows from financing activities												
Cash paid for deferred loan costs	-	-	-	(15,000)	(93,516)	-	-	-	-	(108,516)	(107,397)	
Proceeds from loans	-	-	-	-	-	-	-	-	-	-	243,349	
Proceeds from mortgages	-	-	-	-	7,000,000	-	-	-	-	7,000,000	15,100,000	
Principal repayments of loans and mortgages	(1,317,349)	(342,976)	-	-	(6,047,240)	-	-	-	-	(7,707,565)	(9,636,190)	
Proceeds from loan - Paycheck Protection Program	287,300	-	-	-	-	-	-	-	-	287,300	-	
Principal payments of loan - Paycheck Protection Program	(10,000)	-	-	-	-	-	-	-	-	(10,000)	-	
Capital contributions	-	-	-	-	-	1,020,459	-	-	-	1,020,459	3,305,107	
Distributions	-	-	-	-	-	(40,666)	-	-	-	(40,666)	-	
Net cash provided by (used in) financing activities	(1,040,049)	(342,976)	-	(15,000)	859,244	979,793	-	-	-	441,012	8,904,869	
Net increase (decrease) in cash and cash equivalents and restricted cash	542,969	(841,391)	-	(89,543)	1,304,272	(1,936,091)	320	-	-	(1,019,464)	(133,684)	
Cash and cash equivalents and restricted cash, beginning of year	571,055	5,091,977	275	661,150	627,819	2,748,858	45	-	-	9,701,179	9,834,863	
Cash and cash equivalents and restricted cash, end of year	\$ 1,114,024	\$ 4,250,586	\$ 275	\$ 571,607	\$ 1,932,091	\$ 812,767	\$ 365	\$ -0-	\$ -0-	\$ 8,681,715	\$ 9,701,179	
Reconciliation of cash and cash equivalents and restricted cash												
Cash and cash equivalents	\$ 534,102	\$ 5,030,484	\$ 275	\$ 469,160	\$ 627,819	\$ 1,727,738	\$ 45	\$ -	\$ -	\$ 8,389,623	\$ 2,385,006	
Restricted cash	-	-	-	191,990	-	1,021,120	-	-	-	1,213,110	7,326,823	
Mortgage escrow reserves	36,953	61,493	-	-	-	-	-	-	-	98,446	123,034	
Cash and cash equivalents and restricted cash, beginning of year	\$ 571,055	\$ 5,091,977	\$ 275	\$ 661,150	\$ 627,819	\$ 2,748,858	\$ 45	\$ -0-	\$ -0-	\$ 9,701,179	\$ 9,834,863	
Reconciliation of cash and cash equivalents and restricted cash												
Cash and cash equivalents	\$ 1,075,634	\$ 4,190,918	\$ 275	\$ 424,477	\$ 1,932,091	\$ 133,245	\$ 365	\$ -	\$ -	\$ 7,757,005	\$ 8,389,623	
Restricted cash	-	-	-	147,130	-	679,522	-	-	-	826,652	1,213,110	
Mortgage escrow reserves	38,390	59,668	-	-	-	-	-	-	-	98,058	98,446	
Cash and cash equivalents and restricted cash, end of year	\$ 1,114,024	\$ 4,250,586	\$ 275	\$ 571,607	\$ 1,932,091	\$ 812,767	\$ 365	\$ -0-	\$ -0-	\$ 8,681,715	\$ 9,701,179	
Supplemental cash flow disclosures												
Interest	\$ 1,015,380	\$ 725,617	\$ -	\$ 195,391	\$ 240,309	\$ 303,604	\$ -	\$ -	\$ -	\$ 2,480,301	\$ 2,285,259	
Noncash investing and financing activities												
Increase in fixed assets and construction in progress from increase in												
Construction payable and retainage payable	-	-	-	-	7,026	-	-	-	-	7,026	-	
Developer fee payable	-	-	-	-	-	-	-	-	-	-	840,411	
Capitalized interest - debt issuance costs	-	-	-	-	-	-	-	-	-	-	18,737	

See notes to consolidating financial statements.

**GREENPOINT MANUFACTURING AND DESIGN CENTER
LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

1 - ORGANIZATION AND NATURE OF BUSINESS

Greenpoint Manufacturing and Design Center Local Development Corporation (“GMDC”), a not-for-profit corporation, creates and sustains viable manufacturing sectors in urban neighborhoods through planning, developing and managing real estate and offering other related services. GMDC’s major source of revenue is rental income through non-cancelable operating leases.

The term of the Organization continues until the occurrence of certain dissolution events, as defined in the Operating Agreement, or by law, whichever is earlier.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Presentation

The accompanying consolidating financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (“GAAP”).

The consolidating financial statement presentation is in accordance with Financial Accounting Standards Board Accounting Standards Codification (“FASB ASC”) 958, Not-for-Profit Entities.

Under ASC 958, as amended, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: those without donor restrictions and those with donor restrictions. Net assets without donor restrictions are those net assets that are not subject to donor-imposed restrictions. Net assets with donor restrictions are subject to donor stipulations that limit the use of their contributions which either expire by the passage of time or when used for specified purposes. As of December 31, 2020 and 2019, all of the Organization’s net assets were without donor restrictions.

Principles of Consolidation

The accompanying consolidating financial statements include the accounts of the parent company, Greenpoint Manufacturing and Design Center Local Development Corporation, and its wholly owned subsidiaries, GMDC Two Corporation, GMDC Philadelphia, GMDC Atlantic Avenue, LLC, 221 McKibbin Owner, LLC, McKibbin Master Tenant, LLC, GMDC OP Manager, LLC and GMDC OP Investor, LLC as well as other subsidiaries, GMDC OP LLC and GMDC OP Master Tenant, LLC (together, the “Organization”). All significant inter-company accounts and transactions have been eliminated in consolidation.

**GREENPOINT MANUFACTURING AND DESIGN CENTER
LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Principles of Consolidation (Continued)

221 McKibbin Owner, LLC (“Owner”), a New York limited liability company, was formed on March 22, 2007 to acquire, develop, finance, rehabilitate, construct, own, operate, maintain and sell, or otherwise dispose of the property known as 221 McKibbin Street, located in Brooklyn, New York (the “McKibbin Property”). The McKibbin Property is leased to McKibbin Master Tenant, LLC (the “Tenant”), a New York limited liability company. Tenant was formed on April 10, 2008 to lease the McKibbin Property from Owner and to lease, sublease, operate, manage, and sell or otherwise dispose of its leasehold interest in the McKibbin Property.

On July 14, 2015, GMDC entered into an Amended and Restated Operating Agreement as the sole member of Tenant. Owner and Tenant were originally formed to finance the rehabilitation of the McKibbin Property.

GMDC Philadelphia (“Philadelphia”), a 501(c)(3) not-for-profit corporation, was formed during 2011 to emulate GMDC’s mission in the Philadelphia, Pennsylvania area.

