

CITY OF BINGHAMTON, NEW YORK

**Financial Statements as of
December 31, 2021**

**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 30, 2022

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

Opinions

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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2021, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, 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 is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

Supplementary 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 and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 and individual nonmajor fund financial statements and the 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 30, 2022, 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)

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, 2021. 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 \$169,808,488 (net position).
- The General Fund recorded an operating decrease of 4.2 million in 2021, with an ending fund balance of 15.9 million at year end. This was a planned reduction of using fund balance to purchase equipment for many different areas, Police (500,000), DPW (1 million), Fire, two (2) new ambulances at (230,000), along with equipment we allocated (1.6 million) to demolish a 1960 parking garage, and (two million) towards a new fire station. Part of these expenditures were offset by a two million increase over budgeted sales tax.

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.

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, 2021 and 2020 is as follows:

	Governmental 2021	Business-type 2021	Governmental 2020	Business-type 2020
Current Assets	\$ 73,180,380	\$ 2,992,975	\$ 63,688,705	\$ 2,708,334
Noncurrent Assets	<u>474,692,561</u>	<u>1,882,997</u>	<u>466,606,445</u>	<u>2,148,071</u>
Total Assets	547,872,941	4,875,972	530,295,150	4,856,405
Deferred Outflows of Resources-Pensions	41,409,189	-	28,621,244	-
Deferred Outflows of Resources-OPEB	<u>15,696,202</u>	<u>-</u>	<u>15,763,959</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>604,978,332</u>	<u>4,875,972</u>	<u>574,680,353</u>	<u>4,856,405</u>
Current Liabilities	92,212,384	587,592	96,031,364	592,863
Noncurrent Liabilities	<u>254,396,071</u>	<u>-</u>	<u>267,594,541</u>	<u>-</u>
Total Liabilities	346,608,455	587,592	363,625,905	592,863
Deferred Inflows of Resources-Pensions	43,046,643	-	2,065,248	-
Deferred Inflows of Resources-OPEB	<u>45,514,746</u>	<u>-</u>	<u>49,200,906</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>435,169,844</u>	<u>587,592</u>	<u>414,892,059</u>	<u>592,863</u>
Net Position				
Net investment in Capital Assets	219,513,887	-	219,253,346	-
Restricted	16,665,159	3,707,533	24,845,527	3,679,802
Unrestricted (Deficit)	<u>(66,370,558)</u>	<u>580,847</u>	<u>(84,310,579)</u>	<u>583,740</u>
Total Net Position	<u>\$ 169,808,488</u>	<u>\$ 4,288,380</u>	<u>\$ 159,788,294</u>	<u>\$ 4,263,542</u>

CITY OF BINGHAMTON, NEW YORK

Management's Discussion and Analysis (Unaudited)

Current Assets consist largely of \$28,004,539 in cash and cash equivalents, \$22,359,088 in restricted cash (mainly ARPA funds) and \$14,119,849 in "due from other governments". Non-current assets increased due to the Joint Sewage Treatment Plant valuation along with other city asset increases.

Included in the current liabilities are bond anticipation notes (BANS) payable of \$38,743,55, the current portion of long term liabilities of \$11,246,865. Non-current liabilities consist of bonds payable of \$181,019,914, compensated absences of \$3,309,567, other post employment benefits payable of \$59,983,795, and the city's proportional share of the net pension liability of \$10,082,795. The main decrease in the net pension liability is due to NYS GASB 68 report on retirement plan. The increase in current liabilities is primarily due to an increase in deferred revenue because of ARPA funds.

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, 2021 and 2020 is as follows:

	Governmental 2021	Business-type 2021	Governmental 2020	Business-type 2020
Revenues				
Program Revenues				
Charges for Service	\$ 22,732,721	\$ 49,530	\$ 20,857,084	\$ 93,520
Operating Grants	5,277,421	285,603	2,575,712	648,741
Capital Grants	8,947,642	-	5,387,328	-
General Revenues				
Property Taxes and Other Items	35,139,936	-	35,162,202	-
Nonproperty Tax items	15,290,167	-	13,219,940	-
Use of Money and Property	19,707	206	117,966	1,199
Sale of Property	105,360	-	547,649	-
Miscellaneous	1,259,486	-	1,736,885	-
State Sources	10,128,667	-	11,377,064	-
Change in Equity Interest in Joint Venture	(1,695,768)	-	(2,264,463)	-
Total Revenues	<u>97,205,339</u>	<u>335,339</u>	<u>88,717,367</u>	<u>743,460</u>
Expenses				
General Government Support	24,738,576	-	24,333,805	-
Public Safety	33,685,779	-	37,333,028	-
Public Health	83,966	-	100,360	-
Transportation	3,699,166	-	4,069,579	-
Economic Assistance and Opportunity	313,857	-	163,000	-
Home and Community Services	5,464,132	-	4,041,313	-
Culture & Recreation	14,875,772	-	15,973,724	-
Interest on long-term debt	4,323,897	-	5,854,602	-
BURA	-	57,605	-	116,948
BLDC	-	252,896	-	644,331
Total Expenses	<u>87,185,145</u>	<u>310,501</u>	<u>91,869,411</u>	<u>761,279</u>
Change in Net Position	<u>\$ 10,020,194</u>	<u>\$ 24,838</u>	<u>\$ (3,152,044)</u>	<u>\$ (17,819)</u>

Net position of the City's activities increased due to revenue increases in charges for services, and both operating and capital grants. The grants fluctuate year to year depending on the grants the city applies for.

Property tax and tax items were down slightly but remained constant year to year. Non-property taxes were up 15% in 2021 as compared to 2020. See Note 10 on City's joint ventures.

CITY OF BINGHAMTON, NEW YORK

Management's Discussion and Analysis (Unaudited)

THE CITY'S GOVERNMENTAL FUNDS

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

	2021	2020	Increase (Decrease)	% Change
General Fund	\$ 15,904,146	\$ 20,105,603	\$ (4,201,457)	-21%
Capital Projects Fund	(28,444,151)	(48,471,713)	20,027,562	-41%
Sewer Fund	1,762,331	2,637,429	(875,098)	-33%
Special Grant Fund	167,949	473,262	(305,313)	-65%
Non-Major Funds:				
Parking Ramp Fund	(435,241)	(509,555)	74,314	-15%
Water Fund	1,811,032	1,884,650	(73,618)	-4%
Refuse and Garbage Fund	1,173,140	995,152	177,988	18%
 Total Fund Balance - governmental funds	 <u>\$ (8,060,794)</u>	 <u>\$ (22,885,172)</u>	 <u>\$ 14,824,378</u>	 -65%

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 increased due to converting short-term bond anticipation notes into long-term bonds. Sewer Fund decreased due to write-offs of receivables due to pandemic and less water consumption.

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, 2021 the City had net capital assets of \$317,506,075. Change from the prior year was a result of depreciation expense of \$17,466,862 and capital asset additions net of disposals of \$20,666,386.

	2021	2020	Increase (Decrease)	% Change
Capital Assets:				
Land	\$ 4,363,829	\$ 4,279,869	\$ 83,960	2%
Construction in Progress	14,567,739	2,239,055	12,328,684	551%
Buildings, net	33,390,188	32,839,737	550,451	2%
Equipment, net	6,962,258	7,636,941	(674,683)	-9%
Infrastructure, net	258,222,061	267,310,949	(9,088,888)	-3%
 Total Capital Assets, net	 <u>\$ 317,506,075</u>	 <u>\$ 314,306,551</u>	 <u>\$ 3,199,524</u>	 1%

CITY OF BINGHAMTON, NEW YORK

Management's Discussion and Analysis (Unaudited)

Debt

Debt (Bonds, Bans and lease obligations payable), considered a liability of the government activities, as shown below. Of the amounts of bonds, BANS, outstanding \$38,743,522 is subject to the constitutional debt limit and represents 64.95 % of the statutory debt limit. The City's bond rating was assigned a A2 by Moody's. More detailed information about the City's liabilities is presented in the notes to the financial statements.

	2021	2020	Increase (Decrease)	% Change
Outstanding Debt:				
Bond Anticipation Notes	\$ 38,743,556	\$ 65,402,941	\$ (26,659,385)	-41%
Serial Bonds	79,886,703	64,575,000	15,311,703	24%
EFC Bonds	<u>111,685,337</u>	<u>108,370,967</u>	<u>3,314,370</u>	3%
Total Outstanding Debt	<u>\$ 230,315,596</u>	<u>\$ 238,348,908</u>	<u>\$ (8,033,312)</u>	-3%

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)

Recent and Planned Construction and Development Activity

For the last several years, the City has taken an aggressive approach to developing and expanding Binghamton's commercial and industrial base and growing its central business district as a major dining, retail, cultural, convention and entertainment center. Downtown has become an entertainment hub and a place where thousands of residents and visitors come to socialize following the end of the workday and on weekends. Even as COVID-19 presents unprecedented challenges to businesses and downtowns across the country, the thriving downtown business district the City has cultivated in recent years remains resilient and poised to continue its

Located downtown, the Broome County Veterans Memorial Arena is a 6,925-seat (4,679-seat for hockey) multi-purpose space. The Arena is home to the Binghamton Devils, a professional ice hockey team in the American Hockey League, and a primary entertainment venue for residents of the Greater Binghamton area. Also downtown, the Broome County Forum Theatre (the "Forum") is home to Broadway in Binghamton, the Tri-Cities Opera and the Binghamton Philharmonic. The 1,500-seat performing arts theatre hosts a wide variety of other events, including concerts, comedy acts, conventions, talent competitions and recitals. It also houses a Robert Morton Theatre Organ. Recently, the Forum underwent upgrades as part of a broader \$3.7 million project establishing the Downtown Entertainment and Cultural Organizations (DECO) District in downtown Binghamton. The DECO District project will build off existing arts anchors from Court Street to Lewis Street. New public art and improvements to streetscapes, gateways, intersections and other public spaces in 2021 will create a unified arts and culture district that is more walkable and visibly attractive. The project received \$1.7 million in State funding.

Many artists continue to purchase buildings downtown to use as residences, personal studios and art galleries. Area residents recognize the significant artistic talent that exists in the community. Before COVID-19, the First Friday Art Walk, which highlights a range of quality artistic shops, galleries and live entertainment, has continued to grow and increase traffic for local businesses. In 2015, the first annual LUMA Projection Arts Festival saw artists and technical experts merge their talents and draw 20,000 attendees to downtown. With strong City support, along with State, County and private funding, the festival has grown rapidly in the years since, expanding to multiple days and drawing tens of thousands of people to the City. After moving virtual in 2020 due to COVID-19, LUMA is expected to return in 2021.

