

Town of Berne

PO Box 57
Berne NY 12023



TO: Town Board Members

From: J Giebelhaus

Date: 10/20/2025

RE: 2024 NYS Office of Comptroller Fiscal Stress

Executive Summary

The purpose of this memorandum is to provide opinion on the financial status of the Town of Berne, based on a review of the NYS Comptroller's Report on the financial stress of the Town.

The Town as a governmental organization has undergone financial stress, however not anywhere near a level requiring state intervention. There are multiple fiscal indicators that have seen significant improvement in 2024, however there are areas that warrant further evaluation and monitoring. The highest priority being increasing the total fund balance (both assigned and unassigned), in an effort to ensure the adequate cash flow to address expenses.

The population of the Town itself has seen some economic growth as well. Indicators such as unemployment and median income have moved in a positive direction; others have not changed significantly (either positively or negatively). Given the rural nature of the Town, intuitively the residents of the Town have to rely on employment found in other municipalities; regardless, the economic indicators provide the residents with a marginally healthier economic outlook.

Fiscal Stress Indicators

- In 2024, the town scored **13.3 points**, indicating a "**No Designation**" status, suggesting it is **not currently under significant fiscal stress**. The score has dropped from **26.6 in 2023 to the lowest it has been since 2022**.
- Key financial metrics include assigned unappropriated and unassigned fund balances, total fund balances, gross expenditures, and revenues, which show fluctuations over the years.
- The assigned unappropriated and unassigned fund balance increased significantly from \$54,924 in 2023 to \$399,780 in 2024, while total fund balance also rose from \$647,867 to \$737,904 in the same period.

Town of Berne

PO Box 57
Berne NY 12023



- Gross expenditure decreased from \$3,384,809 in 2022 to \$2,727,443 in 2023, with a slight increase for 2024 to \$2,808,118. FY 2025 total budget is \$3.3m of which, as of close of September 2025, 65% has been expended, indicating conformance with the adopted budget.
- Total revenues, including transfers, showed a notable increase from \$1,966,230 in 2023 to \$2,975,461 in 2024, indicating improved financial performance.

Projected Financial Trends

- Projections for 2025 and 2026 indicate potential challenges, with several indicators showing a trend towards fiscal stress.
- The **assigned and unassigned fund balance as a percentage of gross expenditure is projected to drop significantly**, reflecting a potential decrease in financial stability.
- The cash ratio, which measures cash and investments against current liabilities, is expected to decline, indicating a **tightening liquidity position**.
- Personal service and employee benefits as a percentage of total revenues are projected to remain stable, suggesting consistent expenditure patterns in this area.

Economic Environmental Indicators

- The economic environmental stress indicators, with the Town of Berne scoring 23.3 points, is classified as "**No Designation**."
- Key environmental metrics include changes in population, household public assistance rates, and median household income.
- The town experienced a **population decline of 3.8%** and a decrease in the percentage of households receiving **public assistance from 8.42% to 7.82%**.
- Median **household income** increased significantly from **\$75,595 in 2023 to \$99,375 in 2024**, indicating economic improvement.
- The **unemployment rate decreased from 11.20% to 8.80%**, reflecting a positive trend in local employment conditions.

Comparative Analysis

- The Town of Berne's financial and environmental indicators are compared against peer groups, including all towns and specific regional classifications.
- The town's fiscal stress scores are on the decline, suggesting relatively better fiscal health.

Town of Berne

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- Environmental stress indicators also show that **Berne performs comparably** to its peers, with some metrics indicating better outcomes, such as lower public assistance rates, increasing median incomes, higher property values, etc.

