



# **FIRST QUARTER FINANCIAL REPORT 2023**

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







# ULSTER COUNTY OFFICE OF THE COMPTROLLER

## 2023 FIRST QUARTER FINANCIAL REPORT

comptroller.ulstercountyny.gov

Released June 2023

This report provides a summary of the financial performance of Ulster County during the first quarter of 2023 (January 1, 2023, through March 31, 2023).<sup>1</sup>

The County's revenue collections decreased by \$3 million in the first quarter of 2023 compared to the first quarter of 2022. Ulster County budgeted for an 8% annual increase across all revenue collections for 2023 over 2022. Both the 2023 and 2022 first quarter expenditures were 16% of the total annual adopted budgeted amounts, however in the first quarter of 2023 actual spending increased \$5.3 million. The increase in budgeted revenues combined with a decrease in actual revenues when compared to the same quarter of the prior year indicates that the County should cautiously monitor the ability to achieve forecasted amounts. Due to increased interest rates and changes to the County's investment strategy, interest revenue earned for the first quarter of 2023 was \$1,477,387 compared to the prior year's comparable quarter interest earnings of \$52,212.

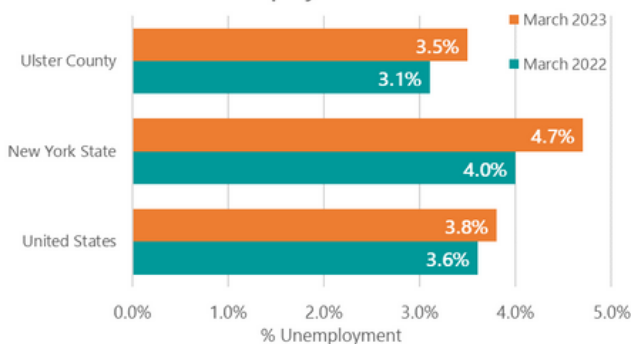
### Economic Outlook

Ulster County's unemployment rate has decreased over the last year and continues to come in lower than the New York State and national averages. This is the result of the addition of 1,600 jobs between March 2022 and March 2023, with half of the increase coming in the Leisure and Hospitality sector. Wages have increased 27% during the five-year period between 2018 and 2022. Current Ulster County wage data is available through the close of 2022. Inflation indicators have begun leveling off or declining, particularly in the energy sector which saw a sharp reduction in the 12-month indicator of -9% at the close of March 2023.

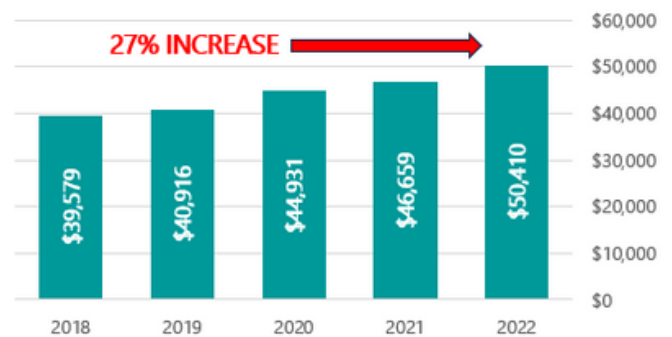
Ulster County Labor Market Profile March 2023					
Category	Mar 2023	Mar 2022	Increase/Decrease	% Year	% Total
Natural Resources, Mining and Construction	2,900	2,700	200	7%	5%
Manufacturing	3,500	3,400	100	3%	6%
Wholesale Trade	1,500	1,500	0	0%	3%
Retail Trade	8,100	8,100	0	0%	14%
Transportation, Warehousing and Utilities	1,500	1,500	0	0%	3%
Information	900	800	100	13%	2%
Financial Activities	2,000	1,900	100	5%	3%
Professional and Business Services	4,400	4,500	-100	-2%	7%
Educational and Health Services	9,200	9,000	200	2%	15%
Leisure and Hospitality	8,200	7,400	800	11%	14%
Other Services	2,800	2,700	100	4%	5%
Federal Government	400	400	0	0%	1%
State Government	4,900	4,900	0	0%	8%
Local Government	9,200	9,100	100	1%	15%
<b>Totals</b>	<b>59,500</b>	<b>57,900</b>	<b>1,600</b>	<b>3%</b>	<b>100%</b>

While reductions in the rate of inflation are informative, Ulster County is still struggling with a very high cost of housing. The median home sale price for March of 2023 was \$356,500, a 64% increase over the prior five years.

