NEW BRUNSWICK JERSEY URBAN RENEWAL, LLC,
JSM AT BALDWIN, LLC, NBJUR PHARMACY, LLC,
AND
NBJUR RETAIL, LLC
Combined Financial Statements - Income Tax Basis
December 31, 2021
With Independent Accountant's Compilation Report

withum

ADVISORY TAX AUDIT

New Brunswick Jersey Urban Renewal, LLC, JSM at Baldwin, LLC, NBJUR Pharmacy, LLC, and NBJUR Retail, LLC
Table of Contents
December 31, 2021

Independent Accountant's Compilation Report 1

Financial Statements

Combined Statement of Assets, Liabilities, and Members' Deficit - Income Tax Basis 2

Combined Statement of Revenue and Expenses - Income Tax Basis 3

Combined Statement of Changes in Members' Deficit - Income Tax Basis 4

Supplementary Information

Combining Statement of Assets, Liabilities, and Members' Capital (Deficit) - Income Tax Basis 5

Combining Statement of Revenue and Expenses - Income Tax Basis 6

Combining Statement of Changes in Members' Capital (Deficit) - Income Tax Basis 7

Annual Calculation of Allowable Net Profit and Excess Profit Charge 8

withum
ADVISORY TAX AUDIT

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Members,
New Brunswick Jersey Urban Renewal, LLC, JSM at Baldwin, LLC, NBJUR Pharmacy, LLC, and NBJUR Retail, LLC:

Management is responsible for the accompanying combined financial statements of New Brunswick Jersey Urban Renewal, LLC, JSM at Baldwin, LLC, NBJUR Pharmacy, LLC, and NBJUR Retail, LLC (the "Company"), which comprise the combined statement of assets, liabilities, and members' deficit - income tax basis as of December 31, 2021, and the related combined statements of revenue and expenses - income tax basis and changes in members' deficit - income tax basis for the year then ended in accordance with the income tax basis of accounting and for determining that the income tax basis of accounting is an acceptable financial reporting framework. We have performed the compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the combined financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these combined financial statements.

The combined financial statements are prepared in accordance with the income tax basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all the disclosures ordinarily included in combined financial statements prepared in accordance with the income tax basis of accounting. If the omitted disclosures were included in the combined financial statements, they might influence the user's conclusions about the Company's financial position and results of operations. Accordingly, the combined financial statements are not designed for those who are not informed about such matters.

The accompanying combining statements of assets, liabilities, and members' capital (deficit) - income tax basis; revenue and expenses - income tax basis; and changes in members' capital (deficit) - income tax basis are presented for purposes of additional analysis and are not a required part of the basic combined financial statements. The information included in the accompanying annual calculation of allowable net profit and excess profit charge is required by the City of New Brunswick in conjunction with the New Jersey Long-Term Tax Exemption Law and is presented for purposes of additional analysis and is not a required part of the basic combined financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.

This report is intended solely for the information and use of management, the members, and the City of New Brunswick and is not intended to be and should not be used by anyone other than these specified parties.

WithumSmith+Brown, PC

April 25, 2022

New Brunswick Jersey Urban Renewal, LLC, JSM at Baldwin, LLC, NBJUR Pharmacy, LLC, and NBJUR Retail, LLC
Combined Statement of Assets, Liabilities, and Members' Deficit - Income Tax Basis
December 31, 2021

Assets

Current assets	
Cash	$ 84,417
Escrow accounts	2,000
Accounts receivable	405
Prepaid expenses and other current assets	11,419
Total current assets	98,241
Construction in progress	483,455
Deferred charges, net	293,847
Due from affiliates	3,804,817
Due from members	10,000
Property and equipment, net	6,485,293
	$ 11,175,653

Liabilities and Members' Deficit

Current liabilities	
Accounts payable	$ 53,863
Current maturities of long-term debt	341,637
Total current liabilities	395,500
Long-term debt, net of current maturities	8,562,124
Tenant security deposits payable	53,142
Due to affiliates	4,759,154
Total liabilities	13,769,920
Members' deficit	(2,594,267)
	$ 11,175,653

See Independent Accountant's Compilation Report.

