

**CITY OF BINGHAMTON, NEW YORK**

**Financial Statements as of  
December 31, 2020**

**Together with Independent Auditor's Report and Reports  
Required by the Uniform Guidance and *Government  
Auditing Standards***

**Bonadio & Co., LLP**  
Certified Public Accountants

# CITY OF BINGHAMTON, NEW YORK

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**INDEPENDENT AUDITOR'S REPORT**

September 28, 2021

To the City Council of the  
City of Binghamton, New York

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Binghamton, New York (the City), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Binghamton, New York as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter - Change in Accounting Principle***

As discussed in Note 15 to the financial statements, in 2020 the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, Schedule of Changes in Total Other Postemployment Benefit Liability and Related Ratios, Schedule of Proportionate Share of Net Pension Liability (Asset), and Schedule of Contributions - Pension Plans be presented to supplement the basic financial statements. Such information, 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 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 Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2021, on our consideration of the City'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 on compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control over financial reporting and compliance.

## CITY OF BINGHAMTON, NEW YORK

### **Management's Discussion and Analysis (Unaudited)**

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Our discussion and analysis of the City of Binghamton's (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2020. Please read it in conjunction with the City's financial statements.

#### **FINANCIAL HIGHLIGHTS**

- The City's governmental assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$159,788,294 (net position).
- The General Fund recorded an operating decrease of \$1.15 million in 2020 and had a fund balance of \$20,105,603 at year-end. This was mainly due to a decrease of \$305,000 in interest and earnings, and a decrease of \$835,000 in department income due to the COVID pandemic. This was offset by an increase in sales tax revenue of \$295,000. Also department spending was under budget specifically personal services by \$1,375,000.

#### **USING THIS ANNUAL REPORT**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements.

#### **Government-wide Financial Statements**

The Government-wide financial statements are organized to provide an understanding of the fiscal performance of the City as a whole in a manner similar to a private sector business. There are two Government-wide financial statements, the Statement of Net Position and the Statement of Activities. These statements provide both an aggregate and long-term view of the City's finances.

##### The Statement of Net Position

The Statement of Net Position presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference reported as net position. Increases and decreases in net position may serve as useful indicators of whether the financial position of the City is improving or deteriorating, respectively.

##### The Statement of Activities

The Statement of Activities presents information showing the change in net position during the fiscal year. All changes in net positions are recorded at the time the underlying financial event occurs. Therefore, revenues and expenses are reported on the statement for some items that will result in cash flow in future fiscal periods.

#### **Fund Financial Statements**

The fund financial statements provide more detailed information about the City's funds, not the City as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City also uses fund accounting to ensure compliance with finance-related legal requirements. The funds of the City are reported in the governmental funds and the fiduciary funds.

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

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These statements utilize the modified accrual basis of accounting. This basis of accounting recognizes revenues in the period that they become measurable and available. It recognizes expenditures in the period they become measurable, funded through available resources and payable within a current period.

**Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the Government-wide financial statements. However, the governmental fund financial statements focus on shorter term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year for spending in the future years. Consequently, the governmental fund statements provide a detailed short-term view of the City's operations and the services it provides.

Because the focus of governmental funds is narrower than that of the Government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Government-wide financial statements. By doing so, you may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**Proprietary Funds**

When the City charges customers for the services it provides - whether to outside customers or to other units of the City - these services are generally reported in Proprietary Funds. Proprietary Funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The City's Enterprise Funds (a component of Proprietary Funds) are the same as the Business-type Activities, with the exception of the Internal Service Fund that is part of Governmental Activities, we report in the Government-wide financial statements but provide more detail and additional information, such as cash flows, for Proprietary Funds.

**Fiduciary Funds**

Fiduciary funds are used to account for assets held by the city in its capacity as agent or trustee. All the city's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. The fiduciary activities have been excluded from the City's Government-wide financial statements because the City cannot use these assets to finance its operations.



**CITY OF BINGHAMTON, NEW YORK**

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

**FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

**Net Position**

A summary of the City's Statement of Net Position at December 31, 2020 and 2019 is as follows:

	Governmental 2020	Business-type 2020	Governmental 2019	Business-type 2019
Current Assets	\$ 63,688,705	\$ 2,708,334	\$ 74,383,851	\$ 2,692,517
Noncurrent Assets	<u>466,606,445</u>	<u>2,148,071</u>	<u>451,474,104</u>	<u>2,015,625</u>
<b>Total Assets</b>	<b>530,295,150</b>	<b>4,856,405</b>	<b>525,857,955</b>	<b>4,708,142</b>
Deferred Outflows of Resources-Pensions	28,621,244	-	12,204,583	-
Deferred Outflows of Resources-OPEB	<u>15,763,959</u>	<u>-</u>	<u>10,781,585</u>	<u>-</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<b><u>574,680,353</u></b>	<b><u>4,856,405</u></b>	<b><u>548,844,123</u></b>	<b><u>4,708,142</u></b>
Current Liabilities	96,031,364	592,863	81,183,648	426,781
Noncurrent Liabilities	<u>267,594,541</u>	<u>-</u>	<u>259,235,407</u>	<u>-</u>
<b>Total Liabilities</b>	<b>363,625,905</b>	<b>592,863</b>	<b>340,419,055</b>	<b>426,781</b>
Deferred Inflows of Resources-Pensions	2,065,248	-	5,193,081	-
Deferred Inflows of Resources-OPEB	<u>49,200,906</u>	<u>-</u>	<u>40,291,649</u>	<u>-</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b><u>414,892,059</u></b>	<b><u>592,863</u></b>	<b><u>385,903,785</u></b>	<b><u>426,781</u></b>
<b>Net Position</b>				
Net investment in Capital Assets	219,253,346	-	217,081,335	-
Restricted	24,845,527	3,679,802	40,777,900	3,700,087
Unrestricted (Deficit)	<u>(84,310,579)</u>	<u>583,740</u>	<u>(94,918,897)</u>	<u>581,274</u>
<b>Total Net Position</b>	<b><u>\$ 159,788,294</u></b>	<b><u>\$ 4,263,542</u></b>	<b><u>\$ 162,940,338</u></b>	<b><u>\$ 4,281,361</u></b>

## CITY OF BINGHAMTON, NEW YORK

### **Management's Discussion and Analysis (Unaudited)**

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Current assets consist largely of \$19,190,873 in cash and cash equivalents, \$22,384,087 in restricted cash, and \$8,216,971 in due from other governments. Non-Current assets increased primarily as a result of an increase of the Joint Sewage Treatment Plant.

Included in current liabilities are bond anticipation notes (BANs) payable of \$65,402,941, the current portion of long-term liabilities of \$9,999,917, and various payables. Noncurrent liabilities consist of bonds payable of \$162,946,050, compensated absences of \$3,938,927, other postemployment benefits payable of \$61,862,150, and the City's proportionate share of the net pension liability of \$39,268,275. The decrease in postemployment benefits is due to a decrease in Medicare health plans. The increase in current liabilities is primarily due to an increase in BANs payable related to the joint sewer project and City borrowings.

Changes in deferred outflows of resources - OPEB and deferred inflows of resources - OPEB are based on changes in the actuarial valuation of the City's OPEB plan.

#### **Changes in Net Position**

The results of this year's operations as a whole are reported in the Statement of Activities in a programmatic format in the accompanying financial statements. Non-property tax items consist of New York State sales tax, utility tax and franchise tax.

**CITY OF BINGHAMTON, NEW YORK**

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

A summary of this statement for the years ending December 31, 2020 and 2019 is as follows:

	Governmental 2020	Business-type 2020	Governmental 2019	Business-type 2019
<b>Revenues</b>				
Program Revenues				
Charges for Service	\$ 20,857,084	\$ 93,520	\$ 21,732,802	\$ 108,927
Operating Grants	2,575,712	648,741	2,496,893	441,108
Capital Grants	5,387,328	-	10,298,961	-
General Revenues				
Property Taxes and Other Items	35,162,202	-	35,983,115	-
Nonproperty Tax items	13,219,940	-	13,348,529	-
Use of Money and Property	117,966	1,199	623,446	2,068
Sale of Property	547,649	-	261,227	-
Miscellaneous	1,736,885	-	4,747,927	-
State Sources	11,377,064	-	13,497,368	-
Change in Equity Interest in Joint Venture	(2,264,463)	-	17,276,273	-
<b>Total Revenues</b>	<b>88,717,367</b>	<b>743,460</b>	<b>120,266,541</b>	<b>552,103</b>
<b>Expenses</b>				
General Government Support	24,333,805	-	20,245,721	-
Public Safety	37,333,028	-	31,851,993	-
Public Health	100,360	-	83,811	-
Transportation	4,069,579	-	9,545,928	-
Economic Assistance and Opportunity	163,000	-	289,077	-
Home and Community Services	4,041,313	-	4,319,710	-
Culture & Recreation	15,973,724	-	15,148,929	-
Interest on long-term debt	5,854,602	-	4,873,192	-
BURA	-	116,948	-	65,419
BLDC	-	644,331	-	462,252
<b>Total Expenses</b>	<b>91,869,411</b>	<b>761,279</b>	<b>86,358,361</b>	<b>527,671</b>
<b>Change in Net Position</b>	<b>\$ (3,152,044)</b>	<b>\$ (17,819)</b>	<b>\$ 33,908,180</b>	<b>\$ 24,432</b>

Net position of the City's activities decreased primarily due the pandemic with lost revenue among Water/Sewer and Ramps funds. Operating and capital grants fluctuate from year to year depending on the types of grants the City has applied for and received.

Property tax and tax items remained consistent from the prior year. Nonproperty taxes were down .97% in 2020, as compared to 2019. State revenue decreased primarily due less grants from the State. See Note 10 for more information about the City's joint ventures.

## CITY OF BINGHAMTON, NEW YORK

### Management's Discussion and Analysis (Unaudited)

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#### THE CITY'S GOVERNMENTAL FUNDS

The following shows changes in fund balance for the year for the City's funds.

	2020	2019	Increase (Decrease)	% Change
General Fund	\$ 20,105,603	\$ 21,128,332	\$ (1,022,729)	-5%
Capital Projects Fund	(48,471,713)	(25,219,477)	(23,252,236)	92%
Sewer Fund	2,637,429	4,366,570	(1,729,141)	-40%
Special Grant Fund	473,262	443,447	29,815	7%
Non-Major Funds:				
Parking Ramp Fund	(509,555)	(127,842)	(381,713)	299%
Water Fund	1,884,650	1,883,664	986	0%
Refuse and Garbage Fund	995,152	975,370	19,782	2%
Total Fund Balance - governmental funds	<u>\$ (22,885,172)</u>	<u>\$ 3,450,064</u>	<u>\$ (26,335,236)</u>	-763%

The General Fund decrease was mainly the result of an decrease in departmental income and interest and earning revenue due to pandemic. Capital Projects Fund decreased due to more short term debt. Sewer Fund decreased due to write-offs of receivables due to pandemic and less water consumption. Parking Ramp Fund decreased due to less traffic due to pandemic.

#### GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the City Council as well as the management of the City revised the City General Fund budget several times. These budget amendments consist of transfers between functions, encumbrances from the prior fiscal year, and acceptance of grant awards.

#### CAPITAL ASSET AND DEBT ADMINISTRATION

##### Capital Assets

At December 31, 2020 the City had net capital assets of \$314,306,551. Change from the prior year was a result of depreciation expense of \$17,187,770 and capital asset additions net of disposals of \$26,105,418.

	2020	2019	Increase (Decrease)	% Change
Capital Assets:				
Land	\$ 4,279,869	\$ 4,279,869	\$ -	0%
Construction in Progress	2,239,055	18,640,267	(16,401,212)	-88%
Buildings, net	32,839,737	19,962,523	12,877,214	65%
Equipment, net	7,636,941	7,085,889	551,052	8%
Infrastructure, net	<u>267,310,949</u>	<u>255,420,355</u>	<u>11,890,594</u>	5%
Total Capital Assets, net	<u>\$ 314,306,551</u>	<u>\$ 305,388,903</u>	<u>\$ 8,917,648</u>	3%

## CITY OF BINGHAMTON, NEW YORK

### Management's Discussion and Analysis (Unaudited)

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#### Debt

Debt (bonds, BANs, and lease obligations payable), considered a liability of Governmental Activities, as shown below. Of the amount of bonds and BANs outstanding, \$67,915,913 is subject to the constitutional debt limit and represented 64.17% of the City's statutory debt limit. The City's bond rating was assigned an A2 by Moody's. More detailed information about the City's liabilities is presented in the notes to the financial statements.

	2020	2019	Increase (Decrease)	% Change
Outstanding Debt:				
Bond Anticipation Notes	\$ 65,402,941	\$ 57,976,770	\$ 7,426,171	13%
Serial Bonds	64,575,000	69,430,000	(4,855,000)	-7%
EFC Bonds	108,370,967	112,802,576	(4,431,609)	-4%
Installment Purchase Debt	-	81,183	(81,183)	-100%
Total Outstanding Debt	<u>\$ 238,348,908</u>	<u>\$ 240,290,529</u>	<u>\$ (1,941,621)</u>	-1%

#### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City, with a land area of approximately 10.4 square miles, is situated in the southern portion of Broome County (the "County") in upstate New York. The City of Syracuse lies approximately 75 miles to the north, while the Pennsylvania border lies approximately 7 miles to the south. The City is the County Seat of the County and is part of a metropolitan area running along the Susquehanna River Valley through the incorporated Villages of Endicott and Johnson City and the unincorporated area of Vestal.

Major highways within and in close proximity to the City include U.S. Route 11, Interstate 81 which extends north to Canada and south to Tennessee, Interstate 88 which runs northeast to Albany, Route 17 (soon to be Interstate 86) which runs east-west and connects with Interstate 87 north of New York City and Interstate 90 near Erie, Pennsylvania, and State Routes 7, 12, and 26.

Banking services are provided within the City by offices of Key Bank, N.A., M&T Bank, Chemung Canal, Tioga State Bank and NBT Bank, N. A. The City maintains accounts with Chase Bank, M&T Bank, Chemung Canal Trust Company and NYCLASS.

