

Office of the NEW YORK STATE

**COMPTROLLER**

# Annual Report on Local Governments for FYE 2020

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New York State Comptroller  
**THOMAS P. DiNAPOLI**

**FEBRUARY 2022**



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# Division of Local Government and School Accountability

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## Mission and Goals

The mission of the Division of Local Government and School Accountability is to serve taxpayers' interests by improving the fiscal management of municipalities and school districts in New York State.

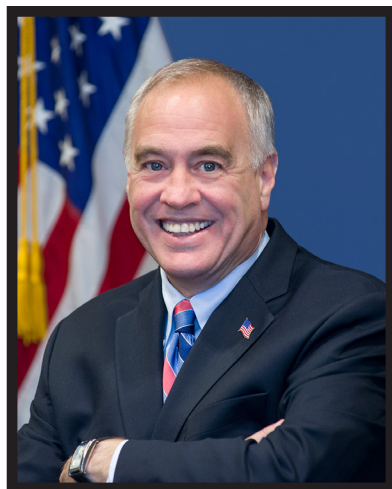
**To achieve our mission, we have developed the following goals:**

- Enable and encourage local government officials to maintain or improve fiscal health by increasing efficiency and effectiveness, managing costs, improving service delivery, and accounting for and protecting assets.
- Promote government reform and foster good governance in communities statewide by providing local government and school officials with up-to-date information and expert technical assistance.

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# A Message From New York State Comptroller Thomas P. DiNapoli

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As State Comptroller, one of my most important responsibilities is to monitor the financial operations of the State's local governments. The Office of the State Comptroller fosters the efficient use of taxpayers' dollars by, among other things, gathering and reporting local government financial data. This *Annual Report on Local Governments for FYE 2020* provides a summary of local government financial data for the local fiscal years that ended in 2020.

The COVID-19 pandemic presented local government and school district officials with many challenges as they work to serve the public and continue essential services and functions. The data summarized here, and presented on our website for each individual local government, shows the mix of fiscal challenges our local governments faced in 2020. Visitors can also use **Open Book New York** to learn about specific entities or download comprehensive datasets that compare all entities within a class of local government. These resources are available to help local officials perform their duties and keep the public informed of what is happening with their local tax dollars.

The Division of Local Government and School Accountability within the Office of the State Comptroller provides information, assistance and guidance to local officials and the communities they serve. In addition to our audits and budget reviews, we offer numerous training opportunities, collect and post extensive local government financial data, and publish research reports. In 2020, OSC completed 217 local government audits, trained nearly 13,000 local government officials, and continued to collect financial data and report on local fiscal stress through the Fiscal Stress Monitoring System. We also created new resources to help local officials operate effectively through the pandemic, including the **Financial Toolkit for Local Officials** as well as regular monitoring and reporting of local sales tax collections.

I hope you find this report useful, and I encourage you to visit our website and follow us on Facebook, Twitter and YouTube for the latest on our work.

Sincerely,

Thomas P. DiNapoli  
State Comptroller



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# Local Government Financial Data for FYE 2020

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The Office of the State Comptroller (OSC) publishes an annual statement of comparative revenue, expenditure and debt data for each type or class of municipal government, school district and fire district in the State. This annual report focuses on local fiscal year end (FYE) 2020, the latest data available for all classes of local government together. It contains a series of statistical “dashboards” that illustrate local government revenues, expenditures and debt for the State as a whole, as well as for each class of government separately. New York City is excluded from this analysis unless otherwise indicated.<sup>1</sup>

In addition to this report, OSC offers a set of interactive online dashboards to enable users to view data for individual counties, cities, towns, villages and school districts, which is available at [www1.osc.state.ny.us/localgov/nys-local-government-interactive-data.htm](http://www1.osc.state.ny.us/localgov/nys-local-government-interactive-data.htm).

## Financial Challenges Due to COVID-19 Pandemic in FYE 2020

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The COVID-19 pandemic presented unique fiscal challenges to local governments in FYE 2020. The initial shutdowns during the spring of 2020 had the most obvious effects, closing many municipal government buildings and depressing sales tax and other revenues. At the time, it was unclear the extent to which these problems would persist. In July 2020, OSC published a report, **Under Pressure: Local Government Revenue Challenges During the COVID-19 Pandemic**, which provided an overview of the potential effects the pandemic might have on major revenue sources, especially sales tax and State aid, for all classes of local government.

This annual report examines financial data for most reporting local governments for the first fiscal year affected by the pandemic. In counties, towns, most cities and several villages, this period is the same as the calendar year, and captures a period of growth before the pandemic, the pandemic shutdowns and the reopening of most of the economy, all in one year. In schools and some cities, the pandemic period was split, with FYE 2020 ending at the end of June. In some villages, FYE 2020 ended in February, before the start of restrictions of any kind.

In order to give the best picture of local finances in FYE 2020, this report will, wherever possible, supplement self-reported annual financial report data with other available data sources, such as quarterly local sales tax collections and OSC's Fiscal Stress Monitoring System scores.

## Revenues

In FYE 2020, local government revenues totaled \$85.2 billion. The COVID-19 pandemic and the temporary shutdown of large sectors of the State’s economy had a significant impact on the collection of revenues by local governments. Total local government revenue was up only 0.6 percent, or \$554 million, from FYE 2019, noticeably weaker than the average annual increase of 1.9 percent over the past ten years. Without counting federal aid revenue – which increased greatly, but only directly affected a handful of places in 2020 – total local revenue would have dropped slightly. (See Figure 1 below and Revenues dashboard on page 7.)

The pandemic had an uneven impact on individual local government revenue sources. FYE 2020 property taxes – which local governments mostly collected before March 2020 – were unaffected, growing at a rate consistent with prior years, while most other local revenue sources declined from FYE 2019 levels. State aid was essentially flat compared with its ten-year average growth rate of 2.5 percent, and was down in some classes. Federal aid, in contrast, grew significantly, due to programs targeting aid to local governments in response to the pandemic.

County revenues dropped 0.5 percent, or \$125 million, due to declines in sales tax and several other sources, although the aggregate decline looks lower than it would have been, due to several counties receiving large federal COVID relief grants.<sup>2</sup> City revenues declined by 4.3 percent, or \$220 million. Towns, which depend heavily on the property tax, had a 2.6 percent aggregate increase, or \$211 million. Much of this was due to a \$134 million federal aid payment to the Town of Hempstead. Villages — many of which have a fiscal year that ended either in February (pre-COVID impact) or May of 2020 (only slightly after the start of the pandemic) — had an aggregate increase in total revenues of 1.6 percent, or \$48 million. School districts, whose fiscal years ended June 30, 2020, saw revenues grow by 1.4 percent, or \$594 million. Fire district revenues increased by 5.1 percent, or \$46 million; fire districts’ heavy reliance on historically stable property tax revenues may explain this.

Figure 1

### Change in Revenues, FYE 2019 to FYE 2020 (millions of dollars)

Revenue Sources	County		City		Town		Village		School District		Fire District		All Classes	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Real Property Taxes	\$13.1	0.2%	-\$1.4	-0.1%	\$81.4	1.9%	\$24.1	1.7%	\$490.7	2.1%	\$25.0	3.0%	\$633.0	1.7%
Sales and Use Taxes	-\$209.2	-2.4%	-\$32.6	-3.4%	-\$20.8	-2.7%	\$6.7	3.7%	\$11.2	*	\$0.0	*	-\$244.7	-2.2%
Charges for Services	-\$204.9	-8.5%	-\$11.6	-1.2%	-\$76.5	-6.5%	-\$15.3	-1.9%	-\$27.0	*	\$0.0	*	-\$335.4	-5.8%
Other Local Taxes and Revenues	-\$167.7	-5.7%	-\$27.1	-4.3%	\$20.6	1.9%	\$26.5	8.4%	-\$139.8	-9.7%	\$21.4	38.1%	-\$266.3	-4.1%
State Aid	-\$262.9	-8.2%	-\$131.0	-14.1%	\$34.3	5.5%	\$10.9	5.5%	\$339.0	2.1%	-\$0.2	*	-\$9.9	0.0%
Federal Aid	\$706.2	29.8%	-\$16.1	-6.8%	\$172.0	88.7%	-\$4.4	-6.6%	-\$80.0	-4.7%	-\$0.5	*	\$777.2	16.9%
<b>Total</b>	<b>-\$125.4</b>	<b>-0.5%</b>	<b>-\$219.9</b>	<b>-4.3%</b>	<b>\$211.0</b>	<b>2.6%</b>	<b>\$48.4</b>	<b>1.6%</b>	<b>\$594.0</b>	<b>1.4%</b>	<b>\$45.7</b>	<b>5.1%</b>	<b>\$553.8</b>	<b>0.6%</b>

Source: OSC. Excludes New York City.

\* Revenue source for school districts and fire districts that account for less than 1 percent of total revenues; change percentages would not reflect a significant impact on overall finances.



# Revenues - All Major Classes

Fiscal Year Ending in 2020

Total revenues grew at an annual rate of

**1.9%**

over 10 years

School districts received

**63.3%**

of real property taxes

State aid grew at an annual rate of

**2.5%**

over 10 years

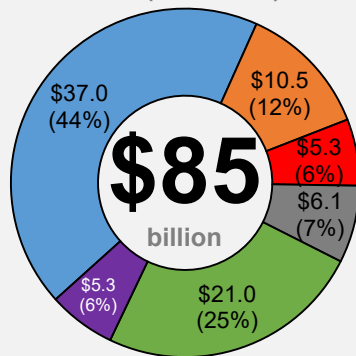
Federal aid totaled

**\$5.3**

billion

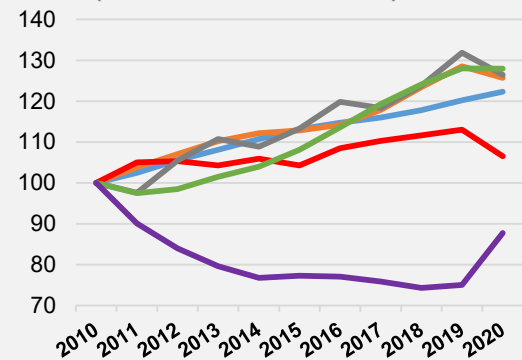
## Revenues by Source

Total Dollars (in billions)



- Real Property Taxes
- Sales and Use Taxes
- Charges for Services
- Other Local Taxes and Revenues
- State Aid
- Federal Aid

Trend (Indexed FYE 2010 = 100)

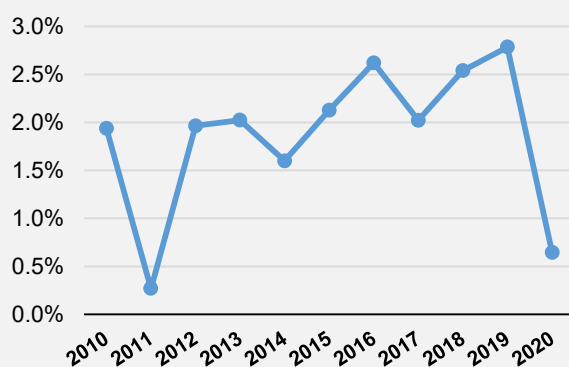


Percentage of Total for Each Class

Revenue Sources	County	City	Town	Village	School District	Fire District
Real Property Taxes	23.1%	27.2%	53.0%	47.5%	53.8%	91.1%
Sales and Use Taxes	33.6%	19.2%	9.0%	6.1%	0.7%	0.0%
Charges for Services	8.7%	20.1%	12.4%	26.4%	0.8%	0.0%
Other Local Taxes and Revenues	10.9%	12.5%	13.5%	11.1%	3.0%	8.5%
State Aid	11.5%	16.6%	7.6%	6.7%	37.9%	0.2%
Federal Aid	12.2%	4.6%	4.4%	2.1%	3.8%	0.3%

## Trends in Total Revenues

Year-Over-Year Change



Annual Growth Rate

	2010 to 2020	2019 to 2020
County	1.5%	-0.5%
City	1.3%	-4.3%
Town	2.4%	2.6%
Village	2.1%	1.6%
School District	2.0%	1.4%
Fire District	3.0%	5.1%
<b>Total</b>	<b>1.9%</b>	<b>0.6%</b>

Source: OSC.

Notes: Includes New York State counties, cities, towns, villages, school districts and fire districts, except New York City. The data above does not include local government fiduciary funds. The annual rate for 2010 to 2020 is the compound annual growth rate. Real property taxes (RPT) also include other RPT items such as payments in lieu of taxes and school tax relief payments. Other local taxes and revenues include other non-property taxes, charges to other governments, use and sale of property, and other local revenues.

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## Property Tax

The largest single source of revenue for local governments as a whole (and the only one that all classes of government rely on) is the real property tax, generating 44 percent of all local government revenues in FYE 2020. The property tax is locally administered and has generally been dependable in the face of short-term economic downturns. For instance, from FYE 2008 to FYE 2009 – during the 2008-10 recession – property tax revenues grew by 3.4 percent while revenues from sales tax and charges for services declined by 4.6 percent. For this reason, local governments historically have used the property tax to balance downturns in other revenue sources.

In addition, the timing of property tax collections (generally well before March 2020), as noted earlier, also meant that the pandemic did not have a great impact on this source. Property tax revenue grew by 1.7 percent over FYE 2019, compared with a ten-year annual average of 2 percent. However, local governments' ability to use this tax to counter anticipated risks to sales tax and other revenues when budgeting for FYE 2021 was constrained by two separate property tax limits: the real property tax levy limit ("tax cap") and the Constitutional Tax Limit.