Conclusion/Recommendations

- Overall, the Town of Berne demonstrates a **mixed financial outlook**, with improvements in certain areas but potential challenges ahead.
- Continued monitoring of fiscal and environmental indicators will be essential to ensure sustainable financial health and address any emerging issues effectively. Specific areas of requiring monitoring include:
 - Expanding **cash reserves** (peer communities post over **900%** of annual expenses while Berne maintains a monthly average of **51%**). Total fund balance performance of peers suggests Berne should be closer to \$3.2m vs current \$737,904.
 - FY 2021 – 2024 posted an average of 29% of deficit spending; 2024 posted a **budget surplus of 2.4%** which is a significant improvement
 - **Personnel services** expenditure represents **64% of the revenue** collected by the town; **peer communities expend 37.5%**.
 - **Tax rates** per thousand are still **2.4% lower** than they were in **2012**; during this period, the US economy experienced an **annual average increase in inflation of 2.49%**; in summary, the tax levy overtime has not been reflective of cost increases and will require adjustment.
 - **Declining population** results in proportionally smaller allocation of sales tax revenue to Berne (3.8% in 2026)
- The data suggests a need for **strategic planning** to maintain fiscal stability while adapting to demographic and economic changes. This strategic planning includes:
 - Develop a **capital improvement program**, specifically designed to balance program needs and maximize cash flow/unencumbered fund balance. Debt service of the town is 1.5% of revenue; peer communities approximate 5%.
 - Establish **minimum fund balance/reserve fund** policy/goals

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Fiscal Stress Scores				
Agency	2021	2022	2023	Enviromental Score
Berne	6.7	16.3	28.8	26.7
Knox	-	-	-	-
Westerlo	0	3.3	3.3	10
Rensselaerville	0	0	3.3	10
Wright	0	0	0	13.3
Middleburg	3.3	3.3	3.3	23.3
Broome	3.3	3.3	3.3	36.7
Guilderland	-	0	3.3	0
New Scotland	0	0	25	0
Bethlehem	0	0	0	3.3
Coyemans	0	0	0	10
Colonie	31.3	12.5	0	0
City of Cohoes	3.3	3.3	3.3	6.7
City of Watervliet	12.5	12.5	26.3	0
City of Albany	47.9	47.9	57.9	20

Year	Rate per \$1000	Tax Levy Increase	Annual Inflation	Rate per \$1000 at Inflation
2012	4.814	1.48%	2.1%	
2013	4.820	0.12%	1.5%	4.915
2014	4.796	-0.50%	1.6%	4.989
2015	4.743	-1.11%	1.0%	5.069
2016	4.659	-1.77%	1.3%	5.119
2017	4.501	-3.39%	2.1%	5.186
2018	4.320	-4.02%	2.4%	5.295
2019	4.319	-0.02%	1.8%	5.422
2020	4.167	-3.52%	1.2%	5.519
2021	3.614	-13.27%	4.7%	5.586
2022	0.493	-86.36%	8.0%	5.848
2023	0.540	9.53%	4.1%	6.316
2024	4.609	753.52%	1.0%	6.575
2025	4.701	2.00%	2.0%	6.641

Town of Berne

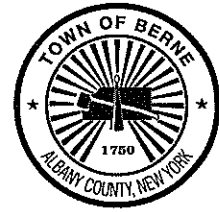
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Attachments

Town of Berne

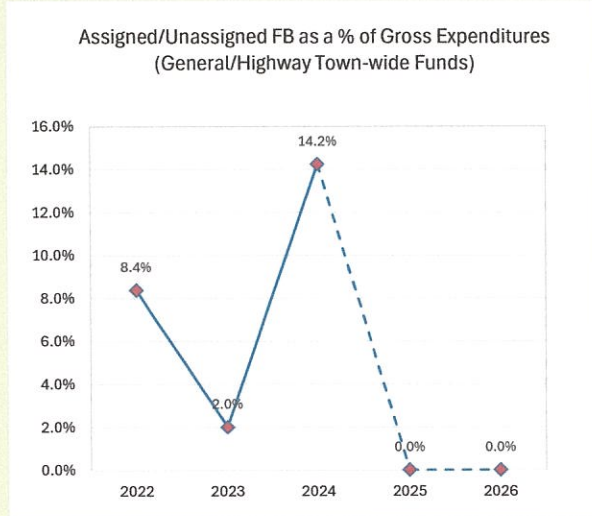
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**Disclaimer:**