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

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**Recent and Planned Construction and Development Activity**

The City has instituted an aggressive approach to develop and expand the commercial and industrial base within the City and is continuing to establish its central business district as a major retailing, cultural, convention, and entertainment center. Today, the business district is thriving during both day and evening hours. Downtown has also become an entertainment center and a place where thousands of residents and visitors come to socialize following the end of the workday and on weekends. The urban core currently hosts a variety of restaurants, coffeehouses, hotels, and taverns that attract people from throughout the region. Also located downtown is the Vision's Veterans Memorial Arena, a 6,925 (4,679 for hockey) seat multi-purpose arena and home of the Binghamton Black Bears, a professional ice hockey team in the Federal Prospect Hockey League, which is a primary entertainment venue for residents of the Greater Binghamton area. NYSEG Stadium (former Binghamton Municipal Stadium), a stadium located in the northern section of downtown Binghamton, is home to the Binghamton Rumble Ponies of the Double-A Eastern League. The Broome County Forum Theatre (the "Forum") is a 1,500-seat performing arts theatre located in City's downtown and home to Broadway in Binghamton, the Tri-Cities Opera, and the Binghamton Philharmonic. The Forum also hosts a wide variety of other events, including concerts, comedians, conventions, talent competitions, and recitals. It also houses a Robert Morton Theatre Organ.

In recent years, thousands of new upscale student housing units have opened in the City's downtown, including Twin Rivers Commons, 20 Hawley St., Chenango Place and the Printing House. These residential and mixed-use projects have brought a renewed optimism and economic vitality to the City's downtown and beyond. The projects resulted in millions of dollars being invested into urban core and have spurred new commercial development, including multiple restaurants, taverns and shops.

Most recently, the housing focus has shifted away from students and toward other populations, including empty nesters, young professionals and families. Across the City, more than \$90 million in public and private housing development is underway or planned in 2020, including affordable, homeless and market-rate housing.

The City's Economic Development Office is working in concert with SUNY Broome and the University to identify suitable locations for the Governor's "Start-Up New York" tax free zone program. The Charles Street Business Park and a large manufacturing-ready facility on Court Street both offer build to suit and move-in opportunities. The Binghamton Local Development Corporation (the "BLDC") has worked with local business owners, Cornell University, SUNY Broome, and Cornell Cooperative Extension to attract a new generation of food businesses to take advantage of Binghamton's proximity to Cornell's technology and the City's access to three major railroads and three major interstate highways.

**Recent Budget Results**

The City Council and Mayor adopted and approved the 2021 budget which included effectively stable tax rates in compliance with the statutory tax cap; however, a total appropriation of approximately \$2,300,000 from General Fund reserves is expected to be used. For 2022 the Mayor's proposed budget decreased 0.11%.

**Education**

Binghamton University began as a Triple Cities College in 1946, joining the State University System in 1950 as Harpur College. In 1965 the campus was formally designated the State University of New York at Binghamton. Today, the University consists of the Harpur College of Arts & Sciences, the School of Education & Human Development, the School of Management, the Decker School of Nursing, the College of Community and Public Affairs, Thomas J. Watson School of Engineering & Applied Sciences and the School of Pharmacy and Pharmaceutical Sciences. Binghamton University had an enrollment of 14,380 undergraduates and 3,808 graduate students for the 2020 Fall semester.

## **CITY OF BINGHAMTON, NEW YORK**

### **Management's Discussion and Analysis (Unaudited)**

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Nationally recognized as a world-class institution, and one of the most elite research institutions in the nation, Binghamton University offers students a broad, interdisciplinary education with an international perspective. For 16 straight years, U.S. News & World Report has ranked Binghamton as one of the nation's top 50 public universities. Kiplinger's Personal Finance Magazine rated Binghamton University seventh among the Nations Public Universities for out-of-state students and fourteenth overall in its 2018 - 2019 ranking of the 100 Best Values in Public Colleges.

Broome County Community College, renamed SUNY Broome, is a comprehensive academic institution supervised by the State University of New York, sponsored by Broome County, and accredited by both professional and educational organizations. The college was chartered as the New York State Institute of Applied Arts and Sciences at Binghamton in 1946. It became Broome Community College in 1971 and, in September 2013, it underwent its final name change to SUNY Broome Community College to highlight its long history as a State University of New York Institution.

SUNY Broome had an enrollment of 3,939 full-time and 2,181 part-time students for the Fall 2020 semester. The college offers 50 degree programs and various certificate programs designed to prepare graduates for immediate employment or transfer to four-year colleges and universities.

The expansion of Binghamton University and SUNY Broome has led to increased demand for off-campus student housing and resulted in a housing boom in downtown Binghamton in recent years. There have been several multi-million dollar student housing projects, including new construction projects, such as 20 Hawley and Twin River Commons, and the renovation of multiple historic buildings, such as Chenango Place, The Printing House, and University Lofts. A total of 367 units with 1,445 beds are planned. A \$17.5 million waterfront housing project, called Chenango Place consisting of 178 student beds was completed in the summer of 2014, creating 50 full-time construction jobs during construction and 20 permanent jobs. This project also restored part of a historic downtown building.

#### **Subsequent Events**

The impact of COVID-19 will be damaging to many municipalities in 2020 and 2021, the City will be no different. Because the County makes the City whole cash flow from Tax payments will not be affected. The net decrease in fund balance was around a million dollars, in 2021 for the most part things are looking up. Sales tax has been higher than any other year. With the assistance of stimulus funds the city is going to be able reduce the debt of some of the projects being started to reduce debt levels and tax rates. Some major projects just being started is a new fire station, community center, and parking garage with 122 market rate housing units.

With interest rates at an all-time low the city has elected to refinance its 2015 bond. This should occur in October. EFC is also going long term with some of our notes associated with the joint sewage project.

#### **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about the report or need any additional financial information, contact Clarence E. Shager, City Comptroller, City Hall, 38 Hawley Street, Binghamton, NY 13901.

**CITY OF BINGHAMTON, NEW YORK**

**Statement of Net Position  
December 31, 2020**

	Governmental Activities	Business-type Activities	Total Primary Government
<b>ASSETS</b>			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 19,190,873	\$ 94,802	\$ 19,285,675
Restricted cash and cash equivalents	22,384,087	1,841,625	24,225,712
Accounts receivable	-	40,750	40,750
Due from state and federal governments	5,553,613	-	5,553,613
Due from other governments	8,216,971	-	8,216,971
Other receivables, net	5,674,501	-	5,674,501
Inventory	447,552	-	447,552
Prepaid expenditures	2,221,108	-	2,221,108
Loans receivable, current portion	-	731,157	731,157
Total current assets	<u>63,688,705</u>	<u>2,708,334</u>	<u>66,397,039</u>
NONCURRENT ASSETS:			
Inventory - property held for sale	-	1,200,413	1,200,413
Loans receivable, net	6,110,283	947,658	7,057,941
Equity interest in joint ventures	146,189,611	-	146,189,611
Capital assets, net	314,306,551	-	314,306,551
Total noncurrent assets	<u>466,606,445</u>	<u>2,148,071</u>	<u>468,754,516</u>
Total assets	<u>530,295,150</u>	<u>4,856,405</u>	<u>535,151,555</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related	28,621,244	-	28,621,244
OPEB related	15,763,959	-	15,763,959
Total deferred outflows of resources	<u>44,385,203</u>	<u>-</u>	<u>44,385,203</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES:			
Accounts payable	4,468,743	41,521	4,510,264
Accrued liabilities	13,246,734	551,342	13,798,076
Bond anticipation notes payable	65,402,941	-	65,402,941
Interest payable	1,146,465	-	1,146,465
Unearned revenue	1,341,283	-	1,341,283
Other liabilities	4,420	-	4,420
Compensated absences, current portion	420,861	-	420,861
Bonds payable, current portion	9,999,917	-	9,999,917
Total current liabilities	<u>96,031,364</u>	<u>592,863</u>	<u>96,624,227</u>
LONG-TERM LIABILITIES:			
Bonds payable, net of current portion	162,946,050	-	162,946,050
Compensated absences, net of current portion	3,518,066	-	3,518,066
Net pension liability	39,268,275	-	39,268,275
Total other postemployment benefits	61,862,150	-	61,862,150
Total long-term liabilities	<u>267,594,541</u>	<u>-</u>	<u>267,594,541</u>
Total liabilities	<u>363,625,905</u>	<u>592,863</u>	<u>364,218,768</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related	2,065,248	-	2,065,248
OPEB related	49,200,906	-	49,200,906
Total deferred inflows of resources	<u>51,266,154</u>	<u>-</u>	<u>51,266,154</u>
<b>NET POSITION</b>			
Net investment in capital assets	219,253,346	-	219,253,346
Restricted	24,845,527	3,679,802	28,525,329
Unrestricted	(84,310,579)	583,740	(83,726,839)
Total net position	<u>\$ 159,788,294</u>	<u>\$ 4,263,542</u>	<u>\$ 164,051,836</u>

The accompanying notes are an integral part of these statements.



CITY OF BINGHAMTON, NEW YORK

Statement of Activities  
For the year ended December 31, 2020

	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total Primary Government
Governmental activities:							
General government support	\$ 24,333,805	\$ 128,604	\$ 97,013	\$ -	\$ (24,108,188)	\$ -	\$ (24,108,188)
Public safety	37,333,028	605,812	284,519	510,613	(35,932,084)	-	(35,932,084)
Public health	100,360	731,672	11,969	-	643,281	-	643,281
Transportation	4,069,579	1,232,390	-	2,883,190	46,001	-	46,001
Economic assistance and opportunity	163,000	-	-	-	(163,000)	-	(163,000)
Culture and recreation	4,041,313	7,814	-	-	(4,033,499)	-	(4,033,499)
Home and community services	15,973,724	18,150,792	2,182,211	1,993,525	6,352,804	-	6,352,804
Interest on long-term debt	5,854,602	-	-	-	(5,854,602)	-	(5,854,602)
Total governmental activities	<u>91,869,411</u>	<u>20,857,084</u>	<u>2,575,712</u>	<u>5,387,328</u>	<u>(63,049,287)</u>	<u>-</u>	<u>(63,049,287)</u>
Business-type activities:							
BURA	116,948	-	114,035	-	-	(2,913)	(2,913)
BLDC	644,331	93,520	534,706	-	-	(16,105)	(16,105)
Total business-type activities	<u>761,279</u>	<u>93,520</u>	<u>648,741</u>	<u>-</u>	<u>-</u>	<u>(19,018)</u>	<u>(19,018)</u>
Total primary government	<u>\$ 92,630,690</u>	<u>\$ 20,950,604</u>	<u>\$ 3,224,453</u>	<u>\$ 5,387,328</u>	<u>(63,049,287)</u>	<u>(19,018)</u>	<u>(63,068,305)</u>
General revenues:							
Real property taxes					34,057,740	-	34,057,740
Other real property tax items					1,104,462	-	1,104,462
Non-property taxes					13,219,940	-	13,219,940
Use of money and property					117,966	1,199	119,165
Sale of property and compensation for loss					547,649	-	547,649
Miscellaneous					1,736,885	-	1,736,885
State sources					11,377,064	-	11,377,064
Change in equity interest in joint ventures					(2,264,463)	-	(2,264,463)
Total general revenues					<u>59,897,243</u>	<u>1,199</u>	<u>59,898,442</u>
Change in net position					(3,152,044)	(17,819)	(3,169,863)
Net position - beginning of year					<u>162,940,338</u>	<u>4,281,361</u>	<u>167,221,699</u>
Net position - end of year					<u>\$ 159,788,294</u>	<u>\$ 4,263,542</u>	<u>\$ 164,051,836</u>

The accompanying notes are an integral part of these statements.

CITY OF BINGHAMTON, NEW YORK

Balance Sheet  
Governmental Funds  
December 31, 2020

	General Fund	Capital Projects Fund	Sewer Fund	Special Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 9,903,466	\$ 5,734,692	\$ 157,124	\$ 524,498	\$ 765,328	\$ 17,085,108
Restricted cash and cash equivalents	3,539,780	16,093,392	82,723	-	14,965	19,730,860
Due from other funds	2,283,061	81,108	-	-	310,000	2,674,169
Due from state and federal governments	2,220,351	2,791,208	-	542,054	-	5,553,613
Due from other governments	3,339,149	4,058,677	618,824	-	361,207	8,377,857
Other receivables, net	553,603	183,523	2,877,596	-	2,059,779	5,674,501
Inventory	40,874	-	122,322	-	284,356	447,552
Prepaid expenditures	1,757,714	-	59,785	-	281,387	2,098,886
Loans receivable, net	-	-	-	6,110,283	-	6,110,283
<b>Total assets</b>	<b>\$ 23,637,998</b>	<b>\$ 28,942,600</b>	<b>\$ 3,918,374</b>	<b>\$ 7,176,835</b>	<b>\$ 4,077,022</b>	<b>\$ 67,752,829</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
<b>LIABILITIES:</b>						
Accounts payable	\$ 612,391	\$ 2,838,665	\$ 21,714	\$ 578,066	\$ 365,396	\$ 4,416,232
Accrued liabilities	2,147,437	9,172,707	42,935	-	249,955	11,613,034
Due to other funds	375,883	-	1,211,500	15,224	1,067,623	2,670,230
Bond anticipation notes payable	-	65,402,941	-	-	-	65,402,941
Compensated absences	396,684	-	4,796	-	19,381	420,861
Unearned revenue	-	-	-	1,341,283	-	1,341,283
Other liabilities	-	-	-	-	4,420	4,420
<b>Total liabilities</b>	<b>3,532,395</b>	<b>77,414,313</b>	<b>1,280,945</b>	<b>1,934,573</b>	<b>1,706,775</b>	<b>85,869,001</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>						
Unavailable revenue	-	-	-	4,769,000	-	4,769,000
<b>FUND BALANCES:</b>						
Nonspendable	1,798,588	-	182,107	-	565,743	2,546,438
Restricted	3,381,561	16,093,392	2,455,322	473,262	1,441,990	23,845,527
Committed	-	-	-	-	880,494	880,494
Assigned	2,767,615	-	-	-	-	2,767,615
Unassigned	12,157,839	(64,565,105)	-	-	(517,980)	(52,925,246)
<b>Total fund balances</b>	<b>20,105,603</b>	<b>(48,471,713)</b>	<b>2,637,429</b>	<b>473,262</b>	<b>2,370,247</b>	<b>(22,885,172)</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 23,637,998</b>	<b>\$ 28,942,600</b>	<b>\$ 3,918,374</b>	<b>\$ 7,176,835</b>	<b>\$ 4,077,022</b>	<b>\$ 67,752,829</b>

The accompanying notes are an integral part of these statements

**CITY OF BINGHAMTON, NEW YORK**

**Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position  
December 31, 2020**

Total fund balance - governmental funds		\$ (22,885,172)
Total net position reported for governmental activities in the statement of net position is different because:		
Equity interests in joint ventures are not reported in the fund financial statements because they do not represent current financial resources.		146,189,611
Amounts due from the joint venture included in due from other governments in the fund financial statements are eliminated in the Statement of Net Position, as they are captured under the equity interest in joint venture.		(160,886)
Capital assets used in governmental activities are not current financial resources and therefore, are not reported in the funds.		
Cost of capital assets	\$ 571,645,947	
Accumulated depreciation	<u>(257,339,396)</u>	
		314,306,551
Other deferred outflows of resources not reported in the governmental funds Balance Sheet but included in the Statement of Net Position are as follows:		
Pension related	\$ 28,621,244	
OPEB related	<u>15,763,959</u>	
		44,385,203
Interest payable accrued in the Statement of Net Position does not require the use of current financial resources and, therefore, is not reported as a liability in the funds.		(1,146,465)
Long-term debt and other noncurrent liabilities are not due and payable in the current period and; therefore, are not reported in the funds.		
Bonds payable	\$ (172,945,967)	
Compensated absences	(3,518,066)	
Net pension liability	(39,268,275)	
Other postemployment benefits	<u>(61,862,150)</u>	
		(277,594,458)
Portions of loans receivable are not available to pay for current period expenditures and are deferred in the funds.		4,769,000
Other deferred inflows of resources not reported in the governmental funds Balance Sheet but included in the Statement of Net Position are as follows:		
Pension related	\$ (2,065,248)	
OPEB related	<u>(49,200,906)</u>	
		(51,266,154)
Internal Service Funds are used by management to charge the costs of certain activities, such as health and workers' compensation insurance. The assets and liabilities of the Internal Service Funds are included in Governmental Activities in the Statement of Net Position.		<u>3,191,064</u>
Net position of governmental activities		<u>\$ 159,788,294</u>

The accompanying notes are an integral part of these statements.