### Real Property Tax Cap

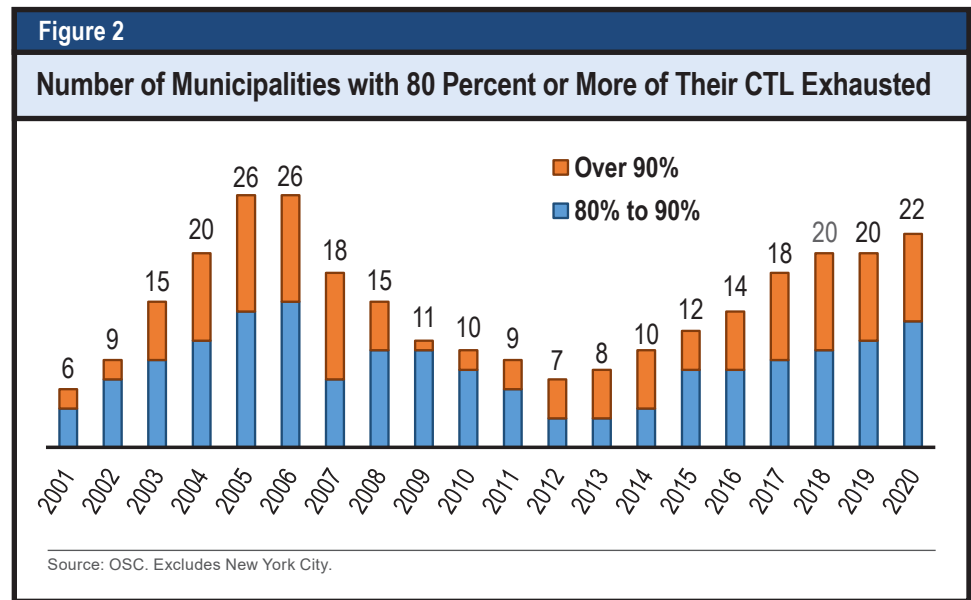
Since the State instituted it in 2012, the tax cap has generally limited year-over-year levy growth to 2 percent annually or the inflation rate, whichever is lower. Local government boards that wish to exceed the tax cap, excepting school districts, must override it by passing a local law or resolution by a vote of at least 60 percent of their members. For school districts, voters can override the cap with a 60 percent vote in favor of the district's proposed budget.<sup>3</sup>

However, the number of local governments planning to override the cap remained relatively stable in 2020. When filing their tax cap forms during 2020 (for FYE 2021 budgets), 440 local governments indicated that they planned to override the tax cap (7 counties, 19 cities, 185 towns, 98 villages, 13 school districts and 118 fire districts) compared with 437 that had reported such plans in 2019.<sup>4</sup>

## Constitutional Tax Limit (CTL)

The Constitutional Tax Limit (CTL) restricts the amount of property tax any county, city or village may raise in any single fiscal year to a percentage of the five-year average of total full property value.<sup>5</sup> If a local

government exceeds its CTL, the State Comptroller has the authority to withhold certain State aid. While most local governments are well below their CTLs, over the last eight years, the number of entities exhausting 80 percent or more of their limit has been growing – from 7 in FYE 2012 to 22 in FYE 2020. (See Figure 2.)



The financial uncertainty around the COVID-19 pandemic has underscored the importance of careful fiscal management by local officials, including staying well below the CTL. Being able to raise property taxes is an important short-term tool that local officials can use to avoid fiscal stress, and entities near their CTLs do not have as much flexibility to do so, even within the parameters of the tax cap.

## State Aid

State aid is the second largest source of revenue for local governments, accounting for 25 percent of their revenue in FYE 2020. It is the most significant for school districts, which received 38 percent of their revenue from this source. (See School District dashboard on page 26.) For cities, State aid was almost 17 percent of revenues and for counties, it was 11.5 percent of revenues in FYE 2020.

In the summer and fall of 2020, New York State withheld 20 percent from several local aid programs, including Aid and Incentives for Municipalities (AIM) payments to cities and other local governments. Although the State ultimately fully restored the 2020 AIM payments in early 2021, local officials had to make decisions throughout 2020 under the assumption that this aid would potentially never be received.<sup>6</sup> In total, State aid declined slightly from FYE 2019 to FYE 2020, a significant break from the average annual increase of 2.5 percent over the previous 10 years. Counties and cities saw significant reductions in their FYE 2020 State aid, while school districts, towns and villages saw an increase. (See Figure 1.)

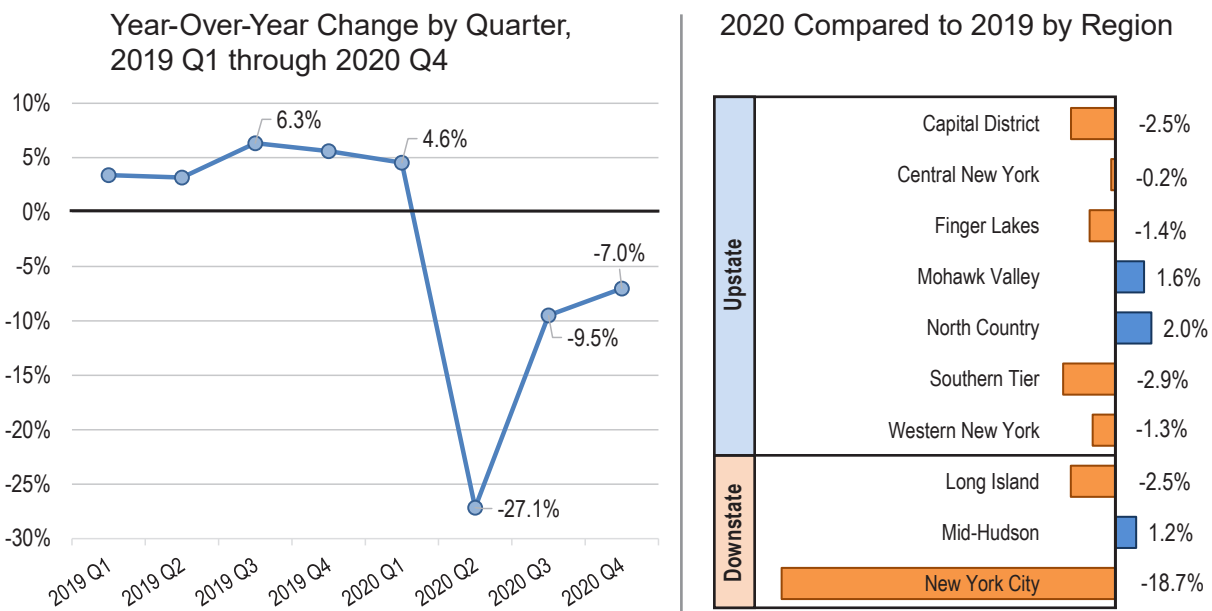
## Sales Tax

The sales tax is the third largest revenue for local governments, with 12 percent of all revenues in FYE 2020 coming from this source. It is the largest revenue for counties, accounting for almost 34 percent of the total, while cities receive 19 percent of their revenues from sales taxes.<sup>7</sup> It is also one of the most responsive to economic changes, with a tendency to stagnate or even drop in recessions and to grow more rapidly than other revenue sources in periods of economic growth.

In 2020, pandemic-related business closures had a dramatic effect on sales tax collections, especially in the April-June quarter, when sales tax collections declined by an alarming 27.1 percent compared to the second quarter of 2019. (See Figure 3.) Somewhat lesser declines continued into the third and fourth quarters. The decline in New York City was especially severe, reaching 18.7 percent for the year. However, the overall effect on regions outside New York City was partially mitigated by strong growth in the first quarter of 2020, before the pandemic had its full impact, and by increases in sales once businesses were able to reopen. Three regions of the State experienced year-over-year growth in sales tax collections for all of 2020 (including the Mid-Hudson region, where revenues were boosted by a rate increase in Westchester County), and the declines in the remaining regions outside of New York City were much less than in the City.

Figure 3

### Selected Statistics on Local Sales Tax Collections



Source: New York State Department of Taxation and Finance, with calculations by OSC.

Notes: Includes New York City (NYC). Regional breakdown includes county and city sales taxes.

## Federal Aid

Federal aid is generally a comparatively minor revenue source for local governments. However, in times of economic distress, the federal government often provides significant additional aid to local governments. This was the case in 2020, when the federal government enacted the Coronavirus Aid, Relief and Economic Security (CARES) Act.<sup>8</sup> Even so, federal aid only accounted for 6 percent of total revenues in FYE 2020.

The Coronavirus Relief Fund created by the CARES Act appropriated funding for each state, allocating \$7.5 billion to New York. Local governments with populations greater than 500,000 were eligible for a share of this funding directly from the federal government. (See Figure 4.) Smaller local governments had to apply to the State for federal assistance. Recipient governments could use the funding to cover the costs of necessary expenditures incurred due to the COVID-19 public health emergency from March 1, 2020 to December 30, 2021.<sup>9</sup>

In addition, the Act included a supplemental appropriation for the Disaster Relief Fund administered by the Federal Emergency Management Agency (FEMA). Local governments affected by the COVID-19 disaster could apply to FEMA for a share of this \$45 billion fund.

The 17 percent increase in federal aid for local governments overall in FYE 2020 compared to FYE 2019 reflects the effects of these funding increases under the CARES Act to a relatively few counties and one town.

Figure 4	
Coronavirus Relief Fund Payments	
New York State and Eligible Local Governments	Amount (In Millions)
New York State	\$5,135.6
New York City	\$1,454.7
Suffolk County	\$257.7
Westchester County	\$168.8
Erie County	\$160.3
Monroe County	\$129.4
Nassau County	\$102.9
Town of Hempstead	\$133.8
<b>Total</b>	<b>\$7,543.3</b>

Source: U.S. Department of the Treasury.

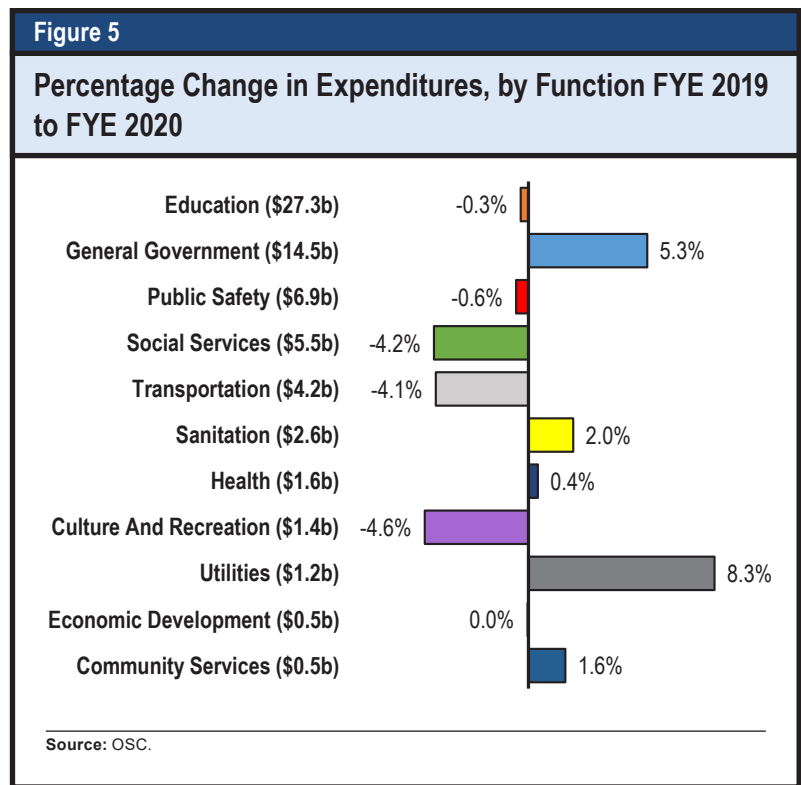
## Expenditures

Expenditures by local governments totaled \$88.5 billion in FYE 2020, up only 0.4 percent over FYE 2019. This was much lower than the 1.7 percent annual average increase from 2010 to 2020, likely due to a combination of factors related to the pandemic. For example, an OSC study of several municipalities discovered that those with recreational services such as public pools, youth programs and elder services suspended them due to COVID-19 restrictions, resulting in spending reductions in those budget areas. Some municipalities also experienced unplanned spending on personal protective equipment for employees, changed staffing patterns in ways that led to higher overtime or other costs, or laid off or furloughed some employees who could not carry out their jobs due to COVID-19-related restrictions.<sup>10</sup>

In order to get a sense of how these factors played out in local governments overall, it is helpful to summarize spending in two different ways: by function and by object of expenditure. The function of an expenditure describes the general purpose of the spending (e.g., transportation, education, or public safety). The object of expenditure refers to items purchased (e.g., equipment) or services obtained (e.g., personal services or employee benefits) to carry out these functions. (See Expenditures dashboard at page 15.)

### By Function

Figure 5 displays the percentage change in expenditures by function from FYE 2019 to FYE 2020. Despite the low spending growth overall, a couple of areas saw big increases: utilities and general government. On review, these appear to have been largely due to major capital projects (water projects and school buildings, respectively) that local governments likely undertook in advance of the pandemic. Sanitation, health and community services functions had smaller increases. Some of these increases may have been related to the need to make unplanned operational adjustments in response to the pandemic.



