

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

**CONSOLIDATED FINANCIAL STATEMENTS WITH  
CONSOLIDATING SUPPLEMENTARY INFORMATION**

**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
**Greenpoint Manufacturing and Design Center  
Local Development Corporation and Subsidiaries**

### *Opinion*

We have audited the consolidated financial statements of Greenpoint Manufacturing and Design Center Local Development Corporation and Subsidiaries (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Greenpoint Manufacturing and Design Center Local Development Corporation and Subsidiaries as of December 31, 2022, 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.

### *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 Consolidated 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.

### *Prior Period Consolidated Financial Statements*

The consolidated financial statements of Greenpoint Manufacturing and Design Center Local Development Corporation and Subsidiaries as of and for the year ended December 31, 2021, were audited by Friedman LLP whose practice was combined with Marcum LLP as of September 1, 2022, and whose report dated June 15, 2022, expressed an unmodified opinion on those statements.

## ***Responsibilities of Management for the Consolidated Financial Statements***

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

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

## ***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 consolidated financial statements.

We did not audit the financial statements of eight subsidiaries, which statements reflect total assets of \$81,796,791 at December 31, 2022, and total revenues of \$2,698,948 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 consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***Consolidating Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying 2022 consolidating supplementary information on shown on pages 52-58 are presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Marcum LLP*

New York, NY  
June 22, 2023

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

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**DECEMBER 31, 2022 AND 2021**

	2022	2021
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents - Note 2	\$ 7,373,498	\$ 5,402,960
Restricted cash - Note 2	240,359	243,994
Rent and other miscellaneous receivables - Note 2	452,878	554,236
Mortgage escrow reserves - Note 2	185,588	206,538
Prepaid expenses and other current assets	<u>705,006</u>	<u>584,477</u>
<b>Total Current Assets</b>	8,957,329	6,992,205
Property and equipment - at cost, less accumulated depreciation - Note 9	64,260,478	63,460,337
Construction in progress - Note 16	6,828,086	4,149,290
Goodwill, net of accumulated amortization - Notes 2 and 13	84,649	118,153
Security deposits	9,210	9,210
Loans receivable - Note 8	29,193,678	20,991,700
Utility deposits	23,570	23,570
Restricted cash - Note 2	6,127,234	286,611
Interest rate swap asset - Note 10	<u>2,272,610</u>	<u>198,658</u>
<b>Total Assets</b>	<u>\$ 117,756,844</u>	<u>\$ 96,229,734</u>

*The accompanying notes are an integral part of these consolidated financial statements.*

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

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**DECEMBER 31, 2022 AND 2021**

	2022	2021
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Current portion of loans payable - Note 11	\$ 145,642	\$ 137,388
Current portion of mortgages payable - Note 12	827,789	872,568
Interest payable	119,518	101,215
Accounts payable and accrued expenses	<u>680,320</u>	<u>364,630</u>
<b>Total Current Liabilities</b>	1,773,269	1,475,801
Loans payable, less current portion and unamortized deferred loan costs - Note 11	14,006,436	7,270,922
Mortgages payable, less current portion and unamortized deferred loan costs - Note 12	72,590,746	61,884,437
Tenant security deposits	1,405,129	1,260,743
Deferred income	194,576	169,889
Refundable advance	2,254,275	--
Deferred tax liability - Note 15	455,743	917,524
Interest rate swap liability - Note 10	<u>--</u>	<u>1,454,678</u>
<b>Total Liabilities</b>	<u>92,680,174</u>	<u>74,433,994</u>
<b>Commitments and Contingencies - Note 14</b>		
<b>Net Assets</b>		
Without donor restrictions	23,608,367	20,248,305
Member's equity		
Noncontrolling interest	<u>1,468,303</u>	<u>1,547,435</u>
<b>Total Net Assets</b>	<u>25,076,670</u>	<u>21,795,740</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 117,756,844</u>	<u>\$ 96,229,734</u>

*The accompanying notes are an integral part of these consolidated financial statements.*

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

**CONSOLIDATED STATEMENTS OF ACTIVITIES**

**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>Changes in Net Assets</b>		
<b>Revenue and Other Support</b>		
Rental income - Note 18	\$ 7,241,709	\$ 6,363,488
Electric income - net of credits	461,898	349,563
Contributions - Notes 3 and 4	500,956	408,237
Contribution - loan forgiveness - Paycheck Protection Program - Note 19	--	10,000
Interest income - Note 8	407,839	265,780
Other income	<u>243,309</u>	<u>406,376</u>
<b>Total Revenue and Other Support</b>	<u>8,855,711</u>	<u>7,803,444</u>
<b>Expenses</b>		
<b>Program Services</b>		
Rental and project development	<u>9,263,994</u>	<u>9,141,440</u>
<b>Supporting Services</b>		
Management and general	633,279	657,978
Fundraising	<u>83,580</u>	<u>74,037</u>
<b>Total Supporting Services</b>	<u>716,859</u>	<u>732,015</u>
<b>Total Expenses</b>	<u>9,980,853</u>	<u>9,873,455</u>
<b>Decrease in Net Assets Before Other Revenues (Expenses)</b>	<u>\$ (1,125,142)</u>	<u>\$ (2,070,011)</u>

*The accompanying notes are an integral part of these consolidated financial statements.*



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

**CONSOLIDATED STATEMENTS OF ACTIVITIES (CONTINUED)**

**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022	2021
<b>Other Revenues (Expenses)</b>		
Unrealized gain on interest rate swap - Note 10	\$ 3,528,630	\$ 1,213,139
Cancellation of debt	--	4,095,000
Benefit (Provision) for income taxes - deferred tax expense - Note 15	<u>461,781</u>	<u>(587,963)</u>
	<u>3,990,411</u>	<u>4,720,176</u>
<b>Change in Net Assets</b>	2,865,269	2,650,165
<b>Net Assets, Beginning of Year</b>	21,795,740	19,381,269
Contributions	534,375	--
Distributions	<u>(118,714)</u>	<u>(235,694)</u>
<b>Net Assets, End of Year</b>	<u>\$ 25,076,670</u>	<u>\$ 21,795,740</u>

*The accompanying notes are an integral part of these consolidated financial statements.*

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

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

	Program Services	Supporting Services			Total Expenses
	Rental and Project Development	Management and General	Fundraising	Total	
Salaries	\$ 1,483,108	\$ 261,156	\$ 54,408	\$ 315,564	\$ 1,798,672
Payroll taxes and fringe benefits	402,645	113,762	23,700	137,462	540,107
Repairs and maintenance	181,915	2,347	--	2,347	184,262
Professional fees	70,285	229,076	--	229,076	299,361
Trash removal	5,791	--	--	--	5,791
Security	42,395	--	--	--	42,395
Building licenses and permits	6,017	--	--	--	6,017
Building filing fees	8,489	--	--	--	8,489
Insurance	750,111	2,700	563	3,263	753,374
Utilities	648,779	--	--	--	648,779
Phone and internet	44,222	6,095	1,270	7,365	51,587
Interest	2,378,132	--	--	--	2,378,132
Real estate taxes	823,469	--	--	--	823,469
Office expenses	37,981	12,635	2,632	15,267	53,248
NMTC reimbursement expenses	102,609	--	--	--	102,609
Depreciation	2,138,323	1,912	398	2,310	2,140,633
Amortization	33,504	--	--	--	33,504
Other taxes	7,372	25	--	25	7,397
Bad debt expense	85,242	--	--	--	85,242
Miscellaneous	13,605	3,571	609	4,180	17,785
<b>Total Expenses, 2022</b>	<b>\$ 9,263,994</b>	<b>\$ 633,279</b>	<b>\$ 83,580</b>	<b>\$ 716,859</b>	<b>\$ 9,980,853</b>

*The accompanying notes are an integral part of these consolidated financial statements.*

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

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

	Program Services	Supporting Services			Total Expenses
	Rental and Project Development	Management and General	Fundraising	Total	
Salaries	\$ 1,454,273	\$ 250,579	\$ 43,579	\$ 294,158	\$ 1,748,431
Payroll taxes and fringe benefits	386,985	106,215	18,472	124,687	511,672
Repairs and maintenance	135,978	4,365	--	4,365	140,343
Professional fees	93,251	226,991	--	226,991	320,242
Trash removal	7,824	--	--	--	7,824
Security	50,329	--	--	--	50,329
Building licenses and permits	6,444	--	--	--	6,444
Building filing fees	10,267	--	--	--	10,267
Insurance	577,994	23,671	4,117	27,788	605,782
Utilities	454,300	20,836	3,624	24,460	478,760
Phone and internet	35,906	5,721	995	6,716	42,622
Interest	2,762,869	--	--	--	2,762,869
Real estate taxes	780,586	--	--	--	780,586
Office expenses	39,474	12,419	2,160	14,579	54,053
NMTC reimbursement expenses	173,390	--	--	--	173,390
Depreciation	2,059,552	3,845	669	4,514	2,064,066
Amortization	33,504	--	--	--	33,504
Other taxes	4,214	--	--	--	4,214
Bad debt expense	25,978	--	--	--	25,978
Miscellaneous	48,322	3,336	421	3,757	52,079
<b>Total Expenses, 2021</b>	<b>\$ 9,141,440</b>	<b>\$ 657,978</b>	<b>\$ 74,037</b>	<b>\$ 732,015</b>	<b>\$ 9,873,455</b>

*The accompanying notes are an integral part of these consolidated financial statements.*

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

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022	2021
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ 2,865,269	\$ 2,650,165
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	2,174,137	2,097,570
Interest expense - debt issuance costs	146,386	665,877
Bad debt expense	85,242	25,978
Unrealized gain on interest rate swap	(3,528,630)	(1,213,139)
Deferred income taxes	(461,781)	587,963
Cancellation of debt	--	(4,095,000)
(Increase) decrease in assets		
Rent and other miscellaneous receivables	16,116	(107,536)
Prepaid expenses and other current assets	(120,529)	138,112
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	(27,257)	(87,943)
Interest payable	18,303	(189,471)
Deferred income	23,983	(118,251)
Refundable advance	2,254,275	--
Tenant security deposits	144,386	107,741
<b>Net Cash Provided by Operating Activities</b>	<u>3,589,900</u>	<u>462,066</u>
<b>Cash Flows From Investing Activities</b>		
Property, equipment, renovations and fees	(2,811,395)	(2,593,840)
Refund of construction costs	390,000	--
Construction costs	(2,835,632)	(5,950)
Loans receivable	(8,201,978)	--
<b>Net Cash Used in Investing Activities</b>	<u>\$ (13,459,005)</u>	<u>\$ (2,599,790)</u>

*The accompanying notes are an integral part of these consolidated financial statements.*

