



**THIRD QUARTER  
FINANCIAL REPORT:  
ECONOMIC OUTLOOK,  
REVENUES,  
EXPENDITURES &  
CASH BALANCES**

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**Office of the  
Ulster County Comptroller  
March S. Gallagher**



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**2020**



# ULSTER COUNTY OFFICE OF THE COMPTROLLER

## FINANCIAL REPORT THIRD QUARTER 2020

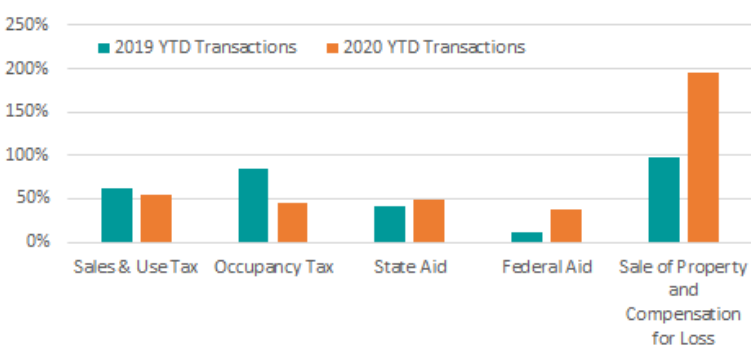
**National GDP figures rebounded while local unemployment & social service populations declined from pandemic highs but still exceed 2019 baselines. COVID-19 spikes, potential job cuts to state aid, and stalling job growth create a negative short-term outlook.**

### REVENUES

The County recognized \$212.4 million, or 61.9%, of budgeted revenues, the same percentage as 2019, but \$8.4 million more with the increased 2020 budget.

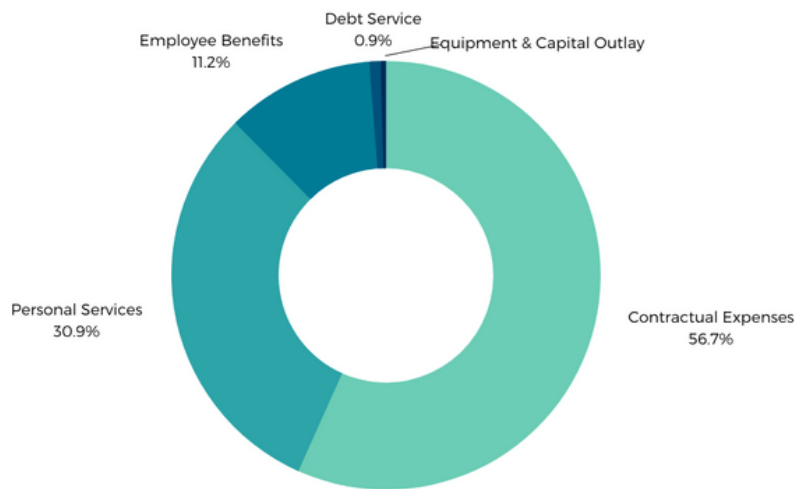
Ulster County received \$69.2 million in sales tax revenue through the third quarter of 2020 compared to \$75 million received during the same period in 2019.

Percent of Revenues Collected by September 30



### EXPENDITURES

2020 Year-to-Date Transactions



Ulster County expended \$191.1 million or 55.7% compared to 61.9% of budgeted expenses in 2019. The 2020 % reduction is a combination of \$12.6 million less in actual expenditures and a \$13.6 million higher budgetary appropriations. Reductions in expenditures were in the areas of miscellaneous contractual as well as capital and equipment outlay.

**Ulster County had \$96.2 million cash on hand or \$3.3 million less than 2019. Ulster County expended over \$29,720,000 on over 5,600 invoices for a monthly average of 475 vendors this third quarter.**

**26%**

Increase in home sale prices in the last 12 months

**33.1%**

Increase in National Gross Domestic Product in Q3

**5.8%**

Unemployment rate for Ulster County as of October 2020



## Overview

This financial report highlights aspects of Ulster County's fiscal status through the third quarter 2020 (ending September 30<sup>th</sup>).<sup>1</sup> The report includes an update on the national, state, and local economy, a summary of quarterly results of budgeted to actual revenues and expenditures,<sup>2</sup> and provides an update on cash balances.

**Economy:** The third quarter saw a return of business. National GDP figures rebounded, and we saw declining local unemployment, and social service populations from pandemic highs. Despite the improvements in third quarter economic numbers, the fourth quarter has a negative outlook given the COVID 19 spikes, potential cuts to state aid, and stalling job growth.

**Revenues:** The County recognized \$212.4 million, 61.9%, of budgeted revenues through the third quarter. Through the same quarter last year, the county also recognized 61.9% of its budget. The County has received \$8.4 million more through the third quarter than in the previous year.

**Expenditures:** The County expended \$191.1 million, 55.7%, of the budget in the third quarter of the year. At the end of the same quarter of the prior year, the County expended 61.9% of its budget. The County has expended \$12.6 million less over the same period. The administration's phased approach to limiting spending in response to the financial crisis caused by the COVID-19 pandemic is a main contributor to the reduction in expenditures from year to year.

**Cash Balances:** The cash balance amount for 2020 appears to be following the same trends as prior years, just at a lower level. Cash at the end of Q3 2020 is \$96.2 million, which is about \$3.3 million less than third quarter balances in 2019.

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<sup>1</sup> We have used *unaudited* and *unofficial* amounts as reported within Ulster County's financial management system as of November 13, 2020 that was collected for the purposes of this review. This report does not include expenditures that are not approved by the Office of the Comptroller, such as payments made within the Welfare Management System managed by the Department of Social Services. Actual results are not final, may vary, and are subject to change. Financial information is not finalized until external audit procedures are completed, which may include audit adjustments.

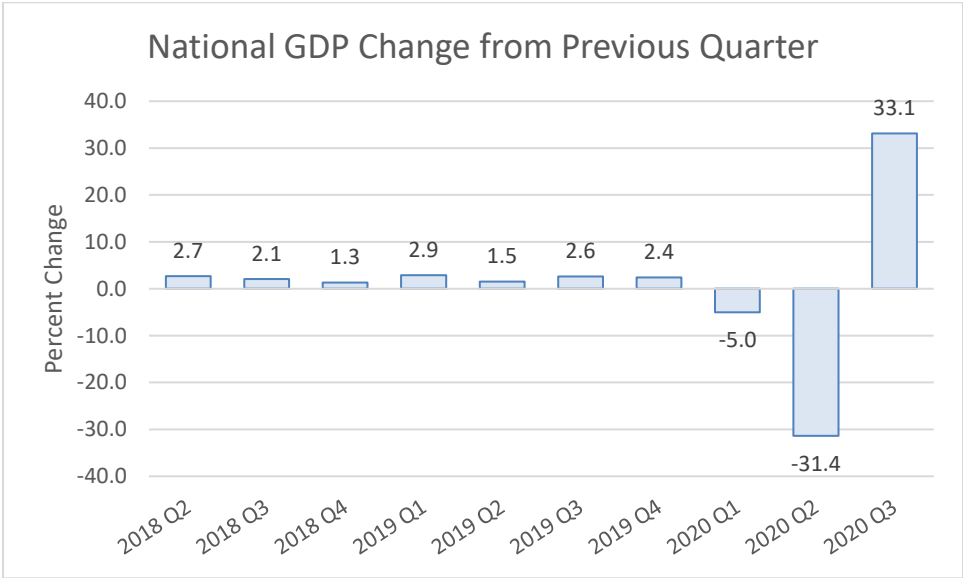
<sup>2</sup> The "County Budget," as identified and described herein, reflects the original amounts found within the 2020 Adopted Budget (i.e. without amendments) for all operating and non-operating departmental budgets, including governmental and proprietary funds. *Capital Project Fund* activity in both revenues and expenditures is excluded from comparisons to budgeted amounts, as capital projects each have their own budget, which is not included in the annual operating budget. This ensures we are comparing budgeted areas to the revenues and expenditures related to those associated areas. The "Departments," as identified and described herein, reflect those reporting units as created and maintained by the Executive's Office that are listed within the Annual Budget Presentation. While these do not exactly match stand-alone County Departmental Units as they generally operate and are traditionally known, we have maintained the information in this format for consistency and comparative purposes.