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Spending on several major functions declined, however. The largest percentage decline (4.6 percent) was in culture and recreation, consistent with the closure of municipal pools and other recreational programs during the pandemic.

Transportation spending experienced a 4.1 percent decline. It is unclear how much of this is due to COVID-related spending changes. Case studies indicate that some local governments with parking enforcement units furloughed these employees during several months of 2020, as they suspended parking charges and tickets. Some also reduced spending on supplies for road maintenance, as they deferred certain projects to protect workers' health.<sup>11</sup> However, aggregate highway spending had been uncharacteristically high in FYE 2018 and 2019, due to the convergence of a large number of larger-than-average capital projects in those years.

Education spending dropped as well, although much less dramatically. Most education spending (96 percent) is by public schools, where spending was basically flat in FYE 2020 (up 0.1 percent), compared with an annual average increase of 1.6 percent from FYE 2010 to FYE 2020. When COVID shutdowns took effect during the last quarter of the fiscal year (April-June), districts reduced spending on certain services, especially transportation and student activities, but also instructional support.

The 4.2 percent drop in social services spending appears to have been mostly due to declines in county Medicaid payments. During the pandemic, the federal government increased its share of spending for that program, thus reducing costs at the State and local level.<sup>12</sup> Public safety spending remained close to unchanged from FYE 2019 to FYE 2020, compared with an average increase of 1.4 percent per year from FYE 2010 to FYE 2020.

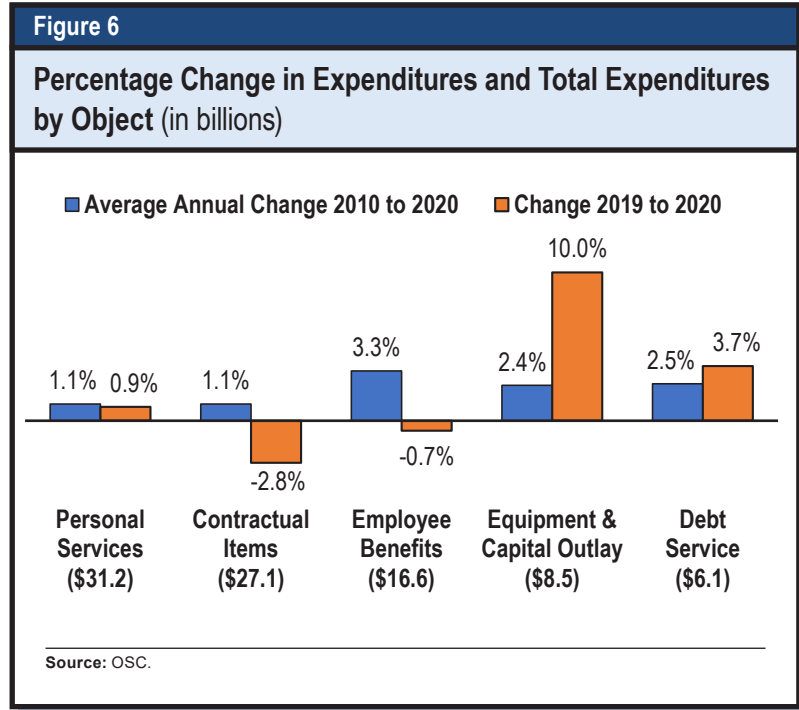
## By Object

Spending for employee benefits dropped slightly in FYE 2020, although the average annual growth of 3.3 percent from FYE 2010 to FYE 2020 was still higher than for any other object of expenditure over the period. The reduction follows a period of slowing: employee benefits grew by more than 5 percent every year from FYE 2010 to FYE 2014, and then this spending slowed and even declined in some later years, such as from FYE 2019 to FYE 2020. (See Figure 6.)

The biggest increase in FYE 2020 was in equipment and capital outlay. This is likely due to longer term trends, since local governments typically plan large capital projects (including the water and school building projects mentioned in the “By Function” section above) years in advance. Equipment and capital spending dropped immediately following the recession of 2007-09, due mostly to school district spending patterns, but then accelerated in the second half of the last decade.

Personal services (salaries) increased slightly (0.9 percent); while there were furloughs and layoffs during the worst of the pandemic, these do not appear to have been widespread. Contractual expenditures, which include supplies such as asphalt or pencils, as well as services purchased by contract, decreased by 2.8 percent in FYE 2020, even though this category has typically grown a bit each year over the past decade.

(See Debt section on page 16 for a discussion of debt service trends.)





# Expenditures - All Major Classes

Fiscal Year Ending in 2020

Total expenditures grew at an annual rate of

**1.7%**

over 10 years

School districts accounted for

**51.4%**

of total spending

Employee benefits grew at an annual rate of

**3.3%**

over 10 years

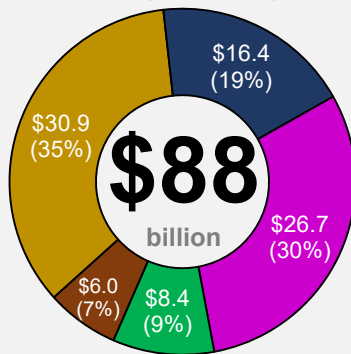
Salaries and benefits accounted for

**53.5%**

of total spending

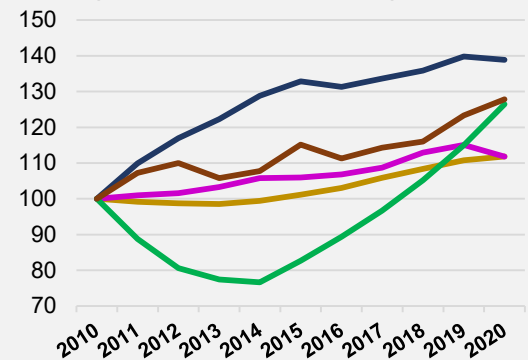
## Total Expenditures by Object

Total Dollars (in billions)



- Personal Services
- Employee Benefits
- Contractual Items
- Equipment and Capital Outlay
- Debt Service

Trend (Indexed FYE 2010 = 100)

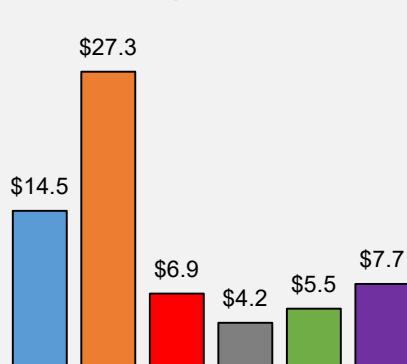


Percentage of Total for Each Class

Object of Expenditure	County	City	Town	Village	School District	Fire District
Personal Services	21.7%	35.0%	26.5%	28.4%	44.6%	20.1%
Employee Benefits	14.9%	25.0%	16.2%	17.0%	20.5%	19.5%
Contractual Items	50.8%	19.4%	30.0%	27.3%	20.3%	26.8%
Equipment and Capital Outlay	6.5%	12.5%	15.6%	18.6%	8.7%	26.4%
Debt Principal	4.1%	6.0%	9.6%	6.9%	4.5%	5.5%
Debt Interest	2.0%	2.1%	2.1%	1.8%	1.4%	1.7%

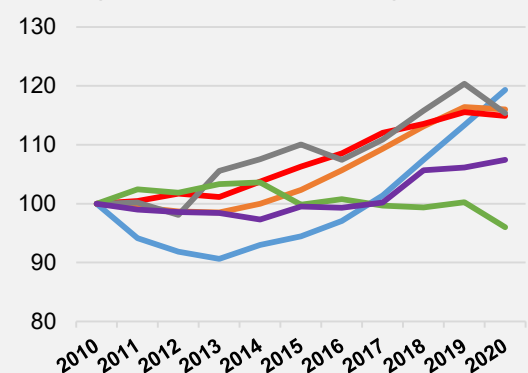
## Selected Expenditures by Function

Total Dollars (in billions)



- General Government
- Education
- Public Safety
- Transportation
- Social Services
- Other

Trend (Indexed FYE 2010 = 100)



Source: OSC.

Notes: Includes New York State counties, cities, towns, villages, school districts and fire districts, except New York City. The data above does not include local government fiduciary funds. The annual rate for 2010 to 2020 is the compound annual growth rate. Debt service includes payments made on principal and interest. The "Other" category of selected expenditures by function includes health, sanitation, economic development, culture and recreation, community services and utilities.

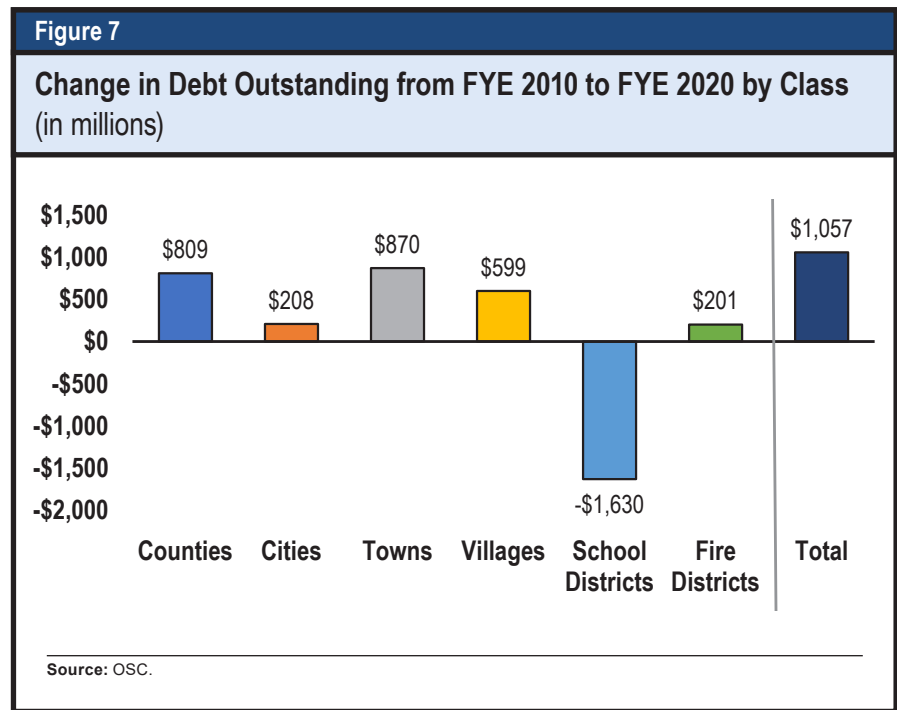
## Debt

Prudent debt management is integral to the financial health of local governments and can advance the prosperity of the communities they serve. Local governments may issue long-term debt for infrastructure essential to commerce and communities, including roads, bridges and public buildings. Short-term debt may be issued for certain cash flow needs. (See Debt dashboard on page 19.)

### Debt Outstanding

Debt outstanding is the total of long-term and short-term debt owed at the end of the fiscal year. Since it is cumulative, it tends not to change greatly from year to year in response to a single event, such as the pandemic, so it makes sense to look at a longer-term trend. Local governments had \$45.2 billion in debt outstanding in FYE 2020. This represents a \$1.1 billion, or 2.4 percent, increase from 2010, for an annual average growth rate of only about 0.2 percent.

This slow growth rate is mainly due to the fact that school district debt declined from 2010 to 2016. School district debt has grown since 2016, but was still \$1.6 billion lower in 2020 than it had been in 2010. All other classes increased their debt outstanding over the period. Fire districts had the most rapid increase – almost 60 percent, but the amount only increased by \$201 million, from \$343 million to \$544 million. Town debt increased by \$870 million, or 29 percent, the largest increase in total debt outstanding by class. (See Figure 7.)



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## Short-Term Debt

Local governments can find themselves needing to borrow to address a temporary cash flow problem. Such problems may stem from unanticipated expenditures (e.g., a natural disaster or other unforeseeable event) or cash flow timing issues (e.g., expenditure payments due before the government collects revenues).<sup>13</sup> However, short-term debt can also indicate that a local government is not managing its finances effectively, and increasing reliance on short-term debt issuance can be a sign of fiscal stress.

