

**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, 2022 and 2021  
With Report of Independent Auditors**



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, 2022 and 2021

## Contents

### I. Financial Section

Report of Independent Auditors.....	1
Management's Discussion and Analysis .....	4

#### Financial Statements

Statements of Net Position.....	7
Statements of Revenues, Expenses, and Changes in Net Position .....	8
Statements of Cash Flows.....	9
Notes to Financial Statements.....	10

### II. *Government Auditing Standards* Section

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 <i>Government Auditing Standards</i> .....	13
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## I. Financial Section



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## 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, 2022 and 2021, 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, 2022 and 2021, 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.



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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 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 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.



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### ***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 basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, 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 basic financial statements, and other knowledge we obtained during our audit of the basic 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 3, 2022 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 3, 2022

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

**Management's Discussion and Analysis**

June 30, 2022 and 2021

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, 2022 and 2021. 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 and 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, 2022, 2021 and 2020 and the percentage change between June 30, 2022, 2021 and 2020:

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>% Change</b>	<b>2022-2021</b>	<b>2021-2020</b>
Total assets	\$ 7,023	\$ 6,848	\$ 6,747	3%	1%	
Total liabilities	2,024	1,849	1,748	9	6	
Unrestricted net position	<b>\$ 4,999</b>	<b>\$ 4,999</b>	<b>\$ 4,999</b>		—	—

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

**Management's Discussion and Analysis (continued)**

At June 30, 2022 and 2021, total assets were \$7,023 and \$6,848, respectively. The overall change in assets was due to a 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, 2022 and 2021, the total cash in bank was \$5,025 and \$5,026, respectively.

Total liabilities at June 30, 2022 and 2021 were \$2,024 and \$1,849, respectively, which primarily consisted of audit fees.

Net position at June 30, 2022 and 2021 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, 2022, 2021 and 2020 and the percentage changes between June 30, 2022, 2021 and 2020:

	2022	2021	2020	2022-2021	% Change	2021-2020
Operating revenues	\$ 2,025	\$ 1,826	\$ 1,725	11%	6%	
Operating expenses	(2,025)	(1,826)	(1,725)	11	6	
Operating income	—	—	—	—	—	
Non-operating revenues	3	4	21	(25)	(81)	
Non-operating expenses	(3)	(4)	(21)	(25)	(81)	
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	<u>\$ 4,999</u>	<u>\$ 4,999</u>	<u>\$ 4,999</u>	<u>—</u>	<u>—</u>	

**New York City Land Development Corporation  
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**Management's Discussion and Analysis (continued)**

**Operating Activities (continued)**

Operating revenues for the fiscal year ended June 30, 2022 of \$2,025 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 transactions during fiscal year 2022.

Operating expenses for the fiscal years ended June 30, 2022 and 2021 were \$2,025 and \$1,826, respectively, primarily due to fees related to audit services.

Correspondingly, no operating income was recognized for the fiscal year ended June 30, 2021.

**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**

	<b>June 30</b>	
	<b>2022</b>	<b>2021</b>
<b>Assets</b>		
Current assets:		
Cash	\$ 5,025	\$ 5,026
Due from NYCEDC	1,998	1,822
Total current assets	7,023	6,848
<b>Liabilities and net position</b>		
Current liabilities:		
Accounts payable and accrued expenses	2,000	1,825
Due to the City	24	24
Total current liabilities	2,024	1,849
Unrestricted net position	\$ 4,999	\$ 4,999

*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**

	<b>Year Ended June 30</b>	
	<b>2022</b>	<b>2021</b>
Operating revenues:		
Grants	\$ 2,025	\$ 1,825
Real estate sales	—	1
Total operating revenues	<u>2,025</u>	<u>1,826</u>
Operating expenses:		
Cost of property sold	—	1
Auditing fees	2,000	1,800
Miscellaneous expenses	25	25
Total operating expenses	<u>2,025</u>	<u>1,826</u>
Operating income	—	—
Non-operating revenues (expenses):		
Interest income	3	4
Other expense	(3)	(4)
Total non-operating revenues (expenses)	<u>—</u>	<u>—</u>
Change in net position	—	—
Unrestricted net position, beginning of year	4,999	4,999
Unrestricted net position, end of year	<u>\$ 4,999</u>	<u>\$ 4,999</u>

*See accompanying notes.*

**New York City Land Development Corporation**  
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**Statements of Cash Flows**

	<b>Year Ended June 30</b>	
	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities</b>		
Grant receipts	\$ 1,849	\$ 1,708
Audit fees	(1,800)	(1,700)
Miscellaneous expenses	(50)	(25)
Net cash used in operating activities	(1)	(17)
<b>Cash flows from investing activities</b>		
Interest income	3	4
Other expense	(3)	(4)
Net cash provided by investing activities	—	—
Net change in cash and cash equivalents	(1)	(17)
Cash and cash equivalents, beginning of year	5,026	5,043
Cash and cash equivalents, end of year	\$ 5,025	\$ 5,026
<b>Reconciliation of operating income to net cash used in operating activities</b>		
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	175	100
Due to the City	—	1
Due from NYCEDC	(176)	(118)
Net cash used in operating activities	\$ (1)	\$ (17)

*See accompanying notes.*

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

**Notes to Financial Statements**

June 30, 2022 and 2021

**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).

**Recently Adopted Accounting Pronouncement**

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. With the adoption of GASB 95, provisions of this statement are effective for fiscal years beginning after June 15, 2021. The adoption of this Statement did not have an impact on the Corporation's financial statements as its lease transactions are deemed nonexchange in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

**New York City Land Development Corporation  
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**Notes to Financial Statements (continued)**

**2. Summary of Significant Accounting Policies (continued)**

**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.

**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).

**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 year ended June 30, 2022, the Corporation did not close on any real estate sales transactions and did not lease any city-owned properties from the City.

During the year ended June 30, 2021, the Corporation closed on one real estate sale transaction and leased one city-owned property from the City pursuant to section 384(b)(4) of the City Charter. During fiscal year 2021, 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.

New York City Land Development Corporation  
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Notes to Financial Statements (continued)

**4. Grants**

NYCLDC received operating grants from NYCEDC during the years ended June 30, 2022 and 2021. Grant revenues in the amount of \$2,025 and \$1,825 were provided during 2022 and 2021, respectively, to offset the Corporation's annual operating expenses. These amounts were recorded as operating revenue.

**5. Cash**

The bank balance was \$5,025 as of June 30, 2022. The full balance was covered by the Federal Deposit Insurance Corporation (FDIC).

**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



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## 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, 2022, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 3, 2022.

### **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.



October 3, 2022