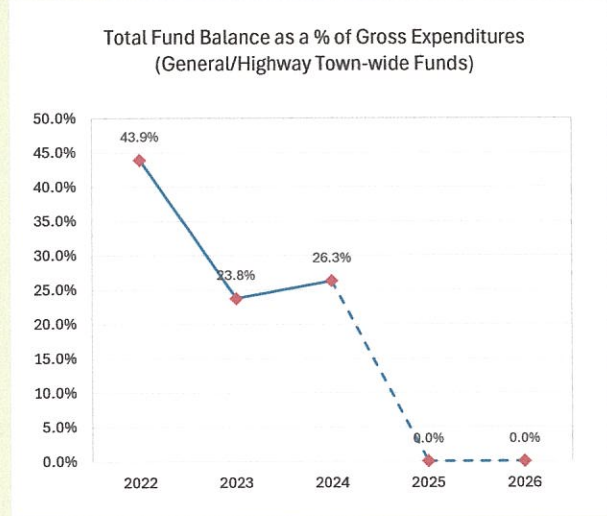
The attached documents contain materials reprinted from the *Office of the New York State Comptroller (OSC)* report titled "*Fiscal Stress Monitoring System, 2024*" (© [2013] Office of the New York State Comptroller). It is reproduced by the Town of Berne for public informational and educational purposes only. No commercial use is intended or authorized. The Town of Berne has not altered the content, findings, or conclusions of the

Town of Berne: Projected data for 2025 and 2026 are based on Projection Worksheet