CITY OF BINGHAMTON, NEW YORK

Statement of Revenues, Expenditures and Change in Fund Balances  
 Governmental Funds  
 For the year ended December 31, 2020

	General Fund	Capital Projects Fund	Sewer Fund	Special Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:						
Real property taxes	\$ 34,057,740	\$ -	\$ -	\$ -	\$ -	\$ 34,057,740
Other real property tax items	1,104,462	-	-	-	-	1,104,462
Non-property taxes	13,219,940	-	-	-	-	13,219,940
Departmental income	1,223,412	2,050	9,955,116	-	8,512,437	19,693,015
Intergovernmental charges	421,468	6,443,753	-	132,412	-	6,997,633
Interfund revenues	1,436,724	-	-	-	175,795	1,612,519
Use of money and property	70,915	44,460	825	-	1,763	117,963
Licenses and permits	280,201	-	-	-	-	280,201
Fines and forfeitures	374,893	-	-	-	-	374,893
Sale of property and compensation for loss	257,227	658,933	-	-	1,233	917,393
Miscellaneous	34,087	434,979	9,707	-	5,999	484,772
State aid	10,085,590	4,660,091	-	-	-	14,745,681
Federal aid	153,910	1,553,834	-	2,507,214	-	4,214,958
<b>Total revenues</b>	<b>62,720,569</b>	<b>13,798,100</b>	<b>9,965,648</b>	<b>2,639,626</b>	<b>8,697,227</b>	<b>97,821,170</b>
EXPENDITURES:						
General government support	6,781,420	3,888,561	20,490	-	19,001	10,709,472
Public safety	22,840,871	1,525,470	-	-	-	24,366,341
Public health	51,774	4,808	-	-	-	56,582
Transportation	2,057,291	15,446,249	-	-	507,477	18,011,017
Economic assistance and opportunity	-	-	-	163,000	-	163,000
Culture and recreation	2,629,415	1,416,328	-	29,898	-	4,075,641
Home and community services	1,184,025	19,440,099	3,281,609	2,416,913	5,675,263	31,997,909
Employee benefits	17,153,807	33,299	364,104	-	2,002,840	19,554,050
Debt Service - principal	4,191,800	-	5,342,159	-	2,606,537	12,140,496
Debt Service - interest	1,797,460	-	2,594,728	-	1,059,594	5,451,782
<b>Total expenditures</b>	<b>58,687,863</b>	<b>41,754,814</b>	<b>11,603,090</b>	<b>2,609,811</b>	<b>11,870,712</b>	<b>126,526,290</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>4,032,706</b>	<b>(27,956,714)</b>	<b>(1,637,442)</b>	<b>29,815</b>	<b>(3,173,485)</b>	<b>(28,705,120)</b>
OTHER FINANCING SOURCES (USES):						
Proceeds from refunding bonds	3,764,512	-	2,774,084	-	1,586,404	8,125,000
Payment to refunded bond escrow agent	(3,712,536)	-	(2,735,783)	-	(1,564,500)	(8,012,819)
BANs redeemed from appropriations	-	2,257,703	-	-	-	2,257,703
Interfund transfers in	-	2,446,775	-	-	2,991,136	5,437,911
Interfund transfers out	(5,107,411)	-	(130,000)	-	(200,500)	(5,437,911)
<b>Total other financing sources (uses)</b>	<b>(5,055,435)</b>	<b>4,704,478</b>	<b>(91,699)</b>	<b>-</b>	<b>2,812,540</b>	<b>2,369,884</b>
<b>CHANGE IN FUND BALANCE</b>	<b>(1,022,729)</b>	<b>(23,252,236)</b>	<b>(1,729,141)</b>	<b>29,815</b>	<b>(360,945)</b>	<b>(26,335,236)</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>21,128,332</b>	<b>(25,219,477)</b>	<b>4,366,570</b>	<b>443,447</b>	<b>2,731,192</b>	<b>3,450,064</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 20,105,603</b>	<b>\$ (48,471,713)</b>	<b>\$ 2,637,429</b>	<b>\$ 473,262</b>	<b>\$ 2,370,247</b>	<b>\$ (22,885,172)</b>

The accompanying notes are an integral part of these statements.

**CITY OF BINGHAMTON, NEW YORK**

**Reconciliation of the Statement of Revenues, Expenditures and Change in Fund Balances -  
Governmental Funds to the Statement of Activities  
For the year ended December 31, 2020**

Net changes in fund balances - total governmental funds		\$ (26,335,236)
The change in net position reported for governmental activities in the Statement of Activities is different because:		
Equity interests in joint ventures are not reported in the fund financial statements because they do not represent current financial resources. This is the change in the investments in the City's joint ventures.		(2,264,463)
Activity related to the equity interest in the joint venture reported in the fund financial statements is eliminated in the Statement of Activities.		9,523,018
The cost of investment in capital assets and the depreciation expense associated with the investment in capital assets are reported as expenditures in the year they are incurred in the Statement of Revenues, Expenses and Change in Fund Balances. However, the Statement of Net Position includes those costs among the assets of the City, and their original costs are depreciated annually over the life of the asset.		
Capital outlay	\$ 26,475,162	
Depreciation expense	(17,187,770)	
Net book value of disposed asset	<u>(369,744)</u>	
		8,917,648
Issuance of long-term debt is recognized as proceeds in the governmental funds, but recorded as a liability in the statement of net position.		(8,125,000)
Repayments of long-term serial bonds and lease obligations are recorded as expenditures in the governmental funds, but are recorded as reductions of liabilities in the statement of net position.		17,895,612
Losses related to current year debt refunding are not recognized in the fund financial statements, which recognize expenditures on debt as payments are made.		(402,820)
Certain expenses in the statement of activities do not require the expenditure of current resources and are, therefore, not reported as expenditures in the governmental funds include the following:		
Compensated absences		393,688
Pension (expense)/income resulting from the change in the pension related (liabilities)/assets and deferred outflows and inflows of resources, that are long-term in nature and therefore not reported in the funds.		
Net pension liability/asset	\$ (26,475,173)	
Deferred outflows of resources	16,416,661	
Deferred inflows of resources	<u>3,127,833</u>	
		(6,930,679)
Other postemployment benefits (expense)/income resulting from the change in the related (liabilities)/assets and deferred outflows and inflows of resources, that are long-term in nature and therefore not reported in the funds.		
Other postemployment benefits liability	\$ 8,237,434	
Deferred outflows of resources	4,982,374	
Deferred inflows of resources	<u>(8,909,257)</u>	
		4,310,551
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the difference in unearned revenue.		(25,843)
Internal Service Funds are used by management to charge the costs of certain activities, such as workers' compensation and insurance, to individual funds. Net revenue of the Internal Service Fund is reported with Governmental Activities.		<u>(108,520)</u>
Change in net position of governmental activities		<u>\$ (3,152,044)</u>

The accompanying notes are an integral part of these statements.

**CITY OF BINGHAMTON, NEW YORK**

**Statement of Net Position  
Proprietary Funds  
December 31, 2020**

	Business-Type Activities			Governmental Activities
	<u>BURA</u>	<u>BLDC</u>	<u>Total</u>	<u>Internal Service Fund</u>
<b>ASSETS</b>				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 24,382	\$ 70,420	\$ 94,802	\$ 2,105,765
Restricted cash and cash equivalents	-	1,841,625	1,841,625	2,653,227
Accounts receivable	-	40,750	40,750	-
Loans receivable, current portion	-	731,157	731,157	-
Prepaid expenses	-	-	-	122,222
Total current assets	<u>24,382</u>	<u>2,683,952</u>	<u>2,708,334</u>	<u>4,881,214</u>
NONCURRENT ASSETS:				
Inventory - property held for sale	439,432	760,981	1,200,413	-
Loans receivable, net of current portion and allowance for doubtful accounts of \$327,911	-	947,658	947,658	-
Total noncurrent assets	<u>439,432</u>	<u>1,708,639</u>	<u>2,148,071</u>	<u>-</u>
Total assets	<u>463,814</u>	<u>4,392,591</u>	<u>4,856,405</u>	<u>4,881,214</u>
<b>LIABILITIES</b>				
CURRENT LIABILITIES:				
Accounts payable	111	41,410	41,521	52,511
Accrued liabilities	-	551,342	551,342	1,633,700
Due to other funds	-	-	-	3,939
Total liabilities	<u>111</u>	<u>592,752</u>	<u>592,863</u>	<u>1,690,150</u>
<b>NET POSITION</b>				
Restricted	20,000	3,659,802	3,679,802	1,000,000
Unrestricted	<u>443,703</u>	<u>140,037</u>	<u>583,740</u>	<u>2,191,064</u>
Total net position	<u>\$ 463,703</u>	<u>\$ 3,799,839</u>	<u>\$ 4,263,542</u>	<u>\$ 3,191,064</u>

The accompanying notes are an integral part of these statements

CITY OF BINGHAMTON, NEW YORK

Statement of Revenues, Expenses and Change in Net Position - Proprietary Funds  
 Proprietary Funds  
 For the year ended December 31, 2020

	Business-Type Activities			Governmental
	BURA	BLDC	Total	Internal Service Fund
<b>OPERATING REVENUES:</b>				
Interdepartmental charges	\$ -	\$ -	\$ -	\$ 2,024,002
Grant income	110,038	534,706	644,744	-
Interest and fees on loans	-	53,822	53,822	-
Other operating revenues	-	39,698	39,698	157,259
In-Kind revenue	3,997	-	3,997	-
<b>Total operating revenues</b>	<b>114,035</b>	<b>628,226</b>	<b>742,261</b>	<b>2,181,261</b>
<b>OPERATING EXPENSES:</b>				
Salaries and benefits	-	163,000	163,000	141,392
Contractual services	-	-	-	478,000
Workers compensation claims	-	-	-	1,683,755
Grant expense	-	377,894	377,894	-
Marketing	-	11,928	11,928	-
Professional fees	2,000	8,500	10,500	-
Utilities	1,417	-	1,417	-
Stadium maintenance	87,943	-	87,943	-
Office expenses	-	275	275	-
Other	21,591	82,734	104,325	-
In-Kind expense	3,997	-	3,997	-
<b>Total operating expenses</b>	<b>116,948</b>	<b>644,331</b>	<b>761,279</b>	<b>2,303,147</b>
<b>INCOME (LOSS) FROM OPERATIONS</b>	<b>(2,913)</b>	<b>(16,105)</b>	<b>(19,018)</b>	<b>(121,886)</b>
<b>NONOPERATING (EXPENSES) REVENUES:</b>				
Interest income	7	1,192	1,199	13,366
<b>Total nonoperating (expenses) revenues</b>	<b>7</b>	<b>1,192</b>	<b>1,199</b>	<b>13,366</b>
<b>CHANGE IN NET POSITION</b>	<b>(2,906)</b>	<b>(14,913)</b>	<b>(17,819)</b>	<b>(108,520)</b>
<b>NET POSITION - beginning of year</b>	<b>466,609</b>	<b>3,814,752</b>	<b>4,281,361</b>	<b>3,299,584</b>
<b>NET POSITION - end of year</b>	<b>\$ 463,703</b>	<b>\$ 3,799,839</b>	<b>\$ 4,263,542</b>	<b>\$ 3,191,064</b>

The accompanying notes are an integral part of these statements.

