

# INSIGHTS INTO OSC AUDITS AND THE FISCAL STRESS MONITORING SYSTEM

**Lumsden  
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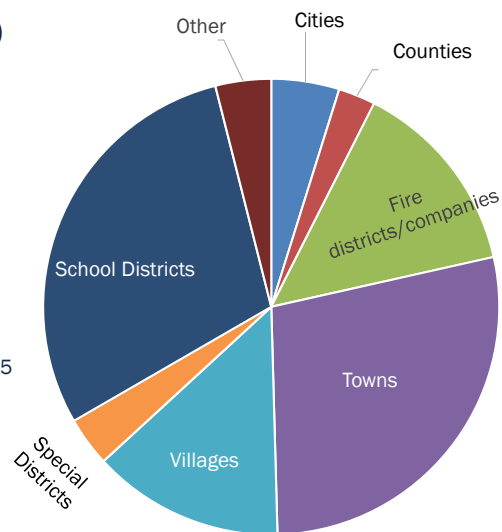
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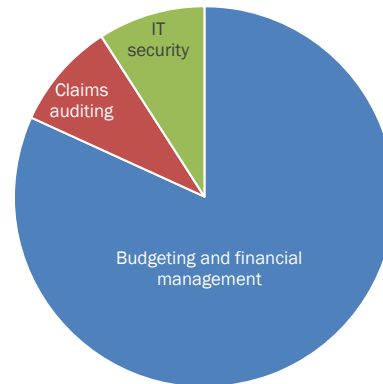
## OSC Audits

- 228 audits issued during 2017 (through 11/1)
  - 11 Cities
  - 6 Counties
  - 32 Fire districts/companies
  - 64 Towns
    - Approximately 40 audits during 2016
  - 31 Villages
  - 8 Special Districts
  - 67 Schools, including BOCES and charter schools
    - Almost 300 audit reports issued during 2016 and 90 in 2015
  - 9 Other
- What has been OSC's focus?
- What are they finding?
- What recommendations do they have?



## OSC Audits - Cities

- Of the 2017 audits:
  - 9 focused on budgeting and financial management
  - 1 focused on claims auditing
  - 1 focused on IT security



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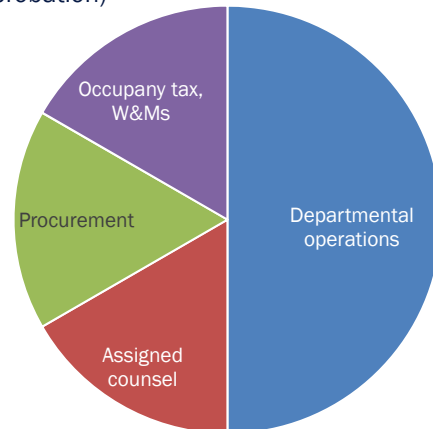
## OSC Audits - Cities

- Overview
  - Majority of reports were Budget Reviews required due to financing obtained to fund operating deficits
  - No disaster recovery plan
  - City officials did not ensure employees receive adequate cyber security training
  - Acceptable Use Policy was not signed or acknowledged by all employees
  - Financial information was not reported timely

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## OSC Audits - Counties

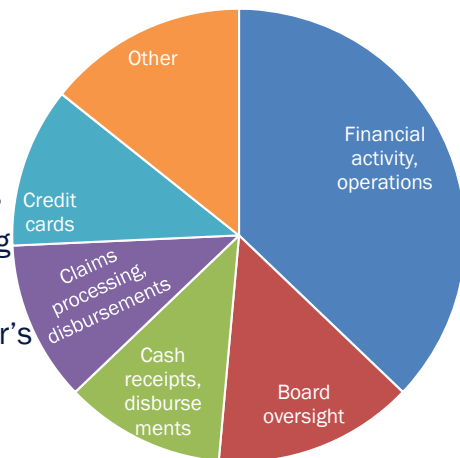
- Of the 2017 audits:
  - 3 focused on departmental operations (water, sewer, probation)
  - 1 focused on assigned counsel
  - 1 focused on procurement
  - 1 focused on occupancy tax and weights and measures



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## OSC Audits – Fire Districts and Companies

- Of the 2017 audits:
  - 13 focused on financial activity and operations
  - 5 focused on Board oversight
  - 4 focused on cash receipts and disbursements
  - 4 focused on purchasing and claims processing
  - 4 focused on credit cards
  - 5 focused on other matters, including Treasurer's records, travel, fuel, and LOSAP



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## OSC Audits – Fire Districts and Companies