## Economic Outlook

Ulster County’s economy was severely impacted by COVID 19 in the second quarter as a result of the NY Pause Orders which closed many businesses. The third quarter saw a return of business as outdoor dining took hold and people learned how to shop and work with social distancing and ventilation. These impacts could be seen nationally in rebounding GDP figures as well as locally in unemployment, housing, and social service populations. Despite the improvements in third quarter economic numbers, the fourth quarter has a negative outlook given the COVID 19 spikes. Local governments will just be seeing the full impact of cuts to state aid in the 2020 budget. While the long-term economic outlook is positive federal aid is needed for state and local governments to ensure government pandemic response (including contact tracing, testing, communications, and social services) can support the return to a robust economy.

## Gross Domestic Product

Although the first impacts of the COVID 19 pandemic were beginning to be felt at the end of the first quarter of 2020, those impacts really drove home in the second quarter. The national economy has rebounded from the precipitous decline in the first and second quarters with an “advance estimate” of GDP growth of 33.1% in the third quarter over the prior quarter.



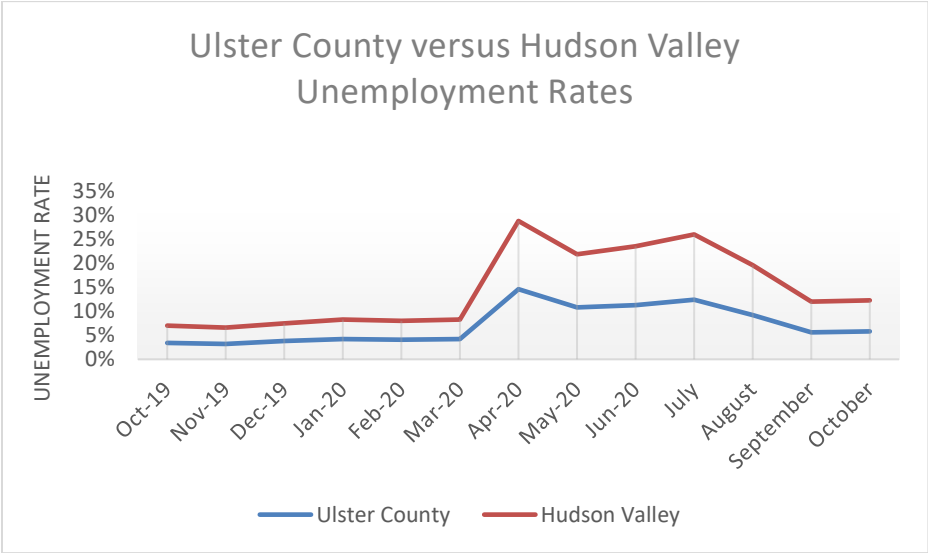
Source: Bureau of Economic Analysis, Gross Domestic Product, 3<sup>rd</sup> Quarter 2020 (Second Estimate) (November 25, 2020) available at <https://www.bea.gov/news/2020/gross-domestic-product-3rd-quarter-2020-second-estimate-corporate-profits-3rd-quarter>.



This rebound is evidence of the shorter-lived nature of downturns related to pandemic impacts. The increase in real GDP reflected increases in personal consumption expenditures, private inventory investment, exports, residential and nonresidential fixed investment, partly offset by decreases in federal government spending and state and local government spending.

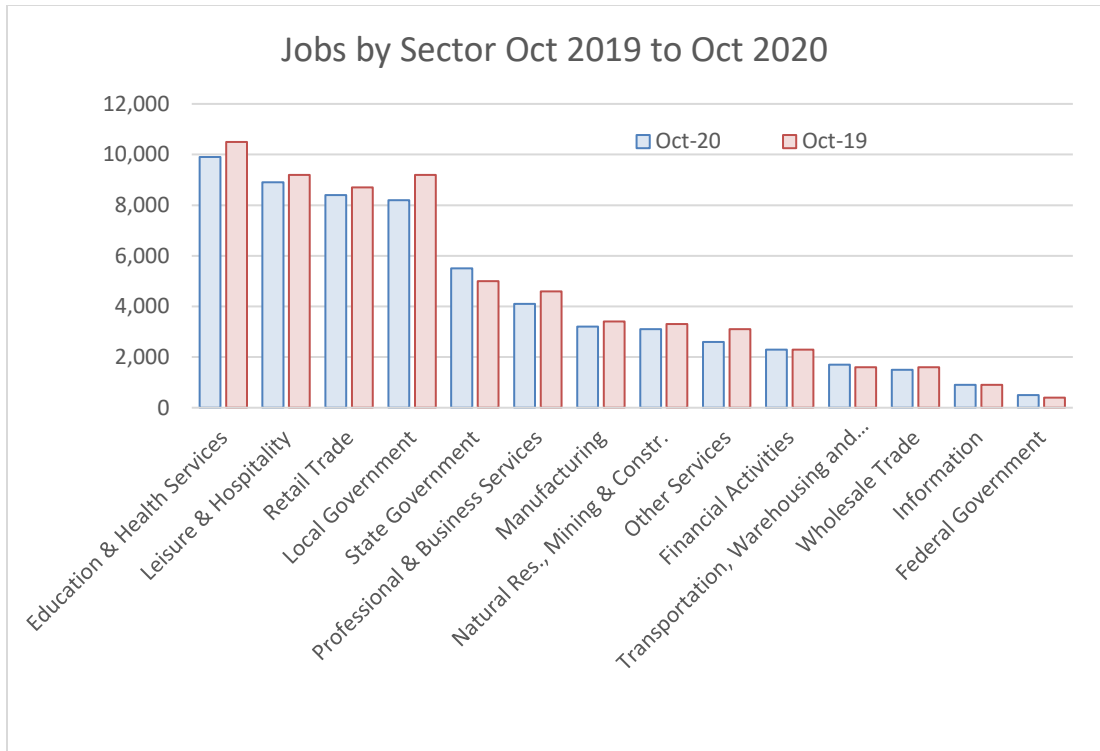
### Unemployment

Unemployment during the third quarter of 2020 dropped from a high of 14.6% to only 5.8% at the close of October, which was 2.3% more than the October 2019 unemployment rate of 3.5%. Ulster County’s unemployment has mirrored the Hudson Valley’s numbers and was below the Hudson Valley average at the end of the third quarter as other parts of the region are experiencing higher unemployment such as Westchester (7.0%) and Rockland (6.5%).



Source: Aggregated by the Ulster County Comptroller’s Office from New York State Department of Labor Local Area Unemployment Statistics Program available at <https://labor.ny.gov/stats/laus.asp>

Perhaps more interesting is a look at the industry sectors of employment. Education & Health Services, Leisure & Hospitality, Retail Trade, and Local Government are the most prominent industry sectors of employment making up 58% of nonfarm private sector employment in Ulster County. All sectors saw declines in employment from October 2019, with Local Government seeing the largest decline of 10% year-over-year. State and Federal employment as well as Transportation, Warehousing, and Utilities saw increases over the year.