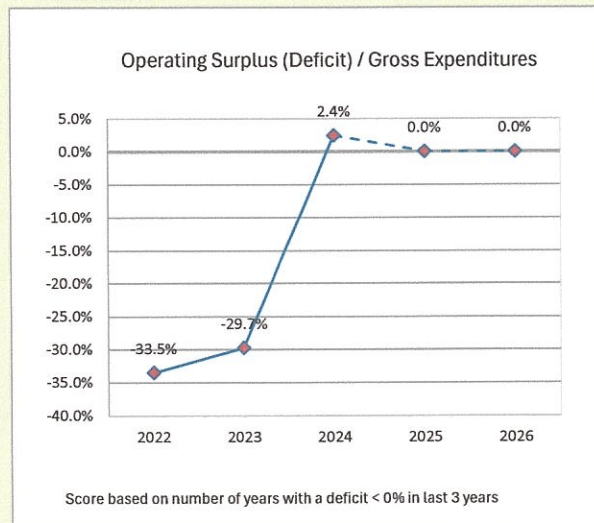
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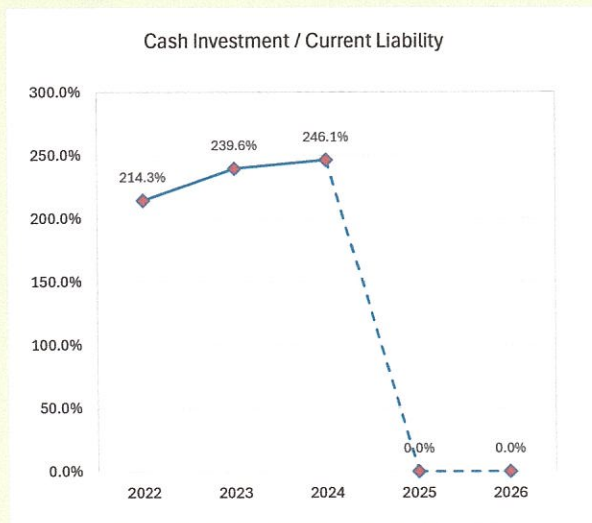
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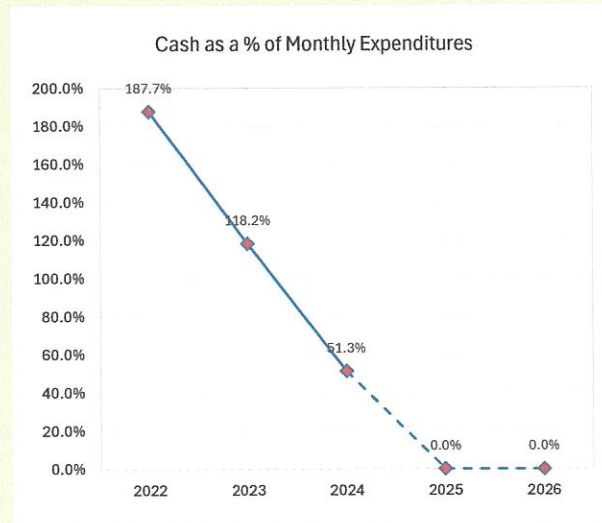
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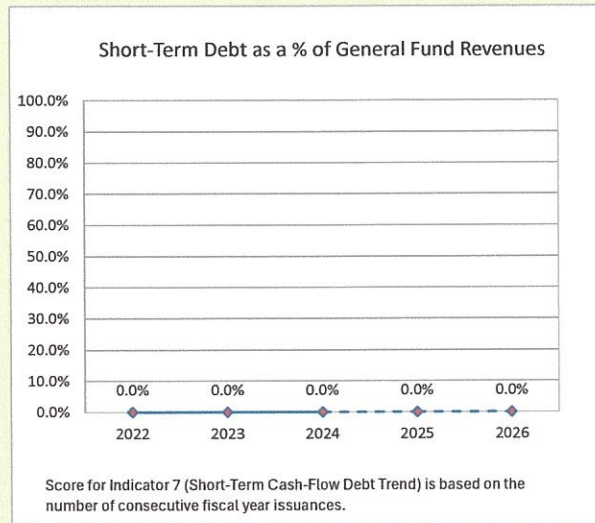
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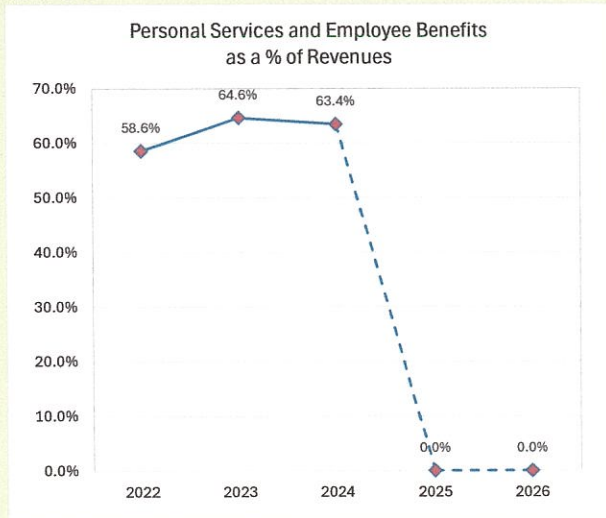
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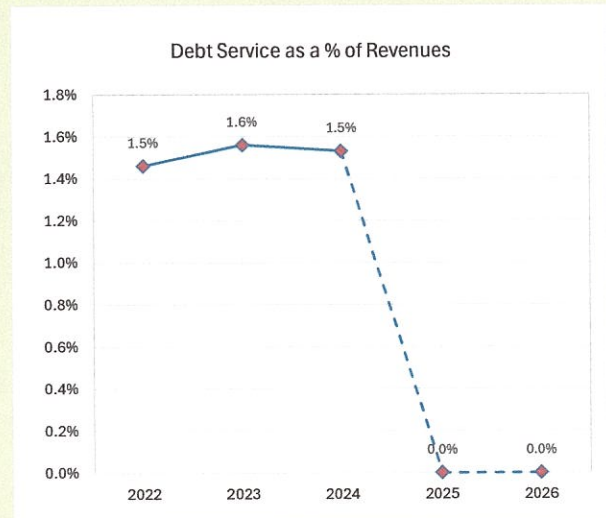
Indicator 6/7



Indicator 8



Indicator 9



These graphs are provided for informational purposes. Calculations are based on the financial information provided by the municipality. The last two data points of each graph are projection numbers entered by the user. OSC takes no responsibility for the accuracy of the projection or the submitted financial information.

