

WARREN COUNTY TREASURER

To: All Supervisors and Department Heads
From: Christine V. Norton - Treasurer
Date: March 5, 2026
Subj: *January 2026 Budget Variance Report*

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 January 31, 2026.

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:** we will continue to report the December 31, 2025 Deficit/(Below) the required Minimum Fund Balance of **\$(1.5) M.** (p 2 & 3), until the 2025 financial close on March 31, 2026.
- **ACH Fraud Update:** Multiple county departments and leadership, in partnership with the Risk & Safety Committee, are working together to formalize, Best Practice policies and procedures, as well as all required controls, to mitigate the risk of a similar fraud event happening again.

- **Sales Tax:** There was a **5.6% increase** in January sales tax in 2026 vs.2025, compared to a **6.6% increase** from January 2025 vs. 2024. We are expecting a \$1.2 - \$1.5M increase in 2026 sales tax collections due to the NYS STR Sales Tax law passed in March of 2025.
- **Interest Income:**
 - We plan on maximizing our **2024 Culvert bonded dollars** by moving an additional **\$4M** into our highest yielding account, for a total of **\$12M at 3.52%** interest rate which will yield approx. **\$360K** annual interest income.
 - As of January 31, the department has received **\$34K** in Interest & Earnings in 2026 vs. **\$132K** in 2025 which is a decrease of **74%**. This is the direct 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 later in Q1 2026.***
- **2024 Culvert Bond of \$12M:**
 - In order to meet Tax Exempt compliance regulations, 85%, or \$10.2M, must be allocated/expended by Nov 2027. The WC DPW Superintendent sees no problem meeting this requirement.
 - We paid **\$1.7M** in principle and interest against this bond in 2025.
- **Occupancy Tax:** While HMR income has increased year over year, STR revenue is down approximately \$300K compared to the same time last year. We believe the STR revenue decrease is the direct result of incomplete and inaccurate reporting by VRBO. There also continues to be significant communication issues between the platforms and WC STR Owners that is negatively impacting collections.
- **Sheriff's Corrective Division: Jail Services, Other Government** – as of January 31, the department has received no income. The total revenue in 2025 was **\$30K** which represents an **81%** decrease from 2024 total revenue of **\$168K**. The federal inmate intake has dropped significantly due to more jail space available in other counties, especially Albany county, and jail space where these inmates are being tried.

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><u>\$(1.5)M</u></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 “deficit *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 “deficit below the minimum balance” of **\$(1.5)M**, to determine what, if any, corrective budgetary action can be taken.
- Please see the following page for details on the **\$4.3M** in Additional Appropriated Surplus through December 2025.

*** - 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*

REVENUES

County Treasurer

- **Sales Tax:** We have collected \$310K more in sales tax though January 31,2026 than we did though January 31,2025 which represents a **5.6% increase**.
 - The January 2026 actual revenues are **6.2% ahead of budgeted amounts**.
 - January 2025 vs January 2024 had a **6.6% increase**.
- **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 January 31,2026 collections (as of the end of February) is \$7.1M and the 2024 collections through the same time frame was \$7.1M (**.1% increase YTD**).
 - The Team continues to record numerous Occ Tax payments on a daily basis and anticipates that **the 2025 Occ Tax totals will surpass the 2024 Occ Tax revenue of \$8.1M**.

WARREN COUNTY TREASURER

Christine V. Norton
County Treasurer

OCCUPANCY TAX REPORT

TOTAL COLLECTIONS		12/31/2025	1/31/2025	2/13/2026	3/31/2026
Revenue Collected through 12/31/2025	\$	7,090,136.94	\$ 7,632,347.53	\$ 7,774,777.38	TBD
Revenue Collected through 12/31/2024	\$	7,082,185.21	\$ 7,708,671.34	\$ 7,765,464.00	\$ 8,034,065.41
Increase/Decrease from 2024	\$	7,951.73	\$ (76,323.81)	\$ 9,313.38	TBD
Percent Change:		0.1%	-1.0%	0.1%	TBD

2024.
The 2025 totals are incomplete and will be changing as we continue to accrue revenue from 2025 Occupancy Tax Returns.