- Generally, comments related to:
  - Inaccurate financial reports or no prepared reports
  - Bank reconciliations not prepared
  - Weak internal controls, lack of segregation of duties
  - Lack of fuel inventory reconciliation procedures
  - Bids or quotes not properly obtained for purchases
  - Credit card purchases missing supporting documentation, no policy relative to credit card usage
  - Per diem travel reimbursement exceeded the rate used by the IRS

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## OSC Audits - Towns

- Of the 2017 audits:
  - Approximately 23 focused on financial management, multiyear planning, budgeting, and fund balance
  - Approximately 10 were focused on Justice Court operations
  - 10 related to departmental cash and procedures
  - 9 related to Town Supervisor or Town Clerk responsibilities
  - 7 related to IT security
  - 6 related to water or sewer operations
  - 5 related to purchasing
  - 15 other reports related to credit cards, payroll, leave accruals, and other areas



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## OSC Audits - Towns

- Financial management, multiyear planning, budgeting, and fund balance
  - Unrestricted fund balance large % of next year's budget
  - Board did not adopt multiyear financial or capital plans
  - Board did not adopt a fund balance policy
  - Board did not spend appropriated fund balance
  - Board underestimated revenues and overestimated expenditures
  - Accumulation of excess fund balance in multiple funds
  - Board did not develop realistic budgets, resulting in surpluses
  - Board has not historically monitored fund balance or established formal plans to address excess fund balance

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## OSC Audits - Towns

- Financial management, multiyear planning, budgeting, and fund balance
  - Officials used one-time financing sources to fund recurring expenditures
  - Adopted budgets were not structurally sound
  - Appropriation of imprudent amounts of fund balance
  - Board adopted budgets that relied on fund balance to fund recurring expenditures
  - More fund balance appropriated than available

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## OSC Audits - Towns

- Financial management, multiyear planning, budgeting, and fund balance – other comments
  - Board did not perform annual audits of the books and records of officers or employees who received or disbursed money
  - Supervisor did not periodically review accounting records maintained by outside accounting firm
  - Town accounting records were incomplete and inaccurate
  - Monthly bank recs were not prepared
  - Monthly reports were not provided to the Board
  - Supervisor did not provide sufficient records to monitor fund balance
  - Board did not have adequate procedures for auditing claims
  - Poor internal controls

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## OSC Audits - Towns

- Justice Court Operations
  - Justices did not maintain complete and accurate records
  - Board did not conduct an annual audit of the Justices' books and records
  - Cash on hand did not agree to known liabilities
  - Accurate and complete bail records were not maintained
  - Bank recs were not prepared monthly
  - Deposits were not made within 72 hours of receipt as required by law
  - Case files did not include documentation of case resolution
  - Justices did not pursue collections

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## OSC Audits - Towns

- Departmental cash and procedures
  - Adequate records were not maintained
  - Deposits were not made timely
  - Deposits were not reconciled to fees
  - Various comments specific to departments tested

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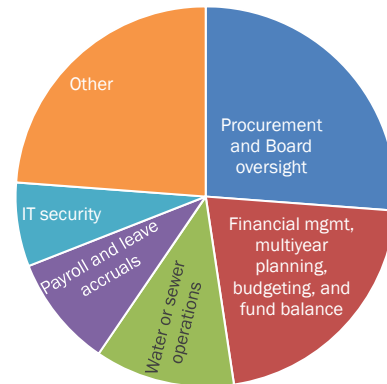
## OSC Audits - Towns

- Other findings and comments
  - Separate fund balance records for each water/sewer district are not maintained
  - Policies and procedures are not in place, or are written but not followed
  - IT policies are not enforced or monitored
  - Board has not developed a disaster recovery plan or written backup policies
  - IT policy does not address password security, wireless security, mobile computing and storage devices, or online banking
  - Board did not audit all claims or ensure sufficient documentation to support all claims
  - No annual audits of the Supervisor's or Clerk's records by the Board
  - Town did not establish policies or procedures over credit cards, limits too high, not all purchases were supported by receipts
  - Employees were credited with leave time to which they were not entitled
  - No competitive process for professional services

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## OSC Audits - Villages

- Of the 2017 audits:
  - Approximately 11 focused on procurement and Board oversight relative to purchasing
  - Approximately 9 were focused on financial management, multiyear planning, budgeting, and fund balance
  - 5 related to water or sewer operations
  - 4 related to payroll and leave accruals
  - 3 related to IT security
  - 10 other reports related to capital projects, departmental cash, Village Clerk responsibilities, LOSAP, and other areas