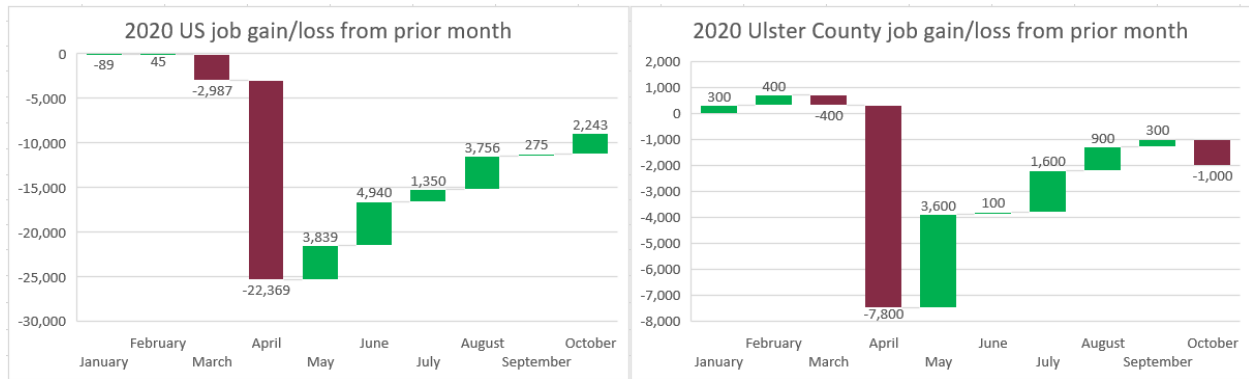
Source: Aggregated by the Ulster County Comptroller's Office from New York State Department of Labor Monthly Labor Market Profile for October 2020, September 2020, October 2019.

Jobs are being added at a decelerating rate and we are still nearly 10 million jobs less nation-wide than at the beginning of the pandemic. The Bureau of Labor Statistics noted that the pace of improvement has moderated in recent months<sup>3</sup> while President-Elect Biden warned of a stalled economy.<sup>4</sup>

While Ulster County initially rebounded in job growth better than the national labor force, the County exhibits a similar stall to the moderation in job growth. In fact, Ulster County has even more concerning numbers that show a decline in jobs between September and October of 2020.

<sup>3</sup> US Bureau of Labor Statistics, Employment Situation Summary (December 4, 2020), available at <https://www.bls.gov/news.release/empsit.nr0.htm>

<sup>4</sup> Transition Highlights: Biden Discusses 'Stalling' Economy Amid New Hopes on Stimulus (December 7, 2020) available at <https://www.nytimes.com/live/2020/12/04/us/joe-biden-trump> (accessed December 7, 2020).



Source: US numbers from U.S. Bureau of Labor Statistics Civilian Employment available at <https://www.bls.gov/charts/employment-situation/civilian-employment.htm>. Ulster County data aggregated by the Ulster County Comptroller’s Office from New York State Department of Labor Area Unemployment Statistics of civilian employed person for January 2020 through October 2020.<sup>5</sup>

According to the Federal Reserve Bank of New York Business Leaders Survey, business in the region’s service sector declined for the 9<sup>th</sup> straight month in October and capital spending declined for the 8<sup>th</sup> straight month.<sup>6</sup> The majority of respondents did not anticipate conditions to improve over the next six months. County level data on business formation shows serious impacts over the course of the pandemic with information from the Ulster County Clerk’s Office on new business formation taking a significant hit during the pandemic.

Ulster County Clerk’s Office Filing Data January 1 through December 1, 2020	1/1/2020-12/1/2020	1/1/2019-12/1/2019	Percent Decline
Business Certificate Filings	575	697	18%
Discontinuance of Bus Cert	31	40	23%
Corporation Filings	298	332	10%
Discontinuance of Corps	61	81	25%

<sup>5</sup> *Civilian labor force* includes all persons in the civilian noninstitutional population ages 16 and older and *Employed persons* are all persons who, during the reference week did any work as paid employees, worked in their own business or profession or on their own farm, or worked 15 hours or more as unpaid workers in an enterprise operated by a member of their family, or were not working but who had jobs from which they were temporarily absent because of vacation, illness, bad weather, childcare problems, maternity or paternity leave, labor-management dispute, job training, or other family or personal reasons, whether or not they were paid for the time off or were seeking other jobs. Each employed person is counted only once, even if he or she holds more than one job. Definitions available at <https://www.bls.gov/lau/laufaq.htm#Q03>

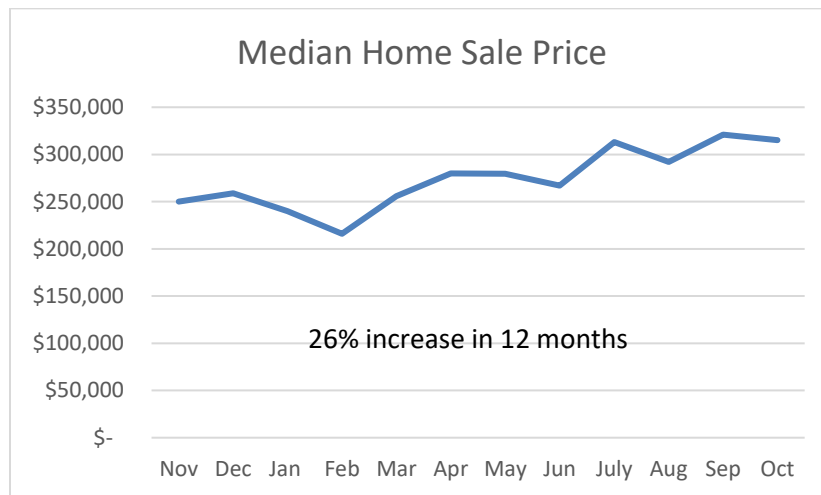
<sup>6</sup> Business Leaders Survey Covering Service Firms in New York, northern New Jersey and southwestern Connecticut, Federal Reserve Bank of New York (November 2020), available at [https://www.newyorkfed.org/medialibrary/media/survey/business\\_leaders/2020/2020\\_11blsreport.pdf?la=en](https://www.newyorkfed.org/medialibrary/media/survey/business_leaders/2020/2020_11blsreport.pdf?la=en)



In Ulster County during the period January 1<sup>st</sup> through December 1<sup>st</sup> of 2020 compared to 2019 new business certificate filings (also known as DBAs or doing business as certificates) were down 18% while corporation filings were down 10%. Filings with the Clerk’s Office are only a fraction of business filings as corporation filings can be filed directly with the NYS Department of State. The Comptroller’s Office will continue to monitor local, state, and national data on business filings going forward.

## Housing

Ulster County housing prices continue to rise. According to data tracked by the New York State Association of Realtors, home sale prices have risen 26% over the last 12 months. These sales do not include transactions that are for sale by owner. National news media has continued to report on the real estate market with one example 2,000 square foot home in Saugerties receiving up to 10 offers \$80,000 to \$100,000 over asking price.<sup>7</sup>



Source: Aggregated by the Ulster County Comptroller’s Office from New York State Association of Realtors monthly Housing Market Reports available at <https://www.nysar.com/news/market-data/reports/>

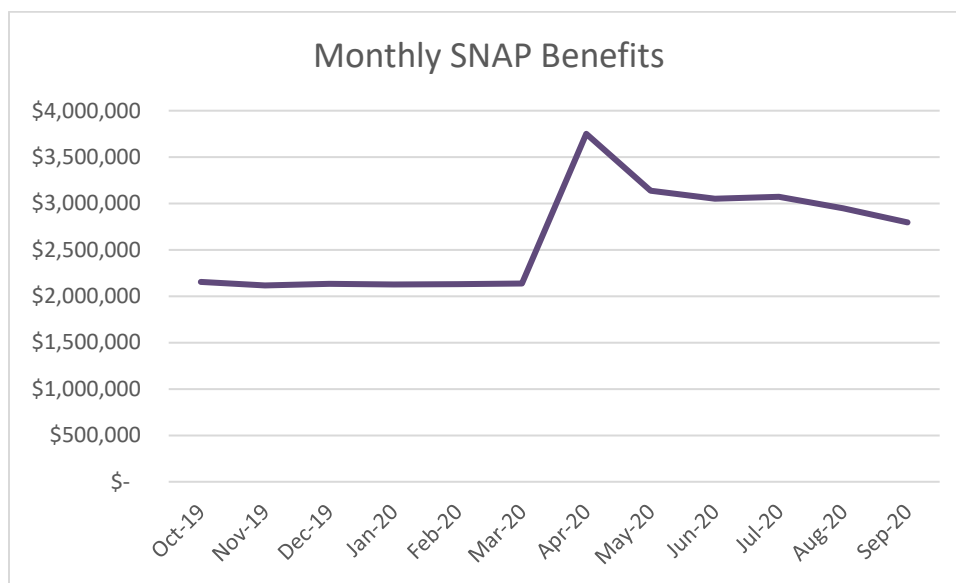
Granular county level rental price data is not available on a timely basis, but anecdotal evidence shows that rental prices continue to climb during this period with little vacancy and continued interest of urban dwellers to find more rural environs. Lack of work, lower income, and increased housing prices lead to more pressure on social services.

