

MINUTES OF THE ANNUAL MEETING
OF THE MEMBERS
OF
NEW YORK CITY LAND DEVELOPMENT CORPORATION
November 15, 2023

The annual meeting of the Members of New York City Land Development Corporation (“NYCLDC”) was held, pursuant to notice by the Secretary, on Wednesday, November 15, 2023, in Conference Room 13A, on the 13th Floor at the offices of New York City Economic Development Corporation (“NYCEDC”) at One Liberty Plaza, New York, New York.

The following Members of NYCLDC were present:

Anand Amin (by Zoom)
Nathan Bliss (by Zoom)
Kim Bryan (by Zoom)
Aaron Charlop-Powers
Jeanny Pak

Mr. Bliss chaired the meeting. Also present were Mark Silversmith, Secretary of NYCLDC, who served as secretary of the duly constituted meeting, at which a quorum was present, Spencer Hobson, an Executive Vice President and Treasurer of NYCLDC, Amy Chan, an Assistant Treasurer of NYCLDC (by Zoom), Shin Mitsugi, a Senior Vice President of NYCEDC, Gigi Li, a Vice President of NYCEDC, Sean Freas, a Vice President of NYCEDC, Scott Shostak, a Senior Counsel of NYCEDC, Jaan Kangur, a Senior Paralegal of NYCEDC, and MaFamata Seck, a Senior Technical Lead of NYCEDC. The meeting was called to order at 2:12 p.m. (Attached hereto as Attachment 1 is a definition sheet that contains the definitions of certain frequently used terms contained in the Exhibits attached hereto.)

1. Approval of the Minutes of the August 9, 2023 Special Meeting of the Members

There were no questions or comments with respect to the minutes of the August 9, 2023 special Members meeting, as submitted. A motion to approve such minutes, as submitted, was made, seconded and unanimously adopted.

2. Election of Directors

Under NYCLDC’s Bylaws NYCLDC’s Members elect its Directors at the annual meeting of the Members. Directors must be Members at the time of their election.

A motion was made to elect the persons listed in Exhibit A hereto to be Directors of NYCLDC. Such motion was seconded and unanimously approved.

3. Annual Report of the Board of Directors of NYCLDC for the Fiscal Period Ended June 30, 2023

The Annual Report of the Board of Directors of New York City Land Development Corporation (“NYCLDC”) for the Fiscal Period Ended June 30, 2023, attached hereto as Exhibit B, was submitted to the Members. Mr. Silversmith stated that the financials included in the report were substantially the same as those presented to the NYCLDC Board of Directors in September, though blank dates in the financials had been filled in and signatures added after the September meeting.

4. Adjournment

There being no further business to come before the meeting, pursuant to a motion made, seconded and unanimously approved, the meeting of the Members was adjourned.

Secretary

Dated: _____
New York, New York

ATTACHMENT 1

DEFINITIONS

Apple	Apple Industrial Development Corp.
Armand	Armand Corporation d/b/a Armand of New York
BAT	Brooklyn Army Terminal
Bovis	Bovis Lend Lease LMB, Inc.
CDBG	Federal Community Development Block Grant
CDBG-DR Funds	Federal Community Development Block Grant-Disaster Recovery Program funds
CEQR	City Environmental Quality Review process
City DEP	New York City Department of Environmental Protection
City DOT	New York City Department of Transportation
City Parks	New York City Department of Parks and Recreation
City Planning	New York City Department of City Planning or City Planning Commission
CM	A construction manager
CM Contract	A construction management contract
DCAS	New York City Department of Citywide Administrative Services
EIS	Environmental Impact Statement
ESDC	New York State Urban Development Corporation d/b/a Empire State Development Corporation
FEMA	Federal Emergency Management Agency
FM	A facilities manager
FM/CM Contract	A facilities management/construction management contract
Funding Source Agreement	Any agreement necessary to obtain funds for the Project, including IDA Agreements
Gilbane.....	Gilbane Building Company
HDC	New York City Housing Development Corporation
HPD	New York City Department of Housing Preservation and Development
Hunter Roberts	Hunter Roberts Construction Group, L.L.C.
IDA	New York City Industrial Development Agency
IDA Agreement	Agreement with IDA pursuant to which IDA retains NYCEDC to accomplish all or part of the Project and reimburses NYCEDC for the costs of the work
LiRo	LiRo Program and Construction Management, PE P.C.
LMDC	Lower Manhattan Development Corporation
McKissack	The McKissack Group, Inc. d/b/a McKissack & McKissack

