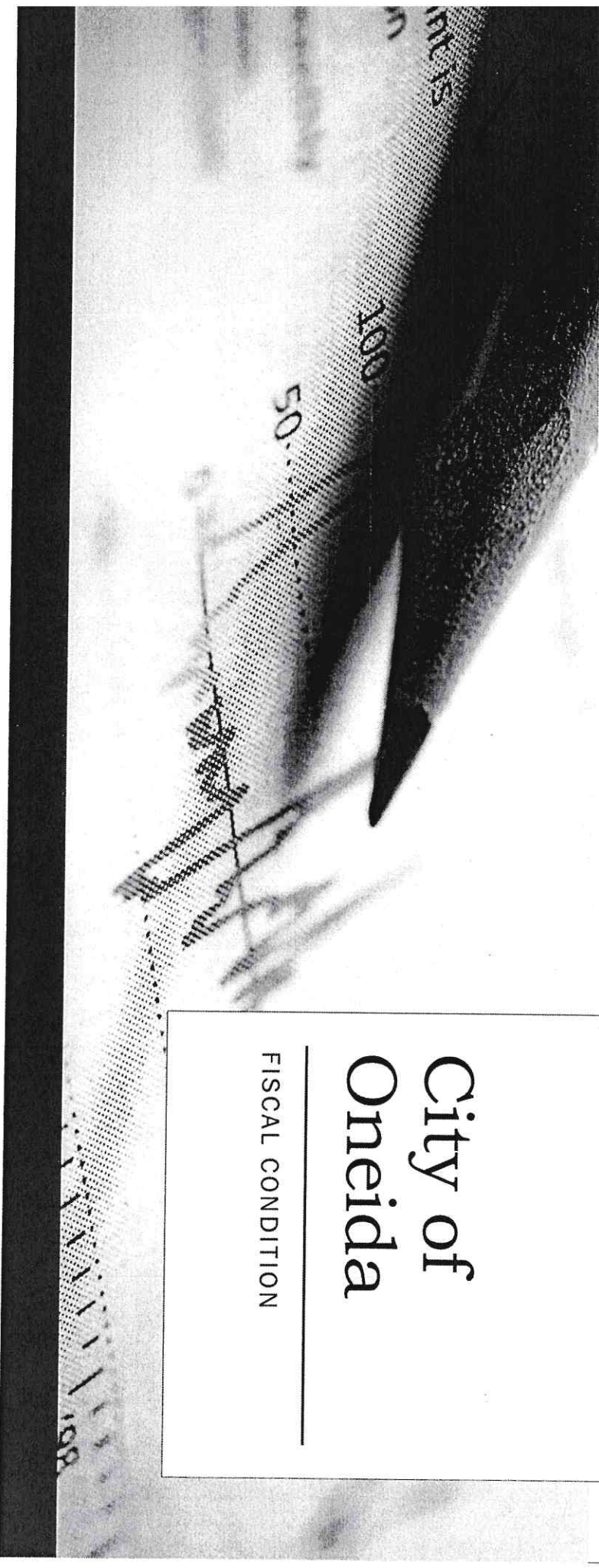


ATTACHMENT D

**RECEIVED**  
MAY 05 2026  
BY: \_\_\_\_\_

City of  
Oneida

FISCAL CONDITION



# Government Accounting in New York State

---

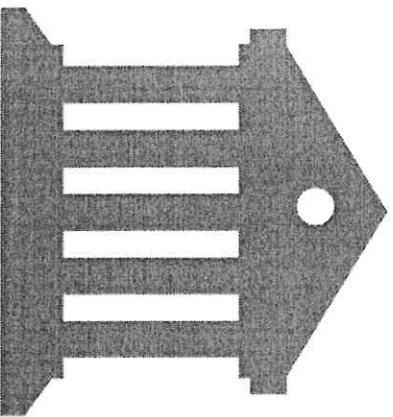
Governed by OSC (Office of the State Comptroller)

Municipalities use fund accounting

- Purpose: Accountability, transparency, and public trust

Types of funds:

- General Fund (A)
  - Funded by Taxpayers
- Special Revenue Funds (Water & Sewer)
  - Funded by water and sewer rents
- Capital Projects Fund (H)
  - Various funding sources-Serial bond, fund balance, grants