<sup>7</sup> Anna Bahney, “These people have left big cities for good. Here’s where they are headed.” CNN (September 1, 2020), available at <https://www.cnn.com/2020/08/31/success/leaving-the-city-for-suburbs/index.html>

## Social Services Impacts

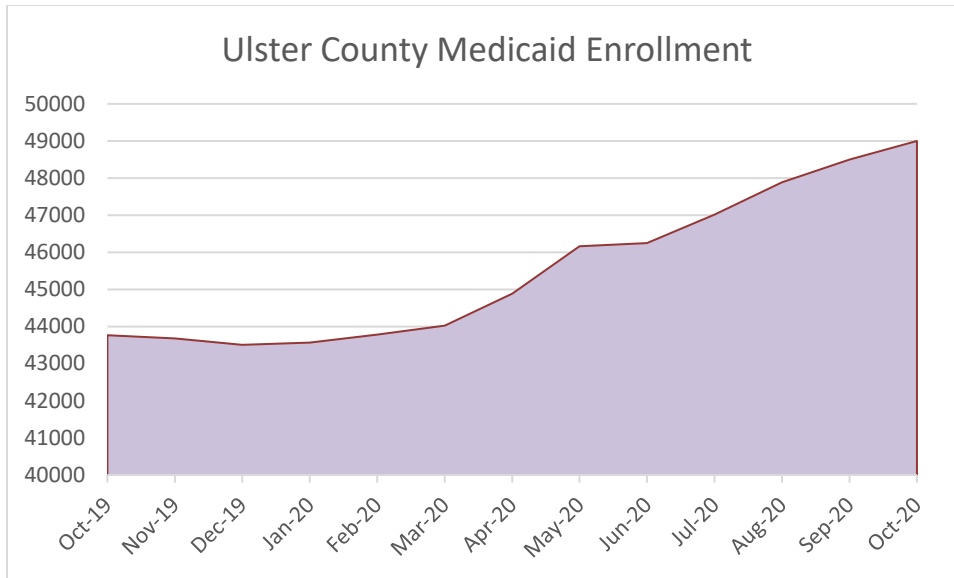
Another way for the County to monitor economic impacts is to examine the populations accessing benefits like the Supplemental Nutrition Assistance Program (SNAP, also known as food stamps) and Medicaid, which provides health coverage to eligible low-income adults, children, pregnant women, elderly adults, and people with disabilities. The pandemic immediately saw an increase in SNAP benefits paid by more than 75% in April of 2020.

It's important to note that both Medicaid enrollees and total SNAP benefits paid were largely unchanged over the twelve months prior to the pandemic. SNAP benefits paid out initially jumped from \$2.1 million to \$3.7 million but has been dropping since the high in April 2020.



Source: Aggregated by the Ulster County Comptroller's Office from New York State Office of Temporary and Disability Assistance Monthly Caseload Statistics available at <https://otda.ny.gov/resources/caseload/>

The number of Ulster County residents enrolled in Medicaid has also continued to climb since the pandemic; however, these numbers appear to be even more inflated than actual need because New York State has issued guidance to counties barring removal of anyone from the Medicaid system during the pandemic. During typical months, some recipients are added to the rolls and some are removed, but none are being removed at this time. Prior to the pandemic, Medicaid populations were very stable.



Source: Aggregated by the Ulster County Comptroller’s Office from New York State Department of Health Monthly Medicaid Enrollment Trends from May 2018 – October 2020 available at [https://www.health.ny.gov/health\\_care/medicaid/enrollment/historical/2018-2020\\_all\\_months.htm](https://www.health.ny.gov/health_care/medicaid/enrollment/historical/2018-2020_all_months.htm)



## Revenues

County revenues through the third quarter were \$212.4 million, representing 61.9% of the \$342.9 million in total financing sources (revenues and fund balance appropriations) included in the Adopted Budget. The largest sources of revenue can be attributed to \$76.3 million in *Real Property Tax* collections and *Non-Property Tax Items (including Sales Tax)* of \$71.5 million. The following chart details the revenues recorded through the second quarter and annual budgeted amounts for 2020 and 2019:

Revenues by Category September 30th Year to Date						
Category	2019 YTD Transactions	2019 Adopted Budget	% of 2019 Adopted Budget	2020 YTD Transactions	2020 Adopted Budget	% of 2020 Adopted Budget
Non-Property Tax Items (incl. Sales Tax)	\$ 77,895,479	\$ 126,226,458	62%	\$ 71,487,053	\$ 132,751,423	54%
Real Property Taxes	76,509,449	75,509,031	101%	76,318,489	75,567,758	101%
State Aid	19,663,045	47,643,471	41%	26,584,173	54,165,167	49%
Federal Aid	3,957,257	35,975,331	11%	12,568,186	33,095,059	38%
Interfund Transfers In	13,300	-	0%	-	-	0%
Other Financing Sources (incl. Fund Balance)	-	9,060,561	0%	-	13,160,242	0%
Departmental Income	5,758,063	9,935,811	58%	5,645,333	9,923,745	57%
Intergovernmental Charges	7,611,714	9,308,274	82%	7,430,879	8,336,974	89%
Real Property Tax Items	4,431,147	5,440,000	81%	3,961,073	5,435,000	73%
Interfund Revenues	3,933,448	5,221,474	75%	3,795,334	5,227,200	73%
Use of Money and Property	1,645,982	1,585,970	104%	1,193,248	2,032,989	59%
Sale of Property and Compensation for Loss	1,410,770	1,449,100	97%	2,320,660	1,188,750	195%
Miscellaneous Local Sources	501,624	954,100	53%	435,043	971,400	45%
Fines and Forfeitures	257,501	476,708	54%	257,264	531,894	48%
Licenses and Permits	365,882	470,000	78%	354,376	489,000	72%
<b>Grand Total</b>	<b>\$ 203,954,661</b>	<b>\$ 329,256,289</b>	<b>61.9%</b>	<b>\$ 212,351,113</b>	<b>\$ 342,876,601</b>	<b>61.9%</b>

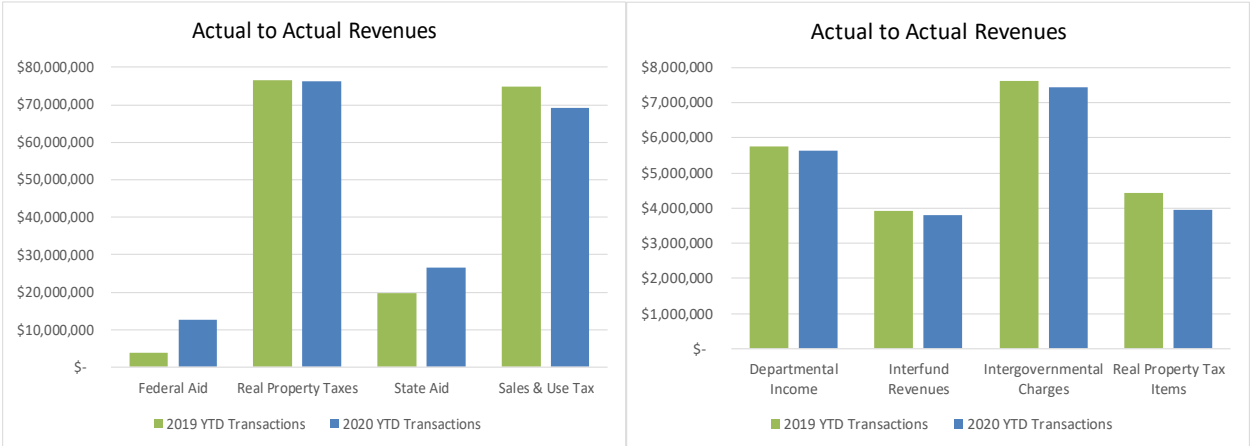
Third quarter year to date revenues in 2020 are \$8.4 million more than 2019, but due to the \$13.6 million increase in total budget amounts, the percentage of budgeted revenues received in 2020 is equal to the percentage received in 2019.