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## OSC Audits - Villages

- Procurement and Board Oversight
  - Village did not always competitively bid or obtain quotes in accordance with procurement policy or GML
  - Policy does not address bidding for professional services (which is not required)
  - Village did not establish a credit card policy or properly review purchases
  - Lack of segregation of duties in cash receipts or disbursements
  - Treasurer's records were not annually audited by the Board or a CPA
  - Board does not review each claim

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## OSC Audits - Villages

- Financial management, multiyear planning, budgeting, and fund balance
  - Board has not developed a fund balance policy
  - No multiyear financial or capital plan
  - Unrestricted fund balance represents an excessive percentage of expenditures
  - Budgets had insufficient appropriations

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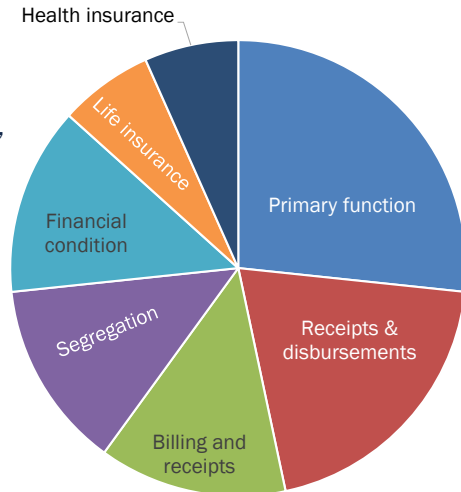
## OSC Audits - Villages

- Other findings and comments
  - No adoption of IT policies and procedures for access rights, disaster recovery, and password security management
  - Former personnel have active user accounts and network access
  - No disaster recovery plan
  - Bank reconciliations are not completed accurately or timely
  - Justices did not perform bank reconciliations, make deposits timely, or reconcile cash on hand to liabilities
  - No written policies or procedures governing leave time
  - LOSAP point system not in accordance with GML
  - No reconciliation of water billings to water usage

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## OSC Audits - Special Districts and Authorities

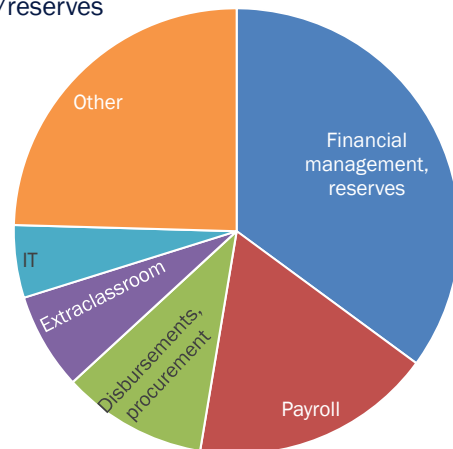
- Of the 2017 audits:
  - Includes authorities such as water/sewer authorities, water/sewer districts, housing authorities, land banks, soil & water districts, and sanitary districts
    - 4 - Mostly focused on the major function of the entity
    - 3 - Cash receipts and disbursements
    - 2 - Billing and related cash receipts
    - 2 - Improper segregation of duties
    - 2 - Financial condition
    - 1 - Life insurance
    - 1 - Payments in lieu of health insurance
  - Main issues are lack of Board oversight and segregation of duties



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## OSC Audits - School Districts

- Of the 2017 audits:
  - Approximately 22 focused on financial management/reserves
  - Approximately 11 were payroll-related
  - 7 related to cash disbursements/procurement
  - 4 related to Extraclassroom Activity Funds
  - 3 related to IT security
  - 3 charter schools reports related to billing & attendance, Board oversight, and procurement
  - 17 other reports related to budget reviews, special education, and fuel inventory



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## OSC Audits - School Districts

- Financial Condition Findings
  - Overestimated appropriations budget
  - Contingency accounts within the appropriations budget
  - Unassigned fund balance over 4% of subsequent year's budget
  - Combining unused appropriated fund balance with unassigned fund balance to analyze RPTL limit (4%)



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## OSC Audits - Financial Condition of Example School

