

WARREN COUNTY TREASURER

To: All Supervisors and Department Heads
From: Christine V. Norton Treasurer
Date: February 6, 2026
Subj: *December 2025 Budget Variance Report (BVR)*

Budget Variance Report (BVR)

One of the primary purposes of the monthly Budget Variance Report (BVR) is to keep the County Supervisors and Administration informed of any issues that could pose potential budgetary problems in the near future and/or down the road. By identifying these concerns early, appropriate action can be taken to address them before they develop into significant challenges.

We have analyzed the revenue and expenditure budgets for the County departments as of December 31, 2025 on a preliminary basis.

Please note that we have not closed the year as of this date and there will be significant additional revenues and expenditures posted until we officially close the books over the next few months (March 31, 2026).

We will provide final 2025 numbers end of April/beginning of May, 2026. We have noted the following items Supervisors should be aware of.

EXECUTIVE SUMMARY, with page notations for details:

- **General Fund Balance:** Balance of Surplus Exceeding/(Below) the required Minimum Fund Balance: ***\$(1.5) M.*** (p 2 & 3)
- **Peckham Phishing Scheme:** The County of Warren fell victim to a phishing scheme. Two ACH transactions were processed against legitimate Peckham invoices but to a fraudulent bank account. The second ACH of \$1.2M was still in progress on 12/23 and was able to be reversed, resulting in recovery of these funds on 1/3/26. To date \$256K of the initial \$2.1M ACH has been returned to the County, with Federal, State and local law enforcement agencies freezing a number of potential recovery accounts in early January with more efforts in progress. Multiple county departments are working together to put additional policies and procedures in place to mitigate any risk of a similar event happening again.

- **Adult Use Cannabis (AUC) revenue:** 2025 AUC revenues were distributed to the municipalities in late January. We are working with the County Attorney on necessary Board resolutions if/when necessary.
- **ARPA:** All awards are on track to be spent by the end of 2026. (p 3)
- **Sales Tax:** There was a 1.9% increase in sales tax in 2025 vs. 2024. The 2026 sales tax budget is based on 2024 actual sales tax received plus \$1M. (p 4)
- **CDTA:** There was a **29%** YOY increase in CDTA fees in 2025 (\$1.1M in 2025 vs. \$860K in 2024), due to the increase in the additional mortgage tax revenue. (p 5)
- **Psychiatric Exp/Criminal/730 Exams:** 2025 actual costs for this expense exceeded budget by **83%** (\$1.1M vs \$600K). The 2025 budget was underfunded by **63%** compared to 2024 actual (\$600K vs. \$1.6M). (p 6)

DECEMBER BVR DETAILS:

- **General Fund Balance:**

The following shows the balance of unappropriated surplus for the General Fund as of the date of this report compared to the minimum balance needed to operate which equates to two months of operating expenses or 16.7%.

Fund Balance Surplus - 2024	\$37.9M
Appropriated For 2025 Budget	<u>\$(1.9)M</u>
Unappropriated Surplus - 2024	\$35.9M
Additional Appropriated During 2025	<u>\$(4.2)M*</u>
Balance Unappropriated Surplus 2025	\$31.7 M
Minimum Surplus Balance Needed (2 months operating expense)	<u>\$33.2M</u>
Balance of Surplus Exceeding/(Below) Minimum Balance	<u>\$(1.5)M</u>

Last year at this time we were approximately **\$(250)K** below the minimum fund balance, but after we closed out the 2024 year end on March 31, 2025, this “surplus *below* minimum balance” shifted to a “surplus *exceeding* the minimum balance” of \$2.1M (an 11% shift) . We will be closely monitoring and reporting on significant 2025 favorable/unfavorable variances that shift the December 31, 2025 “surplus below the minimum balance” of **\$(1.5)M**, to determine what, if any, corrective budgetary action can be taken go forward.

*** - The details of the Additional Appropriated Surplus through December 2025 is as follows:**

Date	Resolution	Description	Amount
03/23/2025	129	Treasurer - Insurance Reserve Fund	\$52,786
04/14/2025	162	Legislative Board - Office Chairs	\$986
04/14/2025	164	County Clerk - Travel/Education/Conference	\$4,500
04/30/2025	128	Various - CSEA grade allocation for certain titles	\$38,748
07/23/2025	266	Sheriff - CBA - Salaries/ Overtime shortfalls	\$598,171
07/23/2025	271	Treasurer - Cash Vest (Three Plus One) contract	\$45,500
07/23/2025	273	Treasurer - Countywide new Time Management system	\$105,380
09/23/2025	339	Mental Health - Psychiatric Exp/Criminal	\$500,000
10/20/2025	394	Social Services -Medicaid	\$225,880
11/7/2025	405	Food Bank contribution	\$150,000
12/22/2025	530	Sheriff -salaries	\$370,000
12/22/2025	525	Sheriff – animal control services	\$ 10,000
12/22/2025	521	Bldgs and Grounds -boiler replacement	\$ 20,958
12/31/2025	12*2026	DPW–funds lost from Peckham phishing scheme	\$2,132,480
			\$4,255,390*