GMDC Atlantic Avenue, LLC (“NY LLC”), a New York limited liability company, was formed on March 1, 2012 and is owned by GMDC as the sole member. GMDC entered into an operating agreement with NY LLC on November 7, 2012. GMDC Atlantic Avenue, LLC (“Atlantic”), a Delaware limited liability company, was formed on October 8, 2013 by GMDC, its sole member, and entered into an operating agreement on that date (“Atlantic Operating Agreement”). GMDC merged NY LLC into Atlantic. Atlantic was formed to acquire, own, lease, sublease, operate, manage, improve, finance and sell the real property at 1102 Atlantic Avenue, Brooklyn, New York (the “Atlantic Property”).

Under the terms of the Atlantic Operating Agreement, GMDC was required to provide capital contributions in the amount of \$585,000. Although not required to do so, GMDC may make additional capital contributions to Atlantic at any time. As of December 31, 2020 and 2019, GMDC’s capital contributions totaled \$5,701,246, including land and building valued at \$5,000,000.

GMDC Two Corporation (“GMDC II”), a Delaware 501(c)(4) not-for-profit corporation, was formed during 2004 to operate a property located at 1155-1205 Manhattan Avenue, Brooklyn, New York (the “Manhattan Ave Property”). Through a merger that took place in May 2004, GMDC II is wholly owned by GMDC.

GMDC OP LLC (“GMDC OP”), a Delaware limited liability company, was formed during 2017 to acquire, develop, finance, rehabilitate, construct, own, operate, maintain, and sell or otherwise dispose of property located in Queens, New York, known as 94-15 100th Street (the “Ozone Park Property”).

**GREENPOINT MANUFACTURING AND DESIGN CENTER
LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Principles of Consolidation (Continued)

GMDC OP Master Tenant, LLC (“Master Tenant”), a Delaware limited liability company, was formed during 2017 to lease the Ozone Park Property from GMDC OP and to lease, sublease, operate, manage, and sell or otherwise dispose of its leasehold interest in the Ozone Park Property.

GMDC OP Manager, LLC (“OP Manager”), a Delaware limited liability company, was formed in 2017 to be the managing member of GMDC OP and Master Tenant.

GMDC OP Investor, LLC (“OP Investor”), a Delaware limited liability company, was formed during 2017 to engage in the activity of acting as a member with a ten percent membership interest in GMDC OP. Effective December 31, 2017, OP Investor transferred all of its interest in GMDC OP to Master Tenant.

Noncontrolling Interests

GAAP requires that noncontrolling interests in subsidiaries be reported in the net asset section of an Organization’s consolidating statement of financial position.

Revenue Recognition

The Organization recognizes rental revenues each month as billed in accordance with lease agreements, with variable annual step-ups as defined in the lease agreements.

Revenue from fees are recognized at the point in time when the related services have been rendered.

Contributions are recognized as revenue when a donor makes an unconditional promise to give to the Organization. Contributions are considered conditional when the underlying agreement includes a performance barrier and a right of return or a right to release promised assets exists. Conditional promises to give are not recognized until the performance barrier and the right of return or release have been overcome.

Rent Receivable

Rent receivable includes basic rent, electric and advances due from tenants. At December 31, 2020 and 2019, an allowance for uncollectible rent of \$248,298 and \$232,205, respectively, has been established based on management’s knowledge and experience.

**GREENPOINT MANUFACTURING AND DESIGN CENTER
LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Goodwill

FASB ASC 805, "Business Combinations," provides accounting alternatives within GAAP. ASC 805 allows private companies to adopt a simplified accounting alternative when accounting for post-acquisition goodwill. The alternative allows private companies to: (1) amortize goodwill on a straight-line basis over a useful life of 10 years or less if the entity is able to demonstrate that a shorter useful life is more appropriate, (2) test goodwill for impairment only when a triggering event occurs that indicates that the fair value of an entity or reporting unit is below its carrying amount, and (3) make an accounting policy election to test goodwill for impairment at either the entity level or the reporting unit level.

Should a triggering event occur, Tenant may qualitatively assess whether it is more likely than not that goodwill is impaired. If an impairment loss is indicated, it represents the excess of the carrying value of the entity over its fair value and an adjustment would need to be made. Tenant elected to adopt the alternative accounting treatment for goodwill under ASC 805 effective July 15, 2015, and elected to test goodwill for impairment at the reporting unit level.

Impairment of Long-Lived Assets

The Organization reviews the carrying values of its long-lived assets whenever events or changes in circumstances indicate that the carrying values may no longer be appropriate. Recoverability of carrying values is assessed by estimating future net cash flows from the assets. If the carrying value of such asset exceeds the undiscounted cash flow, the asset would be deemed to be impaired. Impairment would then be measured as the difference between the fair value of the long-lived asset and the carrying value to determine the amount of the impairment. Based on management's evaluations, no impairment charge was deemed necessary at December 31, 2020 and 2019.

Property and Equipment

Buildings, improvements, furniture and equipment are recorded at cost and are depreciated on the straight-line basis over their estimated useful lives, which range from three to forty-five years. Donated items are capitalized at the estimated fair value at the date of contribution and are depreciated over their estimated useful lives.

Deferred Costs

Amortization of deferred loan costs has been computed on the effective interest method over the terms of the respective loan. Deferred mortgage costs are presented as a direct reduction of the carrying amount of the related debt instead of as an asset.

Use of Estimates

The preparation of consolidating financial statements in conformity with GAAP requires the use of estimates that affect certain reported amounts and disclosures.

**GREENPOINT MANUFACTURING AND DESIGN CENTER
LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates (Continued)

These estimates are based on management's knowledge and experience. Accordingly, actual results could differ from those estimates.

Tax Status

GMDC and Philadelphia are not-for-profit corporations exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

GMDC II is a not-for-profit corporation exempt from federal income taxes under Section 501(c)(4) of the Internal Revenue Code.

Atlantic was formed as a limited liability company but has elected to be taxed as a corporation for federal tax purposes. Atlantic provides for its income tax expense and/or benefits by filing its own corporate tax returns on a separate company basis. Deferred tax assets and liabilities are recognized based on differences between the book and tax bases of assets and liabilities using currently enacted tax rates. The provision for income taxes is the sum of the amount of income tax paid or payable for the year determined by applying enacted tax laws to the taxable income for that year and the net change during the year in Atlantic's deferred tax assets and liabilities. For the years ended December 31, 2020 and 2019, Atlantic had no taxable income.

Owner and Tenant are considered disregarded entities for income tax purposes. All tax attributes are passed through to GMDC, and income taxes, if any, are payable by GMDC. Consequently, no provision for income taxes for Owner or Tenant has been made in the accompanying consolidating financial statements.

GMDC OP and Master Tenant are not taxpaying entities for income tax purposes and, accordingly, no provision has been made for income taxes. Income taxes on GMDC OP and Master Tenant are levied on the members at the member level.