**CITY OF BINGHAMTON, NEW YORK**

**Statement of Cash Flows - Proprietary Funds  
For the year ended December 31, 2020**

	Business-Type Activities			Governmental Activities
	BURA	BLDC	Total	Internal Service Fund
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Cash received from providing services	\$ 110,038	\$ -	\$ 110,038	\$ 2,012,708
Cash received from loans and loan fees	-	180,574	180,574	-
Cash received from grants	-	617,658	617,658	-
Cash received from miscellaneous sources	-	32,556	32,556	157,259
Cash payments for contractual services	(112,980)	(644,562)	(757,542)	(458,865)
Cash payments for property held for sale	-	(20,309)	(20,309)	-
Cash payments to loan borrowers	-	(280,000)	(280,000)	-
Cash payments for salaries and benefits	-	-	-	(141,392)
Cash payments for workers compensation claims	-	-	-	(1,687,863)
Net cash flow from operating activities	<u>(2,942)</u>	<u>(114,083)</u>	<u>(117,025)</u>	<u>(118,153)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Interest income received	<u>7</u>	<u>1,192</u>	<u>1,199</u>	<u>13,366</u>
Net cash flow from investing activities	<u>7</u>	<u>1,192</u>	<u>1,199</u>	<u>13,366</u>
CHANGE IN CASH AND CASH EQUIVALENTS	(2,935)	(112,891)	(115,826)	(104,787)
CASH AND CASH EQUIVALENTS - beginning of year	<u>27,317</u>	<u>2,024,936</u>	<u>2,052,253</u>	<u>4,863,779</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 24,382</u>	<u>\$ 1,912,045</u>	<u>\$ 1,936,427</u>	<u>\$ 4,758,992</u>
Cash and cash equivalents - unrestricted	\$ 24,382	\$ 70,420	\$ 94,802	\$ 2,105,765
Cash and cash equivalents - restricted	-	1,841,625	1,841,625	2,653,227
Total cash and cash equivalents	<u>\$ 24,382</u>	<u>\$ 1,912,045</u>	<u>\$ 1,936,427</u>	<u>\$ 4,758,992</u>
<b>RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH USED BY OPERATING ACTIVITIES:</b>				
Income (loss) from operations	\$ (2,913)	\$ (16,105)	\$ (19,018)	\$ (121,886)
Adjustments to reconcile income (loss) from operations to net cash flows from operating activities:				
Changes in:				
Grants receivable	-	75,810	75,810	-
Loans receivable	-	(152,248)	(152,248)	-
Inventory - property held for sale	-	(186,651)	(186,651)	-
Prepaid expenses	-	-	-	(13,259)
Allowance for doubtful accounts	-	(1,000)	(1,000)	-
Accounts payable	(29)	(231)	(260)	32,394
Accrued liabilities	-	166,342	166,342	(4,108)
Due to other funds	-	-	-	(11,294)
Net cash flow from operating activities	<u>\$ (2,942)</u>	<u>\$ (114,083)</u>	<u>\$ (117,025)</u>	<u>\$ (118,153)</u>

The accompanying notes are an integral part of these statements



**CITY OF BINGHAMTON, NEW YORK**

**Statement of Fiduciary Net Position**

**Fiduciary Fund**

**December 31, 2020**

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	Custodial Fund
<b>ASSETS:</b>	
Restricted cash and cash equivalents	\$ <u>34,678</u>
Total assets	<u>34,678</u>
<b>LIABILITIES:</b>	
Accounts payable	<u>1,145</u>
Total liabilities	<u>1,145</u>
<b>NET POSITION:</b>	
Restricted	\$ <u><u>33,533</u></u>

**Statement of Changes in Fiduciary Net Position**

**Fiduciary Fund**

**For the year ended December 31, 2020**

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	Custodial Fund
<b>ADDITIONS:</b>	
Funds held for others	\$ <u>36,956</u>
Total additions	<u>36,956</u>
<b>DEDUCTIONS:</b>	
Funds held for others	<u>3,423</u>
Total deductions	<u>3,423</u>
Change in net position	33,533
Total net position - beginning of year	<u>-</u>
Total net position - end of year	\$ <u><u>33,533</u></u>

The accompanying notes are an integral part of these statements.

# CITY OF BINGHAMTON, NEW YORK

## Notes to Basic Financial Statements

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Binghamton (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

#### **Financial Reporting Entity**

The City, which was established in 1867, is governed by its Charter, General City Law, and other general laws of the State of New York and various local laws. The Common Council is the legislative body responsible for overall operations; the Mayor serves as chief executive officer, and the Comptroller serves as the chief fiscal officer.

The following basic services are provided: public safety (police and fire), highways and streets, sanitation, health, culture and recreation, parking facilities, economic and community development, planning and zoning, and general administration.

All Governmental Activities and functions performed for the City are its direct responsibility. No other governmental organizations have been included or excluded from the reporting entity.

The financial reporting entity consists of the following, as defined by GASB Statement No. 14, "The Financial Reporting Entity," as amended by GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units" and GASB Statement No. 61, "The Reporting Entity: Omnibus":

- The primary government, which is the City,
- Organizations for which the primary government is financially accountable, and;
- Other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The decision to include a potential component unit in the City's reporting entity is based on several criteria set forth in GASB Statement No. 14, as amended by GASB Statement Nos. 39 and 61, including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following have been included in the City's reporting entity, and are discretely reported.

#### **Blended Component Unit - Binghamton Urban Renewal Agency**

The Binghamton Urban Renewal Agency (BURA) was created in 1963 pursuant to an act of the State Legislature (General Municipal Law Article 572). Members of the Agency consist of the Mayor, Comptroller, Corporation Counsel, City Engineer, Commissioner of Public Works, and two members of Common Council. Because of local grants in aid, municipal expenditures on behalf of BURA and municipal debt for BURA purposes, BURA provides benefits and creates burdens for the City.

## CITY OF BINGHAMTON, NEW YORK

### Notes to Basic Financial Statements

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#### **Blended Component Unit - Binghamton Local Development Corporation**

The Binghamton Local Development Corporation (BLDC) was incorporated in 1982 under not for profit corporation law. BLDC is governed by a Board of Directors consisting of the Mayor, Corporation Counsel, Director of the Economic Development Department, Comptroller, and several members at large. BLDC is fiscally dependent on the City because its operations are substantially funded by grants received from the City under the Federal Community Development Block Grant and Urban Development Action Grant programs. BLDC has a fiscal year end of August 31; the information included in the financial statements is for the year ended August 31, 2020.

BLDC is a nonprofit organization that reports under FASB standards, including FASB Statement No. 117, Financial Reporting for Not-for-Profit Organizations. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the BLDC's financial information in the City's financial reporting entity for these differences. Further, the cash flows of BLDC are presented as indirect method only, as FASB standards do not require the direct method.

Financial statements for BURA and BLDC are both available from the City Department of Economic Development.

#### **Joint Venture - Binghamton-Johnson City Joint Sewage and Waste Water Treatment Plant**

The City jointly operates a sewage treatment operation with the Village of Johnson City. The operation is jointly controlled and the City has an ongoing financial responsibility for, and an equity interest in, the joint venture. Equity interest in the joint venture has been reflected in the Statement of Net Position.

#### **Related Organization - Binghamton Housing Authority**

The Binghamton Housing Authority was created in 1957 pursuant to an act of the State Legislature. It is governed by seven members, five of whom are appointed by the Mayor. The Authority designates management and exercises complete responsibility for all fiscal matters.

#### **A. Basis of Presentation**

##### *Financial Statements*

The City's basic financial statements include both Government-wide (reporting the City as a whole) and Governmental Fund financial statements (reporting the City's Major Funds.) Both the Government-wide and Governmental Fund financial statements categorize primary activities as either governmental or proprietary. The City's general governmental support, education, public safety, health, transportation, highways and streets, economic assistance and opportunity, culture and recreation, and home and community services are classified as Governmental Activities. The remaining activities of BURA and BLDC (component units described above) are classified as Business-Type Activities.

## CITY OF BINGHAMTON, NEW YORK

### Notes to Basic Financial Statements

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#### *Government-wide Financial Statements*

The Government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of activities for the primary government. Government-wide financial statements do not include the activities reported in the Fiduciary Funds. This Government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

In the Government-wide Statement of Net Position, the Governmental Activities columns is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts - net investment in capital assets, restricted, and unrestricted.

The Statement of Activities reports both the gross and net cost for each of the City's functions or programs. Direct expenses, are those that are specifically associated with a service, program or department and, therefore, are clearly identifiable to a particular function. Indirect expenses relate to the administration and support of the City's programs, including personnel, overall administration and finance. These expenses are offset by program revenues - charges paid by the recipient of the goods or services offered by the program, grants, and contributions - that are restricted to meeting the program or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the City, with certain limited exceptions. The net cost represents the extent to which each function or program is self-financing or draws from the general revenues of the City.

#### *Fund Financial Statements*

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures or expenses. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

The City records its transactions in the funds described below:

#### **Governmental Fund Types**

Governmental Funds are those through which most governmental functions are financed. The acquisition, use, and balances of expendable financial resources, and the related liabilities are accounted for through Governmental Funds. The measurement focus of the Governmental Funds is based upon determination of financial position and changes in financial position.

# CITY OF BINGHAMTON, NEW YORK

## Notes to Basic Financial Statements

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a) Major Governmental Funds

*General Fund*

Principal operating fund; includes all operations not required to be recorded in other funds.

*Capital Projects Fund*

Accounts for financial resources to be used for the acquisition, construction, or renovation of major capital facilities or equipment.

*Special Revenue Funds*

Sewer Fund - Accounts for revenues derived from charges for sewer usage and benefited assessments, and the application of such revenues toward related operating expenses and debt retirement.

Special Grant Fund - Accounts for Community Development Block Grant activities and other federal revenue sources.

b) Non-major Governmental Funds

*Special Revenue Funds*

Parking Ramps Fund - Accounts for funds collected from parking garage receipts and related expenditures.

Water Fund - Accounts for revenues derived from charges for water consumption and the application of such revenues toward related operating expenses and debt retirement.

Refuse and Garbage Fund - Accounts for revenues derived from charges for garbage, refuse, and recycling consumption, and the application of such revenues toward related operating expenses.

**Proprietary Fund Types**

Proprietary Funds are used to account for activities which are similar to those often found in the private sector. The costs of providing goods or services to the general public are financed or recovered primarily through user fees. The measurement focus is upon determination of operating income, changes in net position, financial position, and cash flows.

The City reports the following Proprietary Funds:

a) Major Enterprise Funds

BLDC - Accounts for activities of the blended component unit.

b) Non-major Enterprise Funds

BURA - Accounts for activities of the blended component unit.

## CITY OF BINGHAMTON, NEW YORK

### Notes to Basic Financial Statements

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- c) Internal Service Fund - Governmental activities fund accounts for special activities or services provided by one department to other departments or to other governments on a cost-reimbursement basis, and for insurance coverage when the Council has decided to have a self-insurance program on an actuarial basis. The reimbursements and premiums are treated as operating revenues of the Internal Service Fund and as expenditures/expenses of the reimbursing or insured fund. Included is the following:

Self-Insurance Funds for Workers' Compensation - Accounts for the accumulation of resources for payment of compensation, assessments, and other obligations under Workers' Compensation Law, Article 5.

#### **Fiduciary Fund Types**

Fiduciary Fund Types are used to account for assets held by the local government in a trustee or custodial capacity. The City reports the following Fiduciary Fund:

Custodial Fund - Accounts for money and/or property received and held in the capacity of trustee, custodian or agent.

#### **B. Basis of Accounting and Measurement Focus**

Basis of accounting refers to when revenues and expenditures and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus. Measurement focus is the determination of what is measured, i.e. expenditures or expenses.

##### **Accrual Basis**

The Government-wide financial statements, Proprietary Funds and Fiduciary Fund financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets, deferred inflows of resources, liabilities, and deferred outflows of resources, including capital assets, as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

##### **Modified Accrual Basis**

Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Material revenues that are accrued include real property taxes, state and federal aid, sales tax, and certain user charges. The City has an agreement with Broome County whereby the County collects property taxes on behalf of the City and pays the City the full amount of taxes due prior to year-end. The City is assured of full tax collections, and has no current taxes receivable. All other revenues deemed collectible within one year after year end are recognized as revenues in the current year. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when

Expenditures are recorded when incurred. The cost of capital assets is recognized as an expenditure when received. Exceptions to this general rule are that 1) principal and interest on indebtedness are not recognized as an expenditure until due, and 2) compensated absences, such as vacation and sick leave, which vests or accumulates, are charged as an expenditure when paid.

## CITY OF BINGHAMTON, NEW YORK

### Notes to Basic Financial Statements

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#### **C. Deferred Outflows and Deferred Inflows of Resources**

In addition to assets, the Statements of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows related to pensions and OPEB plans in the Statement of Net Position.

In addition to liabilities, the Statement of Net Position and the Balance Sheet - Governmental Funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of deferred inflow which arises only under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the Balance Sheet - Governmental Funds. The governmental funds report unavailable revenues from loans and other receivables that remain uncollected 60 days after year-end. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, the City reports deferred inflows related to pensions and OPEB plans in the Statement of Net Position.

#### **D. Inventory**

Inventory is primarily comprised of parts and supplies held for the Water and Sewer funds. It is valued at cost utilizing the first-in, first-out method. The City uses the purchase method of accounting for inventories. At the end of the period, inventories are taken and significant inventories are recorded as an asset.

#### **E. Property Taxes**

Real property taxes are levied annually by the City no later than December 31, and become a lien on January 1. City taxes are collected in two installments, the first due January 31 and the second due July 31.

Effective September 1, 2006, the City signed an intermunicipal agreement with Broome County (County) for the purposes of tax billing, collection, and enforcement of property taxes for the City and the Binghamton City School District. As part of this agreement, the City turned over outstanding delinquent taxes, In Rem Agreements, Payment in Lieu of Tax Agreements, and foreclosures.

#### **F. Operating Revenues and Expenses**

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services in connection with a proprietary fund's principal ongoing operations. It also includes all revenues and expenses not related to capital and related financing or investment activities.

# CITY OF BINGHAMTON, NEW YORK

## Notes to Basic Financial Statements

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### **G. Receivables**

Amounts due from state and federal governments represent amounts owed to the City to reimburse it for expenditures incurred pursuant to state and federally funded programs. Other receivables represent amounts owed to the City including sewer rents, water rents, rehabilitation loans, and assessments. Provisions have been made for uncollectible accounts as considered appropriate by management. All receivables net of estimated allowances for uncollectible amounts are expected to be collected within the subsequent fiscal year.

### **H. Loans Receivable**

The City provides loans through the Community Development Block Grant (CDBG) and HOME programs under the U.S. Department of Housing and Urban Development (HUD). Portions of these loans are to be forgiven provided the recipient continues to own the property for a specified number of years. In general, the loans that are not forgiven will be payable upon transfer of title. The amount of these loans reported in the Special Grant Fund is offset by unearned revenue to the extent that the loans may be forgiven and the remainder is offset by deferred inflows of resources, as the revenue is not available. The unearned revenue is reported in governmental activities and the deferred inflows of resources amount is eliminated.

### **I. Cash and Cash Equivalents**

For financial statement purposes, all highly liquid investments with initial maturities of three months or less are considered cash equivalents.

### **J. Inventory - Property Held for Sale**

Amounts listed as property held for sale for BURA consist of parking lots and vacant properties owned by the Agency. The land is stated at the lower of net realizable value or cost. The Agency reports land at net realizable value. The original cost of the property was \$742,922. Land is not depreciated.

Amounts listed as property held for sale for BLDC consist of real estate purchased with the intent to resell. These properties are recorded at cost; unrealized gains or losses related to changes in market value are not recorded.



**CITY OF BINGHAMTON, NEW YORK**

**Notes to Basic Financial Statements**

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**K. Capital Assets**

All capital assets are valued at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives of the assets. Governmental capital assets purchased or acquired with an original cost of over \$5,000, and having a useful life of greater than three years are capitalized. The estimated useful lives for governmental capital assets are as follows:

Buildings	30 - 60 years
Improvements other than buildings	10 - 20 years
Machinery and Equipment	6 - 15 years
Infrastructure	5 - 60 years

No interest on construction in progress has been capitalized.

**L. Insurance**

The City assumes the liability for most risk including, but not limited to, property damage and personal injury liability. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated.