In the northern section of downtown, NYSEG Stadium (formerly Binghamton Municipal Stadium) is home to Minor League Baseball's Binghamton Rumble Ponies of the Double-A Eastern League. In recent years, the stadium has received more than \$5.1 million in upgrades that include new seating, new video boards, an upgraded sound system, critical structural improvements, turf replacement and clubhouse renovations. In late 2020, following news of a Minor League Baseball contraction, the New York Mets announced the Binghamton Rumble Ponies would remain the franchise's Double-A affiliate, securing professional baseball in Binghamton for the foreseeable future.

The urban core hosts a growing variety of restaurants, coffeehouses, hotels and taverns that attract people from throughout the region. Prior to COVID-19, new eateries, coffee shops and breweries were filling vacant storefronts around downtown and beyond. The City's support during the pandemic, including the launch of an emergency, zero-interest loan program, grants to small businesses and new outdoor dining regulations, has allowed new and longtime establishments to keep their doors open to customers. Many new establishments have opened downtown in recent years, including Dos Rios, The Colonial, the Stone Fox, Strange Brew, Peterson's Tavern, The Shop and The Garage, which opened on the site of a shuttered gas station. The City's restaurants have remained popular destinations for residents for safe indoor and outdoor dining and takeout. A testament to the boom of eateries in the City in recent years, the City's bi-annual Restaurant Week has grown from seven participating restaurants in 2010 to 28 participating restaurants in 2019. These new establishments and others have filled previously empty storefronts in the City's urban core, breathed new life into downtown and raised the City's profile on the regional restaurant scene.

CITY OF BINGHAMTON, NEW YORK

Management's Discussion and Analysis (Unaudited)

Building on Binghamton's growing dining and entertainment scene, SUNY Broome opened its new Culinary and Event Center at the former Carnegie Library downtown in early 2020. In 2019, the college completed a \$21.5 million renovation of the building, which opened in 1904 and had been vacant for 20 years. It now hosts SUNY Broome's popular Hospitality programs, including Culinary Arts, Event Management, Lodging and Casino Management, and Restaurant Management. The Culinary and Event Center is located around the block from the \$19 million Koffman Southern Tier Incubator, which opened on Hawley Street in June 2017. The 35,000 square-foot Incubator was built by Binghamton University and SUNY Broome to support the Southern Tier's growing entrepreneurial ecosystem and attract new companies to the area, especially those in the energy fields. The Incubator has offices, labs, common areas and co-working spaces meant to encourage collaboration. It also offers wrap-around services, such as financial, legal and regulatory resources, designed to help developing companies succeed. Binghamton University announced it expects to help create more than 900 jobs through the Incubator in its first decade.

Downtown has attracted new businesses outside the restaurant industry in recent years, as well. Muckles Inc., a screen-printing and apparel shop, and the Dapper Rascal Barber Shop, opened in a newly renovated building in the heart of downtown in 2018. Other new retail spaces downtown include Mabel D. Orr Fashion Boutique, Tesorina Boutique and Old Barn Hollow, which relocated from the South Side. On the outskirts of downtown, the Lackawanna Train Station was renovated in recent years with multiple commercial and professional office spaces. Prior to Covid-19, the parking lot began hosting Trucks on the Tracks, a weekly food truck festival, in the summer. William H. Lane Incorporated, a construction company, recently returned to the City after a 40-year absence, and Ellis Brothers Furniture invested millions to renovate a once-vacant building downtown into a modern furniture

Businesses continue to take advantage of the positive economic momentum that has developed Citywide and the increased customer base that has been generated. New businesses continue to open throughout Binghamton. The City recently worked with ScottTech, LLC, a warehouse management technology company, to relocate its corporate headquarters to the westerly end of the Court Street Corridor near downtown, bringing 14 engineering and manufacturing jobs to the City. In 2015, the City also sold a former senior center located one block from the Court Street Corridor to Red Barn Computer, Inc. which has opened a high-tech data service and storage center, as well as ancillary businesses, and established 15 new jobs. In 2016, I3, a high-tech electronic manufacturer moved part of its operation into the City, bringing high-paying jobs to the downtown area. In 2017, Save Around located its headquarters at the First Ward business park, retaining 74 jobs and planning to add 10 more.

In early 2021, Greater Good Grocery opened on the ground floor of the new Canal Plaza mixed-use development on Binghamton's North Side. It marks the first time the North Side has had a grocery store in 25 years, increasing access to healthy, affordable foods for residents, including many who struggle with food insecurity. A partnership between the City, New York State, the Binghamton Housing Authority and the Broome County Council of Churches, the store generated three full-time and eight parttime jobs.

In January 2021, the City opened a new 304-spot parking garage at 7 Hawley St. downtown. The well-built and aesthetically pleasing garage, equipped with the latest parking technology, will help meet the demand for parking caused, in part, by a revitalized downtown. The project received a \$2.15 million grant from New York State.

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 the urban core and have spurred new commercial development, including multiple restaurants, taverns and shops. These commercial and service business storefronts along Court, Washington and State streets attract and serve the new residents and visitors.

CITY OF BINGHAMTON, NEW YORK

Management's Discussion and Analysis (Unaudited)

The trend of converting commercial buildings into urban homes and lofts has also gained momentum and has quickly spread to multiple areas downtown.

Most recently, the housing focus has shifted away from students and toward other populations, including empty nesters, young professionals and families. Despite the pandemic, work continued in 2020 on millions of dollars in public and private housing development, including affordable, homeless and market-rate housing.

On the West Side, a short walk from downtown, a \$20 million market-rate mixed-use housing project is planned for the corner of Front and Clinton streets. Multiple blighted vacant buildings will be demolished to make room for a 115-unit development with 6,000 square-feet of commercial space. The project is down the street from the \$30 million luxury housing project at 50 Front Street and about 2 miles from the \$25 million, 97-unit ANSCO Lofts market-rate project in the First Ward. Both 50 Front Street and the ANSCO Lofts opened in 2019 and have waiting lists for interested tenants.

On the City's North Side, major affordable and homeless housing projects were completed in 2020. The \$20.5 million Canal Plaza project at 435 State St. replaced a blighted, vacant shopping plaza with 48 apartments of affordable housing and 15,000-square feet of commercial space, including Greater Good Grocery. The City demolished a former Big Lots plaza on the site in 2017. The project received federal, state and local funding.

In early 2021, the Family Enrichment Network (FEN) opened a 19-unit homeless housing project on the North Side for homeless veterans, families, victims of domestic violence and young adults. FEN will provide on-site support services to residents. The \$4.2 million building went up on seven parcels of land where the City had demolished several blighted properties in recent years. It's located across the street from the City's Lee Barta Community Center, which received a \$500,000 expansion in 2018.

Also on the North Side, plans are moving forward on a \$38 million project to upgrade and rehabilitate Town and Country Apartments. This project will transform perhaps the most troubled apartment complex in Binghamton into a safe, stable and affordable place for residents to raise their families. Throughout the North Side, Opportunities for Broome (OFB) will partner with the City to rehabilitate four badly blighted properties for affordable housing, including a major eyesore at the corner of Liberty and Munsell streets. OFB was recently awarded \$7.7 million from New York State for the project.

In the North of Main neighborhood on Binghamton's West Side, the City assisted the First Ward Action Council in completing \$10 million project to rehabilitate 10 severely blighted homes on Crandall Street into 37 units of quality affordable housing and a new community center. The First Ward Action Council is now planning a second affordable housing project in the neighborhood – rehabilitating seven properties and building a new one at a cost of approximately \$7 million. These projects are transforming a high poverty, high-crime area of the City into a vibrant neighborhood with safe, affordable housing for families and individuals.

The City has also advanced an aggressive demolition program in recent years, identifying and tearing down dozens of commercial and residential eyesores, expanding the redevelopment potential of certain parcels and simply seeking to eradicate blight and boost the property values of surrounding parcels. In 2020, the City demolished its 120th blighted property since 2014. In 2018, the City began tearing down 13 blighted properties in a flood-prone area near downtown using funding from the Federal Emergency Management Agency (FEMA). Once the demolitions were complete, the City leased the land to VINES for expansion of its Urban Farm. More blighted property demolitions are planned for 2021 in neighborhoods around the City.

CITY OF BINGHAMTON, NEW YORK

Management's Discussion and Analysis (Unaudited)

In early 2020, the New York State Attorney General's Office awarded a \$585,000 grant to the City through the Cities RISE initiative. The grant allowed the City to create a rehab fund for tax-foreclosed properties to help break the cycle of blight in neighborhoods, establish an emergency repair fund, and provide housing and casework support to vulnerable residents.

The City government continues to improve its infrastructure by investing in roads, bridges, gateways, and water and sewer projects. In 2019, the City completed projects to upgrade and rehabilitate its Front Street gateways and bridges in the amount of \$5 million. These projects are the direct result of the City's successful partnership with the State Department of Transportation, which contributed significant funds to these projects. Since 2014, the City has paved or reconstructed nearly 80 miles of streets – more than half of the City's 151 centerline miles. Several bridges have undergone major rehabilitation projects, included the historic East Clinton Bridge, where a \$1.9 million project was completed in 2017. In 2016, the City completed its \$4 million multi-year project of changing the street lighting to LED technology, which has resulted in a reduction of electric usage of more than 50 percent. In 2020, the City completed its green roof project at City Hall, installing 2,500 square feet of vegetated roof and eight stormwater planters. The new roof system will reduce runoff entering the City's storm sewer system and surrounding rivers by absorbing, storing and evaporating rainfall. The City was awarded \$1.6 million through the Environmental Facilities Corporation (EFC) Green Innovation Grant Program (GIGP) for the \$2.1 million project.

In early 2020, the City launched a comprehensive floodwall and levee certification initiative, an important step in protecting residents across the City against expensive flood insurance. The City will also advance a \$1.1 million project to upgrade stormwater pump stations at Glenwood Avenue, Bevier Street and Rush Avenue.

In 2019, the City completed a \$1.2 million upgrade to the Binghamton Police Department Headquarters, improving police operations and use of technology. A half-million-dollar project began in early 2021 to expand the Southern Tier Crime Analysis Center in City Hall. The project, which received funding from the New York State Division of Criminal Justice Services (DCJS), will expand public safety operations and staffing by bringing outside agency personnel and investigative tools under one roof, allowing for more efficient investigations across municipal boundaries.