County Clerk:

- **County Clerk Fees:**
 - As of January 31, the department has received **\$91K** in 2026 vs. **\$78K** in 2025 which is an increase of **16%**.
 - This increase is attributed to 2025 REAL ID fees and the retention percentage allowed by the state on transactions.
 - January 2026 actual revenues are **9%** behind the expected budgeted amount.
- **Mortgage Tax:**
 - As of January 31st, the department has received **\$223K** in Mortgage Tax in 2026 and **\$191K** in 2025, which is **an increase of 17%**.
 - January actual revenues are up **33%** ahead of expected budget amounts. The variance can be attributed to an increase in mortgages processed compared to the same time last year.

- **CDTA:**

- The CDTA contract is funded entirely (100%) by the County's allocated Additional Mortgage Tax revenue. This revenue source fluctuates in direct correlation with overall mortgage tax collections.
- For January 2026, Additional Mortgage Tax receipts totaled \$113K compared to \$93K in January 2025. This reflects an *increase of \$20K*, or approximately *20%* year-over-year.
- We will continue to monitor collections closely, as any increases or decreases in overall mortgage tax revenue will directly impact the funding available for the CDTA contract.

EXPENDITURES:

Department of Public Works:

- **County Road Projects:** The following analysis shows the County Road project amended budget and costs for the past five years.
 - Please note that any unexpended balance gets carried over to the subsequent year and is added that year's budget for road projects.
 - Per the analysis below, DPW did not expend \$14M or 49% of the amended budget for the road projects in 2025.
 - This was due to the \$12M in bonded culvert dollars that have not yet been expended.
 - DPW Superintendent Kevin Hajos anticipates spending 85% of this \$12M, or \$10.2M, by November 2027 in order to meet our Tax-Exempt compliance requirement.

Warren County
 Road Projects
 2021-25

	2021	2022	2023	2024	2025
Amended Budget	5,579,432	12,453,922	10,289,246	12,344,210	29,503,608
Amount Expended	2,988,870	7,072,336	6,621,086	10,245,822	15,012,861
Amount Unexpended	2,590,562	5,381,586	3,668,160	2,098,388	14,490,747
% of Budget Unexpended	46.4%	43.2%	35.7%	17.0%	49.1%
Transfers of County Road Budget to Capital Projects	219,220	559,186	1,073,704	-	-

Mental Health

- **Psychiatric Exp/Criminal/730 Exams:**
 - The 2026 budget is set at **\$800K**, with 2025 actual costs of **\$600K**, representing a **33%** increase. No expenses have been incurred against the 2026 appropriation.
 - Notably, the 2025 budget of **\$600K** was underfunded by **63%** compared to 2024 actual expenditures of **\$1.7M**.
 - We will continue to monitor activity closely and provide updates as expenditures begin to materialize to ensure appropriate budget oversight.

DEBT SUMMARY:

The following shows the County's current debt outstanding as of January 31, 2026 along with ending debt balances for future years:

Warren County
County Debt - Future Balances

Bonds	Current Balance	End of 2026 Balance	2027	2028	2029	2030- 2034	2035- 2039	2039- 2040
Recovery Act Bonds, Various Proj	8,660,000	7,840,000	6,990,000	6,110,000	5,200,000	-	-	-
Court Expansion - 2015	4,720,000	4,305,000	3,880,000	3,445,000	2,995,000	530,000	-	-
Court Expansion - 2017	5,520,000	5,120,000	4,715,000	4,295,000	3,865,000	1,550,000	-	-
SUNY Adirondack NSTEM - 2017	3,735,000	3,465,000	3,190,000	2,905,000	2,615,000	1,050,000	-	-
Paving Culverts and SUNY ADK	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	135,457	68,690	-	-	-	-	-	-
Copier - Toshiba	11,835	7,936	3,871	-	-	-	-	-
Office Space - Mental Health	71,070	36,060	-	-	-	-	-	-
Total Outstanding	41,788,362	38,887,686	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.

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