

Division of Local Government and School Accountability  
Joseph Testa, Auditor 2, Local Official Training

# Fiscal Stress Monitoring System



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## Fiscal Stress Monitoring System (FSMS)

### Agenda

- Fiscal Stress Monitoring System 101
  - Release Timing
  - Fiscal and Environmental Stress Score Breakdowns
  - Upcoming Score Release
- Key Takeaways
- Resources – How We Can Help
- Q & A

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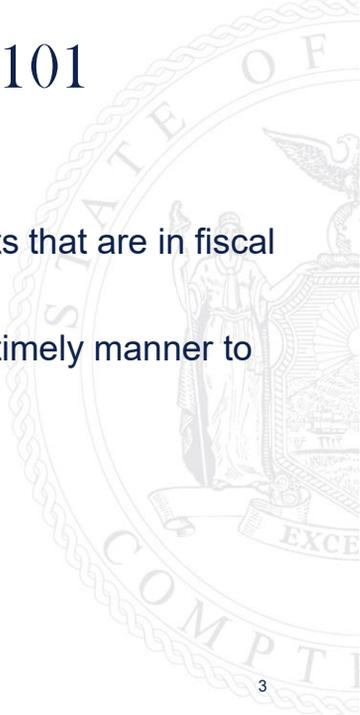
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# Fiscal Stress Monitoring System 101

## Purpose

- To identify local governments and school districts that are in fiscal stress or susceptible to fiscal stress
- To identify for local officials the need to act in a timely manner to improve financial trends
- [System Basics](#)



# Fiscal Stress Monitoring System 101

## Timing of Release

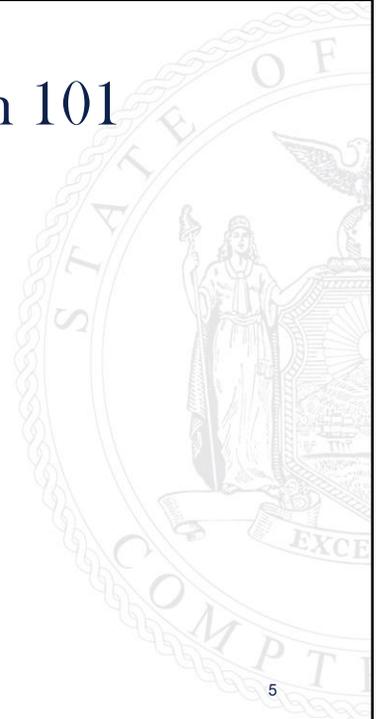
- 3 releases per year
  - In the Winter (January), Spring (March), and Fall (September)
- FSMS scores are calculated using data from local governments' Annual Financial Reports.

Release Type	Fiscal Year(s) Ending	Timing of Release
<b>Schools</b>	June 30	1st Quarter
<b>Non-Calendar Year Local Governments:</b> Some cities (including Big 4) and most villages	February 28 March 31 May 31 June 30 July 31	2nd Quarter
<b>Calendar Year Local Governments:</b> All counties and towns, most cities and a few villages	December 31	3rd Quarter

# Fiscal Stress Monitoring System 101

Fiscal Stress Score

Environmental Stress Score



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## Fiscal Stress Score

Financial Indicators	Fiscal Stress Financial Indicators	Maximum Points
1	Assigned and Unassigned Fund Balance as a Percentage of Gross Expenditures	25
2	Total Fund Balance as a Percentage of Gross Expenditures	25
3	Operating Deficits	10
4	Cash Ratio - Cash and Investments as a Percentage of Current Liabilities	10
5	Cash as a Percentage of Monthly Gross Expenditures	10
6	Short-Term Cash-Flow Debt Issuance as a Percentage of Total Revenues	5
7	Short-Term Cash-Flow Debt Issuance Trend	5
8	Personal Service and Employee Benefits as a Percentage of Total Revenues (3 year avg)	5
9	Debt Service as a Percentage of Total Revenues (3 year avg)	5
		<b>100</b>

Fiscal Stress Classification	Point Range (Out of 100 total pts)
Significant	65 - 100
Moderate	55 - 64.9
Susceptible	45 - 54.9
No Designation	0 - 44.9

Local Govt. Type	General Fund	Combined Funds
Cities	A	A, FX, G, ES, EW
Counties	A	A, D, DM, FX, G, All Enterprise Funds
Towns	A, DA	A, B, DA, DB, FX, G, SS, SW, ES, EW
Villages	A	A, FX, G, ES, EW

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The score breakdown is provided on detail sheet.