MOU	A memorandum of understanding
NYCEDC	New York City Economic Development Corporation, survivor of a November 1, 2012 merger of a local development corporation (the “LDC”) named New York Economic Development Corporation with and into New York City Economic Growth Corporation. References to NYCEDC prior to such merger are references to the LDC.
NYCHA	New York City Housing Authority
NYCLDC	New York City Land Development Corporation
Noble Strategy	Noble Strategy NY Inc.
OMB	New York City Office of Management and Budget
Port Authority	The Port Authority of New York and New Jersey
RFP	Request for Proposals
Sanitation	New York City Department of Sanitation
SBS	New York City Department of Small Business Services
SEMO	New York State Emergency Management Office
SEQR	State Environmental Quality Review process
Skanska	Skanska USA Building Inc.
State DEC	New York State Department of Environmental Conservation
State DOS	New York State Department of State
State DOT	New York State Department of Transportation
State Parks	New York State Office of Parks, Recreation and Historic Preservation
Tishman	Tishman Construction Corporation of New York
Turner	Turner Construction Company
ULURP	Uniform Land Use Review Procedure

EXHIBIT A

It is proposed that the following persons be elected Directors of NYCLDC:

Anand Amin

Nate Bliss

Kim Bryan

Aaron Charlop-Powers

Jeanny Pak

EXHIBIT B

**Annual Report of the Board of Directors
of New York City Land Development Corporation ("NYCLDC")
for the Fiscal Period Ended June 30, 2023**

TO: The Members of NYCLDC

The Board of Directors of NYCLDC respectfully submits for your information the following report relating to NYCLDC. The report is for the fiscal period beginning on July 1, 2022, and ended June 30, 2023.

1. Attached hereto as Attachment A are the Financial Statements and Required Supplementary Information of NYCLDC for the years ended June 30, 2023 and 2022, which includes a Report of Independent Auditors Ernst & Young LLP and financial information required to be provided to the Members of NYCLDC pursuant to Section 519 of the New York State Not-for-Profit Corporation Law.
2. As of November 1, 2023, the number of Members of NYCLDC is 5.
3. The number of Members of NYCLDC was 4 on July 1, 2022, on which date there was one vacancy, and 4 on June 30, 2023, on which date there also was one vacancy.
4. The names and addresses of the Members of NYCEDC as of November 1, 2023 may be found in the Members/Directors books of NYCLDC, which is kept at One Liberty Plaza, 13th Floor, New York, New York 10006.

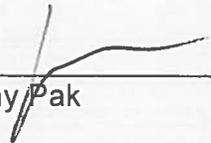
Dated: November 1, 2023
New York, New York

President

Executive Vice President and Treasurer

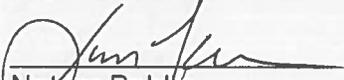
State of New York)
) ss.:
County of New York)

Jeanny Pak, being first duly sworn, deposes and says that she executed the foregoing report and is the President of New York City Land Development Corporation, that she has read the foregoing report and knows the contents thereof, and that the information provided in Sections 2-4 of the report is true.



Jeanny Pak

Sworn to before me this 1st
day of November, 2023

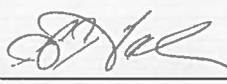


Notary Public

Jean Kangur
Notary Public, State of New York
Reg. No. 01KA6310065
Qualified in Queens County
Certificate Filed in New York County
Commission Expires 11/04/2026

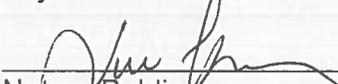
State of New York)
) ss.:
County of New York)

Spencer Hobson, being first duly sworn, deposes and says that he executed the foregoing report and is the Executive Vice President and Treasurer of New York City Land Development Corporation, that he has read the foregoing report and knows the contents thereof, and that the information provided in Sections 2-4 of the report is true.