American Rescue Plan Act (ARPA) dollars:

As of 12/31/2024, the entire amount of ARPA funding received has been obligated and we have completed our 2025 reporting. The breakdown between expended and encumbered is as follows:

	<u>12/31/2025</u>
ARPA Funding Received	\$ 12,420,372
Expended to Date	\$ (11,995,245)
Encumbered to Date	<u>\$ (425,127)</u>
Unobligated Balance	<u>\$ -</u>

We will have continued reporting and monitoring of subrecipient and County requirements for 2026. Any subrecipient and County unspent funds as of 12/31/26 will have to be returned to the US Treasury.

REVENUES

Sales Tax:

The summary below is also provided to the supervisors in the bi-weekly sales tax update emails. FYI...all NYS counties averaged a **3.6%** increase in 2025.

- We have collected \$1,435,360 more in sales taxes through December 31, 2025 than we did through December 31, 2024 which is a **1.9%** increase.
- We have received \$1,206,314 more in sales tax through December 31, 2025 than budgeted, which is a 1.62 % increase.
- The net County budget surplus after accounting for the distribution to the Towns and Village is \$639K.

Interest & Earnings

As of December 31, the department has received \$1,743,650 in Interest & Earnings in 2025 vs. \$2,033,385 in 2024 which is a decrease of **14%**.

- The 14% decrease in interest income is the result of a timing difference due to our investment in a second US Treasury Note of \$15M invested based on our Cashvest strategy. We will see the positive results of this investment in Q1 2026 (20bp increase).
- We also opened another Insured Cash Sweep account for the Culvert Repairs Bond. The Insured Cash Sweep account yields a 3.6% interest rate comparing to a 2% rate on a demand deposit account. The interest earned on this account can only be used to offset the debt payments.

Occupancy Tax:

Due to Warren County's modified accrual accounting, the 2025 total occ tax revenue will continue to increase through March 31,2025.

- The December 31,2025 collections (as of the end of January) is \$7,090,136 and the 2024 collections through the same time frame was \$7,082,185 (.1% increase YTD).
- We have numerous payments that we are working on recording in the financial system as soon as possible and we anticipate surpassing last years total occ tax revenue of \$8.1M.

County Clerk:

- **County Clerk Fees:** As of December 31, the department has received \$1,371,641 in 2025 and \$1,150,181 in 2024 which is an increase of **16%**. The 2025 actual revenue is **8%** ahead of expected 2025 budgeted amounts.
- **Mortgage Tax:**
 - As of November 30th, the department has received \$2.1M in Mortgage Tax in 2025 and \$1.8M in 2024 which is an increase of **17%**.
 - 2025 actual revenue is **0.4%** ahead of expected budgeted amounts.
 - The CDTA contract is paid with 100% of the County's allocated additional mortgage tax. This additional mortgage tax increases/decreases in line with overall mortgage tax. *In 2024 we paid \$859,801 to CDTA and in 2025 we paid \$1,110,779 which represents a 29% increase YOY.*
- **Automobile tax** –as of December 31, the department has received \$464,737 in 2025 and \$481,906 in 2024 which is a 3.7% decrease. The 2025 actual revenue is 2.2% behind the budgeted amount.

Building & Fire Code:

- **Building permits** – As of December 31, the department received \$291,799 in building permits in 2025 and \$267,696 in 2024 which is an increase of **8%** and the 2025 actual revenue is 6% ahead of expected 2025 budgeted amounts.
 - The size and number of projects in any given year is the contributing factor to this increase. With the recent increase in fees, the department should see an even stronger growth in 2026.

Unpaid County Federal/State Claims

As of December 31, 2025, the County has \$1,503,934 in unpaid claims that are more than 90 days old, of which \$563,427 (37%) are over a year old. The following shows the breakdown by department.

