BINGHAMTON URBAN RENEWAL AGENCY

FINANCIAL STATEMENTS

DECEMBER 31, 2011

BINGHAMTON URBAN RENEWAL AGENCY

FINANCIAL STATEMENTS

DECEMBER 31, 2011

CONTENTS

Independent Auditors' Report	1 - 2
Statement of Financial Position as of December 31, 2011 With Comparative Totals for 2010	3
Statement of Activities For the Year Ended December 31, 2011 With Comparative Totals for 2010	4
Statements of Cash Flows For the Years Ended December 31, 2011 and 2010	5
Notes to Financial Statements	6 - 8
Independent Auditors' 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*	9 - 10
Independent Auditors' Report on Internal Controls	11 - 12

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Binghamton Urban Renewal Agency
Binghamton, New York

We have audited the accompanying statements of financial position of **BINGHAMTON URBAN RENEWAL AGENCY**, a public corporation and governmental entity that is a component unit of the City of Binghamton, as of December 31, 2011, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Binghamton Urban Renewal Agency as of December 31, 2011, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America. We have previously audited the financial statements for the year ended December 31, 2010, on which we expressed an unqualified opinion. The data from that report has been included for the purpose of comparison.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 14, 2012 on our consideration of Binghamton Urban Renewal 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 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 internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Board of Directors
Binghamton Urban Renewal Agency
Binghamton, New York

In accordance with *New York State Public Authorities Law*, we have also issued a report dated March 14, 2012, on our consideration of management's assertions of Binghamton Urban Renewal Agency's internal control over financial reporting. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and the results of that testing and not to provide an opinion on the internal control over financial reporting or compliance. That report is not an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Piaker & Lyons, P.C.

PIAKER & LYONS, P.C.

Binghamton, New York
March 14, 2012

Officers:
James J. Lewis, CPA*, ABV, CVA+
Alan D. Piaker, CPA
Ronald L. Simons, CPA
Roy E. Fuller, CPA
John R. May, CPA*
Angelo J. Gallo, CPA
Richard A. Lynch, CPA
Amy E. Brown, CPA**
Janeen F. Sutryk, CPA*

Members of:
American Institute of Certified Public Accountants
New York State Society of Certified Public Accountants

Piaker & Lyons
CERTIFIED PUBLIC ACCOUNTANTS
Established in 1955

(607) 729-9373
Fax: (607) 729-6893
Website: pnlcpa.com

Philip M. Piaker, CPA
(1921-2003)
Abraham L. Piaker, CPA
(1925-2005)

Of Counsel:
Allan R. Lyons, CPA
Kenneth L. Coleman, CPA

*Also Licensed in Pennsylvania
**Also Licensed in Maryland

Also Member of:
+National Association of Certified Valuation Analysts
*Pennsylvania Institute of Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Binghamton Urban Renewal Agency
Binghamton, New York

We have audited the accompanying statements of financial position of **BINGHAMTON URBAN RENEWAL AGENCY**, a public corporation and governmental entity that is a component unit of the City of Binghamton, as of December 31, 2011, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in ***Government Auditing Standards***, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Binghamton Urban Renewal Agency as of December 31, 2011, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America. We have previously audited the financial statements for the year ended December 31, 2010, on which we expressed an unqualified opinion. The data from that report has been included for the purpose of comparison.

In accordance with ***Government Auditing Standards***, we have also issued a report dated March 14, 2012 on our consideration of Binghamton Urban Renewal 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 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 internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** and should be considered in assessing the results of our audit.

Board of Directors
Binghamton Urban Renewal Agency
Binghamton, New York

In accordance with *New York State Public Authorities Law*, we have also issued a report dated March 14, 2012, on our consideration of management's assertions of Binghamton Urban Renewal Agency's internal control over financial reporting. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and the results of that testing and not to provide an opinion on the internal control over financial reporting or compliance. That report is not an integral part of an audit performed in accordance with ***Government Auditing Standards*** and should be considered in assessing the results of our audit.

Piaker & Lyons, P.C.

PIAKER & LYONS, P.C.

Binghamton, New York
March 14, 2012

BINGHAMTON URBAN RENEWAL AGENCY
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2011 AND 2010

ASSETS

	Unassigned	Temporarily Restricted	Nonspendable	2011 Total	2010 Total
Current Assets					
Cash and Cash Equivalents	$ -	$ 20,000	$ -	$ 20,000	$ 28,681
Total Current Assets	-	20,000	-	20,000	28,681
Land	-	-	446,632	446,632	446,632
TOTAL ASSETS	$ -	$ 20,000	$ 446,632	$ 466,632	$ 475,313

LIABILITIES AND NET ASSETS

Current Liabilities					
Accounts Payable	$ -	$ -	$ -	$ -	$ 5,655
Total Liabilities	-	-	-	-	5,655
Net Assets:					
Unassigned	-	-	-	-	3,026
Temporarily Restricted	-	20,000	-	20,000	20,000
Nonspendable	-	-	446,632	446,632	446,632
Total Net Assets	-	20,000	446,632	466,632	469,658
TOTAL LIABILITIES AND NET ASSETS	$ -	$ 20,000	$ 446,632	$ 466,632	$ 475,313

See the accompanying notes to financial statements.

