

WARREN COUNTY TREASURER

Michael R. Swan
County Treasurer

Robert V. Lynch II, CPA
Deputy Treasurer

To: All Supervisors

From: Michael R. Swan, Treasurer

Date: July 25, 2022

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 June 30, 2022 and have noted the following items Supervisors should be aware of.

General Fund Balance

The following shows the current 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%. This does not include the Out of Unit and other union salary increases which will most likely also come out of General Fund balance. We should not try and factor in any 2022 sales tax surplus until year end because amounts are not certain.

Unappropriated Surplus as of 12/31/21	\$ 36.0 million
Additional Appropriation of Surplus in 2022	(2.5) million
CSEA Pay Raises for Balance of 2022 (net of revenue)	<u>(0.6) million</u>
Current Unappropriated Surplus - 2022	32.9 million
Minimum Surplus Balance Needed (2 months operating expenses)	<u>28.2 million</u>
Balance of Surplus Exceeding Minimum Balance	<u>\$ 4.7 million</u>

Revenues

American Rescue Plan Act (ARPA)

In June, 2021, the County received \$6.2 million in ARPA funding to be used for various purposes in response to the COVID pandemic. The County received the second \$6.2 million payment in June, 2022. As noted in the US Treasury Final Rule, costs must be obligated by December 31, 2024, and expended by December 31, 2026. The following is an accounting of the amount of ARPA funds expended and obligated as of June 30, 2022 and the balance remaining.

Balance Remaining as of 1/1/22	6,190,459
2021 Expenditures Approved in 2022	(122,335)
2022 Expenditures	(153,825)
2022 Obligations	(114,486)
2nd Installment - June 2022	<u>6,210,186</u>
Balance Remaining as of 6/30/22	<u>12,009,999</u>

County Clerk

County Clerk Fees – As of June 30, the department has received \$733,807 in County Clerk Fees in 2021 and \$668,078 in 2022 which is a decrease of 9%. It should be noted that the 2022 amount is at 49% of the budget for this account so the actual revenue received is on target with the budget.

Mortgage Tax – As of June 30, the department has received \$1,438,818 in Mortgage Tax in 2021 and \$1,517,550 in 2022 which is an increase of 5%. It should be noted that the 2022 amount is at 67% of the budget for this account so the actual revenue received is on target to exceed the budget.

Automobile Use Tax – As of June 30, the department has received \$222,418 in Automobile Use Tax in 2021 and \$181,602 in 2022 which is a decrease of 18%. It should be noted that the 2022 amount is through May and is at 36% of the budget for this account, so the actual revenue amount received is behind the budget for the year.

County Treasurer

Sales Tax – It has been noted that we have collected \$2,885,110 more in sales taxes as of June 30, 2022 than we did through June 30, 2021 which is a 10.3% increase. This increase would have been greater if \$81,489 had not been withheld by the State for fiscally distressed health care facilities and \$10,386 wasn't withheld for the Village AIM payment. We have received \$6,321,117 more than the 2022 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 \$3.4 million.**

Tourism

Occupancy Tax – The department has collected \$346,072 more in occupancy taxes as of June 30, 2022 than we did as of June 30, 2021 which is a 40% increase.

Sheriff's Correction Division

Jail Services, Other Government – As of June 30, the department has received \$216,364 in Jail Services, Other Government in 2021 and \$270,762 in 2022 which is an increase of 25%. It should be noted that the 2022 amount is at 83% of the budget for this account so the actual revenue received is on target to exceed the budget.

Building & Fire Code

Building Permits – As of June 30, the department received \$104,765 in building permits in 2021 and \$123,949 in 2022 which is an increase of 18%. It should be noted that the 2022 amount is at 58% of the budget for this account so that actual revenue received is on target to exceed the budget.

Health Services

Home Nursing Charges – As of June 30, the department has received \$1,199,515 in Home Nursing Charges in 2021 and \$737,353 in 2022 which is a decrease of 38%. It should be noted that the 2022 amount is through May and is at 18% of the budget for this account so that 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.**

Please note that we have included the date that the account became overbudget by the department. Each department is responsible for ensuring that their budgets are not over expended and if they are, the issue should be addressed immediately. There are numerous cases where a departmental budget line has remained over expended for several months.

Capital Projects

Departments are responsible for administering their capital projects and making sure that they are closed in a timely manner after completion. The following are capital projects where there has not been any recent activity and a determination should be made by the responsible department whether or not the project should be closed. This has been a recurring issue and the County has been written up in the past by our auditors.

<u>DPW</u>	<u>Date of Last Activity</u>	<u>Cash</u>	<u>Balance owed to Other funds/Govt</u>
H391-Airport Two New Snow Plows	12/2020	132	-

County Debt Balances

The following shows the County's current debt outstanding as of June 30, 2022 along with ending debt balances for future years:

	<u>Current Balance</u>	<u>End of 2022 Balance</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026- 2030</u>	<u>2031- 2035</u>	<u>2036- 2037</u>
Bonds								
Pub Safety Bldg & Com Upgrade	2,165,000	1,085,000	-	-	-	-	-	-
Recovery Act Bonds, Various Proj	11,630,000	10,935,000	10,205,000	9,445,000	8,660,000	4,250,000	-	-
Court Expansion - 2015	5,890,000	5,890,000	5,510,000	5,120,000	4,720,000	2,535,000	-	-
Court Expansion - 2017	6,665,000	6,665,000	6,290,000	5,910,000	5,520,000	3,425,000	1,050,000	-
SUNY Adirondack NSTEM - 2017	4,515,000	4,515,000	4,260,000	4,000,000	3,735,000	2,320,000	710,000	-
Capital Leases								
Municipal Center Energy Project	279,885	-	-	-	-	-	-	-
Country side Adult Home Energy Proj	-	-	-	-	-	-	-	-
Total Outstanding	<u>31,144,885</u>	<u>29,090,000</u>	<u>26,265,000</u>	<u>24,475,000</u>	<u>22,635,000</u>	<u>12,530,000</u>	<u>1,760,000</u>	<u>-</u>

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