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

**CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)**

**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022	2021
<b>Cash Flows From Financing Activities</b>		
Cash paid for deferred loan costs	\$ (1,104,214)	\$ (111,611)
Refund of debt issuance costs	641	--
Proceeds from loans	7,043,784	--
Proceeds from mortgages	17,179,000	4,100,000
Principal repayments of loans and mortgages	(5,879,191)	(4,156,583)
Capital contributions	534,375	--
Distributions	<u>(118,714)</u>	<u>(235,694)</u>
<b>Net Cash Provided by (Used in) Financing Activities</b>	<u>17,655,681</u>	<u>(403,888)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents and Restricted Cash</b>	7,786,576	(2,541,612)
<b>Cash and Cash Equivalents and Restricted Cash, Beginning of Year</b>	<u>6,140,103</u>	<u>8,681,715</u>
<b>Cash and Cash Equivalents and Restricted Cash, End of Year</b>	<u><u>\$ 13,926,679</u></u>	<u><u>\$ 6,140,103</u></u>
<b>Reconciliation of Cash and Cash Equivalents and Restricted Cash, Beginning of Year</b>		
Cash and cash equivalents	\$ 5,402,960	\$ 7,757,005
Restricted cash	530,605	826,652
Mortgage escrow reserves	<u>206,538</u>	<u>98,058</u>
<b>Cash and Cash Equivalents and Restricted Cash, Beginning of Year</b>	<u><u>\$ 6,140,103</u></u>	<u><u>\$ 8,681,715</u></u>

*The accompanying notes are an integral part of these consolidated financial statements.*

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

**CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)**

**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022	2021
<b>Reconciliation of Cash and Cash Equivalents and Restricted Cash, End of Year</b>		
Cash and cash equivalents	\$ 7,373,498	\$ 5,402,960
Restricted cash	6,367,593	530,605
Mortgage escrow reserves	<u>185,588</u>	<u>206,538</u>
<b>Cash and Cash Equivalents and Restricted Cash, End of Year</b>	<u><u>\$ 13,926,679</u></u>	<u><u>\$ 6,140,103</u></u>
<b>Supplemental Cash Flow Disclosures</b>		
Interest	\$ 2,213,443	\$ 2,286,463
<b>Noncash Investing and Financing Activities</b>		
Increase in construction in progress resulting from		
Developer fee payable	\$ 169,294	\$ --
Accrued expenses	\$ 343,650	\$ --
Due to related parties	\$ 52,582	\$ --
Capitalized interest - debt issuance costs	\$ 18,893	\$ --

*The accompanying notes are an integral part of these consolidated financial statements.*

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

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

### **FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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#### **NOTE 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.

#### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### ***BASIS OF ACCOUNTING AND PRESENTATION***

The accompanying consolidated 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 consolidated 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, 2022 and 2021, all of the Organization’s net assets were without donor restrictions.

##### ***PRINCIPLES OF CONSOLIDATION***

The accompanying consolidated 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, GMDC OP Investor, LLC, GMDC Brownsville LLC, GMDC Humboldt Street, LLC, and GMDC St. Nicholas Avenue, 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 CONSOLIDATED FINANCIAL STATEMENTS**

### **FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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#### **NOTE 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, 2022 and 2021, 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.



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

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

### **FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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#### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### ***PRINCIPLES OF CONSOLIDATION (CONTINUED)***

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 94-15 100<sup>th</sup> Street (the “Ozone Park Property”).

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.

GMDC Brownsville LLC (“Brownsville”), a Delaware limited liability company, was formed on May 5, 2020 by GMDC, its sole member, and entered into an operating agreement (the “Brownsville Operating Agreement”) on that date. Brownsville was formed to acquire, own, lease, sublease, operate, manage, improve, finance, and sell a certain condominium (or any portion thereof that is improved) to be constructed at 412, 416, 424, and 432 Thatford Avenue and 803 Rockaway Avenue, Brooklyn, New York (the “Brownsville Property”).

Under the terms of the Brownsville Operating Agreement, GMDC was required to provide capital contributions of cash in the amount of \$100. GMDC is not required to make any additional capital contributions to Brownsville, but may make additional capital contributions to Brownsville at any time. As of December 31, 2022, GMDC’s capital contributions totaled \$199,252.

GMDC Humboldt Street, LLC (“Humboldt”), a Delaware limited Delaware limited liability company, was formed on March 25, 2021 by GMDC, its sole member and entered into an operating agreement (the “Humboldt Operating Agreement”). Humboldt was formed to operate, manage, maintain, improve, construct, repair, service, lease, sell, assign, convey, transfer or otherwise dispose of, in whole or in part, the real property located at or known as 810 Humboldt Street, Brooklyn, NY (the “Humboldt Property”).

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

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

### **FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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#### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### ***PRINCIPLES OF CONSOLIDATION (CONTINUED)***

GMDC St. Nicholas Avenue, LLC (“St. Nicholas”), a Delaware limited liability company, was formed on March 25, 2021 by GMDC, its sole member and entered into an operating agreement (the “St. Nicholas Operating Agreement”). St. Nicholas was formed to operate, manage, maintain, improve, construct, repair, service, lease, sell, assign, convey, transfer or otherwise dispose of, in whole or in part, the real property located at or known as 7 St Nicholas Avenue, Brooklyn, NY (the “St. Nicholas Property”).

##### ***NONCONTROLLING INTERESTS***

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

##### ***RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENT***

In 2016, the Financial Accounting Standards Board, or FASB, issued Accounting Standard Update, or ASU, 2016-02, Leases (Topic 842), which established new principles, presentation and disclosure requirements for lease accounting for both the lessee and lessor. On January 1, 2022, management adopted ASU 2016-02 using the modified retrospective transition approach with an effective date as of the adoption date and elected certain practical expedients allowed by the new standard. Under the new standard, lessors are generally required to account for leases in a similar manner as previous lease accounting guidance; however, certain aspects of the new standard are aligned with the recently adopted revenue recognition standard. The adoption of the new lease standard has not resulted in a significant change in the accounting for the Organization’s rental revenues, as the Organization’s leases, where it is the lessor, will continue to be accounted for as operating leases.

##### ***REVENUE RECOGNITION***

The Organization recognizes rental revenues each month as billed in accordance with the lease agreements over the terms of the respective leases which are accounted for under Accounting Standards Codification 842, Leases (“ASC 842”).

In addition to base rents, tenants are also charged for their pro rata share of increases in real estate taxes and certain operating expenses for the respective property. The Organization provides its tenants with certain customary services for lease contracts such as common area maintenance and general security.

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***REVENUE RECOGNITION (CONTINUED)***

The Organization has utilized the practical expedient in ASC 842 and has elected to combine the non-lease components with the lease components of operating lease agreements and account for them as a single lease component in accordance with ASC 842. 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. Contributions received with donor restrictions whose restrictions are satisfied in the same period are recognized as without donor restrictions.

***RENT RECEIVABLE***

Rent receivable includes basic rent, electric and advances due from tenants. At December 31, 2022 and 2021, an allowance for uncollectible rent of \$241,414 and \$274,276, 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.

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.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***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, 2022 and 2021.

***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 consolidated 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.

***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.

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### **FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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#### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### ***TAX STATUS (CONTINUED)***

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 year ended December 31, 2021, Atlantic had no taxable income.

Owner, Tenant, Humboldt, and St. Nicholas 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, Tenant, Humboldt, or St. Nicholas has been made in the accompanying consolidated 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 and Brownsville were formed as limited liability companies but have elected to be taxed as a corporation for federal tax purposes.

##### ***INCOME TAXES***

Income tax expense for the period is comprised of current and deferred tax. Income tax is recognized in the consolidated statements of activities.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the consolidated statements of financial position in the countries where the Organization operates.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***INCOME TAXES (CONTINUED)***

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the consolidated statements of financial position and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Management of the Organization records uncertain tax positions in accordance with ASC 740 on the basis of a two-step process in which (1) management determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than not recognition threshold, the Organization recognizes the largest amount of the tax benefit that is more than 50% likely to be realized upon ultimate settlement with the related tax party. Management has not identified any uncertain tax positions as of December 31, 2022 and 2021.

Management of the Organization recognizes interest and penalties related to unrecognized tax benefits on the income tax line in the accompanying consolidated statements of activities. Accrued interest and penalties are included on the related liability lines in the consolidated statements of financial position. There were no interest and penalties recognized for the years ended December 31, 2022 and 2021.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***FAIR VALUE MEASUREMENTS***

GAAP defines fair value, provides guidance for measuring fair value and requires certain disclosures. GAAP utilizes a fair value hierarchy which is categorized into three levels based on the inputs to the valuation techniques used to measure fair value.

The levels are as follows:

Level 1 - Quoted market prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than Level 1 inputs that are either directly or indirectly observable; and

Level 3 - Unobservable inputs using estimates and assumptions developed by the Organization, which reflect those that a market participant would use.

Determining which category an asset or liability falls into within the hierarchy requires significant judgment. The Organization evaluates hierarchy disclosures annually.

***FUNCTIONAL ALLOCATION OF EXPENSES***

The costs of providing program and supporting activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements 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.

***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.

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

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

### **FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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#### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### ***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.

##### ***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, 2022 and 2021, the reserve account balance was \$6,367,593 and \$530,605, respectively. The Organization is also required to hold certain mortgage escrow accounts for payments of real estate taxes. As of December 31, 2022 and 2021, the balance of these escrows accounts was \$185,588 and \$206,538, respectively.

##### ***SUBSEQUENT EVENTS***

The Organization has evaluated subsequent events through June 22, 2023, the date that the consolidated financial statements are considered available to be issued.

#### **NOTE 3 - CONDITIONAL PROMISES TO GIVE**

In 2022, GDMC entered into a funding agreement with the Empire State Development Corporation in the amount of \$1,600,000 for the construction and rehabilitation of the Brownsville 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, 2022 and 2021.

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, 2022 and 2021, respectively, \$1,950,000 and \$1,694,769 had been received from the New York City Economic Development Corporation for this project.



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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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**NOTE 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 \$1,462,500 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, 2022 and 2021.

**NOTE 4 - GRANTS**

In 2022, GMDC received a grant from the U.S. Small Business Administration (“SBA”) in the amount of \$2,500,000 to be utilized for the development of the Brownsville Property. The grant is subject to qualified costs being incurred and other reporting requirements as defined by the SBA. Grant revenue will be recorded upon expenditure of qualified costs. For the year ended December 31, 2022, grant revenue of \$245,725 was recognized in connection with this grant. The remaining balance of \$2,254,275 is shown as a refundable advance on the consolidated statements of financial position as of December 31, 2022.

