

# New York State Office of the State Comptroller

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## Fiscal Stress Monitoring System

### Interpreting The Lists

#### The System (Local Governments)

OSC's Fiscal Stress Monitoring System represents a systematic and objective methodology for identifying the presence of stress conditions in a local government. The System employs two types of indicators: financial indicators, which evaluate budgetary solvency (the ability of a local government to generate enough revenues to meet expenditures) and environmental indicators, which capture those circumstances and trends that are largely outside the locality's control but which have a bearing on its revenue raising capabilities as well as its demand for and/or mix of services. Only the scores calculated by using the financial indicators will determine a municipality's placement on the fiscal stress list.

The data upon which the System relies is based on Annual Financial Reports that individual units already submit to OSC. There is no new reporting requirement.

This System measures the level of fiscal stress a municipality is facing, not its level of fiscal health. A municipality's absence from the top three categories should not be viewed as substantiation of good financial condition by OSC.

**The System's financial indicators are based on nine different calculations in the following five categories:** Year End Fund Balance, Operating Deficits, Cash Position, Use of Short-term Debt and Fixed Costs.

Each calculation is linked to a point-based scoring system and drives an overall financial indicator score with the potential for a total of 29 points. The score is then assigned a level of fiscal stress as follows:

**Significant Fiscal Stress** (Entity received more than or equal to 65% of the total possible points)

**Moderate Fiscal Stress** (Entity received more than or equal to 55% of total possible points)

**Susceptible to Fiscal Stress** (Entity received more than or equal to 45% of total possible points)

**The System's environmental indicators are based on 14 different calculations in the following eight categories:** Population, Age, Poverty, Property Values, Employment Base, Intergovernmental Revenues, Constitutional Tax Limit and Sales Tax Revenue.

Each environmental calculation is linked to a point-based scoring system and drives an overall environmental indicator score, with the potential for a total of 27 points (counties, cities and villages) and 24 points for towns. The score is then assigned a level of environmental stress as follows:

### (Entity received greater than or equal to 50% of total possible points)

## (Entity received greater than or equal to 40% of total possible points)

# (Entity received greater than or equal to 30% of total possible points)

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Division of Local Government and School Accountability

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### Other Classifications

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Entities receiving less than 45% of the total financial indicator points and those with less than 30% of the total environmental indicator points will receive a classification of **“No Designation.”** This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. One should consider the proximity of the score to the established fiscal stress thresholds.

In cases where local governments have filed their AUD, but have unresolved issues associated with the data that was submitted, those local governments will be classified under the category of **“Data Inconclusive for FSMS.”** Entities that have not yet filed with OSC for the most recent fiscal year are designated as **“Have Not Filed.”**

### The Data

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OSC is providing full access to all of the data upon which the System and the classifications are based. The following is available on the [OSC fiscal stress website](#).

**Municipalities in Stress** – contains the list of municipalities in one of the three levels of fiscal stress, sorted in order of fiscal stress score. Also available are lists of entities that have “No Designation” or “Have Not Filed.” These lists also contain a link that will allow users to check the status of an individual locality. **While an entity receives both a financial indicator score and an environmental score, only the financial score determines if the entity appears on this list.**

**Summary File** – This Excel file contains a listing of all counties, cities, towns and villages, their financial indicator stress level and score, as well as environmental stress level and score.

**Detail sheet for each Municipality** – This file provides users with a look up feature that identifies the entity level data behind the calculation of both the financial indicator score and environmental indicator score.

**All Data Workbook** – This Excel file contains all of the data points for all counties, cities, towns and villages used to determine scores.

All information provided is based on a specific snapshot date. Any subsequent changes to the underlying data will not be reflected in the lists.