*Non-Property Tax Items* contains various revenues including sales tax. We have prepared an additional chart that further breaks down the amounts into the subcategories:

Non-Property Tax Items Revenues September 30th Year to Date						
Non-Property Tax Items	2019 YTD Transactions	2019 Adopted Budget	% of 2019 Adopted Budget	2020 YTD Transactions	2020 Adopted Budget	% of 2020 Adopted Budget
Sales & Use Tax	\$ 74,981,964	\$ 122,435,116	61%	\$ 69,159,416	\$ 128,561,423	54%
Occupancy Tax	1,430,703	1,700,342	84%	994,229	2,185,000	46%
Automobile Use Tax	907,160	1,225,000	74%	741,669	1,200,000	62%
Emergency Phone System Tax	575,652	791,000	73%	591,739	805,000	74%
OTB Surtax	-	75,000	0%	-	-	0%
<b>Non-Property Tax Items Total</b>	<b>\$ 77,895,479</b>	<b>\$ 126,226,458</b>	<b>61.7%</b>	<b>\$ 71,487,053</b>	<b>\$ 132,751,423</b>	<b>53.9%</b>

*Sales & Use Tax* above only includes amounts related to January through July sales tax transactions due to the timing of recording transactions in the financial system. This period shows a \$5.8 million decline in sales tax from the previous year. However, once the collections for August and September (which were received after the end of the third quarter) are analyzed, the difference in revenue compared to the previous year shrinks to a \$2.8 million decline - after strong August 2020 sales tax revenues are included. The 2019 sales tax revenue at the end of the third quarter was \$98.6 million, compared to 2020 of \$95.8 million.

Comparing just the third quarter year to date to the total budget by itself may not provide value, therefore, we elected to provide prior year data for contrast. This provides more information for comparison and can help visualize timing issues of receipts.



The chart on the left shows Federal Aid revenues are \$8.6 million more than the previous year and the budgeted amount in the current year is \$2.9 million less; nevertheless, the majority of Federal Aid is recognized in the last quarter of the year, this area is still not predictable. Real Property Taxes are recognized in full in the first quarter of the year, therefore this category will show little variance between years. State Aid this year is outperforming by \$6.9 million compared to the prior year, however, the current year budget projected \$6.5 million more than the

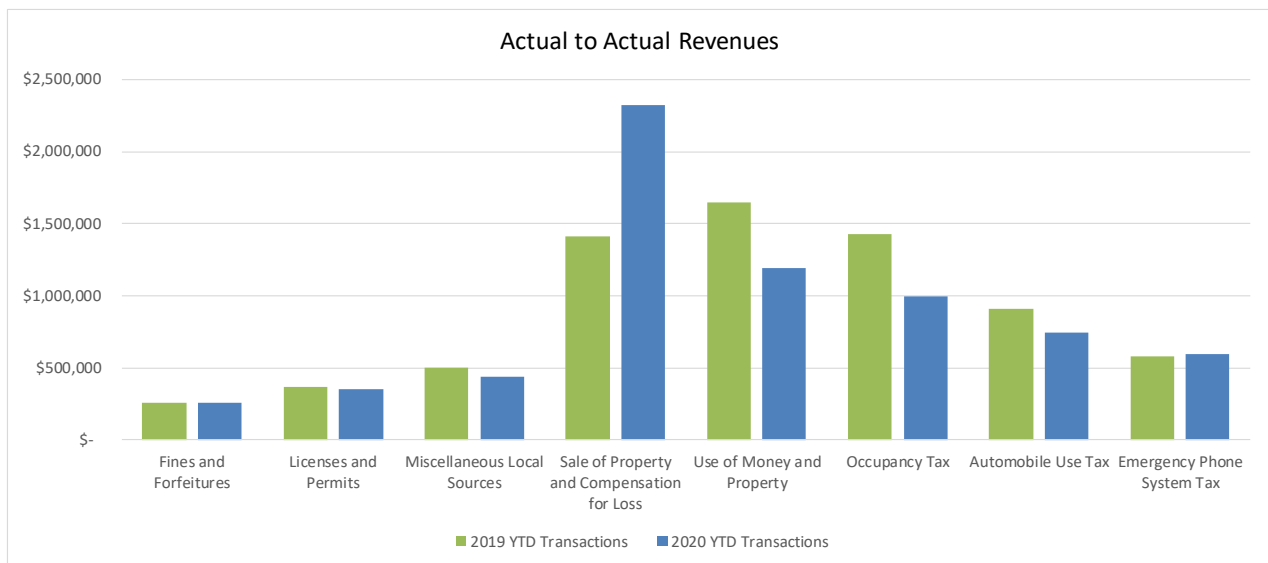
previous. We are anticipating cuts to State Aid due to COVID related shortfalls at the State level, potential reduction amounts are unknown currently.

Departmental Income is slightly below the prior year amount, and the budgeted amount decreased a little from the previous year. Many factors, a major one being COVID, have impacted departmental revenues. As the pandemic continues, and imminent restrictions and shutdowns through end of the year occur, it is hard to predict how the departmental revenues will end in comparisons to the previous year. In addition, non-pandemic changes such as bail reform, the Green Light law, and Real ID programs also had significant impacts.

Interfund Revenues are down \$140k from the prior year, and there is little change in the budgeted amount from year to year. This category is at 73% of the budgeted amount at the end of the third quarter and has potential to finish around budgeted amounts.

Intergovernmental Revenues are down \$180k, however, 2020 budgeted for a \$1.0 million reduction in this category, meaning this revenue is in line or above expectations at 89% at the end of the third quarter.

Real Property Tax Items show revenues less than the prior year by \$470k and the 2020 budgeted amount was consistent with 2019, indicating the 2020 may fall below expectations.



*Fines & Forfeitures, Licenses and Permits, Miscellaneous Local Sources, and Emergency Phone System Tax* all have relatively small variances from year to year as all are within about \$100k from the prior year.



*Sale of Property & Compensation for Loss* in 2020 is \$910k higher from the previous year due to insurance stop-loss coverage and prescription RX recoveries. The 2020 third quarter revenue was almost double the budgeted amount at 195%.

*Use of Money and Property* had stronger 2019 revenues amount due to higher cash balances and higher percentage yields on interest bearing checking accounts. There is a \$453k difference at the end of the third quarter. The percentage of budget achieved at the end of the quarter in 2020 was 59%, indicating it is unlikely to achieve budgeted amounts in 2020.

*Occupancy Tax* in 2019 had an influx of new registrants of short-term rental properties driving up revenues. This year we have a year to date \$436k variance from the previous year. Occupancy tax in 2020 was at 46% of the budgeted amount at the end of the third quarter. It is almost certain this area will not achieve budgeted amounts. The following chart provides a historical occupancy tax collected as percent of budget percentage through the third quarter and through the end of the year.