**NOTE 5 - LIQUIDITY AND AVAILABILITY OF RESOURCES**

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

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 7,373,498	\$ 5,402,960
Rent and other miscellaneous receivables	452,878	554,236
Mortgage escrow reserves	185,588	206,538
Prepaid expenses and other current assets	705,006	584,477
Restricted cash	<u>240,359</u>	<u>243,994</u>
<b>Total Current Financial Assets As of December 31, 2022 And 2021</b>	8,957,329	6,992,205
Less - real estate tax and insurance escrows	185,588	206,538
Less - other escrow	17,331	17,331
Less - prepaid expenses	<u>687,675</u>	<u>567,146</u>
<b>Total Financial Assets Available Within One Year</b>	<u>\$ 8,066,735</u>	<u>\$ 6,201,190</u>

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

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

### **FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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#### **NOTE 5 - LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)**

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).

#### **NOTE 6 - SAFE HARBOR PENSION PLAN**

Employees are covered under a safe harbor 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 immediately upon contribution. For the years ended December 31, 2022 and 2021, the Organization matched employee contributions in the amounts of \$73,837 and \$74,319, respectively.

#### **NOTE 7 - 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 8) 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 8) 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 12). 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.

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**NOTE 7 - NEW MARKETS TAX CREDIT STRUCTURE (CONTINUED)**

OP Investor is to contribute cash of \$216,359. As of December 31, 2022 and 2021, 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.

On November 16, 2017, OP Manager and Chase Community Equity, LLC (the "Investor Member") 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, 2022 and 2021 and Investor Member provided capital contributions of \$6,470,055 and \$5,935,680 as of December 31, 2022 and 2021, respectively. The liability of the members is limited to their cumulative capital contributions.

Chase Community Equity, LLC, ("Chase") is the ultimate investor in CNMC Sub-CDE 195, LLC ("CNMC") and NYCNCC Sub-CDE 11, LLC ("NYCNCC"). GMDC contributed \$8,201,978 in the form of a loan to Chase NMTC GMDC 2 Investment Fund, LLC ("Chase NMTC") and Chase contributed equity of \$3,088,800 to Chase NMTC. CNMC and NYCNCC received equity contributions from Chase NMTC and used those equity contributions to make loans to Brownsville. Brownsville is intended to constitute a Qualified Active Low-Income Community Business under Section 45D of the Internal Revenue Code.

# GREENPOINT MANUFACTURING AND DESIGN CENTER LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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#### NOTE 8 - LOANS RECEIVABLE

Loans receivable as of December 31 consisted of the following:

	<u>2022</u>	<u>2021</u>
On March 30, 2022, GMDC and Chase NMTC GMDC 2 Investment Fund, LLC executed a loan in the amount of \$8,201,978 which is to bear interest at a rate of 2.402074% per annum through maturity on March 29, 2052. Quarterly payments of interest only commence on June 15, 2022 and continue through March 15, 2040. In addition, on March 15, 2029, a mandatory prepayment of prepayment of principal in the amount of \$2,575,947 shall be due and payable together with all then-accrued and unpaid interest through and including March 31, 2029. Additional payments of principal in the amount of \$600,000 on March 15, 2035, and \$600,000 on March 15, 2040 are due. Beginning June 15, 2040, principal and interest payments of \$40,294 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.	\$ 8,201,978	\$ --
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.	<u>20,991,700</u>	<u>20,991,700</u>
<b>Total</b>	<u>\$29,193,678</u>	<u>\$20,991,700</u>

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE 9 - PROPERTY AND EQUIPMENT**

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

		2022						2021	
		GMDC, GMDC Humboldt Street., LLC, and GMDC St. Nicholas Avenue, LLC	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		Consolidated Totals	Consolidated Totals
	Life						Eliminations		
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	13,033,060	17,404,898	33,899,033	(9,001,889)	64,690,652	64,658,889
Furniture and equipment	3-39 years	523,482	77,722	3,141	84,009	--	--	688,354	638,743
Improvements	25-39 years	<u>3,330,426</u>	<u>10,682,660</u>	<u>--</u>	<u>135,022</u>	<u>--</u>	<u>--</u>	<u>14,148,108</u>	<u>11,291,876</u>
		9,063,909	15,737,081	13,273,351	18,448,929	37,566,983	(9,001,889)	85,088,364	82,150,758
Less - Accumulated depreciation		<u>7,359,784</u>	<u>6,235,175</u>	<u>2,558,936</u>	<u>5,140,053</u>	<u>2,461,435</u>	<u>(2,927,497)</u>	<u>20,827,886</u>	<u>18,690,421</u>
		<u>\$ 1,704,125</u>	<u>\$ 9,501,906</u>	<u>\$ 10,714,415</u>	<u>\$ 13,308,876</u>	<u>\$ 35,105,548</u>	<u>\$(6,074,392)</u>	<u>\$ 64,260,478</u>	<u>\$ 63,460,337</u>

Depreciation expense for the years ended December 31, 2022 and 2021 was \$2,140,633 and \$2,064,066, respectively.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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**NOTE 10 - INTEREST RATE SWAPS**

In 2019, in connection with its Dime Community Bank loan (see Note 12), 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 consolidated statements of financial position and to measure those instruments at fair value. A gain in the fair value of the interest rate swap of \$2,038,220 and \$964,913 has been recorded in the consolidated statements of activities for the years ended December 31, 2022 and 2021, 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 summarize the fair value of GMDC II's interest rate swap liabilities using Level 2 valuation techniques:

	December 31, 2022	
	Notional Value	Amount
Dime Community Bank	\$ 13,776,077	\$ 653,340

  

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

In connection with its Flushing Bank loan (see Note 12), 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 \$897,342 and \$318,024 has been recorded in the consolidated statements of activities for the years ended December 31, 2022 and 2021, 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.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE 10 - INTEREST RATE SWAPS (CONTINUED)**

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

	December 31, 2022	
	Notional Value	Amount
Flushing Bank	\$ 6,563,211	\$ 1,096,000

  

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

In connection with its Dime Community Bank loan (See Note 12), Atlantic entered into an interest rate swap agreement during the year ended December 31, 2021. A gain in the fair value of the interest rate swap of \$593,068 and a loss of \$69,798 has been recorded in the consolidated statements of activities for the years ended December 31, 2022 and 2021, respectively. 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, 2022	
	Notional Value	Amount
Dime Bank	\$ 3,917,961	\$ 523,270

  

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

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 11 - LOANS PAYABLE**

Loans payable at December 31 consisted of the following:

	<u>2022</u>	<u>2021</u>
On March 29, 2022, GMDC entered into a loan agreement with Enterprise Community Loan Fund, Inc. (“ECLF”), a nonprofit corporation, for \$2,243,784, bearing interest at SOFR plus the applicable margin of 4.75% per annum with a maximum interest rate of 5.75%. Commencing June 5, 2022, GMDC is required to make quarterly payments of interest only through the earlier of six months after the Brownsville Property project is complete or full-lease up of the Brownsville property (the “Stabilization Date”). On or about the Stabilization Date, GMDC will make quarterly installment payments of principal and interest in the amounts required to amortize the principal over a thirty-year period through the maturity date, March 30, 2029, when the entire principal balance along with accrued but unpaid interest is due. The loan is secured by the Brownsville Property and an assignment of leases and rents and developer fees.	\$ 2,243,784	\$ --
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.	<u>7,294,235</u>	<u>7,477,571</u>
Subtotal (Carried Forward)	<u>\$ 9,538,019</u>	<u>\$ 7,477,571</u>



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**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 11 - LOANS PAYABLE (CONTINUED)**

	2022	2021
Subtotal (Brought Forward)	\$ 9,538,019	\$ 7,477,571
On March 30, 2022, GMDC entered into a loan agreement with New York City Partnership Foundation Inc., a non-profit corporation, for \$1,600,000, bearing interest at 4.25% per annum. Monthly interest is due on the unpaid principal from the date of the advance through March 30, 2025, the maturity date, at which time the entire principal balance along with all accrued but unpaid interest is due.	1,600,000	--
On March 30, 2022, GMDC entered into a non-interest-bearing loan agreement with MRT 416 LLC, a limited liability company, for \$1,600,000. Principal payments of \$300,000 is due on March 30, 2030, followed by an additional \$300,000 due on March 30, 2035, a third principal payment of \$300,000 is due on March 30, 2040. The final \$700,000 is due when certain conditions are met, as defined in the loan agreement, including \$177,000 due on the Stabilization Date. Per the terms of the loan agreement, should those conditions not be met by March 30, 2040, the remainder of the loan will be forgiven in full.	1,600,000	--
On March 30, 2022, GMDC entered into a non-interest-bearing loan agreement with The Bridge, Inc, a not-for profit corporation, for \$1,600,000. Principal payments of \$300,000 is due on March 30, 2030, followed by an additional \$300,000 due on March 30, 2035, a third principal payment of \$300,000 is due on March 30, 2040. The final \$700,000 is due when certain conditions are met, as defined in the loan agreement, including \$177,000 due on the Stabilization Date. Per the terms of the loan agreement, should those conditions not be met by March 30, 2040, the remainder of the loan will be forgiven in full.	1,600,000	--
<b>Total Payable Amount</b>	14,338,019	7,477,571
Less - Current portion	(145,642)	(137,388)
Less - Unamortized deferred loan costs	(185,941)	(69,261)
<b>Long-term Portion</b>	<u>\$ 14,006,436</u>	<u>\$ 7,270,922</u>

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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**NOTE 11 - LOANS PAYABLE (CONTINUED)**

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

Year Ending December 31,	Amount
2023	\$ 146,000
2024	7,149,000
2025	1,600,000
2026	--
2027	--
Thereafter	<u>5,444,000</u>
<b>Total</b>	<u><u>\$ 14,339,000</u></u>

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 12 - MORTGAGES PAYABLE**

Mortgages payable at December 31 consisted of the following:

	2022						2021
	GMDC, GMDC Humboldt Street, LLC, and GMDC St. Nicholas Avenue, LLC	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	GMDC Brownsville 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 10). 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.	\$ --	\$ --	\$ --	\$ 6,563,211	\$ --	\$ --	\$ 6,563,211
Subtotal (Carried Forward)	\$ --	\$ --	\$ --	\$ 6,563,211	\$ --	\$ --	\$ 6,563,211

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 12 - MORTGAGES PAYABLE (CONTINUED)**

