

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

CONSOLIDATING FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

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	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Consolidating Financial Statements	8

INDEPENDENT AUDITORS' REPORT

To the Board of Directors

Greenpoint Manufacturing and Design Center Local Development Corporation and Subsidiaries

Opinion

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, 2021, 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.

In our opinion, the consolidating financial statements referred to above present fairly, in all material respects, the financial position of Greenpoint Manufacturing and Design Center Local Development Corporation and Subsidiaries as of December 31, 2021, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidating Financial Statements section of our report. We are required to be independent of Greenpoint Manufacturing and Design Center Local Development Corporation and Subsidiaries and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Consolidating Financial Statements

Management is responsible for the preparation and fair presentation of the consolidating 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 consolidating financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidating 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 consolidating financial statements are available to be issued.

(Continued)

Auditors' Responsibilities for the Audit of the Consolidating Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidating 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 generally accepted auditing standards 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 consolidating financial statements.

We did not audit the financial statements of five subsidiaries, which statements reflect total assets of \$71,069,773 at December 31, 2021, and total revenues of \$2,266,947 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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidating 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 consolidating 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 consolidating 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.

(Continued)

Report on Summarized Comparative Information

We have previously audited the Organization's 2020 consolidating financial statements, and we expressed an unmodified audit opinion on those audited consolidating financial statements in our report dated June 22, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited consolidating financial statements from which it has been derived.

A handwritten signature in cursive script, appearing to read "Friedman LLP".

June 15, 2022

GREENPOINT MANUFACTURING AND DESIGN CENTER
LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	2021										2020
	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	\$ 445,774	\$ 1,712,245	\$ 275	\$ 1,128,974	\$ 1,935,034	\$ 180,473	\$ 185	\$ -	\$ -	\$ 5,402,960	\$ 7,757,005
Restricted cash - Note 2	-	-	-	-	-	243,994	-	-	-	243,994	441,041
Rent and other miscellaneous receivables - Note 2	71,561	255,561	-	214,188	7,152	5,774	-	-	-	554,236	472,678
Inter-company receivables	3,571,945	3,358,785	-	-	-	-	-	-	(6,930,730)	-	-
Due from related party	-	-	-	213,061	2,923,802	43,445	-	-	(3,180,308)	-	-
Mortgage escrow reserves - Note 2	86,203	120,335	-	-	-	-	-	-	-	206,538	98,058
Prepaid expenses and other current assets	185,454	329,944	-	17,984	21,436	29,659	-	-	-	584,477	722,589
Total current assets	4,360,937	5,776,870	275	1,574,207	4,887,424	503,345	185	-	(10,111,038)	6,992,205	9,491,371
Property and equipment - at cost, less accumulated depreciation - Note 8	1,974,198	7,133,838	-	11,033,546	13,700,318	35,842,334	-	-	(6,223,897)	63,460,337	61,591,371
Construction in progress - Note 15	522,371	3,612,456	-	-	8,513	5,950	-	-	-	4,149,290	5,232,808
Goodwill, net of accumulated amortization - Notes 2 and 12	-	-	-	-	118,153	-	-	-	-	118,153	151,657
Deferred tax asset - Note 14	-	-	-	-	-	-	-	-	-	-	400,550
Investment in GMDC Two Corporation	96,559	-	-	-	-	-	-	-	(96,559)	-	-
Investment in 221 McKibbin Owner, LLC and McKibbin Master Tenant, LLC	11,344,522	-	-	-	-	-	-	-	(11,344,522)	-	-
Investment in GMDC Atlantic Avenue, LLC	7,953,805	-	-	-	-	-	-	-	(7,953,805)	-	-
Investment in GMDC OP LLC	-	-	-	-	-	-	2,883,349	-	(2,883,349)	-	-
Investment in GMDC OP Master Tenant, LLC	-	-	-	-	-	-	16,490	-	(16,490)	-	-
Investment in GMDC OP Manager, LLC	784,291	-	-	-	-	-	-	-	(784,291)	-	-
Security deposits	-	-	-	-	-	9,210	-	-	-	9,210	9,210
Loans receivable - Note 7	20,991,700	-	-	-	-	-	-	-	-	20,991,700	29,396,700
Utility deposits	10,090	12,000	-	-	1,480	-	-	-	-	23,570	23,570
Restricted cash - Note 2	-	-	-	-	-	286,611	-	-	-	286,611	385,611
Developer fee receivable	898,952	-	-	-	-	-	-	-	(898,952)	-	-
Interest rate swap asset - Note 9	-	-	-	-	198,658	-	-	-	-	198,658	-
Total assets	\$ 48,937,425	\$ 16,535,164	\$ 275	\$ 12,607,753	\$ 18,914,546	\$ 36,647,450	\$ 2,900,024	\$ -0-	\$ (40,312,903)	\$ 96,229,734	\$ 106,682,848
LIABILITIES AND NET ASSETS											
Current liabilities											
Current portion of loans payable - Note 10	\$ 137,388	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 137,388	\$ 3,307,397
Current portion of mortgages payable - Note 11	182,753	376,628	-	105,629	207,558	-	-	-	-	872,568	4,582,797
Interest payable	22,262	51,268	-	12,004	15,681	-	-	-	-	101,215	290,686
Accounts payable and accrued expenses	183,116	159,523	-	7,381	14,610	-	-	-	-	364,630	452,573
Inter-company payable	5,586,684	24,780	392,114	510,581	163,503	2,232,642	1,198,209	2,526	(10,111,039)	-	-
Total current liabilities	6,112,203	612,199	392,114	635,595	401,352	2,232,642	1,198,209	2,526	(10,111,039)	1,475,801	8,633,453
Loans payable, less current portion and unamortized deferred loan costs - Note 10	7,270,922	-	-	-	-	-	-	-	-	7,270,922	7,427,473
Mortgages payable, less current portion and unamortized deferred loan costs - Note 11	8,443,747	13,697,159	-	3,803,480	6,478,204	29,461,847	-	-	-	61,884,437	66,849,965
Tenant security deposits	228,944	595,943	-	145,075	174,842	115,939	-	-	-	1,260,743	1,153,002
Developer fee payable	-	-	-	-	515,626	383,326	-	-	(898,952)	-	-
Deferred income	530,945	148,424	-	-	-	6,422	-	-	(515,902)	169,889	38,416
Deferred tax liability - Note 14	-	-	-	-	-	-	917,524	-	-	917,524	730,111
Interest rate swap liability - Note 9	-	1,384,880	-	69,798	-	-	-	-	-	1,454,678	2,469,159
Deficit in excess of equity - GMDC OP Investor, LLC	2,526	-	-	-	-	-	-	-	(2,526)	-	-
Deficit in excess of equity - GMDC Philadelphia	391,839	-	-	-	-	-	-	-	(391,839)	-	-
Total liabilities	22,981,126	16,438,605	392,114	4,653,948	7,570,024	32,200,176	2,115,733	2,526	(11,920,258)	74,433,994	87,301,579
Commitments and contingencies - Note 13											
Net assets (deficiency)											
Without donor restrictions	25,956,299	96,559	(391,839)	-	-	-	-	-	(5,412,714)	20,248,305	16,641,886
Member's equity (deficiency)											
Controlling interest	-	-	-	7,953,805	11,344,522	2,899,839	784,291	(2,526)	(22,979,931)	-	-
Noncontrolling interest	-	-	-	-	-	1,547,435	-	-	-	1,547,435	2,739,383
Total net assets (deficiency)	25,956,299	96,559	(391,839)	7,953,805	11,344,522	4,447,274	784,291	(2,526)	(28,392,645)	21,795,740	19,381,269
Total liabilities and net assets	\$ 48,937,425	\$ 16,535,164	\$ 275	\$ 12,607,753	\$ 18,914,546	\$ 36,647,450	\$ 2,900,024	\$ -0-	\$ (40,312,903)	\$ 96,229,734	\$ 106,682,848