**M. Vacation and Sick Leave and Compensatory Absences**

The City recognizes a liability for vacation leave and other compensated absences with similar characteristics and additional salary-related payments as the benefits are earned by the employees, based on the rendering of past service and the probability the employees will be compensated for the benefits through paid time off or some other means. This includes vacation leave and other compensated absences with similar characteristics earned but not used during the current or prior periods and for which employees can receive compensation in a future period. Amounts do not include leave expected to lapse and do include leave that (new) employees will (eventually) qualify for.

In addition, the City recognizes a liability for vesting sick leave and other compensated absences with similar characteristics and additional salary-related payments as employees earn benefits and to the extent it is probable that the City will compensate the employees for the benefits through cash payments (which may be conditioned on the employees' termination or retirement), rather than be taken as absences due to illness or other contingencies.

The liability for compensated absences is calculated at rates in effect as of the balance sheet date and is recorded in the Governmental Funds inasmuch as it will be funded from current financial resources. The Statement of Net Position records this current portion, as well as amounts to be paid from future financial resources.

**N. Other Postemployment Benefits**

In addition to providing pension benefits, the City provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the City’s employees may become eligible for these benefits if they reach normal retirement age while working for the City. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-retirement benefits is shared between the City and the retired employee. The City recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure or operating transfer to other funds in the General Fund, in the year paid.

The City follows GASB Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other than Pensions.” The City’s liability for other postemployment benefits has been recorded in the Statement of Net Position, in accordance with the statement.

**O. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates, particularly given the economic disruptions and uncertainties associated with the ongoing COVID-19 pandemic, and such differences may be significant.

**P. Restricted Resources**

When an expense is incurred for purposes for which both restricted and unrestricted net resources are available, it is the City’s policy to apply restricted funds before unrestricted funds, unless otherwise prohibited by legal requirements.

Certain assets are classified on the Balance Sheet as restricted because their use is limited. The proceeds of bond and note sales may only be used for the stated borrowing purpose. Community Development Block Grant Funds must be used for approved programs only.

## CITY OF BINGHAMTON, NEW YORK

### Notes to Basic Financial Statements

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#### Q. Equity Classifications

##### *Government-wide Financial Statements*

Equity is classified as net position and displayed in three components

- Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings attributable to the acquisition, construction, or improvement of those assets.
- Restricted - Consists of resources with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.
- Unrestricted - Consists of all other resources that do not meet the definition of “restricted” or “net investment in capital assets.”

##### *Governmental Fund Financial Statements*

The City reports fund balance to reflect spending constraints on resources, rather than availability for appropriation. This approach is intended to provide users more consistent and understandable information about a fund’s net resources.

## CITY OF BINGHAMTON, NEW YORK

### Notes to Basic Financial Statements

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Constraints are broken into five classifications: nonspendable, restricted, committed, assigned, and unassigned. These classifications serve to inform readers of the financial statements of the extent to which the government is bound to honor any constraints on specific purposes for which resources in a fund can be spent.

- Nonspendable - Consists of assets inherently nonspendable in the current period either because of their form or because they must be maintained intact; including prepaid items and inventories.
- Restricted - Consists of amounts subject to legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and enforced externally; or through constitutional provisions or enabling legislation.
- Committed - Consists of amounts subject to a purpose constraint imposed by formal action of the government's highest level of decision-making authority prior to the end of the fiscal year, and requires the same level of formal action to remove said constraint.
- Assigned - Consists of amounts subject to a purpose constraint representing an intended use established by the government's highest level of decision-making authority, or their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund. In the General Fund, this includes encumbrances and amounts of fund balance appropriated in the following year's budget.
- Unassigned - Represents the residual classification of the government's General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should only be used to report a deficit balance resulting from overspending amounts restricted, committed, or assigned for specific purposes.

#### **R. Order of Use of Fund Balance**

The City's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balances are determined first and then restricted and committed fund balances for specific purposes are determined. Any remaining fund balance amounts are classified as assigned or unassigned. Funds other than the General Fund will report any remaining amounts as assigned. However, assignments of fund balance cannot cause a negative unassigned fund balance.

#### **S. Interfund Activity**

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

# CITY OF BINGHAMTON, NEW YORK

## Notes to Basic Financial Statements

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### 2. CASH AND INVESTMENTS

New York State governs the City's investment policies. The City is permitted to invest in special time deposits and certificate of deposits. In addition, the City may invest funds in direct obligations of the United States of America or obligations guaranteed by agencies of the United States of America where the payment of principal and interest are further guaranteed by the United States of America. Other eligible investments for the City include obligations of the State and repurchase agreements, subject to various conditions.

The City's investment policies are governed by state statutes. In addition, the City has its own written investment policy. City monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. The Comptroller is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities.

#### **Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the City's investment and deposit policy, all deposits of the City including certificates of deposit and time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured by a pledge of securities with an aggregate value of 100% or more of the aggregate amount of deposits.

Total financial institution (bank) balances subject to custodial credit risk at December 31, 2020, were insured or collateralized as follows:

FDIC Insured	\$ 4,898,961
Uninsured and collateral held by pledging bank	<u>19,599,202</u>
Total	<u>\$ 24,498,163</u>

Uninsured and uncollateralized amounts at year end are due to a deposit at year end into an insured cash sweep account, which due to an overnight delay did not insure the bank balance as of the balance sheet date. Amounts became fully insured on the following day.

#### **Investments in External Investment Pools**

At December 31, 2020, the City's cash and cash equivalents included amounts with a fair value of \$18,286,687 invested in NYCLASS, an external investment pool for local governments in New York State.

NYCLASS measures its investments at fair value in accordance with Paragraph 41 of Statement 79 and Paragraph 11 of Statement 31, and therefore a Participant's investment in NYCLASS is not required to be categorized within the fair value hierarchy for purposes of Paragraph 81a(2) of Statement 72.

NYCLASS is rated by S&P Global Ratings. The current rating is 'AAAm.'

The dollar weighted average days to maturity (WAM) of NYCLASS at June 30, 2020, is 41 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of NYCLASS at June 30, 2020, is 60 days.

**CITY OF BINGHAMTON, NEW YORK**

**Notes to Basic Financial Statements**

**3. SALES TAXES AND COLLECTION**

Broome County imposes a 4% sales tax on sales within the County. The County imposed tax is administered and collected by the State Tax Commission in the same manner as that relating to the State imposed 4% (June 1, 2005) sales and compensating use tax. The County remits a portion of sales tax collected to local municipalities, including the City.

Net collections, meaning monies collected after deducting expenses of administration and collections and amounts refunded or to be refunded, but inclusive of any applicable penalties and interest, are paid by the State to the County, respectively. In 2020, payments from the County to the City aggregated \$12,294,514.

**4. CAPITAL ASSETS**

<u>Governmental Activities:</u>	<u>Beginning</u>			<u>Ending Balance</u>
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	
<b>Nondepreciable Capital Assets:</b>				
Land	\$ 4,279,869	\$ -	\$ -	\$ 4,279,869
Construction in Progress - City	<u>18,640,267</u>	<u>24,443,666</u>	<u>(40,844,878)</u>	<u>2,239,055</u>
<b>Subtotal</b>	<u>22,920,136</u>	<u>24,443,666</u>	<u>(40,844,878)</u>	<u>6,518,924</u>
<b>Depreciable:</b>				
Buildings and Improvements	43,795,835	14,004,210	(20,000)	57,780,045
Machinery and Equipment	23,693,468	2,297,100	(975,884)	25,014,684
Infrastructure - City	<u>501,437,764</u>	<u>26,575,064</u>	<u>(45,680,534)</u>	<u>482,332,294</u>
<b>Subtotal</b>	<u>568,927,067</u>	<u>42,876,374</u>	<u>(46,676,418)</u>	<u>565,127,023</u>
<b>Total capital assets</b>	<u>591,847,203</u>	<u>67,320,040</u>	<u>(87,521,296)</u>	<u>571,645,947</u>
<b>Accumulated depreciation:</b>				
Buildings and Improvements	(23,833,312)	(1,106,996)	-	(24,940,308)
Machinery and Equipment	(16,607,579)	(1,662,505)	892,341	(17,377,743)
Infrastructure - City	<u>(246,017,409)</u>	<u>(14,418,269)</u>	<u>45,414,333</u>	<u>(215,021,345)</u>
<b>Total</b>	<u>(286,458,300)</u>	<u>(17,187,770)</u>	<u>46,306,674</u>	<u>(257,339,396)</u>
<b>Net capital assets</b>	<u>\$ 305,388,903</u>	<u>\$ 50,132,270</u>	<u>\$ (41,214,622)</u>	<u>\$ 314,306,551</u>

**CITY OF BINGHAMTON, NEW YORK**

**Notes to Basic Financial Statements**

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Depreciation was charged to governmental activities as follows:

General government support	\$ 14,342,787
Public safety	591,266
Transportation	416,559
Culture and Recreation	390,543
Home and Community Services	<u>1,446,615</u>
 Total depreciation expense	 <u>\$ 17,187,770</u>

**5. SHORT-TERM DEBT**

Liabilities for bond anticipation notes (BANs) are generally accounted for in the Capital Projects Fund and used to finance capital projects. Principal payments on BANs must be made annually.

State law requires BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BANs issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided stipulated annual reductions of principal are made. BANs issued to the New York State Environmental Facilities Corporation (EFC) do not renew on an annual basis; funds are drawn down as needed, and converted to long-term debt at conclusion of the project.

BANs payable at December 31, 2020 in the Capital Projects Fund and activity for the year then ended, was as follows:

Issued	Maturity	Interest Rate	Beginning Balance	Issued	Deletions	Ending Balance
2014	2023	0.00%	\$ 14,272,475	\$ 4,172,303	\$ (326,000)	\$ 18,118,778
4/2019	4/2020	3.50%	43,357,295	-	(43,357,295)	-
1/2019	1/2020	2.75%	347,000	-	(347,000)	-
4/2020	4/2021	1.86%	-	<u>47,284,163</u>	-	<u>47,284,163</u>
		Total	<u>\$ 57,976,770</u>	<u>\$ 51,456,466</u>	<u>\$ (44,030,295)</u>	<u>\$ 65,402,941</u>

**CITY OF BINGHAMTON, NEW YORK**

**Notes to Basic Financial Statements**

**6. LONG-TERM OBLIGATIONS**

**Summary of Long-Term Obligations**

The following is a summary of all long-term obligations outstanding as of December 31, 2020:

Description	Balance at 12/31/2019	New Issues/ Additions	Maturities/ Reductions	Balance at 12/31/2020	Due within One year
General obligation debt	\$ 69,430,000	\$ 8,125,000	\$ 12,980,000	\$ 64,575,000	\$ 5,510,000
EFC - Direct borrowings	112,802,576	-	4,431,609	108,370,967	4,489,917
Lease obligations payable	81,183	-	81,183	-	-
Net pension liability	12,793,102	26,475,173	-	39,268,275	-
OPEB	70,099,584	-	8,237,434	61,862,150	-
Compensated absences	4,157,928	-	219,001	3,938,927	420,861
<b>Total</b>	<b>\$ 269,364,373</b>	<b>\$ 34,600,173</b>	<b>\$ 25,949,227</b>	<b>\$ 278,015,319</b>	<b>\$ 10,420,778</b>

Additions and deletions to the liability for compensated absences are shown net, as it is impractical to determine these amounts separately.

**General Obligation Debt**

The City borrows funds on a long-term basis for the purpose of financing acquisition of equipment and construction of buildings and improvements. This policy enables the cost of capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term obligations represent a reconciling item between the fund and government-wide statements. Detail relating to general obligation bonds of the City, outstanding at December 31, 2020, is summarized as follows:

Description	Date of Issue	Interest	Maturity Date	Outstanding
Refunding bonds	2012	3.0%	2026	\$ 6,155,000
Refunding bonds	2014	2.6%	2029	11,970,000
Refunding bonds	2014	3.9%	2029	695,000
Various projects	2015	3.0%	2040	10,415,000
Public improvement	2016	2.0-3.0%	2036	7,690,000
Public improvement	2018	3.0%	2043	12,585,000
Refunding bonds	2019	4.0%	2029	6,940,000
Refunding bonds	2020	3.00-4.25%	2034	8,125,000
<b>Total</b>				<b>\$ 64,575,000</b>



**CITY OF BINGHAMTON, NEW YORK**

**Notes to Basic Financial Statements**

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Principal and interest payments due on the bonds outstanding at December 31, 2020, for the primary government, are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 5,510,000	\$ 1,881,609
2022	5,665,000	1,754,922
2023	5,750,000	1,583,701
2024	5,970,000	1,381,768
2025	6,145,000	1,179,815
2026-2030	22,315,000	3,466,019
2031-2035	7,840,000	1,382,802
2036-2040	4,645,000	484,649
2041-2043	<u>735,000</u>	<u>36,156</u>
Total	<u>\$ 64,575,000</u>	<u>\$ 13,151,441</u>

**EFC Bonds - Direct Borrowings**

The City's direct borrowings with NYSEFC contain a provision that in the event of default, NYSEFC may take whatever action at law or in equity may appear necessary or desirable to remedy such default. These remedies include, but are not limited to, mandatory redemption, acceleration, requiring the City to immediately redeem the bonds in whole together with all other sums due to NYSEFC. The City may also owe to NYSEFC interest accrued on the overdue balance. Detail relating to EFC bonds of the City, outstanding at December 31, 2020, is summarized as follows:

<u>Description</u>	<u>Date of Issue</u>	<u>Interest</u>	<u>Maturity Date</u>	<u>Outstanding</u>
EFC financing	2016	0.6-3.5%	2046	\$ 25,835,000
Wastewater projects	2010	4.1%	2039	3,595,000
Wastewater projects	2005	3.0%	2034	10,470,000
Water projects	2000	4.6%	2022	1,585,000
Combined sewer overflow	2003	4.5%	2031	2,645,000
Wastewater projects	2019	0.0%	2048	7,777,810
Wastewater projects	2019	6.0%	2049	<u>56,463,157</u>
Total				<u>\$ 108,370,967</u>

**CITY OF BINGHAMTON, NEW YORK**

**Notes to Basic Financial Statements**

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Principal and interest payments due on the EFC bonds outstanding at December 31, 2020, for the primary government, are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 4,489,917	\$ 3,082,167
2022	4,560,530	2,977,825
2023	3,814,320	2,866,970
2024	3,873,100	2,786,475
2025	3,921,880	2,703,312
2026-2030	20,566,060	12,112,989
2031-2035	20,245,550	9,289,703
2036-2040	18,035,050	6,500,214
2041-2045	18,724,500	3,542,859
2046-2049	<u>10,140,060</u>	<u>649,912</u>
Total	<u>\$ 108,370,967</u>	<u>\$ 46,512,426</u>

**Debt Refunding**

On October 30, 2020, the City issued \$8,125,000 of Refunding Serial Bonds, with an average interest rate of 1.56%. The bonds consist of serial bonds bearing various fixed rates ranging from 0.58% to 2.25% with annual maturities from January 2021 through January 2034.