OP Manager was formed as a limited liability company but has elected to be taxed as a corporation for federal tax purposes.

Functional Allocation of Expenses

The costs of providing program and supporting activities have been summarized on a functional basis in the consolidating statement of activities. The consolidating statement of functional expenses presents expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Organization are reported as expenses of those functional areas. Indirect costs that benefit multiple functional areas have been allocated among the various functional areas based on annual employee time allocations that have been calculated and reviewed by multiple members of management.

**GREENPOINT MANUFACTURING AND DESIGN CENTER
LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash balances in banks are insured by the Federal Deposit Insurance Corporation subject to certain limitations. For financial reporting purposes, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Restricted Cash

Restricted cash includes reserve accounts established in accordance with the Organization's Building Loan Agreements to provide reserves for construction expenditures and fees associated with the Organization's ongoing development projects. As of December 31, 2020 and 2019, the reserve account balance was \$826,652 and \$1,213,110, respectively. The Organization is also required to hold certain mortgage escrow accounts for payments of real estate taxes. As of December 31, 2020 and 2019, the balance of these escrows accounts was \$98,058 and \$98,446, respectively.

Paycheck Protection Program ("PPP") Loan

The Organization's policy is to account for the PPP loan (See Note 20) as debt. The Organization will continue to record the loan as debt until either (1) the loan is partially or entirely forgiven and the Organization has been legally released, at which point the amount forgiven will be recorded as income or (2) the Organization pays off the loan.

Subsequent Events

The Organization has evaluated subsequent events through June 22, 2021, the date that the consolidating financial statements are considered available to be issued.

3 - CONDITIONAL PROMISES TO GIVE

GMDC executed a funding agreement with the New York City Economic Development Corporation in the amount of \$585,000 for the rehabilitation of the property at 1102 Atlantic Avenue, Brooklyn, New York. The grant is contingent upon submitting approved costs for the project. As of December 31, 2020 and 2019, \$583,992 of the funding had been received and recorded by GMDC. The balance of the funding will be recorded upon submission and collection.

In 2017, GMDC executed a grant disbursement agreement with the Empire State Development Corporation in the amount of \$2,100,000 for the rehabilitation of the property at 94-15 100th Street, Ozone Park, New York. The grant is contingent upon receiving approved costs for the project. Funds will be recorded upon submission and collection. As of December 31, 2020 and 2019, \$2,100,000 and \$1,400,000, respectively had been received from the Empire State Development Corporation for this project.

**GREENPOINT MANUFACTURING AND DESIGN CENTER
LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

3 - CONDITIONAL PROMISES TO GIVE (Continued)

In 2016, GMDC Two Corporation entered into a funding agreement with the New York City Economic Development Corporation in the amount of \$1,950,000 for the rehabilitation of the elevator structures at the Manhattan Ave Property. The grant is contingent upon receiving approved costs for the project. Funds will be recorded upon submission and collection. As of December 31, 2020 \$1,286,533 had been received from the New York City Economic Development Corporation for this project. No funds had been received as of December 31, 2020.

In 2016, GMDC Two Corporation entered into a funding agreement with the New York City Economic Development Corporation in the amount of \$1,462,500 for the renovation of roofing structures at the Manhattan Ave Property. The grant is contingent upon receiving approved costs for the project. Funds will be recorded upon submission and collection. No funds had been received as of December 31, 2020 and 2019.

4 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's financial assets available within one year of the consolidating statements of financial position date for general expenditures are as follows:

	2020	2019
Cash and cash equivalents	\$ 7,757,005	\$ 8,389,623
Rent and other miscellaneous receivables	472,678	195,162
Mortgage escrow reserves	98,058	98,446
Prepaid expenses and other current assets	722,589	632,809
Restricted cash	441,041	827,499
Total current financial assets as of December 31, 2020 and 2019	9,491,371	10,143,539
Less - real estate tax and insurance escrows	98,058	98,446
Less - other escrow	17,331	17,331
Less - prepaid expenses	705,258	615,478
Total financial assets available within one year	\$ 8,670,724	\$ 9,412,284

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Organization has a committed line of credit of \$2,000,000, which it could draw upon (as discussed in Note 17).

**GREENPOINT MANUFACTURING AND DESIGN CENTER
LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

5 - DEFINED CONTRIBUTION PENSION PLAN

Employees are covered under a defined contribution pension plan which qualifies under Section 401(k) of the Internal Revenue Code (the “Code”). The plan permits employees to voluntarily contribute up to the maximum allowed under the Code. The Organization makes matching contributions up to 5% of the employee’s elective contributions. The employer contribution vests on the third anniversary of the employee’s date of hire. For the years ended December 31, 2020 and 2019, the Organization matched employee contributions in the amounts of \$55,952 and \$52,458, respectively.

6 - NEW MARKETS TAX CREDIT STRUCTURE

Banc of America Community Development Corporation (“BOA”) is the ultimate investor in Banc of America CDE V, LLC (“BOA V”) and ESIC New Markets Partners LVIII Limited Partnership (“ESIC”). GMDC contributed \$3,362,000 in the form of a loan to BOA Investment Fund V, LLC (“Fund V”) (see Note 7) in addition to the equity contributions from BOA of \$3,362,000. GMDC also contributed \$3,853,750 and \$1,189,250 in the form of a senior and junior loan, respectively, to 1102 Atlantic Ave Investment Fund, LLC (“1102 IF”) (see Note 7) in addition to the equity contributions from BOA of \$2,457,000. BOA V and ESIC received equity contributions from Fund V and 1102 IF, respectively, and used the equity contributions to make loans to Atlantic (see Note 11). Atlantic is intended to constitute a Qualified Active Low Income Community Business under Section 45D of the Code. Effective January 13, 2021, the NMTC compliance period was completed and the NMTC transaction unwound (as discussed in Note 2).

On December 13, 2016, GMDC entered into the initial operating agreement as the sole member of GMDC OP. The initial operating agreement (the “A&R Operating Agreement”) was amended and restated on November 16, 2017, whereby GMDC transferred 90% and 10% of the membership interest in GMDC OP to OP Manager and OP Investor, respectively. Pursuant to the amended A&R Operating Agreement, OP Manager is to contribute \$1,209,466 of cash and \$737,769 of property, which consisted of \$2,200,269 of pre-development costs paid on behalf of GMDC OP less a reimbursement of a deposit to GMDC of \$1,462,500. OP Investor is to contribute cash of \$216,359. As of December 31, 2020 and 2019, contributions of cash and property totaled \$1,108,554 from OP Manager and \$216,359 from OP Investor. Additionally, on November 16, 2017, the members of GMDC OP amended and restated the A&R Operating Agreement to provide certain terms for the management and governance of GMDC OP. Pursuant to the First Amendment to the Membership Interest Purchase Agreement dated December 21, 2017, Master Tenant agreed to purchase OP Investor’s 10% membership interest in GMDC OP for \$216,359 effective December 31, 2017.