	2022							2021
	GMDC, GMDC Humboldt Street, LLC, and GMDC St. Nicholas Avenue, LLC	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	GMDC Brownsville LLC	Total	Total
Subtotal (Brought Forward)	\$ --	\$ --	\$ --	\$ 6,563,211	\$ --	\$ --	\$ 6,563,211	\$ 6,767,588
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 was secured by the 7 St. Nicholas Street and 810 Humboldt Street properties and an assignment of leases and rents and security agreement. The loan required the Organization to maintain certain financial covenants; the Organization was in compliance as of December 31, 2021. On August 3, 2022, this loan was refinanced and split into two new loans under the entities, GMDC Humboldt Street, LLC and GMDC St. Nicholas Avenue, LLC.	--	--	--	--	--	--	--	4,981,304
Subtotal (Carried Forward)	\$ --	\$ --	\$ --	\$ 6,563,211	\$ --	\$ --	\$ 6,563,211	\$ 11,748,892

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 12 - MORTGAGES PAYABLE (CONTINUED)**

	2022							2021
	GMDC, GMDC Humboldt Street, LLC, and GMDC St. Nicholas Avenue, LLC	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	GMDC Brownsville LLC	Total	Total
Subtotal (Brought Forward)	\$ --	\$ --	\$ --	\$ 6,563,211	\$ --	\$ --	\$ 6,563,211	\$ 11,748,892
On August 3, 2022, Humboldt entered into a loan agreement, in the amount of \$5,500,000, bearing an interest rate of 4.66%, for its property located at 810 Humboldt Street in Brooklyn, NY. This loan was part of the refinance of the loan that was originally under GMDC. Commencing on October 1, 2022, Humboldt is required to make monthly payments of principal and interest in the amount of \$28,383 based on a 30-year amortization schedule through September 1, 2027, the maturity date, when the entire principal balance along with all accrued but unpaid interest is due. The loan is secured by the 810 Humboldt Street property and an assignment of leases and rents and security agreement. The loan requires Humboldt to maintain certain financial covenants; Humboldt was in compliance as of December 31, 2022.								
	<u>5,479,528</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>5,479,528</u>	<u>--</u>
Subtotal (Carried Forward)	<u>\$ 5,479,528</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 6,563,211</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 12,042,739</u>	<u>\$ 11,748,892</u>

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**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 12 - MORTGAGES PAYABLE (CONTINUED)**

	2022							2021
	GMDC, GMDC Humboldt Street, LLC, and GMDC St. Nicholas Avenue, LLC	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	GMDC Brownsville LLC	Total	Total
Subtotal (brought forward)	\$ 5,479,528	\$ --	\$ --	\$ 6,563,211	\$ --	\$ --	\$ 12,042,739	\$ 11,748,892
On August 3, 2022, St. Nick entered into a loan agreement, in the amount of \$2,000,000, bearing an interest rate of 4.66%, for its property located at 7 St. Nicholas Street in Brooklyn, NY. This loan was part of the refinance of the loan that was originally under GMDC. Commencing on October 1, 2022, St. Nick is required to make monthly payments of principal and interest in the amount of \$10,325 based on a 30-year amortization schedule through September 1, 2027, the maturity date, when the entire principal balance along with all accrued but unpaid interest is due. The loan is secured by the 7 St. Nicholas Street property and an assignment of leases and rents and security agreement. The loan requires St. Nick to maintain certain financial covenants; St. Nick was in compliance as of December 31, 2022.								
	<u>1,992,556</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,992,556</u>	<u>--</u>
Subtotal (carried forward)	<u>\$ 7,472,084</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 6,563,211</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 14,035,295</u>	<u>\$ 11,748,892</u>

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 12 - MORTGAGES PAYABLE (CONTINUED)**

	2022							2021
	GMDC, GMDC Humboldt Street, LLC, and GMDC St. Nicholas Avenue, LLC	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	GMDC Brownsville LLC	Total	Total
Subtotal (brought forward)	\$ 7,472,084	\$ --	\$ --	\$ 6,563,211	\$ --	\$ --	\$ 14,035,295	\$ 11,748,892
On March 30, 2022, Brownsville entered into a building loan agreement with NYCNCC for the loan amount equal to \$5,955,145, bearing interest at a rate equal to 1.821047% per annum. Commencing March 30, 2022, Brownsville is required to make quarterly payments of interest only through March 31, 2040. On March 5, 2029, Brownsville shall make a payment of accrued and unpaid interest calculated from January 1, 2029, through and including March 31, 2029, plus a payment of principal in the amount of \$1,417,757 on March 30, 2029. Further, on March 5, 2035, Brownsville shall make a payment, in addition to the scheduled interest payment, of principal in the amount of \$330,230 and on March 5, 2040, Brownsville shall make a payment, in addition to the scheduled interest payment, of principal in the amount of \$330,230. Commencing June 5, 2040, payments of interest and principal are due quarterly through March 29, 2052, the maturity date, when the entire principal balance along with all accrued but unpaid interest is due. The loan is secured by the Brownsville Property and an assignment of leases and rents and security agreement.	--	--	--	--	--	5,851,520	5,851,520	--
Subtotal (carried forward)	\$ 7,472,084	\$ --	\$ --	\$ 6,563,211	\$ --	\$ 5,851,520	\$ 19,886,815	\$ 11,748,892

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 12 - MORTGAGES PAYABLE (CONTINUED)**

	2022							2021
	GMDC, GMDC Humboldt Street, LLC, and GMDC St. Nicholas Avenue, LLC	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	GMDC Brownsville LLC	Total	Total
Subtotal (brought forward)	\$ 7,472,084	\$ --	\$ --	\$ 6,563,211	\$ --	\$ 5,851,520	\$ 19,886,815	\$ 11,748,892
On March 30, 2022, Brownsville entered into a project loan agreement with NYCNCC for the loan amount equal to \$804,655, bearing interest at a rate equal to 1.821047% per annum. Commencing March 30, 2022, Brownsville is required to make quarterly payments of interest only through March 31, 2040. On March 5, 2029, Brownsville shall make a payment of accrued and unpaid interest calculated from January 1, 2029, through and including March 31, 2029, plus a payment of principal in the amount of \$191,566 on March 30, 2029. Further, on March 5, 2035, Brownsville shall make a payment, in addition to the scheduled interest payment, of principal in the amount of \$44,620 and on March 5, 2040, Brownsville shall make a payment, in addition to the scheduled interest payment, of principal in the amount of \$44,620. Commencing June 5, 2040, payments of interest and principal are due quarterly through March 29, 2052, the maturity date, when the entire principal balance along with all accrued but unpaid interest is due. The loan is secured by the Project Loan Leasehold Mortgage, assignment of leases and rents, security agreement, and fixture filing.	--	--	--	--	--	672,886	672,886	--
Subtotal (carried forward)	\$ 7,472,084	\$ --	\$ --	\$ 6,563,211	\$ --	\$ 6,524,406	\$ 20,559,701	\$ 11,748,892



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**NOTE 12 - MORTGAGES PAYABLE (CONTINUED)**

	2022							2021
	GMDC, GMDC Humboldt Street, LLC, and GMDC St. Nicholas Avenue, LLC	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	GMDC Brownsville LLC	Total	Total
Subtotal (brought forward)	\$ 7,472,084	\$ --	\$ --	\$ 6,563,211	\$ --	\$ 6,524,406	\$ 20,559,701	\$ 11,748,892
On March 30, 2022, Brownsville entered into a project loan agreement with NYCNCC for the loan amount equal to \$2,060,200, bearing interest at a rate equal to 1.821047% per annum. Commencing March 30, 2022, Brownsville is required to make quarterly payments of interest only through March 31, 2040. On March 5, 2029, Brownsville shall make a payment of accrued and unpaid interest calculated from January 1, 2029, through and including March 31, 2029, plus a payment of principal in the amount of \$490,477 on March 30, 2029. Further, on March 5, 2035, Brownsville shall make a payment, in addition to the scheduled interest payment, of principal in the amount of \$114,244 and on March 5, 2040, Brownsville shall make a payment, in addition to the scheduled interest payment, of principal in the amount of \$114,244. Commencing June 5, 2040, payments of interest and principal are due quarterly through March 29, 2052, the maturity date, when the entire principal balance along with all accrued but unpaid interest is due. The loan is secured by the Project Loan Leasehold Mortgage, assignment of leases and rents, security agreement, and fixture filing.	--	--	--	--	--	1,854,594	1,854,594	--
Subtotal (carried forward)	\$ 7,472,084	\$ --	\$ --	\$ 6,563,211	\$ --	\$ 8,379,000	\$ 22,414,295	\$ 11,748,892

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**NOTE 12 - MORTGAGES PAYABLE (CONTINUED)**

	2022							2021
	GMDC, GMDC Humboldt Street, LLC, and GMDC St. Nicholas Avenue, LLC	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	GMDC Brownsville LLC	Total	Total
Subtotal (brought forward)	\$ 7,472,084	\$ --	\$ --	\$ 6,563,211	\$ --	\$ 8,379,000	\$ 22,414,295	\$ 11,748,892
On March 30, 2022, Brownsville entered into a project loan agreement with CNMC for the loan amount equal to \$1,270,508, bearing interest at a rate equal to 1.821047% per annum. Commencing June 5, 2022, Brownsville is required to make quarterly payments of interest only through March 31, 2040. On March 30, 2029, a payment of interest for the period commencing on January 1, 2029 and ending on March 31, 2029, plus an additional payment of principal in the amount of \$302,473 shall be due and payable. In addition to the forgoing, Brownsville shall make an additional payment of principal in the amount of \$70,453 on March 5, 2035, and an additional payment of principal in the amount of \$70,453 on March 5, 2040. Commencing June 5, 2040, payments of interest and principal are due quarterly through March 29, 2052, the maturity date, when the entire principal balance along with all accrued but unpaid interest is due. The loan is secured by the Brownsville Property and an assignment of leases and rents and security agreement.	--	--	--	--	--	825,830	825,830	--
Subtotal (carried forward)	\$ 7,472,084	\$ --	\$ --	\$ 6,563,211	\$ --	\$ 9,204,830	\$ 23,240,125	\$ 11,748,892

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

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

### **FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 12 - MORTGAGES PAYABLE (CONTINUED)**

	2022							2021
	GMDC, GMDC Humboldt Street, LLC, and GMDC St. Nicholas Avenue, LLC	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	GMDC Brownsville LLC	Total	Total
Subtotal (brought forward)	\$ 7,472,084	\$ --	\$ --	\$ 6,563,211	\$ --	\$ 9,204,830	\$ 23,240,125	\$ 11,748,892
On March 30, 2022, Brownsville entered into a project loan agreement with CNMC for the loan amount equal to \$171,670, bearing interest at a rate equal to 1.821047% per annum. Commencing June 5, 2022, Brownsville is required to make quarterly payments of interest only through March 31, 2040. On March 30, 2029, a payment of interest for the period commencing on January 1, 2029 and ending on March 31, 2029, plus an additional payment of principal in the amount of \$40,870 shall be due and payable. In addition to the forgoing, Brownsville shall make an additional payment of principal in the amount of \$9,520 on March 5, 2035, and an additional payment of principal in the amount of \$9,520 on March 5, 2040. Commencing June 5, 2040, payments of interest and principal are due quarterly through March 29, 2052, the maturity date, when the entire principal balance along with all accrued but unpaid interest is due. The loan is secured by the Project Loan Leasehold Mortgage, assignment of leases and rents, security agreement, and fixture filing.	--	--	--	--	--	111,586	111,586	--
Subtotal (carried forward)	\$ 7,472,084	\$ --	\$ --	\$ 6,563,211	\$ --	\$ 9,316,416	\$ 23,351,711	\$ 11,748,892