Occupancy Tax Revenues Collected as a Percent of Budget			
Year	Adopted budgeted amount	% of budget collected by close of Q3	% of budget collected by year end
2015	\$ 1,200,000	90%	125%
2016	\$ 1,260,000	90%	127%
2017	\$ 1,350,000	90%	128%
2018	\$ 1,425,000	87%	127%
2019	\$ 1,700,342	84%	120%
2020	\$ 2,185,000	46%	

*Automobile Use Tax* has a decrease of \$165k from the previous year attributed to a decline in car sales during the beginning of the pandemic which our [Mid-Year Sales Tax Report](#) found to be down in the March-May 2020 period compared to 2019. This area is at 62% of budgeted revenues suggesting it is unlikely to achieve budgeted amounts.

For more information regarding revenues of each *Department*, please see Appendix A of this report that includes budgeted and amended amounts, as well as total year to date transactions.

## Expenditures

During the first three quarters of 2020 the County expended \$191.1 million of the \$342.9 million budget. Most of those expenditures were \$108.3 million in *Contractual Expenses* and \$59.0 on salaries (*Personal Services*). Based on the data reflected within the County’s financial management system, the 2020 year to date expenditures are \$12.6 million less than the 2019 expenditures at the same time last year. The following chart provides September 30<sup>th</sup> year to date expenditure amounts for 2020 and 2019 compared to their respective budgets:

<b>Expenditures by Category September 30th Year to Date</b>						
<b>Category</b>	<b>2019 YTD Transactions</b>	<b>2019 Adopted Budget</b>	<b>% of 2019 Budget</b>	<b>2020 YTD Transactions</b>	<b>2020 Adopted Budget</b>	<b>% of 2020 Budget</b>
Contractual Expenses	\$ 119,298,139	\$ 177,440,196	67%	\$ 108,344,936	\$ 182,297,033	59%
Personal Services	58,875,429	86,414,139	68%	59,047,617	91,157,492	65%
Employee Benefits	22,394,288	51,088,080	44%	21,323,896	53,058,816	40%
Debt Service	1,353,126	12,095,525	11%	1,630,274	13,477,961	12%
Equipment & Capital Outlay	1,801,354	2,218,349	81%	751,843	2,885,299	26%
<b>Grand Total</b>	<b>\$ 203,735,635</b>	<b>\$ 329,256,289</b>	<b>61.9%</b>	<b>\$ 191,098,567</b>	<b>\$ 342,876,601</b>	<b>55.7%</b>

\*Capital project fund activity is excluded from comparisons to budgeted amounts, as capital projects each have their own budget, which is not included in the annual operating budget. This ensures we are comparing budgeted areas to the actual expenditures related to those associated areas.

Overall, the County expended 55.7% of the budget through the third quarter of 2020 compared to expending 61.9% of the 2019 budget after the first three quarters. The reduction in percentage expended in 2020 is a combination of \$12.6 million less in actual expenditures and a \$13.6 million higher budgetary appropriation. The administration's phased approach to limiting spending in response to the financial crisis caused by the COVID-19 pandemic is a main contributor to the reduction in expenditures from year to year.

When analyzing expenditures by *Category Contractual Expenses* and *Equipment & Capital Outlay* stand out. We see that *Contractual Expenses* are \$11.0 million less at this point in 2020 than in 2019. This amount seems very frugal considering the 2020 budget allotted for \$4.8 million more than the 2019 budget. The reduction in actual expenditures is mainly due to less miscellaneous contractual amounts spent related to childcare and family assistance programs.

*Equipment & Capital Outlay* is \$1.05 million less than the previous year. The 2020 expenditures only represent 26% of the budgeted amount for the year compared to 2019 which had expended 81% of the budget over the same timeframe. Most of these reductions were in Sheriff and Information Services related equipment and capital outlay.

For more details regarding expenditures of each *Department*, including their 2019 Adopted and Amended Budgets, as well as annual spending information, please see Appendix B.

Ulster County expensed over \$29,720,000 on over 5,600 invoices for a monthly average of 475 vendors this third quarter. The County entered 160 expense contracts totaling \$9,083,171. In addition to vendor payments and contracts, the Comptroller performs weekly, biweekly, monthly, and election worker payroll. In the third quarter of 2020, the claims auditors reviewed and certified over \$19,717,150 in payroll expenses in addition to \$112,057 in payroll and election worker reimbursements for the Board of Elections.

Year to date, the Comptroller's claims auditors have reviewed 17,681 invoices and approved \$111,798,349 in vendor payments. For a monthly breakdown of County payments to vendors, please see the *Taxpayer Checkbook* that is available at the Comptroller's website and current through year end (<https://comptroller.ulstercountyny.gov/>).

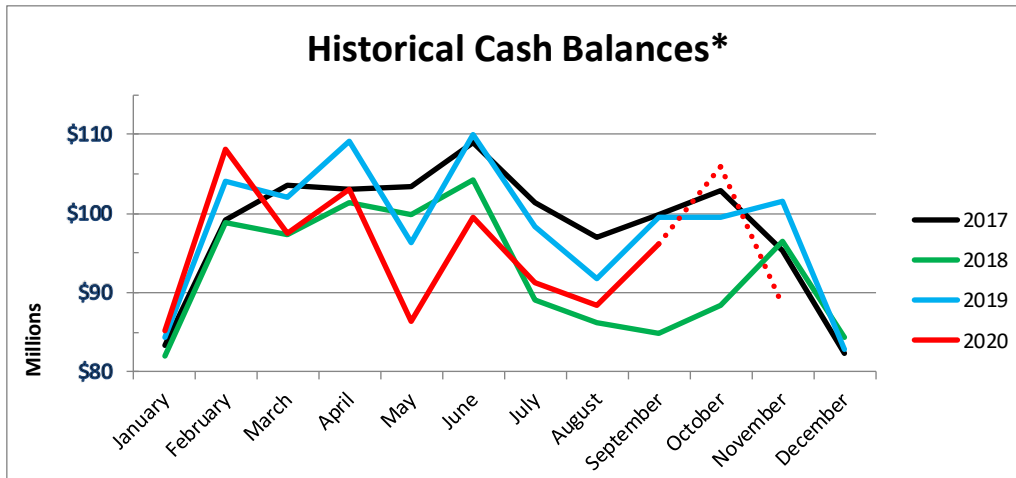
## **Long-Term Debt**

The County's long-term debt obligations remain unchanged from the previous quarter. For more information regarding the balances and types of debt please refer to our [second quarter report](#) which provides more detail on this area. Bond and BAN payments and issuances occur mainly in the fourth quarter and we expect to provide additional information as balances change.

## **Cash Balances**

The County's cash balances in 2020 has trended similar to prior years, just at a lower level starting in June 2020. In September of 2020 cash levels are at \$96.2 million which is \$3.3 million below the 2019 amount, but \$11.2 million above the 2018 amount at the same period. Cash balances fluctuate throughout the year, reflecting various inflows and outflows as demonstrated in the graph below:





\*The cash amounts are presented as they were stated within the County's financial management system at the time this report was drafted and do not include cash accounts that are maintained by departments outside of the Department of Finance's purview.

County cash balances tend to oscillate throughout the year. January cash balances are usually improved by the first installment of property taxes, which are due in February of each year. If historical trends were to continue, once the County makes its annual bond related payments and NYS retirement payments in November and December it appears that the cash position will be around the historical amount by year-end.

### Third Quarter Recap

Ulster County faced a severe contraction as a result of the COVID-19 pandemic that resulted in job losses, and unemployment leading to decreased spending and business activity. Business activity has somewhat resumed. Housing prices have gone up during this period as a result of pressure from people leaving denser environments. Meanwhile the combination of reduced incomes and increased housing prices has resulted in more families seeking benefits like SNAP and Medicaid. The immediate outlook is a return to less activity over the winter as we face the COVID-19 surge, but the long-range impact is positive given coming vaccines.

