

WARREN COUNTY TREASURER

To: All Supervisors
From: Christine V Norton CPA, County Treasurer
Date: December 2 ,2025
Subj: October 2025 Budget Analysis Report

Budget Analysis Report

One of the primary purposes of the monthly Budget Analysis Report (BAR) 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 October 31,2025 and have noted the following items Supervisors should be aware.

EXECUTIVE SUMMARY:

- **General Fund Balance:** Balance of Surplus Exceeding/(Below) the required Minimum Fund Balance: \$1M (p 2)
- **Adult Use Cannabis (AUC) revenue** – NYS Office of Cannabis Management (NYSOCM) reporting continues to be incomplete, preventing the distribution of AUC sales tax to the appropriate municipalities (p 3)
- **Interest Income:** in an effort to capture an additional \$1M in interest income in 2026, \$30M was transferred to higher yielding accounts (p 3)
- **Time Management System implementation:** Discovery stage completed, moving into Design/Build stage in January with Department Super Users, expected completion timing late February (all but Sherriff)/early March (Sherriff) (p 3)
- **Sales Tax:** - the sales tax trend is flat, showing little increase, implying stagnant activity in consumer spending. Potentially increased by STR Sales Tax (\$1.2-\$1.5 potential) (p 4)
- **Occupancy Tax:**
 - **Collections:** While collections are up 2% overall, implementation challenges with the NYS STR Sales Tax Law continue to hinder

accurate reporting. Platforms refuse to provide sufficient (VRBO) or any (Airbnb) STR Occ Tax details. As a result, we are unable to allocate lump sum dollars received for STRs. Which in turn means we will be unable to distribute Occ Tax collections to municipalities in 2025. (p 4)

- **Portal Implementation:** initiating Discovery Stage in Dec 25, with the Design, Build and Testing stages to be completed in Q126, Go Live and Hyper Care = late Q1/early Q2

OCTOBER BAR 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>\$(1.7)M*</u>
Balance Unappropriated Surplus 2025	\$34.3 M
Minimum Surplus Balance Needed (2 months operating expense)	<u>\$33.2M</u>
Balance of Surplus Exceeding/(Below) Minimum Balance	<u><u>\$1M</u></u>

*** - 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
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

\$1,721,952

- **Time Management System (TMS) Implementation:**
 - ***COB and Finance & Personnel Committee Level Support and Commitment*** secured to ensure the success of this critical implementation
 - Kevin Geraghty Steering Committee Lead
 - Remaining Committees will be on-boarded in January/February;
 - ***Executive and Departmental Core Team Members/SUPER USERS identified:***
 - Executive Team: Norton, LaFarr, Hajos, Colvin, Figueroa, McBryne, Taflan
 - Core Team Members/Departmental SUPER USERS: Brook Paddock, Jockimo, Comeau, Sherriff TBD, Florentino, Beadnell, Colvin, Baker, McBryne, DeLorenzo
 - ***Core Team Members/Departmental SUPER USERS will work directly with MM Hayes to ensure their solution works for them through every stage gate of the process.***

REVENUES

- **Adult Use Cannabis Revenue** – the situation continues to present a compliance risk. The county received the third quarterly payment and is required to distribute 75% of the funds to municipalities that reported sales to the state. However, due to the lack of supporting documentation, we are unable to determine which municipalities should receive the distributions.
- **Interest Income** – working with CashVest to **increase interest revenue** in 2026 we transferred:
 - \$15M to Arrow’s Insured Cash Sweep (ICS) account is expected to increase interest income
 - \$15M from the General bank account, which was earning 2% interest, to an Insured Cash Sweep account with a 3.8% interest rate.

- 15M transfer processed in November from Arrow ICS to Fixed Income with a secure yield that will not be subject to the market volatility is expected to increase interest income

Sales Tax:

The summary below is also provided to the supervisors in the bi-weekly sales tax update emails :

1. We have collected \$1,016,509 more in sales taxes through October 30, 2025 than we did through October 30, 2024 which is a 1.6 % increase.
2. We have received \$1,574,956 more than the 2025 revenue budget to date which is a 2.5 % increase.
3. The net County budget surplus after accounting for the distribution to the Towns and Village is \$834,727.

Occupancy Tax:

1. We have experienced a 1.83% increase in TOTAL Occ Tax dollars YOY thru the month of October, broken out as follows
 - a. Hotels, Motels and Resorts are up \$133,834 or 2.49% YOY
 - b. Short Term Rentals (STR's) are down \$24,464 or 4.03% YOY

County Clerk:

1. **County Clerk Fees:** As of October 31, the department has received \$1,050,355 in 2025 and \$945,579 in 2024 which is an increase of **9.98%**
 - a. September actual revenue is **0.75%** behind expected 2025 budgeted amounts.
 - b. The increase in DMV fees YOY is one factor that drives the revenue increase along with the retention percentage allowed by the state on transactions
2. **Mortgage Tax:**
 - a. As of September 30th, the department has received \$1,815,538 in Mortgage Tax in 2025 and \$1,433,540 in 2024 which is an increase of **21%**.
 - b. September actual revenue is **3.75%** ahead of expected budgeted amounts.
 - c. The County Clerk attributes both this to the increased housing prices due to high demand and increased construction costs.
3. **Automobile tax** – we have not received the October fees yet so we have drafted an analyses of automobile tax as of September 30,2025.
 - a. We have received \$392,093 in auto use tax in 2025 and \$372,00 in 2024 which is an increase of **5.12%**.

- b. September actual revenue is **9.14%** ahead of expected budgeted amounts.
- c. The increase in automobile tax is attributed to more vehicle purchases along with vehicles being more expensive.

Occupancy Tax Reserves

We created two *Occupancy Tax (OT)* sub accounts: ***OT Minimum Balance*** and ***OT Encumbered Balance*** in order to better track occupancy reserve funds:

- The Occupancy Tax Reserve:
 - Available balance is equivalent to the unappropriated surplus balance for the General Fund and represents what amount is currently available.
 - Minimum balance represents the amount of reserve that we must keep on hand for cash flow.
 - 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.

Date	Available	Minimum Bal	Encumbered	Total
12/31/2024	2,289,689	1,500,000	384,043	4,173,732
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	(864,171)	1,500,000	1,021,225	1,657,054
9/30/2025	712,612	1,500,000	807,035	3,019,647
10/31/2025	831,871	1,500,000	948,035	3,279,906

DEBT SUMMARY:

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

Bonds	Current Balance	End of 2025 Balance	2026	2027	2028	2029	2030- 2034	2035- 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

EXPENDITURES:

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.
- 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.