Spencer Hobson

Sworn to before me this 1st
day of November, 2023



Notary Public

Jean Kangur
Notary Public, State of New York
Reg. No. 01KA6310065
Qualified in Queens County
Certificate Filed in New York County
Commission Expires 11/04/2026

Attachment A

New York City Land Development Corporation
(a component unit of The City of New York)

**Financial Statements and Required
Supplementary Information**

**Years Ended June 30, 2023 and 2022
With Report of Independent Auditors**

NYCLDC

New York City Land Development Corporation

New York City Land Development Corporation
(A Component Unit of The City of New York)

Financial Statements and Required Supplementary Information

Years Ended June 30, 2023 and 2022

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I. Financial Section



Ernst & Young LLP
One Manhattan West
New York, NY 10001-8604

Tel: +1 212 773 3000
ey.com

Report of Independent Auditors

The Management and the Board of Directors
New York City Land Development Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the New York City Land Development Corporation (NYCLDC), a component unit of the City of New York, which comprise the statements of net position as of June 30, 2023 and 2022, and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the NYCLDC as of June 30, 2023 and 2022, and the respective changes in financial position, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the NYCLDC, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the NYCLDC's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of 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 GAAS and *Government 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 financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 NYCLDC'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the NYCLDC'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.



Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2023 on our consideration of the NYCLDC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the NYCLDC's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the NYCLDC's internal control over financial reporting and compliance.

Ernst + Young LLP

October 2, 2023

New York City Land Development Corporation
(A Component Unit of The City of New York)

Management's Discussion and Analysis

June 30, 2023 and 2022

This section of New York City Land Development Corporation's (NYCLDC or the Corporation) annual financial report presents our discussion and analysis of NYCLDC's financial performance during the fiscal years ended June 30, 2023 and 2022. Please read it in conjunction with the financial statements and accompanying notes.

Overview of the Financial Statements

This annual financial report consists of two parts: *management's discussion and analysis* (this section) and *basic financial statements*, which include footnote disclosures. NYCLDC is a local development corporation organized pursuant to section 1411 of the Not-for-Profit Corporation Law of the State of New York. NYCLDC is also a discretely presented component unit of The City of New York (The City). NYCLDC follows enterprise fund reporting; accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Enterprise fund statements offer short-term and long-term financial information about the activities and operations of the Corporation.

These statements are presented in a manner similar to a private business.

Financial Analysis of the Corporation

Net Position

The following table summarizes NYCLDC's financial position at June 30, 2023, 2022 and 2021 and the percentage change between June 30, 2023, 2022 and 2021:

	2023	2022	2021	% Change	
				2023-2022	2022-2021
Total assets	\$ 7,123	\$ 7,023	\$ 6,848	1%	3%
Total liabilities	2,124	2,024	1,849	5	9
Unrestricted net position	\$ 4,999	\$ 4,999	\$ 4,999	—	—

New York City Land Development Corporation
(A Component Unit of The City of New York)

Management's Discussion and Analysis (continued)

At June 30, 2023 and 2022, total assets were \$7,123 and \$7,023, respectively. The overall change in assets was due to the grant agreement between the Corporation and New York City Economic Development Corporation (NYCEDC). The grant agreement provides NYCLDC with the necessary funding for its annual general and administrative expenses. As of June 30, 2023 and 2022, the total cash in bank was \$3,102 and \$5,025, respectively.

Total liabilities at June 30, 2023 and 2022 were \$2,124 and \$2,024, respectively, which primarily consisted of audit fees.

Net position at June 30, 2023 and 2022 remained unchanged at \$4,999.

Operating Activities

NYCLDC is engaged in economic development by means of assisting The City with the leasing and selling of certain properties. The Corporation encourages economic growth throughout the five boroughs of The City by acquiring City-owned property and disposing of it to strengthen The City's competitive position and facilitate investments that build capacity, create jobs, generate economic opportunity, and improve quality of life.