The pandemic appeared to have caused more short-term borrowing, especially by cities, counties and school districts. In FYE 2020, 154 local governments (5.4 percent of the total) issued a total of \$3.1 billion in short-term debt. This was an increase of 23 percent from FYE 2019, when \$2.5 billion in short-term debt was issued. Cities increased their short-term debt issuance by 100 percent, from 8 cities with a total of \$132 million in short-term debt in FYE 2019 to 16 cities with \$264 million in FYE 2020. County short-term debt increased by 25 percent and school districts increased their short-term debt by 13 percent. Local governments paid back much of this short-term debt before the end of the year, but there was still \$1.2 billion in outstanding short-term debt at the end of FYE 2020, an increase from \$950 million at the end of FYE 2019

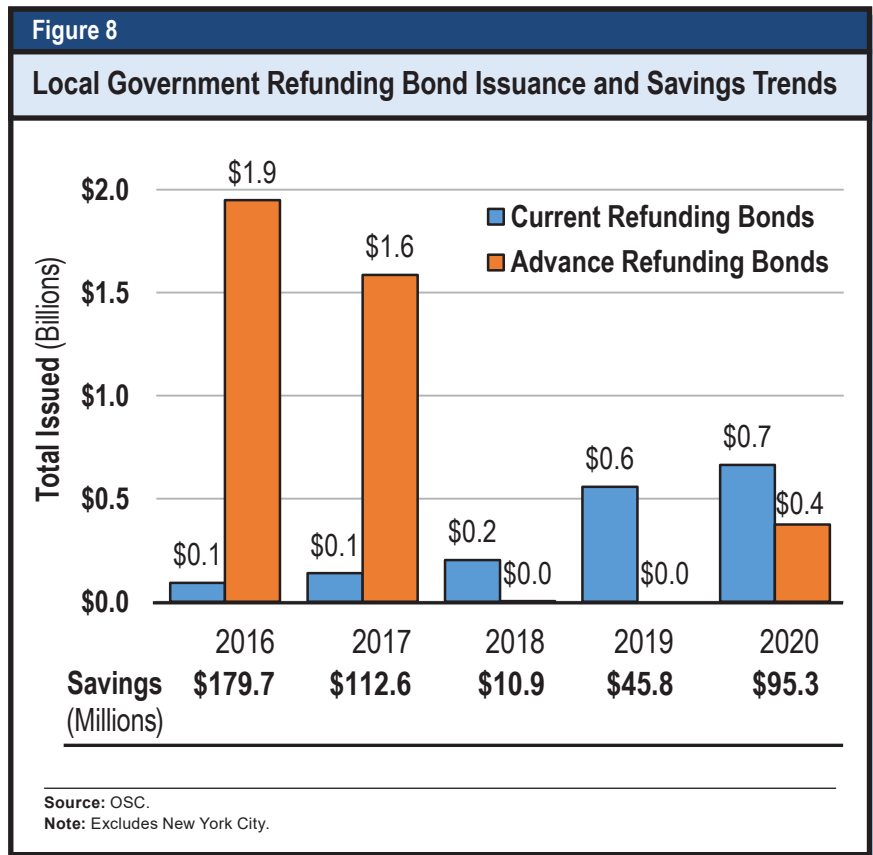
## Debt Service

In FYE 2020, local governments made \$6 billion in debt service payments (principal and interest), which accounted for 7.1 percent of total local government revenues. This was up \$1.3 billion, or 28 percent, above 2010 levels. Over the ten-year period, principal payments increased by 45 percent, while interest payments actually declined by 5 percent, largely due to a long continued period of low interest rates.

## Refunding Bonds

Local governments can take advantage of lower interest rates by refinancing existing bonds to generate debt service savings. This involves issuing new “refunding” bonds at the lower interest rate to pay off the prior bonds. Local governments use current refunding bonds when they will pay off the prior bonds immediately (or within 90 days). Advance refunding bonds are issued more than 90 days before the payoff date of the prior bonds. The federal Tax Cuts and Jobs Act of 2017 eliminated tax-exempt refunding bonds. Since then, advance refunding bonds can only be issued on a taxable basis.

As can be seen in Figure 8, the interest rates at the time effectively eliminated the use of advance refunding bonds in 2018 and 2019.<sup>14</sup> In 2019 and 2020, interest rates on municipal bonds declined to the point that current refunding bonds were issued in greater quantities. By 2020, rates were low enough that, despite the changes to tax law, advance refunding bonds met the legally required savings thresholds. Accordingly, in 2020, local governments issued \$1.04 billion in refunding bonds, \$375 million of which were taxable advance refunding bonds. These refunding bonds saved local governments \$95.3 million in debt costs.



# Debt - All Major Classes

Fiscal Year Ending in 2020

Total debt grew at an annual rate of

**0.2%**

over the last 10 years

Local governments paid

**\$6.0**

billion in debt service

School districts account for

**41.0%**

of debt outstanding

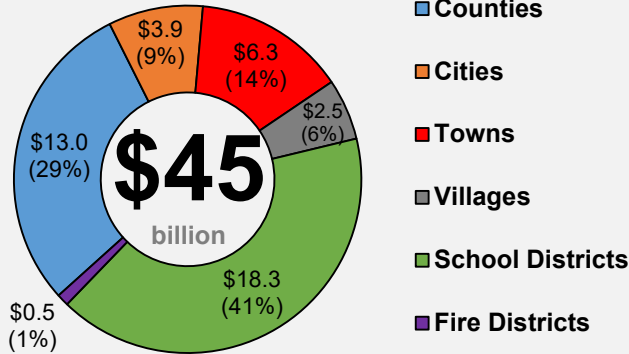
Short-term debt was issued by

**2.3%**

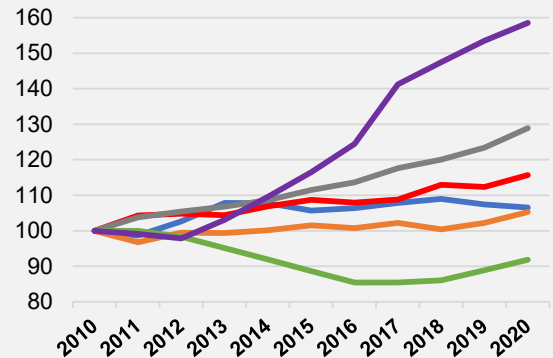
of local governments

## Total Debt Outstanding

Total Dollars (in billions)

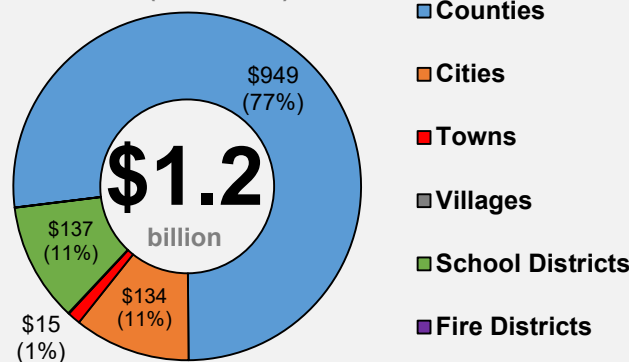


Trend (Indexed FYE 2010 = 100)

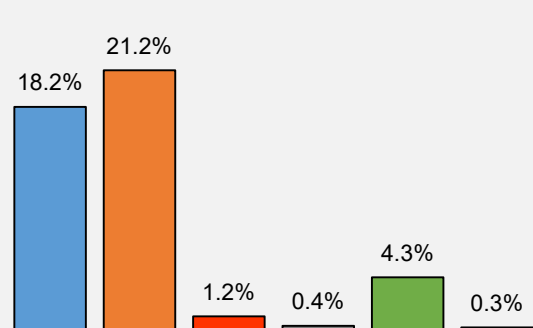


## Short-Term Debt Outstanding

Total Dollars (in millions)

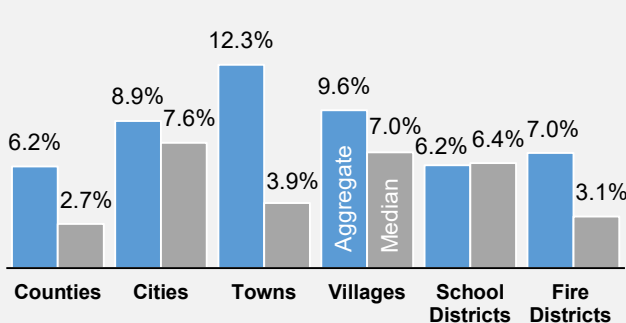


Percentage of Entities in Each Class That Have Short-Term Debt

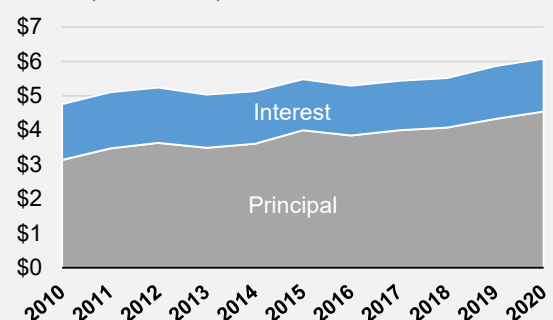


## Debt Service

As a Share of Total Revenue



Trend (in billions)



Source: OSC.

Notes: Includes New York State counties, cities, towns, villages, school districts and fire districts, except New York City. The data above does not include local government fiduciary funds. The annual rate for 2010 to 2020 is the compound annual growth rate. Debt service includes payments made on principal and interest. Short-term debt includes revenue anticipation notes, tax anticipation notes, budget notes and deficiency notes.

## Fiscal Stress

According to the Comptroller's Fiscal Stress Monitoring System (FSMS), 61 local governments were designated in fiscal stress in FYE 2020, 2.9 percent of those scored. (See Figure 9.)

Among the classes, school districts had the largest number of entities in stress, with 31 in total. However, cities had the highest incidence of stress, with 13.5 percent (7 of 52 scored) being in some level of stress, an increase from 2019, when 11.5 percent were in stress. For counties, 10.9 percent (6 of 55 counties scored) were in a stress category, a decline from 12.7 percent in 2019. Towns and villages had much lower rates of stress than other classes.

Individual scores and more information about FSMS are available at [www.osc.state.ny.us/local-government/fiscal-monitoring](http://www.osc.state.ny.us/local-government/fiscal-monitoring).

**Figure 9**

**Fiscal Stress Designation by Class, Fiscal Years Ending 2020**

Stress Designation	By Class					Total
	Counties	Cities	Towns	Villages	School Districts	All Classes
Significant Fiscal Stress	0	5	1	3	2	11
Moderate Fiscal Stress	2	1	1	1	7	12
Susceptible to Fiscal Stress	4	1	7	4	22	38
<b>Total in Stress</b>	<b>6</b>	<b>7</b>	<b>9</b>	<b>8</b>	<b>31</b>	<b>61</b>
No Designation	49	45	835	452	637	2,018
<b>Total Filed and Scored</b>	<b>55</b>	<b>52</b>	<b>844</b>	<b>460</b>	<b>668</b>	<b>2,079</b>
<b>Percentage of Scored Entities In Stress</b>	<b>10.9%</b>	<b>13.5%</b>	<b>1.1%</b>	<b>1.7%</b>	<b>4.6%</b>	<b>2.9%</b>
Not Filed or Inconclusive	2	9	89	73	4	177
<b>Total All Entities</b>	<b>57</b>	<b>61</b>	<b>933</b>	<b>533</b>	<b>672</b>	<b>2,256</b>

**Source:** OSC.  
**Note:** Does not include New York City

## Non-Filing Local Governments

Not all local governments file their annual financial reports in time for OSC to give them a fiscal stress score. For FYE 2020, 177 municipalities and school districts did not file their annual financial report or reported data that was inconclusive for FSMS purposes, as of the date that OSC was to calculate their score, representing 7.8 percent of the 2,256 counties, cities, towns, villages and school districts covered by FSMS.<sup>15</sup>

Many of these local governments did eventually file their financial reports, but there are some that have not filed for an extended period. An OSC report released in March 2020, **A Grade of Incomplete: Persistent Non-Filers of Legally Required Local Government Reports**, found that 27 local governments (3 cities, 15 towns and 9 villages) were three or more years delinquent in meeting one or more of their annual reporting requirements. This persistent failure to file reports calls into question the financial standing of the locality as well as the general effectiveness of the management of the local government.<sup>16</sup>

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## Deficit Financing

In severe cases of fiscal stress, where recurring revenue has failed to fund current operations, a local government or school district may request that the State enact a special law that would allow them to issue deficit-financing bonds. These bonds are meant to assist a local government or school district in resolving its current budget shortfalls. Deficit financing has historically been rare in New York State and continued to be so in 2020 – even with the financial challenges from the COVID-19 pandemic. The only entity to initiate deficit financing in 2020 was the Wyandanch Union Free School District, which the State authorized to issue deficit-financing bonds of up to \$4.5 million that the school district may repay over ten years. With the addition of Wyandanch, there were ten local governments with outstanding deficit financing bonds at the end of 2020.

## Financial Data

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On the following pages are dashboards that summarize financial data for counties, cities, towns, villages, school districts and fire districts. These dashboards do not include data for persistently non-filing local governments.

