

**BINGHAMTON URBAN RENEWAL AGENCY**  
**(A Blended Component Unit of the City of**  
**Binghamton, New York)**

**Financial Statements as of**  
**December 31, 2022 and 2021**

**Together with Independent**  
**Auditor's Report and Report on *Government Auditing***  
***Standards***

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

**BINGHAMTON URBAN RENEWAL AGENCY**

**(A Blended Component Unit of the City of Binghamton, New York)**

**TABLE OF CONTENTS**

---

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)	4
FINANCIAL STATEMENTS:	
Statements of Net Position - December 31, 2022 and 2021	8
Statements of Revenues, Expenses and Change in Net Position - For the Years Ended December 31, 2022 and 2021	9
Statements of Cash Flows - For the Years Ended December 31, 2022 and 2021	10
Notes to Basic Financial Statements	11
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 <i>GOVERNMENT AUDITING STANDARDS</i>	15

**INDEPENDENT AUDITOR’S REPORT**

March 8, 2023

To the Board of Directors of the  
Binghamton Urban Renewal Agency

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the accompanying financial statements of the Binghamton Urban Renewal Agency (the Agency), a blended component unit of the City of Binghamton, New York as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Agency’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 financial position of the Agency as of December 31, 2022 and 2021, and the respective changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 Agency 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 opinion.

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

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

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 Agency’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.

432 North Franklin Street, #60  
Syracuse, New York 13204  
p (315) 476-4004  
f (315) 254-2384

[www.bonadio.com](http://www.bonadio.com)

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Agency'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 Agency's ability to continue as a going concern for a reasonable period of time.

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2023 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency'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 Agency's internal control over financial reporting and compliance.

Bonadio & Co., LLP

**BINGHAMTON URBAN RENEWAL AGENCY**  
**(A Blended Component Unit of the City of Binghamton, New York)**

**Management's Discussion and Analysis (Unaudited)**  
**For the Years Ended December 31, 2022 and 2021**

---

This section of the Binghamton Urban Renewal Agency (the Agency), annual financial report presents discussion and analysis of the Agency's financial performance during the fiscal years ending December 31, 2022, 2021 and 2020. Please read it in conjunction with the Agency's financial statements and accompanying notes.

**GENERAL INFORMATION**

The Binghamton Urban Renewal Agency (The Agency) was formed on April 29, 1962 to further urban renewal in the City of Binghamton, New York (the City). Through New York State Municipal Law Article 15b, and in accordance with Article 18 of the NYS Constitution, the Agency was formed to promote urban development in specified areas of the City.

**Overview of the Financial Statements**

This annual financial report consists of two parts: this section, the Management's Discussion and Analysis (MD&A) and the basic financial statements. The Agency is a self-supporting entity and follows business-type activity reporting; accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Business-type activity statements offer short-term and long-term financial information about the activities and operations of the Agency. This annual report consists of the financial statements and notes to those statements. The Statements of Net Position, Statements of Revenues, Expenses and Change in Net Position, the Statements of Cash Flows and related notes provide a detailed look at the specific financial activities of the Agency and generally provide an indication of the Agency's financial health. The Statements of Net Position include all of the Agency's assets and liabilities, using the accrual basis of accounting. The Statements of Revenue, Expenses and Change in Net Position report all of the revenues and expenses during the time period indicated. The Statements of Cash Flows report the cash provided and used by operating activities, as well as other cash sources such as investment income and cash payments for debt.

**FINANCIAL HIGHLIGHTS**

- The Agency's net position totaled \$504,049, \$459,777 and \$463,703 at December 31, 2022, 2021 and 2020 respectively.
- The Agency's current assets totaled \$64,617, \$20,345 and \$24,382 at December 31, 2022, 2021 and 2020 respectively.
- There are no current liabilities at December 31, 2022. There were no current liabilities at December 31, 2021 and \$111 at December 31, 2020.
- Operating revenues for the year ended December 31, 2020 were \$114,035 due to receiving grant income in the current year related to stadium maintenance, as well as in-kind revenue.
- Operating revenues for the year ended December 31, 2021 were \$53,672 due to receiving grant income in the current year related to stadium maintenance, as well as in-kind revenue.
- Operating revenues for the year ended December 31, 2022 were \$85,482 due to receiving grant income in the current year related to stadium maintenance, as well as in-kind revenue.
- Operating expenses for the year ended December 31, 2022 were \$41,240, down from \$57,605 for the year ended December 31, 2021 due to decreased expenditures for stadium maintenance.

**BINGHAMTON URBAN RENEWAL AGENCY**  
**(A Blended Component Unit of the City of Binghamton, New York)**

**Management's Discussion and Analysis (Unaudited)**  
**For the Years Ended December 31, 2022 and 2021**

---

**FINANCIAL ANALYSIS OF THE AGENCY**

Below is an analysis of the assets, liabilities, revenues and expenses of the Agency.