# Overview of Fund Accounting

---

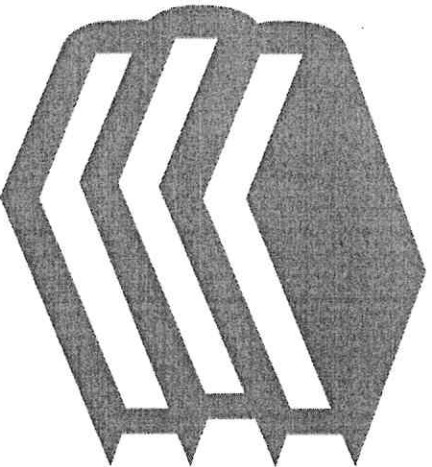
## - Why Fund Accounting?

- To segregate resources by purpose

## Emphasis on accountability over profitability

## Each fund has its own set of books

- Each Fund has a Fund Balance = Equity
- (Assets - Liabilities = Equity)
- Fund Balance is what the municipality has left after all revenues and expenses have been considered.
- Revenues increase fund balance while expenses decrease
- The State recommends they keep a "reasonable" amount of fund balance but does not give a specific requirement. The fund balance is compared as a percentage of the budget.
- Need to be sure there is not too much or too little fund balance available. Fund Balance policy is recommended at 20%, however in the current fiscal environment the City is forced to drop this to a 15% policy. Reducing the fund balance reduces your credit rating and credit worthiness.



# Tax Rate Information

---

- Each 1% increase in the tax rate = approx. \$56,000 in additional revenue for the city

- The 2025 Council authorized the use of \$1,679,259 in Fund Balance. This is equal to approx. 30% tax increase.

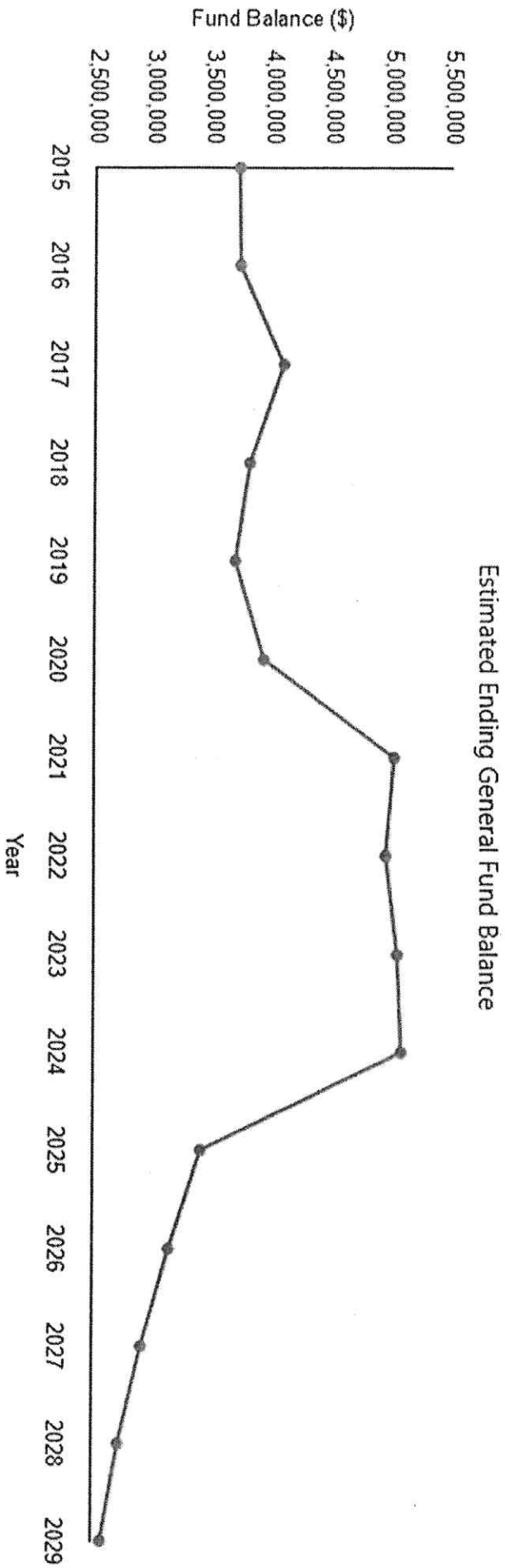
**CITY OF ONEIDA**  
2015-2026 General Fund Balance Budget

