

**BINGHAMTON URBAN  
RENEWAL AGENCY**

**Binghamton, New York**

**FINANCIAL REPORT**

**For the Year Ended  
December 31, 2014**

BINGHAMTON URBAN RENEWAL AGENCY

DECEMBER 31, 2014

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*Certified Public Accountants and Consultants*

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Frederick J. Ciaschi, C.P.A.

**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Binghamton Urban Renewal Agency  
Binghamton, New York

**Report on the Financial Statements**

We have audited the accompanying financial statements of the Binghamton Urban Renewal Agency (the Agency), a component unit of the City of Binghamton, as of and for the year ended December 31, 2014, which collectively comprise the Agency's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

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

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

***Auditor's Responsibility***

Our responsibility is to express 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*. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Agency's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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**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, 2014 and the respective changes in financial position of the Agency for the year then ended, in conformity with generally accepted accounting principles.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3-3b be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated July 24, 2015 on our consideration of the Binghamton Urban Renewal Agency's internal control over financial reporting and 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 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.

*Cianchi, D'Intropolo, Little, McLaughlin, & Company, LLP*

July 24, 2015  
Ithaca, New York

**BINGHAMTON URBAN RENEWAL AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

The following is a discussion and analysis of the Binghamton Urban Renewal Agency's (the Agency) financial performance for the fiscal year ended December 31, 2014. This section is a summary of the Agency's financial activities based on currently known facts, decisions, or conditions. The Management's Discussion and Analysis (MD&A) section is only an introduction and should be read in conjunction with the Agency's financial statements, which immediately follow this section.

**FINANCIAL HIGHLIGHTS**

- Net position of \$464,203 decreased by \$(7,434) in 2014, from \$471,637 in 2013.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of two parts: MD&A (this section) and the basic financial statements and supplementary information.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data.

Statement of Net Position and Statement of Activities

The Statement of Net Position and Statement of Activities columns in the basic financial statements report information about the Agency as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the Agency's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

These financial statements report the Agency's net assets and how they have changed. Net position – the difference between the Agency's assets and liabilities – is one way to measure the Agency's financial health or position. Over time, increases or decreases in the Agency's net position are an indicator of whether its financial position is improving or deteriorating.

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

The Agency's total net position for the fiscal years ended December 31, 2014 and 2013 changed by \$(7,434) and \$958, respectively. Our analysis below focuses on the net position (*Figure 1*) and changes in net position (*Figure 2*) of the Agency's Governmental Activities.

**Figure 1**

**Condensed Statement of Net Position**

<i>Condensed Statement of Net Position</i>	2013	2014	<i>Total Dollar Change</i>
			<i>2013 - 2014</i>
<i>Current assets</i>	\$ 25,005	\$ 29,184	\$ 4,179
<i>Noncurrent assets</i>	446,632	446,632	-0-
<b><i>Total Assets</i></b>	<b>471,637</b>	<b>475,816</b>	<b>4,179</b>
<i>Current liabilities</i>	-0-	11,613	11,613
<b><i>Total Liabilities</i></b>	<b>-0-</b>	<b>11,613</b>	<b>11,613</b>
<i>Net investment in capital assets</i>	446,632	446,632	-0-
<i>Restricted</i>	20,000	20,000	-0-
<i>Unrestricted</i>	5,005	(2,429)	(7,434)
<b><i>Total Net Position</i></b>	<b>\$ 471,637</b>	<b>\$ 464,203</b>	<b>\$ (7,434)</b>

BINGHAMTON URBAN RENEWAL AGENCY  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2014

Our analysis in *Figure 2* considers the operations of the Agency's activities.

**Figure 2**  
**Changes in Net Position**

Changes in Net Position	2013	2014	Total Dollar Change
			2013 - 2014
<i>Revenues:</i>			
Rental income	\$ 24,200	\$ 24,200	\$ -0-
Grant income	50,000	38,000	(12,000)
Interest income	13	13	-0-
<b>Total Revenues</b>	<b>74,213</b>	<b>62,213</b>	<b>(12,000)</b>
<i>Expenses:</i>			
Professional fees	2,000	2,000	-0-
Stadium and related expense	71,255	67,647	(3,608)
<b>Total Expenses</b>	<b>73,255</b>	<b>69,647</b>	<b>(3,608)</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 958</b>	<b>\$ (7,434)</b>	<b>\$ (8,392)</b>

Grant income from the City of Binghamton is determined in part by the amount of expenses; the Agency is required to maintain its restricted fund balance, and the City is required to fund the Agency in order to ensure this balance is maintained.

**CAPITAL ASSETS**

*Figure 3* shows the capital assets for the year. As noted below, capital assets were unchanged in 2014.

**Figure 3**  
**Capital Assets**

Capital Assets	2013	2014	Total Dollar Change
			2013 - 2014
Land	\$ 446,632	\$ 446,632	\$ -0-

**FACTORS BEARING ON THE AGENCY'S FUTURE**

The Binghamton Mets requested BURA exercise its option to extend the lease with the City for the stadium for 25 years. Because the lease does not expire until 2017, it was determined that no action needs to be taken at this time. Throughout the year, the Agency reviewed and evaluated claims by the Binghamton Mets for non-routine maintenance. Several were approved and a few denied, as they appeared to be routine.