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**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 12 - MORTGAGES PAYABLE (CONTINUED)**

	2022							2021
	GMDC, GMDC Humboldt Street, LLC, and GMDC St. Nicholas Avenue, LLC	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	GMDC Brownsville LLC	Total	Total
Subtotal (brought forward)	\$ 7,472,084	\$ --	\$ --	\$ 6,563,211	\$ --	\$ 9,316,416	\$ 23,351,711	\$ 11,748,892
On March 30, 2022, Brownsville entered into a project loan agreement with CNMC for the loan amount equal to \$557,822, bearing interest at a rate equal to 1.821047% per annum. Commencing June 5, 2022, Brownsville is required to make quarterly payments of interest only through March 31, 2040. On March 30, 2029, a payment of interest for the period commencing on January 1, 2029 and ending on March 31, 2029, plus an additional payment of principal in the amount of \$131,802 shall be due and payable. In addition to the forgoing, Brownsville shall make an additional payment of principal of \$30,933 on March 5, 2035, and an additional payment of principal in the amount of \$30,933 on March 5, 2040. Commencing June 5, 2040, payments of interest and principal are due quarterly through March 29, 2052, the maturity date, when the entire principal balance along with all accrued but unpaid interest is due. The loan is secured by the Project Loan Leasehold Mortgage, assignment of leases and rents, security agreement, and fixture filing.	--	--	--	--	--	362,584	362,584	--
Subtotal (carried forward)	\$ 7,472,084	\$ --	\$ --	\$ 6,563,211	\$ --	\$ 9,679,000	\$ 23,714,295	\$ 11,748,892

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**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 12 - MORTGAGES PAYABLE (CONTINUED)**

	2022							2021
	GMDC, GMDC Humboldt Street, LLC, and GMDC St. Nicholas Avenue, LLC	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	GMDC Brownsville LLC	Total	Total
Subtotal (brought forward)	\$ 7,472,084	\$ --	\$ --	\$ 6,563,211	\$ --	\$ 9,679,000	\$ 23,714,295	\$ 11,748,892
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 principal 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.	<u>--</u>	<u>--</u>	<u>3,917,961</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>3,917,961</u>	<u>4,023,590</u>
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.	<u>3,700,000</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>3,700,000</u>	<u>3,700,000</u>
Subtotal (carried forward)	\$ <u>11,172,084</u>	\$ <u>--</u>	\$ <u>3,917,961</u>	\$ <u>6,563,211</u>	\$ <u>--</u>	\$ <u>9,679,000</u>	\$ <u>31,332,256</u>	\$ <u>19,472,482</u>

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

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

### **FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 12 - MORTGAGES PAYABLE (CONTINUED)**

	2022							2021
	GMDC, GMDC Humboldt Street, LLC, and GMDC St. Nicholas Avenue, LLC	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	GMDC Brownsville LLC	Total	Total
Subtotal (brought forward)	\$ 11,172,084	\$ --	\$ 3,917,961	\$ 6,563,211	\$ --	\$ 9,679,000	\$ 31,332,256	\$ 19,472,482
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, 2022 and 2021. 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 10).	--	13,776,077	--	--	--	--	13,776,077	14,152,706
Subtotal (carried forward)	\$ 11,172,084	\$ 13,776,077	\$ 3,917,961	\$ 6,563,211	--	\$ 9,679,000	\$ 45,108,333	\$ 33,625,188

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

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

### **FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 12 - MORTGAGES PAYABLE (CONTINUED)**

	2022							2021
	GMDC, GMDC Humboldt Street, LLC, and GMDC St. Nicholas Avenue, LLC	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	GMDC Brownsville LLC	Total	Total
Subtotal (brought forward)	\$ 11,172,084	\$ 13,776,077	\$ 3,917,961	\$ 6,563,211	\$ --	\$ 9,679,000	\$ 45,108,333	\$ 33,625,188
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)	\$ 11,172,084	\$ 13,776,077	\$ 3,917,961	\$ 6,563,211	\$ 13,700,000	\$ 9,679,000	\$ 58,808,333	\$ 47,325,188

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 12 - MORTGAGES PAYABLE (CONTINUED)**

	2022							2021
	GMDC, GMDC Humboldt Street, LLC, and GMDC St. Nicholas Avenue, LLC	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	GMDC Brownsville LLC	Total	Total
Subtotal (brought forward)	\$ 11,172,084	\$ 13,776,077	\$ 3,917,961	\$ 6,563,211	\$ 13,700,000	\$ 9,679,000	\$ 58,808,333	\$ 47,325,188
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	11,172,084	13,776,077	3,917,961	6,563,211	30,360,000	9,679,000	75,468,333	63,985,188
Less - Current portion	(114,039)	(394,193)	(109,531)	(210,026)	--		(827,789)	(872,568)
Less - Unamortized deferred loan costs	<u>(193,187)</u>	<u>(67,098)</u>	<u>(111,626)</u>	<u>(71,898)</u>	<u>(869,155)</u>	<u>(736,834)</u>	<u>(2,049,798)</u>	<u>(1,228,183)</u>
Long-term portion	<u>\$ 10,864,858</u>	<u>\$ 13,314,786</u>	<u>\$ 3,696,804</u>	<u>\$ 6,281,287</u>	<u>\$ 29,490,845</u>	<u>\$ 8,942,166</u>	<u>\$ 72,590,746</u>	<u>\$ 61,884,437</u>



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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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**NOTE 12 - MORTGAGES PAYABLE (CONTINUED)**

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

Year Ending December 31,	Amount
2023	\$ 828,000
2024	1,736,000
2025	1,773,000
2026	1,809,000
2027	8,690,000
Thereafter	<u>60,633,000</u>
<b>Total</b>	<b><u>\$ 75,469,000</u></b>

Total interest expense on loans and mortgages for the years ended December 31, 2022 and 2021 was approximately \$2,232,000 and \$2,097,000, respectively. Also included in interest expense is amortization of deferred loan costs of approximately \$146,000 and \$666,000 for the years ended December 31, 2022 and 2021, respectively. Additionally, interest of approximately \$133,000 was incurred and capitalized to construction in progress during the year ended December 31, 2022. Amortization of deferred loan costs of approximately \$19,000 was capitalized to construction in progress during the year ended December 31, 2022. Certain loan and mortgage agreements require the maintenance of interest and other reserves.

**NOTE 13 - 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, 2022 and 2021, management determined that no triggering events indicating impairment had occurred.

Goodwill consisted of the following as of December 31:

	2022	2021
Goodwill	\$ 334,996	\$ 334,996
Less - Accumulated amortization	<u>(250,347)</u>	<u>(216,843)</u>
	<u>\$ 84,649</u>	<u>\$ 118,153</u>

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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**NOTE 13 - GOODWILL (CONTINUED)**

Amortization of goodwill amounted to \$33,504 for each of the years ended December 31, 2022 and 2021.

Future amortization is expected to be as follows:

Year Ending December 31,	Amount
2023	\$ 33,500
2024	33,500
2025	<u>17,649</u>
<b>Total</b>	<u><u>\$ 84,649</u></u>

**NOTE 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 consolidated 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 Ozone Park Property and improvements and is the borrower on all debt obligations. GMDC OP leases the Ozone Park Property to Master Tenant under an OP Master Lease agreement dated November 16, 2017.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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**NOTE 15 - 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, 2022 and 2021:

	2022	2021
Deferred tax expense of net operating loss carryforward	\$ --	\$ 400,550
<b>Deferred Tax Expense</b>	<b>\$ --</b>	<b>\$ 400,550</b>

Atlantic has determined that it is not required to establish a valuation allowance for its deferred tax asset as of December 31, 2022 and 2021, 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, 2022 and 2021, the effective tax rate approximated the federal statutory rate of 21%. As of December 31, 2022 and 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.

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, 2022 and 2021. For the years ended December 31, 2022 and 2021, the effective tax rate approximated the federal statutory rate. As of December 31, 2022, GMDC OP Manager, LLC has federal net operating loss carryforwards of approximately \$2,678,000 which will carryforward indefinitely.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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**NOTE 15 - DEFERRED TAXES (CONTINUED)**

Net deferred tax assets and liabilities for GMDC OP Manager, LLC consist of the following as of December 31, 2022 and 2021:

	2022	2021
<b>Deferred tax assets</b>		
Net operating loss carryforward	\$ (878,656)	\$ (480,032)
Federal rehab and energy credit	(43,569)	--
<b>Deferred tax liability</b>		
Deferred rent and depreciation and amortization	<u>1,377,968</u>	<u>1,397,556</u>
<b>Net Deferred Tax Liability</b>	<u>\$ 455,743</u>	<u>\$ 917,524</u>

**NOTE 16 - CONSTRUCTION IN PROGRESS**

Construction in progress primarily includes costs relating to ongoing St. Nicholas, GMDC II, and Brownsville capital projects. The majority of the costs incurred in connection with St. Nicholas are in relation to a façade remodeling project. The majority of the costs incurred in connection with GMDC II are in connection with a building renovation project. In addition, construction in progress for Brownsville includes costs associated with a development project located in the Brownsville section of Brooklyn, NY.

**NOTE 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 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%. In March 2023, the line of credit maturity date was extended to October 1, 2024. There were no borrowings under the line of credit during 2022 or 2021.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

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**NOTE 18 - LEASING ARRANGEMENTS**

Humboldt, St. Nicholas, GMDC II, Atlantic, Tenant, and Master Tenant receive rental income from tenants under non-cancelable operating leases through June 30, 2031. Approximate minimum annual rentals under operating leases for the next five years and thereafter are as follows:

Year Ending December 31,	Amount
2023	\$ 7,217,000
2024	6,422,000
2025	5,461,000
2026	3,784,000
2027	2,605,000
Thereafter	<u>3,418,000</u>
<b>Total</b>	<u><b>\$ 28,907,000</b></u>

For the years ended December 31, 2022 and 2021, GMDC was provided in-kind rental services from GMDC II in an amount of approximately \$72,000 and \$70,000, respectively.