See notes to consolidating financial statements.

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

CONSOLIDATING STATEMENT OF ACTIVITIES

**YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)**

	2021										2020
	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 17	\$ 1,306,448	\$ 3,184,072	\$ -	\$ 646,696	\$ 970,190	\$ 326,229	\$ -	\$ -	\$ (70,147)	\$ 6,363,488	\$ 6,051,991
Electric income - net of credits	78,649	156,176	-	63,607	45,822	5,309	-	-	-	349,563	271,118
Administrative and consulting fees	715,637	-	-	-	-	-	-	-	(715,637)	-	-
Contributions - Note 18	408,237	-	-	-	-	-	-	-	-	408,237	1,998,033
Contribution - loan forgiveness - Paycheck Protection Program - Note 19	10,000	-	-	-	-	-	-	-	-	10,000	277,300
Contributions in-kind - Note 17	70,147	-	-	-	-	-	-	-	(70,147)	-	-
Interest income - Note 7	262,767	1,061	-	34	1,835	83	-	-	-	265,780	508,882
Developer fee	250,000	-	-	-	-	-	-	-	(250,000)	-	-
Other income	147,345	27,115	-	78,487	-	153,388	41	-	-	406,376	250,020
Passthrough income (loss) from investments	9,245,810	-	-	-	-	-	(24,774)	-	(9,221,036)	-	-
Total revenue and other support	12,495,040	3,368,424	-	788,824	1,017,847	485,009	(24,733)	-	(10,326,967)	7,803,444	9,357,344
Expenses											
Program services											
Rental and project development	2,930,582	3,607,081	277	1,340,939	831,572	1,417,762	-	-	(986,773)	9,141,440	8,765,935
Supporting services											
Management and general	496,965	88,149	-	22,811	17,000	48,275	912	-	(16,134)	657,978	780,400
Fundraising	76,843	-	-	-	-	-	-	-	(2,806)	74,037	71,380
Total supporting services	573,808	88,149	-	22,811	17,000	48,275	912	-	(18,940)	732,015	851,780
Total expenses	3,504,390	3,695,230	277	1,363,750	848,572	1,466,037	912	-	(1,005,713)	9,873,455	9,617,715
Increase (decrease) in net assets before other changes in net assets	8,990,650	(326,806)	(277)	(574,926)	169,275	(981,028)	(25,645)	-	(9,321,254)	(2,070,011)	(260,371)
Unrealized loss (gain) on interest rate swap - Note 9	-	(964,913)	-	69,798	(318,024)	-	-	-	-	(1,213,139)	1,196,960
Cancellation of debt	5,284,012	-	-	(9,379,012)	-	-	-	-	-	(4,095,000)	-
Provision for income taxes - deferred tax expense (benefit) - Note 14	-	-	-	400,550	-	-	187,413	-	-	587,963	118,379
	5,284,012	(964,913)	-	(8,908,664)	(318,024)	-	187,413	-	-	(4,720,176)	1,315,339
Change in net assets (deficiency)	3,706,638	638,107	(277)	8,333,738	487,299	(981,028)	(213,058)	-	(9,321,254)	2,650,165	(1,575,710)
Net assets (deficiency), beginning 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
Contributions	-	-	-	-	-	-	-	-	-	-	1,020,459
Distributions	-	-	-	-	-	(235,694)	-	-	-	(235,694)	(40,666)
Net assets (deficiency), end of year	\$ 25,956,299	\$ 96,559	\$ (391,839)	\$ 7,953,805	\$ 11,344,522	\$ 4,447,274	\$ 784,291	\$ (2,526)	\$ (28,392,645)	\$ 21,795,740	\$ 19,381,269

