

# WARREN COUNTY TREASURER

**Michael R. Swan**  
County Treasurer

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To: All Supervisors  
From: Michael R. Swan, Treasurer  
Date: December 28, 2023  
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 November 30, 2023 and 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 November 30, the department has received \$1,189,705 in County Clerk Fees in 2022 and \$985,298 in 2023 which is a decrease of 17%. It should be noted that the 2023 amount is at 73% of the budget for this account so the actual revenue received is significantly behind the budget.

**Mortgage Tax** – As of November 30, the department has received \$2,518,368 in Mortgage Tax in 2022 and \$2,035,696 in 2023 which is a decrease of 19%. It should be noted that the 2023 amount is at 86% of the budget for this account so the actual revenue received is behind the budget.

**Automobile Use Tax** – As of November 30, the department has received \$396,679 in Automobile Use Tax in 2022 and \$429,699 in 2023 which is an increase of 8%. It should be noted that the 2023 amount is through October and is at 90% 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 \$1,805,829 more in sales taxes through the first two payments of November 30, 2023 than we did through the first two payments of November 30, 2022 which is a 2.8% increase. We have received \$7,464,623 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 \$3,956,250.**

**Please note that we are currently looking at significant budget deficits for County Clerk Mortgage Tax and Clerk Fees and Sheriff Jail Services, Other Government so a portion of the Sales Tax budget surplus will be needed to offset these losses.**

**Interest & Earnings** – As of November 30, the department has received \$239,482 in Interest & Earnings in 2022 and \$1,456,423 in 2023 which is an increase of 607%. It should be noted that the 2023 amount is at 508% 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 3<sup>rd</sup> 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 \$100,634 less in Occupancy Taxes as of November 30, 2023 than we did as of November 30, 2022 which is a 1.6% decrease.

## Sheriff's Correction Division

**Jail Services, Other Government** – As of November 30, the department has received \$412,953 in Jail Services, Other Government in 2022 and \$104,365 in 2023 which is a decrease of 75%. It should be noted that the 2023 amount is at 26% of the budget for this account so the actual revenue received is significantly behind the budget.

## Building & Fire Code

**Building Permits** – As of November 30, the department received \$283,598 in building permits in 2022 and \$285,014 in 2023 which is an increase of 0.5%. It should be noted that the 2023 amount is at 108% of the budget for this account so that actual revenue received has exceeded the budget.

## Health Services

**Home Nursing Charges** – As of November 30, the department has received \$1,500,398 in Home Nursing Charges in 2022 and \$1,071,191 in 2023 which is a decrease of 29%. It should be noted that the 2023 amount is through October and is at 28% 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.**

### Overtime

**This issue was first reported in the February, 2023 Budget Analysis Report. We have noted that budget amendments to transfer funding into the Sheriff's Correction, Law Enforcement and 911 Center overtime budgets were approved by the Board in December.**

**It is noted that the amount amended for the Sheriff's Law Enforcement overtime budget is not sufficient as they are currently overbudget in their overtime account by \$2,483.89 with one more payroll to be posted for 2023. The amended overtime budgets for the Sheriff's Correction and 911 Center appear to be adequate at this time.**

### 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.

<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

**County Debt Balances**

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

	Current Balance	End of 2023 Balance	2024	2025	2026	2027	2028- 2032	2033- 2037
<b>Bonds</b>								
Pub Safety Bldg & Com Upgrade	-	-	-	-	-	-	-	-
Recovery Act Bonds, Various Proj	10,935,000	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	-
<b>Leased Commitments</b>								
Voting Machines	159,095	159,095	121,688	82,703	42,140	-	-	-
Copiers/Printers - National Business	268,371	263,215	200,298	135,457	68,690	-	-	-
Copier - Toshiba	-	-	-	-	-	-	-	-
Office Space - Mental Health	-	-	-	-	-	-	-	-
<b>Bond Anticipation Notes</b>								
Paving, Retaining Wall & Countryside	6,320,000	6,320,000	3,720,000	2,480,000	1,240,000	-	-	-
<b>Total Outstanding</b>	<b>33,742,466</b>	<b>33,007,310</b>	<b>28,516,986</b>	<b>25,333,160</b>	<b>22,080,830</b>	<b>18,775,000</b>	<b>8,015,000</b>	<b>-</b>

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