New Brunswick Jersey Urban Renewal, LLC, JSM at Baldwin, LLC, NBJUR Pharmacy, LLC, and NBJUR Retail, LLC
Combined Statement of Revenue and Expenses - Income Tax Basis
Year Ended December 31, 2021

Revenue	
Rental income	$ 1,402,319
Operating expenses	
Insurance	12,707
Common area maintenance	96,197
Utilities	131,131
Management fees	68,085
Professional fees	22,815
Miscellaneous	1,392
Real estate taxes	135,322
Interest	487,232
Depreciation and amortization	199,651
	1,154,532
Excess of operating revenue over expenses	247,787
Other income	
Interest income	118,306
Excess of revenue over expenses	$ 366,093

See Independent Accountant's Compilation Report.

New Brunswick Jersey Urban Renewal, LLC, JSM at Baldwin, LLC, NBJUR Pharmacy, LLC, and NBJUR Retail, LLC
Combined Statement of Changes in Members' Deficit - Income Tax Basis
Year Ended December 31, 2021

Members' deficit, January 1, 2021	$ (2,967,481)
Distributions	(103,684)
Contributions	110,805
Excess of revenue over expenses	366,093
Members' deficit, December 31, 2021	$ (2,594,267)

See Independent Accountant's Compilation Report.

SUPPLEMENTARY INFORMATION

New Brunswick Jersey Urban Renewal, LLC, JSM at Baldwin, LLC, NBJUR Pharmacy, LLC, and NBJUR Retail, LLC
Combining Statement of Assets, Liabilities, and Members' Capital (Deficit) - Income Tax Basis
December 31, 2021

	New Brunswick Jersey Urban Renewal, LLC	JSM at Baldwin, LLC	NBJUR Pharmacy, LLC	NBJUR Retail, LLC	Elimination	Combined
Assets						
Current assets						
Cash	$ 51,642	$ 24,057	$ -	$ 8,718	$ -	$ 84,417
Escrow accounts	-	-	-	2,000	-	2,000
Accounts receivable	-	252	-	153	-	405
Prepaid expenses and other current assets	6,523	-	3,252	1,644	-	11,419
Total current assets	58,165	24,309	3,252	12,515	-	98,241
Construction in progress	203,348	-	-	280,107	-	483,455
Deferred charges, net	29,504	236,887	-	27,456	-	293,847
Due from affiliates	-	3,804,817	-	-	-	3,804,817
Due from members	-	10,000	-	-	-	10,000
Property and equipment, net	3,635,351	-	555,871	2,294,071	-	6,485,293
Total assets	$ 3,926,368	$ 4,076,013	$ 559,123	$ 2,614,149	$ -	$ 11,175,653
Liabilities and Members' Capital (Deficit)						
Current liabilities						
Accounts payable	$ 27,526	$ -	$ -	$ 26,337	$ -	$ 53,863
Current maturities of long-term debt	145,807	195,830	-	-	-	341,637
Total current liabilities	173,333	195,830	-	26,337	-	395,500
Long-term debt, net of current maturities	3,729,106	4,833,018	-	-	-	8,562,124
Tenant security deposits payable	53,142	-	-	-	-	53,142
Due to affiliates	4,656,356	28,295	12,440	62,063	-	4,759,154
Total liabilities	8,611,937	5,057,143	12,440	88,400	-	13,769,920
Members' capital (deficit)	(4,685,569)	(981,130)	546,683	2,525,749	-	(2,594,267)
	$ 3,926,368	$ 4,076,013	$ 559,123	$ 2,614,149	$ -	$ 11,175,653

See Independent Accountant's Compilation Report.