**Figure 2: Unrestricted Fund Balance at Year-End**

	2012-13	2013-14	2014-15
Total Beginning Fund Balance	\$51,685,666	\$58,432,206	\$65,089,949
Add: Operating Surplus/(Deficit)	\$6,746,540	\$6,657,743	\$8,122,027
Total Ending Fund Balance	\$58,432,206	\$65,089,949	\$73,211,976
Less: Restricted Funds	\$50,107,750	\$56,429,384	\$65,565,438
Less: Encumbrances	\$1,203,145	\$1,463,242	\$922,272
Less: Appropriated Fund Balance for the Subsequent Year	\$3,228,971	\$2,831,047	\$2,322,178
Total Unrestricted Funds at Year-End	\$3,892,340	\$4,366,276	\$4,402,088
Subsequent Year's Budgeted Appropriations	\$109,605,682	\$111,955,771	\$113,628,101
Unrestricted Funds as Percentage of the Subsequent Year's Budget	3.55%	3.90%	3.87%

Source: OSC – Local Government audit reports

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## OSC Audits - Financial Condition of Example School

"The appropriation of fund balance should have resulted in planned operating deficits. However, because the Board consistently adopted budgets that overestimated appropriations, the District realized operating surpluses totaling \$21.5 million and did not use any of the appropriated fund balance. When...added back to unrestricted funds, the District's recalculated unrestricted fund balance as a percentage of the subsequent year's budget ranged from 5.9 percent to 6.5 percent."

Figure 3: Unused Fund Balance			
	2012-13	2013-14	2014-15
Reported Unassigned Fund Balance	\$3,892,340	\$4,366,276	\$4,402,088
Add: Unused Appropriated Fund Balance	\$3,228,971	\$2,831,047	\$2,322,178
Recalculated Unassigned Fund Balance	\$7,121,311	\$7,197,323	\$6,724,266
Recalculated Fund Balance as Percentage of the Subsequent Year's Appropriations	6.50%	6.43%	5.92%

Source: OSC – Local Government audit reports

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## OSC Audits – Financial Condition of Example School

- "The District spent an average of \$10.4 million less than planned each year and the Board included \$3.4 million in appropriations for contingencies in the District's budgets for which there is no statutory provision. Budgeting practices that continually overestimate appropriations and result in the accumulation and retention of excess funds can result in tax levies that are greater than necessary."
- The practice of annually appropriating fund balance that is not needed to finance operations is, in effect, a reservation of fund balance that is not provided for by law and a circumvention of the RPTL limit imposed on the level of unrestricted fund balance.

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## OSC Audits

- Budgeting appropriated fund balance
  - Appropriated fund balance – the amount of fund balance used to eliminate a projected budgetary deficit
  - This has been used to balance the budget that has inflated expenditures resulting in no actual use of fund balance
  - OSC advises use of account 962 to show funding of reserves instead of contingent expenditures

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## OSC Audits - School Districts

- More Financial Condition Findings
  - Overfunding reserves
  - No reserve policy or policy is missing certain topics
  - No multi-year financial and capital plans
  - Mismanagement of reserves
  - Improper authorization of use/spending of reserves missing
  - Drastic use of fund balance & reserves

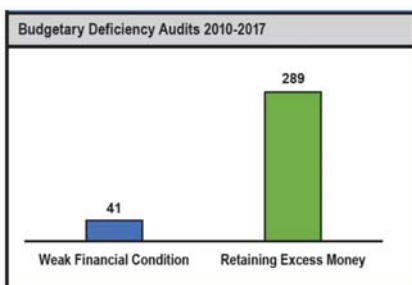
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## OSC Audits

- Overfunded reserves and district does not have a reserve policy
  - Most reserves do not have a limit
    - Tax certiorari – limit is actual claims
    - Employee benefit accrued liability – limit is potential liability
    - Property loss and liability reserve – 3% of annual budget
    - All others have no limit – what's reasonable?
  - Reserve policy documents District's intentions
    - Optimal funding levels for each reserve
    - Conditions in which the reserve is to be used

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## OSC Audits - School Districts



**Reserve Funds with Excess Amounts**

Type of Reserve Fund	Number of Reserve Funds	Amount of Excess Reserves	Average Amount per Fund
Retirement Contribution	108	\$253,912,063	\$2,351,038
Debt Fund* or Mandatory Reserve for Debt Service	61	\$119,907,916	\$1,965,704
Employee Benefit Accrued Liability Reserve (EBALR)	78	\$109,805,536	\$1,407,763
Unemployment Insurance	131	\$68,096,306	\$519,819
Workers' Compensation	45	\$52,389,525	\$1,164,212
Capital Fund* or Reserve	30	\$49,391,282	\$1,646,376
Insurance	38	\$38,190,192	\$1,005,005
Tax Certiorari	57	\$37,763,112	\$662,511
Other Post-Employment Benefits Trust**	7	\$34,725,018	\$4,960,717
Liability	31	\$21,431,597	\$691,342
Reserve for Encumbrances*	11	\$15,471,950	\$1,406,541
Repair	19	\$14,117,344	\$743,018
Tax Reduction	2	\$1,890,000	\$945,000
Special Aid Fund*	1	\$471,000	\$471,000
Retiree Health Insurance**	1	\$444,545	\$444,545
E-Rate (for technology purchases)**	1	\$342,000	\$342,000
Trust & Agency Fund*	1	\$255,943	\$255,943
<b>Total</b>	<b>622</b>	<b>\$818,605,329</b>	<b>\$1,316,086</b>

