

GreenSky, Inc.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(United States Dollars in thousands, except per share data, unless otherwise stated)

Note 9. Other Liabilities

The following table details the components of other liabilities in the Consolidated Balance Sheets as of the dates indicated.

	December 31,	
	2019	2018
Transaction processing liabilities	\$ 24,465	\$ 4,958
Servicing liabilities ⁽¹⁾	3,796	3,016
Distributions payable ⁽²⁾	5,978	10,066
Interest rate swap ⁽³⁾	2,763	—
Tax related liabilities ⁽⁴⁾	873	4,412
Deferred lease liabilities ⁽⁵⁾	—	2,489
Accruals and other liabilities ⁽⁶⁾	9,442	10,110
Other liabilities	<u>\$ 47,317</u>	<u>\$ 35,051</u>

- (1) We elected the fair value method to account for our servicing liabilities. Refer to Note 3 for additional information.
- (2) Related party distributions payable are not included in this balance, but rather are included within related party liabilities.
- (3) Refer to Note 3 and Note 8 for additional information on our interest rate swap, which was in a liability position as of December 31, 2019.
- (4) Tax related liabilities primarily include certain taxes payable related to the Reorganization Transactions.
- (5) Deferred lease liabilities were calculated in accordance with legacy lease guidance in ASC 840, *Leases*, for the amount presented as of December 31, 2018. Under the new lease guidance codified in ASC 842, *Leases*, which we adopted on January 1, 2019, we presented operating lease liabilities separately on the Consolidated Balance Sheets as of December 31, 2019. See Note 1 and Note 14 for additional information on our lease accounting.
- (6) Accruals and other liabilities as of December 31, 2018 was adjusted to exclude the financial guarantee liability to conform to the current period presentation in the Consolidated Balance Sheets. Refer to Note 1 for additional discussion of our basis of presentation.

Note 10. Noncontrolling Interests

GreenSky, Inc. is the sole managing member of GS Holdings and consolidates the financial results of GS Holdings. Therefore, the Company reports a noncontrolling interest based on the common units of GS Holdings held by the Continuing LLC Members. Changes in GreenSky, Inc.'s ownership interest in GS Holdings, while GreenSky, Inc. retains its controlling interest in GS Holdings, are accounted for as equity transactions. As such, future redemptions or direct exchanges of Holdco Units by the Continuing LLC Members (with automatic cancellation of an equal number of shares of Class B common stock) for shares of our Class A common stock on a one-for-one basis will result in a change in ownership and reduce or increase the amount recorded as noncontrolling interest and increase or decrease additional paid-in capital. The Company consolidates the financial results of GS Holdings and reports a noncontrolling interest in its Consolidated Financial Statements representing the GS Holdings interests held by Continuing LLC Members. During the years ended December 31, 2019 and 2018, GreenSky, Inc. had a weighted average ownership interest in GS Holdings of 34.6% and 31.2%, respectively.

In connection with the Reorganization Transactions and IPO, GreenSky, Inc. issued 129.0 million shares of Class B common stock to the Continuing LLC Members. Subsequent to the Reorganization Transactions and IPO during the year ended December 31, 2018, an aggregate of 0.3 million Holdco Units were exchanged by the Continuing LLC Members (with automatic cancellation of Class B common stock) for 0.3 million newly-issued shares of Class A common stock, increasing our total ownership interest in GS Holdings to 30.0% as of December 31, 2018.

As of December 31, 2019 and 2018, GreenSky, Inc. had 66,424,838 and 54,504,902 shares, respectively, of Class A common stock outstanding, which resulted in an equivalent amount of ownership of Holdco Units. During the year ended December 31, 2019, an aggregate of 15.9 million Holdco Units were exchanged by the Continuing