The following table summarizes NYCLDC's change in net position for the fiscal years ended June 30, 2023, 2022 and 2021 and the percentage changes between June 30, 2023, 2022 and 2021:

	2023		2022		2021		% Change	
							2023-2022	2022-2021
Operating revenues	\$	2,100	\$	2,025	\$	1,826	4%	11%
Operating expenses		(2,100)		(2,025)		(1,826)	4	11
Operating income		-		-		-		
Non-operating revenues		77		3		4	2,467	(25)
Non-operating expenses		(77)		(3)		(4)	2,467	(25)
Total non-operating revenues		-		-		-		
Change in net position		-		-		-	-	-
Total net position, beginning of year		4,999		4,999		4,999	-	-
Total net position, end of year	\$	4,999	\$	4,999	\$	4,999	-	-

New York City Land Development Corporation
(A Component Unit of The City of New York)

Management's Discussion and Analysis (continued)

Operating Activities (continued)

Operating revenues for the fiscal years ended June 30, 2023 and 2022 of \$2,100 and \$2,025, respectively, were due to a grant from NYCEDC. The grant allows NYCLDC to meet its current general and administrative expense obligations.

The Corporation did not close on any real estate sales transactions during fiscal years 2023 or 2022. During the year ended June 30, 2023, the Corporation leased one City-owned property from The City pursuant to section 384(b)(4) of The City Charter. The Corporation assigned the lease to a private party at the direction of NYCEDC and the private party assumed the lease. NYCLDC did not pay or receive any fees for leased property.

Operating expenses for the fiscal years ended June 30, 2023 and 2022 were \$2,100 and \$2,025, respectively, primarily due to fees related to audit services.

Correspondingly, no operating income was recognized for the fiscal years ended June 30, 2023 and 2022.

Contacting the Corporation's Financial Management

This financial report is designed to provide our customers, clients, and creditors with a general overview of the Corporation's finances and to demonstrate the Corporation's accountability for the resources at its disposal. If you have any questions about this report or need additional financial information, contact New York City Land Development Corporation, One Liberty Plaza, New York, NY 10006.

New York City Land Development Corporation
(A Component Unit of The City of New York)

Statements of Net Position

	June 30	
	2023	2022
Assets		
Current assets:		
Cash	\$ 3,102	\$ 5,025
Due from NYCEDC	4,021	1,998
Total current assets	<u>7,123</u>	<u>7,023</u>
Liabilities and net position		
Current liabilities:		
Accounts payable and accrued expenses	2,100	2,000
Due to The City	24	24
Total current liabilities	<u>2,124</u>	<u>2,024</u>
Unrestricted net position	<u>\$ 4,999</u>	<u>\$ 4,999</u>

See accompanying notes.

New York City Land Development Corporation
(A Component Unit of The City of New York)

Statements of Revenues, Expenses, and Changes in Net Position

	Year Ended June 30	
	2023	2022
Operating revenues:		
Grants	\$ 2,100	\$ 2,025
Total operating revenues	2,100	2,025
Operating expenses:		
Auditing fees	2,100	2,000
Miscellaneous expenses	-	25
Total operating expenses	2,100	2,025
Operating income	-	-
Non-operating revenues (expenses):		
Interest income	77	3
Other expense	(77)	(3)
Total non-operating revenues (expenses)	-	-
Change in net position	-	-
Unrestricted net position, beginning of year	4,999	4,999
Unrestricted net position, end of year	\$ 4,999	\$ 4,999

See accompanying notes.

New York City Land Development Corporation
(A Component Unit of The City of New York)

Statements of Cash Flows

	Year Ended June 30	
	2023	2022
Cash flows from operating activities		
Grant receipts	\$ 77	\$ 1,849
Audit fees	(2,000)	(1,800)
Miscellaneous expenses	—	(50)
Net cash used in operating activities	(1,923)	(1)
Cash flows from investing activities		
Interest income	77	3
Other expense	(77)	(3)
Net cash provided by investing activities	—	—
Net change in cash	(1,923)	(1)
Cash, beginning of year	5,025	5,026
Cash, end of year	\$ 3,102	\$ 5,025
Reconciliation of operating income to net cash used in operating activities		
Operating income	\$ —	\$ —
Adjustments to reconcile operating income to net cash used in operating activities:		
Changes in operating assets and liabilities:		
Accounts payable and accrued expenses	100	175
Due from NYCEDC	(2,023)	(176)
Net cash used in operating activities	\$ (1,923)	\$ (1)

See accompanying notes.