**Summary of Assets, Liabilities, and Net Position**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Current assets	\$ 64,617	\$ 20,345	\$ 24,382
Noncurrent assets	<u>439,432</u>	<u>439,432</u>	<u>439,432</u>
Current liabilities	<u>-</u>	<u>-</u>	<u>111</u>
Total liabilities and net position	<u>\$ 504,049</u>	<u>\$ 459,777</u>	<u>\$ 463,703</u>

**CURRENT ASSETS**

Current assets at December 31, 2022 were comprised of cash and cash equivalents. Current assets at December 31, 2021 and December 31, 2020 were comparable.

**INVENTORY - LAND HELD FOR SALE**

At December 31, 2022, the Agency had inventory as land held for sale of \$439,432. There were no land additions or disposals during the years ended December 31, 2022, 2021 and 2020.

**CURRENT LIABILITIES**

The Agency had no current liabilities at December 31, 2022, or at December 31, 2021 and \$111 at December 31, 2020.

**BINGHAMTON URBAN RENEWAL AGENCY**  
**(A Blended Component Unit of the City of Binghamton, New York)**

**Management's Discussion and Analysis (Unaudited)**  
**For the Years Ended December 31, 2022 and 2021**

---

**BUDGET**

Budget to actual figures are comparable for grant income, professional fees, utilities, and stadium maintenance expense in 2022.

**Summary of Revenues and Expenses**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>OPERATING REVENUES:</b>			
Grant income – City of Binghamton	\$ 83,000	\$ 50,000	\$ 110,038
In-Kind revenue	<u>2,482</u>	<u>3,672</u>	<u>3,997</u>
 Total Operating Revenues	 <u>85,482</u>	 <u>53,672</u>	 <u>114,035</u>
 <b>OPERATING EXPENSES:</b>			
Professional fees	3,000	2,000	2,000
Stadium maintenance and utilities	35,681	51,933	110,951
Other operating expense	77	-	-
In-Kind expense	<u>2,482</u>	<u>3,672</u>	<u>3,997</u>
 Total Operating Expenses	 <u>41,240</u>	 <u>57,605</u>	 <u>116,948</u>
 OPERATING INCOME (LOSS)	 <u>44,242</u>	 <u>(3,933)</u>	 <u>(2,913)</u>
 <b>NON-OPERATING REVENUES</b>			
	<u>30</u>	<u>7</u>	<u>7</u>
 Total Non-Operating Revenues	 <u>30</u>	 <u>7</u>	 <u>7</u>
 CHANGE IN NET POSITION	 44,272	 (3,926)	 (2,906)
 NET POSITION – beginning of year	 <u>459,777</u>	 <u>463,703</u>	 <u>466,609</u>
 NET POSITION – end of year	 <u>\$ 504,049</u>	 <u>\$ 459,777</u>	 <u>\$ 463,703</u>

**OPERATING REVENUES**

Operating revenues for the years ending December 31, 2022, 2021 and 2020 were mostly comprised of grant income from the City of Binghamton. Additionally, the Agency had in-kind revenue for the years ending December 31, 2022, 2021 and 2020. The increase in operating income in 2022 was driven by increases in grant revenue and decreases in operating expenses as described below.

**OPERATING EXPENSES**

Operating expenses in 2022 consisted of professional fees, utilities and stadium maintenance. Operating expenses in 2021 and 2020 were consistent with this, with a decrease in 2022 due to reduced maintenance expenses.



**BINGHAMTON URBAN RENEWAL AGENCY**  
**(A Blended Component Unit of the City of Binghamton, New York)**

**Management's Discussion and Analysis (Unaudited)**  
**For the Years Ended December 31, 2022 and 2021**

---

**OPERATING RESULTS**

The Agency had operating income of \$44,242 in 2022, and losses of \$3,933 and \$2,913 in 2021 and 2020. The operating income in 2022 was the result of earned grant revenue in excess of expenses incurred. The operating losses in 2021 and 2020 were the result of incurred expenses in excess of earned grant revenue.

**REQUEST FOR INFORMATION**

This financial report is designed to provide the reader with a general overview of the Agency's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the Director of Economic Development for the City of Binghamton, 4<sup>th</sup> Floor, 38 Hawley Street,

**BINGHAMTON URBAN RENEWAL AGENCY**  
**(A Blended Component Unit of the City of Binghamton, New York)**

**Statements of Net Position**  
**December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash	\$ <u>64,617</u>	\$ <u>20,345</u>
Total current assets	<u>64,617</u>	<u>20,345</u>
NONCURRENT ASSETS:		
Inventory - land held for sale	<u>439,432</u>	<u>439,432</u>
Total assets	<u>504,049</u>	<u>459,777</u>
<b>NET POSITION</b>		
Restricted	20,000	20,000
Unrestricted	<u>484,049</u>	<u>439,777</u>
Total net position	<u>\$ 504,049</u>	<u>\$ 459,777</u>

The accompanying notes are an integral part of these statements.

