

WARREN COUNTY TREASURER

Christine V. Norton
County Treasurer

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Deputy Treasurer

To: All Supervisors
From: Christine V. Norton, Treasurer
Date: January 31, 2024
Subject: Budget Analysis Report

Budget Analysis Report

One of the purposes of the monthly budget analysis report is to make the County Supervisors and Administration aware of certain issues that may present a problem in the near future or are currently a problem. It is important that appropriate action be taken to address these issues or concerns before they become a problem.

We have analyzed the revenue and expenditure budgets for the County departments as of December 31, 2023 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. We will provide final 2023 numbers near the end of April, 2024. We have noted the following items Supervisors should be aware of.

General Fund Balance

The following shows the estimated balance of unappropriated surplus for the General Fund compared to the minimum balance needed to operate which equates to two months of operating expenses or 16.7%. The expected additional appropriated for 2024 is the amount that the Budget Officer removed from the 2024 budget to be appropriated in 2024.

Estimated Unappropriated Surplus - 2023	\$ 44.2 million
Appropriated - 2024 Budget	<u>(1.9) million</u>
	42.3 million
Expected Additional Appropriated - 2024	<u>(5.1) million</u>
Balance Estimated Unappropriated Surplus	\$ 37.2 million
Minimum Surplus Balance Needed (2 months operating expense) - 2024	<u>32.5 million</u>
Balance of Surplus Exceeding Minimum Balance	<u><u>4.7 million</u></u>

Revenues

County Clerk

County Clerk Fees – As of December 31, the department has received \$1,286,582 in County Clerk Fees in 2022 and \$1,073,569 in 2023 which is a decrease of 17%. It should be noted that the 2023 amount is at 80% of the budget for this account so the actual revenue received is significantly behind the budget.

Mortgage Tax – As of December 31, the department has received \$2,743,746 in Mortgage Tax in 2022 and \$2,201,957 in 2023 which is a decrease of 20%. It should be noted that the 2023 amount is at 94% of the budget for this account so the actual revenue received is behind the budget.

Automobile Use Tax – As of December 31, the department has received \$462,655 in Automobile Use Tax in 2022 and \$463,791 in 2023 which is an increase of 0.2%. It should be noted that the 2023 amount is through November and is at 98% of the budget for this account, so the final actual revenue amount received is on target to exceed the budget for the year.

County Treasurer

Sales Tax – It has been noted that we have collected \$2,473,323 more in sales taxes through December 31, 2023 than we did through December 31, 2022 which is a 3.5% increase. We have received \$7,959,880 more than the 2023 revenue budget to date. **It should be noted that the net County budget surplus after accounting for the distribution to the Towns and Village is \$4,218,736.**

Interest & Earnings – As of December 31, the department has received \$339,725 in Interest & Earnings in 2022 and \$1,745,269 in 2023 which is an increase of 414%. It should be noted that the 2023 amount is at 514% of the budget for this account so the actual revenue received has already exceeded the budget.

VL/Tribal Compact Moneys (Casino) – The County had not received Mohawk Tribal casino payments since the 3rd quarter of 2019. We have received lump sum settlement payment for 10/31/19 to 12/31/21 in the amount of \$321,947. We do not know anything about 2022 and 2023 amounts owed.

Tourism

Occupancy Tax – The department has collected \$113,091 less in Occupancy Taxes as of December 31, 2023 than we did as of December 31, 2022 which is a 1.6% decrease. These amounts represent collections for each year through January 24. We have not finalized 2023 figures yet and expect to receive payments for 2023 through March 31, 2024.

Sheriff's Correction Division

Jail Services, Other Government – As of December 31, the department has received \$444,773 in Jail Services, Other Government in 2022 and \$143,764 in 2023 which is a decrease of 68%. It should be noted that the 2023 amount is at 36% of the budget for this account so the actual revenue received is significantly behind the budget.