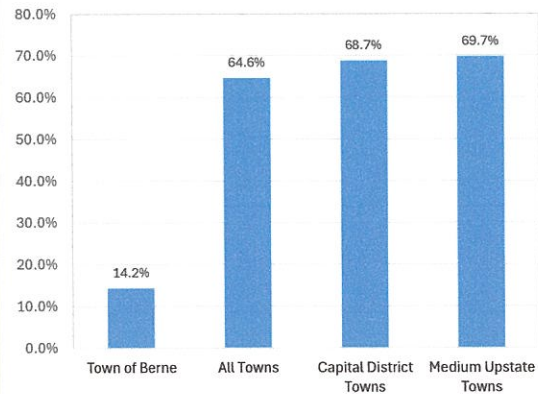
Data as of 8/29/2025

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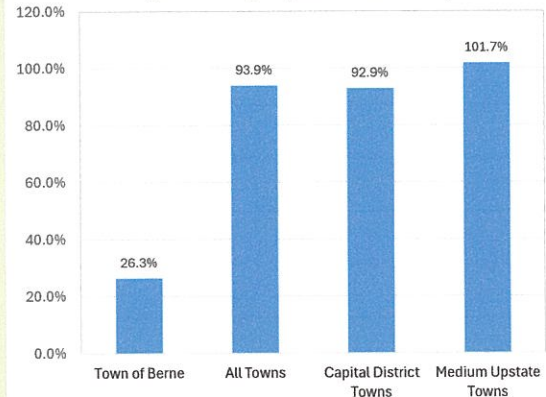
Indicator 1

Assigned/Unassigned FB as a % of Gross Expenditures
(General/Highway Town-wide Funds)



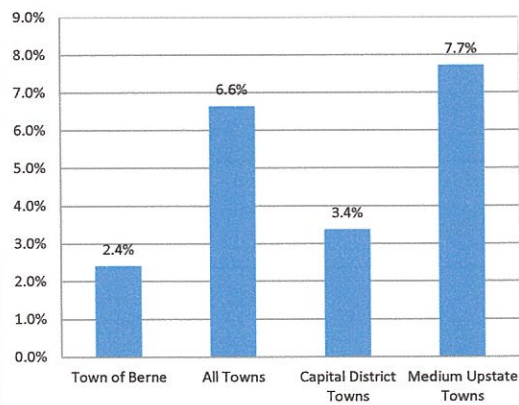
Indicator 2

Total Fund Balance as a % of Gross Expenditures
(General/Highway Town-wide Funds)



Indicator 3

Operating Surplus (Deficit) / Gross Expenditures

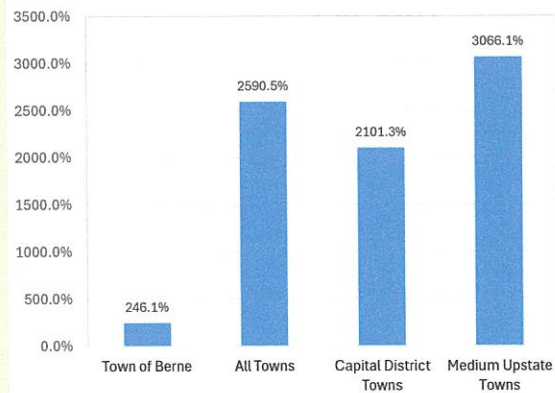


Peer Group Used in Comparison for all Indicators

All Towns	813
Capital District Towns	93
Medium Upstate Towns	279

Indicator 4

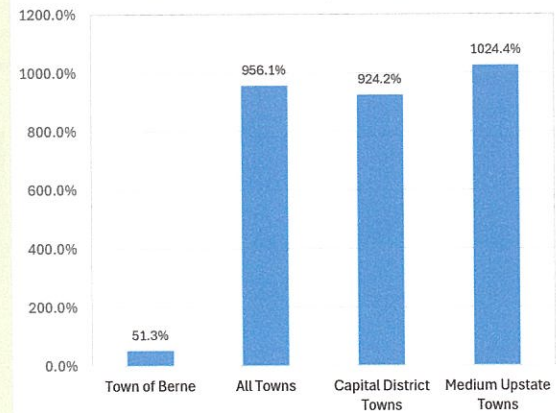
Cash Investment / Current Liability



Indicator 4's Peer Group scores are based on the median instead of the mean average.