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, 2021
(WITH COMPARATIVE TOTALS FOR 2020)**

	Greenpoint Manufacturing and Design Center Local Development Corporation															
	Program Services	Supporting Services				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	2021	2020	
	Rental and Project Development	Management and General	Fundraising	Total	Total Expenses									Consolidated Expenses	Consolidated Expenses	
Salaries	\$ 795,315	\$ 250,579	\$ 43,579	\$ 294,158	\$ 1,089,473	\$ 573,528	\$ -	\$ 20,364	\$ 30,546	\$ 34,520	\$ -	\$ -	\$ -	\$ 1,748,431	\$ 1,776,436	
Payroll taxes and fringe benefits	337,117	106,215	18,472	124,687	461,804	20,356	-	5,091	7,637	16,784	-	-	-	511,672	457,434	
Repairs and maintenance	39,284	4,365	-	4,365	43,649	57,525	-	10,722	11,666	16,781	-	-	-	140,343	149,690	
Professional fees	93,251	50,756	-	50,756	144,007	88,149	-	22,811	17,000	48,275	-	-	-	320,242	402,337	
Trash removal	1,953	-	-	-	1,953	5,171	-	-	128	572	-	-	-	7,824	4,778	
Security	8,109	-	-	-	8,109	24,250	-	4,914	8,691	4,365	-	-	-	50,329	49,946	
Building licenses and permits	260	-	-	-	260	-	-	-	-	6,184	-	-	-	6,444	15,876	
Building filing fees	5,558	-	-	-	5,558	1,239	-	2,022	1,448	-	-	-	-	10,267	8,297	
Insurance	75,128	23,671	4,117	27,788	102,916	244,985	-	68,987	78,026	110,868	-	-	-	605,782	476,560	
Utilities	66,131	20,836	3,624	24,460	90,591	215,469	-	90,049	63,735	18,916	-	-	-	478,760	441,188	
Phone and internet	18,157	5,721	995	6,716	24,873	5,306	-	5,182	4,154	3,107	-	-	-	42,622	42,533	
Interest	822,104	-	-	-	822,104	714,210	-	697,489	196,464	332,602	-	-	-	2,762,869	2,633,172	
Real estate taxes	230,240	-	-	-	230,240	550,346	-	-	-	-	-	-	-	780,586	841,958	
Office expenses	39,418	12,419	2,160	14,579	53,997	28	-	28	-	-	-	-	-	54,053	49,741	
In-kind office space rental	51,207	16,134	2,806	18,940	70,147	-	-	-	-	-	-	-	(70,147)	-	-	
Administrative fees	-	-	-	-	-	700,000	-	-	-	15,637	-	-	(715,637)	-	-	
NMTC reimbursement expenses	-	-	-	-	-	-	-	70,781	-	102,609	-	-	-	173,390	188,692	
Depreciation	338,410	3,845	669	4,514	342,924	388,527	-	334,645	395,151	752,601	-	-	(149,782)	2,064,066	1,992,998	
Amortization	-	-	-	-	-	-	-	-	33,504	-	-	-	-	33,504	33,504	
Other taxes	1,248	-	-	-	1,248	25	-	2,029	50	862	-	-	-	4,214	5,673	
Contributions in-kind expense	-	-	-	-	-	70,147	-	-	-	-	-	-	(70,147)	-	-	
Bad debt expense	-	-	-	-	-	-	-	25,978	-	-	-	-	-	25,978	16,093	
Miscellaneous	7,692	2,424	421	2,845	10,537	35,969	277	2,658	372	1,354	912	-	-	52,079	30,809	
Total expenses, 2021	\$ 2,930,582	\$ 496,965	\$ 76,843	\$ 573,808	\$ 3,504,390	\$ 3,695,230	\$ 277	\$ 1,363,750	\$ 848,572	\$ 1,466,037	\$ 912	\$ -	\$ (1,005,713)	\$ 9,873,455	\$ -	
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	

