

WARREN COUNTY TREASURER

Michael R. Swan
County Treasurer

Robert V. Lynch II, CPA
Deputy Treasurer

To: All Supervisors
From: Michael R. Swan, Treasurer
Date: February 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 January 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 2022 numbers near the end of April, 2023. We have noted the following items Supervisors should be aware of.

Revenues

County Clerk

County Clerk Fees – As of January 31, the department has received \$111,446 in County Clerk Fees in 2022 and \$111,063 in 2023 which is a decrease of 0.3%. It should be noted that the 2023 amount is at 8% of the budget for this account so the actual revenue received is on target with the budget.

Mortgage Tax – As of January 31, the department has received \$279,459 in Mortgage Tax in 2022 and \$145,287 in 2023 which is a decrease of 48%. It should be noted that the 2023 amount is at 6% 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 \$488,999 in Automobile Use Tax in 2021 and \$462,655 in 2022 which is a decrease of 5%. It should be noted that the 2022 amount is through December and is at 93% of the budget for this account, so the final actual revenue amount received is behind the budget for the year.

Public Defender

State Aid Claims – The Public Defender department has submitted all state aid claims for 2022 on February 17, 2023.

County Treasurer

Sales Tax – It has been noted that we have collected \$746,597 more in sales taxes through January 31, 2023 than we did through January 31, 2022 which is a 16.7% increase. We have received \$1,724,547 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 \$914,010.**

Tourism

Occupancy Tax – The department has collected \$800,057 more in occupancy taxes as of December 31, 2022 than we did as of December 31, 2021 which is a 12% increase. These amounts represent collections for each year through February 14. We have not finalized 2022 figures yet and expect to receive payments for 2022 through March 31, 2023.

Sheriff's Correction Division

Jail Services, Other Government – As of December 31, the department has received \$478,092 in Jail Services, Other Government in 2021 and \$443,840 in 2022 which is a decrease of 7%. It should be noted that the 2022 amount is the final amount and is at 111% of the budget for this account so the actual revenue received has exceeded the budget.

Building & Fire Code

Building Permits – As of January 31, the department received \$16,992 in building permits in 2022 and 16,048 in 2023 which is a decrease of 6%. It should be noted that the 2023 amount is at 6% of the budget for this account so that actual revenue received is behind the budget.

Health Services

Home Nursing Charges – As of December 31, the department has received \$2,597,192 in Home Nursing Charges in 2021 and \$1,720,686 in 2022 which is a decrease of 34%. It should be noted that the 2022 amount is the final amount and is \$2,378,697 below budget for this account so that actual revenue received is significantly behind the budget.

It should be noted that there was a decrease in 2022 expenditures in response to the decline in revenue, but it wasn't in the same proportion. The table below shows that there was an adopted budget deficit of \$209,991 while the actual deficit was \$801,151 which means that the department cost the County \$591,160 more than what was originally budgeted and expenditures did not decrease the same amount that revenues decreased. The revenue and related expenditure budgets need to be looked at more closely by the department and reduced in future budgets to more realistic amounts so that revenue and expenditure budgets are not significantly overstated.

<u>Health Services</u>	<u>Adopted Budget</u>	<u>2022 Actual</u>
Revenue	4,100,000.00	1,724,388.88
Expenditure	<u>4,309,991.00</u>	<u>2,525,540.01</u>
Deficit	<u>(209,991.00)</u>	<u>(801,151.13)</u>

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.**

Each department is responsible for ensuring that their budgets are not over expended and if they are, the issue should be addressed immediately.

County Road Projects

The following 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 to that year’s budget for road projects. The 2022 amount includes \$6.2 million that is funded with bonds in order to get the road projects caught up to a certain level of sustainability. As noted below, DPW did not expend \$5,381,586 or 43% of the amended budget for the road projects.

	2018	2019	2020	2021	2022
Amended Budget	4,478,293	5,275,182	4,155,480	5,579,432	12,453,922
Amount Expended	2,636,713	4,119,702	2,875,631	2,590,562	7,072,336
Amount Unexpended	1,841,580	1,155,480	1,279,849	2,988,870	5,381,586
% of Budget Unexpended	41.1%	21.9%	30.8%	53.6%	43.2%

Community College – Tuition

This issue was first reported in the October, 2021 Budget Analysis Report and we were told that the College was going to look into this and report back, but our office never received any such report.

This expenditure code represents charges made by other NYS community colleges for Warren County resident students that attend their community college instead of attending SUNY Adirondack. Below are the tuition costs charged to Warren County over a five-year period. As noted there have been significant increases in 2020 and 2021. A determination should be made as to the cause of this significant increase in light of the fact that the 2016 NSTEM project funded by Warren and Washington Counties was supposed to reduce the number of Warren County resident students that go to colleges outside of the county. Warren County invested \$5.7 million into the NSTEM project.

2017	314,673
2018	318,414
2019	385,979
2020	493,417
2021	571,097

County Debt Balances

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

	Current	End of 2023					2028-	2033-
	Balance	Balance	2024	2025	2026	2027	2032	2037
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	5,890,000	5,510,000	5,120,000	4,720,000	4,305,000	3,880,000	1,565,000	-
Court Expansion - 2017	6,665,000	6,290,000	5,910,000	5,520,000	5,120,000	4,715,000	2,515,000	-
SUNY Adirondack NSTEM - 2017	4,515,000	4,260,000	4,000,000	3,735,000	3,465,000	3,190,000	1,700,000	-
Leased Commitments								
Voting Machines	194,924	159,095	121,688	82,703	42,140	-	-	-
Copiers/Printers - National Business	324,208	263,215	200,298	135,457	68,690	-	-	-
Copier - Toshiba	1,114	-	-	-	-	-	-	-
Office Space - Mental Health	31,077	-	-	-	-	-	-	-
Bond Anticipation Notes								
Paving, Retaining Wall & Countryside	7,900,000	6,320,000	4,740,000	3,160,000	1,580,000	-	-	-
Total Outstanding	37,541,323	33,007,310	29,536,986	26,013,160	22,420,830	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.