Unemployment Rates



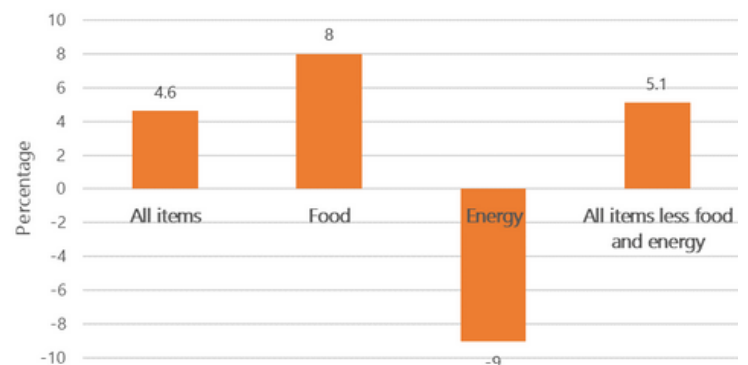
Ulster County Average Wage 2018-2022



Consumer Price Index  
Change Over the Previous 24 Months

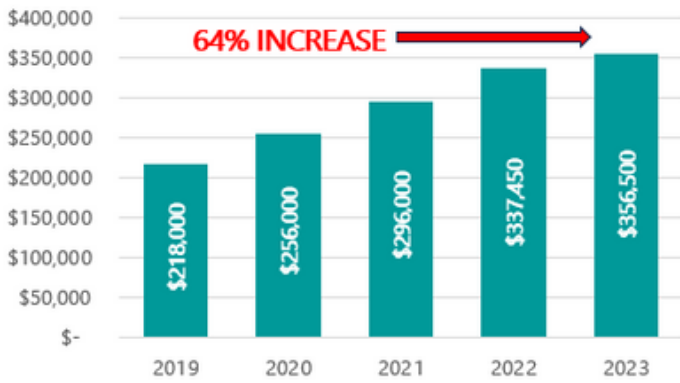


12-Month Percentage Change in CPI



[1] We have used unaudited and unofficial amounts as reported within Ulster County's financial management system as of May 19, 2023 that were collected for the purposes of this review. 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.

Median Home Sale Price March 2019-2023



## Revenues

Overall, County revenues were budgeted to increase 8% or \$28.4 million from 2022 to 2023. This was primarily driven by an increase in budgeted sales tax and state aid revenues. First quarter results indicate the County had a decrease in total revenue collections of \$3 million compared to Q1 2022. First quarter revenues in 2023 were 30% of the total annual adopted budget which is down when compared to the prior year first quarter results which achieved 34% of the budgeted amount.

