

Please refer to page 14 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*.

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, 2025 and 2024
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, 2025 and 2024

Contents

I. Financial Section

Report of Independent Auditors.....1
Management’s Discussion and Analysis5

Financial Statements

Statements of Net Position.....8
Statements of Revenues, Expenses, and Changes in Net Position9
Statements of Cash Flows.....10
Notes to Financial Statements.....11

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 *Government Auditing Standards*.....14

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

Opinions

We have audited the accompanying financial statements of the business-type activities of the New York City Land Development Corporation (the Corporation), a component unit of The City of New York, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents (collectively referred to as the "basic financial statements").

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Corporation at June 30, 2025 and 2024, and the respective changes in financial position, and, where applicable, cash flows thereof 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 Corporation 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.



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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 Corporation'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 opinions. 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.



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- 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 Corporation'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 Corporation'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 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, who 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 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 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.



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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2025 on our consideration of the Corporation'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 Corporation'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 Corporation's internal control over financial reporting and compliance.

Ernst & Young LLP

September 30, 2025

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

Management's Discussion and Analysis

June 30, 2025 and 2024

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, 2025 and 2024. 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, 2025, 2024 and 2023 and the percentage change between June 30, 2025, 2024 and 2023:

	2025	2024	2023	% Change	
				2025-2024	2024-2023
Total assets	\$ 7,323	\$ 7,223	\$ 7,123	1%	1%
Total liabilities	2,324	2,224	2,124	4	5
Unrestricted net position	\$ 4,999	\$ 4,999	\$ 4,999	-%	-%

At June 30, 2025 and 2024, total assets were \$7,323 and \$7,223, 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, 2025 and 2024, the total cash in bank was \$3,125 and \$5,205, respectively.

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

Management's Discussion and Analysis (continued)

Total liabilities at June 30, 2025 and 2024 were \$2,324 and \$2,224, respectively, which primarily consisted of audit fees.

Net position at June 30, 2025 and 2024 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, 2025, 2024 and 2023 and the percentage changes between June 30, 2025, 2024 and 2023:

	2025	2024	2023	% Change	
				2025-2024	2024-2023
Operating revenues	\$ 2,300	\$ 2,200	\$ 2,100	5%	5%
Operating expenses	(2,300)	(2,200)	(2,100)	5	5
Operating income	-	-	-	-	-
Non-operating revenues	120	182	77	34	136
Non-operating expenses	(120)	(182)	(77)	34	136
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	-%	-%

Operating revenues for the fiscal years ended June 30, 2025 and 2024, of \$2,300 and \$2,200, respectively, were due to a grant from NYCEDC. The grant allows NYCLDC to meet its current general and administrative expense obligations.

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

Management's Discussion and Analysis (continued)

The Corporation did not close on any real estate sales transactions during fiscal years 2025 or 2024. During the year ended June 30, 2025, 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, 2025 and 2024 were \$2,300 and \$2,200, respectively, primarily due to fees related to audit services.

Correspondingly, no operating income was recognized for the fiscal years ended June 30, 2025 and 2024.

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	
	2025	2024
Assets		
Current assets:		
Cash	\$ 3,125	\$ 5,205
Due from NYCEDC	4,198	2,018
Total current assets	<u>7,323</u>	<u>7,223</u>
Liabilities and net position		
Current liabilities:		
Accounts payable and accrued expenses	2,300	2,200
Due to The City	24	24
Total current liabilities	<u>2,324</u>	<u>2,224</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	
	2025	2024
Operating revenues:		
Grants	\$ 2,300	\$ 2,200
Total operating revenues	2,300	2,200
Operating expenses:		
Auditing fees	2,300	2,200
Total operating expenses	2,300	2,200
Operating income	–	–
Non-operating revenues (expenses):		
Interest income	120	182
Other expense	(120)	(182)
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
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Statements of Cash Flows

	Year Ended June 30	
	2025	2024
Cash flows from operating activities		
Grant receipts	\$ 120	\$ 4,203
Audit fees	(2,200)	(2,100)
Net cash (used in) provided by operating activities	(2,080)	2,103
Cash flows from investing activities		
Interest income	120	182
Other expense	(120)	(182)
Net cash provided by investing activities	—	—
Net change in cash	(2,080)	2,103
Cash, beginning of year	5,205	3,102
Cash, end of year	\$ 3,125	\$ 5,205
Reconciliation of operating income to net cash (used in) provided by operating activities		
Operating income	\$ —	\$ —
Adjustments to reconcile operating income to net cash (used in) provided by operating activities:		
Changes in operating assets and liabilities:		
Accounts payable and accrued expenses	100	100
Due from NYCEDC	(2,180)	2,003
Net cash (used in) provided by operating activities	\$ (2,080)	\$ 2,103

See accompanying notes.

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

Notes to Financial Statements

June 30, 2025 and 2024

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.

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).

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

Notes to Financial Statements (continued)

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.

Recently Adopted Accounting Pronouncement

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The primary objective of this statement is to improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition. The Corporation adopted this statement as of July 1, 2024 and the adoption did not have a significant impact on the Corporation's financial statements.

Upcoming Accounting Pronouncements

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The primary objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues. The requirements of this statement are effective for fiscal years beginning after June 15, 2025. The Corporation is evaluating the impact this statement will have on its financial statements.

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.

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

Notes to Financial Statements (continued)

3. Contract With The City of New York (continued)

During the years ended June 30, 2025 and 2024, the Corporation did not close on any real estate sales transactions. During the year ended June 30, 2025, the Corporation leased one City-owned property from The City pursuant to section 384(b)(4) of The City Charter. During the year ended June 30, 2024, the Corporation leased two City-owned properties from The City pursuant to section 384(b)(4) of The City Charter. The Corporation assigned the leases to private parties at the direction of NYCEDC and the private parties assumed the leases. NYCLDC did not pay or receive any fees for leased properties.

4. Grants

NYCLDC received operating grants from NYCEDC during the years ended June 30, 2025 and 2024. Grant revenues in the amount of \$2,300 and \$2,200 were earned during 2025 and 2024, respectively, to offset the Corporation's annual operating expenses. These amounts were recorded as operating revenue.

5. Cash

The bank balance was \$3,125 and \$5,205 as of June 30, 2025 and 2024, respectively. 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 most of the pending lawsuits, for the remaining lawsuits, NYCLDC is relying upon contractual indemnification by the City. As to the claims, NYCLDC is either covered as an additional 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 the Board of Directors
New York City Land Development Corporation

We have audited, in accordance with the 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 business-type activities of the New York City Land Development Corporation (the Corporation), a component unit of The City of New York, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Corporation’s basic financial statements (collectively referred to as the “basic financial statements”), and have issued our report thereon dated September 30, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the basic financial statements, we considered the Corporation’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 basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation’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 basic 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.



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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 Corporation's basic 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 basic 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

September 30, 2025