# Financial Data for Counties (57 Total)

Fiscal Year Ending in 2020

Total revenues grew at an annual rate of

**1.5%**

over 10 years

Real property taxes accounted for

**23.1%**

of total revenues

Employee benefits grew at an annual rate of

**2.6%**

over 10 years

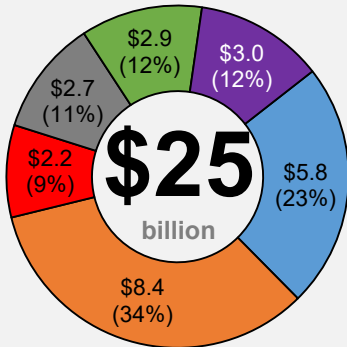
Total debt outstanding amounted to

**\$13.0**

billion

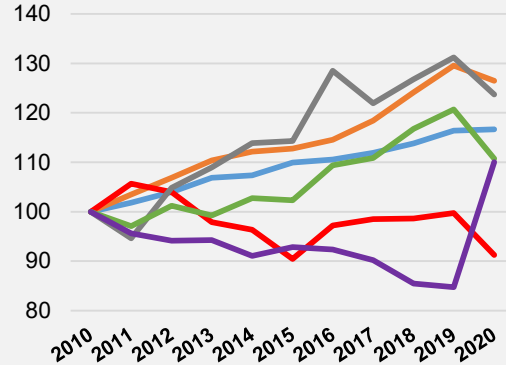
## Revenues by Source

Total Dollars (in billions)



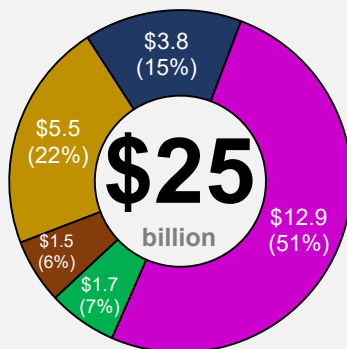
- Real Property Taxes
- Sales and Use Taxes
- Charges for Services
- Other Local Taxes and Revenues
- State Aid
- Federal Aid

Trend (Indexed FYE 2010 = 100)



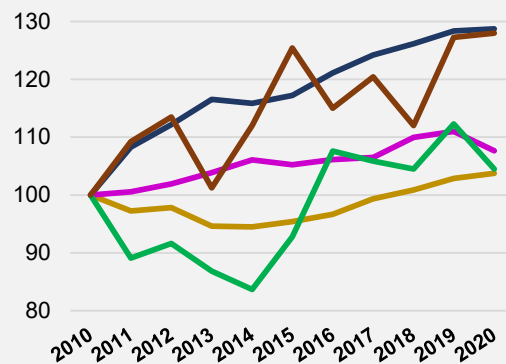
## Expenditures by Object

Total Dollars (in billions)



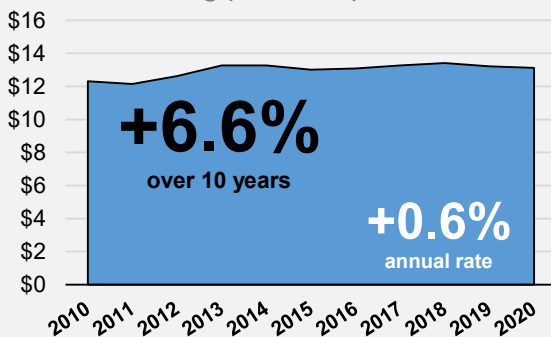
- Personal Services
- Employee Benefits
- Contractual Items
- Equipment and Capital Outlay
- Debt Service

Trend (Indexed FYE 2010 = 100)

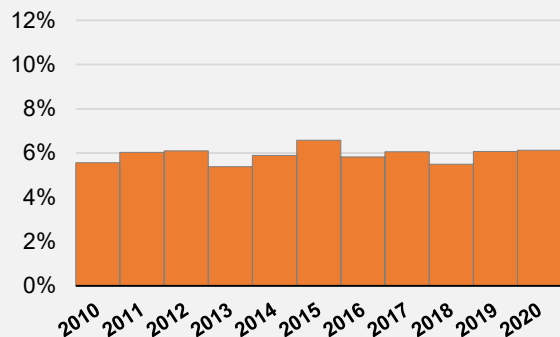


## Debt Trends

Debt Outstanding (in billions)



Debt Service Share of Total Revenues



Source: OSC.

Notes: Includes New York State counties outside of New York City. The data above does not include local government fiduciary funds. The annual rate for 2010 to 2020 is the compound annual growth rate. Real property taxes (RPT) also include other RPT items such as payments in lieu of taxes and school tax relief payments. Percentages in the donut charts above may not total 100 due to rounding.



## Financial Data for Cities (61 Total)

Fiscal Year Ending in 2020

Total revenues grew at an annual rate of

**1.3%**

over 10 years

Real property taxes accounted for

**27.2%**

of total revenues

Employee benefits grew at an annual rate of

**3.5%**

over 10 years

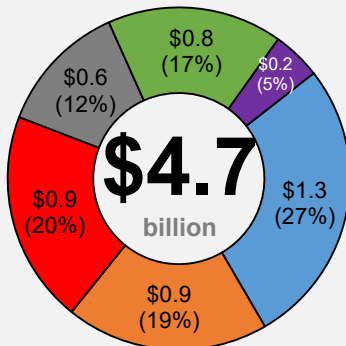
Total debt outstanding amounted to

**\$3.9**

billion

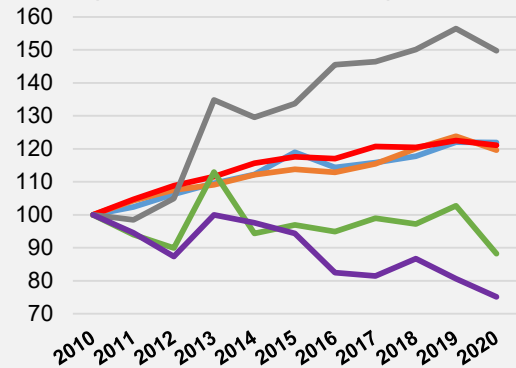
### Revenues by Source

Total Dollars (in billions)



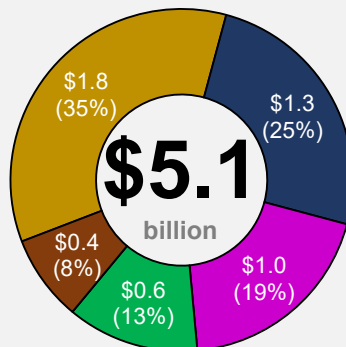
- Real Property Taxes
- Sales and Use Taxes
- Charges for Services
- Other Local Taxes and Revenues
- State Aid
- Federal Aid

Trend (Indexed FYE 2010 = 100)



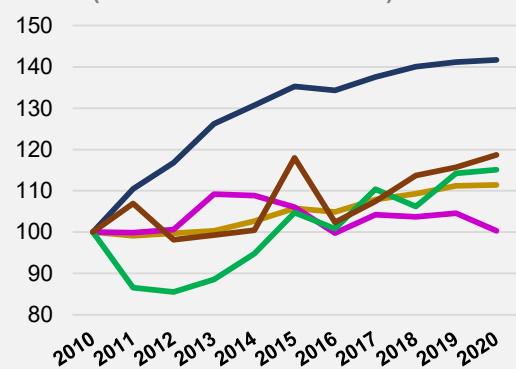
### Expenditures by Object

Total Dollars (in billions)



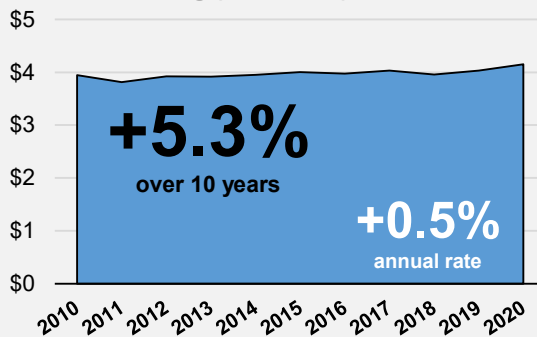
- Personal Services
- Employee Benefits
- Contractual Items
- Equipment and Capital Outlay
- Debt Service

Trend (Indexed FYE 2010 = 100)

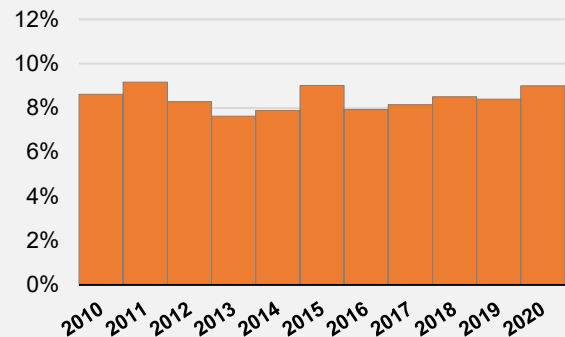


### Debt Trends

Debt Outstanding (in billions)



Debt Service Share of Total Revenues



Source: OSC.

**Notes:** Includes New York State cities except New York City. The data above does not include local government fiduciary funds. The annual rate for 2010 to 2020 is the compound annual growth rate. Real property taxes (RPT) also include other RPT items such as payments in lieu of taxes and school tax relief payments. Percentages in the donut charts above may not total 100 due to rounding.

# Financial Data for Towns (933 Total)

Fiscal Year Ending in 2020

Total revenues grew at an annual rate of

**2.4%**

over 10 years

Real property taxes accounted for

**53.0%**

of total revenues

Employee benefits grew at an annual rate of

**3.7%**

over 10 years

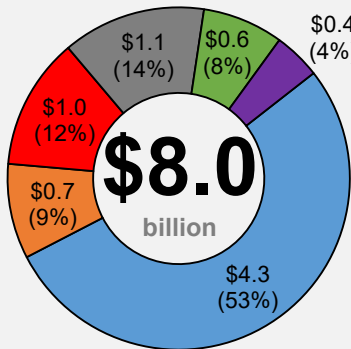
Total debt outstanding amounted to

**\$6.3**

billion

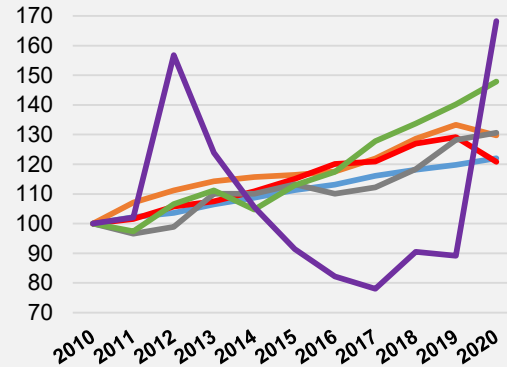
## Revenues by Source

Total Dollars (in billions)



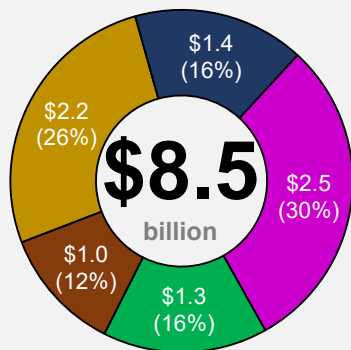
- Real Property Taxes
- Sales and Use Taxes
- Charges for Services
- Other Local Taxes and Revenues
- State Aid
- Federal Aid

Trend (Indexed FYE 2010 = 100)



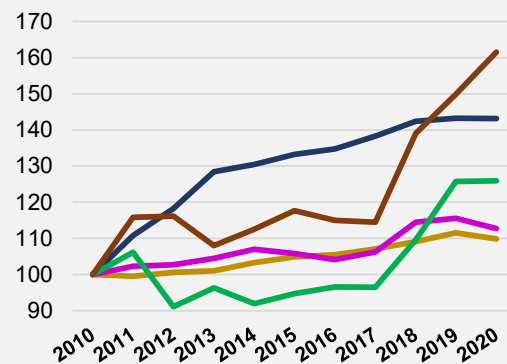
## Expenditures by Object

Total Dollars (in billions)



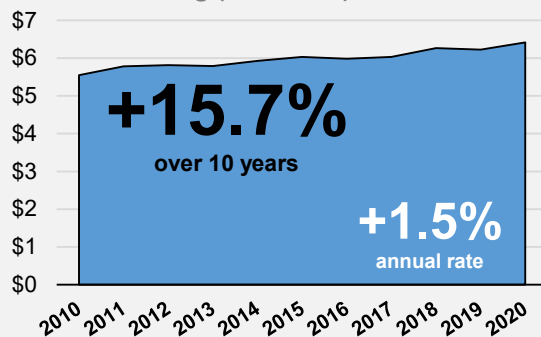
- Personal Services
- Employee Benefits
- Contractual Items
- Equipment and Capital Outlay
- Debt Service

Trend (Indexed FYE 2010 = 100)

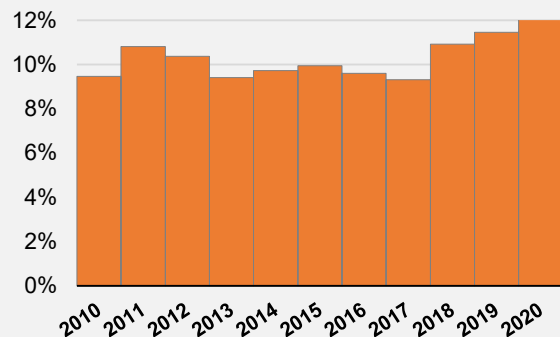


## Debt Trends

Debt Outstanding (in billions)



Debt Service Share of Total Revenues



Source: OSC.

Notes: Includes New York State towns. The data above does not include local government fiduciary funds. The annual rate for 2010 to 2020 is the compound annual growth rate. Real property taxes (RPT) also include other RPT items such as payments in lieu of taxes and school tax relief payments. Percentages in the donut charts above may not total 100 due to rounding.