\* Debt funds, capital funds, reserves for encumbrances, special aid funds, and trust & agency funds are not reserve funds but have been included if there was no demonstrated need for the money transferred to them.

\*\* Not a permissible type of reserve fund.

Source: OSC presentation on 11/1/17

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## OSC Audits - School Districts

- No multi-year financial and capital plans
  - Must be on District website if formally approved along with final annual budget (*Chapter 514 of the Laws of 2016*)
- Mismanagement of reserves
  - Using reserve funds for incorrect purposes or funding incorrectly
- Proper authorization of use/spending of reserves missing
  - Funding or using reserves without proper Board or voter authorization

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## OSC Audits - School Districts

- Other Comments
  - Credit cards – lacking claims auditor review
  - Third party direct withdrawal from District bank accounts
  - Overtime not pre-approved and inadequately documented
  - Extraclassroom Activity funds
  - Payroll policies and procedures not updated
  - Segregation of duties
  - Stipends lacking Board approval
  - Procurement – recusal from vote vs. ineligible expenditure

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## Fiscal Stress Monitoring System

- Stress is determined by an accumulation of points
  - Function of environmental factors – very little control by district or municipality
    - Population, age, student enrollment, property values, poverty, tax limits, and sales tax
  - Financial factors – can be controlled
    - OSC uses data from Form ST-3 or AUD

### Schools

- No designation - < 5.24 points
- Susceptible – 5.25-9.44 points
- Moderate – 9.45-13.64 points
- Significant – 13.65-21 points

### Municipalities

- No designation - < 13.04 points
- Susceptible – 13.05-15.94 points
- Moderate – 15.95-18.84 points
- Significant – 18.85-29 points

<http://www.osc.state.ny.us/localgov/fiscalmonitoring/pubreports.htm>

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## Fiscal Stress Monitoring System

- 9 financial indicators (8-9 not applicable to school districts)
  1. Unassigned Fund Balance as a % of expenditures (includes assigned FB for municipalities)
  2. Total Fund Balance as a % of expenditures (municipalities also include combined fund balance)
  3. Operating deficit – 1 point for each of the past 3 years
  4. Cash < (certain) current liabilities
  5. Cash < monthly expenditures
  6. Issuance of short-term debt (RAN or TAN) – points based on amount issued
  7. Issuance of short-term debt – 3 year lookback – 1 point per year
  8. Salaries and benefits as a % of revenue – 3 yr. avg. – points between 65%-75%
  9. Debt service as a % of revenue – 3 yr. avg. – points between 10%-20%

50%

20%

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## Fiscal Stress Monitoring System

Entities:

- Alden CSD
- City of Batavia
- City of Buffalo
- Eden CSD
- Erie County
- Gates-Chili CSD
- Grand Island CSD
- Lewiston-Porter CSD
- North Tonawanda City CSD
- Pavilion CSD
- Town of Cheektowaga
- Town of Clarence
- Town of Grand Island
- Town of Pendleton
- Town of Tonawanda

Stress ranges from 0% - 55%



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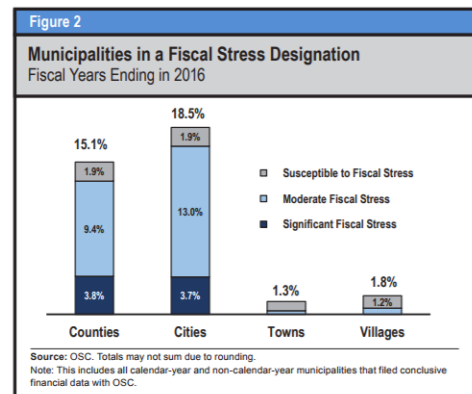
## Fiscal Stress Monitoring System

**Figure 1**  
**All Counties, Cities, Towns and Villages**  
Fiscal Stress Designation, Fiscal Years Ending in 2013 through 2016

	2013	2014	2015	2016
Significant Fiscal Stress	14	18	11	4
Moderate Fiscal Stress	12	17	18	18
Susceptible to Fiscal Stress	24	34	30	16
<b>Total with Stress Designation</b>	<b>50</b>	<b>69</b>	<b>59</b>	<b>38</b>
No Designation	1423	1403	1410	1419
Not Filed or Inconclusive	122	123	126	138
<b>Total</b>	<b>1595</b>	<b>1595</b>	<b>1595</b>	<b>1595</b>

Source: Office of the State Comptroller (OSC). Does not include any of the villages that dissolved during this period: Keeseville, Bridgewater, Lyons and Prospect.

