

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 21, 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 June 30, 2023 and have noted the following items Supervisors should be aware of.

Revenues

County Clerk

County Clerk Fees – As of June 30, the department has received \$668,078 in County Clerk Fees in 2022 and \$522,699 in 2023 which is a decrease of 22%. It should be noted that the 2023 amount is at 39% of the budget for this account so the actual revenue received is significantly behind the budget.

Mortgage Tax – As of June 30, the department has received \$1,517,550 in Mortgage Tax in 2022 and \$1,034,187 in 2023 which is a decrease of 32%. It should be noted that the 2023 amount is at 44% of the budget for this account so the actual revenue received is behind the budget.

Automobile Use Tax – As of June 30, the department has received \$181,602 in Automobile Use Tax in 2022 and \$217,052 in 2023 which is an increase of 20%. It should be noted that the 2023 amount is through May and is at 46% 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 \$1,429,828 more in sales taxes as of June 30, 2023 than we did through June 30, 2022 which is a 4.6% increase. We have received \$4,314,938 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 \$2,286,917.**

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 June 30, the department has received \$6,643 in Interest & Earnings in 2022 and \$694,565 in 2023 which is an increase of 10,356%. It should be noted that the 2023 amount is at 205% of the budget for this account so the actual revenue received has already exceeded the budget.

Tourism

Occupancy Tax – The department has collected \$58,718 less in Occupancy Taxes as of June 30, 2023 than we did as of June 30, 2022 which is a 5% decrease.

Sheriff's Correction Division

Jail Services, Other Government – As of June 30, the department has received \$270,762 in Jail Services, Other Government in 2022 and \$44,395 in 2023 which is a decrease of 84%. It should be noted that the 2023 amount is at 11% of the budget for this account so the actual revenue received is significantly behind the budget.

Building & Fire Code

Building Permits – As of June 30, the department received \$123,949 in building permits in 2022 and \$135,421 in 2023 which is an increase of 9%. It should be noted that the 2023 amount is at 51% of the budget for this account so that actual revenue received is on target with the budget.

Health Services

Home Nursing Charges – As of June 30, the department has received \$737,353 in Home Nursing Charges in 2022 and \$499,357 in 2023 which is a decrease of 32%. It should be noted that the 2023 amount is through May and is at 13% 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 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

The following shows the departments that already have issues with their overtime budget after six months into the year. All of the departments below have already used more than 70% of their budget with the Sheriff's Correction, Countryside Adult Home and Social Services already exceeding the budget. This is concerning and needs to be immediately addressed. **This issue was first reported in the February, 2023 Budget Analysis Report and we have not received any corrective action for the Sheriff's Correction, Social Services, Sheriff's Law Enforcement and Sheriff's 911 Center. The Board approved a \$50,000 budget amendment for the Countryside Adult Home overtime at the July 21, 2023 Board meeting.**

<u>Department</u>	<u>Budget</u>	<u>Actual</u>	<u>% Used</u>
Sheriff's Correction	200,000	400,523	200%
Countryside Adult Home	26,000	35,069	135%
Social Services	49,222	60,232	122%
Sheriff's Law Enforcement	257,500	248,368	96%
Sheriff's 911 Center	40,500	29,182	72%

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

County Debt Balances

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

	<u>Current Balance</u>	<u>End of 2023 Balance</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028-2032</u>	<u>2033-2037</u>
Bonds								
Pub Safety Bldg & Com Upgrade	1,085,000	-	-	-	-	-	-	-
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	-
Leased Commitments								
Voting Machines	159,095	159,095	121,688	82,703	42,140	-	-	-
Copiers/Printers - National Business	293,952	263,215	200,298	135,457	68,690	-	-	-
Copier - Toshiba	-	-	-	-	-	-	-	-
Office Space - Mental Health	15,597	-	-	-	-	-	-	-
Bond Anticipation Notes								
Paving, Retaining Wall & Countryside	6,320,000	6,320,000	3,720,000	2,480,000	1,240,000	-	-	-
Total Outstanding	34,868,644	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.