# Financial Data for Villages (533 Total)

Fiscal Year Ending in 2020

Total revenues grew at an annual rate of

**2.1%**

over 10 years

Real property taxes accounted for

**47.5%**

of total revenues

Employee benefits grew at an annual rate of

**3.7%**

over 10 years

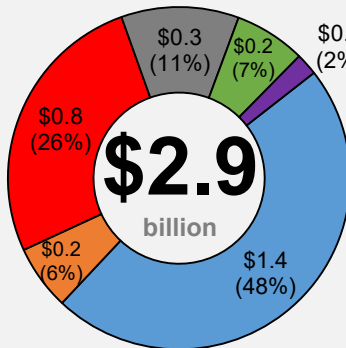
Total debt outstanding amounted to

**\$2.5**

billion

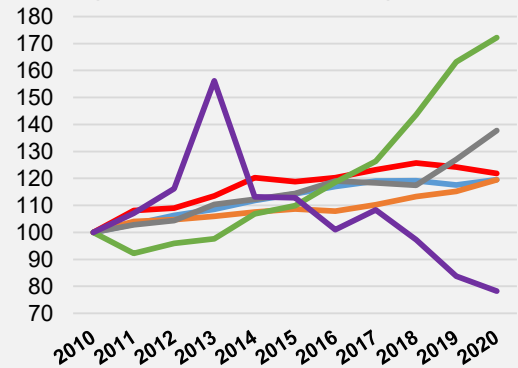
## Revenues by Source

Total Dollars (in billions)



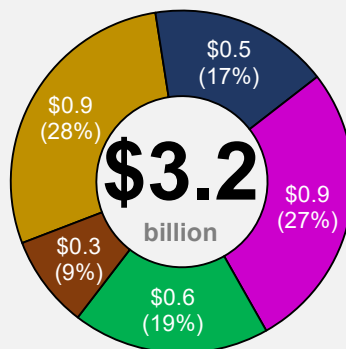
- Real Property Taxes
- Sales and Use Taxes
- Charges for Services
- Other Local Taxes and Revenues
- State Aid
- Federal Aid

Trend (Indexed FYE 2010 = 100)



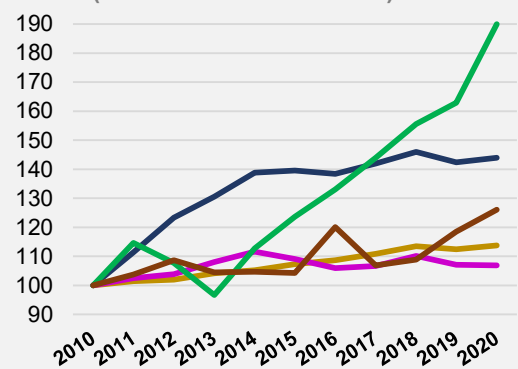
## Expenditures by Object

Total Dollars (in billions)



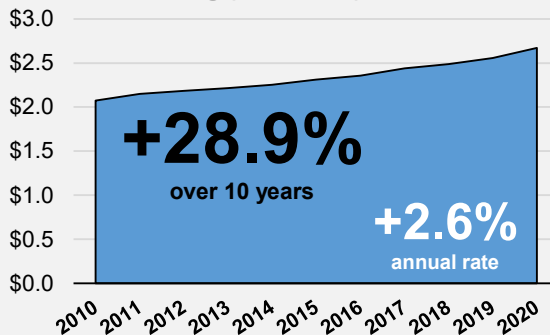
- Personal Services
- Employee Benefits
- Contractual Items
- Equipment and Capital Outlay
- Debt Service

Trend (Indexed FYE 2010 = 100)

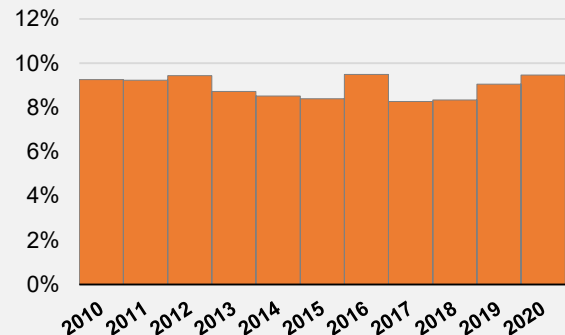


## Debt Trends

Debt Outstanding (in billions)



Debt Service Share of Total Revenues



Source: OSC.

Notes: Includes New York State villages. The data above does not include local government fiduciary funds. The annual rate for 2010 to 2020 is the compound annual growth rate. Real property taxes (RPT) also include other RPT items such as payments in lieu of taxes and school tax relief payments. Percentages in the donut charts above may not total 100 due to rounding.

# Financial Data for School Districts (690 Total)

Fiscal Year Ending in 2020

Total revenues grew at an annual rate of

**2.0%**

over 10 years

Real property taxes accounted for

**53.8%**

of total revenues

Employee benefits grew at an annual rate of

**3.6%**

over 10 years

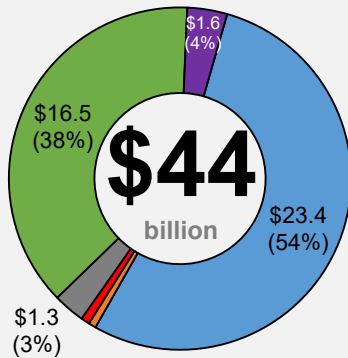
Total debt outstanding amounted to

**\$18.3**

billion

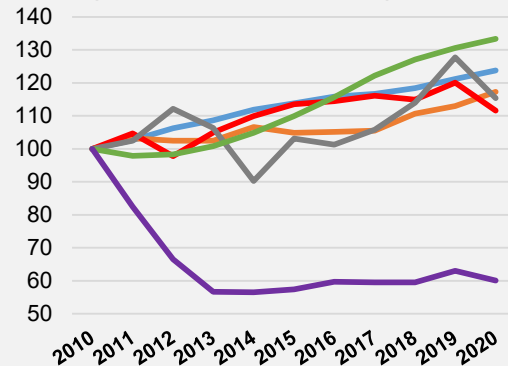
## Revenues by Source

Total Dollars (in billions)



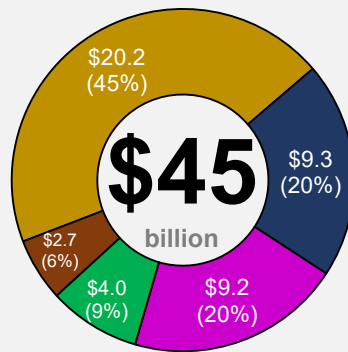
- Real Property Taxes
- Sales and Use Taxes
- Charges for Services
- Other Local Taxes and Revenues
- State Aid
- Federal Aid

Trend (Indexed FYE 2010 = 100)



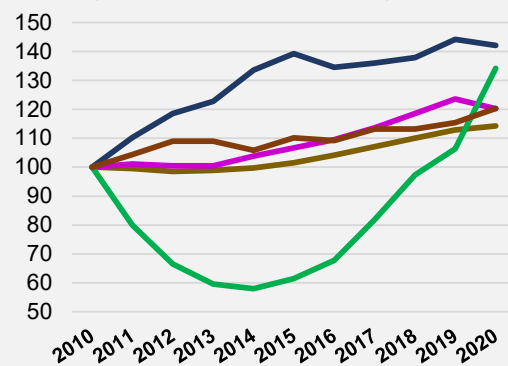
## Expenditures by Object

Total Dollars (in billions)



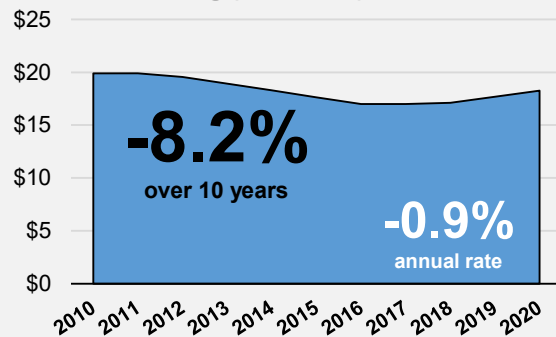
- Personal Services
- Employee Benefits
- Contractual Items
- Equipment and Capital Outlay
- Debt Service

Trend (Indexed FYE 2010 = 100)

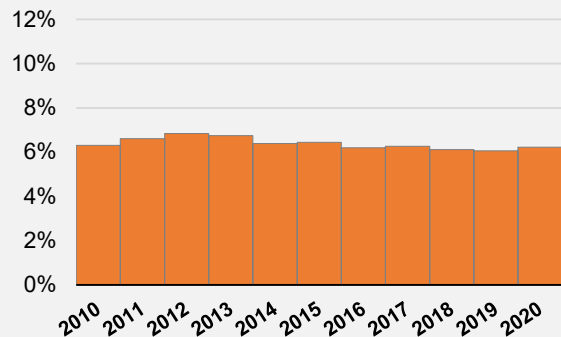


## Debt Trends

Debt Outstanding (in billions)



Debt Service Share of Total Revenues



Source: OSC.

Notes: Includes school districts outside of New York City. The data above does not include local government fiduciary funds. The annual rate for 2010 to 2020 is the compound annual growth rate. Real property taxes (RPT) also include other RPT items such as payments in lieu of taxes and school tax relief payments. Percentages in the donut charts above may not total 100 due to rounding.

## Financial Data for Fire Districts (898 Total)

Fiscal Year Ending in 2020

Total revenues grew at an annual rate of

**3.0%**

over 10 years

Real property taxes accounted for

**91.1%**

of total revenues

Employee benefits grew at an annual rate of

**3.2%**

over 10 years

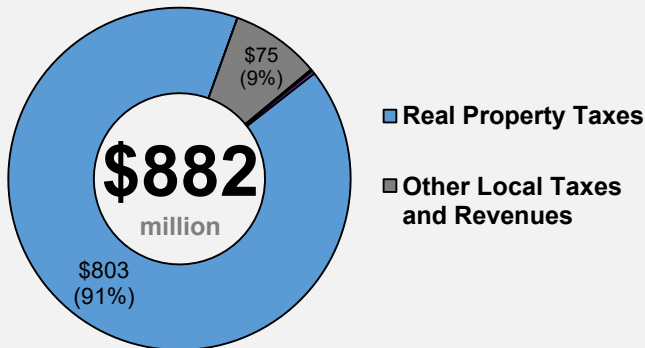
Total debt outstanding amounted to

**\$497**

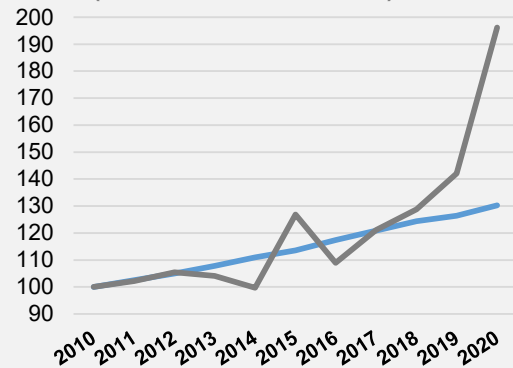
million

### Revenues by Source

Total Dollars (in millions)

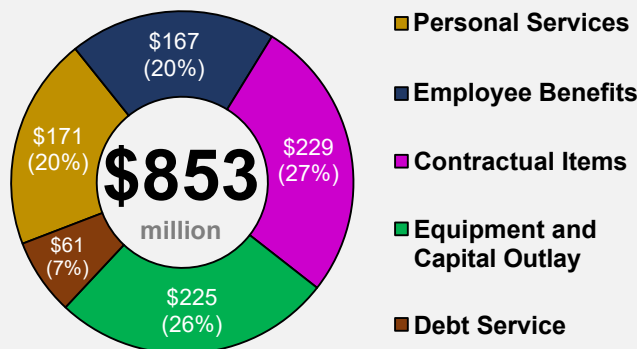


Trend (Indexed FYE 2010 = 100)

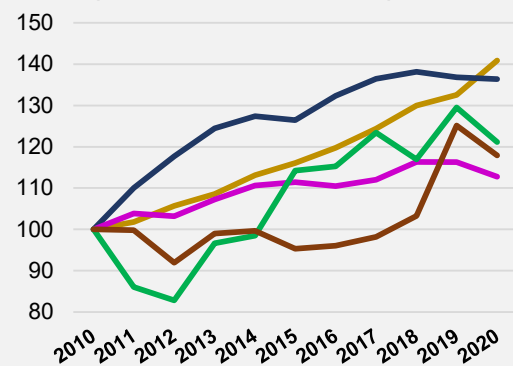


### Expenditures by Object

Total Dollars (in millions)

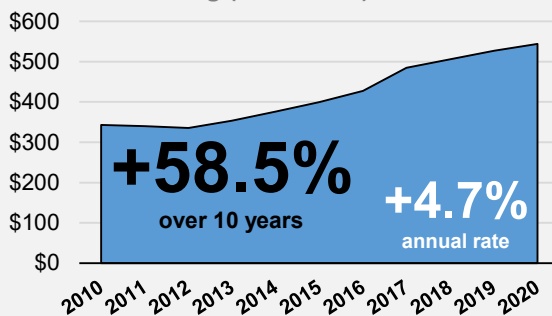


Trend (Indexed FYE 2010 = 100)

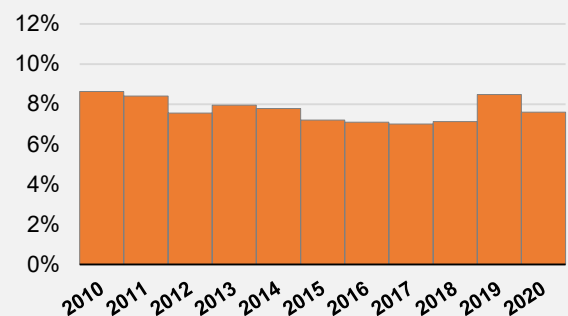


### Debt Trends

Debt Outstanding (in millions)



Debt Service Share of Total Revenues



Source: OSC.