BINGHAMTON URBAN RENEWAL AGENCY
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	Unassigned	Temporarily Restricted	Nonspendable	2011 Total	2010 Total
Support and Revenue					
Rental Income	$ 24,200	$ -	$ -	$ 24,200	$ 26,216
City of Binghamton Municipal Grants	-	23,183	-	23,183	50,000
Interest Income	12	-	-	12	7
Total Income	24,212	23,183	-	47,395	76,223
Net Assets Released From Restrictions	23,183	(23,183)	-	-	-
Total Support and Other Revenue	47,395	-	-	47,395	76,223
Expenditures					
Stadium Expenses	50,421	-	-	50,421	57,105
Total Expenditures	50,421	-	-	50,421	57,105
Change in Net Assets	(3,026)	-	-	(3,026)	19,118
Net Assets - Beginning	3,026	20,000	446,632	469,658	450,540
Net Assets - Ending	$ -	$ 20,000	$ 446,632	$ 466,632	$ 469,658

See the accompanying notes to financial statements.

BINGHAMTON URBAN RENEWAL AGENCY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
Cash Flows from Operating Activities:		
Change in Net Assets	$ (3,026)	$ 19,118
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By (Used In) Operating Activities:		
Changes in Operating Assets and Liabilities:		
Accounts Payable	(5,655)	5,655
Net Cash Provided By (Used In) Operating Activities	(8,681)	24,773
Net Increase (Decrease) in Cash and Cash Equivalents	(8,681)	24,773
Cash and Cash Equivalents at Beginning of Year	28,681	3,908
Cash and Cash Equivalents at End of Year	$ 20,000	$ 28,681

See the accompanying notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Purpose of the Corporation - The Binghamton Urban Renewal Agency (BURA) was formed April 29, 1962 to further urban renewal in the City of Binghamton. Through New York State municipal law article 15B, and in accordance with article eighteen of the constitution of the state of New York, BURA was formed to promote urban development in specified areas of the City of Binghamton.

B. Reporting Entity – BURA is a public corporation and governmental agency that is a component unit of the City of Binghamton. The financial activities of BURA are combined with the financial activities of the City of Binghamton and other component units, which constitutes the entire reporting entity for the City of Binghamton. The requirements under the U.S. Office of Management and Budget Circular A-133, ***Audits of States, Local Governments, and Non-Profit Organizations*** have been satisfied at the reporting entity level.

C. Basis of Accounting and Presentation - The financial statements of BURA have been prepared on the accrual basis of accounting and are presented in accordance with generally accepted accounting principles (GAAP) promulgated in the United States of America for Not-For-Profits' and the Accounting Standards Codification (ASC) 958-205. Under ASC 958-205, the not-for-profit is required to report information regarding their financial position and activities according to three classes of net assets as follows:

Unassigned – represents resources recognized as unassigned and/or resources generated by other sources, which are expendable and available for support of operations.

Temporarily Restricted Net Assets – represents resources recognized as restricted support until such a time when all associated restrictions have been met. The activities included are relative to the expenses related to the maintenance of the stadium.

Nonexpendable – represents resources that are not in a spendable form, which includes land held by the Organization.

D. Tax Exemption – BURA is exempt from income taxes pursuant to NYS municipal law and in accordance with article eighteen of the constitution of the State of New York.

E. Cash and Cash Equivalents - BURA considers short-term, highly liquid investments with original maturities of three months or less to be cash equivalents.

F. Land - BURA follows the policy of valuing land at the lower of net realizable value or cost.

G. Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles 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 those estimates.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Support and Revenue - BURA is funded principally through grants from the City of Binghamton and parking lot rental income.

I. Expendable Restricted Resources - Certain resources of BURA are considered temporarily restricted. BURA is required to maintain a minimum of $20,000 in its cash accounts for the sole purpose of stadium repairs.

J. Risks and Uncertainties – Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect the net assets of the Corporation. As of December 31, 2011 and 2010, BURA had no investments.