**BINGHAMTON URBAN RENEWAL AGENCY**  
**(A Blended Component Unit of the City of Binghamton, New York)**

**Statements of Revenues, Expenses and Change in Net Position**  
**For the years ended December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
OPERATING REVENUES:		
Grant income - City of Binghamton	\$ 83,000	\$ 50,000
In-Kind revenue	<u>2,482</u>	<u>3,672</u>
Total operating revenues	<u>85,482</u>	<u>53,672</u>
OPERATING EXPENSES:		
Professional fees	3,000	2,000
Utilities	1,938	1,933
Stadium maintenance	33,743	50,000
Other operating expense	77	-
In-Kind expense	<u>2,482</u>	<u>3,672</u>
Total operating expenses	<u>41,240</u>	<u>57,605</u>
OPERATING INCOME (LOSS)	<u>44,242</u>	<u>(3,933)</u>
NON-OPERATING REVENUES	<u>30</u>	<u>7</u>
TOTAL NON-OPERATING REVENUES	<u>30</u>	<u>7</u>
CHANGE IN NET POSITION	44,272	(3,926)
NET POSITION - beginning of year	<u>459,777</u>	<u>463,703</u>
NET POSITION - end of year	<u>\$ 504,049</u>	<u>\$ 459,777</u>

The accompanying notes are an integral part of these statements.

**BINGHAMTON URBAN RENEWAL AGENCY**  
**(A Blended Component Unit of the City of Binghamton, New York)**

**Statements of Cash Flows**  
**For the years ended December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from grants	\$ 83,000	\$ 50,000
Cash payments - contractual expenses	<u>(38,758)</u>	<u>(54,044)</u>
Net cash from operating activities	<u>44,242</u>	<u>(4,044)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest	<u>30</u>	<u>7</u>
Net cash from investing activities	<u>30</u>	<u>7</u>
CHANGE IN CASH	44,272	(4,037)
CASH - beginning of year	<u>20,345</u>	<u>24,382</u>
CASH - end of year	<u>\$ 64,617</u>	<u>\$ 20,345</u>
RECONCILIATION OF OPERATING INCOME/(LOSS) TO CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 44,242	\$ (3,933)
Adjustments to reconcile operating income/(loss) to net cash flow from operating activities:		
Changes in:		
Accounts payable	<u>-</u>	<u>(111)</u>
Net cash from operating activities	<u>\$ 44,242</u>	<u>\$ (4,044)</u>

**NONCASH ACTIVITIES:**

The City paid \$2,482 and \$3,672, mostly comprised of legal services, salaries and benefits, to manage and operate the Agency during the fiscal years ending December 31, 2022 and 2021. These transactions are reflected as in-kind operating revenue and operating expense.

The accompanying notes are an integral part of these statements.

**BINGHAMTON URBAN RENEWAL AGENCY**  
**(A Blended Component Unit of the City of Binghamton, New York)**

**Notes to Basic Financial Statements**  
**December 31, 2022 and 2021**

---

**1. ORGANIZATION**

The Binghamton Urban Renewal Agency (The Agency) was formed April 29, 1962 to further urban renewal in the City of Binghamton, New York (the City). Through New York State Municipal Law Article 15b, and in accordance with Article 18 of the NYS Constitution, the Agency was formed to promote urban development in specified areas of the City.

The City appoints the voting majority of the Agency’s governing body and has the ability to impose its will on the Agency by significantly influencing the programs and projects executed by the Agency. In addition, the Agency provides significant benefit to the City. As such, in accordance with the Governmental Accounting Standards Board (GASB) standards, the Agency is a blended component unit of the City.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The basic financial statements of the Agency have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB), which is the primary standard-setting body for establishing governmental accounting and financial principles.

**Measurement Focus and Basis of Accounting**

The Agency operates as a proprietary fund. Proprietary funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as net position.

The Agency utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or an economic asset is used.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

**Cash**

Cash consists primarily of demand deposits. All cash of the Agency was unrestricted as of December 31, 2022 and 2021.

**BINGHAMTON URBAN RENEWAL AGENCY**  
**(A Blended Component Unit of the City of Binghamton, New York)**

**Notes to Basic Financial Statements**  
**December 31, 2022 and 2021**

---

**Inventory - Land Held for Sale**

Land consists 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 with a net realizable value of \$439,432 for the years ending December 31, 2022 and 2021. The original cost of the property was \$742,922. Land is not depreciated.