Substantial decrease in Significant Fiscal Stress



- Percentages are for similar entities
- Example - 15.1% of Counties have some designation of fiscal stress

Source: OSC – Fiscal Stress Monitoring System – Four Year Review Report

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## Fiscal Stress Monitoring System

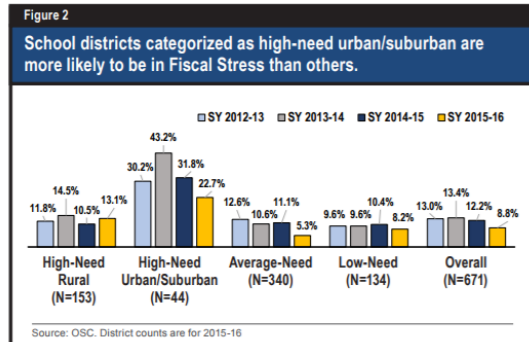
Figure 1  
Fewer school districts were designated in a Fiscal Stress category in 2016.

	SY 2012-13		SY 2013-14		SY 2014-15		SY 2015-16	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
<b>Districts in Fiscal Stress</b>								
Significant Fiscal Stress	12	1.8%	10	1.5%	8	1.2%	2	0.3%
Moderate Fiscal Stress	23	3.4%	27	4.0%	24	3.6%	9	1.3%
Susceptible to Fiscal Stress	52	7.8%	53	7.9%	50	7.4%	48	7.2%
Subtotal	87	13.0%	90	13.4%	82	12.2%	59	8.8%
<b>Other Districts</b>								
No Designation	583	87.0%	582	86.6%	590	87.8%	612	91.2%
Total	670	100.0%	672	100.0%	672	100.0%	671	100.0%

Source: Office of the State Comptroller (OSC). The figures for SY 2012-13 exclude four districts that have since consolidated and two districts that did not have data at the time the FSMS scores were initially released. The figures for SY 2013-14 and 2014-15 exclude the two new districts resulting from consolidation. The SY 2015-16 includes those two consolidated districts. FSMS requires three years of financial reporting in order to generate a fiscal score, therefore these are included for the first time. However, SY 2015-16 excludes one district whose data was inconclusive and two districts that did not file in time for publication.

Substantial decrease in  
Significant Fiscal Stress and  
Moderate Fiscal Stress

- High-Need Urban/Suburban is the most likely to be in fiscal stress



Source: OSC – Fiscal Stress Monitoring System – Four Year Review Report

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## Fiscal Stress - School District Example

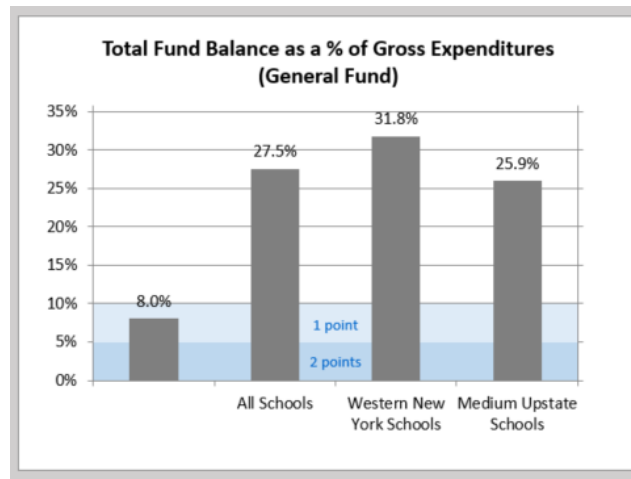
- Example of actual general fund balances from 2016 financial statements