* 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, 2021
(WITH COMPARATIVE TOTALS FOR 2020)

	2021										2020
	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)	\$ 3,706,638	\$ 638,107	\$ (277)	\$ 8,333,738	\$ 487,299	\$ (981,028)	\$ (213,058)	\$ -	\$ (9,321,254)	\$ 2,650,165	\$ (1,575,710)
Adjustments to reconcile change in net assets (deficiency) to net cash provided by (used in) operating activities											
Depreciation and amortization	342,924	388,527	-	334,645	428,655	752,601	-	-	(149,782)	2,097,570	2,026,502
Interest expense - debt issuance costs	43,044	11,822	-	572,661	9,352	28,998	-	-	-	665,877	128,923
Bad debt expense	-	-	-	25,978	-	-	-	-	-	25,978	16,093
Contribution - loan forgiveness - Paycheck Protection Program	-	-	-	-	-	-	-	-	-	-	(277,300)
Investment income	(9,245,810)	-	-	-	-	-	24,774	-	9,221,036	-	-
Unrealized loss (gain) on interest rate swap	-	(964,913)	-	69,798	(318,024)	-	-	-	-	(1,213,139)	1,196,960
Deferred income taxes	-	-	-	400,550	-	-	187,413	-	-	587,963	118,379
Cancellation of debt	5,284,012	-	-	(9,379,012)	-	-	-	-	-	(4,095,000)	-
(Increase) decrease in assets											
Rent and other miscellaneous receivables	79,425	(56,476)	-	(127,717)	(324)	(2,444)	-	-	-	(107,536)	(293,609)
Inter-company receivables	773,674	308,636	-	(213,061)	(204,621)	210,985	-	-	(875,613)	-	-
Prepaid expenses and other current assets	17,882	57,170	-	37,059	10,336	15,665	-	-	-	138,112	(89,780)
Security deposits	-	-	-	-	-	-	-	-	-	-	(400)
Developer fee receivable	250,000	-	-	-	-	-	-	-	(250,000)	-	-
Increase (decrease) in liabilities											
Accounts payable and accrued expenses	6,128	(71,388)	-	941	8,848	(32,472)	-	-	-	(87,943)	(123,399)
Inter-company payable	(822,759)	24,780	277	(248,259)	(203,511)	123,168	691	-	1,125,613	-	-
Interest payable	(132,747)	2,601	-	(59,348)	23	-	-	-	-	(189,471)	23,948
Deferred income	(243,382)	121,352	-	-	-	3,779	-	-	-	(118,251)	(175,615)
Tenant security deposits	2,878	29,846	-	16,453	5,217	53,347	-	-	-	107,741	(7,956)
Net cash provided by (used in) operating activities	61,907	490,064	-	(235,574)	223,250	172,599	(180)	-	(250,000)	462,066	967,036
Cash flows from investing activities											
Property, equipment, renovations and fees	(240,893)	(2,549,360)	-	-	(20,943)	(32,644)	-	-	250,000	(2,593,840)	(2,427,512)
Construction costs	-	-	-	-	-	(5,950)	-	-	-	(5,950)	-
Net cash used in investing activities	(240,893)	(2,549,360)	-	-	(20,943)	(38,594)	-	-	250,000	(2,599,790)	(2,427,512)
Cash flows from financing activities											
Cash paid for deferred loan costs	-	(1,950)	-	(109,661)	-	-	-	-	-	(111,611)	(108,516)
Proceeds from loans	-	-	-	-	-	-	-	-	-	-	-
Proceeds from mortgages	-	-	-	4,100,000	-	-	-	-	-	4,100,000	7,000,000
Principal repayments of loans and mortgages	(403,061)	(356,760)	-	(3,197,398)	(199,364)	-	-	-	-	(4,156,583)	(7,707,565)
Proceeds from loan - Paycheck Protection Program	-	-	-	-	-	-	-	-	-	-	287,300
Principal payments of loan - Paycheck Protection Program	-	-	-	-	-	-	-	-	-	-	(10,000)
Capital contributions	-	-	-	-	-	-	-	-	-	-	1,020,459
Distributions	-	-	-	-	-	(235,694)	-	-	-	(235,694)	(40,666)
Net cash provided by (used in) financing activities	(403,061)	(358,710)	-	792,941	(199,364)	(235,694)	-	-	-	(403,888)	441,012
Net increase (decrease) in cash and cash equivalents and restricted cash	(582,047)	(2,418,006)	-	557,367	2,943	(101,689)	(180)	-	-	(2,541,612)	(1,019,464)
Cash and cash equivalents and restricted cash, beginning of year	1,114,024	4,250,586	275	571,607	1,932,091	812,767	365	-	-	8,681,715	9,701,179
Cash and cash equivalents and restricted cash, end of year	\$ 531,977	\$ 1,832,580	\$ 275	\$ 1,128,974	\$ 1,935,034	\$ 711,078	\$ 185	\$ -0-	\$ -0-	\$ 6,140,103	\$ 8,681,715
Reconciliation of cash and cash equivalents and restricted cash, beginning of year											
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, beginning 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, end of year											
Cash and cash equivalents	\$ 445,774	\$ 1,712,245	\$ 275	\$ 1,128,974	\$ 1,935,034	\$ 180,473	\$ 185	\$ -	\$ -	\$ 5,402,960	\$ 7,757,005
Restricted cash	-	-	-	-	-	530,605	-	-	-	530,605	826,652
Mortgage escrow reserves	86,203	120,335	-	-	-	-	-	-	-	206,538	98,058
Cash and cash equivalents and restricted cash, end of year	\$ 531,977	\$ 1,832,580	\$ 275	\$ 1,128,974	\$ 1,935,034	\$ 711,078	\$ 185	\$ -0-	\$ -0-	\$ 6,140,103	\$ 8,681,715
Supplemental cash flow disclosures											
Interest	\$ 911,807	\$ 699,787	\$ -	\$ 184,176	\$ 187,089	\$ 303,604	\$ -	\$ -	\$ -	\$ 2,286,463	\$ 2,480,301
Noncash investing and financing activities											
Increase in fixed assets and construction in progress from increase in Construction payable and retainage payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,026