The City plans to break ground in Spring 2021 on a new state-of-the-art Fire Department headquarters downtown to replace the aging City Hall station. The \$8.5 million project will improve public safety operations and revitalize a long-blighted commercial corridor.

The City was a major beneficiary of the State of New York Upstate Revitalization Initiative (URI). The City received a grant for the construction of a connecting bike/pedestrian way from the Binghamton University campus to the City's downtown, grants for rehabilitation of parks and a Local Waterfront Revitalization Plan (LWRP) study. The New York State Department of Transportation broke ground in early 2021 on the latest phase of the Route 434 Greenway project, which will construct a 2.5-mile bike and pedestrian path between Binghamton's South Side and Binghamton University in Vestal. The City, as one of the three urban core areas of the \$20 million Greater Binghamton Economic Ecosystem, should benefit from the proposed multi-million dollar improvements that are expected to be made as part of the URI. In addition, a \$3 million grant was provided for the mixed-use housing at 50 Front Street and a \$500,000 grant was awarded for the construction of a mixed-use building at 70-72 State Street.

CITY OF BINGHAMTON, NEW YORK

Management's Discussion and Analysis (Unaudited)

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 Binghamton Local Development Corporation (the BLDC") has worked with local business owners, Cornell University, SUNY Broome and Cornell Cooperative Extension to attract new generation of food businesses that will take advantage of Binghamton's proximity to Cornell's technology and the City's access to three major railroads and 3 major interstate highways. This project is also part of the Upstate Revitalization Initiative.

Loan programs of the BLDC have made loans in the aggregate amount of \$805,000 over the last three years to nine different businesses. The loans are designed to supplement private investment in projects of \$3,750,225. The BLDC just closed its most recent NYS Office of Community Renewal (OCR) Main Street grant for \$500,000, to improve the area entering downtown.

Education

Binghamton University. 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 Management, the Decker School of Nursing, the College of Community and Public Affairs and the Thomas J. Watson School of Engineering & Applied Science and the School of Pharmacy and Pharmaceutical Sciences. Binghamton University had an enrollment of 14,307 undergraduates and 3,821 graduate students for the 2020 Fall semester.

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 Community College. SUNY Broome, formerly named Broome County Community College, 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 2,932 full-time and 1,256 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, creating a boom in housing for students, young professionals and others in downtown Binghamton and surrounding neighborhoods. There have been several multi-million dollar student housing projects, including new construction projects, such as 20 Hawley St. and Twin River Commons, and the renovation of multiple historic buildings, such as Chenango Place, The Printing House and University Lofts.

CITY OF BINGHAMTON, NEW YORK

Management's Discussion and Analysis (Unaudited)

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, 2021**

	Governmental Activities	Business-type Activities	Total Primary Government
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 28,004,539	\$ 91,797	\$ 28,096,336
Restricted cash and cash equivalents	22,359,088	2,210,046	24,569,134
Cash held by fiscal agent	106,614	-	106,614
Accounts receivable	-	36,250	36,250
Due from state and federal governments	3,962,494	-	3,962,494
Due from other governments	10,157,351	-	10,157,351
Other receivables, net	5,789,412	-	5,789,412
Inventory	441,766	-	441,766
Prepaid expenditures	2,359,116	-	2,359,116
Loans receivable, current portion	-	654,882	654,882
	<u>73,180,380</u>	<u>2,992,975</u>	<u>76,173,355</u>
Total current assets			
NONCURRENT ASSETS:			
Inventory - property held for sale	-	1,200,413	1,200,413
Loans receivable, net	6,012,998	682,584	6,695,582
Equity interest in joint ventures	151,173,488	-	151,173,488
Capital assets, net	317,506,075	-	317,506,075
	<u>474,692,561</u>	<u>1,882,997</u>	<u>476,575,558</u>
Total noncurrent assets			
Total assets	<u>547,872,941</u>	<u>4,875,972</u>	<u>552,748,913</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	41,409,189	-	41,409,189
OPEB related	15,696,202	-	15,696,202
	<u>57,105,391</u>	<u>-</u>	<u>57,105,391</u>
Total deferred outflows of resources			
LIABILITIES			
CURRENT LIABILITIES:			
Accounts payable	4,048,450	36,250	4,084,700
Accrued liabilities	15,072,323	551,342	15,623,665
Bond anticipation notes payable	38,743,556	-	38,743,556
Interest payable	1,146,465	-	1,146,465
Unearned revenue	21,544,792	-	21,544,792
Other liabilities	9,440	-	9,440
Compensated absences, current portion	400,493	-	400,493
Bonds payable, current portion	11,246,865	-	11,246,865
	<u>92,212,384</u>	<u>587,592</u>	<u>92,799,976</u>
Total current liabilities			
LONG-TERM LIABILITIES:			
Bonds payable, net of current portion	181,019,914	-	181,019,914
Compensated absences, net of current portion	3,309,567	-	3,309,567
Net pension liability	10,082,795	-	10,082,795
Total other postemployment benefits	59,983,795	-	59,983,795
	<u>254,396,071</u>	<u>-</u>	<u>254,396,071</u>
Total long-term liabilities			
Total liabilities	<u>346,608,455</u>	<u>587,592</u>	<u>347,196,047</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related	43,046,643	-	43,046,643
OPEB related	45,514,746	-	45,514,746
	<u>88,561,389</u>	<u>-</u>	<u>88,561,389</u>
Total deferred inflows of resources			
NET POSITION			
Net investment in capital assets	219,513,887	-	219,513,887
Restricted	16,665,159	3,707,533	20,372,692
Unrestricted	(66,370,558)	580,847	(65,789,711)
Total net position	<u>\$ 169,808,488</u>	<u>\$ 4,288,380</u>	<u>\$ 174,096,868</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, 2021

	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	\$ 24,738,576	\$ 103,474	\$ 2,843,228	\$ -	\$ (21,791,874)	\$ -	\$ (21,791,874)
Public safety	33,685,779	853,875	417,374	316,819	(32,097,711)	-	(32,097,711)
Public health	83,966	687,409	-	-	603,443	-	603,443
Transportation	3,699,166	1,638,702	-	2,945,314	884,850	-	884,850
Economic assistance and opportunity	313,857	-	-	-	(313,857)	-	(313,857)
Culture and recreation	5,464,132	425,593	-	-	(5,038,539)	-	(5,038,539)
Home and community services	14,875,772	19,023,668	2,016,819	5,685,509	11,850,224	-	11,850,224
Interest on long-term debt	4,323,897	-	-	-	(4,323,897)	-	(4,323,897)
Total governmental activities	<u>87,185,145</u>	<u>22,732,721</u>	<u>5,277,421</u>	<u>8,947,642</u>	<u>(50,227,361)</u>	<u>-</u>	<u>(50,227,361)</u>
Business-type activities:							
BURA	57,605	-	53,672	-	-	(3,933)	(3,933)
BLDC	252,896	49,530	231,931	-	-	28,565	28,565
Total business-type activities	<u>310,501</u>	<u>49,530</u>	<u>285,603</u>	<u>-</u>	<u>-</u>	<u>24,632</u>	<u>24,632</u>
Total primary government	<u>\$ 87,495,646</u>	<u>\$ 22,782,251</u>	<u>\$ 5,563,024</u>	<u>\$ 8,947,642</u>	<u>(50,227,361)</u>	<u>24,632</u>	<u>(50,202,729)</u>
General revenues:							
Real property taxes					33,847,773	-	33,847,773
Other real property tax items					1,292,163	-	1,292,163
Non-property taxes					15,290,167	-	15,290,167
Use of money and property					19,707	206	19,913
Sale of property and compensation for loss					105,360	-	105,360
Miscellaneous					1,259,486	-	1,259,486
State sources					10,128,667	-	10,128,667
Change in equity interest in joint ventures					(1,695,768)	-	(1,695,768)
Total general revenues					<u>60,247,555</u>	<u>206</u>	<u>60,247,761</u>
Change in net position					10,020,194	24,838	10,045,032
Net position - beginning of year					<u>159,788,294</u>	<u>4,263,542</u>	<u>164,051,836</u>
Net position - end of year					<u>\$ 169,808,488</u>	<u>\$ 4,288,380</u>	<u>\$ 174,096,868</u>

The accompanying notes are an integral part of these statements.

CITY OF BINGHAMTON, NEW YORK

Balance Sheet
Governmental Funds
December 31, 2021

	General Fund	Capital Projects Fund	Sewer Fund	Special Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 15,276,166	\$ 9,115,147	\$ 27,539	\$ 367,756	\$ 997,597	\$ 25,784,205
Restricted cash and cash equivalents	9,944,954	9,664,031	48,319	-	90,727	19,748,031
Cash held by fiscal agent	-	-	-	-	104,656	104,656
Due from other funds	6,909,261	-	-	-	65,000	6,974,261
Due from state and federal governments	188,972	3,445,682	-	327,840	-	3,962,494
Due from other governments	3,733,831	5,329,309	1,105,050	-	445,488	10,613,678
Other receivables, net	656,783	14,362	3,077,574	5,553	2,035,140	5,789,412
Inventory	33,191	-	140,104	-	268,471	441,766
Prepaid expenditures	1,953,044	-	46,898	-	257,749	2,257,691
Loans receivable, net	-	-	-	6,012,998	-	6,012,998
Total assets	\$ 38,696,202	\$ 27,568,531	\$ 4,445,484	\$ 6,714,147	\$ 4,264,828	\$ 81,689,192
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES:						
Accounts payable	\$ 537,142	\$ 2,556,497	\$ 15,855	\$ 533,200	\$ 364,334	\$ 4,007,028
Accrued liabilities	1,474,524	11,600,309	152,905	-	238,629	13,466,367
Due to other funds	65,000	3,112,320	2,512,157	-	1,282,994	6,972,471
Bond anticipation notes payable	-	38,743,556	-	-	-	38,743,556
Compensated absences	387,353	-	2,236	-	10,904	400,493
Unearned revenue	20,328,037	-	-	1,187,330	29,425	21,544,792
Other liabilities	-	-	-	-	9,440	9,440
Total liabilities	22,792,056	56,012,682	2,683,153	1,720,530	1,935,726	85,144,147
DEFERRED INFLOWS OF RESOURCES:						
Unavailable revenue	-	-	-	4,825,668	2,083	4,827,751
FUND BALANCES:						
Nonspendable	2,322,092	-	187,002	-	526,220	3,035,314
Restricted	2,844,552	9,664,031	1,575,329	167,949	1,413,298	15,665,159
Committed	-	-	-	-	1,069,706	1,069,706
Assigned	5,354,227	-	-	-	-	5,354,227
Unassigned	5,383,275	(38,108,182)	-	-	(682,205)	(33,407,112)
Total fund balances	15,904,146	(28,444,151)	1,762,331	167,949	2,327,019	(8,282,706)
Total liabilities, deferred inflows of resources and fund balances	\$ 38,696,202	\$ 27,568,531	\$ 4,445,484	\$ 6,714,147	\$ 4,264,828	\$ 81,689,192