New Brunswick Jersey Urban Renewal, LLC, JSM at Baldwin, LLC, NBJUR Pharmacy, LLC, and NBJUR Retail, LLC
Combining Statement of Revenue and Expenses - Income Tax Basis
Year Ended December 31, 2021

	New Brunswick Jersey Urban Renewal, LLC	JSM at Baldwin, LLC	NBJUR Pharmacy, LLC	NBJUR Retail, LLC	Combined
Revenue					
Rental income	$ 805,231	$ 562,832	$ -	$ 34,256	$ 1,402,319
Operating expenses					
Insurance	11,035	-	497	1,175	12,707
Common area maintenance	64,707	154	-	31,336	96,197
Utilities	131,137	-	-	(6)	131,131
Management fees	39,943	28,142	-	-	68,085
Professional fees	12,440	5,150	1,225	4,000	22,815
Miscellaneous	1,094	299	-	(1)	1,392
Real estate taxes	68,825	50,051	-	16,446	135,322
Interest	286,650	195,261	5,321	-	487,232
Depreciation and amortization	180,681	17,597	-	1,373	199,651
	796,512	296,654	7,043	54,323	1,154,532
Excess of operating revenue over expenses (expenses over revenue)	8,719	266,178	(7,043)	(20,067)	247,787
Other income					
Interest income	-	118,306	-	-	118,306
Excess of revenue over expenses (expenses over revenue)	$ 8,719	$ 384,484	$ (7,043)	$ (20,067)	$ 366,093

See Independent Accountant's Compilation Report.

New Brunswick Jersey Urban Renewal, LLC, JSM at Baldwin, LLC, NBJUR Pharmacy, LLC, and NBJUR Retail, LLC
Combining Statement of Changes in Members' Capital (Deficit) - Income Tax Basis
Year Ended December 31, 2021

	New Brunswick Jersey Urban Renewal, LLC	JSM at Baldwin, LLC	NBJUR Pharmacy, LLC	NBJUR Retail, LLC	Combined
Members' capital (deficit), January 1, 2021	$ (4,590,604)	$ (1,365,614)	$ 553,726	$ 2,435,011	$ (2,967,481)
Distribution	(103,684)	-	-	-	(103,684)
Contribution	-	-	-	110,805	110,805
Excess of revenue over expenses (expenses over revenue)	8,719	384,484	(7,043)	(20,067)	366,093
Members' capital (deficit), December 31, 2021	$ (4,685,569)	$ (981,130)	$ 546,683	$ 2,525,749	$ (2,594,267)

See Independent Accountant's Compilation Report.

New Brunswick Jersey Urban Renewal, LLC, JSM at Baldwin, LLC, NBJUR Pharmacy, LLC, and NBJUR Retail, LLC
Annual Calculation of Allowable Net Profit and Excess Profit Charge
Year Ended December 31, 2021

Gross Revenue:	
(1) Total Gross Revenue per compiled Combined Statement of Revenue and Expenses - Income Tax Basis	$ 1,402,319
Adjustments:	
(2) Insurance, Operating, and Maintenance Expenses paid by Tenant which are ordinarily paid by a Landlord	
(3) Vacancy reserves in excess of the allowable reserve of 10% of Gross Revenues	
(4) Rental income from an affiliate related to the Project	
(5) **Adjusted Total Gross Revenue (Sum of (1) through (4))**	$ 1,402,319
Expenses:	
(6) Total Expenses per compiled Combined Statement of Revenue and Expenses - Income Tax Basis	$ 1,154,532
Adjustments:	
(7) Depreciation or Obsolescence ***	$ (88,068)
(8) Interest on Debt, except interest which is part of debt service	$ 151,284
(9) Income Taxes	
(10) Salaries, Bonuses, or Compensation paid, directly or indirectly, to Directors, Management, Officers, Stockholders, Partners, or other persons holding any proprietary ownership interest in the property	
(11) Payments for services rendered in excess of reasonable and customary payments to an affiliate or related party	
(12) Amortization in excess of allowable reserve	
(13) **Adjusted Total Expenses (Line 6) less lines (7) through (12)**	$ 1,091,316
(14) **Statutory Net Profit (Line 5) less (13))**	$ 311,003
(15) **Less Allowable Profit** ***(Allowable profit 6.785% (per Financial Agreement) x Total Project Cost (Line (17))***	$ 790,191
(16) **Excess Service Charge (Line (14) less (15))**	$ (479,188)
(17) **Total Project Cost** ***(gross property and equipment + construction in progress)***	$ 11,646,143

*** Represents difference between depreciation expenses calculated using accelerated depreciation method and depreciation expense calculated using straight-line depreciation method.

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