Unpaid Federal/State Claims
More than 90 Days Old
12/31/2025

<u>Department</u>	<u>90-365 Days</u>	<u>Over 1 Year</u>	<u>Total</u>
DPW - Road/Bridges	\$ 703,392	\$ 514,115	\$ 1,217,507
Public Health	43,487	38,086	\$ 81,573
Planning	-	-	\$ -
DPW - Airport	896	11,226	\$ 12,122
DPW - Bldgs	75,338	-	\$ 75,338
Public Defender	4,911	-	\$ 4,911
Office of the Aging	112,483	-	112,483
	<u>\$ 940,507</u>	<u>\$ 563,427</u>	<u>\$ 1,503,934</u>

We work with the departments on a quarterly basis to address and resolve these delinquent reimbursements.

EXPENDITURES:

Psychiatric Exp/Criminal:

The final costs for this expense in 2025 are \$1.1M compared to the 2025 budget of \$600K, resulting in an \$549K, or 83%, unfavorable budget to actual variance.

- The 2025 budget of \$600K was underfunded by 63% compared to the 2024 actual expenses of \$1.6M.
- 2026 budget efforts will focus on historical actuals, which can then be further amended by the Budget Officer.

We continue to work with NYSAC, our local state legislators, and WC Supervisors and Department Heads (Mental Health, District Attorney, Public Defender), to look for ways to reduce these County costs in the future.

The following analysis shows the history of psychiatric criminal evaluation costs from 2016 to 2025:

	ACTUALS									BUDGET		BUDGET
	2016	2017	2018	2019	2020	2021	2022	2023	2024**	2025 Budget**	2025	2026 Budget**
50/50 County/NYS	\$28,200	\$3,900	\$103,000	\$21,100	\$42,200							
County ONLY						\$222,300	\$306,800	\$846,200	\$1,655,426	\$600,000	\$1,139,351	\$800,000
\$\$\$ Change		-\$24,300	\$99,100	-\$81,900	\$21,100	\$180,100	\$84,500	\$539,400	\$809,226	-\$1,055,426	-\$516,075	-\$339,351
% Change		-86%	2541%	-80%	100%	427%	38%	176%	96%	-64%	-64%	-30%
NYS STOPPED 50% Funding in 2021						X	X	X	X	X	X	X
2021-2024 Increase in Exam \$\$\$						<-----	\$1,433,126		----->		\$917,051	
						<-----	645%		----->		413%	
2016-2024 Increase in Exams \$\$\$					\$1,627,226						\$1,111,151	
					5770%						3940%	

DEBT SUMMARY:

The following shows the County's current debt outstanding as of December 31, 2025 along with ending debt balances for future years:

Warren County
County Debt - Future Balances

	Current Balance	End of 2025 Balance	2026	2027	2028	2029	2030-2034	2035-2039	2039-2040
Bonds									
Recovery Act Bonds, Various Proj	9,445,000	8,660,000	7,840,000	6,990,000	6,110,000	5,200,000	-	-	-
Court Expansion - 2015	5,120,000	4,720,000	4,305,000	3,880,000	3,445,000	2,995,000	530,000	-	-
Court Expansion - 2017	5,910,000	5,520,000	5,120,000	4,715,000	4,295,000	3,865,000	1,550,000	-	-
SUNY Adirondack NSTEM - 2017	4,000,000	3,735,000	3,465,000	3,190,000	2,905,000	2,615,000	1,050,000	-	-
Paving, Culverts and SUNY ADK '	19,795,000	18,935,000	18,045,000	17,110,000	16,125,000	15,090,000	9,095,000	1,665,000	-
Leased Commitments									
Copiers/Printers - National Business	168,118	135,457	68,690	-	-	-	-	-	-
Copier - Toshiba	13,723	11,835	7,936	3,871	-	-	-	-	-
Office Space - Mental Health	16,822	-	35,010	36,060	-	-	-	-	-
Total Outstanding	44,468,662	41,717,292	38,886,636	35,924,931	32,880,000	29,765,000	12,225,000	1,665,000	-

BUDGET EXCEPTION REPORT (p9):

Please see the attached Budget Exception report which summarizes budgeted expenditure line items where there is currently a problem or there may be a problem in the future. We are reporting on an exception basis only.

- Each department is responsible for ensuring that their budgets, including salary and fringe, are not over expended and if they are, the issue should be addressed immediately.
- Legally, the County is not allowed to incur costs for goods or services without sufficient budget in the expenditure line item to cover these costs.

We appreciated the Deputy County Administrator's support in addressing these overbudgets in a timely manner.