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 FASB 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, 2021 and 2020, 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, GMDC, 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, 2021 and 2020, GMDC’s capital contributions totaled \$5,701,246, including land and a contributed 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, 2021 and 2020, an allowance for uncollectible rent of \$274,276 and \$248,298, respectively, has been established based on management’s knowledge and experience.

Goodwill

FASB ASC 805, “Business Combinations,” provides accounting alternatives within GAAP. FASB ASC 805 allows private companies to adopt a simplified accounting alternative when accounting for post-acquisition goodwill.

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

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Goodwill (Continued)

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 FASB ASC 805 effective July 14, 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, 2021 and 2020.

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.

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

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

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 had elected to be taxed as a corporation for federal tax purposes. On January 13, 2021 (the “Atlantic Unwind Date”), Atlantic dissolved the corporation for federal income tax purposes and is now considered a disregarded entity, wholly-owned by GMDC. Atlantic is now exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, as well as state and local income taxes.

Through the Atlantic Unwind Date, Atlantic provided 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 were recognized based on differences between the book and tax bases of assets and liabilities using currently enacted tax rates. The provision for income taxes were 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, 2021 and 2020, 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, 2021 and 2020, the reserve account balance was \$530,605 and \$826,652, respectively. The Organization is also required to hold certain mortgage escrow accounts for payments of real estate taxes. As of December 31, 2021 and 2020, the balance of these escrows accounts was \$206,538 and \$98,058, respectively.

Paycheck Protection Program ("PPP") Loan

The Organization's policy is to account for the PPP loan (See Note 19) as debt under FASB ASC 470. 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 15, 2022, the date that the consolidating financial statements are considered available to be issued.

3 - CONDITIONAL PROMISES TO GIVE

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 were recorded upon submission and collection. As of December 31, 2021 and 2020, \$2,100,000 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, 2021 and 2020, respectively, \$1,694,769 and \$1,286,533 had been received from the New York City Economic Development Corporation for this project.

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, 2021 and 2020.

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:

	2021	2020
Cash and cash equivalents	\$ 5,402,960	\$ 7,757,005
Rent and other miscellaneous receivables	554,236	472,678
Mortgage escrow reserves	206,538	98,058
Prepaid expenses and other current assets	584,477	722,589
Restricted cash	243,994	441,041
Total current financial assets as of December 31, 2021 and 2020	6,992,205	9,491,371
Less - real estate tax and insurance escrows	206,538	98,058
Less - other escrow	17,331	17,331
Less - prepaid expenses	567,146	705,258
Total financial assets available within one year	\$ 6,201,190	\$ 8,670,724

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 16).