**GREENPOINT MANUFACTURING AND DESIGN CENTER
LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

6 - NEW MARKETS TAX CREDIT STRUCTURE (Continued)

On November 16, 2017, OP Manager and Chase Community Equity, LLC entered into an operating agreement (the "Master Tenant Operating Agreement"). Under the terms of the Master Tenant Operating Agreement, OP Manager has provided capital contributions of \$63,673 as of December 31, 2020 and 2019 and OP Investor provided capital contributions of \$5,901,484 and \$4,881,025 as of December 31, 2020 and 2019, respectively. The liability of the members is limited to their cumulative capital contributions.

7 - LOANS RECEIVABLE

Loans receivable as of December 31 consisted of the following:

	2020	2019
On December 19, 2013, GMDC and 1102 Atlantic Ave Investment Fund, LLC executed a senior loan in the amount of \$3,853,750 and a junior loan in the amount of \$1,189,250. The senior loan bears interest at a rate of 4.300491% per annum through maturity on January 19, 2021. Quarterly payments of interest only commence March 10, 2014 through December 10, 2020. The unpaid balance of the loan, together with all accrued and unpaid interest, is payable on the maturity date. The junior loan bears interest at a rate of 4.300491% per annum through maturity on December 19, 2043. Quarterly payments of interest only commence March 10, 2014 through December 31, 2024. Beginning March 10, 2025, principal and interest payments are due on a quarterly basis through the maturity date, at which time all unpaid principal and interest are due. The loans have limited guarantees with Banc of America Community Development Corporation. In connection with the end of the NMTC compliance period, the loan was forgiven in 2021 (See Note 21).	\$ 5,043,000	\$ 5,043,000
Subtotal (carried forward)	\$ 5,043,000	\$ 5,043,000

**GREENPOINT MANUFACTURING AND DESIGN CENTER
LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

7 - LOANS RECEIVABLE (Continued)

Loans receivable as of December 31 consisted of the following:

	2020	2019
Subtotal (brought forward)	\$ 5,043,000	\$ 5,043,000
On December 19, 2013, GMDC and BOA Investment Fund V, LLC executed a loan in the amount of \$3,362,000 bearing an interest rate of 1.00% per annum through maturity on December 19, 2043. Quarterly payments of interest only commence March 10, 2014 through December 31, 2024. Beginning March 10, 2025, principal and interest payments are due on a quarterly basis through the maturity date, at which time all unpaid principal and interest are due. In connection with the end of the NMTC compliance period, the loan was forgiven in 2021 (See Note 21).	3,362,000	3,362,000
On November 16, 2017, GMDC and Chase NMTC GMDC Investment Fund, LLC executed a loan in the amount of \$20,991,700 bearing an interest rate of 1.207976% per annum through maturity on November 16, 2048. Quarterly payments of interest only commence December 15, 2017 through September 15, 2024. On November 16, 2024, a mandatory principal payment in the amount of \$832,000 and any unpaid interest are due. Beginning December 15, 2024, principal and interest payments are due on a quarterly basis through the maturity date, at which time all unpaid principal and interest are due.	20,991,700	20,991,700
Total	\$ 29,396,700	\$ 29,396,700

**GREENPOINT MANUFACTURING AND DESIGN CENTER
LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

8 - PROPERTY AND EQUIPMENT

A summary of property and equipment at December 31 is as follows:

2020								2019	
		Greenpoint Manufacturing and Design Center Local Development Corporation	GMDC Two Corporation	GMDC Atlantic Avenue, LLC	221 McKibbin Owner, LLC and McKibbin Master Tenant, LLC	GMDC OP LLC and GMDC OP Master Tenant, LLC	Eliminations	Consolidated Totals	Consolidated Totals
Life									
Land	-	\$ 250,650	\$ 580,500	\$ 237,150	\$ 825,000	\$ 3,667,950	\$ -	\$ 5,561,250	\$ 5,561,250
Buildings	25-45 years	4,959,351	4,396,199	13,017,436	17,404,898	33,850,250	(9,001,888)	64,626,246	64,420,073
Furniture and equipment	3-39 years	490,210	69,230	3,141	79,553	-	-	642,134	626,681
Improvements	25-39 years	3,221,293	4,065,119	-	113,297	-	-	7,399,709	7,283,902
		8,921,504	9,111,048	13,257,727	18,422,748	37,518,200	(9,001,888)	78,229,339	77,891,906
Less - Accumulated depreciation		6,685,506	5,387,281	1,889,536	4,348,222	955,909	(2,628,486)	16,637,968	14,644,970
		\$ 2,235,998	\$ 3,723,767	\$ 11,368,191	\$ 14,074,526	\$ 36,562,291	\$(6,373,402)	\$ 61,591,371	\$ 63,246,936

Depreciation expense for the years ended December 31, 2020 and 2019 was \$1,992,998 and \$1,387,648, respectively.

**GREENPOINT MANUFACTURING AND DESIGN CENTER
LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

9 - INTEREST RATE SWAP LIABILITIES

In 2019, in connection with its Dime Community Bank loan (see Note 11), GMDC II entered into an interest rate swap agreement. GAAP establishes accounting and reporting standards for derivative instruments. Specifically, the standards require an entity to recognize all derivatives as either assets or liabilities in the consolidating statement of financial position and to measure those instruments at fair value. A change in the fair value of the interest rate swap of \$1,077,594 and \$1,272,199 has been recorded as a loss in the consolidating statement of activities for the years ended December 31, 2020 and 2019, respectively. The swap terminates on March 5, 2029 and requires GMDC II to pay a fixed rate of interest of 4.83% applied to the notional amount and receive a variable rate of interest of the one month LIBOR rate plus 2.00%.

The following table summarizes the fair value of GMDC II's interest rate swap liabilities using Level 2 valuation techniques:

December 31, 2020		
	Notional Value	Amount
Dime Community Bank	\$15,100,000	\$(2,349,793)

December 31, 2019		
	Notional Value	Amount
Dime Community Bank	\$15,100,000	\$(1,272,199)

In connection with its Flushing Bank loan (see Note 11), Owner entered into an interest rate swap agreement during the year ended December 31, 2020. A change in the fair value of the interest rate swap of \$119,366 has been recorded as a loss in the consolidating statement of activities for the year ended December 31, 2020. The swap terminates on November 1, 2030 and requires Owner to pay a fixed rate of interest of 2.692% applied to the notional amount.

