

WARREN COUNTY TREASURER

Christine V. Norton
County Treasurer

To: All Supervisors
From: Christine V. Norton, Treasurer
Date: September 29 ,2025
Subject: August 2025 Budget Analysis Report

Budget Analysis Report

The *Treasurer's responsibility* is to assess potential risks and impacts on Warren County finances, proactively identifying areas where deviations from the budget could lead to significant financial consequences. Our goal is to proactively inform the Warren County Supervisors and Administrator of these variances so that the necessary and proactive mitigating actions can be taken to ensure a more robust and resilient budget and positive financial outcome.

The *Warren County Supervisor's & Administrator's* Responsibility is to understand these risks and their potential consequences on the County's budget and financial wellbeing. It is imperative that the WC Supervisors and Administrator take the appropriate actions to address these issues and concerns in a timely manner, to proactively and effectively manage County finances.

EXECUTIVE SUMMARY

Occupancy Tax Collections:

- The Warren County is taking the lead with NYSAC on understanding and implementing required changes due to the NYS STR Sales tax legislation.
 - The NYS STR Sales Tax legislation has had a significant impact on our team. We have been inundated with calls, emails and in-person visits.
 - We have successfully partnered with NYS, NYSAC, VRBO and other NYS Counties but continue to face significant opposition

from AIRBNB regarding required changes and how WC Occ tax will be collected for our STR Owners using the platform.

- We are automating end to end Occ Tax processes through a customer facing portal, that once complete, will allow us an Occ Tax Shared Service Solution to other Counties go forward for an administration fee.

Adult Use Cannabis revenue:

- To give you accurate information on how Warren County might distribute this new source of revenue to its towns and villages, we need to know a few specifics, because the exact distribution depends heavily on what the towns and villages in the county report to the state as their sales

VTB Tribal Money (Casino Money):

- In September 2025, the County received \$ 107,840 in casino funds
- We are working with NYS OSC AND NYS GAM01 division to identify the time frame this recent payment pertains too
- The last payment was received in November 2023 in the amount of \$321,947 for period October 2019 thru December 2021.

Psychiatric/Criminal Costs:

- NYS's unfunded mandate on Psychiatric/Criminal Costs (730 exams) will continue to adversely impact Warren County's Unappropriated General Fund Balance
- These costs continue to be 100% OUT of Warren County's control, with exponentially increasing costs and underfunded budgeted amounts year over year.

CashVest (Three Plus One)

- The Treasurer's office has an ongoing partnership with CashVest to find ways to earn more interest by developing accurate and reliable future forecast of all cash and liquidity levels
- CashVest provides an independent evaluation of all current interest rate offerings and analysis of the bank fees to assure fairness and equity

Budget Management: Each department should display continued efforts to curb spending and to source funds from within existing budgets to address unexpected costs rather than further depleting the General Fund and/or Contingency balances.

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	\$37.9	million
Appropriated For 2025 Budget	<u>(1.9)</u>	million
Unappropriated Surplus - 2024	35.9	million
Additional Appropriated During 2025	<u>(1.4)</u>	million*
Balance Unappropriated Surplus 2025	\$34.5	million
Minimum Surplus Balance Needed (2 months operating expense) - 2025	<u>33.2</u>	million
Balance of Surplus Exceeding/(Below) Minimum Balance	<u>\$ 1.3</u>	million

*** - The details of the Additional Appropriated Surplus – 2025 are as follows:**

Date	Resolution	Description	Amount
03/23/2025	129	Treasurer - Insurance Reserve Fund	\$52,786.15
04/14/2025	162	Legislative Board - Office Chairs	\$986.23
04/14/2025	164	County Clerk - Travel/Education/Conference	\$4,500.00
04/30/2025	128	Various - CSEA grade allocation for certain titles	\$38,748.00
07/23/2025	266	Sheriff - CBA - Salaries/ Overtime shortfalls	\$598,171.00
07/23/2025	271	Treasurer - Cash Vest (Three Plus One) contract	\$45,500.00
07/23/2025	273	Treasurer - Countywide new Time Management system	\$105,380.00
09/23/2025	339	Mental Health - Psychiatric Exp/Criminal	\$500,000.00
			<u>\$1,346,071</u>

Revenue

American Rescue Plan Act (ARPA)

During 2021 and 2022, the County received a total of \$ 12,420,372 in ARPA funding to be used for various purposes in response to the COVID pandemic. As noted in the US Treasury Final Rule, funds must be obligated by December 31,2024 and expended by December 31,2026. In order for the obligation requirement to be met, a contract must be in place for services and Subawards and purchase orders must be recorded for services, subawards and property by December 31,2024. This requirement also applies to any funds that are reallocated for use by the County for providing government services. The reporting requirements have been met and all the funds have been committed.

The following is an accounting of the amount of ARPA funds expended and obligated as of 8/31/25:

ARPA Funding Received:	\$12,420,372
Expended to Date	: (11,435,344)
Encumbered to Date	: <u>(478,373)</u>
Remaining (Obligated) to Date:	\$ 506,655

County Clerk

County Clerk Fees – As of August 31st, the department has received \$ 826,733 in County Clerk Fees in 2025 and \$ 747,763 in 2024 which is an increase of 9.5 % increase. August actual revenues is 2% behind expected budgeted amounts. The County Clerk attributes this increase mostly to the Federal REAL-ID driver’s license requirement.