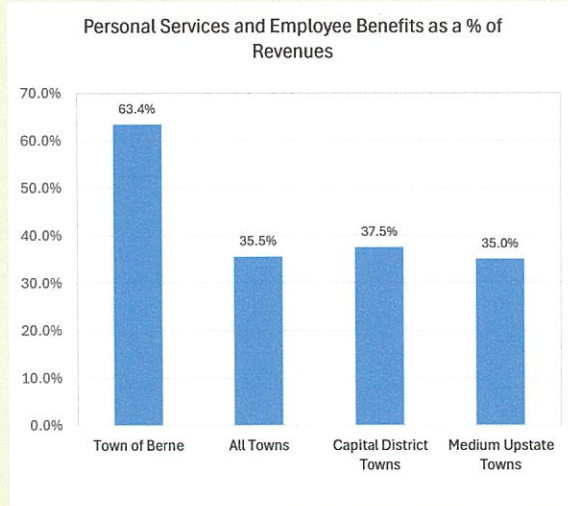
Indicator 5

Cash as a % of Monthly Expenditures

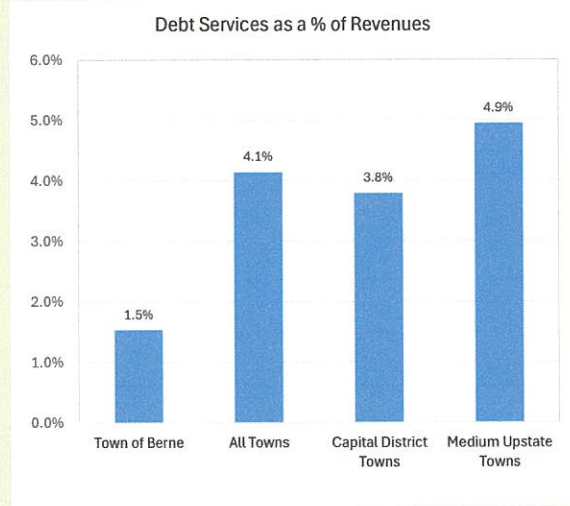


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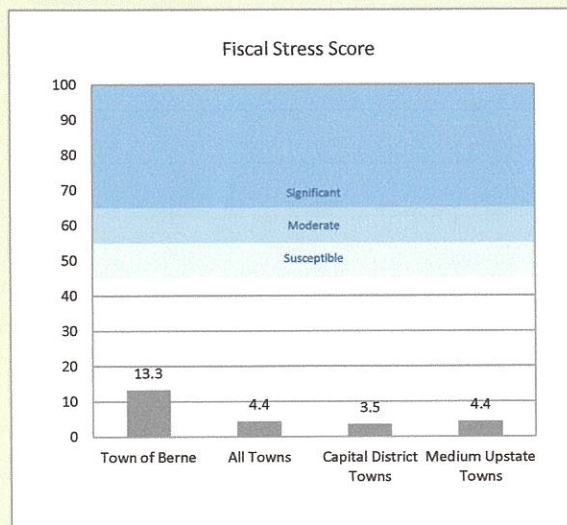
Indicator 8



Indicator 9



Fiscal Stress Score



This page provides graphical comparisons of financial indicators for the selected municipality against selected peer groups. Peer groups include data for municipalities for which current AUDs have been filed. The tables show the number of municipalities which are included in each selected peer group. Greater caution should be taken when the number of units in the comparison group is small.