	District A	District B	District C	District D	District E	District F
Cash	3,148,158	2,267,451	13,630,787	6,569,278	19,144,960	5,316,064
as a % of exp	14%	3%	11%	19%	22%	13%
Fund Balance:						
Reserve	367,575	751,342	2,984,841	5,231,238	17,656,643	1,261,649
Appropriated	-	-	320,000	350,000	1,500,000	400,000
Encumbrances	373,557	664,721	368,273	27,534	1,249,633	38,567
Unassigned	997,652	2,434,047	2,045,051	1,508,936	4,031,765	1,944,543
	1,738,784	3,850,110	5,718,165	7,117,708	24,438,041	3,644,759
Expenditures	22,347,065	69,763,980	129,760,218	34,638,827	87,368,647	40,216,059
FB as % of exp	8%	6%	4%	21%	28%	9%
Stress						
	25.0%	35.0%	60.0%	20.0%	26.7%	8.3%
	Susceptible	Susceptible	Moderate	None	Susceptible	None

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## Fiscal Stress - School District Example

- From a 2016 OSC fiscal stress report



Source: OSC – Fiscal Stress Monitoring System various reports

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## Fiscal Stress - School Districts

- Interesting aspects of the calculations
  - Operating deficit includes transfers to other funds
    - Prudent saving for a capital project will cause fiscal stress points when transferred
  - Cash ratio
    - Numerator includes ST-3 codes (200-223, 450, and 451)
      - Essentially cash less amounts restricted for reserves
    - Denominator include ST-3 codes (600-626, 631-668)
      - Included: Accounts payable, accrued liabilities, due to other governments, due to TRS/ERS
      - Not included: Due to other funds (630)
  - Calculated at a point in time when District cash is typically low
  - Includes “non-cash” items such as TRS, which is withheld from aid and not paid from cash resources
  - Dependent on receipts from NYS, BOCES, and other districts

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## Fiscal Stress - School Districts

- 2016 Report for school districts
  - Based on general fund only
  - Significant Stress – 2
    - All cash is restricted; fund balance as a percentage of expenditures < 2%
    - Very low cash; fund balance as a percentage of expenditures  $\approx$  4.5%
  - Moderate Stress – 9
    - Fund balance is approximately 8%-10% of expenditures, small operating deficits, and low cash balance
    - District recovering – very low fund balance < 5%, minor deficit or surplus, low cash or short-term debt
  - Susceptible to Stress – 48
    - District stressed or a function of the calculation?

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## Fiscal Stress - School District

- Examples
  - District classified as moderate stress
    - District has over \$2 million of cash in a debt service fund
    - Alternatively, if that cash were in a general fund account with a related due to other funds, the District would have been classified as susceptible to fiscal stress

### AS REPORTED

Indicator	Data	Amount	Points
4	Cash and Investments	1,344,685	
Cash Ratio	Net Current Liability Account Codes	1,615,478	
	Cash Investment / Current Liability	83.2%	1 pt
5	Cash and Investments	1,344,310	
Cash % of	Average Monthly Gross Expenditures (Total/12)	2,570,546	
Monthly Exp	Cash / Avg Monthly Exp	52.3%	2 pts

### COULD HAVE BEEN REPORTED

Indicator	Data	Amount	Points
4	Cash and Investments	3,405,896	
Cash Ratio	Net Current Liability Account Codes	1,615,478	
	Cash Investment / Current Liability	210.8%	0 pts
5	Cash and Investments	3,405,896	
Cash % of	Average Monthly Gross Expenditures (Total/12)	2,570,546	
Monthly Exp	Cash / Avg Monthly Exp	132.5%	0 pts

- Contributed 10% to the total score of 46.7%
- Contributed 0% to the total score of 36.7%

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## Fiscal Stress - School District

- Example
  - District identified as susceptible to fiscal stress



- District's 6 of 7 points were from low cash balances
  - Almost \$5.6 million in cash in special aid, capital projects, and debt service funds
  - With this cash in the general fund, 5 points are removed
  - District would have been at 10% stress – no designation

Source: OSC – Fiscal Stress Monitoring System various reports

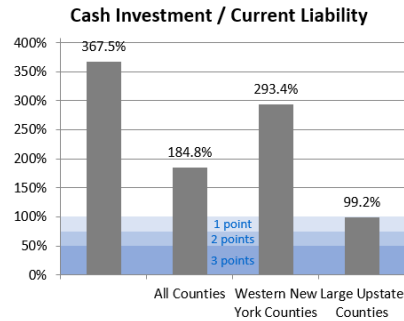
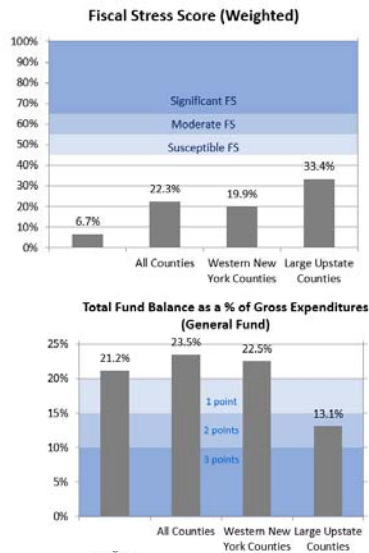
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## Fiscal Stress - Municipalities