Budget Performance Report - Countywide - June 30, 2023

Fiscal Year to Date 06/30/23
Include Rollup Account and Rollup to Account

Account	Account Description	Adopted Budget	Budget Amendments	Amended Budget	Current Month Transactions	YTD Encumbrances	YTD Transactions	Budget - YTD Transactions	% Used/Rec'd	Prior Year YTD
Fund A - General										
Department 1010 - Legislative Board										
REVENUE										
1001	Real Property Taxes	.00	33,827,494.00	33,827,494.00	.00	.00	33,832,923.36	(5,429.36)	100	35,323,196.61
	REVENUE TOTALS	\$0.00	\$33,827,494.00	\$33,827,494.00	\$0.00	\$0.00	\$33,832,923.36	(\$5,429.36)	100%	\$35,323,196.61
EXPENSE										
130	Salaries - Part Time	410,036.00	.00	410,036.00	31,584.44	.00	188,996.50	221,039.50	46	197,795.94
210	Furniture/Furnishings	.00	.00	.00	.00	(985.20)	985.20	.00	+++	.00
410	Supplies	7,000.00	(125.52)	6,874.48	.00	.00	3,626.52	3,247.96	53	4,518.09
417	Water/Sewer/Taxes	252,624.00	.00	252,624.00	.00	.00	126,312.00	126,312.00	50	126,312.00
424	Postage	1,000.00	.00	1,000.00	.00	.00	390.44	609.56	39	316.86
425	Reproduction Expenses	551.00	681.09	1,232.09	.00	.00	602.09	630.00	49	.00
426	Subscriptions	170.00	.00	170.00	.00	.00	81.95	88.05	48	64.95
427	Memberships & Dues	1,314.00	.00	1,314.00	.00	.00	1,314.00	.00	100	1,314.00
428	Data Processing & Internet Fees	350.00	.00	350.00	350.00	.00	499.90	(149.90)	143	484.90
436	Advertising Fees	2,000.00	.00	2,000.00	.00	.00	816.52	1,183.48	41	327.95
437	Consulting Fees	2,600.00	6,500.00	9,100.00	6,500.00	.00	6,500.00	2,600.00	71	.00
439	Misc Fees & Expenses	.00	75.00	75.00	75.00	.00	75.00	.00	100	.00
444	Travel/Education/Conference	18,000.00	(630.57)	17,369.43	345.36	.00	5,112.20	12,257.23	29	10,932.59
445	Foods	100.00	.00	100.00	.00	.00	.00	100.00	0	.00
470	Contract	232,500.00	.00	232,500.00	.00	100,447.23	127,052.77	5,000.00	98	12,643.14
810	Retirement	28,311.00	.00	28,311.00	2,439.92	.00	13,810.18	14,500.82	49	15,033.85
830	Social Security	25,431.00	.00	25,431.00	1,837.49	.00	11,050.49	14,380.51	43	11,438.40
831	Medicare Contribution	5,946.00	.00	5,946.00	429.76	.00	2,584.39	3,361.61	43	2,675.13
840	Workmen's Compensation	3,149.00	.00	3,149.00	.00	.00	3,149.00	.00	100	2,732.25
860	Hospitalization	65,066.00	.00	65,066.00	4,634.08	.00	30,564.61	34,501.39	47	31,147.74
861	Retirees Hospitalization	18,172.00	.00	18,172.00	.00	.00	6,279.87	11,892.13	35	10,669.50
862	Health Insurance Cost Reimbursement	2,250.00	.00	2,250.00	.00	.00	632.19	1,617.81	28	60.00
865	Dental Insurance	1,632.00	.00	1,632.00	118.58	.00	723.75	908.25	44	787.79
	EXPENSE TOTALS	\$1,078,202.00	\$6,500.00	\$1,084,702.00	\$48,314.63	\$99,462.03	\$531,159.57	\$454,080.40	58%	\$429,255.08
Sub Department 4999 - American Rescue Plan Act (ARPA)										
REVENUE										
4090	Coronavirus Local Fiscal Recovery Fund (CLFRF)	.00	2,789,360.15	2,789,360.15	1,805,505.47	.00	1,805,505.47	983,854.68	65	.00
	REVENUE TOTALS	\$0.00	\$2,789,360.15	\$2,789,360.15	\$1,805,505.47	\$0.00	\$1,805,505.47	\$983,854.68	65%	\$0.00
EXPENSE										
470	Contract	.00	3,966,066.15	3,966,066.15	.00	1,725,004.00	1,805,505.47	435,556.68	89	.00
	EXPENSE TOTALS	\$0.00	\$3,966,066.15	\$3,966,066.15	\$0.00	\$1,725,004.00	\$1,805,505.47	\$435,556.68	89%	\$0.00
Sub Department 4999 - American Rescue Plan Act (ARPA) Totals										
	REVENUE TOTALS	\$0.00	(\$1,176,706.00)	(\$1,176,706.00)	\$1,805,505.47	(\$1,725,004.00)	\$0.00	\$548,298.00	147%	\$0.00
	EXPENSE TOTALS	(\$1,078,202.00)	\$32,644,288.00	\$31,566,086.00	\$1,757,190.84	(\$1,824,466.03)	\$33,301,763.79	\$88,788.24	100%	\$34,893,941.53