We invite comments from Supervisors and department heads to expand this into a more useful management tool in these critical financial times

Warren County
 Outstanding Issues to be Addressed by County Administrator
 December 31, 2025 Budget Analysis Report

Issue	Amount	Owner	Date Identified	Days Issue
				Is Outstanding
Legislative Board - Hospitalization	\$ 7,419	Legislative Board	11/2/2025	92
Legislative Board - Dental Insurance	\$ 119	Legislative Board	11/2/2025	92
District Attorney - Dental Insurance	\$ 349	District Attorney	11/30/2025	64
Public Defender - Dental Insurance	\$ 187	Public Defender	11/16/2025	78
Public Defender-Counsel At First Appearance - Hospitalization	\$ 118	Public Defender	10/19/2025	106
Public Defender Hurell-Harring - Salaries Overtime	\$ 42	Public Defender	11/16/2025	78
Public Defender Quality Improve Funding Dist#9 - Hospitalization	\$ 34	Public Defender	11/16/2025	78
Public Defender Aid to Defense Supplemental - Dental Insurance	\$ 17	Public Defender	9/30/2025	125
Public Defender Aid to Defense Supplemental - Hospitalization	\$ 1,112	Public Defender	11/2/2025	92
Budget Officer - Retirement	\$ 521	Budget Officer	11/2/2025	92
Board of Election - Retirement	\$ 6,812	Board of Election	11/30/2025	64
Public Works Administration - Dental Insurance	\$ 128	DPW	11/16/2025	78
Buildings - Hospitalization	\$ 5,969	DPW	11/30/2025	64
Waste Management Containment - Salaries Part Time	\$ 2,524	DPW	10/19/2025	106
Waste Management Containment - Salaries	\$ 31,706	DPW	11/30/2025	64
Waste Management Containment - Salaries Overtime	\$ 468	DPW	9/21/2025	134
Public Records- Retirement	\$ 3,261	County Clerk	11/30/2025	64
Mail Room - Hospitalization	\$ 1,948	Mail Room	10/5/2025	120
Sheriff's 911 Center - Salaries Overtime	\$ 11,618	Sheriff	11/16/2025	78
Sheriff's 911 Center - Dental Insurance	\$ 872	Sheriff	10/19/2025	106
Sheriff's 911 Center - Hospitalization	\$ 36,301	Sheriff	11/30/2025	64
School Resource Officers-Queensbury School Dist - Salaries - Part Time	\$ 4,911	Sheriff	11/30/2025	64
School Resource Officers-Queensbury School Dist - Salaries - Medicare	\$ 173	Sheriff	11/30/2025	64
School Resource Officers-Queensbury School Dist - Salaries - Retirement	\$ 5,172	Sheriff	11/2/2025	92
School Resource Officers-Queensbury School Dist - Salaries - Social Security	\$ 744	Sheriff	11/30/2025	64
School Resource Officers-Queensbury School Dist - Salaries - Regular	\$ 8,514	Sheriff	11/30/2025	64
School Resource Officers-Wsburg School Dist - Salaries - Regular	\$ 20,902	Sheriff	10/5/2025	120
School Resource Officers-Wsburg School Dist - Medicare	\$ 219	Sheriff	10/19/2025	106
School Resource Officers-Wsburg School Dist - Social Security	\$ 940	Sheriff	10/19/2025	106
School Resource Officers-Wsburg School Dist - Hospitalization	\$ 3,386	Sheriff	11/2/2025	92
School Resource Officers-Wsburg School Dist - Retirement	\$ 6,564	Sheriff	10/5/2025	120
School Resource Officers-Wsburg School Dist - Dental Insurance	\$ 41	Sheriff	11/2/2025	92
Probation - Retiree Hospitalization	\$ 6,577	Probation	11/30/2025	64
Probation - Hospitalization	\$ 18,635	Probation	11/30/2025	64
Sheriff's Correction Division - Part Time	\$ 15,573	Sheriff	11/30/2025	64
Public Health Preventive Program - Hospitalization	\$ 839	Public Health	11/30/2025	64
Public Health Bio Terrorism - Salaries Regular	\$ 1,479	Public Health	11/16/2025	78
Airport - Hospitalization	\$ 2,868	DPW	11/30/2025	64
Tourism - Dental Insurance	\$ 106	Tourism	11/30/2025	64
Tourism - Hospitalization	\$ 11,605	Tourism	10/19/2025	106
Veterans Services - Hospitalization	\$ 8,419	Veterans	11/2/2025	92
Veterans Services - Dental Insurance	\$ 144	Veterans	10/19/2025	106
Parks and Recreation - Retiree Hospitalization	\$ 2,566	DPW	10/31/2025	94
Road Machinery - Hospitalization	\$ 11,147	DPW	11/30/2025	64