**NOTE 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.

## **CONSOLIDATING SUPPLEMENTARY INFORMATION**

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

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**

**DECEMBER 31, 2022  
(WITH COMPARATIVE TOTALS FOR 2021)**

	2022													2021	
	Greenpoint Manufacturing and Design Center Local Development Corporation						221 McKibbin Owner, LLC and GMDC OP LLC McKibbin and Master GMDC OP Master GMDC OP GMDC Brownsville LLC							Consolidated Eliminations Totals	Consolidated Totals
	Street, LLC	Avenue, LLC	Corporation	Philadelphia	Avenue, LLC	Tenant, LLC	Tenant, LLC	Manager, LLC	Investor, LLC	LLC					
Assets															
Current Assets															
Cash and cash equivalents - Note 2	\$ 2,694,161	\$ 354,120	\$ 284,921	\$ 1,405,941	\$ 275	\$ 653,125	\$ 1,034,137	\$ 726,710	\$ 5	\$ --	\$ 220,103	\$ --	\$ 7,373,498	\$ 5,402,960	
Restricted cash - Note 2	--	--	--	--	--	--	--	191,583	--	--	48,776	--	240,359	243,994	
Rent and other miscellaneous receivables - Note 1	--	39,743	6,888	263,410	--	17,054	9,408	116,375	--	--	--	--	452,878	554,236	
Inter-company receivables	3,545,443	5,619,414	729,204	2,926,382	--	--	--	--	--	--	(12,820,443)	--	--	--	
Due from related party	--	--	--	--	--	1,530,363	4,032,649	47,390	--	--	(5,610,402)	--	--	--	
Mortgage escrow reserves - Note 2	--	97,419	45,814	42,355	--	--	--	--	--	--	--	--	185,588	206,538	
Prepaid expenses and other current assets	79,619	117,446	44,105	395,601	--	17,920	20,989	29,326	--	--	--	--	705,006	584,477	
Total Current Assets	6,319,223	6,228,142	1,110,932	5,033,689	275	2,218,462	5,097,183	1,111,384	5	--	268,879	(18,430,845)	8,957,329	6,992,205	
Property and equipment - at cost, less accumulated depreciation - Note 9	77,280	1,345,372	281,473	9,501,906	--	10,714,415	13,308,876	35,105,548	--	--	--	(6,074,392)	64,260,478	63,460,337	
Construction in progress - Note 16	4,299	2,500	2,305,805	1,331,662	--	--	8,513	5,950	--	--	3,338,651	(169,294)	6,828,086	4,149,290	
Goodwill, net of accumulated amortization - Notes 2 and 1	--	--	--	--	--	--	84,649	--	--	--	--	--	84,649	118,153	
Investment in GMDC Two Corporation	1,908,971	--	--	--	--	--	--	--	--	--	--	(1,908,971)	--	--	
Investment in 221 McKibbin Owner, LLC and McKibbin Master Tenant, LLC	12,409,342	--	--	--	--	--	--	--	--	--	--	(12,409,342)	--	--	
Investment in GMDC Atlantic Avenue, LLC	8,529,332	--	--	--	--	--	--	--	--	--	--	(8,529,332)	--	--	
Investment in GMDC OP LLC	--	--	--	--	--	--	--	--	2,765,590	--	--	(2,765,590)	--	--	
Investment in GMDC OP Master Tenant, LLC	--	--	--	--	--	--	--	--	11,492	--	--	(11,492)	--	--	
Investment in GMDC OP Manager, LLC	1,120,040	--	--	--	--	--	--	--	--	--	--	(1,120,040)	--	--	
Investment in GMDC Brownsville, LLC	194,330	--	--	--	--	--	--	--	--	--	--	(194,330)	--	--	
Investment in GMDC Humboldt St., LLC	1,763,351	--	--	--	--	--	--	--	--	--	--	(1,763,351)	--	--	
Investment in GMDC St. Nicholas, LLC	220,997	--	--	--	--	--	--	--	--	--	--	(220,997)	--	--	
Security deposits	--	--	--	--	--	--	--	9,210	--	--	--	--	9,210	9,210	
Loans receivable - Note 8	29,193,678	--	--	--	--	--	--	--	--	--	--	--	29,193,678	20,991,700	
Utility deposits	10,090	--	--	12,000	--	--	1,480	--	--	--	--	--	23,570	23,570	
Restricted cash - Note 2	--	--	--	--	--	--	--	187,611	--	--	5,939,623	--	6,127,234	286,611	
Developer fee receivable	768,246	--	--	--	--	--	--	--	--	--	--	(768,246)	--	--	
Interest rate swap asset - Note 10	--	--	--	653,340	--	523,270	1,096,000	--	--	--	--	--	2,272,610	198,658	
Total Assets	\$ 62,519,179	\$ 7,576,014	\$ 3,698,210	\$ 16,532,597	\$ 275	\$ 13,456,147	\$ 19,596,701	\$ 36,419,703	\$ 2,777,087	\$ --	\$ 9,547,153	\$ (54,366,222)	\$ 117,756,844	\$ 96,229,734	

*See independent auditors' report on consolidating supplementary information.*

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

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**

**DECEMBER 31, 2022  
(WITH COMPARATIVE TOTALS FOR 2021)**

	2022												2021	
	Greenpoint Manufacturing and Design Center Local Development Corporation						221 McKibbin Owner, LLC and GMDC OP LLC McKibbin and Master GMDC OP Master GMDC OP GMDC OP Brownsville LLC Eliminations						Consolidated Totals	Consolidated Totals
	Street, LLC	Avenue, LLC	Corporation	Philadelphia	Avenue, LLC	Tenant, LLC	Tenant, LLC	Manager, LLC	Investor, LLC	LLC				
Liabilities and Net Assets														
Current Liabilities														
Current portion of loans payable - Note 11	\$ 145,642	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 145,642	\$ 137,388
Current portion of mortgages payable - Note 12	--	83,629	30,410	394,193	--	109,531	210,026	--	--	--	--	--	827,789	872,568
Interest payable	14,193	21,988	7,996	48,056	--	12,078	15,207	--	--	--	--	--	119,518	101,215
Accounts payable and accrued expense:	219,169	12,586	149,228	78,966	--	13,409	16,424	1,757	--	--	188,781	--	680,320	364,630
Inter-company payable	11,961,694	205,160	1,335,064	15,954	394,369	957,425	275,428	2,029,339	1,201,304	2,526	52,582	(18,430,845)	--	--
Total Current Liabilities	12,340,698	323,363	1,522,698	537,169	394,369	1,092,443	517,085	2,031,096	1,201,304	2,526	241,363	(18,430,845)	1,773,269	1,475,801
Loans payable, less current portion and unamortized deferred loan costs - Note 11	14,006,436	--	--	--	--	--	--	--	--	--	--	--	14,006,436	7,270,922
Mortgages payable, less current portion and unamortized deferred loan costs - Note 12	3,669,373	5,298,213	1,897,272	13,314,786	--	3,696,804	6,281,287	29,490,845	--	--	8,942,166	--	72,590,746	61,884,437
Tenant security deposits	--	180,329	57,243	640,016	--	136,863	173,361	217,317	--	--	--	--	1,405,129	1,260,743
Developer fee payable	--	--	--	--	--	--	215,626	383,326	--	--	169,294	(768,246)	--	--
Deferred income	215,626	10,758	--	131,655	--	705	--	51,734	--	--	--	(215,902)	194,576	169,889
Refundable advance	2,254,275	--	--	--	--	--	--	--	--	--	--	--	2,254,275	--
Deferred tax liability - Note 15	--	--	--	--	--	--	--	--	455,743	--	--	--	455,743	917,524
Interest rate swap liability - Note 10	--	--	--	--	--	--	--	--	--	--	--	--	--	1,454,678
Deficit in excess of equity - GMDC OP Investor, LLC	2,526	--	--	--	--	--	--	--	--	--	--	(2,526)	--	--
Deficit in excess of equity - GMDC Philadelphia	394,094	--	--	--	--	--	--	--	--	--	--	(394,094)	--	--
Total Liabilities	32,883,028	5,812,663	3,477,213	14,623,626	394,369	4,926,815	7,187,359	32,174,318	1,657,047	2,526	9,352,823	(19,811,613)	92,680,174	74,433,994
Commitments and Contingencies - Note 1:														
Net Assets (Deficiency)														
Without donor restrictions	29,636,151	--	--	1,908,971	(394,094)	--	--	--	--	--	--	(7,542,661)	23,608,367	20,248,305
Member's equity (deficiency)														
Controlling interest	--	1,763,351	220,997	--	--	8,529,332	12,409,342	2,777,082	1,120,040	(2,526)	194,330	(27,011,948)	--	--
Noncontrolling interest	--	--	--	--	--	--	--	1,468,303	--	--	--	--	1,468,303	1,547,435
Total net assets (deficiency)	29,636,151	1,763,351	220,997	1,908,971	(394,094)	8,529,332	12,409,342	4,245,385	1,120,040	(2,526)	194,330	(34,554,609)	25,076,670	21,795,740
Total Liabilities and Net Assets	\$ 62,519,179	\$ 7,576,014	\$ 3,698,210	\$ 16,532,597	\$ 275	\$ 13,456,147	\$ 19,596,701	\$ 36,419,703	\$ 2,777,087	\$ --	\$ 9,547,153	\$ (54,366,222)	\$ 117,756,844	\$ 96,229,734

*See independent auditors' report on consolidating supplementary information.*



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

**CONSOLIDATING STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED DECEMBER 31, 2022  
(WITH COMPARATIVE TOTALS FOR 2021)**