The difference between actual revenues compared to the actual expenditures at the end of the third quarter indicates a surplus, meaning revenues are higher than expenditures at this time. This year we have a surplus that is \$21.03 million more than the 2019 surplus at the end of the third quarter. During 2019 there was an end of third quarter surplus of \$0.22 million compared to a 2020 surplus of \$21.25 million. We know 2019 ended with a \$7.2 million deficit, but the significant difference in surplus at this point in the year indicates that 2020 may not experience as much of a deficit as 2019. The extent of lagging sales tax revenues and cuts to state aid will impact final deficit numbers for fiscal year 2020.

## Appendix A

Actual to Budgeted Departmental Revenues 1.1.20 Through 9.30.20				
Department	Adopted Budget	Amended Budget	YTD Transactions	Prior Year YTD
Arson Task Force	\$ -	\$ -	\$ -	\$ 2,472
Assessment	14,500	14,500	3,418	8,326
Benefits and Awards	10,629,874	10,629,874	10,284,058	10,590,546
Buildings	962,584	962,584	782,363	771,729
Bus Operations	5,069,260	5,069,260	832,052	1,888,904
Central Data Processing	67,000	67,000	33,638	52,241
Central Garage	401,500	401,500	85,710	53,992
Child Care	17,922,619	17,922,619	7,088,659	7,842,561
Clerk	2,806,800	2,806,800	1,723,923	1,892,149
Commissioner of Finance	9,972,000	9,994,153	6,373,807	7,672,517
Community College Tuition	75,000	75,000	80,200	78,915
Contracted Mental Health Service	7,084,060	7,182,272	6,431,886	4,223,074
Day Care	2,825,103	2,825,103	978,824	194,556
Disability Insurance, Emp Ben	9,400	9,400	521	595
Distribution of Sales Tax	128,561,423	128,561,423	69,159,416	74,981,964
District Attorney	674,506	674,506	585,778	375,471
Elections	340,723	567,223	215,658	12,139
Emergency Aid for Adults	70,630	70,630	15,132	5,525
Environmental Control	257,863	257,863	64,561	123,126
Family Assistance	6,407,381	6,407,381	3,546,956	872,231
Fire Protection	3,700	3,700	-	-
Highway Administration	-	-	1,783	-
Historian	-	-	-	370
Home Energy Assistance	128,000	128,000	51,415	151,315
Hospital & Medical, Emp Ben	825,000	825,000	1,994,958	1,173,529
Jail	323,700	323,700	502,247	308,998
Job Training and Services	950,400	950,400	447,607	470,226
Job Training, Administration	921,211	929,339	681,874	689,242
Job Training, Participant Suppt	6,000	6,000	1,100	1,900
Juvenile Delinquent	322,932	322,932	57,489	30,894
Law	-	-	-	588
Legislative Board	50,665,137	50,665,137	51,415,868	51,943,726
Machinery	3,162,236	3,162,236	3,264,046	3,250,795
Maintenance of Roads & Bridges	11,124,325	11,124,325	11,100,018	11,169,493
Medical Assistance	(625,000)	(625,000)	(19,384)	1,588
Medical Assistance - MMIS	650,000	650,000	129,096	305,315
Medical Examiner	700	700	6,653	1,460
Mental Health Administration	659,900	709,900	690,031	589,662
Mental Health Programs	9,000	9,000	26,671	3,363
Municipal Court	-	-	-	3,585
Narcotics Addiction Ctrl Service	919,422	932,242	652,572	855,461
Off Street Parking	51,200	51,200	13,439	45,075
Other Educational Activities	10,000	10,000	783	1,903
Other Public Safety	204,094	204,094	36,916	20,513
Parks	198,495	198,495	136,819	197,002
Permanent Improvements	3,684,561	4,439,316	2,869,708	2,403,066
Personnel	20,000	20,000	13,583	35,205
Planning	487,000	764,430	268,738	98,054
Probation	3,032,637	3,032,637	438,522	799,067

## Appendix A

Actual to Budgeted Departmental Revenues 1.1.20 Through 9.30.20				
Department	Adopted Budget	Amended Budget	YTD Transactions	Prior Year YTD
Programs for the Aging	2,636,107	2,806,107	1,102,808	833,865
Public Defender	2,048,505	2,026,352	1,544,273	11,620
Public Health	3,150,145	3,915,036	1,429,175	1,720,381
Public Safety Communication(911)	1,649,314	1,891,598	763,187	782,171
Public Works Administration	1,200,000	1,200,000	741,669	907,175
Purchasing	160,000	160,000	62,208	72,247
Rehabilitation Services	42,750	42,750	15,396	12,782
Rehabilitation, Loans & Grants	300,000	450,000	343,219	182,415
Safety Net	2,608,722	2,608,722	1,426,611	727,416
Sealer Weights & Measures	90,242	90,242	74,190	65,176
Self Insurance, Administration	40,000	40,000	-	4,118
Serial Bonds	10,819,060	10,819,060	10,787,126	10,333,143
Services for Recipients	617,872	617,872	72,075	75,302
Sheriff	1,488,033	1,540,573	761,932	873,129
Snow Removal	110,000	110,000	200,433	116,799
Social Services Administration	28,530,570	29,250,880	9,238,932	319,644
State Retirement, Emp Ben	585,839	585,839	-	-
Tourism	96,620	96,620	86,362	93,788
Unallocated Insurance	323,500	323,500	88,625	131,667
Undistributed Revenues	12,831,507	12,831,507	-	-
Veterans Services	519,080	519,080	66,783	72,801
WIC Program	802,447	802,447	442,071	398,394
Youth Programs	339,412	339,412	34,924	26,201
<b>Grand Total Governmental Funds</b>	<b>\$ 342,876,601</b>	<b>\$ 346,404,471</b>	<b>\$ 212,351,113</b>	<b>\$ 203,954,661</b>
Community College, Cap Proj	-	14,910,673	1,224,222	53,283
General Government, Cap Proj	-	14,516,148	2,344,729	7,221
Highway, Cap Proj	-	19,461,767	263,289	618,991
Law Enforcement, Cap Proj	-	467,588	-	-
Other Economic Dev, Cap Proj	-	-	216,006	16,764
Other Home & Comm Svc, Cap Proj	-	100,000	-	-
Other Transportation, Cap Proj	-	4,756,592	503,561	525,480
Public Safety, Cap Proj	-	14,462,446	-	69,750
Recreation, Cap Proj	-	9,572,560	666,050	1,299,383
<b>Grand Total Capital Project Funds</b>	<b>\$ -</b>	<b>\$ 78,247,774</b>	<b>\$ 5,217,856</b>	<b>\$ 2,590,872</b>
<b>Grant Total All Funds</b>	<b>\$ 342,876,601</b>	<b>\$ 424,652,245</b>	<b>\$ 217,568,968</b>	<b>\$ 206,545,534</b>