**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, 2021 and 2020, the Organization matched employee contributions in the amounts of \$53,963 and \$55,952, 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. On the Atlantic Unwind Date, 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, 2021 and 2020, 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, 2021 and 2020 and OP Investor provided capital contributions of \$5,901,484 and \$4,881,025 as of December 31, 2021 and 2020, 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:

	2021	2020
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 bore interest at a rate of 4.300491% per annum through maturity on January 19, 2021. Quarterly payments of interest only commenced March 10, 2014 through December 10, 2020. The unpaid balance of the loan, together with all accrued and unpaid interest, was payable on the maturity date. The junior loan bore interest at a rate of 4.300491% per annum through maturity on December 19, 2043. Quarterly payments of interest only commenced March 10, 2014 through December 31, 2024. Beginning March 10, 2025, principal and interest payments were due on a quarterly basis through the maturity date, at which time all unpaid principal and interest were due. The loans had 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.	\$ -	\$ 5,043,000
Subtotal (carried forward)	\$ -0-	\$ 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:

	2021	2020
Subtotal (brought forward)	\$ -	\$ 5,043,000
On December 19, 2013, GMDC and BOA Investment Fund V, LLC executed a loan in the amount of \$3,362,000 which was to bear interest at a rate of 1.00% per annum through maturity on December 19, 2043. Quarterly payments of interest only commenced March 10, 2014 through December 31, 2024. Beginning March 10, 2025, principal and interest payments were to be due on a quarterly basis through the maturity date, at which time all unpaid principal and interest were due. In connection with the end of the NMTC compliance period, the loan was forgiven in 2021.	-	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. The loan is secured by various partnership interests of the borrower.	20,991,700	20,991,700
Total	\$ 20,991,700	\$ 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:

2021								2020	
	Life	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
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	33,882,894	(9,001,889)	64,658,889	64,626,246
Furniture and equipment	3-39 years	479,710	75,141	3,141	80,751	-	-	638,743	642,134
Improvements	25-39 years	3,301,027	7,857,807	-	133,042	-	-	11,291,876	7,399,709
		8,990,738	12,909,647	13,257,727	18,443,691	37,550,844	(9,001,889)	82,150,758	78,229,339
Less - Accumulated depreciation		7,016,540	5,775,809	2,224,181	4,743,373	1,708,510	(2,777,992)	18,690,421	16,637,968
		\$ 1,974,198	\$ 7,133,838	\$ 11,033,546	\$ 13,700,318	\$ 35,842,334	\$ (6,223,897)	\$ 63,460,337	\$ 61,591,371

Depreciation expense for the years ended December 31, 2021 and 2020 was \$2,064,066 and \$1,992,998, respectively.

During the year ended December 31, 2021, GMDC Two Corporation completed and placed in service a new freight elevator at the 1205 Manhattan Avenue location at a cost of \$3,514,661, of which \$2,697,015 were hard costs requisitioned by the contractor.

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

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

9 - INTEREST RATE SWAPS

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 gain in the fair value of the interest rate swap of \$964,913 and a loss of \$1,077,594 has been recorded in the consolidating statement of activities for the years ended December 31, 2021 and 2020, 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 tables summarizes the fair value of GMDC II's interest rate swap liabilities using Level 2 valuation techniques:

December 31, 2021		
	Notional Value	Amount
Dime Community Bank	\$ 14,152,706	\$ (1,384,880)

December 31, 2020		
	Notional Value	Amount
Dime Community Bank	\$ 14,509,466	\$ (2,349,793)

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 gain in the fair value of the interest rate swap of \$318,024 and a loss of \$119,366 has been recorded in the consolidating statement of activities for the years ended December 31, 2021 and 2020, respectively. 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 tables summarized the fair value of Owner's interest rate swap liability using Level 2 valuation techniques:

December 31, 2021		
	Notional Value	Amount
Flushing Bank	\$ 6,767,588	\$ 198,658

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

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

9 - INTEREST RATE SWAPS (Continued)

	December 31, 2020	
	Notional Value	Amount
Flushing Bank	\$ 6,966,952	\$ (119,366)

In connection with its Dime Community Bank loan (See Note 11), Atlantic entered into an interest rate swap agreement during the year ended December 31, 2021. A change in the fair value of the interest rate swap of \$69,798 has been recorded as a loss in the consolidating statement of activities for the year ended December 31, 2021. The swap terminates on March 5, 2031 and requires Atlantic to pay a fixed rate of interest of 3.58% applied to the notional amount.

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

	December 31, 2021	
	Notional Value	Amount
Dime Bank	\$ 4,023,590	\$ (69,798)

**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:

	2021						2020
	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 paid off in full in 2021.	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 3,137,090
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.	7,477,571	-	-	-	7,477,571		7,691,125
Total payable amount	7,477,571	-	-	-	7,477,571		10,828,215
Less - Current portion	(137,388)	-	-	-	(137,388)		(3,307,397)
Less - Unamortized deferred loan costs	(69,261)	-	-	-	(69,261)		(93,345)
Long-term portion	\$ 7,270,922	\$ -0-	\$ -0-	\$ -0-	\$ 7,270,922		\$ 7,427,473

**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,		
2022	\$	137,000
2023		192,000
2024		7,149,000
Total	\$	7,478,000

**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:

	2021						2020
	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 2.692% 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.	\$ -	\$ -	\$ -	\$ 6,767,588	\$ -	\$ 6,767,588	\$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, 2021 and 2020.	4,981,304	-	-	-	-	4,981,304	5,154,709
Subtotal (carried forward)	4,981,304	-	-	6,767,588	-	11,748,892	12,121,661

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

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

11 - MORTGAGES PAYABLE (Continued)