	2022												2021
	Greenpoint Manufacturing and Design Center Local Development Corporation	GMDC Humboldt Street, LLC	GMDC St. Nicholas Avenue, LLC	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	GMDC Brownsville LLC	Consolidated Eliminations	Consolidated Totals
<b>Revenue and Other Support</b>													
Rental income - Note 18	\$ --	\$ 1,012,504	\$ 291,725	\$ 3,441,795	\$ --	\$ 657,966	\$ 1,004,298	\$ 905,662	\$ --	\$ --	\$ --	\$ (72,241)	\$ 7,241,709
Electric income - net of credits	--	90,447	--	182,376	--	88,373	61,432	39,270	--	--	--	--	461,898
Administrative and consulting fees	744,976	--	--	--	--	--	--	--	--	--	--	(744,976)	--
Contributions - Notes 3 and 4	500,956	--	--	--	--	--	--	--	--	--	--	--	500,956
Contribution - loan forgiveness - Paycheck Protection Program - Note 19	--	--	--	--	--	--	--	--	--	--	--	--	10,000
Contributions in-kind - Note 18	72,241	--	--	--	--	--	--	--	--	--	--	(72,241)	--
Interest income - Note 8	403,588	--	--	69	--	--	539	1,198	--	--	2,445	--	407,839
Developer fee	469,294	--	--	--	--	--	--	--	--	--	--	(469,294)	--
Other income	152	105,374	32,603	44,658	--	5,086	--	55,436	--	--	--	--	243,309
Passthrough income (loss) from investments	4,019,917	--	--	--	--	--	--	--	(122,757)	--	--	(3,897,160)	--
<b>Total Revenue and Other Support</b>	<b>6,211,124</b>	<b>1,208,325</b>	<b>324,328</b>	<b>3,668,898</b>	<b>--</b>	<b>751,425</b>	<b>1,066,269</b>	<b>1,001,566</b>	<b>(122,757)</b>	<b>--</b>	<b>2,445</b>	<b>(5,255,912)</b>	<b>8,855,711</b>
<b>Expenses</b>													
<b>Program Services</b>													
Rental and project development	2,001,777	948,660	313,036	3,804,039	--	752,566	875,127	1,586,703	--	--	99	(1,018,013)	9,263,994
<b>Supporting Services</b>													
Management and general	442,303	14,399	17,973	90,667	2,255	16,400	23,664	32,413	3,275	--	7,268	(17,338)	633,279
Fundraising	87,192	--	--	--	--	--	--	--	--	--	--	(3,612)	83,580
<b>Total Supporting Services</b>	<b>529,495</b>	<b>14,399</b>	<b>17,973</b>	<b>90,667</b>	<b>2,255</b>	<b>16,400</b>	<b>23,664</b>	<b>32,413</b>	<b>3,275</b>	<b>--</b>	<b>7,268</b>	<b>(20,950)</b>	<b>716,859</b>
<b>Total Expenses</b>	<b>2,531,272</b>	<b>963,059</b>	<b>331,009</b>	<b>3,894,706</b>	<b>2,255</b>	<b>768,966</b>	<b>898,791</b>	<b>1,619,116</b>	<b>3,275</b>	<b>--</b>	<b>7,367</b>	<b>(1,038,963)</b>	<b>9,980,853</b>
<b>Increase (Decrease) in Net Assets (Deficiency) Before Other Revenues (Expenses)</b>	<b>3,679,852</b>	<b>245,266</b>	<b>(6,681)</b>	<b>(225,808)</b>	<b>(2,255)</b>	<b>(17,541)</b>	<b>167,478</b>	<b>(617,550)</b>	<b>(126,032)</b>	<b>--</b>	<b>(4,922)</b>	<b>(4,216,949)</b>	<b>(1,125,142)</b>
<b>Other Revenues (Expenses)</b>													
Unrealized gain on interest rate swap - Note 10	--	--	--	2,038,220	--	593,068	897,342	--	--	--	--	--	3,528,630
Cancellation of debt	--	--	--	--	--	--	--	--	--	--	--	--	4,095,000
Benefit (Provision) for income taxes - deferred tax revenue (expense) - Note 15	--	--	--	--	--	--	--	--	461,781	--	--	--	461,781
	--	--	--	2,038,220	--	593,068	897,342	--	461,781	--	--	--	3,990,411
<b>Change in Net Assets (Deficiency)</b>	<b>3,679,852</b>	<b>245,266</b>	<b>(6,681)</b>	<b>1,812,412</b>	<b>(2,255)</b>	<b>575,527</b>	<b>1,064,820</b>	<b>(617,550)</b>	<b>335,749</b>	<b>--</b>	<b>(4,922)</b>	<b>(4,216,949)</b>	<b>2,865,269</b>
<b>Net Assets (Deficiency), Beginning of Year</b>	<b>25,956,299</b>	<b>--</b>	<b>--</b>	<b>96,559</b>	<b>(391,839)</b>	<b>7,953,805</b>	<b>11,344,522</b>	<b>4,447,274</b>	<b>784,291</b>	<b>(2,526)</b>	<b>--</b>	<b>(28,392,645)</b>	<b>21,795,740</b>
Transfer of net assets	--	1,518,085	227,678	--	--	--	--	--	--	--	--	(1,745,763)	--
Contributions	--	--	--	--	--	--	--	534,375	--	--	199,252	(199,252)	534,375
Distributions	--	--	--	--	--	--	--	(118,714)	--	--	--	--	(118,714)
<b>Net Assets (Deficiency), End of Year</b>	<b>\$ 29,636,151</b>	<b>\$ 1,763,351</b>	<b>\$ 220,997</b>	<b>\$ 1,908,971</b>	<b>\$ (394,094)</b>	<b>\$ 8,529,332</b>	<b>\$ 12,409,342</b>	<b>\$ 4,245,385</b>	<b>\$ 1,120,040</b>	<b>\$ (2,526)</b>	<b>\$ 194,330</b>	<b>\$ (34,554,609)</b>	<b>\$ 25,076,670</b>

*See independent auditors' report on consolidating supplementary information.*

GREENPOINT MANUFACTURING AND DESIGN CENTER  
LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2022  
(WITH COMPARATIVE TOTALS FOR 2021)

Greenpoint Manufacturing and Design Center																					
Local Development Corporation																					
Program Services																	221 McKibbin				
																	Owner, LLC and	GMDC OP LLC			
	Rental and Project Development	Supporting Services			Total Expenses	GMDC Humboldt Street, LLC	GMDC St. Nicholas Avenue, LLC	GMDC Two Corporation	GMDC Philadelphia	GMDC Atlantic Avenue, LLC	McKibbin Master Tenant, LLC	GMDC OP Master Tenant, LLC	GMDC OP Manager, LLC	GMDC OP Investor, LLC	GMDC Brownsville LLC	Eliminations	2022	2021			
		Management and General	Fundraising	Total													Total Consolidated Expenses	Total Consolidated Expenses			
Salaries	\$ 772,587	\$ 261,156	\$ 54,408	\$ 315,564	\$ 1,088,151	\$ 28,955	\$ 19,303	\$ 517,719	\$ --	\$ 21,507	\$ 32,261	\$ 90,776	\$ --	\$ --	\$ --	\$ --	\$ 1,798,672	\$ 1,748,431			
Payroll taxes and fringe benefits	336,547	113,762	23,700	137,462	474,009	5,504	3,670	19,474	--	3,732	5,597	28,121	--	--	--	--	540,107	511,672			
Repairs and maintenance	21,121	2,347	--	2,347	23,468	21,405	12,815	50,870	--	20,934	25,240	29,530	--	--	--	--	184,262	140,343			
Professional fees	70,285	21,437	--	21,437	91,722	14,399	17,973	90,667	2,255	16,400	23,664	32,413	2,600	--	7,268	--	299,361	320,242			
Trash removal	--	--	--	--	--	1,398	716	3,677	--	--	--	--	--	--	--	--	5,791	7,824			
Security	--	--	--	--	--	6,575	1,264	25,054	--	2,582	2,937	3,983	--	--	--	--	42,395	50,329			
Building licenses and permits	217	--	--	--	217	160	--	--	--	--	--	5,640	--	--	--	--	6,017	6,444			
Building filing fees	545	--	--	--	545	2,036	1,779	539	--	1,949	1,641	--	--	--	--	--	8,489	10,267			
Insurance	7,987	2,700	563	3,263	11,250	82,931	29,328	312,385	--	84,957	96,114	136,409	--	--	--	--	753,374	605,782			
Utilities	--	--	--	--	--	102,666	10,261	295,228	--	102,646	85,766	52,212	--	--	--	--	648,779	478,760			
Phone and internet	18,031	6,095	1,270	7,365	25,396	3,941	1,806	6,120	--	5,117	4,217	4,990	--	--	--	--	51,587	42,622			
Interest	668,514	--	--	--	668,514	247,047	87,315	691,453	--	160,311	190,890	332,602	--	--	--	--	2,378,132	2,762,869			
Real estate taxes	--	--	--	--	--	171,486	68,311	583,672	--	--	--	--	--	--	--	--	823,469	780,586			
Office expenses	37,377	12,635	2,632	15,267	52,644	161	--	171	--	83	100	89	--	--	--	--	53,248	54,053			
In-kind office space rental	51,291	17,338	3,612	20,950	72,241	--	--	--	--	--	--	--	--	--	--	(72,241)	--	--			
Administrative fees	--	--	--	--	--	--	--	700,000	--	--	--	44,976	--	--	--	(744,976)	--	--			
NMTC reimbursement expenses	--	--	--	--	--	--	--	--	--	--	--	102,609	--	--	--	--	102,609	173,390			
Depreciation	7,860	1,912	398	2,310	10,170	266,382	69,860	459,366	--	334,755	396,680	752,925	--	--	--	(149,505)	2,140,633	2,064,066			
Amortization	--	--	--	--	--	--	--	--	--	--	33,504	--	--	--	--	--	33,504	33,504			
Other taxes	775	--	--	--	775	--	6,247	50	--	--	--	300	25	--	--	--	7,397	4,214			
Contributions in-kind expense	--	--	--	--	--	--	--	72,241	--	--	--	--	--	--	--	(72,241)	--	--			
Bad debt expense	--	--	--	--	--	7,908	--	63,341	--	13,993	--	--	--	--	--	--	85,242	25,978			
Miscellaneous	8,640	2,921	609	3,530	12,170	105	361	2,679	--	--	180	1,541	650	--	99	--	17,785	52,079			
Total Expenses, 2022	\$ 2,001,777	\$ 442,303	\$ 87,192	\$ 529,495	\$ 2,531,272	\$ 963,059	\$ 331,009	\$ 3,894,706	\$ 2,255	\$ 768,966	\$ 898,791	\$ 1,619,116	\$ 3,275	\$ --	\$ 7,367	\$ (1,038,963)	\$ 9,980,853	\$ --			
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			

\* 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 independent auditors' report on consolidating supplementary information.