Revenues by Category Through March 31st						
Category	2022 YTD Transactions	2022 Adopted Budget	% of 2022 Adopted Budget	2023 YTD Transactions	2023 Adopted Budget	% of 2023 Adopted Budget
Non-Property Tax Items (incl. Sales Tax)	\$ 15,884,092	\$ 147,880,000	11%	\$ 18,682,938	\$ 172,165,000	11%
Real Property Taxes	76,317,761	75,317,758	101%	74,028,225	73,028,225	101%
State Aid	6,724,592	50,307,888	13%	4,795,083	58,114,554	8%
Federal Aid	4,899,147	38,407,333	13%	1,726,633	38,393,974	4%
Interfund Transfers In	-	-	0%	-	-	0%
Other Financing Sources (incl. Fund Balance)	-	6,500,340	0%	-	5,577,697	0%
Departmental Income	1,430,284	10,527,690	14%	1,700,315	9,888,360	17%
Intergovernmental Charges	6,324,532	7,511,884	84%	6,333,116	8,020,184	79%
Real Property Tax Items	2,526,521	5,794,000	44%	2,388,257	5,619,000	43%
Interfund Revenues	2,904,564	4,666,812	62%	2,936,475	4,611,842	64%
Sale of Property & Compensation for Loss	472,396	3,156,950	15%	352,777	2,733,048	13%
Use of Money and Property	493,607	979,830	50%	1,983,428	1,521,115	130%
Miscellaneous Local Sources	185,548	1,115,100	17%	196,563	808,350	24%
Fines and Forfeitures	72,734	326,000	22%	69,425	354,300	20%
Licenses and Permits	188,260	475,160	40%	197,481	506,867	39%
<b>Grand Total</b>	<b>\$ 118,424,038</b>	<b>\$ 352,966,745</b>	<b>34%</b>	<b>\$ 115,390,716</b>	<b>\$ 381,342,516</b>	<b>30%</b>

Use of money and property collections in the first quarter were nearly four times the collections made in the first quarter of 2022, and exceeded the annual budget by 130%. This is primarily due to a dramatic increase in interest revenues collected as a result of changes in investment strategy and increasing interest rates in general.

## Sales Tax

Sales Tax revenues were budgeted to be \$167 million, which represents 44% of the total 2023 budget. In 2022, sales tax was budgeted for \$143 million or 41% of total budgeted revenues. The 2023 budget included a \$24 million increase in sales tax revenues compared to the budgeted amount for 2022.

Non-Property Tax Items Revenues Through March 31st						
Non-Property Tax Items	2022 YTD Transactions	2022 Adopted Budget	% of 2022 Adopted Budget	2023 YTD Transactions	2023 Adopted Budget	% of 2023 Adopted Budget
Sales & Use Tax	\$ 14,819,073	\$ 143,000,000	10%	\$ 17,464,194	\$ 167,000,000	10%
Occupancy Tax	611,205	2,875,000	21%	749,812	3,155,000	24%
Automobile Use Tax	242,135	1,200,000	20%	272,989	1,200,000	23%
Emergency Phone System Tax	211,679	805,000	26%	195,943	810,000	24%
<b>Non-Property Tax Items Total</b>	<b>\$ 15,884,092</b>	<b>\$ 147,880,000</b>	<b>11%</b>	<b>\$ 18,682,938</b>	<b>\$ 172,165,000</b>	<b>11%</b>

The County collected \$17.5 million in sales tax revenue in the first quarter of 2023 compared to \$14.8 million in the first quarter of 2022. Preliminary second quarter receipts have shown a decline in sales tax revenue. For the County to obtain the budgeted amount for 2023 it must have an increase of just over 1% of 2022 actual sales tax revenues. We note that the County passed gas tax reduction legislation that negatively affected sales tax collections from June through December of 2022. Sales tax can be a volatile revenue source as consumer spending patterns change often, and inflation and other economic indicators remain factors.

## Occupancy Tax

Occupancy taxes can be a strong indicator of local tourism and economic trends. The 2023 budgeted occupancy tax collections increased 10% from the previous budget. The expected increase in revenue collections is supported in the first quarter results, as collections are up 23% or \$139,000 from what was received in the prior year.

## Expenditures

Both the 2023 and 2022 first quarter expenditures were 16% of total annual adopted budget amounts. Actual spending increased \$5.3 million in the first quarter of 2023 when compared to 2022. This increase from \$56 million to \$61.3 million is in line with expectations as there was an increase in budgeted spending.