The following table summarized the fair value of Owner's interest rate swap liability using Level 2 valuation techniques:

December 31, 2020		
	Notional Value	Amount
Flushing Bank	\$7,000,000	\$(119,366)

**GREENPOINT MANUFACTURING AND DESIGN CENTER
LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

10 - LOANS PAYABLE

Loans payable at December 31 consisted of the following:

	2020					2019
	Greenpoint Manufacturing and Design Center Local Development Corporation	GMDC Two Corporation	GMDC Atlantic Avenue, LLC	221 McKibbin Owner, LLC and McKibbin Master Tenant, LLC	Total	Total
Loan payable to a nonprofit corporation of \$3,853,750, bearing interest at a rate of 6.5% per annum and maturing on June 19, 2021. Interest-only payments are due monthly commencing January 15, 2014 through March 15, 2015, at which time unpaid principal and interest will be due monthly in the amount of \$29,476 through the date of maturity. The loan is secured by an assignment of interest in the ESIC Notes (see Note 11). The Loan was refinanced in 2021 (See Note 21).	\$ 3,137,090	\$ -	\$ -	\$ -	\$ 3,137,090	\$ 3,281,782
On November 15, 2017, GMDC entered into a loan agreement with Enterprise Community Loan Fund, Inc. ("ECLF"), a nonprofit corporation, for \$8,700,000, bearing interest at 5.85% per annum. Commencing January 1, 2018, GMDC is required to make quarterly payments of interest only through the earlier of twenty-four months after commencement or the full occupancy of the Ozone Park Property (the "Stabilization Date"). During the interest-only period, ECLF is to make disbursements from an interest reserve. On or about the Stabilization Date, GMDC will make a principal payment of \$866,401, which will be applied to the outstanding principal balance. Commencing January 1, 2020, payments of interest and principal are due quarterly through November 30, 2024, the maturity date, when the entire principal balance along with all accrued but unpaid interest is due. The loan is secured by the Ozone Park Property and an assignment of leases and rents and developer fees.	7,691,125	-	-	-	7,691,125	8,700,000
Total payable amount	10,828,215	-	-	-	10,828,215	11,981,782
Less - Current portion	(3,307,397)	-	-	-	(3,307,397)	(1,153,567)
Less - Unamortized deferred loan costs	(93,345)	-	-	-	(93,345)	(117,429)
Long-term portion	\$ 7,427,473	\$ -0-	\$ -0-	\$ -0-	\$ 7,427,473	\$ 10,710,786

**GREENPOINT MANUFACTURING AND DESIGN CENTER
LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

10 - LOANS PAYABLE (Continued)

Approximate principal payments during the next five years are as follows:

Year Ending December 31,	
2021	\$ 3,307,000
2022	181,000
2023	192,000
2024	7,148,000
Total	\$ 10,828,000

**GREENPOINT MANUFACTURING AND DESIGN CENTER
LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

11 - MORTGAGES PAYABLE

Mortgages payable at December 31 consisted of the following:

	2020						2019
	Greenpoint Manufacturing and Design Center Local Development Corporation	GMDC Two Corporation	GMDC Atlantic Avenue, LLC	221 McKibbin Owner, LLC and McKibbin Master Tenant, LLC	GMDC OP LLC and GMDC OP Master Tenant, LLC	Total	Total
Owner entered into a loan agreement with Flushing Bank on October 9, 2020 in the amount of \$7,000,000, maturing on November 1, 2030 and bearing interest at LIBOR plus 2% per annum. Owner entered into an interest rate swap agreement for which the LIBOR rate was swapped with a fixed rate of .692% per annum (See Note 9). Commencing November 1, 2020, monthly payments of principal and interest are due in arrears on the first business day of each month. At maturity, the entire outstanding principal balance plus all accrued and unpaid interest are due. The loan is secured by substantially all of the assets of Owner.	\$ -	\$ -	\$ -	\$ 6,966,952	\$ -	\$6,966,952	\$ -
Mortgage loan, entered into on September 20, 2013, in the amount of \$6,162,000 for the Organization's properties located at 7 St. Nicholas Street and 810 Humboldt Street, both in Brooklyn, New York, payable on a monthly basis in the amount of \$36,708, applied first to interest at a rate of 5.19% per annum and the balance to principal, with a final payment of all outstanding principal and accrued interest due on October 1, 2023. The loan is secured by the 7 St. Nicholas Street and 810 Humboldt Street properties and an assignment of leases and rents and security agreement. The loan requires the Organization to maintain certain financial covenants; the Organization was in compliance as of December 31, 2020 and 2019.	5,154,709	-	-	-	-	5,154,709	5,318,491
Subtotal (carried forward)	5,154,709	-	-	6,966,952	-	12,121,661	5,318,491

**GREENPOINT MANUFACTURING AND DESIGN CENTER
LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

11 - MORTGAGES PAYABLE (Continued)

	2020						2019
	Greenpoint Manufacturing and Design Center Local Development Corporation	GMDC Two Corporation	GMDC Atlantic Avenue, LLC	221 McKibbin Owner, LLC and McKibbin Master Tenant, LLC	GMDC OP LLC and GMDC OP Master Tenant, LLC	Total	Total
Subtotal (brought forward)	\$ 5,154,709	\$ -	\$ -	\$ 6,966,952	\$ -	\$12,121,661	\$5,318,491
Owner entered into a loan agreement with TD Bank, N.A. on July 14, 2015 in the amount of \$6,750,000, originally maturing on August 1, 2017 and bearing interest at a fixed rate of 4.03% per annum. The option to extend the maturity date an additional three years to August 1, 2020 was exercised in 2016. Commencing September 1, 2015, monthly payments of principal and interest are due in arrears on the first business day of each month. At maturity, the entire outstanding principal balance plus all accrued and unpaid interest were due. The loan was paid off in full in 2020.	-	-	-	-	-	-	6,014,192
On December 19, 2013, Atlantic entered into a building loan agreement with BOA V for \$2,746,250, bearing interest at 1.000% per annum. Commencing March 1, 2014, Atlantic is required to make quarterly payments of interest only through December 1, 2024. Commencing March 1, 2025, payments of interest and principal are due quarterly through December 19, 2043, the maturity date, when the entire principal balance along with all accrued but unpaid interest is due. The loan is secured by the Atlantic Property and an assignment of leases and rents and security agreement. The loan was forgiven in 2021 (See Note 21).	-	-	2,746,250	-	-	2,746,250	2,746,250
Subtotal (carried forward)	5,154,709	-	2,746,250	6,966,952	-	14,867,911	14,078,933

**GREENPOINT MANUFACTURING AND DESIGN CENTER
LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

11 - MORTGAGES PAYABLE (Continued)