New York City Land Development Corporation
(A Component Unit of The City of New York)

Notes to Financial Statements

June 30, 2023 and 2022

1. Background and Organization

The accompanying financial statements include the assets, liabilities, net position and the financial activities of the New York City Land Development Corporation (NYCLDC or the Corporation).

On May 8, 2012, The City of New York (The City) formed the Corporation. NYCLDC is a local development corporation organized pursuant to section 1411 of the Not-for-Profit Corporation Law of the State of New York. NYCLDC is engaged in economic development activities by means of assisting The City with the leasing and selling of certain properties. As a local development corporation, NYCLDC is able to purchase or lease City-owned property outside of the auction process as provided by section 384(b)(4) of The City Charter. The mission of NYCLDC is to encourage economic growth throughout the five boroughs of The City by acquiring City-owned property and disposing of it to strengthen The City's competitive position and facilitate investments that build capacity, create jobs, generate economic opportunity, and improve the quality of life.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

NYCLDC follows enterprise fund reporting; accordingly, the accompanying financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. In its accounting and financial reporting, the Corporation follows the pronouncements of the Governmental Accounting Standards Board (GASB).

Revenue and Expense Classification

NYCLDC distinguishes operating revenues and expenses from non-operating items in the preparation of its financial statements. Operating revenues and expenses are transactions that directly relate to the organization fulfilling its mission statement, including related administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

New York City Land Development Corporation
(A Component Unit of The City of New York)

Notes to Financial Statements (continued)

Tax Status

The income of NYCLDC is excluded from gross income for federal income tax purposes under section 115 of the U.S. Internal Revenue Code (the Code).

2. Summary of Significant Accounting Policies (continued)

Other Related-Party Transactions – New York City Economic Development Corporation

New York City Economic Development Corporation (NYCEDC) provides NYCLDC with grant funding for its general and administrative expenses. The Corporation does not have any employees. Administrative services are provided to the Corporation by NYCEDC pursuant to a services agreement and no management fees are charged for these services.

3. Contract With The City of New York

NYCLDC has a contract with The City, allowing for the sale and lease of City-owned land to NYCLDC. The contract provides that when The City sells or leases City-owned land to NYCLDC, NYCLDC must dispose of such land to NYCEDC or at the direction of NYCEDC.

During the years ended June 30, 2023 and 2022, the Corporation did not close on any real estate sales transactions. During the year ended June 30, 2023, the Corporation leased one City-owned property from The City pursuant to section 384(b)(4) of The City Charter. The Corporation assigned the lease to a private party at the direction of NYCEDC and the private party assumed the lease. NYCLDC did not pay or receive any fees for leased property. During the year ended June 30, 2022, the Corporation did not lease any City-owned properties from The City.

4. Grants

NYCLDC received operating grants from NYCEDC during the years ended June 30, 2023 and 2022. Grant revenues in the amount of \$2,100 and \$2,025 were earned during 2023 and 2022, respectively, to offset the Corporation's annual operating expenses. These amounts were recorded as operating revenue.

5. Cash

The bank balance was \$3,102 as of June 30, 2023. The full balance was covered by the Federal Deposit Insurance Corporation (FDIC).

New York City Land Development Corporation
(A Component Unit of The City of New York)

Notes to Financial Statements (continued)

6. Risk Management

NYCLDC, along with other parties, has been named a party in several personal injury claims and lawsuits. NYCLDC is covered as an additional insured with respect to all of the pending lawsuits and, as to the claims, NYCLDC is either covered as an additional named insured, or may rely upon contractual indemnification by The City. In management's opinion, the personal injury claims and litigation matters are not expected to have a materially adverse effect on the financial position of NYCLDC.

II. *Government Auditing Standards* Section



Ernst & Young LLP
One Manhattan West
New York, NY 10001-8604

Tel: +1 212 773 3000
ey.com

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

The Management and Board of Directors
New York City Land Development Corporation

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the New York City Land Development Corporation (NYCLDC), a component unit of the City of New York, which comprise the statement of net position as of June 30, 2023, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes (collectively referred to as the “financial statements”), and have issued our report thereon dated October 2, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the NYCLDC’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the NYCLDC’s internal control. Accordingly, we do not express an opinion on the effectiveness of the NYCLDC’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the NYCLDC's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ernst + Young LLP

October 2, 2023