K. Events Occurring After Reporting Date – The Corporation has evaluated events and transactions that occurred between January 1, 2011 and March 14, 2012 which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

NOTE 2 - CONCENTRATION OF CREDIT RISK

Financial instruments, which potentially subject the Corporation to concentrations of credit risk, consist of deposits with a single financial institution, cash in excess of FDIC insurance, short and long-term investments, and mortgages and notes receivable. The Corporation generally places its cash and investments with quality financial institutions and collateralizes cash deposits in excess of FDIC coverage with obligations of the United States and its agencies. The Corporation has an agreement for adequate collateralization with a banking institution as of December 31, 2011 and 2010.

NOTE 3 - COMMITMENTS AND CONTINGENCIES

The Binghamton Urban Renewal Agency has a lease agreement with the Binghamton Mets Baseball Club, Inc. in which, the Binghamton Mets Baseball Club, Inc. rents the land the stadium is on. The terms of the lease are continued through March 31, 2017, with the Binghamton Mets Baseball Club, Inc. possessing the right to extend the terms of the lease for an additional period of twenty years.

NOTE 4 - NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from restriction by incurring expenses satisfying the restricted purposes during the years ended December 31, 2011 and 2010.

NOTE 5 - RELATED PARTY

Binghamton Urban Renewal Agency is a component unit of the City of Binghamton (the City), but the Organization is legally separate from the City. The members of the Agency consist of the following City of Binghamton officials and employees: the Mayor, Comptroller, Corporation Counsel, City Engineer, Commissioner of Public Works and two members of the Common Council. The activity of BURA is recorded in the combined financial statements of the City of Binghamton.

NOTE 6 - INVESTMENTS

In accordance with section 2925(6) of the Public Authorities Law for New York State, Public Authorities, the Binghamton Urban Renewal Agency is reporting it held no investments for the year ended December 31, 2011. Investment policies are reviewed by the Board annually. All decisions regarding investments are approved by the Board of Directors before entering into the investment.

NOTE 7 - FAIR VALUE

During the year ended December 31, 2011 and 2010, BURA owned various parcels of land valued at $446,632.

NOTE 8 - PROPERTY

In accordance with section 2896(3) of the Public Authorities Law for New York State, Public Authorities, the Binghamton Urban Renewal Agency is reporting it owns land with a recorded historical cost of $446,632 for the year ended December 31, 2011. The land is located in the City of Binghamton. As of December 31, 2011, there are no plans to sell the property.

INDEPENDENT AUDITORS' 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

To the Board of Directors
Binghamton Urban Renewal Agency
Binghamton, New York

We have audited the financial statements of **BINGHAMTON URBAN RENEWAL AGENCY** (a public corporation and governmental entity that is a component unit of the City of Binghamton) as of and for the year ended December 31, 2011, and have issued our report thereon dated March 14, 2012. 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.

Internal Control Over Financial Reporting

Management of Binghamton Urban Renewal Agency is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Binghamton Urban Renewal Agency's internal control over financial reporting as a basis for designing our audit procedures 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 Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control over financial reporting.

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 misstatements on a timely basis. A material weakness is a deficiency, or combination of control 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weakness. We noted one deficiency in internal control over financial reporting that we consider to be a material weakness, as defined above.

To the Board of Directors
Binghamton Urban Renewal Agency

Binghamton Urban Renewal Agency's financial activity is recorded in the City of Binghamton's books, primarily on a cash basis and it appears to not be reviewed timely for management to determine if information is inaccurate or missing. We encourage management to review processes related to the entity's financial reporting.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the board of directors, management and New York State's budget office and is not intended to be and should not be used by anyone other than these specified parties.

Piaker & Lyons, P.C.

PIAKER & LYONS, P.C.

Binghamton, New York
March 14, 2012

Officers:
James J. Lewis, CPA*, ABV, CVA+
Alan D. Piaker, CPA
Ronald L. Simons, CPA
Roy E. Fuller, CPA
John R. May, CPA*
Angelo J. Gallo, CPA
Richard A. Lynch, CPA
Amy E. Brown, CPA**
Janeen F. Sutryk, CPA*

Members of:
American Institute of Certified Public Accountants
New York State Society of Certified Public Accountants

Piaker & Lyons
CERTIFIED PUBLIC ACCOUNTANTS
Established in 1955

(607) 729-9373
Fax: (607) 729-6893
Website: pnlcpa.com

Philip M. Piaker, CPA
(1921-2003)
Abraham L. Piaker, CPA
(1925-2005)

Of Counsel:
Allan R. Lyons, CPA
Kenneth L. Coleman, CPA

*Also Licensed in Pennsylvania
**Also Licensed in Maryland

Also Member of:
+National Association of Certified Valuation Analysts
*Pennsylvania Institute of Certified Public Accountants

INDEPENDENT AUDITORS' 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

To the Board of Directors
Binghamton Urban Renewal Agency
Binghamton, New York

We have audited the financial statements of **BINGHAMTON URBAN RENEWAL AGENCY** (a public corporation and governmental entity that is a component unit of the City of Binghamton) as of and for the year ended December 31, 2011, and have issued our report thereon dated March 14, 2012. 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.