	2020						2019
	Greenpoint Manufacturing and Design Center Local Development Corporation	GMDC Two Corporation	GMDC Atlantic Avenue, LLC	221 McKibbin Owner, LLC and McKibbin Master Tenant, LLC	GMDC OP LLC and GMDC OP Master Tenant, LLC	Total	Total
Subtotal (brought forward)	\$ 5,154,709	\$ -	\$2,746,250	\$6,966,952	\$ -	\$14,867,911	\$14,078,933
On December 19, 2013, Atlantic entered into a building loan agreement with BOA V for \$615,750, bearing interest at 1.000% per annum. Commencing March 1, 2014, Atlantic is required to make quarterly payments of interest only through December 1, 2024. Commencing March 1, 2025, payments of interest and principal are due quarterly through December 19, 2043, the maturity date, when the entire principal balance along with all accrued but unpaid interest is due. The loan is secured by the Atlantic Property and an assignment of leases and rents and security agreement. The loan was forgiven in 2021 (See Note 21).	-	-	615,750	-	-	615,750	615,750
On December 19, 2013, Atlantic entered into a building loan agreement with BOA V for \$1,638,000, bearing interest at 0.610706% per annum. Commencing March 1, 2014, Atlantic is required to make quarterly payments of interest only through December 1, 2024. Commencing March 1, 2025, payments of interest and principal are due quarterly through December 19, 2043, the maturity date, when the entire principal balance along with all accrued but unpaid interest is due. The loan is secured by the Atlantic Property and an assignment of leases and rents and security agreement. The loan was forgiven in 2021 (See Note 21).	-	-	1,638,000	-	-	1,638,000	1,638,000
Subtotal (carried forward)	5,154,709	-	5,000,000	6,966,952	-	17,121,661	16,332,683

**GREENPOINT MANUFACTURING AND DESIGN CENTER
LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

11 - MORTGAGES PAYABLE (Continued)

	2020						2019
	Greenpoint Manufacturing and Design Center Local Development Corporation	GMDC Two Corporation	GMDC Atlantic Avenue, LLC	221 McKibbin Owner, LLC and McKibbin Master Tenant, LLC	GMDC OP LLC and GMDC OP Master Tenant, LLC	Total	Total
Subtotal (brought forward)	\$ 5,154,709	\$ -	\$5,000,000	\$6,966,952	\$ -	\$17,121,661	\$16,332,683
On December 19, 2013, Atlantic entered into a building loan agreement with ESIC for \$3,853,750, bearing interest at 2.891973% per annum. Commencing March 1, 2014, Atlantic is required to make quarterly payments of interest only through January 19, 2021, the maturity date, when the entire principal balance along with all accrued but unpaid interest is due. The loan is secured by the Atlantic Property and an assignment of leases and rents and security agreement. The loan was forgiven in 2021 (See Note 21).	-	-	3,853,750	-	-	3,853,750	3,853,750
On December 19, 2013, Atlantic entered into a building loan agreement with ESIC for \$1,189,250, bearing interest at 2.891973% per annum. Commencing March 1, 2014, Atlantic is required to make quarterly payments of interest only through December 1, 2024. Commencing March 1, 2025, payments of interest and principal are due quarterly through December 19, 2043, the maturity date, when the entire principal balance along with all accrued but unpaid interest is due. The loan is secured by the Atlantic Property and an assignment of leases and rents and security agreement. The loan was forgiven in 2021 (See Note 21).	-	-	1,189,250	-	-	1,189,250	1,189,250
Subtotal (carried forward)	5,154,709	-	10,043,000	6,966,952	-	22,164,661	21,375,683

**GREENPOINT MANUFACTURING AND DESIGN CENTER
LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

11 - MORTGAGES PAYABLE (Continued)

	2020						2019
	Greenpoint Manufacturing and Design Center Local Development Corporation	GMDC Two Corporation	GMDC Atlantic Avenue, LLC	221 McKibbin Owner, LLC and McKibbin Master Tenant, LLC	GMDC OP LLC and GMDC OP Master Tenant, LLC	Total	Total
Subtotal (brought forward)	\$ 5,154,709	\$ -	\$10,043,000	\$6,966,952	\$ -	\$22,164,661	\$21,375,683
On December 19, 2013, Atlantic entered into a building loan agreement with ESIC for \$2,457,000, bearing interest at 2.891973% per annum. Commencing March 1, 2014, Atlantic is required to make quarterly payments of interest only through December 1, 2024. Commencing March 1, 2025, payments of interest and principal are due quarterly through December 19, 2043, the maturity date, when the entire principal balance along with all accrued but unpaid interest is due. The loan is secured by the Atlantic Property and an assignment of leases and rents and security agreement. The loan was forgiven in 2021 (See Note 21).	-	-	2,457,000	-	-	2,457,000	2,457,000
Subtotal (carried forward)	5,154,709	-	12,500,000	6,966,952	-	24,621,661	23,832,683

**GREENPOINT MANUFACTURING AND DESIGN CENTER
LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

11 - MORTGAGES PAYABLE (Continued)

	2020						2019
	Greenpoint Manufacturing and Design Center Local Development Corporation	GMDC Two Corporation	GMDC Atlantic Avenue, LLC	221 McKibbin Owner, LLC and McKibbin Master Tenant, LLC	GMDC OP LLC and GMDC OP Master Tenant, LLC	Total	Total
Subtotal (brought forward)	\$ 5,154,709	\$ -	\$12,500,000	\$6,966,952	\$ -	\$24,621,661	\$23,832,683
On February 15, 2019, GMDC II entered into a loan agreement with Dime Community Bank for \$15,100,000, bearing interest at the one month LIBOR rate plus 2.00% per annum. Commencing April 5, 2019, GMDC II is required to make monthly payments of principal and interest through March 5, 2029, the maturity date, when the entire remaining principal balance along with all accrued but unpaid interest is due. The loan is secured by the Manhattan Ave Property and an assignment of leases and rents and security agreement. The loan requires GMDC II to maintain certain financial covenants; GMDC II was in compliance at December 31, 2020 and 2019. In connection with the loan, GMDC II entered into an interest rate swap agreement whereby the variable interest of LIBOR plus 2.00% was replaced with a fixed rate of 4.83% (see Note 9)	-	14,509,466	-	-	-	14,509,466	14,852,442
On November 15, 2017, GMDC entered into a loan agreement with New York City Economic Development Corporation, a nonprofit corporation, for \$3,700,000, bearing interest at 1.00% per annum. Commencing January 15, 2018, GMDC is required to make monthly payments of interest only through November 15, 2035, the maturity date, when the entire principal balance along with all accrued but unpaid interest is due. The loan is secured by a second priority security interest in the property located at 810 Humboldt Street.	3,700,000	-	-	-	-	3,700,000	3,700,000
Subtotal (carried forward)	8,854,709	14,509,466	12,500,000	6,966,952	-	42,831,127	42,385,125

**GREENPOINT MANUFACTURING AND DESIGN CENTER
LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

11 - MORTGAGES PAYABLE (Continued)