	2021						2020
	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)	\$ 4,981,304	\$ -	\$ -	\$ 6,767,588	\$ -	\$ 11,748,892	\$ 12,121,661
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 was required to make quarterly payments of interest only through December 1, 2024. Commencing March 1, 2025, payments of interest and principal were 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 was secured by the Atlantic Property and an assignment of leases and rents and security agreement. The loan was forgiven in full in 2021.	-	-	-	-	-	-	2,746,250
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 was required to make quarterly payments of interest only through December 1, 2024. Commencing March 1, 2025, payments of interest and principal were due quarterly through December 19, 2043, the maturity date, when the entire principal balance along with all accrued but unpaid interest was due. The loan was secured by the Atlantic Property and an assignment of leases and rents and security agreement. The loan was forgiven in full in 2021.	-	-	-	-	-	-	615,750
Subtotal (carried forward)	4,981,304	-	-	6,767,588	-	11,748,892	15,483,661

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

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

11 - MORTGAGES PAYABLE (Continued)

	2021						2020
	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)	\$ 4,981,304	\$ -	\$ -	\$ 6,767,588	\$ -	\$ 11,748,892	\$ 15,483,661
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 was required to make quarterly payments of interest only through December 1, 2024. Commencing March 1, 2025, payments of interest and principal were due quarterly through December 19, 2043, the maturity date, when the entire principal balance along with all accrued but unpaid interest was due. The loan was secured by the Atlantic Property and an assignment of leases and rents and security agreement. The loan was forgiven in full in 2021.	-	-	-	-	-	-	1,638,000
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 was 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 was due. The loan was secured by the Atlantic Property and an assignment of leases and rents and security agreement. The loan was forgiven in full in 2021.	-	-	-	-	-	-	3,853,750
Subtotal (carried forward)	4,981,304	-	-	6,767,588	-	11,748,892	20,975,411

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

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

11 - MORTGAGES PAYABLE (Continued)

	2021						2020
	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)	\$ 4,981,304	\$ -	\$ -	\$ 6,767,588	\$ -	\$ 11,748,892	\$ 20,975,411
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 was required to make quarterly payments of interest only through December 1, 2024. Commencing March 1, 2025, payments of interest and principal were due quarterly through December 19, 2043, the maturity date, when the entire principal balance along with all accrued but unpaid interest were due. The loan was secured by the Atlantic Property and an assignment of leases and rents and security agreement. The loan was forgiven in full in 2021.	-	-	-	-	-	-	1,189,250
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 was required to make quarterly payments of interest only through December 1, 2024. Commencing March 1, 2025, payments of interest and principal were due quarterly through December 19, 2043, the maturity date, when the entire principal balance along with all accrued but unpaid interest was due. The loan was secured by the Atlantic Property and an assignment of leases and rents and security agreement. The loan was forgiven in full in 2021.	-	-	-	-	-	-	2,457,000
Subtotal (carried forward)	4,981,304	-	-	6,767,588	-	11,748,892	24,621,661

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

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

11 - MORTGAGES PAYABLE (Continued)

	2021						2020
	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)	\$ 4,981,304	\$ -	\$ -	\$ 6,767,588	\$ -	\$ 11,748,892	\$ 24,621,661
On March 2, 2021, Atlantic entered into a loan agreement with Dime Community Bank for \$4,100,000, bearing interest at a variable interest rate with a floor of 3.25% per annum. Commencing April 5, 2021, Atlantic is required to make quarterly payments of principle and interest through March 5, 2031, 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	-	-	4,023,590	-	-	4,023,590	-
Subtotal (carried forward)	4,981,304	-	4,023,590	6,767,588	-	15,772,482	24,621,661

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

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

11 - MORTGAGES PAYABLE (Continued)

	2021					2020
	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)	\$ 4,981,304	\$ -	\$ 4,023,590	\$ 6,767,588	\$ -	\$ 15,772,482
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, 2021 and 2020. 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).	-	14,152,706	-	-	-	14,152,706
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
Subtotal (carried forward)	8,681,304	14,152,706	4,023,590	6,767,588	-	33,625,188

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

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

11 - MORTGAGES PAYABLE (Continued)

	2021						2020
	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)	\$ 8,681,304	\$ 14,152,706	\$ 4,023,590	\$ 6,767,588	\$ -	\$ 33,625,188	\$ 42,831,127
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)	8,681,304	14,152,706	4,023,590	6,767,588	13,700,000	47,325,188	56,531,127

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

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

11 - MORTGAGES PAYABLE (Continued)

	2021						2020
	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)	\$ 8,681,304	\$ 14,152,706	\$ 4,023,590	\$ 6,767,588	\$ 13,700,000	\$ 47,325,188	\$ 56,531,127
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	8,681,304	14,152,706	4,023,590	6,767,588	30,360,000	63,985,188	73,191,127
Less - Current portion	(182,753)	(376,628)	(105,629)	(207,558)	-	(872,568)	(729,047)
Less - Unamortized deferred loan costs	(54,804)	(78,919)	(114,481)	(81,826)	(898,153)	(1,228,183)	(1,758,365)
Long-term portion	\$ 8,443,747	\$ 13,697,159	\$ 3,803,480	\$ 6,478,204	\$ 29,461,847	\$ 61,884,437	\$ 70,703,715

**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,	
2022	\$ 873,000
2023	5,512,000
2024	1,618,000
2025	1,647,000
2026	1,678,000
Thereafter	52,657,000
Total	\$ 63,985,000

Total interest on loans and mortgages for the years ended December 31, 2021 and 2020 was approximately \$2,097,000 and \$2,504,000, respectively. Also included in interest expense is amortization of deferred loan costs of approximately \$666,000 and \$129,000 for the years ended December 31, 2021 and 2020, respectively.

