Module 7 Case Study: Financial Condition Analysis for the City of Albany

Context

In this case, you will use New York State's Fiscal Stress Monitoring System (FSMS) to evaluate the City of Albany's financial condition. You will identify and define the FSMS financial indicators, review Albany's indicators over time, compare Albany with peer cities, and explain what the indicators mean in plain language for local residents. You will conclude with a 1–2 page memo addressed to Albany residents summarizing your findings.

FSMS search tool: https://wwe1.osc.state.ny.us/localgov/fiscalmonitoring/fsms.cfm

Office of the State Comptroller FSMS manual (definitions & scoring): https://www.osc.ny.gov/files/local-government/fiscal-monitoring/pdf/system-manual.pdf

The most recent year scored is **fiscal year 2025**, so the three years you will look at are 2023, 2024 and 2025. This is the same City whose audited 2025 statements you read in Module 6. FSMS uses the annual financial report the City files with the State Comptroller, not the audited statements, so a few figures differ slightly from Module 6. Use the FSMS figures in this case.

Record your figures in the workbook below and submit it along with your memo:

- `Module 7_case_template_City-of-Albany_2026.xlsx`

Instructions

Step 1: Find City of Albany in the FSMS tool

Open the FSMS search tool and search for Albany. More than one Albany government appears in the table. Use the row whose Class is **City**. See the most recent fiscal stress score and designation. Click into Albany's score sheets (or download the Self-Assessment Tool workbook) to view indicator-level data and prior-year scores (see different tabs in the Excel file).

Step 2: Identify and define the indicators

Using the FSMS Manual together with the online data, choose **five of the nine financial indicators** used by FSMS, and define them. Focus only on the financial indicators and do not include the environmental indicators. Based on this week's readings and lecture, explain what each indicator measures and why it matters for a city's financial condition. Identify which indicators represent liquidity, which reflect long-term debt burden, which capture budget deficits or surpluses, and which measure fund balance or reserves. You may consult GenAI to help clarify or check your definitions.

Step 3: Trend analysis for Albany

Collect the past three years (2023–2025) of Albany's overall fiscal stress scores, and review any changes in the five financial indicators you chose. Describe the overall trend and direction of Albany's liquidity, debt burden, budget balance, and fund balance over this time period. Explain whether Albany's financial condition appears to be improving, stable, or weakening.

Step 4: Peer comparison

Identify a set of peer cities for comparison (see the "Financial Comparison" tab of the Excel file you download). You may choose other cities of similar population size or similar geographic region. Compare Albany's most recent financial indicators with those of its peers. Explain whether Albany is performing better, worse, or roughly the same as its peers in the five financial ratios you picked.

Step 5: Write the memo (1–2 pages)

Write a one- to two-page memo addressed to the residents of the City of Albany. Your goal is to provide a brief, neutral, and clear explanation of Albany's fiscal condition. In your memo, explain what the five financial indicators mean in plain language, state Albany's current fiscal stress designation and what it implies for the city, and describe whether Albany's fiscal condition has improved, remained stable, or weakened over the past three years. Refer to one or two of the indicators that most strongly influence Albany's overall score. Explain how Albany compares with its peer cities.

What to submit

Submit a one- to two-page memo to Albany residents summarizing Albany's fiscal condition, trends over time, comparison with peer cities, and the meaning of the key financial indicators.

Record the figures in this workbook, and submit the completed workbook along with your memo:

- `Module 7_case_template_City-of-Albany_2026.xlsx`

The sheet "Albany 2023 to 2025" covers Steps 2 and 3; the sheet "Peer comparison 2025" covers Step 4.

AI-use disclosure: You may use an AI tool on this case. At the end of your memo, note which tool you used, what you asked it to do, and one thing it produced that you checked against the FSMS workbook and corrected.