	2020						2019
	Greenpoint Manufacturing and Design Center Local Development Corporation	GMDC Two Corporation	GMDC Atlantic Avenue, LLC	221 McKibbin Owner, LLC and McKibbin Master Tenant, LLC	GMDC OP LLC and GMDC OP Master Tenant, LLC	Total	Total
Subtotal (brought forward)	\$ 8,854,709	\$14,509,466	\$12,500,000	\$6,966,952	\$ -	\$42,831,127	\$42,385,125
On November 16, 2017, GMDC OP obtained loans from CNMC Sub-CDE 122, LLC for \$4,000,000, collectively, bearing interest at 1% per annum. Commencing December 5, 2017, GMDC OP is required to make quarterly payments of interest only through September 5, 2024. Commencing December 5, 2024, GMDC OP is required to make quarterly payments of principal and interest sufficient to amortize the loans over a 420-month period until November 16, 2052, the maturity date, when the entire outstanding principal balance along with all accrued but unpaid interest is due. Substantially all of GMDC OP's assets are collateralized under the terms of the loans.	-	-	-	-	4,000,000	4,000,000	4,000,000
On November 16, 2017, GMDC OP obtained loans from ENMP 71, LP for \$9,700,000, collectively, bearing interest at 1% per annum. Commencing December 5, 2017, GMDC OP is required to make quarterly payments of interest only through September 5, 2024, at which time \$832,000 of principal of the loans and all accrued but unpaid interest is due. Commencing December 5, 2024, GMDC OP is required to make quarterly payments of principal and interest sufficient to amortize the loans over a 420-month period until November 16, 2052, the maturity date, when the entire outstanding principal balance along with all accrued but unpaid interest is due. Substantially all of GMDC OP's assets are collateralized under the terms of the loans.	-	-	-	-	9,700,000	9,700,000	9,700,000
Subtotal (carried forward)	8,854,709	14,509,466	12,500,000	6,966,952	13,700,000	56,531,127	56,085,125

**GREENPOINT MANUFACTURING AND DESIGN CENTER
LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

11 - MORTGAGES PAYABLE (Continued)

	2020						2019
	Greenpoint Manufacturing and Design Center Local Development Corporation	GMDC Two Corporation	GMDC Atlantic Avenue, LLC	221 McKibbin Owner, LLC and McKibbin Master Tenant, LLC	GMDC OP LLC and GMDC OP Master Tenant, LLC	Total	Total
Subtotal (brought forward)	\$ 8,854,709	\$14,509,466	\$12,500,000	\$ 6,966,952	\$13,700,000	\$56,531,127	\$ 56,085,125
On November 16, 2017, GMDC OP obtained loans from NYCNCC Sub-CDE 3, LLC for \$16,660,000, collectively, bearing interest at 1% per annum. Commencing December 5, 2017, GMDC OP is required to make quarterly payments of interest only through September 5, 2024. Commencing December 5, 2024, GMDC OP is required to make quarterly payments of principal and interest sufficient to amortize the loans over a 420-month period until November 16, 2052, the maturity date, when the entire outstanding principal balance along with all accrued but unpaid interest is due. Substantially all of GMDC OP's assets are collateralized under the terms of the loans.	-	-	-	-	16,660,000	16,660,000	16,660,000
Total mortgages payable	8,854,709	14,509,466	12,500,000	6,966,952	30,360,000	73,191,127	72,745,125
Less - Current portion	(173,405)	(356,761)	-	(198,881)	-	(729,047)	(6,506,434)
Less - Unamortized deferred loan costs	(73,764)	(88,791)	(577,481)	(91,178)	(927,151)	(1,758,365)	(1,754,688)
Long-term portion	\$ 8,607,540	\$14,063,914	\$11,922,519	\$ 6,676,893	\$29,432,849	\$70,703,715	\$64,484,003

**GREENPOINT MANUFACTURING AND DESIGN CENTER
LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

11 - MORTGAGES PAYABLE (Continued)

Approximate principal payments due within the next five years and thereafter are estimated as follows:

Year Ending December 31,	
2021	\$ 4,583,000
2022	764,000
2023	5,403,000
2024	1,504,000
2025	1,530,000
Thereafter	59,407,000
Total	\$ 73,191,000

Total interest on loans and mortgages for the years ended December 31, 2020 and 2019 was approximately \$2,504,000 and \$2,557,000, respectively, of which approximately \$205,000 was capitalized during the year ended December 31, 2019. There was no capitalized interest during the year ended December 31, 2020. Included in interest expense for the year ended December 31, 2019 is approximately \$89,000 of prepayment penalty fees. Also included in interest expense is amortization of deferred loan costs of approximately \$129,000 and \$206,000 for the years ended December 31, 2020 and 2019, respectively. Approximately \$19,000 of amortization of deferred loan costs was capitalized during the year ended December 31, 2019. There was no capitalized amortization of deferred loan costs during the year ended December 31, 2020.

Certain of the loan and mortgage agreements require the maintenance of interest and other reserves.

12 - GOODWILL

Under ASC 805, Tenant has elected to amortize goodwill over a period of ten years beginning on July 14, 2015. As of December 31, 2020 and 2019, management determined that no triggering events indicating impairment had occurred.

Goodwill consisted of the following as of December 31:

	2020	2019
Goodwill	\$ 334,996	\$ 334,996
Less - Accumulated amortization	(183,339)	(149,835)
	\$ 151,657	\$ 185,161

**GREENPOINT MANUFACTURING AND DESIGN CENTER
LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

12 - GOODWILL (Continued)

Amortization of goodwill amounted to \$33,504 for each of the years ended December 31, 2020 and 2019.

Future amortization is expected to be as follows:

Year Ending December 31,	
2021	\$ 33,500
2022	33,500
2023	33,500
2024	33,500
2025	17,657
Total	\$ 151,657

13 - UNFAVORABLE OPERATING LEASES

Compared with current market conditions, a portion of the acquired lease portfolio represented unfavorable operating leases. The fair values of the unfavorable leases are being amortized or accreted based on the market value of operating leases at year-end pursuant to ASC 805.

The unfavorable lease accretion was \$1,827, resulting in an \$1,827 increase to rental income for the year ended December 31, 2019. There was no accretion or increase to rental income for the year ended December 31, 2020.

The following summarizes amounts related to unfavorable lease liabilities resulting from transfer of ownership:

December 31, 2019	Estimated Remaining Life	Gross Liability	Accumulated Accretion	Net Liability
Value of acquired unfavorable leases	N/A	\$ (1,827)	\$ 1,827	\$ -

**GREENPOINT MANUFACTURING AND DESIGN CENTER
LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

14 - COMMITMENTS AND CONTINGENCIES

Government supported programs are subject to audit by the granting agency. In the opinion of management, any possible disallowances by the related governmental agencies, resulting from their audit, will not have a material effect on the accompanying consolidating financial statements.

On May 22, 2008, Owner entered into a master lease agreement (the "McKibbin Master Lease") with Tenant for the entire McKibbin Property. Rent is payable in equal monthly installments during each lease year for a period of thirty-two years commencing on the date the McKibbin Property is placed in service.

The McKibbin Master Lease also requires payment of annual supplemental rent at 8% of effective gross income, as defined in the McKibbin Master Lease, beginning on the placed-in-service date. The supplemental rent is payable out of Tenant's net cash flow.