The net proceeds of \$8,012,819 (after issuance costs of \$138,816, plus premium of \$26,635) were used to refund serial bonds with a total principal amount of \$7,610,000 and an average interest rate of 3.71%.

The net proceeds were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded bonds. As a result, the refundable bonds are considered to be defeased, and the related liability for the bonds has been removed from the City's liabilities.

The refunding reduced the City's total debt service payments by approximately \$802,000. The transaction resulted in an economic gain (difference between the present value of the debt service on the old and the new bonds) of approximately \$715,000.

# CITY OF BINGHAMTON, NEW YORK

## Notes to Basic Financial Statements

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### 7. RETIREMENT PLANS

#### Plan Descriptions and Benefits Provided

##### Employees' Retirement System (ERS) and Police and Fire Retirement System (PFRS)

The City participates in the New York State and Local Employees' Retirement System (the System) which includes the New York State and Local Employees' Retirement System plan (ERS) and the New York State Local Police and Fire Retirement System plan (PFRS). These plans are cost-sharing multiple-employer defined benefit pension plans. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired.

Benefits can be changed for future members only by enactment of a state statute. The City also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under Tier VI vary based on a sliding salary scale. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31.

#### Summary of Significant Accounting Policies

The Systems' financial statements from which the Systems' fiduciary respective net position is determined are prepared using the accrual basis of accounting. Plan member contributions are recognized when due and the employer has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Plan investments are reported at fair value. For detailed information on how investments are valued, please refer to the Systems' annual reports.

#### Contributions

Contributions for the current year and two preceding Plan years were equal to 100% of the contributions required, and were as follows:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
ERS	\$ 1,655,503	\$ 1,641,856	\$ 1,666,901
PFRS	4,786,813	4,466,619	4,483,847

**CITY OF BINGHAMTON, NEW YORK**

**Notes to Basic Financial Statements**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At December 31, 2020, the City reported the following liability for its proportionate share of the net pension liability for each of the System plans. The net pension liability was measured as of March 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The City's proportionate share of the net pension liability was based on a projection of the City's long-term share of contributions to the System relative to the projected contributions of all participating members, as actuarially determined. This information was derived from the report provided to the City by each System.

	<u>ERS</u>	<u>PFRS</u>
Actuarial valuation date	April 1, 2019	April 1, 2019
City's proportionate share of the Plan's total net pension liability	\$ 10,864,328	\$ 28,403,947
City's share of the net pension liability	0.0410275%	0.5314178%
Pension expense recognized	\$ 3,608,197	\$ 9,781,311

At December 31, 2020 the City reported deferred outflows of resources and deferred inflows of resources related to the pensions from the following sources:

<b>Deferred Outflows of Resources</b>	<u>ERS</u>	<u>PFRS</u>
Differences between expected and actual experience	\$ 639,410	\$ 1,891,404
Changes of assumptions	218,756	2,427,850
Net differences between projected and actual earnings on pension plan investments	5,569,583	12,791,191
Changes in proportion and differences between the City's contributions and proportionate share of contributions	17,569	233,945
City's contributions subsequent to the measurement date	<u>1,241,426</u>	<u>3,590,110</u>
Total	<u>\$ 7,686,744</u>	<u>\$ 20,934,500</u>

<b>Deferred Inflows of Resources</b>	<u>ERS</u>	<u>PFRS</u>
Differences between expected and actual experience	\$ -	\$ 475,763
Changes of assumptions	188,892	-
Changes in proportion and differences between the City's contributions and proportionate share of contributions	<u>204,830</u>	<u>1,195,763</u>
Total	<u>\$ 393,722</u>	<u>\$ 1,671,526</u>

**CITY OF BINGHAMTON, NEW YORK**

**Notes to Basic Financial Statements**

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City contributions subsequent to the measurement date, reported as deferred outflows of resources, will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	ERS	PFRS
2021	\$ 964,923	\$ 3,227,837
2022	1,511,490	3,669,684
2023	1,963,911	4,726,117
2024	1,611,272	3,959,382
2025	-	89,844
Total	\$ 6,051,596	\$ 15,672,864

**Actuarial Assumptions**

The total pension liability was determined by using an actuarial valuation as of April 1, 2019, with update procedures used to roll forward the total pension liability to March 31, 2020.

The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.50%
Salary scale	4.20% ERS, 5.00% PFRS, indexed by service
Investment rate of return, including inflation	6.80% compounded annually, net of investment expenses
Projected COLAs	1.30% compounded annually
Decrements	Developed from the Plan's 2015 experience study of the period April 1, 2010 through March 31, 2015
Mortality improvement	Society of Actuaries Scale MP-2018

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**CITY OF BINGHAMTON, NEW YORK**

**Notes to Basic Financial Statements**

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2020 are summarized below:

Long-Term Expected Rate of Return

Asset Type	Target Allocations in %	Long-Term expected real rate of return in %
Domestic Equity	36.00	4.05
International Equity	14.00	6.15
Private Equity	10.00	6.75
Real Estate	10.00	4.95
Absolute Return Strategies	2.00	3.25
Opportunistic Portfolio	3.00	4.65
Real Assets	3.00	5.95
Bonds & Mortgages	17.00	0.75
Cash	1.00	0.00
Inflation Indexed Bonds	4.00	0.50
Total	100.00	

**Discount Rate**

The discount rate used to calculate the total pension liability was 6.8%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate**

The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 6.8%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (5.8%) or 1% higher (7.8%) than the current rate:

	Current		
	1% Decrease (5.8%)	Assumption (6.8%)	1% Increase (7.8%)
ERS			
City’s proportionate share of the net pension liability	\$ 19,939,109	\$ 10,864,328	\$ 2,506,416
	Current		
	1% Decrease (5.8%)	Assumption (6.8%)	1% Increase (7.8%)
PFRS			
City’s proportionate share of the net pension liability	\$ 50,786,836	\$ 28,403,947	\$ 8,359,563

**CITY OF BINGHAMTON, NEW YORK**

**Notes to Basic Financial Statements**

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**Pension Plan Fiduciary Net Position (in Thousands)**

The components of the current-year net pension liability of the employers as of March 31, 2020 were as follows:

	<u>ERS</u>	<u>PFRS</u>
Total pension liability	\$ 194,596,261	\$ 35,309,017
Net position	<u>(168,115,682)</u>	<u>(29,964,080)</u>
Net pension liability (asset)	<u>\$ 26,480,579</u>	<u>\$ 5,344,937</u>
Net position as a percentage of total pension liability	86.39%	84.86%

**8. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)**

**Plan Description**

The City’s defined OPEB plan provides medical benefits to eligible retirees and their spouses in accordance with various employment contracts. The specifics of each contract are on file at the City offices and are available upon request. The plan is a single-employer defined benefit healthcare plan administered by the City. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the City Council. As of the date of the financial statement, New York State did not yet have legislation that would enable government entities to establish a qualifying trust for the purpose of funding other post employment benefits. As such, there are no assets accumulated in a trust that meets all of the criteria in *GASB Statement No. 75, Paragraph 4*. The Plan does not issue separate financial statements since there are no assets legally segregated for the sole purpose of paying benefits under the plan.

**Funding Policy**

The obligations of the Plan members, employees, and other entities are established by action of the City pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and the member vary depending on the applicable agreement. The retirees currently contribute enough money to the Plan to satisfy current obligations on a pay-as-you go basis. The costs of administering the Plan are paid by the City.

**Employees Covered by Benefit Terms**

At December 31, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	374
Inactive employees entitled to but not yet receiving benefits	-
Active Employees	<u>493</u>
Total Participants	<u><u>867</u></u>

**Total OPEB Liability**

The City's total OPEB liability of \$61,862,150 was measured as of December 31, 2020, and was determined by an actuarial valuation as of January 1, 2020.

**CITY OF BINGHAMTON, NEW YORK**

**Notes to Basic Financial Statements**

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**Changes in the Total OPEB Liability**

Balance at December 31, 2019	<u>\$ 70,099,584</u>
Changes for the year:	
Service cost	3,407,897
Interest cost	2,357,897
Changes of benefit terms	-
Differences between expected and actual experience	(19,807,953)
Changes in assumptions	8,182,520
Benefit payments	<u>(2,377,795)</u>
Net change	<u>(8,237,434)</u>
Balance at December 31, 2020	<u>\$ 61,862,150</u>

Changes in assumptions reflect a change in the discount rate from 3.26% percent in 2019 to 2.12% in 2020.

**Actuarial Assumptions and Other Inputs**

The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.26% as of December 31, 2019; 2.12% as of December 31, 2019, based on an analysis of 20-Year Municipal Bond Index.
Payroll Growth	2.00%
Inflation Rate	3.00%
Health Care Cost Trends	7.5% for 2021, decreasing to an ultimate trend rate of 4.5% in 2027 and beyond.
Mortality	SOA Pub-2010 Headcount-weighted Total Dataset Mortality Table fully generational using Scale MP-2019 for general retirees and SOA Pub-2010 Headcount-weighted Contingent Survivor Mortality Table fully generational using Scale MP-2019 for surviving spouses.
Retirement Rates	The retirement rates are based on assumptions used in the NYS ERS actuarial valuation as of April 1, 2015.



**CITY OF BINGHAMTON, NEW YORK**

**Notes to Basic Financial Statements**

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**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents that the total OPEB liability for the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.12%) or 1 percentage point higher (3.12%) than the current discount rate:

	1 % Decrease (1.12%)	Current Discount Rate (2.12%)	1 % Increase (3.12%)
Total OPEB Liability	\$ 70,615,020	\$ 61,862,150	\$ 54,596,900

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following present the total OPEB Liability of the County, as well as what the City's total OPEB liability would be if it were calculated using the healthcare cost trend rates that are 1 percentage point lower and 1 percentage point higher than the current healthcare cost trend rate:

	1 % Decrease	Current Healthcare Trend Rate	1 % Increase
Total OPEB Liability	\$ 52,294,884	\$ 61,862,150	\$ 74,154,022

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2020, the City recognized OPEB expense of negative \$1,932,756.

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 44,495,586
Changes in assumptions or other inputs	15,763,959	4,705,320
<b>Total</b>	<b>\$ 15,763,959</b>	<b>\$ 49,200,906</b>

**CITY OF BINGHAMTON, NEW YORK**

**Notes to Basic Financial Statements**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended December 31:</u>	<u>Amount</u>
2021	\$ (7,698,550)
2022	(7,698,550)
2023	(7,698,554)
2024	(6,697,882)
2025	(737,052)
Thereafter	<u>(2,906,359)</u>
Total	<u>\$ (33,436,947)</u>

**9. INTERFUND BALANCES AND ACTIVITY**

During the course of normal operations, the City has numerous transactions between funds including expenditures and transfers of resources, primarily to provide services, which are routine annual events for the budget and accounting process.

Interfund balances at December 31, 2020, and activity for the year then ended, were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payables</u>	<u>Interfund Revenue</u>	<u>Interfund Expenditures</u>
General Fund	\$ 2,283,061	\$ 375,883	\$ -	\$ 5,107,411
Capital Projects Fund	81,108	-	2,446,775	-
Sewer Fund	-	1,211,500	-	130,000
Special Grants Fund	-	15,224	-	-
Non-Major Funds	<u>310,000</u>	<u>1,067,623</u>	<u>2,991,136</u>	<u>200,500</u>
Total Governmental Funds	2,674,169	2,670,230	5,437,911	5,437,911
Internal Service Fund	<u>-</u>	<u>3,939</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,674,169</u>	<u>\$ 2,674,169</u>	<u>\$ 5,437,911</u>	<u>\$ 5,437,911</u>

**10. JOINT VENTURE**

The following is the activity undertaken jointly with another municipality. Except for their equity interest in the joint venture, this activity is excluded from the financial statements of the participating municipalities. Separate financial statements are issued for this joint venture and may be obtained from the City Comptroller's office.

# CITY OF BINGHAMTON, NEW YORK

## Notes to Basic Financial Statements

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A sewage project is operated jointly with the Village of Johnson City (Village), under an agreement originally dated July 14, 1965 and most recently amended February 3, 2016. The agreement is for an indefinite period. A six member board constitutes the governing body; three members of the board are appointed by the City, and three by the Village. Ownership of the project, operational and capital costs are shared by the participants as follows: City - 54.8%; Village - 45.2%. The board of the project has established charges at rates intended to be self-sustaining to cover all operating costs and debt service. In addition to providing services for the City and Village, the project also provides services for several other municipalities.

The following is a summary of financial information included in financial statements for the joint venture:

	<u>12/31/2020</u>
Total Assets and Deferred Outflows of Resources	\$ 299,331,768
Total Liabilities and Deferred Inflows of Resources	264,976,998
Joint Venture Equity	34,354,770
Total Revenues	33,627,828
Total Expenses	26,186,403

### 11. PUBLIC ENTITY RISK POOL

#### Risk Financing

The City's Corporation Counsel reviews all claims made against the City and estimates liabilities, if any, based on expertise and experience. All amounts reflected as an estimated liability are at present value with no discount. No annuity contracts have been purchased to satisfy claims.

Effective June 1, 1985, the City became self-insured for general liability exposure. A self-insurance fund was established as an internal service fund to administer the City's insurance program for general liability for all City departments and funds.

Effective July 1, 1995, the City became self-insured for workers' compensation insurance. The City annually appropriates funds for compensation pay awarded to disabled employees or surviving family. The City is negotiating premium costs related to claims incurred prior to July 1, 1995 with the insurance carrier in force at that time. Effective December 1, 1999 the City purchased stop loss insurance for workers compensation claims. City officials believe annual appropriations, reserves and stop loss insurance are sufficient to liquidate the City's obligations. In 2010, the City purchased workers compensation insurance. At December 31, 2020, the City accrued \$1,633,700 in the internal service fund for outstanding workers compensation claims related to the original self-insured worker's compensation insurance policy.

The City is also self-insured for its health insurance plan. An accrual is recorded as of December 31, 2019 to record an estimate for material expenditures incurred but not recorded (IBNR) in the General Fund in the amount of \$456,974.