1	<b>General Fund</b>	5	<b>Combined Funds</b>
	25 Points ≤ 0%		10 points ≤ 33.33%
Assigned and Unassigned Fund Balance	18.75 Points > 0% But ≤ 3.33%	Cash % of Monthly Expenditures	6.67 Points > 33.33% But ≤ 66.67%
	12.50 Points > 3.33% But ≤ 6.67%		3.33 Points > 66.67% But ≤ 100%
	6.25 Points > 6.67% But ≤ 10%		0 Points > 100%
	0 Points > 10%		
<b>Assigned and Unassigned Fund Balance ÷ Gross Expenditures</b>		<b>Cash and Investments ÷ Average Monthly Gross Expenditures</b>	
2	<b>General Fund</b>	6	<b>All Funds</b>
	25 Points ≤ 0%		5 Points > 15%
Total Fund Balance	18.75 Points > 0% But ≤ 10%	Short-Term Cash-Flow Debt Issuance	3.33 Points > 5% But ≤ 15%
	12.50 Point > 10% But ≤ 15%		1.67 Points > 0% But ≤ 5%
	6.25 Points > 15% But ≤ 20%		0 Points = 0%
	0 Points > 20%		
<b>Total Fund Balance ÷ Gross Expenditures</b>		<b>Short-Term Debt Issued ÷ Total Revenues (General Fund Only)</b>	
3	<b>Combined Funds</b>	7	<b>All Funds</b>
	10 Points = Deficit < 0% in 3/3 Last Fiscal Years		5 Points = Issuance In Each of Last Three Years
Operating Deficit	6.67 Points = Deficit < 0% in 2/3 Last Fiscal Years	Short-Term Cash-Flow Debt Issuance	3.33 Points = Issuance In Each of Last Two Years
	3.33 Points = Deficit < 0% in 1/3 Last Fiscal Years		1.67 Points = Issuance In Current Year
	0 Points = Deficit < 0% in 0/3 Last Fiscal Years	Trend	0 Points = No Issuance In Current Year
<b>(Gross Revenues - Gross Expenditures) ÷ Gross Expenditures</b>		<b>Short-Term Cash-Flow Debt Issued</b>	
4	<b>Combined Funds</b>	8	<b>All Funds (Except Capital Projects)</b>
	10 Points ≤ 50%		5 Points = Last Three Fiscal Year Average ≥ 75%
Cash Ratio	6.67 Points > 50% But ≤ 75%	Personal Services and Employee Benefits	3.33 Points = Last Three Fiscal Year Average ≥ 70% But < 75%
	3.33 Points > 75% But ≤ 100%		1.67 Points = Last Three Fiscal Year Average ≥ 65% But < 70%
	0 Points > 100%		0 Points = Last Three Fiscal Year Average < 65%
<b>Cash and Investments ÷ Net Current Liability</b>		<b>3 Year Average (Personal Services and Employee Benefits ÷ Total Revenues)</b>	
		9	<b>All Funds (Except Capital Projects)</b>
			5 Points = Last Three Fiscal Year Average ≥ 20%
		Debt Service % Revenue	3.33 Points = Last Three Fiscal Year Average ≥ 15% But < 20%
			1.67 Points = Last Three Fiscal Year Average ≥ 10% But < 15%
			0 Points = Last Three Fiscal Year Average < 10%
		<b>3 Year Average (Debt Service ÷ Total Revenues)</b>	

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AFR data is used to calculate financial indicator scores. This is provided on the Self Assessment Workbook.

Fiscal Stress Financial Indicator Data Inputs			
Financial Indicators	Components	Account Code(s)	Fund(s)
1	Assigned Unappropriated and Unassigned Fund Balance	915 & 917	General Fund
2	Total Fund Balance	8029	
1, 2	Gross Expenditures (includes transfers out)		Combined Funds
3, 5	Gross Expenditures (includes transfers out)		
3	Gross Revenues (includes transfers in)		General Fund
6	Total Revenues (does not include transfers in)		
8, 9	Total Revenues (does not include transfers in)		All Funds Except Capital Projects Fund
4	Cash and Investments	200-223, 450 & 451	Combined Funds
5		200, 201, 450 & 451	
4	Current Liabilities	600-626, 631-637, 639-668	
4	Taxes Receivable	280, 290 & 295	All Funds
6, 7	Short-Term Cash-Flow Debt	Revenue Anticipation Notes, Tax Anticipation Notes, Budget Notes, and Deficiency Notes Only	
8	Personal Service and Employee Benefits	Expenditure Object Codes: .1 (Personal Services) and .8 (Employee Benefits)	All Funds Except Capital Projects Fund
9	Debt Service	Expenditure Object Codes: .6 (Debt Principal) and .7 (Debt Interest)	
9	Current Refunding Bond Proceeds	5792	

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# Environmental Stress Score

Environmental Indicator	Fiscal Stress Environmental Indicators	Maximum Points
1	Change in Population	10
2	Percentage of Households with Public Assistance	20
3	Percentage of Population Under 18 & Over 65	10
4	Percentage Change in Home Value	20
5	Median Household Income	10
6	Unemployment Rate	10
7	Reliance on State and Federal Aid	20
		<b>100</b>

Environmental Stress Classification	Point Range (Out of 100 total pts)
Significant	50 - 100
Moderate	40 - 49.9
Susceptible	30 - 39.9
No Designation	0 - 29.9

Unlike the financial indicators, environment indicators are generally outside the direct control of local officials.