Internal Control Over Financial Reporting

Management of Binghamton Urban Renewal Agency is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Binghamton Urban Renewal Agency's internal control over financial reporting as a basis for designing our audit procedures 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 Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control over financial reporting.

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 misstatements on a timely basis. A material weakness is a deficiency, or combination of control 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weakness. We noted one deficiency in internal control over financial reporting that we consider to be a material weakness, as defined above.

92 Hawley Street • PO Box 1330 • Binghamton, New York 13902-1330

To the Board of Directors
Binghamton Urban Renewal Agency

Binghamton Urban Renewal Agency's financial activity is recorded in the City of Binghamton's books, primarily on a cash basis and it appears to not be reviewed timely for management to determine if information is inaccurate or missing. We encourage management to review processes related to the entity's financial reporting.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the board of directors, management and New York State's budget office and is not intended to be and should not be used by anyone other than these specified parties.

Piaker & Lyons, P.C.

PIAKER & LYONS, P.C.

Binghamton, New York
March 14, 2012

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROLS

To the Board of Directors
Binghamton Urban Renewal Agency
Binghamton, New York

We have audited management's assertion that **BINGHAMTON URBAN RENEWAL AGENCY** (a public corporation and governmental entity that is a component unit of the City of Binghamton) maintained effective internal control over financial reporting as of December 31, 2011. The Organization's management is responsible for maintaining effective internal control over financial reporting, and for its assertion of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assertion based on our examination.

We conducted our audit in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with accounting principles generally accepted in the United States of America. An entity's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in a reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the entity are being made only in accordance with authorization of management and those charged with governance; and (3) provide reasonable assurance regarding prevention, or timely detection and correction of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

To the Board of Directors
Binghamton Urban Renewal Agency

In our opinion, management's assertions that Binghamton Urban Renewal Agency maintained effective internal control over financial reporting as of December 31, 2011 is fairly stated, in all material respects.

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the authority and our report dated March 14, 2012 expressed an unqualified opinion.

This report is intended solely for the information and use of the board of directors, management and New York State's budget office and is not intended to be and should not be used by anyone other than these specified parties.

Piaker & Lyons, P.C.

PIAKER & LYONS, P.C.

Binghamton, New York
March 14, 2012

Officers:
James J. Lewis, CPA*, ABV, CVA+
Alan D. Piaker, CPA
Ronald L. Simons, CPA
Roy E. Fuller, CPA
John R. May, CPA*
Angelo J. Gallo, CPA
Richard A. Lynch, CPA
Amy E. Brown, CPA**
Janeen F. Sutryk, CPA*

Members of:
American Institute of Certified Public Accountants
New York State Society of Certified Public Accountants

Piaker & Lyons
CERTIFIED PUBLIC ACCOUNTANTS
Established in 1955

(607) 729-9373
Fax: (607) 729-6893
Website: pnlcpa.com

Philip M. Piaker, CPA
(1921-2003)
Abraham L. Piaker, CPA
(1925-2005)

Of Counsel:
Allan R. Lyons, CPA
Kenneth L. Coleman, CPA

*Also Licensed in Pennsylvania
**Also Licensed in Maryland

Also Member of:
+National Association of Certified Valuation Analysts
*Pennsylvania Institute of Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROLS

To the Board of Directors
Binghamton Urban Renewal Agency
Binghamton, New York

We have audited management's assertion that **BINGHAMTON URBAN RENEWAL AGENCY** (a public corporation and governmental entity that is a component unit of the City of Binghamton) maintained effective internal control over financial reporting as of December 31, 2011. The Organization's management is responsible for maintaining effective internal control over financial reporting, and for its assertion of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assertion based on our examination.

We conducted our audit in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with accounting principles generally accepted in the United States of America. An entity's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in a reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the entity are being made only in accordance with authorization of management and those charged with governance; and (3) provide reasonable assurance regarding prevention, or timely detection and correction of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

92 Hawley Street • PO Box 1330 • Binghamton, New York 13902-1330

To the Board of Directors
Binghamton Urban Renewal Agency

In our opinion, management's assertions that Binghamton Urban Renewal Agency maintained effective internal control over financial reporting as of December 31, 2011 is fairly stated, in all material respects.

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the authority and our report dated March 14, 2012 expressed an unqualified opinion.

This report is intended solely for the information and use of the board of directors, management and New York State's budget office and is not intended to be and should not be used by anyone other than these specified parties.

Piaker & Lyons, P.C.

PIAKER & LYONS, P.C.

Binghamton, New York
March 14, 2012