**Operating and Non-Operating Revenues and Expenses**

As a business-type activity, the Agency distinguishes operating revenues and expenses from non-operating items. Operating revenues are mostly comprised of grant and government subsidy revenue resulting from exchange transactions and in-kind services (provided by the City) associated with the principal activities of the Agency. Operating expenses generally result from the acquisition, demolition and renovation of properties, and general and administrative expenses in accordance with the Agency's mission. There are no non-operating expenses at December 31, 2022 and 2021 and non-operating revenues include interest revenues in the amount of \$30 and \$7 for the year ended December 31, 2022 and 2021, respectively.

**Revenue Recognition**

Grant income is recognized when earned. In this case, the revenue is considered earned when the Agency receives the funds from the City.

**Net Position**

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - net position with constraints placed on their use either by (1) external groups such as creditors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The Agency has restricted net position of \$20,000 at December 31, 2022 and 2021. The Agency is required to maintain a minimum reserve balance of \$20,000 for future capital repairs of the multi-purpose baseball stadium, in accordance with the agreement(s) described in Note 4.
- c. Unrestricted net position - all other net position that does not meet the definition of net investment in capital assets or restricted net position.

It is the Agency's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**BINGHAMTON URBAN RENEWAL AGENCY**  
**(A Blended Component Unit of the City of Binghamton, New York)**

**Notes to Basic Financial Statements**  
**December 31, 2022 and 2021**

---

**3. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

The Agency follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conform with federal, state and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the County Comptroller.

Monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within and authorized to do business in New York State (NYS). Collateral is required for deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are those identified in NYS General Municipal Law, Section 10 and outlined in the NYS Comptroller's Financial Management Guide.

**Interest Rate Risk**

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The Agency has an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk**

The Agency's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations.

**Custodial Credit Risk**

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 Agency's investment and deposit policy, all deposits of the Agency including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIA) shall be secured by a pledge of securities with an aggregate value equal to the aggregate amount of deposits.

The Agency restricts the securities to the following eligible items:

- Obligations issued, or fully insured or guaranteed as to the payment of principal and interest, by the United States of America, an agency thereof or a United States government sponsored Agency;
- Obligations partially insured or guaranteed by an agency of the United States of America;
- Obligations issued or fully insured or guaranteed by NYS;
- Obligations issued by a municipal City, school district or district corporation of NYS;
- Obligations issued by states (other than NYS) of the United States of America rated in one of the two highest rating categories by at least one Nationally Recognized Statistical Rating Organization (NRSRO).

The Agency maintained cash balances with a financial institution insured by the FDIC up to \$250,000, for interest bearing and non-interest-bearing accounts. At December 31, 2022 and 2021, the Agency's deposits consisted of \$64,617 and \$20,345 in cash, respectively, and were insured in full by FDIC.

**BINGHAMTON URBAN RENEWAL AGENCY**  
**(A Blended Component Unit of the City of Binghamton, New York)**

**Notes to Basic Financial Statements**  
**December 31, 2022 and 2021**

---

**4. MULTI-PURPOSE BASEBALL STADIUM**

In 1991, the Agency (the Lessee) signed an agreement with the City (the lessor) for an initial term of 25 years, with a renewal option of an additional 25 years, at the option of the Lessee. As of January 1, 2017, all consideration as part of this agreement has been made.

In 2000 a revised sublease agreement was signed between the Lessee and the Binghamton Mets Baseball Club (the sub-lessee) that supersedes an agreement signed between the Lessee and Sterling Doubleday Enterprises. The sub-lessee exercised renewal options, most recently on November 12, 2018, that extended the sub-lease agreement for the period of 2022 through 2027. Annual rent to be paid by the sub-lessee is \$1.

Commencing on January 1, 2001, the Lessee shall pay the sub-lessee \$50,000 on an annual basis for routine maintenance, cleaning and repair work. The lessee further agrees to maintain a capital repair reserve account with a minimum balance of \$20,000. The lessee is responsible for electricity and natural gas bills, as well as periodic additional invoices for leasehold improvements made by the sub-lessee.

On November 15, 2021, a revised sublease agreement was signed between the Lessee and the sub-lessee to extend the terms for another 5 years with the opportunity to extend through 2043. This revised agreement amends the agreement to require the Lessee to pay the sub-lessee up to \$25,000 annually for routine maintenance. The sub-lessee has the option to request the Lessee pay any expenditures in excess of the \$25,000 threshold if modifications to facility standards require additional expenditures. The lessee is under no legal obligation to honor these requests.

This agreement does not meet the definition of a lease under GASB Statement Number 87, *Leases*, and therefore the Agency has not recognized a related receivable or deferred inflow of resources.



**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**

March 8, 2023

To the Board of Directors of  
Binghamton Urban Renewal Agency

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Binghamton Urban Renewal Agency (the Agency), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated March 8, 2023.

**Report on Internal Control Over Financial Reporting**

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

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

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

**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***

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Agency'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.

*Bonadio & Co., LLP*