**Notes:** Includes New York State fire districts. The data above does not include local government fiduciary funds. The annual rate for 2010 to 2020 is the compound annual growth rate. Real property taxes (RPT) also include other RPT items such as payments in lieu of taxes and school tax relief payments. Shares that are less than 1 percent are not shown in the donut charts above and percentages may not total 100 due to rounding.

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# Legislation Affecting Local Governments

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## Selected COVID-19 Related Legislation

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### **Amendments to Local Finance Law Related to BANs and Transfer of Funds**

(Chapter 157 of the Laws of 2020, as amended by Chapter 126 of the Laws of 2020; proposed by the Comptroller)

Temporarily extended the “roll over” period for bond anticipation notes (BANs) issued in calendar years 2015-2021 by an additional two years. It also allowed local governments to spend moneys from their capital reserve funds without the need to comply with referendum requirements and temporarily allowed local governments and school districts to advance capital and reserve fund moneys to cover operating costs attributable to the COVID-19 pandemic. This law was amended to clarify that the COVID-19 pandemic refers to the State disaster emergency declared pursuant to Executive Order 202 of 2020.

### **New Authority for IDAs to Grant Loans to Small Businesses and Not-for-Profits Related to the COVID-19 Public Health Emergency**

(Chapter 109 of the Laws of 2020, as amended by Chapter 206 of the Laws of 2021)

Authorized Industrial Development Agencies (IDAs) to:

- Provide grants and in-kind donations to small businesses or not-for-profits to purchase personal protective equipment (PPE) and other supplies to help prevent the spread of COVID-19 under amendments of General Municipal Law Section 858; and
- Make loans to small businesses and not-for-profit organizations of up to \$25,000 with certain considerations.

Added a new section of General Municipal Law Section 859-c to allow IDAs to administer a State disaster emergency loan program to provide loans from available revenue to eligible entities pursuant to this section, provided that no IDA may create more than one State disaster emergency loan program. This law is scheduled to sunset December 31, 2022.

### **Temporary Changes to LOSAPs in response to the COVID-19 Pandemic Emergency**

(Chapter 113 of the Laws of 2020)

Amended General Municipal Law Section 217, related to Length of Service Award Programs (LOSAPs). This change addressed the impact of the COVID-19 crisis on the ability of volunteer firefighter participants to achieve performance points under the program point system in light of changes to emergency response protocols and the cancellation of activities for which points can be earned. The amendment, as provided in GML Section 217(p), is scheduled to sunset December 31, 2022. It allows active volunteers to earn up to five points per month during the State disaster emergency, pursuant to Executive Order 202, so long as the local government adopts a resolution by April 30, 2021 to that effect.

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## Selected Budget Legislation

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(Chapter 58 of the Laws of 2020)

### **Consolidated Local Street and Highway Improvement Program (CHIPS)**

Amended Highway Law Section 10-c by increasing the CHIPS competitive bidding threshold from \$250,000 to \$350,000. More specifically, whenever the estimate for a construction project exceeds \$100,000 but does not exceed \$350,000, the work must be performed either with the municipality's own work force or by contract let by competitive bid in accordance with General Municipal Law Section 103. Further, if the estimate for the construction project exceeds \$350,000, such contract must be competitively bid in accordance with General Municipal Law Section 103.

### **Certain Purchases Made by School Districts and BOCES**

Increased the competitive bidding threshold in General Municipal Law Section 103 for purchases by school districts and BOCES of certain food products from New York State producers or growers, or associations of producers or growers. This change allows school districts and BOCES to purchase certain food products without bidding where such purchase is for \$100,000 or less (an increase of \$50,000).

### **Prevailing Wage**

Amended various sections of the Labor Law to expand the prevailing wage provisions. Under this expansion, the prevailing wage provisions now apply to construction projects performed under private contract, when that contract is paid in whole or in part out of public funds, and when the public funds are at least 30 percent of the project costs and the project cost is over \$5,000,000. Public funds include money paid by a public entity or a third party acting for the benefit of a public entity.

# Services and Resources

## Audits and Oversight

LGSA's audit and technical assistance functions provide local officials and taxpayers with an independent analysis of their local government operations. After the onset of the COVID-19 pandemic, OSC auditors shifted from in-person to remote audits, where possible.

**217** The Division issued **217** audits of local governments, school districts and local public authorities in 2020.<sup>17</sup>

**47** financial condition audits found ineffective budgeting practices, excessive fund balance, and inadequate policies, records and reports.

**47**

**9** accountability audits identified nearly **\$225,000** of misappropriated local government assets.

## Our Audit Work

**46** audits cited poor budgeting practices by school districts and local governments, of which:

**31** identified school districts and local governments that had retained excess fund balance.

**12** identified school districts that had retained excess or improper reserves.

**53** accountability audits identified more than **\$22.7** million in recommended cost savings and revenue enhancement measures or misappropriated local government assets.

**24** Information Technology (IT) security audits and **19** confidential IT letters revealed weaknesses potentially allowing for unauthorized access to confidential information, inappropriate use and/or exposure to ransomware threats.

**517** property tax cap calculation reviews were conducted to help local governments comply with the tax law.

**10** local governments exceeded their tax levy limits without a proper override.



### Financial Condition Highlights

A school district overfunded two reserves by a total of \$13.4 million, causing its tax levies to be higher than necessary.

**\$13.4 million**  
in overfunded reserves

A fire district did not effectively monitor its expenditures and fund balance and, as a result, over-expended its 2015 and 2016 budgets and ended 2017 with a \$31,545 deficit.

**Poor oversight**  
**\$31,545**  
deficit

Despite operating surpluses in three of the years between 2013 and 2017, the unrestricted fund balance deficit increased to as much as \$171,492 during this period.

A school district did not use accurate estimates of appropriations in the 2018-19 budget, which contributed to an unplanned operating deficit of \$27.4 million. This occurred due to severely low estimates of several appropriations, all of which should have been reasonably estimated by district officials.

**Inadequate Budgeting**  
**\$27.4 million**  
operating deficit

### Accountability Audit Highlights

Due to weak payroll controls, a town supervisor was able to increase his salary without the town board's knowledge or approval. After the town's bookkeeper retired in 2015, the supervisor reallocated the bookkeeper salary to himself and collected additional salaries of \$73,794 for bookkeeping duties without board authorization.

**\$73,794**  
misappropriation

A community college did not adequately oversee billing of health insurance provided by a county. Because the county did not provide supporting documentation with its bills and the college did not reconcile provider invoices with the college's records, the college overpaid \$4.6 million to the county for health insurance in 2018 and 2019.

**\$4.6 million**  
overpayment

Three school districts and two local governments did not maximize the interest earnings on investments and idle resources. Collectively, these five entities could have earned an additional \$1.1 million if they had used other available investment options.

**\$1.1 million**  
in lost revenue

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## Statewide Audits and Regional Projects

LGSA undertakes audits and projects involving several local governments in one or more regions. In 2020, LGSA audited 20 local governments and examined whether they used their resources to implement certain ethics oversight standards. The audit determined that 90 percent of the local governments audited did not comply with all New York State General Municipal Law (GML) requirements that were tested. For example, four codes of ethics did not contain each of the four statutorily required provisions, and officials were unaware of these deficiencies. In addition, 95 percent of local governments did not ensure their Ethics Boards received formal training.

## Audits of Local Governments Available Online

To promote transparency and accountability, OSC makes all local government audits and reports available at [www.osc.state.ny.us/local-government/audits](http://www.osc.state.ny.us/local-government/audits). This web page allows users to browse the most recently released audits or search for any audit from the last five years by government name, county, class or year.

## Local Official Training

LGSA provides a wide variety of training opportunities for local officials, including accounting schools, statewide and regional conferences, leadership institutes, workshops on annual financial report (AFR) modernization and webinars through the Academy for New York State's Local Officials.

The goal is to train and support as many local officials as possible across the State. While local officials are not required to attend OSC training sessions, taking advantage of these programs helps officials remain up-to-date on accounting practices and the implementation of robust internal controls.

The 2020 COVID-19 pandemic introduced new challenges for New York's local officials, so OSC increased the availability of training by adding webinar offerings. Staff also compiled and published a consolidated resource page to assist officials with budgeting and financial analysis called the **Local Official Toolkit for Financial Management in 2020 and Beyond**.

All accounting schools were presented remotely, allowing as many officials as possible to receive critical accounting training in the midst of the pandemic. This increased accessibility ultimately lowered the costs of providing vital training, while helping to keep participants safe.

**The Academy for New York State's Local Officials** is an online resource that delivers a focused curriculum. Local officials can use this website to search and register for virtual training, browse previously recorded webinars and download presentation materials.

The Academy's website has also been redesigned. Enhancements include online registration for training events and the ability to request OSC trainers' participation in external events. A calendar of upcoming events is available: [www.osc.state.ny.us/local-government/academy](http://www.osc.state.ny.us/local-government/academy).

Training Statistics						
	Sessions			Attendance		
	2019	2020	% Change	2019	2020	% Change
OSC Webinars	22	33	50%	3,255	7,006	115%
AFR Modernization Workshops	0	11	NA	0	125	NA
Accounting Schools	8	6	-25%	381	350	-8%
OSC Seminars	16	8	-50%	134	435	225%
External Training	74	50	-32%	4,202	5,180	23%
<b>Total</b>	<b>120</b>	<b>108</b>	<b>-10%</b>	<b>7,972</b>	<b>13,096</b>	<b>64%</b>

**Note:** Spring 2020 Accounting Schools were canceled as a result of COVID and resumed virtually in August 2020.

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## Research on Local Governments

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The Division produces a wide range of research products that inform OSC's legislative policy agenda, help local officials understand the factors affecting the fiscal condition of their municipalities and school districts, and assist the public in accessing and understanding local government data.<sup>18</sup>

In 2020, the Division published reports on a variety of topics, including:

- **Persistent non-filers of legally required local government reports**
- **Education revenues and expenditures**
- **School district budget votes**
- **Local government revenues during the COVID-19 pandemic**
- **Understanding the local government sales tax**
- **Industrial development agencies**
- **Sales tax collection updates**
- **Fiscal Stress Monitoring System results.**

Division publications are available at: [www.osc.state.ny.us/local-government/publications](http://www.osc.state.ny.us/local-government/publications).

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## Justice Court Fund

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The Division is custodian of the Justice Court Fund (JCF), which was established to account for the revenues from fines and penalties collected by the State's town and village justice courts, the Department of Motor Vehicles Administrative Adjudication Bureaus, and other parking and traffic fees assessed by certain local governments.<sup>19</sup>

In 2020, the JCF processed 24,000 town and village justice court monthly reports and distributed approximately \$347 million in fines, fees, surcharges and forfeitures to local governments and the State, derived from the adjudication of motor vehicle, criminal, civil and other cases at the local government level. The revenue distributed in 2020 was less than prior years due to the impacts of the COVID-19 pandemic.

More information is available about the Justice Court Fund on OSC's website: [www.osc.state.ny.us/local-government/required-reporting/justice-court-fund](http://www.osc.state.ny.us/local-government/required-reporting/justice-court-fund).

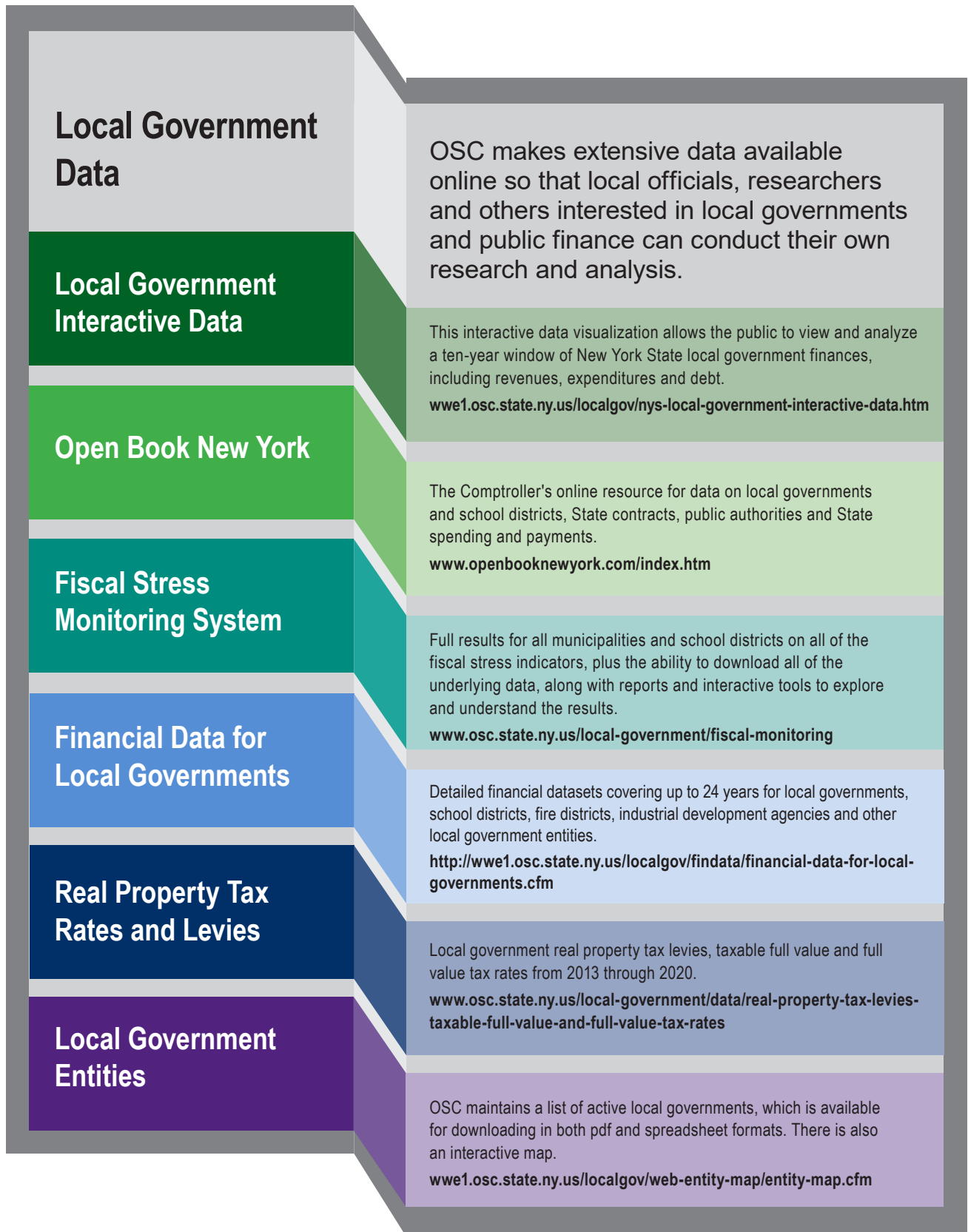
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## Annual Financial Report Modernization

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Since the 1990s, OSC has provided local governments with software to enable them to file their annual financial reports (AFRs) more easily. While that software has served users well over the years, it has become apparent that a new platform is required to ensure OSC systems remain current and stable, as well as to allow for the flexibility to address emerging needs. The new application will provide an improved user experience and include enhanced tools to further validate the data and ensure data quality.