Mortgage Tax – As of August 31st, the department has received \$ 1,278,124 in Mortgage Tax in 2025 and \$ 1,119,039 in 2024 which is an increase of 12%. August actual revenues is 8% behind expected budgeted amounts.

County Treasurer

Sales Tax – We have collected \$ 701,660 more in sales taxes through August 31, 2025 than we did through August 31, 2024 which is a 1.4% increase. We have received \$ 1,613,923 more than the 2025 revenue budget to date which is a 3.1% increase. The net County budget surplus after accounting for the distribution to the Towns and Village is \$ 855,379.

Occupancy Tax Collections :

- As of August 31, the department has received \$ 2,889,541 in Occupancy Tax revenue in 2025 and \$ 2,768,676 in 2024 which is an **increase of \$ 120,865 or 4%**.

Adult -Use Cannabis

- It should be noted that in 2025, the County started receiving 4% of the sales of Adult Cannabis Use from different dispensaries in Warren County. This new source of revenue is supposed to be received by the County on a quarterly basis.
- In 2025 the County has received two deposits: one in May for \$ 38,240 and another deposit in August for \$ 49,569.
- The County is to retain 25% of the total revenue and distribute 75% to the towns, cities and villages in Warren County that generated the original sales.
- We are still trying to receive guidance from the Office of Cannabis Management, NYS Department of Taxation and Finance, NYS Office of the State Comptroller and other surrounding Counties on the correct distribution percentage.

Expenditures

Occupancy Tax Reserve

We created two sub accounts: Occupancy Tax Reserve – Minimum Balance and the Occupancy Tax Reserve – Encumbered in order to better track reserve activity.

- **The Occupancy Tax Reserve – Available balance** is equivalent to the unappropriated surplus balance for the General Fund and represents what amount is currently available.
- **The Occupancy Tax Reserve – Minimum balance** represents the amount of reserve that we must keep on hand for cash flow.
- **The Occupancy Tax Reserve – Encumbered balance** represents the amount that has been obligated either through a contract or purchase order and is not available for other uses. A significant amount of the Occupancy Tax Reserve – Encumbered balance covers periods throughout the year.

The following represents the balances at the end of each month for the three reserve accounts. Please note that the Board approved to increase the reserve minimum balance to \$1,500,000 during the July, 2023 Board meeting.

Date	Occ Tax Reserve - Available	Occ Tax Reserve - Minimum Balance	Occ Tax Reserve - Encumbered	Total
1/31/2025	1,260,810	1,500,000	1,133,318	3,894,128
2/28/2025	(233,770)	1,500,000	2,326,466	3,592,696
3/31/2025	(123,379)	1,500,000	2,141,065	3,517,686
4/30/2025	(1,905,142)	1,500,000	3,783,538	3,378,396
5/31/2025	(2,032,984)	1,500,000	1,785,264	1,252,280
6/30/2025	(1,840,169)	1,500,000	1,966,744	1,626,575
7/31/2025	(1,569,206)	1,500,000	1,160,895	1,091,689
8/31/2025	(879,567)	1,500,000	1,036,621	1,657,054

It is ***CRITICAL*** that Committee & Board Members refer to the Tourism Director’s Occ Tax Reserve balances, as well as her Cash Flow projections, to ensure the County is not obligating funds before available/appropriated.

Mental Health Psychiatric/Criminal Costs (730 exams)

- As of August 31st,2025 we expended \$ 527,000 on above mentioned costs comparing to August 31st 2024 the amount was \$ 370,00 which is an increase of \$ 157,000 or 42%.
- We have recently appropriated another \$ 500,000 from General Fund Balance in anticipation of the upcoming expenses
- The total amount of 2024 expenditures was \$ 1,655,426.

Unpaid State/Federal claims

- The Treasurer’s office produces a Miscellaneous Billing Aging Report on a monthly basis
- The departments that are 90+ days old in receiving the state/federal claims on the county book are being notified
- The departments are responsible to follow up with the state regarding the status of these claims and the reimbursement date

- If these claims will not be reimbursed for various reasons, the departments must seek board approval to write off any bad debts regardless of the dollar amount.

County Debt Balances

The following shows the County's current debt outstanding as of April, 2024 along with ending debt balances for future years:

Bonds	Current	End of 2025	2026	2027	2028	2029	2030-	2035-
	Balance	Balance					2034	2039
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 ¹	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 Busines	168,118	135,457	68,690	-	-	-	-	-
Copier - Toshiba	13,723	11,835	7,936	3,871	-	-	-	-
Office Space - Mental Health	16,822	-	-	-	-	-	-	-
Total Outstanding	44,468,662	41,717,292	38,851,626	35,888,871	32,880,000	29,765,000	12,225,000	1,665,000

Budget Exception Report

- 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.
- Over expended budget line items are highlighted in red. Some of these items have been over expended for a few months without any action taken to amend the budgets.
- 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.

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