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

12 - GOODWILL

Under FASB ASC 805, Tenant has elected to amortize goodwill over a period of ten years beginning on July 14, 2015. As of December 31, 2021 and 2020, management determined that no triggering events indicating impairment had occurred.

Goodwill consisted of the following as of December 31:

	2021	2020
Goodwill	\$ 334,996	\$ 334,996
Less - Accumulated amortization	(216,843)	(183,339)
	\$ 118,153	\$ 151,657

**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, 2021 and 2020.

Future amortization is expected to be as follows:

Year Ending December 31,	
2022	\$ 33,500
2023	33,500
2024	33,500
2025	17,653
Total	\$ 118,153

13 - 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.

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

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

14 - DEFERRED TAXES

Prior to the Atlantic Unwind Date (See Note 2), Atlantic was taxed as a corporation for federal income tax purposes. Deferred taxes were 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, 2021 and 2020:

	2021	2020
Deferred tax expense (benefit) of net operating loss carryforward	\$ 400,550	\$ (68,479)
Deferred tax expense of depreciation and amortization and deferred rent	-	(109)
Deferred tax expense (benefit)	\$ 400,550	\$ (68,588)

Net deferred tax assets and liabilities for Atlantic consist of the following as of December 31, 2021 and 2020:

	2021	2020
Deferred tax asset		
Net operating loss carryforward	\$ -	\$ 401,025
Deferred tax liability		
Depreciation and amortization	-	(475)
Net deferred tax asset	\$ -	\$ 400,550

Atlantic has determined that it is not required to establish a valuation allowance for its deferred tax asset as of December 31, 2021 and 2020, 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, 2021 and 2020, the effective tax rate approximated the federal statutory rate of 21%. As of December 31, 2021, Atlantic has no further federal net operating loss carryforwards.

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.

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

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

14 - DEFERRED TAXES (Continued)

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, 2021 and 2020. For the years ended December 31, 2021 and 2020, the effective tax rate approximated the federal statutory rate. GMDC OP Manager, LLC has federal net operating loss carryforwards of approximately \$1,837,000 which will carryforward indefinitely.

Net deferred tax assets and liabilities for GMDC OP Manager, LLC consist of the following as of December 31, 2021 and 2020:

	2021	2020
Deferred tax asset		
Net operating loss carryforward	\$ (480,032)	\$ (285,916)
Deferred tax liability		
Deferred rent and depreciation and amortization	1,397,556	1,016,027
Net deferred tax liability	\$ 917,524	\$ 730,111

15 - 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 development project located in the Brownsville section of Brooklyn, NY (See Note 20).

16 - 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 originally 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 2021 or 2020.

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

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

17 - LEASING ARRANGEMENTS

GMDC, GMDC II, Atlantic, Tenant, and Master Tenant receive rental income from tenants under non-cancelable operating leases through November 30, 2026. Approximate minimum annual rentals under operating leases for the next five years and thereafter are as follows:

Year Ending December 31,	
2022	\$ 6,577,000
2023	5,589,000
2024	4,739,000
2025	3,806,000
2026	2,780,000
Thereafter	1,738,000
Total	\$ 25,229,000

GMDC was provided in-kind rental services from GMDC II in an amount of approximately \$70,000 for each of the years ended December 31, 2021 and 2020, respectively.

18 - CONCENTRATIONS

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.

19 - 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.

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.

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

NOTES TO CONSOLIDATING FINANCIAL STATEMENTS

20 - SUBSEQUENT EVENTS

On March 30th, 2022, GMDC partnered with another non-profit organization (The Bridge, Inc.) to develop a former industrial complex located in the Brownsville section of Brooklyn. Once construction is completed, this mixed-used condominium will be comprised of four units. GMDC will own and operate one of the units as a multi-tenanted center for small-scale manufacturing businesses. The remaining three units will be owned and operated by The Bridge, Inc. as supportive and affordable housing units. The project was funded by a combination of grants, new markets tax credit equity, and traditional debt.

21 - RISKS AND UNCERTAINTY

The Organization's operations may be affected by the ongoing outbreak of the coronavirus disease 2019 ("COVID-19"), which in March 2020, was declared a pandemic by the World Health Organization. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may result in a material adverse impact on the Organization's financial position, operations, and cash flows, as well as the value of assets, including receivables and long-lived assets.