**12. SUMMARY OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES**

**General Information**

The City is exposed to various risks of loss related to, but not limited to, torts; theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; natural disasters. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

**Judgments and Claims**

The City and/or its agencies are named in several lawsuits, some of which are for substantial amounts. Except as described in Note 13, these claims are either adequately covered by insurance or, in the opinion of City officials, will not result in material judgments against the City or will not be pursued and, therefore, are not expected to have a material effect on the basic financial statements.

**State and Federally Assisted Programs**

The City receives many different state and federal grants to be used for specific purposes. These grants are generally conditioned on compliance with certain statutory, regulatory and/or contractual requirements. The City makes every effort to comply with all applicable requirements. However, because these grants are audited from time to time, it is possible that the City will be required, upon audit, to repay portions of the grant monies received and recorded as revenue in a prior year. City officials do not anticipate material grant-in-aid disallowances, and no provision, therefore, is reflected in the basic financial statements.

**Tax Certiorari Proceedings**

Various tax certiorari proceedings pending against the City as of December 31, 2020 seek reductions in property tax assessments. The City's Assessment Rolls were changed to full market value in 1994, and are updated on a regular basis. Negotiations continue to settle open cases.

**Stadium**

In 1992, the BURA agreed to make certain payments as an incentive for private investment in a municipal stadium development plan located on blighted railroad land. The obligations to Sterling Doubleday, L.P. as developer were satisfied in 1996. The other obligation is to the Binghamton Mets Baseball Club, Inc. for an annual repair and replacement payment. During 2020, a payment of \$50,000 was made.

**13. LITIGATION ISSUES**

In 2014 a Plaintiff commenced an action against the City and individual police officers alleging excessive force and other claims. In January 2017, a jury returned a verdict (i) that the police officer did not use excessive force, did not assault or battery Plaintiff, and was not negligent; (ii) however, the City was negligent under a theory of respondent superior and awarded the Plaintiff \$2,750,000; \$500,000 in compensatory damages is to be paid initially and the remainder is to be paid over the term of 30 years. Given the inconsistent verdict, the Court afforded the parties an opportunity to submit a motion to set aside the verdict. The City's motion to set aside the verdict was granted on September 27, 2017. The Plaintiff has appealed to the United States Court of Appeals for the Second Circuit. This matter has been briefed, argued, and is awaiting a decision. The City has established a reserve in the amount of \$1,500,000 to account for a potential resolution of the matter.

**CITY OF BINGHAMTON, NEW YORK**

**Notes to Basic Financial Statements**

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**14. TAX ABATEMENTS**

For the year ended December 31, 2020, property in the City was subject to property tax abatements negotiated by the Broome County Industrial Development Agency (BCIDA), the Binghamton Housing Authority (BHA), and the Binghamton Urban Renewal Agency (BURA).

BCIDA enters into PILOT agreements with businesses within Broome County under New York State General Municipal Law 858. Economic development agreements entered into by BCIDA can include the abatement of county, local, and school district taxes. In this case, negotiated abatements have resulted in reductions of property taxes, which BCIDA administers as a temporary reduction in the assessed value of the property involved. The abatement agreements generally stipulate a percentage reduction of property taxes, but sometimes stipulate a dollar value reduction in lieu of a percentage reduction.

BURA entered into a property tax abatement agreement with a local business under Chapter 535 of the 1971 Laws of New York State for the purpose of encouraging economic growth. Under the Act, localities may grant property tax abatements of up to 100% of a business' property tax bill for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the City.

Information relevant to disclosure of the program for the year ended December 31, 2020 is as follows:

<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated</u>	<u>PILOT Payments Received</u>
BURA		
Economic Development:		
Real property tax	\$ 36,357	\$ 54,419
BCIDA		
Economic Development:		
Real property tax	878,815	860,480
BHA		
Economic Development:		
Real property tax	<u>1,111,806</u>	<u>175,255</u>
Total	<u>\$ 2,026,978</u>	<u>\$ 1,090,154</u>

**CITY OF BINGHAMTON, NEW YORK**

**Notes to Basic Financial Statements**

**15. PRIOR PERIOD ADJUSTMENT**

The City adopted GASB Statement No. 84, Fiduciary Activities, during the year ended December 31, 2020. Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

In accordance with this Statement, the City does have a Custodial Fund, which is presented on the statement of fiduciary net position and statement of changes in fiduciary net position. In addition, this Statement clarified the criteria for reporting certain activities as governmental or fiduciary activities.

Beginning assets and liabilities were adjusted as noted below for the following opinion units:

	Fiduciary Activities			
	Custodial (previously Agency)		General Fund	
	Assets	Liabilities	Assets	Liabilities
Balance at December 31, 2019, as previously reported	\$ 713,864	\$ 713,864	\$ 23,796,433	\$ 2,666,701
Restatement of beginning balance - Adoption of GASB Statement No. 84	<u>(345,345)</u>	<u>(345,345)</u>	<u>345,345</u>	<u>345,345</u>
Balance at January 1, 2020 as restated	<u>\$ 368,519</u>	<u>\$ 368,519</u>	<u>\$ 24,141,778</u>	<u>\$ 3,012,046</u>
	Governmental Activities			
	Assets	Liabilities		
Balance at December 31, 2019, as previously reported	\$ 525,857,955	\$ 338,923,509		
Restatement of beginning balance - Adoption of GASB Statement No. 84	<u>345,345</u>	<u>345,345</u>		
Balance at January 1, 2020 as restated	<u>\$ 526,203,300</u>	<u>\$ 339,268,854</u>		

## **CITY OF BINGHAMTON, NEW YORK**

### **Notes to Basic Financial Statements**

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#### **16. COVID-19**

The United States is presently in the midst of a national health emergency related to a virus, commonly known as Novel Coronavirus (COVID-19). The overall consequences of COVID-19 on a national, regional and local level are unknown, but it has the potential to result in a significant economic impact. The impact of this situation on the City and its future results and financial position is not presently determinable. The American Rescue Plan Act is projected to provide the City with approximately \$48.32 million. The funds are to be used for costs associated with responding to COVID-19, to support workers performing essential work, to cover revenue losses caused by the pandemic, or to make necessary investments in water, sewer or broadband infrastructure. Fifty percent of the award is expected to be received in 2021, with the remaining funds to be received in 2022.

#### **17. SUBSEQUENT EVENTS**

On April 15, 2021, the City issued public improvement serial bonds in the amount of \$21,231,703 with maturities ranging from April 15, 2022 through 2041 at an interest rate of 2.00%.

On April 15, 2021, the City issued bond anticipation notes in the amount of \$27,234,707 due April 15, 2022 at an interest rate of 1.00%.

CITY OF BINGHAMTON, NEW YORK

Required Supplementary Information (Unaudited)  
 Budgetary Comparison Schedule  
 Budget and Actual - General Fund  
 For the year ended December 31, 2020

	Budgeted Amounts		Actual Amounts	Encumbrances	Variance Positive (Negative)
	Original	Modified			
Revenues:					
Real property taxes	\$ 34,241,364	\$ 34,241,364	\$ 34,057,740	\$ -	\$ (183,624)
Other real property tax items	1,147,164	1,147,164	1,104,462	-	(42,702)
Non-property taxes	12,965,000	12,977,479	13,219,940	-	242,461
Departmental revenues	1,804,850	1,811,650	1,223,412	-	(588,238)
Intergovernmental charges	506,097	521,586	421,468	-	(100,118)
Tribal Compact moneys	1,463,701	1,546,726	1,436,724	-	(110,002)
Use of money and property	375,420	375,420	70,915	-	(304,505)
Licenses and permits	353,500	353,500	280,201	-	(73,299)
Fines and forfeitures	561,500	561,500	374,893	-	(186,607)
State aid	10,048,434	10,093,359	10,085,590	-	(7,769)
Federal aid	111,719	123,688	153,910	-	30,222
Sale of property and compensation for loss	113,000	155,400	257,227	-	101,827
Miscellaneous	101,628	102,799	34,087	-	(68,712)
<b>Total revenues</b>	<b>63,793,377</b>	<b>64,011,635</b>	<b>62,720,569</b>	<b>-</b>	<b>(1,291,066)</b>
Expenditures:					
General government support	7,128,410	7,831,692	6,781,420	554,775	495,497
Public safety	23,478,676	23,561,721	22,840,871	94,490	626,360
Health	51,449	51,989	51,774	-	215
Transportation	2,170,841	2,206,933	2,057,291	-	149,642
Economic assistance and opportunity	316,365	270,245	-	-	270,245
Culture and recreation	3,277,223	3,313,679	2,629,415	19,856	664,408
Home and community services	1,103,922	1,157,247	1,184,025	902	(27,680)
Employee benefits	18,114,939	18,278,052	17,153,807	50,000	1,074,245
Debt service - principal	4,241,800	4,241,800	4,191,800	-	50,000
Debt service - interest	1,807,462	1,807,462	1,797,460	-	10,002
<b>Total expenditures</b>	<b>61,691,087</b>	<b>62,720,820</b>	<b>58,687,863</b>	<b>720,023</b>	<b>3,312,934</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>2,102,290</b>	<b>1,290,815</b>	<b>4,032,706</b>	<b>(720,023)</b>	<b>2,021,868</b>
OTHER FINANCING SOURCES (USES):					
Proceeds from refunding bonds	-	-	3,764,512	-	3,764,512
Payment to refunded bond escrow agent	-	-	(3,712,536)	-	(3,712,536)
Interfund transfers out	(3,522,337)	(5,154,762)	(5,107,411)	-	47,351
<b>Total other financing sources (uses)</b>	<b>(3,522,337)</b>	<b>(5,154,762)</b>	<b>(5,055,435)</b>	<b>-</b>	<b>99,327</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (1,420,047)</b>	<b>\$ (3,863,947)</b>	<b>\$ (1,022,729)</b>	<b>\$ (720,023)</b>	<b>\$ 2,121,195</b>



CITY OF BINGHAMTON, NEW YORK

Required Supplementary Information (Unaudited)  
 Budgetary Comparison Schedule  
 Budget and Actual - Sewer Fund  
 For the year ended December 31, 2020

	Budgeted Amounts		Actual Amounts	Encumbrances	Variance Positive (Negative)
	Original	Modified			
Revenues:					
Departmental revenues	\$ 11,217,162	\$ 11,217,162	\$ 9,955,116	\$ -	\$ (1,262,046)
Use of money and property	3,500	3,500	825	-	(2,675)
Federal aid	700	700	9,707	-	9,007
Total revenues	<u>11,221,362</u>	<u>11,221,362</u>	<u>9,965,648</u>	<u>-</u>	<u>(1,255,714)</u>
Expenditures:					
General government support	20,490	20,490	20,490	-	-
Home and community services	3,453,484	3,500,518	3,281,609	14,608	204,301
Employee benefits	364,516	368,079	364,104	-	3,975
Debt service - principal	5,407,684	5,349,574	5,342,159	-	7,415
Debt service - interest	2,582,336	2,598,349	2,594,728	-	3,621
Total expenditures	<u>11,828,510</u>	<u>11,837,010</u>	<u>11,603,090</u>	<u>14,608</u>	<u>219,312</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(607,148)</u>	<u>(615,648)</u>	<u>(1,637,442)</u>	<u>(14,608)</u>	<u>(1,036,402)</u>
OTHER FINANCING SOURCES (USES):					
Proceeds from refunding bonds	-	-	2,774,084	-	2,774,084
Payment to refunded bond escrow agent	-	-	(2,735,783)	-	(2,735,783)
Interfund transfers out	(130,000)	(130,000)	(130,000)	-	-
Total other financing sources (uses)	<u>(130,000)</u>	<u>(130,000)</u>	<u>(91,699)</u>	<u>-</u>	<u>38,301</u>
NET CHANGE IN FUND BALANCE	<u>\$ (737,148)</u>	<u>\$ (745,648)</u>	<u>\$ (1,729,141)</u>	<u>\$ (14,608)</u>	<u>\$ (998,101)</u>

CITY OF BINGHAMTON, NEW YORK

Required Supplementary Information (Unaudited)  
 Budgetary Comparison Schedule  
 Budget and Actual - Special Grants Fund  
 For the year ended December 31, 2020

	Budgeted Amounts		Actual Amounts	Encumbrances	Variance Positive (Negative)
	Original	Modified			
Revenues:					
Intergovernmental charges	\$ 1,547,863	\$ 1,547,862	\$ 132,412	\$ -	\$ (1,415,450)
State aid	1,128,241	1,128,241	-	-	(1,128,241)
Federal aid	<u>1,302,393</u>	<u>1,302,080</u>	<u>2,507,214</u>	<u>-</u>	<u>1,205,134</u>
Total revenues	<u>3,978,497</u>	<u>3,978,183</u>	<u>2,639,626</u>	<u>-</u>	<u>(1,338,557)</u>
Expenditures:					
Economic assistance and opportunity	308,000	308,000	163,000	-	145,000
Culture and recreation	666,680	666,680	29,898	15,000	621,782
Home and community services	<u>8,785,278</u>	<u>7,901,964</u>	<u>2,416,913</u>	<u>1,780,775</u>	<u>3,704,276</u>
Total expenditures:	<u>9,759,958</u>	<u>8,876,644</u>	<u>2,609,811</u>	<u>1,795,775</u>	<u>4,471,058</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(5,781,461)</u>	<u>(4,898,461)</u>	<u>29,815</u>	<u>(1,795,775)</u>	<u>3,132,501</u>
NET CHANGE IN FUND BALANCE	<u>\$ (5,781,461)</u>	<u>\$ (4,898,461)</u>	<u>\$ 29,815</u>	<u>\$ (1,795,775)</u>	<u>\$ 3,132,501</u>

CITY OF BINGHAMTON, NEW YORK

Required Supplementary Information (Unaudited)  
 Schedule of Changes in Total OPEB Liability and Related Ratios  
 For the year ended December 31, 2020

	Last 10 Fiscal Years									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Total OPEB Liability</b>										
Service cost	\$ 3,407,897	\$ 2,895,761	\$ 4,416,599	\$ 4,538,756						
Interest	2,357,897	2,776,949	3,745,694	4,207,633						
Changes of benefit terms	-	(4,100,470)	-	(3,818,625)						
Differences between expected and actual experience	(19,807,953)	(2,240,048)	(33,491,478)	(14,993,078)						
Changes in assumptions	8,182,520	7,252,913	(8,234,310)	7,988,405						
Benefit payments	<u>(2,377,795)</u>	<u>(2,287,801)</u>	<u>(2,867,517)</u>	<u>(3,145,818)</u>						
<b>Total change in total OPEB liability</b>	<u>(8,237,434)</u>	<u>4,297,304</u>	<u>(36,431,012)</u>	<u>(5,222,727)</u>						
<b>Total OPEB liability - beginning</b>	<u>70,099,584</u>	<u>65,802,280</u>	<u>102,233,292</u>	<u>107,456,019</u>						
<b>Total OPEB liability - ending</b>	<u>\$ 61,862,150</u>	<u>\$ 70,099,584</u>	<u>\$ 65,802,280</u>	<u>\$ 102,233,292</u>						
<b>Covered-employee payroll</b>	\$ 31,480,738	\$ 27,492,208	\$ 29,387,491	\$ 28,811,266						
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	196.5%	255.0%	223.9%	354.8%						

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

Notes to schedule:

**Changes of assumptions:** Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following reflects the discount rate used each period:

Discount rate	2.12%	3.26%	4.11%	3.56%
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Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

**Plan assets:** No assets are accumulated in a trust that meets all of the criteria of GASB Statement No. 75, paragraph 4 to pay benefits.