Those interested can find out more at: [www.osc.state.ny.us/local-government/required-reporting/annual-financial-report-afr-modernization-project](http://www.osc.state.ny.us/local-government/required-reporting/annual-financial-report-afr-modernization-project).



# Summary of Finances for Major Classes of New York State Local Government, Fiscal Year Ending in 2020

(All dollar amounts in millions)

	County	City	Town	Village	School District	Fire District	Total
Population - 2020 Census	11,397,059	2,280,905	9,108,316	1,925,787	N/A	N/A	
Full Value of Real Property	\$1,333,054.7	\$134,344.8	\$1,194,622.9	\$277,731.2	\$1,350,032.2	N/A	
<b>Revenues:</b>							
Real Property Taxes	\$5,805.5	\$1,279.6	\$4,280.2	\$1,390.0	\$23,405.8	\$803.0	\$36,964.2
Sales and Use Taxes	\$8,419.1	\$902.8	\$725.5	\$179.0	\$308.1	\$0.0	\$10,534.5
Charges for Services	\$2,185.4	\$945.5	\$1,006.1	\$772.4	\$355.6	\$0.0	\$5,265.1
Other Local Taxes & Revenues	\$2,735.4	\$586.6	\$1,094.9	\$325.0	\$1,302.0	\$74.6	\$6,118.5
<b>Total Local Revenues</b>	<b>\$19,145.4</b>	<b>\$3,714.4</b>	<b>\$7,106.7</b>	<b>\$2,666.5</b>	<b>\$25,371.6</b>	<b>\$877.6</b>	<b>\$58,882.2</b>
State Aid	\$2,884.5	\$779.9	\$617.3	\$196.7	\$16,507.0	\$1.4	\$20,986.8
Federal Aid	\$3,048.3	\$216.0	\$358.5	\$60.4	\$1,640.3	\$2.7	\$5,326.2
<b>Total State and Federal Revenues</b>	<b>\$5,932.7</b>	<b>\$995.8</b>	<b>\$975.8</b>	<b>\$257.1</b>	<b>\$18,147.3</b>	<b>\$4.2</b>	<b>\$26,313.0</b>
<b>Total Revenues</b>	<b>\$25,078.2</b>	<b>\$4,710.3</b>	<b>\$8,082.5</b>	<b>\$2,923.5</b>	<b>\$43,518.9</b>	<b>\$881.8</b>	<b>\$85,195.2</b>
<b>Expenditures:</b>							
Personal Services	\$5,497.5	\$1,802.7	\$2,248.0	\$906.6	\$20,244.4	\$171.3	\$30,870.6
Employee Benefits	\$3,776.1	\$1,284.5	\$1,377.6	\$543.2	\$9,299.4	\$166.5	\$16,447.2
Contractual Items	\$12,864.3	\$997.0	\$2,547.8	\$872.9	\$9,232.5	\$228.5	\$26,743.2
<b>Total Current Operations</b>	<b>\$22,137.9</b>	<b>\$4,084.2</b>	<b>\$6,173.5</b>	<b>\$2,322.7</b>	<b>\$38,776.3</b>	<b>\$566.4</b>	<b>\$74,061.0</b>
Equipment and Capital Outlay	\$1,651.8	\$642.3	\$1,323.9	\$595.5	\$3,950.6	\$225.2	\$8,389.2
Debt Service							
Principal	\$505.8	\$110.4	\$181.8	\$58.6	\$652.7	\$14.3	\$1,523.6
Interest	\$1,038.2	\$309.1	\$813.2	\$221.1	\$2,056.6	\$47.2	\$4,485.3
<b>Total Expenditures</b>	<b>\$25,333.7</b>	<b>\$5,146.1</b>	<b>\$8,492.4</b>	<b>\$3,197.9</b>	<b>\$45,436.1</b>	<b>\$853.0</b>	<b>\$88,459.1</b>
<b>Debt</b>							
<b>Debt Issued:</b>							
Bonds	\$872.3	\$442.5	\$779.5	\$202.3	\$2,092.1	\$41.3	\$4,430.1
Other Debt	\$1,797.1	\$588.5	\$494.5	\$263.4	\$3,621.9	\$29.8	\$6,795.2
<b>Outstanding Debt:</b>							
Bonds (Gross)	\$11,356.3	\$3,015.3	\$5,268.0	\$2,004.5	\$13,881.2	\$431.1	\$35,956.3
Other Debt	\$1,687.0	\$913.0	\$1,028.5	\$533.2	\$4,371.6	\$66.3	\$8,599.6
<b>Total Outstanding Debt</b>	<b>\$13,043.3</b>	<b>\$3,928.2</b>	<b>\$6,296.6</b>	<b>\$2,537.7</b>	<b>\$18,252.8</b>	<b>\$497.4</b>	<b>\$44,555.9</b>

Sources: OSC and U.S. Census Bureau.

Notes: Real property taxes also include payments in lieu of taxes (PILOTs) and school tax relief (STAR) subsidies. Other local taxes and revenues include charges to other governments, other non-property taxes, other local revenues and taxes on the use and sale of property. Excludes New York City.

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# Notes

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- <sup>1</sup> This report uses data reported by local governments to the Office of the State Comptroller (OSC) in the Division of Local Government and School Accountability. The data are from local government fiscal years ending in 2020 (FYE 2020). Data from prior fiscal years is used for comparative purposes. The data in this report do not include local government fiduciary funds (trust and custodial funds). A small number of local governments did not file FYE 2020 annual financial reports in time for inclusion for this report. For most trend analyses in this report, FYE 2019 data was interpolated for the non-filing entities.
- <sup>2</sup> Five counties received \$819 million in CARES act funding. However, Erie County did not report its \$160 million share of this funding in its initial FYE 2020 filing with OSC, and it is therefore not included in this report.
- <sup>3</sup> For more information about the real property tax cap, see OSC, *Real Property Tax Cap and Tax Cap Compliance* at [www.osc.state.ny.us/local-government/property-tax-cap](http://www.osc.state.ny.us/local-government/property-tax-cap); and the New York State Department of Taxation and Finance and New York State Department of State, *The Property Tax Cap: Guidelines for Implementation*, Publication 1000, October 2011, at [www.tax.ny.gov/pdf/publications/orpts/capguidelines.pdf](http://www.tax.ny.gov/pdf/publications/orpts/capguidelines.pdf).
- <sup>4</sup> Tax cap compliance forms are submitted to OSC by local governments. Reporting an intention whether to override or not does not obligate the reporting local government to act on it.
- <sup>5</sup> For more information on the CTL, see OSC, *Constitutional Tax Limits*, at [www.osc.state.ny.us/local-government/required-reporting/constitutional-tax-limits](http://www.osc.state.ny.us/local-government/required-reporting/constitutional-tax-limits).
- <sup>6</sup> New York State Division of the Budget, *FY 2021 Enacted Budget Financial Plan*, p. 14, at [www.budget.ny.gov/pubs/archive/fy21/enac/fy21-enacted-fp.pdf](http://www.budget.ny.gov/pubs/archive/fy21/enac/fy21-enacted-fp.pdf); *FY 2022 Executive Budget Financial Plan*, pp. 16, 145, at [www.budget.ny.gov/pubs/archive/fy22/ex/fp/fy22fp-ex.pdf](http://www.budget.ny.gov/pubs/archive/fy22/ex/fp/fy22fp-ex.pdf). While AIM was fully restored, several other local assistance programs ended the state fiscal year with cuts of 5 percent, or about \$1.1 million. These programs were Citizens Empowerment Tax Credits, Video Lottery Terminal Aid (except for the City of Yonkers), Small Government Assistance, County-wide Shared Service Initiative and Miscellaneous Financial Assistance.
- <sup>7</sup> Portions of some counties' sales tax revenues are distributed to other local governments.
- <sup>8</sup> U.S. Public Law 116-136, CARES Act.
- <sup>9</sup> *CARES Act*, Division A, Title V, Section 5001. Although the CARES Act also included the Elementary and Secondary School Emergency Relief Fund with \$13.2 billion for New York State, 90 percent of which was allocated to school districts, this aid did not affect school district FYE 2020 revenues. The *Consolidated Appropriations Act, 2021* (U.S. Public Law 116-260) extended the deadline for expenditures from December 31, 2020 to December 31, 2021.
- <sup>10</sup> OSC, *Pandemic and Recovery: Local Government Finances and Federal Assistance: Lessons from the Mid-Hudson Region*, October 2021, at [www.osc.state.ny.us/files/local-government/publications/pdf/pandemic-and-recovery-lessons-from-the-mid-hudson-region.pdf](http://www.osc.state.ny.us/files/local-government/publications/pdf/pandemic-and-recovery-lessons-from-the-mid-hudson-region.pdf).
- <sup>11</sup> Ibid.

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# Notes

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<sup>12</sup> See New York State Division of the Budget, *FY 2022 First Quarterly Update*, pp. 13, 38-39, and *FY 2022 Mid-Year Update*, pp.41-42, available at [www.budget.ny.gov/pubs/archive/fy22](http://www.budget.ny.gov/pubs/archive/fy22) and [www.budget.ny.gov/pubs/archive/fy22/en/fy22en-fp-my.u.pdf](http://www.budget.ny.gov/pubs/archive/fy22/en/fy22en-fp-my.u.pdf).

<sup>13</sup> In this report, the term “short-term debt” refers to revenue anticipation notes, tax anticipation notes, budget notes and deficiency notes.

<sup>14</sup> U.S. Public Law 115–97; the provision of the law that affected advance refunding became effective on January 1, 2018.

<sup>15</sup> For lists of non-filing local governments see OSC, *Fiscal Stress Monitoring System: Lists*, at [www.osc.state.ny.us/local-government/fiscal-monitoring/lists](http://www.osc.state.ny.us/local-government/fiscal-monitoring/lists).

<sup>16</sup> OSC, *A Grade of Incomplete: Persistent Non-Filers of Legally Required Local Government Reports*, March 2020, at [www.osc.state.ny.us/files/local-government/publications/pdf/2020-persistent-non-filers-snapshot.pdf](http://www.osc.state.ny.us/files/local-government/publications/pdf/2020-persistent-non-filers-snapshot.pdf).

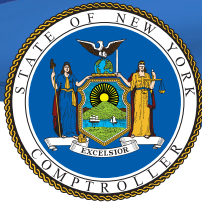
<sup>17</sup> All numbers as of December 31, 2020.

<sup>18</sup> For OSC’s local government research reports, see: [www.osc.state.ny.us/local-government/publications](http://www.osc.state.ny.us/local-government/publications).

<sup>19</sup> These include the Nassau County and Suffolk County Traffic and Parking Violations Agencies and the Buffalo and Rochester Traffic Violations Agencies, as well as parking surcharges collected by the City of New York.



# Contacts



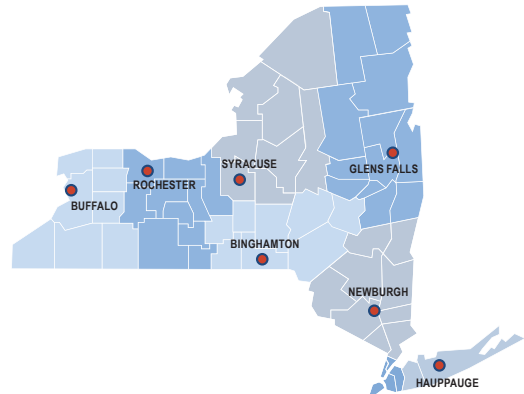
## Office of the NEW YORK STATE COMPTROLLER

New York State Comptroller  
**THOMAS P. DiNAPOLI**

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