## Appendix B

Actual to Budgeted Departmental Expenditures 1.1.20 Through 9.30.20					
"Department"	Total Adopted Budget	Total Amended Budget	Total YTD Encumbrances	Total YTD Transactions	Total Prior Year YTD
Arson Task Force	\$ 61,626	\$ 66,003	\$ 2,810	\$ 29,495	\$ 35,351
Assessment	509,402	508,902	-	284,185	287,070
Benefits and Awards	7,817,000	7,816,975	-	3,202,937	4,520,213
Bond Anticipation Notes	950,000	950,000	-	-	(117,238)
Budget	355,801	352,962	-	139,828	156,353
Buildings	9,225,052	9,462,222	237,882	5,217,396	5,128,210
Bus Operations	6,875,129	6,880,084	28,980	3,376,349	3,514,539
Central Data Processing	7,450,605	7,508,045	270,860	4,453,055	4,633,292
Central Garage	851,611	844,136	-	423,496	499,839
Child Care	28,850,000	28,850,000	-	15,175,532	19,688,488
Clerk	4,578,890	4,591,706	3,950	2,516,332	2,621,962
Clerk of Legislative Board	1,264,325	1,291,049	18,218	630,863	644,242
Commissioner of Finance	4,292,866	4,318,079	3,057	2,149,444	2,507,339
Community College Tuition	3,950,000	3,950,000	-	1,957,809	1,855,671
Comptroller	936,859	936,859	-	452,373	433,676
Conservation	453,500	476,375	-	185,775	243,625
Contingent Account	459,504	-	-	-	-
Contracted Mental Health Service	8,566,270	9,006,018	2,292,926	5,884,966	6,003,328
Contribution to Community College	6,400,863	6,400,863	-	6,400,863	6,400,863
Day Care	3,000,000	2,761,132	-	1,475,419	2,055,539
Disability Insurance, Emp Ben	113,982	113,982	-	36,322	58,537
Distribution of Sales Tax	18,424,331	18,424,331	-	10,025,206	10,865,084
District Attorney	4,991,127	4,980,747	40,421	2,747,824	2,953,980
Economic Development	687,489	687,489	22,286	267,863	-
Elections	2,493,861	2,720,361	19,538	1,130,157	1,026,680
Emergency Aid for Adults	140,000	140,000	-	37,339	74,444
Engineering	485,792	516,292	30,500	309,169	267,003
Environmental Control	809,186	1,177,638	166,117	327,451	338,517
Family Assistance	9,660,000	9,660,000	-	5,267,947	6,761,975
Fire Protection	214,643	223,929	27,903	79,974	109,191
Highway Administration	3,360,125	3,360,425	-	1,244,808	1,370,648
Historian	1,950	1,950	-	200	-
Home Energy Assistance	150,000	150,000	-	16,388	21,761
Hospital & Medical, Emp Ben	3,010,750	2,510,750	-	1,613,625	1,797,154
Human Rights Commission	132,404	132,404	129	66,444	14,228
Interfund Transfer	-	-	-	-	13,300
Jail	23,090,340	23,214,469	73,401	13,148,587	13,527,767
Job Training and Services	950,400	920,400	-	354,115	422,665
Job Training, Administration	921,211	959,374	594	549,719	555,801
Job Training, Participant Suppt	6,000	6,000	-	1,200	2,000
Juvenile Delinquent	735,700	735,700	-	263,125	490,321
Law	1,695,881	1,697,250	103	876,825	885,249
Legislative Board	869,809	869,809	-	470,007	498,286
Library	84,500	84,500	-	-	80,835
Machinery	3,514,736	3,533,657	77,378	1,899,615	2,225,026
Maintenance of Roads & Bridges	4,676,430	4,676,130	46,171	2,598,980	2,741,543
Medical Assistance	25,000	25,000	-	6,872	7,881
Medical Assistance - MMIS	34,603,036	34,603,036	-	24,473,821	25,286,834
Medical Examiner	852,878	907,878	168,500	526,079	348,835
Mental Health Administration	1,362,318	1,422,417	11,028	757,964	755,574
Mental Health Programs	1,744,949	1,232,399	1,594	714,007	993,599
Municipal Association Dues	40,438	40,438	-	22,556	34,621
Municipal Court	-	-	-	-	4,091
Municipal Executive	1,270,720	1,270,720	106	712,318	532,639
Narcotics Addiction Ctrl Service	1,179,062	1,820,133	297,127	777,245	651,818
Off Street Parking	55,378	51,278	-	34,204	34,409

## Appendix B

Actual to Budgeted Departmental Expenditures 1.1.20 Through 9.30.20					
"Department"	Total Adopted Budget	Total Amended Budget	Total YTD Encumbrances	Total YTD Transactions	Total Prior Year YTD
Other Economic Development	28,750	28,750	-	-	21,563
Other Educational Activities	10,000	12,000	-	2,000	1,300
Other Employee Benefits	2,077,646	2,577,646	-	1,600,142	1,286,733
Other Home & Comm Services	227,250	245,672	2,558	25,610	43,727
Other Performing Arts	114,750	120,938	-	6,188	75,750
Other Public Safety	797,880	849,657	1,845	455,187	347,473
Parks	533,040	505,946	883	197,921	367,574
Permanent Improvements	3,684,561	4,439,336	-	3,180,320	3,939,474
Personnel	1,598,951	1,578,951	-	788,201	866,581
Planning	1,415,994	2,241,006	720,680	646,651	1,159,111
Probation	8,039,343	8,207,093	256,361	4,212,669	4,217,565
Programs for the Aging	3,496,015	3,666,015	290	1,942,564	1,616,098
Psychiatric Exp Criminal Actions	350,000	363,440	13,440	341,337	181,976
Public Defender	3,840,091	3,832,535	1,747	1,875,268	1,622,827
Public Health	6,154,232	6,918,848	101,741	3,189,672	3,153,507
Public Safety Communication(911)	4,222,808	4,960,261	131,038	2,880,982	2,167,745
Public Works Administration	1,027,028	1,041,657	486	613,248	601,233
Purchasing	1,271,416	1,272,945	29	675,671	766,175
Rehabilitation Services	184,763	184,763	-	93,846	98,380
Rehabilitation, Loans & Grants	300,000	450,000	-	343,219	169,115
Safety Inspection	440,689	440,689	-	250,574	238,609
Safety Net	7,100,000	7,100,000	-	4,761,037	5,219,793
Sealer Weights & Measures	205,917	205,917	-	120,545	122,526
Self Insurance, Administration	2,852,874	2,852,899	26	1,564,828	1,554,793
Serial Bonds	12,527,961	12,527,961	-	1,630,274	1,470,364
Services for Recipients	750,000	750,000	-	322,506	757,478
Sheriff	12,531,572	12,657,008	96,942	7,133,526	7,136,933
Snow Removal	3,216,842	3,221,020	-	1,862,829	2,139,284
Social Services Administration	34,487,068	35,609,892	19,497	18,133,292	18,626,893
State Retirement, Emp Ben	585,839	585,839	-	-	-
State Training School	550,000	550,000	-	159,275	-
Stock Pile	297,500	299,986	-	22,508	171,606
Tourism	1,152,546	1,156,297	130,215	568,742	766,299
Unallocated Insurance	5,216,140	5,216,140	-	5,023,641	4,856,461
Unemployment Expenses, Emp Ben	50,000	70,000	-	69,286	17,758
Unified Court Budget Costs	28,500	28,500	-	9,455	19,891
Veterans Services	919,383	919,383	80	489,692	564,436
WIC Program	816,328	817,876	4,076	447,709	432,386
Youth Programs	569,195	569,195	53	144,077	71,562
<b>Grand Total Governmental Funds</b>	<b>\$ 342,876,601</b>	<b>\$ 348,918,358</b>	<b>\$ 5,323,564</b>	<b>\$ 191,098,567</b>	<b>\$ 203,735,635</b>
Community College, Cap Proj	\$ -	\$ 13,738,016	\$ -	\$ 3,035,010	\$ 195,593
General Government, Cap Proj	-	8,318,435	269,452	3,708,176	3,746,694
Highway, Cap Proj	-	12,637,367	1,054,434	3,098,401	3,178,437
Law Enforcement, Cap Proj	-	467,588	329,491	138,097	-
Other Home & Comm Svc, Cap Proj	-	100,000	-	-	-
Other Transportation, Cap Proj	-	4,201,708	1,385,154	452,400	644,503
Planning & Survey, Cap Proj	-	256,400	-	-	-
Public Safety, Cap Proj	-	11,706,878	115,608	1,285,297	307,687
Recreation, Cap Proj	-	814,420	-	128,373	7,519,353
<b>Grand Total Capital Project Funds</b>	<b>\$ -</b>	<b>\$ 52,240,811</b>	<b>\$ 3,154,140</b>	<b>\$ 11,845,753</b>	<b>\$ 15,592,268</b>
<b>Grand Total All Funds</b>	<b>\$ 342,876,601</b>	<b>\$ 401,159,169</b>	<b>\$ 8,477,705</b>	<b>\$ 202,944,320</b>	<b>\$ 219,327,903</b>