Expenditures by Category Through March 31st						
Category	2022 YTD Transactions	2022 Adopted Budget	% of 2022 Adopted Budget	2023 YTD Transactions	2023 Adopted Budget	% of 2023 Adopted Budget
Contractual Expenses	\$ 32,334,556	\$ 185,404,957	17%	\$ 34,501,253	\$ 203,046,488	17%
Personnel Services	18,780,736	97,782,105	19%	21,306,464	104,882,392	20%
Employee Benefits	4,709,521	53,089,021	9%	4,930,286	54,832,568	9%
Debt Service	-	13,865,466	0%	-	15,367,654	0%
Equipment & Capital Outlay	195,394	2,825,196	7%	553,333	3,213,414	17%
<b>Grand Total</b>	<b>\$ 56,020,207</b>	<b>\$ 352,966,745</b>	<b>16%</b>	<b>\$ 61,291,336</b>	<b>\$ 381,342,516</b>	<b>16%</b>

## Payroll Expenditures

In the first quarter of 2023 the County paid a total of \$26.1 million in gross wages to employees compared to \$22.7 in the first quarter of 2022. Gross wages are based on paycheck date and represent all amounts paid to employees, including certain employee benefits comprising of health insurance buyouts, employee payouts, and other contractual compensation and reimbursable expenses. This increase can be attributed to an increase in wage rates and in number of positions. This included \$313k in health insurance buyout payments for employees declining coverage under the County's plan, which was very similar compared to \$318k in buyout payments made the first quarter of 2022. Overtime paid totaled \$1.8 million in the first quarter of 2023, compared to \$1.6 million in overtime earnings in the first quarter of 2022.

## Cash

The average cash balance for all County accounts in the first quarter of 2023 was \$217.9 million compared to \$184.5 million in the first quarter of 2022. The increase in cash is due to a 2022 surplus, which is likely to be substantial.

Most cash reserves held by the County were maintained in the County's "Deposit PLUS" account which had an average value during the quarter of \$115 million. The average annual percentage yield for the first quarter of 2022 for the "Deposit PLUS" account was 4.44%. On March 31, 2023, the County also had over \$105 million in a secondary deposit account with the same institution that earned only 1% interest. The "Deposit PLUS" account reported 4.66% interest as of March 31st, 2023. We recommend that the County review its allocation of deposits to ensure that interest earnings are maximized and investments are appropriately diversified.

The increasing of rates to fight inflation has been beneficial to the County in the form of interest revenues earned on cash held in institutions. This benefit could potentially be offset by the interest that the County pays on its debt. The total 2023 first quarter interest revenue earned on bank accounts was \$1,477,387 compared to the prior year of only \$52,212.

## Capital Projects

The Comptroller's Office plans to bring more transparency to the Capital Plan by including information on capital projects in the Quarterly Reports. The Adopted Capital Plan for 2023-2028 included 138 projects totaling \$77,879,296. These capital projects had amended budgeted expenditures of \$89,828,159 as of May 31, 2023. First quarter activity included \$2,621,358 in expenditures and \$9,496,149. Projects may have prior period expenditures not visible in the current Capital Plan.

Department 8997 - Other Home & Comm Svc, Cap Proj
Department 1997 - General Government, Cap Proj
Department 2497 - Community College, Cap Proj
Department 3097 - Public Safety, Cap Proj
Department 3197 - Law Enforcement, Cap Proj
Department 4997 - Health, Capital
Department 5197 - Highway, Cap Proj
Department 5997 - Other Transportation, Cap Proj
Department 7197 - Recreation, Cap Proj
Department 8097 - Planning & Survey, Cap Proj