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, 2021**

Total fund balance - governmental funds		\$ (8,282,706)
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.		151,173,488
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.		(456,327)
Capital assets used in governmental activities are not current financial resources and therefore, are not reported in the funds.		
Cost of capital assets	\$ 583,844,005	
Accumulated depreciation	<u>(266,337,930)</u>	
		317,506,075
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	\$ 41,409,189	
OPEB related	<u>15,696,202</u>	
		57,105,391
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 (including unamortized premiums)	\$ (192,266,779)	
Compensated absences	(3,309,567)	
Net pension liability	(10,082,795)	
Other postemployment benefits	<u>(59,983,795)</u>	
		(265,642,936)
Portions of loans receivable are not available to pay for current period expenditures and are deferred in the funds.		4,827,751
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	\$ (43,046,643)	
OPEB related	<u>(45,514,746)</u>	
		(88,561,389)
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>3,285,606</u>
Net position of governmental activities		<u>\$ 169,808,488</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, 2021

	General Fund	Capital Projects Fund	Sewer Fund	Special Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:						
Real property taxes	\$ 33,847,773	\$ -	\$ -	\$ -	\$ -	\$ 33,847,773
Other real property tax items	1,292,163	-	-	-	-	1,292,163
Non-property taxes	15,290,167	-	-	-	-	15,290,167
Departmental income	1,216,027	28,036	10,651,766	-	9,486,675	21,382,504
Intergovernmental charges	454,209	4,824,863	-	99,488	-	5,378,560
Interfund revenues	986,264	-	-	-	177,422	1,163,686
Use of money and property	13,449	6,000	88	-	173	19,710
Licenses and permits	264,574	-	-	-	-	264,574
Fines and forfeitures	566,316	-	-	-	-	566,316
Sale of property and compensation for loss	217,544	24,362	-	-	-	241,906
Miscellaneous	2,697	141,114	7,080	-	1,488	152,379
State aid	10,306,535	7,519,877	-	-	-	17,826,412
Federal aid	2,859,823	609,784	-	2,302,448	-	5,772,055
Total revenues	67,317,541	13,154,036	10,658,934	2,401,936	9,665,758	103,198,205
EXPENDITURES:						
General government support	7,048,649	2,679,796	12,912	-	11,308	9,752,665
Public safety	24,515,095	3,351,805	-	-	-	27,866,900
Public health	51,740	6,440	-	-	-	58,180
Transportation	2,003,624	7,767,663	-	-	668,303	10,439,590
Economic assistance and opportunity	202,679	-	-	72,500	-	275,179
Culture and recreation	3,081,236	1,655,374	-	424,810	707,909	5,869,329
Home and community services	1,070,368	16,719,559	3,595,645	2,209,939	6,050,680	29,646,191
Employee benefits	17,610,623	14,954	340,693	-	1,716,350	19,682,620
Debt Service - principal	4,352,534	-	5,381,835	-	2,375,387	12,109,756
Debt Service - interest	1,407,762	-	2,161,757	-	826,949	4,396,468
Total expenditures	61,344,310	32,195,591	11,492,842	2,707,249	12,356,886	120,096,878
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,973,231	(19,041,555)	(833,908)	(305,313)	(2,691,128)	(16,898,673)
OTHER FINANCING SOURCES (USES):						
Proceeds from refunding bonds	3,369,028	-	3,642,774	-	2,223,198	9,235,000
Payment to refunded bond escrow agent	(3,572,999)	-	(3,863,319)	-	(2,357,798)	(9,794,116)
Proceeds from serial bonds	-	29,035,990	-	-	-	29,035,990
Premiums from bond anticipation notes	100,397	-	48,313	-	72,977	221,687
Premiums from refunding bonds	253,448	-	274,042	-	167,249	694,739
BANs redeemed from appropriations	-	2,109,839	-	-	-	2,109,839
Interfund transfers in	-	7,923,288	2,000	-	2,992,274	10,917,562
Interfund transfers out	(10,324,562)	-	(145,000)	-	(450,000)	(10,919,562)
Total other financing sources (uses)	(10,174,688)	39,069,117	(41,190)	-	2,647,900	31,501,139
CHANGE IN FUND BALANCE	(4,201,457)	20,027,562	(875,098)	(305,313)	(43,228)	14,602,466
FUND BALANCES - BEGINNING OF YEAR	20,105,603	(48,471,713)	2,637,429	473,262	2,370,247	(22,885,172)
FUND BALANCES - END OF YEAR	\$ 15,904,146	\$ (28,444,151)	\$ 1,762,331	\$ 167,949	\$ 2,327,019	\$ (8,282,706)

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, 2021**

Net changes in fund balances - total governmental funds		\$ 14,602,466
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.		(1,695,768)
Activity related to the equity interest in the joint venture reported in the fund financial statements is eliminated in the Statement of Activities.		6,384,204
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	\$ 22,516,821	
Depreciation expense	(17,466,862)	
Net book value of disposed asset	<u>(1,850,435)</u>	
		3,199,524
Issuance of long-term debt and related premiums is recognized as proceeds in the governmental funds, but recorded as a liability in the statement of net position.		(38,965,729)
Repayments of long-term serial bonds are recorded as expenditures in the governmental funds, but are recorded as reductions of liabilities in the statement of net position.		19,794,033
Losses related to current year debt refunding are not recognized in the fund financial statements, which recognize expenditures on debt as payments are made.		(149,116)
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		208,499
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	\$ 29,185,480	
Deferred outflows of resources	12,787,945	
Deferred inflows of resources	<u>(40,981,395)</u>	
		992,030
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	\$ 1,878,355	
Deferred outflows of resources	(67,757)	
Deferred inflows of resources	<u>3,686,160</u>	
		5,496,758
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.		58,751
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>94,542</u>
Change in net position of governmental activities		<u>\$ 10,020,194</u>

The accompanying notes are an integral part of these statements.

CITY OF BINGHAMTON, NEW YORK

**Statement of Net Position
Proprietary Funds
December 31, 2021**

	Business-Type Activities			Governmental Activities
	BURA	BLDC	Total	Internal Service Fund
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 20,345	\$ 71,452	\$ 91,797	\$ 2,220,334
Restricted cash and cash equivalents	-	2,210,046	2,210,046	2,611,057
Accounts receivable	-	36,250	36,250	1,958
Loans receivable, current portion	-	654,882	654,882	-
Prepaid expenses	-	-	-	101,425
Total current assets	<u>20,345</u>	<u>2,972,630</u>	<u>2,992,975</u>	<u>4,934,774</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	-	682,584	682,584	-
Total noncurrent assets	<u>439,432</u>	<u>1,443,565</u>	<u>1,882,997</u>	<u>-</u>
Total assets	<u>459,777</u>	<u>4,416,195</u>	<u>4,875,972</u>	<u>4,934,774</u>
LIABILITIES				
CURRENT LIABILITIES:				
Accounts payable	-	36,250	36,250	41,422
Accrued liabilities	-	551,342	551,342	1,605,956
Due to other funds	-	-	-	1,790
Total liabilities	<u>-</u>	<u>587,592</u>	<u>587,592</u>	<u>1,649,168</u>
NET POSITION				
Restricted	20,000	3,687,533	3,707,533	1,000,000
Unrestricted	<u>439,777</u>	<u>141,070</u>	<u>580,847</u>	<u>2,285,606</u>
Total net position	<u>\$ 459,777</u>	<u>\$ 3,828,603</u>	<u>\$ 4,288,380</u>	<u>\$ 3,285,606</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, 2021

	Business-Type Activities			Governmental
	BURA	BLDC	Total	Activities Internal Service Fund
OPERATING REVENUES:				
Interdepartmental charges	\$ -	\$ -	\$ -	\$ 1,740,486
Grant income	50,000	231,931	281,931	-
Interest and fees on loans	-	42,530	42,530	-
Other operating revenues	-	7,000	7,000	584,007
In-Kind revenue	3,672	-	3,672	-
Total operating revenues	53,672	281,461	335,133	2,324,493
OPERATING EXPENSES:				
Salaries and benefits	-	154,000	154,000	125,092
Contractual services	-	-	-	721,425
Workers compensation claims	-	-	-	1,483,249
Grant expense	-	77,152	77,152	-
Marketing	-	1,280	1,280	-
Professional fees	2,000	5,500	7,500	-
Utilities	1,933	-	1,933	-
Stadium maintenance	50,000	-	50,000	-
Other	-	14,964	14,964	-
In-Kind expense	3,672	-	3,672	-
Total operating expenses	57,605	252,896	310,501	2,329,766
INCOME (LOSS) FROM OPERATIONS	(3,933)	28,565	24,632	(5,273)
NONOPERATING (EXPENSES) REVENUES:				
Interfund transfers in	-	-	-	2,000
Interest income	7	199	206	97,815
Total nonoperating (expenses) revenues	7	199	206	99,815
CHANGE IN NET POSITION	(3,926)	28,764	24,838	94,542
NET POSITION - beginning of year	463,703	3,799,839	4,263,542	3,191,064
NET POSITION - end of year	\$ 459,777	\$ 3,828,603	\$ 4,288,380	\$ 3,285,606