## Fiscal Stress Monitoring System Notifications

### Upcoming Release for Non-Calendar Year Filers

#### Communication Emails

- Local Governments in Fiscal Stress – sent before public release
- All Other Local Governments – just prior to release

# Key Takeaways

- Be Prepared
- Environmental Stress Score Reminder
- OSC's Website Resources



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# Resources

## [Fiscal Stress Monitoring System Webpage](#)

A screenshot of the Fiscal Stress Monitoring System webpage. The page has a dark blue header with navigation links: "About -", "Unclaimed Funds", "Retirement -", "Local Government", "Agencies", "Vendors", "Reports -", and "Newsroom". Below the header, the page title is "Fiscal Stress Monitoring System". The main content area includes a search bar with a "Search Now" button, a "Lists" section with links for "Local Governments", "School Districts", and "Search Tool", a "Publications" section with links for "System Manual", "Research Reports", "Financial Condition Audits", and "Archived System Publications", a "Tools" section with links for "Self-Assessment Tool", "Capital Planning Webinar", and "Multiyear Planning Webinar", and a "Help" section with links for "System Enhancements", "Indicator Reference Guides", "Training and Webinars", and "Archived System Data".

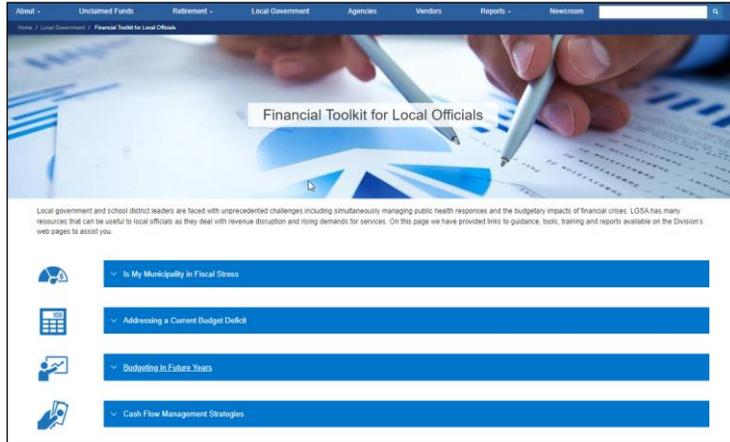
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# Resources

## Financial Toolkit for Local Officials



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# Resources

## Self-Assessment Tool Demonstration

Home / Local Government / Fiscal Stress Monitoring System / Search Tool

### Fiscal Stress Monitoring System®

#### Search Tool

Reset Filters [Download All Data](#)

Fiscal Year Ending	Class	Local Government/School District Name	County	Stress Designation	Region	Fiscal Scores			Environmental Score	Self-Assessment Tool (.xls)
						Current Year	1 Year Prior	2 Years Prior		
2021	Town	Adams	Jefferson	No Designation	North Country	0	0	0	6.7	<a href="#">Download</a>
2021	Village	Adams	Jefferson	No Designation	North Country	9.6	5	22.1	40	<a href="#">Download</a>
2021	Town	Addison	Steuben	No Designation	Southern Tier	0	0	0	30	<a href="#">Download</a>
2021	Village	Addison	Steuben	Moderate	Southern Tier	61.7	53.8	22.5	30	<a href="#">Download</a>
2021	School	Addison	Steuben	No Designation	Southern Tier	3.3	0	0	8.5	<a href="#">Download</a>
2021	School	Adirondack	Oneida	No Designation	Mohawk Valley	0	16.7	13.3	23.3	<a href="#">Download</a>
2021	Town	Alton	Chenango	No Designation	Southern Tier	3.3	0	0	40	<a href="#">Download</a>
2021	Village	Alton	Chenango	No Designation	Southern Tier	0	0	0	53.5	<a href="#">Download</a>
2021	School	Alton	Chenango	No Designation	Southern Tier	0	0	-	10	<a href="#">Download</a>
2021	Village	Almout	Rockland	No Designation	Mid-Hudson	6.7	10	6.7	6.7	<a href="#">Download</a>
2021	Village	Akron	Erie	No Designation	Western New York	0	0	0	3.3	<a href="#">Download</a>
2021	School	Akron	Erie	No Designation	Western New York	0	0	0	6	<a href="#">Download</a>
2021	Town	Alabama	Genesee	No Designation	Finger Lakes	3.3	6.7	6.7	23.3	<a href="#">Download</a>
2021	County	Albany	Albany	No Designation	Capital District	12.5	43.3	19.2	13.3	<a href="#">Download</a>

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## Contact Us

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– Option 4 for Data Management Unit

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## Questions?



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Thank you!



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