- 2016 Report for municipalities
  - Significant Stress – 4 (67% - 79%)
    - Very low fund balance - especially in the general fund
    - Annual operating deficits
    - Cash as a percentage of liabilities and expenditures
    - Annual short-term debt financing
  - Moderate Stress – 18 (55% - 64%)
    - Many have similar characteristics as those above, but due to mathematical formulas instead of analysis are rated better
      - Issue with fund balance calculation (6%)
      - Issuance of debt or not paying bills provides for a large cash balance and improves the operating cash ratio (10%)
  - Susceptible to Stress – 16 (45% - 53%)
    - Stressed or a function of the calculation?

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## Fiscal Stress - Counties



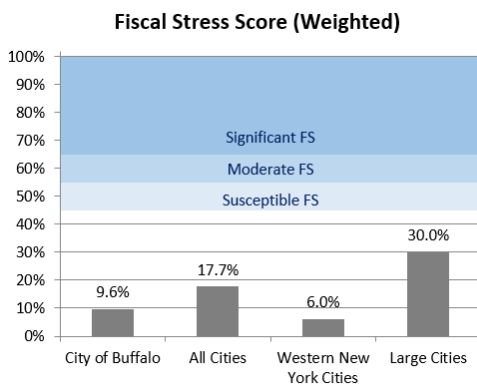
### Peer Group Used in Comparison for all Indicators

All Counties	53
Western New York Counties	5
Large Upstate Counties	14

Source: OSC – Fiscal Stress Monitoring System various reports

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## Fiscal Stress - Cities



### Peer Group Used in Comparison for all Indicators

All Cities	54
Western New York Cities	8
Medium Upstate Cities	25

### Peer Group Used in Comparison for all Indicators

All Cities	14
Western New York Cities	3
Large Cities	4

### Peer Group Used in Comparison for all Indicators

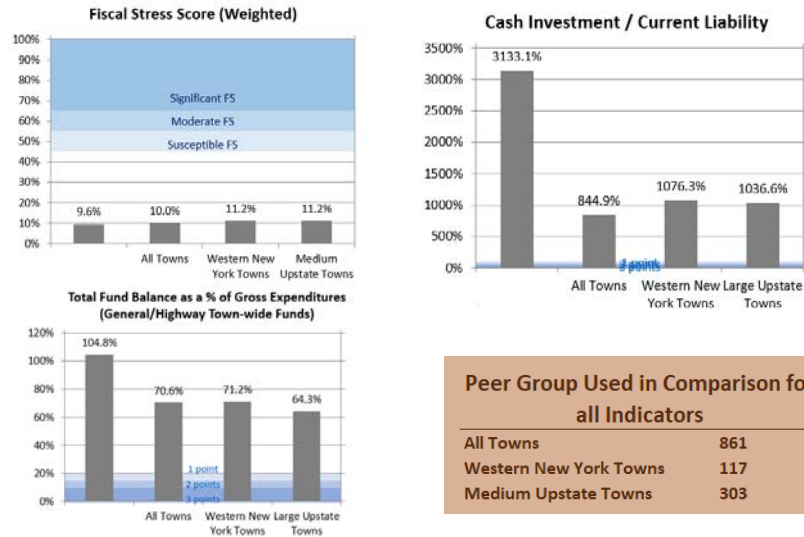
All Cities	14
Finger Lakes Cities	2
Medium Upstate Cities	6



Source: OSC – Fiscal Stress Monitoring System various reports

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## Fiscal Stress - Towns



Source: OSC – Fiscal Stress Monitoring System various reports

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## Fiscal Stress Monitoring System

- Review cash balances as close to year end as possible
- Able to manage receivables?
- Review unassigned and reserved fund balance levels
- Is there cash in another fund not being used?

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## Fiscal Stress Monitoring System - Upcoming Changes

- OSC commented that the school district fiscal stress monitoring system will have some revisions by January 1, 2018
  - Short-term borrowings
  - Operating deficits caused by capital project transfers

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## QUESTIONS?



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