	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Actual 2020	Actual 2021	Actual 2022	Actual 2023	Actual 2024	Adjusted 2025	Adjusted 2026
<b>Total Beginning Fund Balance</b>	<b>4,127,121</b>	<b>3,725,135</b>	<b>3,732,166</b>	<b>4,096,087</b>	<b>3,813,838</b>	<b>3,693,468</b>	<b>3,931,575</b>	<b>5,029,409</b>	<b>4,959,820</b>	<b>5,055,010</b>	<b>5,088,083</b>	<b>3,408,825</b>
<b>Estimated Revenues:</b>												
Property Tax Levy	3,525,937	3,790,383	3,886,547	4,211,571	4,655,449	4,684,133	5,010,572	4,972,654	5,161,995	5,298,041	5,458,045	5,950,119
Other Property Tax Items	205,699	215,295	258,359	201,736	226,543	211,730	123,376	123,842	237,003	153,055	134,052	190,879
Non Property Tax Items	4,738,507	4,677,591	4,885,766	4,707,367	5,051,939	5,720,360	6,458,319	6,747,732	7,242,096	7,066,963	6,742,390	7,814,437
Departmental	193,363	176,128	185,494	197,601	193,464	115,202	181,514	190,216	216,210	24,271	226,097	269,670
Interdepartmental Charges	20,282	13,348	22,526	2,391	13,099	22,466	98,663	20,793	20,994	20,994	48,287	96,525
Tribal Compact Money	162,861	202,152	185,837	163,009	210,184	203,326	205,165	206,673	204,102	200,000	200,000	205,000
Use of Money & Property	23,339	15,643	12,431	17,580	39,707	20,664	43,975	27,605	106,809	85,126	128,163	84,805
Licenses and Permits	94,029	49,230	279,954	148,887	82,338	56,404	109,830	63,776	56,352	47,793	96,173	57,590
Utilities and Rentals	89,583	103,177	100,346	98,874	84,966	50,215	35,459	45,249	36,249	39,249	40,743	44,000
Fine and Forfeitures	217,605	24,154	119,522	94,904	145,379	66,535	105,034	75,108	476,497	157,342	39,598	142,480
State of Property & Compensation for Loss	33,946	24,800	(30,980)	6,596	16,130	4,884	2,627	13,449	-	175,602	3,043	1,000
Miscellaneous	1,907,860	1,907,860	2,028,436	1,986,834	1,997,741	1,691,744	2,443,482	2,180,132	2,127,606	2,127,606	2,234,263	2,336,302
State Aid	237,317	192,616	134,709	119,619	253,781	472,821	298,917	275,470	481,236	260,253	270,925	590,381
Transfer from Other Funds	-	-	-	-	-	-	-	-	52,743	106,370	7,800	102,200
<b>Total Estimated Revenues</b>	<b>11,456,965</b>	<b>11,992,357</b>	<b>12,069,047</b>	<b>11,956,979</b>	<b>12,970,722</b>	<b>13,320,488</b>	<b>15,116,933</b>	<b>14,942,698</b>	<b>16,422,892</b>	<b>15,883,692</b>	<b>15,205,673</b>	<b>17,885,328</b>
Percentage of Change from Prior Year	-	-0.6%	5.9%	-0.5%	8.5%	2.7%	13.5%	-1.2%	9.8%	-3.3%	-1.1%	15.3%
<b>Estimated Expenditures</b>												
General Govt Support	1,204,098	1,102,312	1,147,589	1,289,363	1,314,082	1,454,022	2,045,409	1,630,939	1,956,961	1,751,341	1,833,025	2,023,866
Public Safety	3,985,975	3,942,832	4,184,325	4,340,812	4,523,634	4,611,438	4,732,797	5,137,588	5,737,053	5,556,887	6,463,007	6,384,747