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, 2021**

	Business-Type Activities			Governmental Activities
	BURA	BLDC	Total	Internal Service Fund
CASH FLOW FROM OPERATING ACTIVITIES:				
Cash received from providing services	\$ 50,000	\$ -	\$ 50,000	\$ 1,738,337
Cash received from loans and loan fees	-	403,317	403,317	-
Cash received from grants	-	243,431	243,431	-
Cash received from miscellaneous sources	-	-	-	582,049
Cash payments for contractual services	(54,044)	(258,056)	(312,100)	(711,717)
Cash payments to loan borrowers	-	(19,438)	(19,438)	-
Cash payments for salaries and benefits	-	-	-	(125,092)
Cash payments for workers compensation claims	-	-	-	(1,510,993)
Net cash flow from operating activities	<u>(4,044)</u>	<u>369,254</u>	<u>365,210</u>	<u>(27,416)</u>
CASH FLOW FROM INVESTING ACTIVITIES:				
Transfers from other funds	-	-	-	2,000
Interest income received	<u>7</u>	<u>199</u>	<u>206</u>	<u>97,815</u>
Net cash flow from investing activities	<u>7</u>	<u>199</u>	<u>206</u>	<u>99,815</u>
CHANGE IN CASH AND CASH EQUIVALENTS	(4,037)	369,453	365,416	72,399
CASH AND CASH EQUIVALENTS - beginning 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 - end of year	<u>\$ 20,345</u>	<u>\$ 2,281,498</u>	<u>\$ 2,301,843</u>	<u>\$ 4,831,391</u>
Cash and cash equivalents - unrestricted	\$ 20,345	\$ 71,452	\$ 91,797	\$ 2,220,334
Cash and cash equivalents - restricted	-	<u>2,210,046</u>	<u>2,210,046</u>	<u>2,611,057</u>
Total cash and cash equivalents	<u>\$ 20,345</u>	<u>\$ 2,281,498</u>	<u>\$ 2,301,843</u>	<u>\$ 4,831,391</u>
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH USED BY OPERATING ACTIVITIES:				
Income (loss) from operations	\$ (3,933)	\$ 28,565	\$ 24,632	\$ (5,273)
Adjustments to reconcile income (loss) from operations to net cash flows from operating activities:				
Changes in:				
Accounts receivable	-	4,500	4,500	(1,958)
Loans receivable	-	341,349	341,349	-
Prepaid expenses	-	-	-	20,797
Accounts payable	(111)	(5,160)	(5,271)	(11,089)
Accrued liabilities	-	-	-	(27,744)
Due to other funds	-	-	-	(2,149)
Net cash flow from operating activities	<u>\$ (4,044)</u>	<u>\$ 369,254</u>	<u>\$ 365,210</u>	<u>\$ (27,416)</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, 2021

	Custodial Fund
ASSETS:	
Restricted cash and cash equivalents	\$ <u>33,494</u>
Total assets	<u>33,494</u>
NET POSITION:	
Restricted	\$ <u><u>33,494</u></u>

Statement of Changes in Fiduciary Net Position

Fiduciary Fund

For the year ended December 31, 2021

	Custodial Fund
ADDITIONS:	
Funds held for others	\$ <u>5</u>
Total additions	<u>5</u>
DEDUCTIONS:	
Funds held for others	<u>44</u>
Total deductions	<u>44</u>
Change in net position	(39)
Total net position - beginning of year	<u>33,533</u>
Total net position - end of year	\$ <u><u>33,494</u></u>

The accompanying notes are an integral part of these statements.

CITY OF BINGHAMTON, NEW YORK

Notes to Basic Financial Statements

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

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, 2021.

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

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 column 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

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.

Golf Fund - Accounts for activities related to the City's municipal golf course.

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.

CITY OF BINGHAMTON, NEW YORK

Notes to Basic Financial Statements

b) Non-major Enterprise Funds

BURA - Accounts for activities of the blended component unit.

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 the expenditure is made.

CITY OF BINGHAMTON, NEW YORK

Notes to Basic Financial Statements

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.

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

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

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

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. The City considers cash and cash equivalents in proprietary funds to be cash on hand and demand deposits.

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

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.

CITY OF BINGHAMTON, NEW YORK

Notes to Basic Financial Statements

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, 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.

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, notes or other borrowings, or accounts payable and other liabilities that are 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."

CITY OF BINGHAMTON, NEW YORK

Notes to Basic Financial Statements

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.

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, inventories and interfund loans not expected to be repaid within one year.
- 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.

CITY OF BINGHAMTON, NEW YORK

Notes to Basic Financial Statements

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.

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, 2021, were insured or collateralized as follows:

FDIC Insured	\$ 10,606,299
Uninsured and collateral held by pledging bank	<u>20,252,112</u>
Total	<u>\$ 30,858,411</u>

CITY OF BINGHAMTON, NEW YORK

Notes to Basic Financial Statements

Investments in External Investment Pools

At December 31, 2021, the City's cash and cash equivalents included amounts with a fair value of \$21,685,885 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 December 31, 2021, is 58 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 December 31, 2021, is 66 days.

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 2021, payments from the County to the City aggregated \$14,314,322.

CITY OF BINGHAMTON, NEW YORK

Notes to Basic Financial Statements

4. CAPITAL ASSETS

<u>Governmental Activities:</u>	<u>Beginning</u>			<u>Ending Balance</u>
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	
Nondepreciable Capital Assets:				
Land	\$ 4,279,869	\$ 220,000	\$ (136,040)	\$ 4,363,829
Construction in Progress	<u>2,239,055</u>	<u>19,990,875</u>	<u>(7,662,191)</u>	<u>14,567,739</u>
Subtotal	<u>6,518,924</u>	<u>20,210,875</u>	<u>(7,798,231)</u>	<u>18,931,568</u>
Depreciable:				
Buildings and Improvements	57,780,045	1,675,168	(4,478,524)	54,976,689
Machinery and Equipment	25,014,684	991,169	(1,303,693)	24,702,160
Infrastructure	<u>482,332,294</u>	<u>7,301,800</u>	<u>(4,400,506)</u>	<u>485,233,588</u>
Subtotal	<u>565,127,023</u>	<u>9,968,137</u>	<u>(10,182,723)</u>	<u>564,912,437</u>
Total capital assets	<u>571,645,947</u>	<u>30,179,012</u>	<u>(17,980,954)</u>	<u>583,844,005</u>
Accumulated depreciation:				
Buildings and Improvements	(24,940,308)	(1,124,717)	4,478,524	(21,586,501)
Machinery and Equipment	(17,377,743)	(1,539,087)	1,176,928	(17,739,902)
Infrastructure	<u>(215,021,345)</u>	<u>(14,803,058)</u>	<u>2,812,876</u>	<u>(227,011,527)</u>
Total	<u>(257,339,396)</u>	<u>(17,466,862)</u>	<u>8,468,328</u>	<u>(266,337,930)</u>
Net capital assets	<u>\$ 314,306,551</u>	<u>\$ 12,712,150</u>	<u>\$ (9,512,626)</u>	<u>\$ 317,506,075</u>

Depreciation was charged to governmental activities as follows:

General government support	\$ 14,289,943
Public safety	625,015
Transportation	418,736
Culture and Recreation	528,678
Home and Community Services	<u>1,604,490</u>
Total depreciation expense	<u>\$ 17,466,862</u>

CITY OF BINGHAMTON, NEW YORK

Notes to Basic Financial Statements

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, 2021 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%	\$ 3,314,112	\$ -	\$ (759,290)	\$ 2,554,822
2018	2023	0.00%	14,804,666	3,401,822	(9,252,461)	8,954,027
4/2020	4/2021	1.86%	47,284,163	-	(47,284,163)	-
4/2021	4/2022	1.00%	-	27,234,707	-	27,234,707
Total			<u>\$ 65,402,941</u>	<u>\$ 30,636,529</u>	<u>\$ (57,295,914)</u>	<u>\$ 38,743,556</u>

6. LONG-TERM OBLIGATIONS

Summary of Long-Term Obligations

The following is a summary of all long-term obligations outstanding as of December 31, 2021:

Description	Balance at 12/31/2020	New Issues/ Additions	Maturities/ Reductions	Balance at 12/31/2021	Due within One year
General obligation debt	\$ 64,575,000	\$ 30,466,703	\$ 15,155,000	\$ 79,886,703	\$ 6,406,703
Bond premiums	-	694,739	-	694,739	36,565
EFC - Direct borrowings	108,370,967	7,804,287	4,489,917	111,685,337	4,803,597
Net pension liability	39,268,275	-	29,185,480	10,082,795	-
OPEB	61,862,150	-	1,878,355	59,983,795	-
Compensated absences	<u>3,938,927</u>	-	<u>228,867</u>	<u>3,710,060</u>	<u>400,493</u>
Total	<u>\$ 278,015,319</u>	<u>\$ 38,965,729</u>	<u>\$ 50,937,619</u>	<u>\$ 266,043,429</u>	<u>\$ 11,647,358</u>

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

CITY OF BINGHAMTON, NEW YORK

Notes to Basic Financial Statements

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, 2021, is summarized as follows:

Description	Date of Issue	Interest	Maturity Date	Outstanding
Refunding bonds	2012	3.0%	2026	\$ 5,110,000
Refunding bonds	2014	2.6%	2029	10,785,000
Refunding bonds	2014	3.9%	2029	630,000
Various projects	2015	3.0%	2040	390,000
Public improvement	2016	2.0-3.0%	2036	6,965,000
Public improvement	2018	3.0%	2043	11,515,000
Refunding bonds	2019	4.0%	2029	6,320,000
Refunding bonds	2020	3.00-4.25%	2034	7,705,000
Refunding bonds	2021	2.125-4.00%	2040	9,235,000
Public improvement	2021	3.00-4.25%	2041	<u>21,231,703</u>
Total				<u>\$ 79,886,703</u>

Principal and interest payments due on the bonds outstanding at December 31, 2021, for the primary government, are as follows:

Year Ending December 31,	Principal	Interest
2022	\$ 6,406,703	\$ 2,568,518
2023	6,620,000	1,972,214
2024	6,855,000	1,753,105
2025	7,050,000	1,531,653
2026	6,345,000	1,325,341
2027-2031	23,535,000	4,132,828
2032-2036	12,775,000	1,898,646
2037-2041	9,805,000	598,068
2042-2046	<u>495,000</u>	<u>16,169</u>
Total	<u>\$ 79,886,703</u>	<u>\$ 15,796,542</u>

CITY OF BINGHAMTON, NEW YORK

Notes to Basic Financial Statements

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, 2021, is summarized as follows:

Description	Date of Issue	Interest	Maturity Date	Outstanding
Water projects	2000	4.6%	2022	\$ 800,000
Combined sewer overflow	2003	4.5%	2031	2,440,000
Wastewater projects	2005	3.0%	2034	9,785,000
Wastewater projects	2010	4.1%	2039	3,435,000
EFC financing	2016	0.6-3.5%	2046	24,995,000
Wastewater projects	2019	0.0%	2048	7,551,050
Wastewater projects	2019	6.0%	2049	54,875,000
Wastewater projects	2021	0.161-3.007%	2051	2,740,000
Wastewater projects	2021	0.0%	2051	<u>5,064,287</u>
Total				<u>\$ 111,685,337</u>

Principal and interest payments due on the EFC bonds outstanding at December 31, 2021, for the primary government, are as follows:

Year Ending December 31,	Principal	Interest
2022	\$ 4,803,597	\$ 3,047,145
2023	4,032,934	2,968,145
2024	4,093,687	2,887,181
2025	4,148,726	2,803,382
2026	4,218,752	2,716,060
2027-2031	22,049,378	12,071,724
2032-2036	20,695,372	9,134,367
2037-2041	19,436,356	6,266,814
2042-2046	20,482,311	3,141,429
2047-2051	<u>7,724,224</u>	<u>393,579</u>
Total	<u>\$ 111,685,337</u>	<u>\$ 45,429,826</u>

CITY OF BINGHAMTON, NEW YORK

Notes to Basic Financial Statements

Debt Refunding

On November 23, 2021, the City issued \$9,235,000 of Refunding Serial Bonds, with an average interest rate of 3.18%. The bonds consist of serial bonds bearing various fixed rates ranging from 3.00% to 4.00% with annual maturities from January 2022 through January 2040.