Project #	Capital Project Name	Amended Budget	YTD Encumbrances	YTD Transactions
574	UCAT Solar Rooftop Installation	457,531.00	-	-
607	Gov't Operations Center	4,565,370.24	-	228,700.00
592	UCLEC Fire Alarm, Heating Upgrade	151,433.36	-	117,357.50
644	EV Charging Station Project	317,807.00	-	57,560.00
617	Central Auto Fleet Vehicles 2022	763,363.74	419,545.30	48,148.72
528	Veterans Cemetery Renovations	587,519.97	-	44,259.02
397	Trudy Resnick Bldg HVAC Upgrade	167,111.02	-	31,750.00
627	UC Clerk Digitization Conversion	607,532.00	588,508.44	9,511.88
556	Relocation of Various Departments	105,031.42	27,330.48	7,350.86
639	Hall of Records Roof	55,000.00	-	5,000.00
656	Central Auto Fleet Vehicles 2023	2,540,000.00	-	-
653	Hall of Records Solar Rooftop	48,500.00	-	-
647	UC Courthouse Storm Drainage	182,600.00	-	-
645	21 Elizabeth St Renovation	191,000.00	-	-
621	Voting System Replacement	2,000,000.00	-	-
611	Development Ct Lighting Retrofit	469,050.00	13,780.00	-
595	Courthouse Roof Replacement	115,014.92	-	-
588	Personal Computer Replacements	329.18	-	-
587	Technology Upgrade	143,103.40	16,033.18	-
586	HVAC & Building Infrastructure	800,000.00	-	-
576	Ulster County Enterprise West	259,887.28	-	-
575	Calibration Trailer Purchase	5,500.00	-	-
569	Central Auto Fleet Vehicles 2021	215,297.45	-	-
564	RP Tax Collection System	550,000.00	-	-
558	Card Readers Substations-CLOSED	-	-	-
550	Fairgrounds Improvements	60,019.48	14,220.00	-
549	HVAC Replacement - IS	-	-	-
548	DSS Basement Restoration	32,591.00	13,031.00	-
519	UCLEC Energy Project	100,405.58	-	-
495	Golden Hill Water Tower	598,410.00	-	-
483	Public Safety Training Center	50,906.76	-	-
400	Probation Bldg HVAC Upgrade	154,784.00	-	-
399	DPW Bldg HVAC Upgrade	917.00	-	-
398	Carr Building HVAC Upgrade	78,400.00	-	-
396	Records Storage HVAC Upgrade	164,284.44	-	-
395	UC MH Bldg HVAC Upgrade	120,285.00	-	-
394	UCOB HVAC Upgrade	533,078.86	-	-
393	Ulster Ave Complex HVAC Upgrade	173,439.68	-	-
392	UC Courthouse HVAC Upgrade	239,470.54	-	-
351	ADA Compl 911 Emerg Mgt-CLOSED	-	-	-
350	ADA Compl UC Office Bldg-CLOSED	-	-	-
348	ADA Compliance Public Works Adm	24,130.80	4,725.00	-
345	ADA Compliance Mental Health	42,826.95	-	-