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

**CONSOLIDATING STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2022  
(WITH COMPARATIVE TOTALS FOR 2021)**

	2022												2021	
	Greenpoint Manufacturing and Design Center Local Development Corporation	GMDC Humboldt Street, LLC	GMDC St. Nicholas Avenue, LLC	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	GMDC Brownsville LLC	Eliminations	Consolidated Totals	Consolidated Totals
<b>Cash Flows From Operating Activities</b>														
Change in net assets (deficiency)	\$ 3,679,852	\$ 245,266	\$ (6,681)	\$ 1,812,412	\$ (2,255)	\$ 575,527	\$ 1,064,820	\$ (617,550)	\$ 335,749	\$ --	\$ (4,922)	\$ (4,216,949)	\$ 2,865,269	\$ 2,650,165
Adjustments to reconcile change in net assets (deficiency) to net cash provided by (used in) operating activities														
Depreciation and amortization	10,170	266,382	69,860	459,366	--	334,755	430,184	752,925	--	--	--	(149,505)	2,174,137	2,097,570
Interest expense - debt issuance costs	43,765	24,140	12,047	11,822	--	16,327	9,287	28,998	--	--	--	--	146,386	665,877
Bad debt expense	--	7,908	--	63,341	--	13,993	--	--	--	--	--	--	85,242	25,978
Investment income	(4,019,917)	--	--	--	--	--	--	--	122,757	--	--	3,897,160	--	--
Unrealized gain on interest rate swap	--	--	--	(2,038,220)	--	(593,068)	(897,342)	--	--	--	--	--	(3,528,630)	(1,213,139)
Deferred income taxes	--	--	--	--	--	--	--	--	(461,781)	--	--	--	(461,781)	587,963
Cancellation of debt	--	--	--	--	--	--	--	--	--	--	--	--	--	(4,095,000)
(Increase) decrease in assets														
Rent and other miscellaneous receivables	5,684	18,226	(6,888)	(71,190)	--	183,141	(2,256)	(110,601)	--	--	--	--	16,116	(107,536)
Inter-company receivables	(4,762,105)	(1,817,890)	383,931	432,403	--	(1,317,302)	(1,108,847)	227,720	--	--	--	7,962,090	--	--
Prepaid expenses and other current assets	80,420	(97,921)	(38,215)	(65,657)	--	64	447	333	--	--	--	--	(120,529)	138,112
Increase (decrease) in liabilities														
Developer fee receivable	130,706	--	--	--	--	--	--	--	--	--	--	(130,706)	--	--
Accounts payable and accrued expenses	36,053	12,586	1,864	(88,064)	--	6,733	1,814	1,757	--	--	--	--	(27,257)	(87,943)
Inter-company payable	6,375,010	205,160	1,335,064	(8,826)	2,255	446,844	(188,075)	(434,968)	3,095	--	52,582	(7,788,141)	--	--
Interest payable	14,193	5,034	2,688	(3,212)	--	74	(474)	--	--	--	--	--	18,303	(189,471)
Deferred income	(300,000)	1,957	(6,517)	(16,769)	--	--	--	45,312	--	--	--	300,000	23,983	(118,251)
Refundable advance	2,254,275	--	--	--	--	--	--	--	--	--	--	--	2,254,275	--
Tenant security deposits	--	7,122	1,506	44,073	--	(8,212)	(1,481)	101,378	--	--	--	--	144,386	107,741
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>3,548,106</b>	<b>(1,122,030)</b>	<b>1,748,659</b>	<b>531,479</b>	<b>--</b>	<b>(341,124)</b>	<b>(691,923)</b>	<b>(4,696)</b>	<b>(180)</b>	<b>--</b>	<b>47,660</b>	<b>(126,051)</b>	<b>3,589,900</b>	<b>462,066</b>
<b>Cash Flows From Investing Activities</b>														
Property, equipment, renovations and fees	(77,460)	(15,418)	(2,142,382)	(539,134)	--	(15,624)	(5,238)	(16,139)	--	--	--	--	(2,811,395)	(2,593,840)
Construction costs	--	--	--	--	--	--	--	--	--	--	(2,961,683)	126,051	(2,835,632)	(5,950)
Refund of contruction costs	390,000	--	--	--	--	--	--	--	--	--	--	--	390,000	--
Loans receivable	(8,201,978)	--	--	--	--	--	--	--	--	--	--	--	(8,201,978)	--
Investment in GMDC Brownsville LLC	(199,252)	--	--	--	--	--	--	--	--	--	--	199,252	--	--
<b>Net Cash Used in Investing Activities</b>	<b>\$ (8,088,690)</b>	<b>\$ (15,418)</b>	<b>\$ (2,142,382)</b>	<b>\$ (539,134)</b>	<b>\$ --</b>	<b>\$ (15,624)</b>	<b>\$ (5,238)</b>	<b>\$ (16,139)</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ (2,961,683)</b>	<b>\$ 325,303</b>	<b>\$ (13,459,005)</b>	<b>\$ (2,599,790)</b>

*See independent auditors' report on consolidating supplementary information.*

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

**CONSOLIDATING STATEMENT OF CASH FLOWS (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2022  
(WITH COMPARATIVE TOTALS FOR 2021)**

	2022												2021	
	Greenpoint Manufacturing and Design Center Local Development Corporation	GMDC Humboldt Street, LLC	GMDC St. Nicholas Avenue, LLC	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	GMDC Brownsville LLC	Eliminations	Consolidated Totals	Consolidated Totals
<b>Cash Flows From Financing Activities</b>														
Cash paid for deferred loan costs	\$ (157,680)	\$ (106,566)	\$ (70,769)	\$ --	\$ --	\$ (13,472)	\$ --	\$ --	\$ --	\$ --	\$ (755,727)	\$ --	\$ (1,104,214)	\$ (111,611)
Refund of debt insurance costs	--	--	--	--	--	--	641	--	--	--	--	--	641	--
Proceeds from loans	7,043,784	--	--	--	--	--	--	--	--	--	--	--	7,043,784	--
Proceeds from mortgages	--	5,500,000	2,000,000	--	--	--	--	--	--	--	9,679,000	--	17,179,000	4,100,000
Principal repayments of loans and mortgages	(183,336)	(3,804,447)	(1,204,773)	(376,629)	--	(105,629)	(204,377)	--	--	--	--	--	(5,879,191)	(4,156,583)
Capital contributions	--	--	--	--	--	--	--	534,375	--	--	199,252	(199,252)	534,375	--
Distributions	--	--	--	--	--	--	--	(118,714)	--	--	--	--	(118,714)	(235,694)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<u>6,702,768</u>	<u>1,588,987</u>	<u>724,458</u>	<u>(376,629)</u>	<u>--</u>	<u>(119,101)</u>	<u>(203,736)</u>	<u>415,661</u>	<u>--</u>	<u>--</u>	<u>9,122,525</u>	<u>(199,252)</u>	<u>17,655,681</u>	<u>(403,888)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents and Restricted Cash</b>	2,162,184	451,539	330,735	(384,284)	--	(475,849)	(900,897)	394,826	(180)	--	6,208,502	--	7,786,576	(2,541,612)
<b>Cash and Cash Equivalents and Restricted Cash, Beginning of Year</b>	<u>531,977</u>	<u>--</u>	<u>--</u>	<u>1,832,580</u>	<u>275</u>	<u>1,128,974</u>	<u>1,935,034</u>	<u>711,078</u>	<u>185</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>6,140,103</u>	<u>8,681,715</u>
<b>Cash and Cash Equivalents and Restricted Cash, End of Year</b>	<u>\$ 2,694,161</u>	<u>\$ 451,539</u>	<u>\$ 330,735</u>	<u>\$ 1,448,296</u>	<u>\$ 275</u>	<u>\$ 653,125</u>	<u>\$ 1,034,137</u>	<u>\$ 1,105,904</u>	<u>\$ 5</u>	<u>\$ --</u>	<u>\$ 6,208,502</u>	<u>\$ --</u>	<u>\$ 13,926,679</u>	<u>\$ 6,140,103</u>
<b>Reconciliation of Cash and Cash Equivalents and Restricted Cash, Beginning of Year</b>														
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	<u>86,203</u>	<u>--</u>	<u>--</u>	<u>120,335</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>206,538</u>	<u>98,058</u>
<b>Cash and Cash Equivalents and Restricted Cash, Beginning of Year</b>	<u>\$ 531,977</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,832,580</u>	<u>\$ 275</u>	<u>\$ 1,128,974</u>	<u>\$ 1,935,034</u>	<u>\$ 711,078</u>	<u>\$ 185</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 6,140,103</u>	<u>\$ 8,681,715</u>

*See independent auditors' report on consolidating supplementary information.*

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

**CONSOLIDATING STATEMENT OF CASH FLOWS (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2022  
(WITH COMPARATIVE TOTALS FOR 2021)**

	2022												2021	
	Greenpoint Manufacturing and Design Center Local Development Corporation	GMDC Humboldt Street, LLC	GMDC St. Nicholas Avenue, LLC	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	GMDC Brownsville LLC	Eliminations	Consolidated Totals	Consolidated Totals
<b>Reconciliation of Cash and Cash Equivalents and Restricted Cash, End of Year</b>														
Cash and cash equivalents	\$ 2,694,161	\$ 354,120	\$ 284,921	\$ 1,405,941	\$ 275	\$ 653,125	\$ 1,034,137	\$ 726,710	\$ 5	\$ --	\$ 220,103	\$ --	\$ 7,373,498	\$ 5,402,960
Restricted cash	--	--	--	--	--	--	--	379,194	--	--	5,988,399	--	6,367,593	530,605
Mortgage escrow reserves	--	97,419	45,814	42,355	--	--	--	--	--	--	--	--	185,588	206,538
<b>Cash and Cash Equivalents and Restricted Cash, End of Year</b>	<u>\$ 2,694,161</u>	<u>\$ 451,539</u>	<u>\$ 330,735</u>	<u>\$ 1,448,296</u>	<u>\$ 275</u>	<u>\$ 653,125</u>	<u>\$ 1,034,137</u>	<u>\$ 1,105,904</u>	<u>\$ 5</u>	<u>\$ --</u>	<u>\$ 6,208,502</u>	<u>\$ --</u>	<u>\$ 13,926,679</u>	<u>\$ 6,140,103</u>
<b>Supplemental Cash Flow Disclosures</b>														
Interest	\$ 610,556	\$ 217,873	\$ 72,580	\$ 682,843	\$ --	\$ 143,910	\$ 182,077	\$ 303,604	\$ --	\$ --	\$ --	\$ --	\$ 2,213,443	\$ 2,286,463
<b>Noncash Investing and Financing Activities</b>														
Increase in construction in progress resulting from:														
Developer fee payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 169,294	\$ --	\$ 169,294	\$ --
Accrued expenses	--	--	147,364	7,505	--	--	--	--	--	--	188,781	--	343,650	--
Due to related parties	--	--	--	--	--	--	--	--	--	--	52,582	--	52,582	--
Capitalized interest - debt issuance costs	--	--	--	--	--	--	--	--	--	--	18,893	--	18,893	--
Receipt (transfer) of Property and equipment - at cost, less accumulated depreciation	(1,938,424)	1,594,306	344,118	--	--	--	--	--	--	--	--	--	--	--
Receipt (transfer) of construction in progress	(27,804)	4,530	23,274	--	--	--	--	--	--	--	--	--	--	--
Receipt (transfer) of mortgages payable, less unamortized deferred loan costs	(5,002,716)	3,799,235	1,203,481	--	--	--	--	--	--	--	--	--	--	--

*See independent auditors' report on consolidating supplementary information.*