Tenant is also required to pay all operating expenses due and payable during the term of the Master Lease.

GMDC OP is the entity that has legal title to the Property and improvements and is the borrower on all debt obligations. GMDC OP leases the Property to the Master Tenant under an OP Master Lease agreement dated November 16, 2017.

15 - DEFERRED TAXES

Atlantic is taxed as a corporation for federal income tax purposes. Deferred taxes are recognized for temporary differences between the basis of assets and liabilities for financial statement and income tax purposes.

The provision for income taxes consists of the following components for the years ended December 31, 2020 and 2019:

	2020	2019
Deferred tax benefit of net operating loss carryforward	\$ (68,479)	\$ (66,397)
Deferred tax expense of depreciation and amortization and deferred rent	(109)	(171)
Deferred tax benefit	\$ (68,588)	\$ (66,568)

**GREENPOINT MANUFACTURING AND DESIGN CENTER
LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

15 - DEFERRED TAXES (Continued)

Net deferred tax assets and liabilities for Atlantic consist of the following as of December 31, 2020 and 2019:

	2020	2019
Deferred tax asset		
Net operating loss carryforward	\$ 401,025	\$ 332,546
Deferred tax liability		
Depreciation and amortization	(475)	(584)
Net deferred tax asset	\$ 400,550	\$ 331,962

Atlantic has determined that it is not required to establish a valuation allowance for its deferred tax asset as of December 31, 2020 and 2019, since it is likely that deferred tax assets will be realized through future reversals of existing temporary differences and future taxable income. For the years ended December 31, 2020 and 2019, the effective tax rate approximated the federal statutory rate. At December 31, 2020, Atlantic has federal net operating loss carryforwards of approximately \$1,909,000 that expire as follows:

Year ending,	
2033	\$ 4,000
2034	89,000
2035	290,000
2036	270,000
2037	283,000
2038	331,000
2039	316,000
2040	326,000
Total	\$ 1,909,000

GMDC OP Manager, LLC is taxed as a corporation for federal income tax purposes. Deferred taxes are recognized for temporary differences between the basis of assets and liabilities for financial statement and income tax purposes. The provision for income taxes for GMDC OP Manager, LLC consists entirely of the effect of straight-line rental income for the years ended December 31, 2020 and 2019. For the years ended December 31, 2020 and 2019, the effective tax rate approximated the federal statutory rate. GMDC OP Manager, LLC has federal net operating loss carryforwards of approximately \$1,094,000 that will expire in 2040.

**GREENPOINT MANUFACTURING AND DESIGN CENTER
LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

15 - DEFERRED TAXES (Continued)

Net deferred tax assets and liabilities for GMDC OP Manager, LLC consist of the following as of December 31, 2020 and 2019:

	2020	2019
Deferred tax asset		
Net operating loss carryforward	\$ (285,916)	\$ (32,973)
Deferred tax liability		
Deferred rent and depreciation and amortization	1,016,027	576,117
Net deferred tax liability	\$ 730,111	\$ 543,144

16 - CONSTRUCTION IN PROGRESS

Construction in progress includes costs relating to ongoing GMDC capital projects. The majority of the costs incurred are in connection with the multiple building renovation projects at the Manhattan Avenue property including elevator replacement and weatherization. In addition, construction in progress also includes costs associated with a prospective development project located in the Brownsville section of Brooklyn, NY.

17 - LINE OF CREDIT

On February 15, 2019, a revolving line of credit was entered into in the amount of \$2,000,000, secured by the property located at 1155 Manhattan Avenue, and requiring monthly payments of interest at the prime rate. The line of credit was set to mature on January 28, 2021. The Organization subsequently entered into an extension and modification agreement whereby the line of credit maturity date was extended to January 28, 2023 and interest was set to not be less than 3.35%. There were no borrowings under the line of credit during 2020 or 2019.

18 - LEASING ARRANGEMENTS

GMDC, GMDC II, Atlantic, Tenant, and Master Tenant receive rental income from tenants under non-cancelable operating leases through November 30, 2026.

**GREENPOINT MANUFACTURING AND DESIGN CENTER
LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

18 - LEASING ARRANGEMENTS (Continued)

Approximate minimum annual rentals under operating leases for the next five years and thereafter are as follows:

Year Ending December 31,	
2021	\$ 5,741,000
2022	4,937,000
2023	3,931,000
2024	3,146,000
2025	2,245,000
Thereafter	1,250,000
Total	\$ 21,250,000

19 - CONCENTRATIONS

The Organization was awarded one \$700,000 grant in October 2020 and two \$700,000 grants in January 2019 and April 2019, respectively, from the Empire State Development Corporation related to the ongoing work on the Ozone Park property, which was purchased in November 2017. These capital grants represented approximately 7% and 16% of the Organization's revenue for the years ended December 31, 2020 and 2019, respectively.

The Organization was awarded approximately \$1,287,000 of grants from the New York City Economic Development Corporation in connection with the Manhattan Avenue Property elevator modernization project. This grant represented approximately 14% of the Organization's revenue for the year ended December 31, 2020.

20 - LOAN PAYABLE, PAYCHECK PROTECTION PROGRAM

As a result of COVID-19, on March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act (the "Act") was signed into law. The Act amends the Small Business Act to include a new guaranteed, unsecured loan program (the "Paycheck Protection Program"). On April 8, 2020, the Organization applied for a loan under the Paycheck Protection Program. On April 21, 2020, the loan was approved in the amount of \$287,300. The loan had a term of two years and is subject to interest of 1%. Interest (and potential principal payments) was deferred for the first six months.

**GREENPOINT MANUFACTURING AND DESIGN CENTER
LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES**

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

20 - LOAN PAYABLE, PAYCHECK PROTECTION PROGRAM (Continued)

In 2020, the Organization applied and received forgiveness for a balance of \$277,300 of the loan, with the remaining \$10,000 paid in full. Subsequently in 2021, the \$10,000 was forgiven and refunded to the Organization.

21 - SUBSEQUENT EVENTS

Effective January 13, 2021, the New Market Tax Credit ("NMTC") compliance period was completed for the Atlantic Property and the NMTC transaction unwound, resulting in certain outstanding notes payable being forgiven. Additionally, on March 2, 2021, Atlantic refinanced the remaining outstanding debt with a new loan obtained from Dime Community Bank in the amount of \$4,100,000. This loan requires monthly payments of principal and interest through maturity on March 5, 2031. Atlantic also entered into a ten-year interest rate swap agreement to effectively fix the interest rate for the term of the loan at 3.58%.

22 - RISKS AND UNCERTAINTY

In December 2019, a novel strain of coronavirus ("COVID-19") surfaced. The spread of COVID-19 around the world in the first quarter of 2020 has caused significant volatility in U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies and, as such, the Organization is unable to determine if it will have a material impact to its operations.