Public Health	18,463	20,587	5,806	69,348	74,327	83,803	46,761	70,013	63,422	23,087	700	-
Transportation	1,368,807	1,059,393	1,071,352	1,265,078	1,523,458	1,263,243	1,361,334	1,214,351	1,401,428	1,502,287	1,638,937	1,665,465
Economic Assistance and Opportunity	1,500	1,500	750	1,000	1,000	263,041	373,134	476,659	469,000	454,810	500,477	483,622
Culture and Recreation	365,157	352,154	404,231	477,999	459,074	285,824	347,218	413,847	388,375	359,531	278,761	312,021
Home and Community Services	174,737	396,183	427,639	210,083	225,579	2,858,824	4,254,085	4,092,028	4,620,637	5,117,379	5,398,324	5,847,264
Employee Benefits	3,906,488	3,981,447	4,083,804	4,069,739	4,003,888	4,092,028	4,254,085	4,092,028	4,092,028	4,092,028	4,092,028	4,092,028
Debt Service-Principal	403,643	425,377	437,208	365,000	591,560	704,758	698,000	1,095,436	993,405	694,713	737,590	706,686
Debt Service-Interest	86,056	95,727	108,577	109,017	158,545	173,697	154,656	135,016	115,793	108,481	85,172	75,573
Transfer to Other Funds	343,827	8,874	(166,154)	38,789	215,325	159,507	5,705	219,155	73,108	33,551	17,884,932	18,150,879
<b>Total Estimated Expenditures</b>	<b>11,858,951</b>	<b>11,385,326</b>	<b>11,705,126</b>	<b>12,229,228</b>	<b>13,091,092</b>	<b>13,082,681</b>	<b>14,019,099</b>	<b>15,013,642</b>	<b>16,315,923</b>	<b>15,883,032</b>	<b>17,384,932</b>	<b>18,150,879</b>
Percentage of Change from Prior Year	-	-4.0%	2.8%	-4.6%	7.0%	-0.1%	7.2%	7.1%	8.7%	-2.7%	9.5%	-4.3%
<b>Net Change in Fund Balance</b>	<b>(401,986)</b>	<b>7,011</b>	<b>363,921</b>	<b>(282,249)</b>	<b>(120,370)</b>	<b>238,107</b>	<b>1,097,834</b>	<b>(70,944)</b>	<b>106,968</b>	<b>670</b>	<b>(1,679,259)</b>	<b>(265,551)</b>
<b>Fund Balance</b>	<b>4,127,121</b>	<b>3,725,135</b>	<b>3,732,166</b>	<b>4,096,087</b>	<b>3,813,838</b>	<b>3,693,468</b>	<b>3,931,575</b>	<b>5,029,409</b>	<b>4,959,820</b>	<b>5,055,010</b>	<b>5,088,083</b>	<b>3,408,825</b>
Beginning Balance	(401,986)	7,011	363,921	(282,249)	(120,370)	238,107	1,097,834	(70,944)	106,968	670	(1,679,259)	(265,551)
Leases & Subscriptions	4,127,121	3,725,135	3,732,166	4,096,087	3,813,838	3,693,468	3,931,575	5,029,409	4,959,820	5,055,010	5,088,083	3,408,825
Prior Year Adjustment	(401,986)	7,011	363,921	(282,249)	(120,370)	238,107	1,097,834	(70,944)	106,968	670	(1,679,259)	(265,551)
Estimated Ending Fund Balance	3,725,135	3,732,166	4,096,087	3,813,838	3,693,468	3,931,575	5,029,409	4,959,820	5,055,010	5,088,083	3,408,825	3,143,274
Percentage of Change from Prior Year	-	0.2%	9.8%	-6.9%	-3.2%	6.4%	27.9%	-1.4%	1.9%	0.7%	-33.0%	-7.8%
<b>Fund Balance as a Percentage of the Budget</b>	<b>31.41%</b>	<b>32.78%</b>	<b>34.99%</b>	<b>31.16%</b>	<b>28.21%</b>	<b>30.05%</b>	<b>35.89%</b>	<b>33.03%</b>	<b>30.98%</b>	<b>32.03%</b>	<b>19.61%</b>	<b>17.32%</b>