CITY OF BINGHAMTON, NEW YORK

Required Supplementary Information (Unaudited)  
 Schedule of Proportionate Share of Net Pension Liability (Asset)  
 For the year ended December 31, 2020

	Last 10 Fiscal Years									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN:</b>										
Proportion of the net pension liability (asset)	0.0410275%	0.0429637%	0.0462297%	0.0450603%	0.0548793%	0.0559201%	<b>Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as it becomes available.</b>			
Proportionate share of the net pension liability (asset)	\$ 10,864,328	\$ 3,044,106	\$ 1,492,037	\$ 4,233,966	\$ 7,645,586	\$ 1,889,118				
Covered-employee payroll	\$ 14,204,785	\$ 13,754,191	\$ 13,728,217	\$ 11,560,295	\$ 11,685,808	\$ 13,572,847				
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	76.48%	22.13%	10.87%	36.63%	65.43%	13.92%				
Plan fiduciary net position as a percentage of the total pension liability (asset)	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%				
<b>NEW YORK STATE POLICE AND FIRE RETIREMENT SYSTEM PLAN:</b>										
Proportion of the net pension liability (asset)	0.5314178%	0.5813136%	0.5455604%	0.5660805%	0.6077317%	0.5556400%	<b>Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as it becomes available.</b>			
Proportionate share of the net pension liability (asset)	\$ 28,403,947	\$ 9,748,996	\$ 5,514,289	\$ 11,732,879	\$ 17,993,642	\$ 1,529,449				
Covered-employee payroll	\$ 20,410,781	\$ 20,010,848	\$ 19,857,567	\$ 19,420,231	\$ 17,854,786	\$ 18,452,614				
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	139.16%	48.72%	27.77%	60.42%	100.78%	8.29%				
Plan fiduciary net position as a percentage of the total pension liability (asset)	84.86%	95.09%	96.93%	93.46%	90.20%	99.00%				

CITY OF BINGHAMTON, NEW YORK

Required Supplementary Information (Unaudited)  
 Schedule of Contributions - Pension Plans  
 For the year ended December 31, 2020

	Last 10 Fiscal Years									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN:</b>										
Contractually required contribution	\$ 1,655,503	\$ 1,641,856	\$ 1,666,901	\$ 1,737,859	\$ 2,101,209	\$ 2,470,316	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as it becomes available.			
Contributions in relation to the contractually required contribution	(1,655,503)	(1,641,856)	(1,666,901)	(1,737,859)	(2,101,209)	(2,470,316)				
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Covered-employee payroll	\$ 14,204,785	\$ 13,754,191	\$ 13,728,217	\$ 11,560,295	\$ 11,685,808	\$ 13,572,847				
Contributions as a percentage of covered-employee payroll	11.65%	11.94%	12.14%	15.03%	17.98%	18.20%				
<b>NEW YORK STATE POLICE AND FIRE RETIREMENT SYSTEM PLAN:</b>										
Contractually required contribution	\$ 4,786,813	\$ 4,466,619	\$ 4,483,847	\$ 4,558,458	\$ 4,209,210	\$ 4,944,560	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as it becomes available.			
Contributions in relation to the contractually required contribution	(4,786,813)	(4,466,619)	(4,483,847)	(4,558,458)	(4,209,210)	(4,944,560)				
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Covered-employee payroll	\$ 20,410,781	\$ 20,010,848	\$ 19,857,567	\$ 19,420,231	\$ 17,854,786	\$ 18,452,614				
Contributions as a percentage of covered-employee payroll	23.45%	22.32%	22.58%	23.47%	23.57%	26.80%				

CITY OF BINGHAMTON, NEW YORK

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 December 31, 2020

	Special Revenue Funds			Nonmajor Governmental Funds
	Parking Ramps Fund	Water Fund	Refuse and Garbage Fund	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 74,396	\$ 109,698	\$ 581,234	\$ 765,328
Restricted cash and cash equivalents	12,718	549	1,698	14,965
Due from other funds	-	-	310,000	310,000
Due from other governments	-	278,499	82,708	361,207
Other receivables, net	5,720	1,854,349	199,710	2,059,779
Inventory	-	284,356	-	284,356
Prepaid expenditures	127	168,300	112,960	281,387
<b>Total assets</b>	<b>\$ 92,961</b>	<b>\$ 2,695,751</b>	<b>\$ 1,288,310</b>	<b>\$ 4,077,022</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accounts payable	\$ 9,087	\$ 156,508	\$ 199,801	\$ 365,396
Accrued liabilities	46,275	120,266	83,414	249,955
Due to other funds	542,734	524,889	-	1,067,623
Compensated absences	-	9,438	9,943	19,381
Other liabilities	4,420	-	-	4,420
<b>Total liabilities</b>	<b>602,516</b>	<b>811,101</b>	<b>293,158</b>	<b>1,706,775</b>
<b>FUND BALANCES:</b>				
Nonspendable	127	452,656	112,960	565,743
Restricted	8,298	1,431,994	1,698	1,441,990
Committed	-	-	880,494	880,494
Unassigned	(517,980)	-	-	(517,980)
<b>Total fund balances</b>	<b>(509,555)</b>	<b>1,884,650</b>	<b>995,152</b>	<b>2,370,247</b>
<b>Total liabilities and fund balances</b>	<b>\$ 92,961</b>	<b>\$ 2,695,751</b>	<b>\$ 1,288,310</b>	<b>\$ 4,077,022</b>

CITY OF BINGHAMTON, NEW YORK

Combining Statement of Revenues, Expenditures and Change in Fund Balances  
 Nonmajor Governmental Funds  
 For the year ended December 31, 2020

	Special Revenue Funds			Nonmajor Governmental Funds
	Parking Ramps Fund	Water Fund	Refuse and Garbage Fund	
REVENUES:				
Departmental income	\$ 875,372	\$ 6,520,182	\$ 1,116,883	\$ 8,512,437
Intergovernmental charges	-	-	-	-
Interfund revenues	-	175,795	-	175,795
Use of money and property	780	796	187	1,763
Sale of property and compensation for loss	-	1,233	-	1,233
Miscellaneous	-	5,999	-	5,999
Total revenues	<u>876,152</u>	<u>6,704,005</u>	<u>1,117,070</u>	<u>8,697,227</u>
EXPENDITURES:				
General government support	-	16,223	2,778	19,001
Transportation	507,477	-	-	507,477
Home and community services	-	3,115,196	2,560,067	5,675,263
Employee benefits	-	983,167	1,019,673	2,002,840
Debt Service - principal	832,918	1,695,219	78,400	2,606,537
Debt Service - interest	311,735	737,618	10,241	1,059,594
Total expenditures	<u>1,652,130</u>	<u>6,547,423</u>	<u>3,671,159</u>	<u>11,870,712</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(775,978)</u>	<u>156,582</u>	<u>(2,554,089)</u>	<u>(3,173,485)</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from refunding bonds	-	1,586,404	-	1,586,404
Payment to refunded bond escrow agent	-	(1,564,500)	-	(1,564,500)
Interfund transfers in	414,265	-	2,576,871	2,991,136
Interfund transfers out	(20,000)	(177,500)	(3,000)	(200,500)
Total other financing sources (uses)	<u>394,265</u>	<u>(155,596)</u>	<u>2,573,871</u>	<u>2,812,540</u>
CHANGE IN FUND BALANCE	(381,713)	986	19,782	(360,945)
FUND BALANCES - BEGINNING OF YEAR	<u>(127,842)</u>	<u>1,883,664</u>	<u>975,370</u>	<u>2,731,192</u>
FUND BALANCES - END OF YEAR	<u>\$ (509,555)</u>	<u>\$ 1,884,650</u>	<u>\$ 995,152</u>	<u>\$ 2,370,247</u>

**INDEPENDENT AUDITOR'S REPORT 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***

September 28, 2021

To the City Council of  
City of Binghamton, New York

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, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Binghamton, New York (the City), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 28, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 may exist that have not been identified.



**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM  
GUIDANCE**

September 28, 2021

To the City Council of  
City of Binghamton, New York

**Report on Compliance for Each Major Federal Program**

We have audited the City of Binghamton, New York's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have direct and material effect on each of the City's major federal programs for the year ended December 31, 2020. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

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**Opinion on Each Major Federal Program**

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2020.

**Report on Internal Control over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**CITY OF BINGHAMTON, NEW YORK**

**Schedule of Expenditures of Federal Awards  
For the year ended December 31, 2020**

Federal Grantor/Pass-through Grantor/Program Title	CFDA #	Agency or Pass-Through Number	Federal Expenditures	Provided to Subrecipients
U.S. Department of Housing and Urban Development Community Development Block Grant Cluster Community Development Block Grant	14.218	N/A	\$ 2,007,112	\$ 191,241
Total Community Development Block Grant Cluster			<u>2,007,112</u>	
Emergency Shelter Grants Program	14.231	N/A	117,734	83,097
HOME Investment Partnership Program	14.239	N/A	<u>185,590</u>	
Total U.S. Department of Housing and Urban Development			<u>2,310,436</u>	
U.S. Department of Justice Organized Crime Drug Enforcement Task Force Grant	16.111	N/A	34,805	
Byrne Justice Assistance Grant	16.738	N/A	<u>29,416</u>	
Total U.S. Department of Justice			<u>64,221</u>	
U.S. Department of Transportation Passed-through NYS Department of Transportation: Highway Planning and Construction Cluster Highway Planning and Construction	20.205	D035014	253,222	
Highway Planning and Construction	20.205	D035913	<u>338,575</u>	
Total Passed-through NYS Department of Transportation			<u>591,797</u>	
Total U.S. Department of Transportation			<u>591,797</u>	
U.S. Department of the Treasury COVID-19: Coronavirus Relief Fund	21.019	N/A	299,367	91,273
COVID-19: State and Local Fiscal Recovery Fund	21.027	N/A	<u>156,514</u>	
Total U.S. Department of Treasury			<u>455,881</u>	
U.S. Department of Homeland Security Passed-through NYS Division of Homeland Security: Hazard Mitigation Grant	97.036	N/A	<u>77,720</u>	
Assistance to Firefighters Grants	97.044	N/A	<u>417,485</u>	
Homeland Security Grant Program	97.067	CP17-106-E00	<u>47,826</u>	
Total Passed-through NYS Division of Homeland Security			<u>543,031</u>	
Total U.S. Department Homeland Security			<u>543,031</u>	
Total Expenditures of Federal Awards			<u>\$ 3,965,366</u>	<u>\$ 365,611</u>

The accompanying notes are an integral part of this schedule.

## CITY OF BINGHAMTON, NEW YORK

### Notes to Schedule of Expenditures of Federal Awards For the year ended December 31, 2020

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#### 1. BASIS OF PRESENTATION

##### **Pass-Through Programs**

Where the City of Binghamton, New York (the City) receives funds from a government entity other than the federal government (pass-through), the funds are accumulated based upon the Catalog of Federal Domestic Assistance (CFDA) number when advised by the pass-through grantor. Identifying numbers, other than CFDA numbers, which may be assigned by pass-through grantors, are not maintained in the City's financial management system. City management has identified certain pass-through identifying numbers and included them in the schedule of expenditures of federal awards (SEFA).

#### 2. BASIS OF ACCOUNTING

The SEFA is presented in accordance with accounting principles generally accepted in the United States of America and is derived from the City's general ledger. Federal expenditures are recorded when an allowable cost is incurred under the applicable program and is due and payable. For programs with funding ceilings and caps, federal expenditures are only recorded and presented in the SEFA up to such amounts.

#### 3. LOANS RECEIVABLE

##### **Community Development Block Grant (CFDA #14.218)**

The City provides low-interest microenterprise, facade and revolving fund loans to support your business growth through property acquisition, start-up and expansion. The program is funded through the City's Federal Community Development Block Grant. The various loans awarded range from \$5,000 to \$100,000. The loans are to be repaid in monthly installments over 5 to 10 years at an interest rate of 4.75%. The interest received is considered to be program income and is used to pay administrative costs associated with the program as well as for subsequent loans. At December 31, 2020 the outstanding principal balance of those loans were \$2,111,509.

##### **HOME Investment Partnership Program (CFDA #14.239)**

The City provides deferred renovation loans to eligible owner-occupants of single unit structures. The program is funded through the City's Federal HOME Investment Partnerships Program. The various loans awarded in amounts up to \$25,000 plus additional funds needed for the mitigation of lead hazards. The loans are to be repaid based upon the post renovation period of owner-occupancy. At December 31, 2020 the outstanding principal balance of those loans were \$3,913,705.

#### 4. INDIRECT COSTS

Indirect costs are included in the reported expenditures to the extent such costs are included in the federal financial reports used as the source for the data presented. The City has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

#### 5. MATCHING COSTS

Matching costs, i.e., the City's share of certain program costs, are not included in the reported expenditures.

**CITY OF BINGHAMTON, NEW YORK**

**Schedule of Findings and Questioned Costs  
For the year ended December 31, 2020**

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**Part 1 Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued on whether the City's financial statements were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

Yes  No

Significant deficiencies identified?

Yes  None reported

Noncompliance material to financial statements noted?

Yes  No

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?

Yes  No

Significant deficiencies identified?

Yes  None reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, 2 CFR Section 200.516(a)?

Yes  No

The dollar threshold to distinguish between Type A and B programs was \$750,000.

The major federal program of the City for the year ended December 31, 2020 was as follows:

**U.S. Department of Housing and Urban Development**

Community Development Block Grant Cluster

Community Development Block Grant (CFDA #14.218)

The City was not considered a low-risk auditee for the year ended December 31, 2020.

**CITY OF BINGHAMTON, NEW YORK**

**Schedule of Findings and Questioned Costs  
For the year ended December 31, 2020**

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**Part II      Financial Statement Findings**

None reported.

**Part III      Federal Award Findings and Questioned Costs**

None reported.