The net proceeds of \$9,794,116 (after issuance costs of \$135,623, plus premium of \$694,739) were used to refund serial bonds with a total principal amount of \$9,645,000 and an average interest rate of 3.08%.

The net proceeds were deposited into an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded bonds and call for redemption on the redemption date. 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 \$659,000. 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 \$622,000.

As of December 31, 2021, the outstanding principal on defeased bonds of the City is \$17,255,000.

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 or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

CITY OF BINGHAMTON, NEW YORK

Notes to Basic Financial Statements

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>2021</u>		<u>2020</u>		<u>2019</u>
ERS	\$ 1,733,318	\$	1,655,503	\$	1,641,856
PFRS	5,517,460		4,786,813		4,466,619

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

At December 31, 2021, 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, 2021. 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, 2020	April 1, 2020
City's proportionate share of the Plan's total net pension liability	\$ 40,949	\$ 10,041,846
City's share of the net pension liability	0.0411239%	0.5783554%
Pension expense recognized	\$ 950,866	\$ 5,175,007

CITY OF BINGHAMTON, NEW YORK

Notes to Basic Financial Statements

At December 31, 2021 the City reported deferred outflows of resources and deferred inflows of resources related to the pensions from the following sources:

Deferred Outflows of Resources	ERS	PFRS
Differences between expected and actual experience	\$ 500,094	\$ 2,228,232
Changes of assumptions	7,529,140	24,671,731
Changes in proportion and differences between the City's contributions and proportionate share of contributions	9,905	1,031,984
City's contributions subsequent to the measurement date	1,300,008	4,138,095
 Total	 \$ 9,339,147	 \$ 32,070,042

Deferred Inflows of Resources	ERS	PFRS
Changes of assumptions	\$ 142,002	\$ -
Net differences between projected and actual earnings on pension plan investments	11,762,870	29,527,461
Changes in proportion and differences between the City's contributions and proportionate share of contributions	132,598	1,481,712
 Total	 \$ 12,037,470	 \$ 31,009,173

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, 2022. 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
2022	\$ (759,274)	\$ (1,396,524)
2023	(305,771)	(252,183)
2024	(659,128)	(1,089,932)
2025	(2,274,158)	(5,303,451)
2026	-	4,964,864
 Total	 \$ (3,998,331)	 \$ (3,077,226)

CITY OF BINGHAMTON, NEW YORK

Notes to Basic Financial Statements

Actuarial Assumptions

The total pension liability was determined by using an actuarial valuation as of April 1, 2020, with update procedures used to roll forward the total pension liability to March 31, 2021.

The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.70%
Salary scale	4.40% ERS, 6.20% PFRS, indexed by service
Investment rate of return, including inflation	5.90% compounded annually, net of investment expenses
Projected COLAs	1.40% compounded annually
Decrements	Developed from the Plan's 2015 experience study of the period April 1, 2015 through March 31, 2020
Mortality improvement	Society of Actuaries Scale MP-2020

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.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2021 are summarized below:

Long-Term Expected Rate of Return

Asset Type	Target Allocations in %	Long-Term expected real rate of return in %
Domestic Equity	32.00	4.05
International Equity	15.00	6.30
Private Equity	10.00	6.75
Real Estate	9.00	4.95
Opportunistic/Absolute Return Strategy Portfolio	3.00	4.50
Credit	4.00	3.63
Real Assets	3.00	5.95
Fixed Income	23.00	0.00
Cash	1.00	0.50
Total	100.00	

CITY OF BINGHAMTON, NEW YORK

Notes to Basic Financial Statements

Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. 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 5.9%, 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 (4.9%) or 1% higher (6.9%) than the current rate:

ERS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
City’s proportionate share of the net pension liability	<u>\$ 11,365,755</u>	<u>\$ 40,949</u>	<u>\$ (10,403,173)</u>

PFRS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
City’s proportionate share of the net pension liability	<u>\$ 42,703,589</u>	<u>\$ 10,041,846</u>	<u>\$ (16,993,636)</u>

Pension Plan Fiduciary Net Position (in Thousands)

The components of the current-year net pension liability of the employers as of March 31, 2021 were as follows:

	ERS	PFRS
Total pension liability	\$ 220,680,157	\$ 41,236,775
Net position	<u>(220,580,583)</u>	<u>(39,500,500)</u>
Net pension liability (asset)	<u>\$ 99,574</u>	<u>\$ 1,736,275</u>
Net position as a percentage of total pension liability	99.95%	95.79%

CITY OF BINGHAMTON, NEW YORK

Notes to Basic Financial Statements

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, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	377
Active Employees	<u>478</u>
Total Participants	<u><u>855</u></u>

Total OPEB Liability

The City's total OPEB liability of \$59,983,795 was measured as of December 31, 2021, and was determined by an actuarial valuation as of December 31, 2021.

CITY OF BINGHAMTON, NEW YORK

Notes to Basic Financial Statements

Changes in the Total OPEB Liability

Balance at December 31, 2020	<u>\$ 61,862,150</u>
Changes for the year:	
Service cost	3,425,457
Interest cost	1,362,969
Differences between expected and actual experience	3,579,873
Changes in assumptions	(8,242,898)
Benefit payments	<u>(2,003,756)</u>
Net change	<u>(1,878,355)</u>
Balance at December 31, 2021	<u>\$ 59,983,795</u>

Changes in assumptions reflect a change in the discount rate from 2.12% percent in 2020 to 2.25% in 2021.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2021 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	2.25% as of December 31, 2021; 2.12% as of December 31, 2020, 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-2021 for general retirees and SOA Pub-2010 Headcount-weighted Contingent Survivor Mortality Table fully generational using Scale MP-2021 for surviving spouses.
Retirement Rates	The retirement rates are based on the most recent NYS ERS and NYS PFRS actuarial assumptions report as of August 2020.

CITY OF BINGHAMTON, NEW YORK

Notes to Basic Financial Statements

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 (1.25%) or 1 percentage point higher (3.25%) than the current discount rate:

	1 % Decrease (1.25%)	Current Discount Rate (2.25%)	1 % Increase (3.25%)
Total OPEB Liability	\$ 68,885,237	\$ 59,983,795	\$ 52,657,522

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	\$ 51,195,464	\$ 59,983,795	\$ 71,298,204

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

For the year ended December 31, 2021, the City recognized OPEB expense of negative \$3,493,002.

At December 31, 2021, 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	\$ 3,132,389	\$ 34,773,220
Changes in assumptions or other inputs	<u>12,563,813</u>	<u>10,741,526</u>
Total	<u>\$ 15,696,202</u>	<u>\$ 45,514,746</u>

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>
2022	\$ (8,281,428)
2023	(8,281,432)
2024	(7,280,760)
2025	(1,319,930)
2026	(2,036,057)
Thereafter	<u>(2,618,937)</u>
Total	<u>\$ (29,818,544)</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.

Amounts advanced to the Golf Fund from the General Fund in the amount of \$335,857 are not expected to be repaid within one year and accordingly, are equally offset by a nonspendable fund balance in the General Fund that indicates they do not constitute available spendable resources.

Interfund balances at December 31, 2021, and activity for the year then ended, were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payables</u>	<u>Interfund Transfers In</u>	<u>Interfund Transfers Out</u>
General Fund	\$ 6,909,261	\$ 65,000	\$ -	\$ 10,324,562
Capital Projects Fund	-	3,112,320	7,923,288	-
Sewer Fund	-	2,512,157	2,000	145,000
Special Grants Fund	-	-	-	-
Non-Major Funds	<u>65,000</u>	<u>1,282,994</u>	<u>2,992,274</u>	<u>450,000</u>
Total Governmental Funds	6,974,261	6,972,471	10,917,562	10,919,562
Internal Service Fund	<u>-</u>	<u>1,790</u>	<u>2,000</u>	<u>-</u>
Total	<u>\$ 6,974,261</u>	<u>\$ 6,974,261</u>	<u>\$ 10,919,562</u>	<u>\$ 10,919,562</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

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:

	Year Ending <u>12/31/2021</u>
Total Assets and Deferred Outflows of Resources	\$ 306,660,502
Total Liabilities and Deferred Inflows of Resources	262,288,206
Joint Venture Equity	44,372,296
Total Revenues	39,651,381
Total Expenses	29,633,855

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, 2021, the City accrued \$1,605,956 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, 2021 to record an estimate for material expenditures incurred but not recorded (IBNR) in the General Fund in the amount of \$215,072.

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, 2021 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 baseball club for an annual repair and replacement payment. During 2021, a payment of \$50,000 was made.

CITY OF BINGHAMTON, NEW YORK

Notes to Basic Financial Statements

13. LITIGATION ISSUES

In 2014, a Plaintiff commenced in 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 *respondeat 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 a term of 30 years. The Court afforded the parties an opportunity to submit a motion to set aside verdict. The City's motion to set aside the verdict was granted on September 27, 2017. The Plaintiff appealed to the United States Court of Appeals for the Second Circuit. The Second Circuit reversed the District Court and certified a question to the New York State Court of Appeals. The Court of Appeals answered the certified question and clarified state law regarding governmental immunity and the "special duty" doctrine, but the found as a matter of first impression that municipalities executing no-knock warrants may be subject to a "special duty" under the theory that they have taken positive control of a dangerous condition. Letter brief have been submitted to the Second Circuit outlining each party's beliefs on how the Court of Appeals decision should determine the Second Circuit's ultimate ruling. There is no timeline for when the Second Circuit will make its final decision. Given the uncertainty of the outcome, in September of 2022 the parties have come to an agreement on the settlement of 3,000,000, which has yet to be fully executed.