	2027	2028	2029
<b>Fund Balance</b>			
Beginning Balance	3,143,274	2,914,599	2,726,337
Leases & Subscriptions			
Prior Year Adjustment			
(Appropriated)/Surplus Fund Balance	(228,675)	(188,262)	(144,081)
<b>Estimated Ending Fund Balance</b>	<b>2,914,599</b>	<b>2,726,337</b>	<b>2,582,256</b>
<i>Percentage of Change from Prior Year</i>	-7.3%	-6.5%	-5.3%
<b>Fund Balance as a Percentage of the Budget</b>	<b>15.43%</b>	<b>13.88%</b>	<b>12.63%</b>

# Fund Balance Projections

# Fund Balance Past and Future



# Fund Balance Points of Interest

---

Additional Budget Amendments over \$400,000 going forward for 2026 will reduce the Fund balance below 15%

In 2025 the Common Council authorized \$1,290,776 over the approved adopted budget fund balance appropriation of \$388,477.

The additional 2025 authorized fund balance of \$1,290,776 is equal to a 23% tax rate increase.

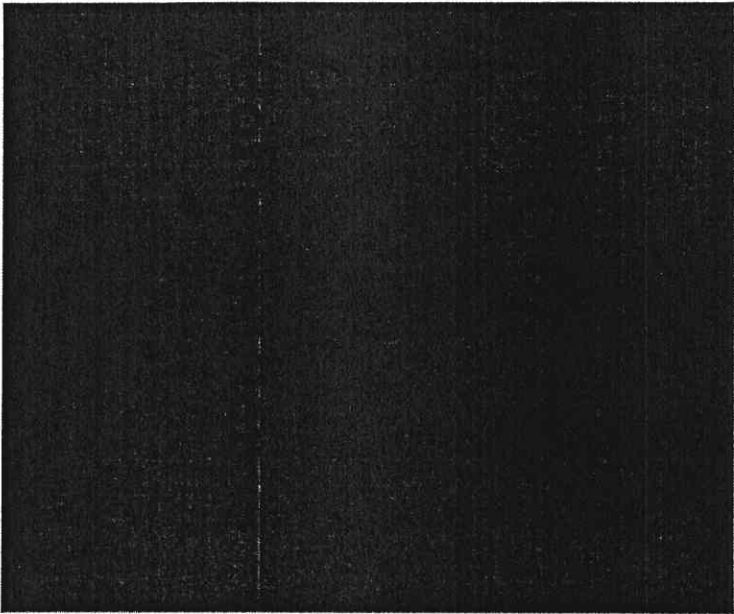
# Problems with low fund balance

∅ Creditworthiness may downgrade. We currently have an A+ with a stable outlook rating from Standard and Poors. The Standard and Poors rating is crucial in our bond sale rates.

∅ Part of their report states:

Oneida, NY GO Debt Rating Lowered To 'A+'  
On Weakened Financial Performance; 2026 Public  
Improvement Bonds Rated 'A+'

Before fiscal 2025, the city had a history of stable operating performance and higher reserves that offset weaker economic and liability metrics. We also note that management has historically incorporated relatively high current costs and fluctuating sales tax revenues into its budget while maintaining structural balance.



## Pitfalls

1. Using fund balance to cover budget gaps at the end of the FY without making formal budget modifications. ("It will all work out in the end" is not the proper attitude.)
2. Appropriating nonexistent fund balance in the budget, causing a structurally unbalanced budget. (This is budgeting for a fictitious revenue.)

THE COMPASS GROUP  
THOMAS P. DIMAPOLI

## Pitfalls (cont'd.)

3. Consistently budgeting for appropriated fund balance, and experiencing budget surpluses. (Can be a sign of over taxation, poor budgeting practices, not having formal plans.)
4. Consistently appropriating fund balance to comply with tax cap or to keep taxes low, causing excessive tax increases in a subsequent year. (When you run out of fund balance, rates generally have to increase exponentially.)

THE COMPASS GROUP  
THOMAS P. DIMAPOLI

2026 Bond / BAN		Long Term Bond	2026-2051	
2019 WWTP Expansion			\$ 47,033,328	Principal
			\$ 30,870,441	Interest
2025 Glenmore Dam Repair		Short Term-1Yr BAN	\$ 14,000,000	Principal
			\$ 490,000	Interest

2026 BAN

Bond Issuance

General Fund Debt Principal	\$	2,278,000
Water Fund Debt Principal	\$	21,290,000
Sewer Fund Debt Principal	\$	51,684,080
City of Oneida-Total Overall Debt-Principal Only	\$	75,252,080