Data as of 8/29/2025

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Name: Town of Berne
MuniCode: 010306800000
County: Albany

Fiscal Year End: 31-Dec
Year Last Filed: 2024

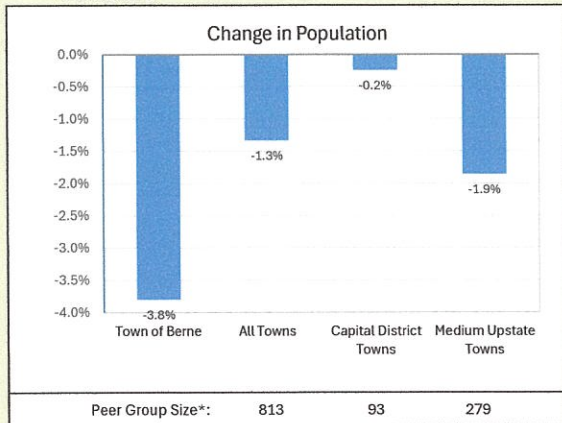
Fiscal Stress Environmental Indicators		Value		Score	
		2023	2024	2023	2024
1	Change in Population	-4.74%	-3.80%	6.67	6.67
2	Percent of Households with Public Assistance	8.42%	7.82%	0	0
3	Percent of Population Under 18 & Over 65	42.50%	43.40%	0	0
4	Percent Change in Home Value	34.95%	37.15%	0	0
5	Median Household Income	\$75,595	\$99,375	0	0
6	Unemployment Rate	11.20%	8.80%	6.67	3.33
7	Reliance on State and Federal Aid	23.52%	23.19%	13.33	13.33
Total Points*				26.7	23.3
Score Classification				No Designation	No Designation

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

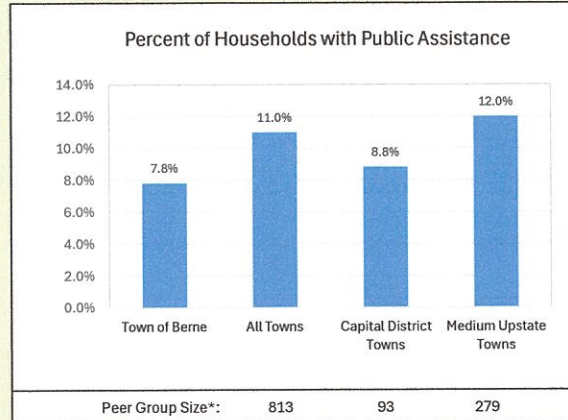
**Indicator points are rounded to two decimal places. Total points are rounded to one decimal place.*
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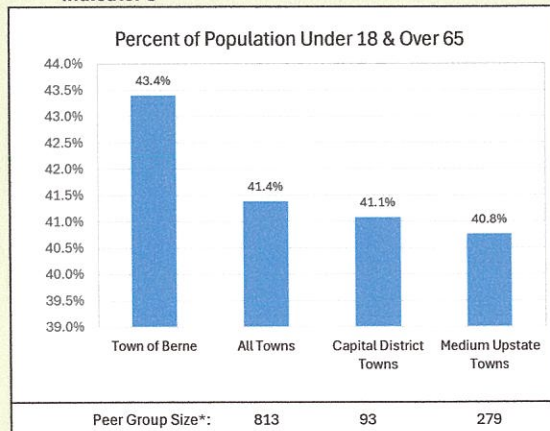
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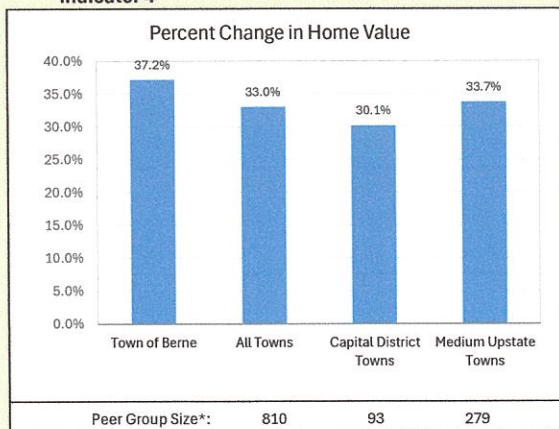
Indicator 2