On November 1, 2021, an employee of a vendor was installing a radio antenna for a controller for the sprinkler heads as Ely Park Golf Course, owned by the City, but operated by Anteres Golf, LLC/Troon Golf LLC. While on the roof of the maintenance barn he fell through a "skylight" sustaining significant life threatening and debilitating injuries. A Complaint has been served on the City and on Anteres/Troon. Issue has been joined. The City sought and received a limited defense and indemnification under the insurance policies required by the contract between the City and Anteres/Troon for management of the golf course. The firm of Hurwitz& Fine has been appointed to represent the City of Binghamton. The matter must proceed through discovery and will likely be the subject of a motion for summary judgment at the conclusion of discovery. There is a possibility of strict liability under Labor Law §§240 and 241.

A contractor has asserted claims for additional compensation due to delays experienced on the joint sewer plant project, and the providing of alleged additional work. The City disputes the contractor's entitlement to the additional compensation. The contractor has submitted its claims to the Disputes Review Board (DRB). The DRB is a three-member intra-contractual dispute resolution panel that hears and provides nonbinding recommendations on questions of entitlement. DRB recommendations are subject to de novo review by court or arbitration. As of December 31, 2021, the DRB has issued Recommendations that the contractor be entitled to \$10,947,176 in additional compensation because of alleged delays to its work, and \$2,368,012 in additional compensation to the completion of alleged additional work, for a total claim value of \$13,315,188.00. Both sides have rejected the DRB Recommendations and have preserved their rights to de novo review. On or about June 30, 2022, the contractor served the City with a demand to arbitrate the disputed claims, wherein the contractor claimed damages in the amount of \$42,000,000.00. In early September of 2022, the parties agreed to a framework for arbitration and review of the arbitration panels decision, if necessary.

CITY OF BINGHAMTON, NEW YORK

Notes to Basic Financial Statements

14. TAX ABATEMENTS

For the year ended December 31, 2021, 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, 2021 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	\$ 89,650	\$ 57,027
BCIDA		
Economic Development:		
Real property tax	2,186,220	970,487
BHA		
Economic Development:		
Real property tax	<u>1,314,098</u>	<u>175,463</u>
 Total	 <u>\$ 3,589,968</u>	 <u>\$ 1,202,977</u>

15. SUBSEQUENT EVENTS

On April 14, 2022, the City issued bond anticipation notes in the amount of \$31,004,095 due April 14, 2023 at an interest rate of 1.90%.

CITY OF BINGHAMTON, NEW YORK

Required Supplementary Information (Unaudited)
 Budgetary Comparison Schedule
 Budget and Actual - General Fund
 For the year ended December 31, 2021

	Budgeted Amounts		Actual Amounts	Encumbrances	Variance
	Original	Modified			Positive (Negative)
Revenues:					
Real property taxes	\$ 34,076,364	\$ 34,076,364	\$ 33,847,773	\$ -	\$ (228,591)
Other real property tax items	1,238,551	1,238,551	1,292,163	-	53,612
Non-property taxes	12,940,000	12,952,479	15,290,167	-	2,337,688
Departmental revenues	1,742,690	1,756,775	1,216,027	-	(540,748)
Intergovernmental charges	503,659	503,659	454,209	-	(49,450)
Interfund revenues	1,132,575	1,132,575	986,264	-	(146,311)
Use of money and property	128,420	128,420	13,449	-	(114,971)
Licenses and permits	346,500	346,500	264,574	-	(81,926)
Fines and forfeitures	541,500	551,500	566,316	-	14,816
State aid	10,250,810	10,250,810	10,306,535	-	55,725
Federal aid	90,940	26,149,151	2,859,823	-	(23,289,328)
Sale of property and compensation for loss	113,000	198,000	217,544	-	19,544
Miscellaneous	21,500	27,591	2,697	-	(24,894)
Total revenues	63,126,509	89,312,375	67,317,541	-	(21,994,834)
Expenditures:					
General government support	8,079,976	7,859,316	7,048,649	425,409	385,258
Public safety	23,181,586	24,968,774	24,515,095	88,412	365,267
Health	51,852	53,852	51,740	-	2,112
Transportation	2,029,114	2,153,132	2,003,624	31,320	118,188
Economic assistance and opportunity	215,841	445,476	202,679	-	242,797
Culture and recreation	3,216,391	3,246,245	3,081,236	21,622	143,387
Home and community services	1,100,767	4,179,710	1,070,368	2,738,387	370,955
Employee benefits	18,883,688	19,410,073	17,610,623	-	1,799,450
Debt service - principal	4,296,443	4,352,534	4,352,534	-	-
Debt service - interest	1,436,976	1,436,976	1,407,762	-	29,214
Total expenditures	62,492,634	68,106,088	61,344,310	3,305,150	3,456,628
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	633,875	21,206,287	5,973,231	(3,305,150)	(18,538,206)
OTHER FINANCING SOURCES (USES):					
Proceeds from refunding bonds	-	-	3,369,028	-	3,369,028
Payment to refunded bond escrow agent	-	-	(3,572,999)	-	(3,572,999)
Premiums from serial bonds	-	-	100,397	-	100,397
Premiums from refunding bonds	-	-	253,448	-	253,448
Interfund transfers out	(2,902,578)	(21,606,767)	(10,324,562)	-	11,282,205
Total other financing sources (uses)	(2,902,578)	(21,606,767)	(10,174,688)	-	11,432,079
NET CHANGE IN FUND BALANCE	\$ (2,268,703)	\$ (400,480)	\$ (4,201,457)	\$ (3,305,150)	\$ (7,106,127)

CITY OF BINGHAMTON, NEW YORK

Required Supplementary Information (Unaudited)
 Budgetary Comparison Schedule
 Budget and Actual - Sewer Fund
 For the year ended December 31, 2021

	Budgeted Amounts		Actual Amounts	Encumbrances	Variance Positive (Negative)
	Original	Modified			
Revenues:					
Departmental revenues	\$ 11,180,674	\$ 11,420,688	\$ 10,651,766	\$ -	\$ (768,922)
Use of money and property	1,500	1,500	88	-	(1,412)
Federal aid	200	21,900	7,080	-	(14,820)
Interfund revenues	-	2,000	-	-	(2,000)
Total revenues	<u>11,182,374</u>	<u>11,446,088</u>	<u>10,658,934</u>	<u>-</u>	<u>(787,154)</u>
Expenditures:					
General government support	12,912	12,912	12,912	-	-
Home and community services	3,842,425	4,273,337	3,595,645	3,031	674,661
Employee benefits	422,596	422,596	340,693	50,000	31,903
Debt service - principal	5,432,087	5,432,087	5,381,835	-	50,252
Debt service - interest	2,392,647	2,240,057	2,161,757	-	78,300
Total expenditures	<u>12,102,667</u>	<u>12,380,989</u>	<u>11,492,842</u>	<u>53,031</u>	<u>835,116</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(920,293)</u>	<u>(934,901)</u>	<u>(833,908)</u>	<u>(53,031)</u>	<u>47,962</u>
OTHER FINANCING SOURCES (USES):					
Proceeds from refunding bonds	-	-	3,642,774	-	3,642,774
Payment to refunded bond escrow agent	-	-	(3,863,319)	-	(3,863,319)
Premiums from serial bonds	-	-	48,313	-	48,313
Premiums from refunding bonds	-	-	274,042	-	274,042
Interfund transfers in	-	-	2,000	-	2,000
Interfund transfers out	(145,000)	(145,000)	(145,000)	-	-
Total other financing sources (uses)	<u>(145,000)</u>	<u>(145,000)</u>	<u>(41,190)</u>	<u>-</u>	<u>103,810</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,065,293)</u>	<u>\$ (1,079,901)</u>	<u>\$ (875,098)</u>	<u>\$ (53,031)</u>	<u>\$ 151,772</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, 2021

	Budgeted Amounts		Actual Amounts	Encumbrances	Variance Positive (Negative)
	Original	Modified			
Revenues:					
Intergovernmental charges	\$ 2,284,290	\$ 1,817,726	\$ 99,488	\$ -	\$ (1,718,238)
State aid	673,241	673,241	-	-	(673,241)
Federal aid	<u>5,487,407</u>	<u>5,580,204</u>	<u>2,302,448</u>	-	<u>(3,277,756)</u>
Total revenues	<u>8,444,938</u>	<u>8,071,171</u>	<u>2,401,936</u>	-	<u>(5,669,235)</u>
Expenditures:					
Economic assistance and opportunity	145,000	145,000	72,500	72,500	-
Culture and recreation	636,782	636,782	424,810	160,217	51,755
Home and community services	<u>6,585,517</u>	<u>6,212,045</u>	<u>2,209,939</u>	<u>1,369,164</u>	<u>2,632,942</u>
Total expenditures:	<u>7,367,299</u>	<u>6,993,827</u>	<u>2,707,249</u>	<u>1,601,881</u>	<u>2,684,697</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,077,639</u>	<u>1,077,344</u>	<u>(305,313)</u>	<u>(1,601,881)</u>	<u>(2,984,538)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,077,639</u>	<u>\$ 1,077,344</u>	<u>\$ (305,313)</u>	<u>\$ (1,601,881)</u>	<u>\$ (2,984,538)</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, 2021

	Last 10 Fiscal Years									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total OPEB Liability										
Service cost	\$ 3,425,457	\$ 3,407,897	\$ 2,895,761	\$ 4,416,599	\$ 4,538,756					
Interest	1,362,969	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	3,579,873	(19,807,953)	(2,240,048)	(33,491,478)	(14,993,078)					
Changes in assumptions	(8,242,898)	8,182,520	7,252,913	(8,234,310)	7,988,405					
Benefit payments	(2,003,756)	(2,377,795)	(2,287,801)	(2,867,517)	(3,145,818)					
Total change in total OPEB liability	(1,878,355)	(8,237,434)	4,297,304	(36,431,012)	(5,222,727)					
Total OPEB liability - beginning	61,862,150	70,099,584	65,802,280	102,233,292	107,456,019					
Total OPEB liability - ending	\$ 59,983,795	\$ 61,862,150	\$ 70,099,584	\$ 65,802,280	\$ 102,233,292					
Covered-employee payroll	\$ 29,786,472	\$ 31,480,738	\$ 27,492,208	\$ 29,387,491	\$ 28,811,266					
Total OPEB liability as a percentage of covered-employee payroll	201.4%	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	2.25%	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, 2021