Building & Fire Code

Building Permits – As of December 31, the department received \$302,987 in building permits in 2022 and \$311,709 in 2023 which is an increase of 3%. It should be noted that the 2023 amount is at 118% of the budget for this account so that actual revenue received has exceeded the budget.

Health Services

Home Nursing Charges – As of December 31, the department has received \$1,696,373 in Home Nursing Charges in 2022 and \$1,233,168 in 2023 which is a decrease of 27%. It should be noted that the 2023 amount is through November and is at 32% of the budget for this account so that the actual revenue received is significantly behind the budget.

Expenditures

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. Many of these items have been over expended for 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.

Occupancy Tax Reserve

We have historically waited until after year end to close the revenues and expenditures to the Occupancy Tax Reserve. We have decided to start closing on a monthly basis this year to more easily provide up to date information of the reserve available balance. 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 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 Board meeting. **We will provide the 12/31/23 balances once we close the books for 2023.**

<u>Date</u>	<u>Occupancy Tax Reserve</u>	<u>Occ Tax Reserve- Minimum Balance</u>	<u>Occ Tax Reserve- Encumbered</u>	<u>Total</u>
12/31/2022	5,235,115	1,000,000	295,940	6,531,055
1/31/2023	3,297,376	1,000,000	2,247,601	6,544,977
2/28/2023	3,195,170	1,000,000	2,203,803	6,398,973
3/31/2023	3,186,913	1,000,000	2,310,769	6,497,682
4/30/2023	1,404,577	1,000,000	3,957,577	6,362,154
5/31/2023	1,402,862	1,000,000	2,476,644	4,879,506
6/30/2023	1,350,382	1,000,000	2,608,069	4,958,451
7/31/2023	906,190	1,500,000	2,542,154	4,948,343
8/31/2023	743,919	1,500,000	2,059,526	4,303,445
9/30/2023	2,417,379	1,500,000	1,700,477	5,617,856
10/31/2023	2,295,143	1,500,000	1,268,482	5,063,625
11/30/2023	1,484,198	1,500,000	1,313,680	4,297,878

DPW Waste Containers

Currently, we have \$1.1 million in waste container inventory without adequate control over where each container is located at any point in time or if the container even exists. This is caused by the nature of the waste hauling business where haulers are continually replacing full containers with empty ones that may be owned by other entities. We suggest purchasing a tracking device system where trackers can be attached to each waste container to allow for proper control over the whereabouts of each County owned waste container.

County Debt Balances

The following shows the County’s current debt outstanding as of December, 2023 along with ending debt balances for future years:

	Current	End of 2023					2028-	2033-
Bonds	Balance	Balance	2024	2025	2026	2027	2032	2037
Pub Safety Bldg & Com Upgrade	-	-	-	-	-	-	-	-
Recovery Act Bonds, Various Proj	10,205,000	10,205,000	9,445,000	8,660,000	7,840,000	6,990,000	2,235,000	-
Court Expansion - 2015	5,510,000	5,510,000	5,120,000	4,720,000	4,305,000	3,880,000	1,565,000	-
Court Expansion - 2017	6,290,000	6,290,000	5,910,000	5,520,000	5,120,000	4,715,000	2,515,000	-
SUNY Adirondack NSTEM - 2017	4,260,000	4,260,000	4,000,000	3,735,000	3,465,000	3,190,000	1,700,000	-
Leased Commitments								
Voting Machines	159,095	159,095	121,688	82,703	42,140	-	-	-
Copiers/Printers - National Business	263,215	263,215	200,298	135,457	68,690	-	-	-
Copier - Toshiba	-	-	-	-	-	-	-	-
Office Space - Mental Health	-	-	-	-	-	-	-	-
Bond Anticipation Notes								
Paving, Retaining Wall & Countryside	6,320,000	6,320,000	3,720,000	2,480,000	1,240,000	-	-	-
Total Outstanding	33,007,310	33,007,310	28,516,986	25,333,160	22,080,830	18,775,000	8,015,000	-

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