BINGHAMTON URBAN RENEWAL AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2014

**CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the Agency's citizens, customers, investors, and creditors with a general overview of the Agency's finances and to demonstrate the Agency's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Director of Economic Development for the City of Binghamton; 38 Hawley Street 4<sup>th</sup> Floor; Binghamton, NY 13901.

BINGHAMTON URBAN RENEWAL AGENCY  
STATEMENT OF NET POSITION  
DECEMBER 31, 2014

**ASSETS**

Current Assets:		
Cash and cash equivalents		\$ <u>29,184</u>
Total Current Assets		29,184
Noncurrent Assets:		
Land		<u>446,632</u>
Total Assets		\$ <u><u>475,816</u></u>

**LIABILITIES AND NET POSITION**

Current Liabilities:		
Accounts payable		\$ <u>11,613</u>
Total Liabilities		<u>11,613</u>
Net Position:		
Net investment in capital assets		446,632
Restricted		20,000
Unrestricted		<u>(2,429)</u>
Total Net Position		<u>464,203</u>
Total Liabilities and Net Position		\$ <u><u>475,816</u></u>

See Independent Auditor's Report and Notes to Financial Statements

BINGHAMTON URBAN RENEWAL AGENCY  
STATEMENT OF ACTIVITIES  
DECEMBER 31, 2014

Revenues:		
Rental income	\$	24,200
Grant income - City of Binghamton		38,000
Interest		<u>13</u>
Total Revenues		<u>62,213</u>
Expenses:		
Professional fees		2,000
Stadium maintenance		<u>67,647</u>
Total Expenses		<u>69,647</u>
Total Increase in Net Position		(7,434)
Net Position, Beginning of Year		<u>471,637</u>
Net Position, End of Year	\$	<u><u>464,203</u></u>

See Independent Auditor's Report and Notes to Financial Statements

BINGHAMTON URBAN RENEWAL AGENCY  
STATEMENT OF CASH FLOWS  
DECEMBER 31, 2014

Cash Flows from Operating Activities:	
Change in net position	\$ (7,434)
Adjustments to reconcile change in net position to net cash provided by operating activities:	
Increase in accounts payable	<u>11,613</u>
Net Cash Provided by Operating Activities	4,179
Net Cash Provided by Investing Activities	-0-
Net Cash Provided by Financing Activities	<u>-0-</u>
Net Increase in Cash and Cash Equivalents	4,179
Cash and Cash Equivalents, Beginning of Year	<u>25,005</u>
Cash and Cash Equivalents, End of Year	<u>\$ 29,184</u>

See Independent Auditor's Report and Notes to Financial Statements

BINGHAMTON URBAN RENEWAL AGENCY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

Note 1 - Summary of Significant Accounting Policies

Purpose of the Agency

The Binghamton Urban Renewal Agency (the Agency) 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 18 of the NYS Constitution, the Agency was formed to promote urban development in specified areas of the City.

Reporting Entity

The Agency is a public corporation and governmental agency, and a component unit of the City of Binghamton. The financial activities of the Agency are combined with the financial activities of the City and other component units, which in turn constitute the entire reporting entity for the City. 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.

Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenses are recorded when incurred (flow of economic resources measurement focus).

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Agency considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Concentrations of Risk and Investments

Cash Balances

The Agency maintains its accounts at a single financial institution. The Agency maintains a collateralization agreement with this financial institution for cash balances in excess of FDIC limits. At December 31, 2014, \$-0- was uninsured.

Capital Assets

Land held as of December 31, 2014 is valued at the lower of net realizable value or cost.

Revenue

The Agency is funded principally through grants from the City of Binghamton and parking lot rental income.

BINGHAMTON URBAN RENEWAL AGENCY  
NOTES TO FINANCIAL STATEMENTS  
(CONTINUED)  
DECEMBER 31, 2014

Net Position

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

- Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings 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 "invested in capital assets, net of related debt."

Note 2 - Commitments

The Agency has a lease agreement with the Binghamton Mets Baseball Club, Inc. in which the Club rents the land the stadium is on. The terms of the current lease continue through March 31, 2017, with the Club possessing the right to extend the lease for an additional 20 year period.

Note 3 - Investments

In accordance with Section 2925(6) of the Public Authorities Law for New York State, Public Authorities, the Agency reports no investments as of and for the year ended December 31, 2014. Investment policies are reviewed annually.

Note 4 - Related Parties

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

Note 5 - Property

In accordance with Section 2896(3) of the Public Authorities Law for New York State, Public Authorities, the Agency is reporting it owns land with a recorded historical cost of \$446,632 for the year ended December 31, 2014. The land is located in the City; as of December 31, 2014 there are no plans to sell the property.

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Frederick J. Ciaschi, C.P.A.

**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**

Board of Directors  
Binghamton Urban Renewal Agency  
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 for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise Binghamton Urban Renewal Agency's (the Agency's) (a component unit of the City of Binghamton) basic financial statements, and have issued our report thereon dated July 24, 2015.

**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) to determine the 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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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**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 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 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 result 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.

*Cianchi, D'Intropoli, Little, Michelson, & Company, LLP*

July 24, 2015  
Ithaca, New York