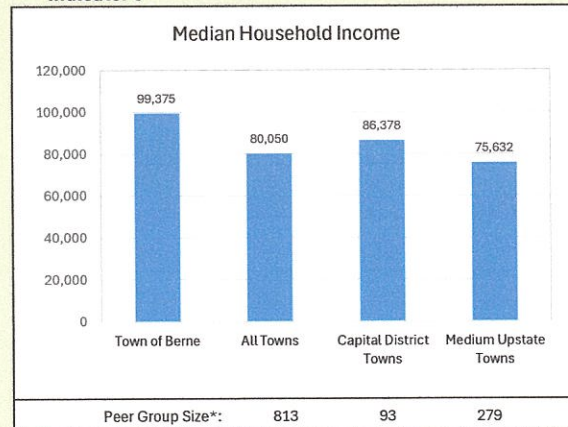
Indicator 3



Indicator 4

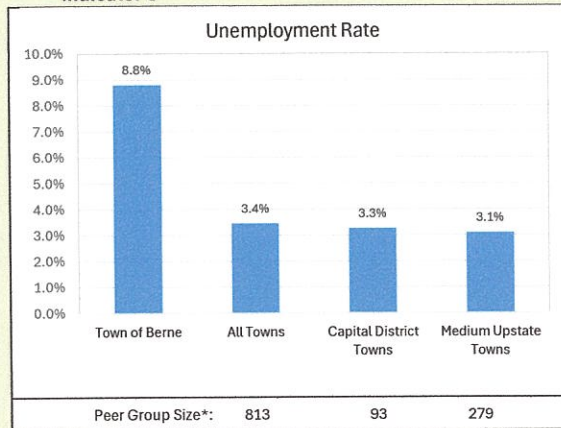


Indicator 5

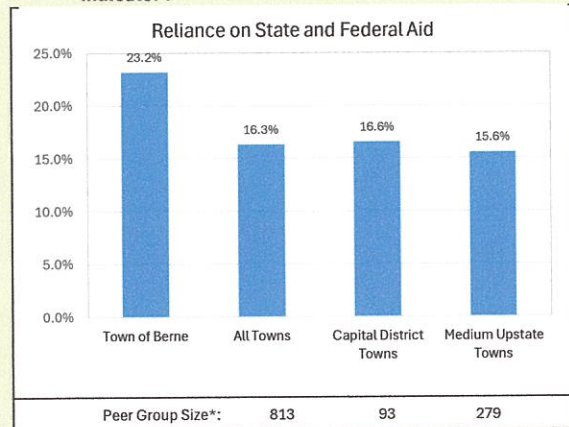


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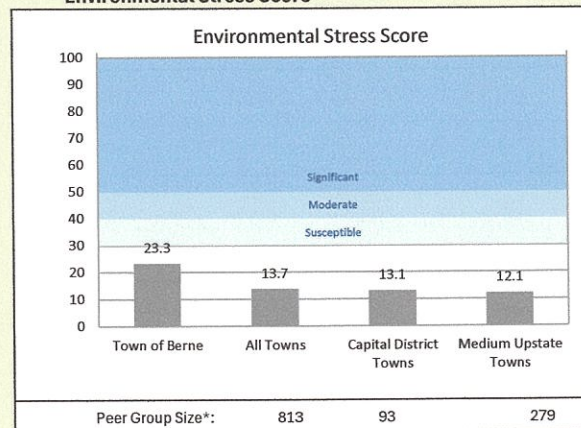
Indicator 6



Indicator 7



Environmental Stress Score



This page provides graphical comparisons of environmental indicators for the selected municipality against selected peer groups. Peer groups include data for municipalities for which current AUDs have been filed. The tables show the number of municipalities which are included in each selected peer group. Greater caution should be taken when the number of units in the comparison group is small.

*Peer group counts may slightly vary from indicator to indicator based on availability of data from various sources.

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