	Last 10 Fiscal Years												
	<u>2021</u>	<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>			
NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN:													
Proportion of the net pension liability (asset)	0.0411239%	0.0410275%	0.0429637%	0.0462297%	0.0450603%	0.0548793%	0.0559201%	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.					
Proportionate share of the net pension liability (asset)	\$ 40,949	\$ 10,864,328	\$ 3,044,106	\$ 1,492,037	\$ 4,233,966	\$ 7,645,586	\$ 1,889,118						
Covered-employee payroll	\$ 11,408,746	\$ 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	0.36%	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)	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%						
NEW YORK STATE POLICE AND FIRE RETIREMENT SYSTEM PLAN:													
Proportion of the net pension liability (asset)	0.5783554%	0.5314178%	0.5813136%	0.5455604%	0.5660805%	0.6077317%	0.5556400%				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.		
Proportionate share of the net pension liability (asset)	\$ 10,041,846	\$ 28,403,947	\$ 9,748,996	\$ 5,514,289	\$ 11,732,879	\$ 17,993,642	\$ 1,529,449						
Covered-employee payroll	\$ 20,050,084	\$ 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	50.08%	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)	95.79%	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, 2021

	Last 10 Fiscal Years												
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012			
NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN:													
Contractually required contribution	\$ 1,733,318	\$ 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	(1,733,318)	(1,655,503)	(1,641,856)	(1,666,901)	(1,737,859)	(2,101,209)	(2,470,316)						
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
Covered-employee payroll	\$ 11,408,746	\$ 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	15.19%	11.65%	11.94%	12.14%	15.03%	17.98%	18.20%						
NEW YORK STATE POLICE AND FIRE RETIREMENT SYSTEM PLAN:													
Contractually required contribution	\$ 5,517,460	\$ 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	(5,517,460)	(4,786,813)	(4,466,619)	(4,483,847)	(4,558,458)	(4,209,210)	(4,944,560)						
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
Covered-employee payroll	\$ 20,050,084	\$ 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	27.52%	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, 2021

	Special Revenue Funds				Nonmajor Governmental Funds
	Parking Ramps Fund	Water Fund	Refuse and Garbage Fund	Golf Fund	
ASSETS					
Cash and cash equivalents	\$ 3,328	\$ 102	\$ 981,046	\$ 13,121	\$ 997,597
Restricted cash and cash equivalents	33,546	56,899	282	-	90,727
Cash held by fiscal agent	-	-	-	104,656	104,656
Due from other funds	-	-	-	65,000	65,000
Due from other governments	-	372,725	72,763	-	445,488
Other receivables, net	12,249	1,811,198	211,693	-	2,035,140
Inventory	-	265,222	-	3,249	268,471
Prepaid expenditures	13,500	140,815	103,434	-	257,749
Total assets	\$ 62,623	\$ 2,646,961	\$ 1,369,218	\$ 186,026	\$ 4,264,828
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES:					
Accounts payable	\$ 56,770	\$ 135,237	\$ 161,275	\$ 11,052	\$ 364,334
Accrued liabilities	7,424	169,249	30,352	31,604	238,629
Due to other funds	422,147	524,990	-	335,857	1,282,994
Compensated absences	-	6,453	4,451	-	10,904
Unearned revenue	-	-	-	29,425	29,425
Other liabilities	9,440	-	-	-	9,440
Total liabilities	495,781	835,929	196,078	407,938	1,935,726
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue	2,083	-	-	-	2,083
FUND BALANCES:					
Nonspendable	13,500	406,037	103,434	3,249	526,220
Restricted	8,303	1,404,995	-	-	1,413,298
Committed	-	-	1,069,706	-	1,069,706
Unassigned	(457,044)	-	-	(225,161)	(682,205)
Total fund balances	(435,241)	1,811,032	1,173,140	(221,912)	2,327,019
Total liabilities, deferred inflows of resources and fund balances	\$ 62,623	\$ 2,646,961	\$ 1,369,218	\$ 186,026	\$ 4,264,828

CITY OF BINGHAMTON, NEW YORK

Combining Statement of Revenues, Expenditures and Change in Fund Balances
 Nonmajor Governmental Funds
 For the year ended December 31, 2021

	Special Revenue Funds				Nonmajor Governmental Funds
	Parking Ramps Fund	Water Fund	Refuse and Garbage Fund	Golf Fund	
REVENUES:					
Departmental income	\$ 1,236,438	\$ 6,453,491	\$ 1,376,772	\$ 419,974	\$ 9,486,675
Interfund revenues	-	177,422	-	-	177,422
Use of money and property	44	33	88	8	173
Miscellaneous	-	473	-	1,015	1,488
Total revenues	<u>1,236,482</u>	<u>6,631,419</u>	<u>1,376,860</u>	<u>420,997</u>	<u>9,665,758</u>
EXPENDITURES:					
General government support	-	10,163	1,145	-	11,308
Transportation	668,303	-	-	-	668,303
Culture and recreation	-	-	-	707,909	707,909
Home and community services	-	3,353,325	2,697,355	-	6,050,680
Employee benefits	-	863,763	852,587	-	1,716,350
Debt Service - principal	680,626	1,614,761	80,000	-	2,375,387
Debt Service - interest	302,383	520,566	4,000	-	826,949
Total expenditures	<u>1,651,312</u>	<u>6,362,578</u>	<u>3,635,087</u>	<u>707,909</u>	<u>12,356,886</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(414,830)</u>	<u>268,841</u>	<u>(2,258,227)</u>	<u>(286,912)</u>	<u>(2,691,128)</u>
OTHER FINANCING SOURCES (USES):					
Proceeds from refunding bonds	-	2,223,198	-	-	2,223,198
Payment to refunded bond escrow agent	-	(2,357,798)	-	-	(2,357,798)
Premiums from serial bonds	15,803	56,892	282	-	72,977
Premiums from refunding bonds	-	167,249	-	-	167,249
Interfund transfers in	483,341	8,000	2,435,933	65,000	2,992,274
Interfund transfers out	(10,000)	(440,000)	-	-	(450,000)
Total other financing sources (uses)	<u>489,144</u>	<u>(342,459)</u>	<u>2,436,215</u>	<u>65,000</u>	<u>2,647,900</u>
CHANGE IN FUND BALANCE	74,314	(73,618)	177,988	(221,912)	(43,228)
FUND BALANCES - BEGINNING OF YEAR	<u>(509,555)</u>	<u>1,884,650</u>	<u>995,152</u>	<u>-</u>	<u>2,370,247</u>
FUND BALANCES - END OF YEAR	<u>\$ (435,241)</u>	<u>\$ 1,811,032</u>	<u>\$ 1,173,140</u>	<u>\$ (221,912)</u>	<u>\$ 2,327,019</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 30, 2022

To the City Council of
City of Binghamton, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the 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, 2021, 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 30, 2022.

Report on 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

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

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

Report on 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 30, 2022

To the City Council of
City of Binghamton, New York

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Binghamton, New York's (the City) compliance with the types of compliance requirements identified as subject to audit 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, 2021. 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.

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 each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide legal determination of the City's compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's Federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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, 2021**

Federal Grantor/Pass-through Grantor/Program Title	AL #	Agency or Pass-Through Number	Federal Expenditures	Provided to Subrecipients
U.S. Department of Defense	12.401	N/A	\$ 2,823	
Total U.S. Department of Defense			<u>2,823</u>	
U.S. Department of Housing and Urban Development Community Development Block Grant Entitlement Grants Cluster Community Development Block Grant	14.218	N/A	1,556,964	\$ 438,051
Total Community Development Block Entitlement Grants Cluster			<u>1,556,964</u>	
Emergency Shelter Grants Program	14.231	N/A	206,225	206,225
HOME Investment Partnership Program	14.239	N/A	337,786	
Total U.S. Department of Housing and Urban Development			<u>2,100,975</u>	
U.S. Department of Justice Joint Law Enforcement Operations (JLEO)	16.111	N/A	60,327	
COVID-19: Coronavirus Emergency Supplemental Funding	16.034	N/A	15,025	
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	35,195	
Total U.S. Department of Justice			<u>110,547</u>	
U.S. Department of the Treasury COVID-19: Coronavirus Relief Fund	21.019	N/A	606,276	
COVID-19: State and Local Fiscal Recovery Fund	21.027	N/A	2,783,400	
Total U.S. Department of Treasury			<u>3,389,676</u>	
U.S. Department of Transportation Passed-through NYS Department of Transportation: Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	D032021	76,585	
Highway Planning and Construction	20.205	D034740	60,193	
Highway Planning and Construction	20.205	D035014	655,223	
Highway Planning and Construction	20.205	D035687	53,064	
Highway Planning and Construction	20.205	D036381	3,757	
Total Passed-through NYS Department of Transportation			<u>848,822</u>	
Total U.S. Department of Transportation			<u>848,822</u>	
U.S. Department of Homeland Security Passed-through NYS Division of Homeland Security:				
Homeland Security Grant Program	97.067	CP18-106-E00 C172479/TT17-	2,174	
Homeland Security Grant Program	97.067	1021-E00	375	
Homeland Security Grant Program	97.067	WM19835299/TT 19-1004-E00	350	
Total Homeland Security Grant Program			<u>2,899</u>	
Total Passed-through NYS Division of Homeland Security			<u>2,899</u>	
Total U.S. Department Homeland Security			<u>2,899</u>	
Total Expenditures of Federal Awards			<u>\$ 6,455,742</u>	<u>\$ 644,276</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, 2021

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 Assistance Listing (AL) number when advised by the pass-through grantor. Identifying numbers, other than AL 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 (AL #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, 2021, the outstanding principal balance of those loans were \$2,238,288.

HOME Investment Partnership Program (AL #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, 2021, the outstanding principal balance of those loans were \$3,689,641.

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, 2021**

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, 2021 was as follows:

U.S. Department of Treasury

Coronavirus State and Local Fiscal Recovery Funds (AL#21.027)

The City was not considered a low-risk auditee for the year ended December 31, 2021.

CITY OF BINGHAMTON, NEW YORK

**Schedule of Findings and Questioned Costs
For the year ended December 31, 2021**

Part II Financial Statement Findings

None reported.

Part III Federal Award Findings and Questioned Costs

None reported.