Project #	Capital Project Name	Amended Budget	YTD Encumbrances	YTD Transactions
541	SUNY Ulster-Facilities Equipm ent	331,196.68	(83,111.12)	247,159.37
542	SUNY Ulster - HVAC Upgrades	1,580,319.70	-	2,097.50
654	Emergency Preparedness	350,000.00	-	-
624	SUNY Ulster-Children's Center	27,142.00	-	-
552	UCCC-KCSU Roof Safety Improvement	90,000.00	-	-
546	SUNY Ulster - Technology Upgrade	-	38,610.28	-
545	SUNY Ulster - Furniture Replacem ent	300,000.00	-	-
527	SUNY Ulster - Classroom Renovation	390,663.39	-	-
524	SUNY Ulster - Burroughs Renovation	316,999.89	-	-
493	SUNY Ulster Door Replacem ent	580,797.00	-	-
491	SUNY Ulst Facilities Master Plan	271,020.30	-	-
489	SUNY Ulster DeWitt & VariousRoofs	8,501,540.48	-	-
486	Window Replacem ent Project - UCCC	4,964,895.37	-	-
485	Water Storage Tank - UCCC	60.00	-	-
469	SUNY Ulster Water Supply Ext.	332,295.80	-	-
468	SUNY Ulster Vanderlyn Ped Bridge	88,376.39	-	-
466	SUNY Ulster Gym Wall Replacem ent	440,535.00	-	-
482	Countywide Radio System	9,733,927.85	82,827.75	144,101.60
658	Ticketing and Accident System	122,235.00	-	-
616	Body Camera Purchase	470,828.28	-	-
594	Black Creek Upgrade	801,635.24	-	-
571	Sheriff Live Scan Upgrade	17,500.00	17,500.00	-
487	Public Safety Enterprise Software	63,819.57	1,280.00	-
634	UCLEC Kitchen Equipm ent	110,000.00	-	60,490.41
567	Sheriff Rapid Response Vessel	-	-	-
598	ARP Crisis Stabilization Center	118,557.82	-	-
637	Creekside Drive Stabilization	480,000.00	-	129,208.29
570	Highway & Bridge Equipm ent (2021)	2,174,615.14	1,770,547.18	52,108.80
584	Bridge Superstructure Repairs	266,237.86	-	30,952.80
608	Bridge Street Bridge	694,545.50	-	21,680.96
390	Sundown Bridge	437,751.78	-	13,102.66
589	Guide Rail Replacem ent	12,884.00	-	10,511.00
628	Galeville Bridge Replacem ent	45,398.92	-	6,150.30
620	Marlborough Road Culvert #4	31,681.65	-	59.83
663	Woodstock Culvert #2	250,000.00	-	-
662	2023 Guide Rail Replacem ent	150,000.00	-	-
661	Bridge Superstructure Repairs	65,000.00	-	-
660	2023 Bridge Flag Response	110,250.00	-	-
657	Highway Equipment (2023)	3,299,000.00	-	-
655	Malden Turnpike Culvert	90,000.00	-	-
652	Marshall Bridge - Rochester	60,000.00	-	-
651	Cape Avenue Bridge - Wawarsing	334,000.00	332,435.81	-
650	Seager Bridge - Hardenburgh	222,000.00	130,064.84	-
649	Cemetery Bridge - Saugerties	300,000.00	231,216.48	-
641	Rt 28A/CR 50 Em bankm ent	81,840.00	-	-
640	CR 109A Culvert #8 Awosting Rd	90,000.00	-	-
638	Boiceville Substation Im prvm ents	27,000.00	-	-
636	DPW Salt Storage Fabric Replacem ent	174,520.01	-	-
633	Tumwood Bridge Replacem ent	530,250.00	-	-
623	2022 Bridge Flag Response	56,860.62	-	-
622	2022 Various Road Preservation	29,948.68	-	-
619	Olive Road Culvert #2	16,261.23	-	-
618	Highway & Bridge Equipm ent (2022)	2,648,810.50	2,083,723.42	-



Project #	Capital Project Name	Amended Budget	YTD Encumbrances	YTD Transactions
615	Glen Brook Bridge	8,269.66	-	-
614	Myer Bridge	33,633.13	-	-
613	Crystal Spring Bridge	37,363.19	-	-
612	Lyonsville Bridge	9,148.68	-	-
609	Plank Road Culvert	91,519.50	-	-
606	Salem Road Stabilization	52,883.96	-	-
596	Wilbur Bridge Replacement	1,845,417.48	-	-
585	Bridge Substructure Repairs	396,777.00	-	-
583	Bridge Flag Response	5,737.31	-	-
580	Broad Street Hollow Bridge #47	20,725.97	-	-
579	Oakis Bridge #96	19,902.48	-	-
577	McKinstry Bridge Replacement	1,162,693.41	-	-
562	Various Embankment Repairs	4,212.72	-	-
551	Creekside Drive Road Settlement	42,543.91	-	-
540	Samsonville Road Culvert	1,293,547.00	-	-
539	Shawangunk Kill Bridge Rehab	394,539.12	-	-
533	Maltby Hollow Bridge - CLOSED	-	-	-
520	Highway Safety Program	35,430.84	-	-
508	Fantinekill Bridge Replacement	12,617.29	-	-
505	Wolven Bridge Replacement	17,315.53	-	-
488	Rt 299 Shoulder Installation	283,784.67	-	-
452	Perrine's Bridge Restoration	350,000.00	-	-
261	Tongore Bridge	127,426.00	-	-
610	UCAT Equip & Facility Upgrade	319,068.23	26.67	71,289.85
643	2022 UCAT Bus Purchase	2,649,417.00	2,034,196.09	-
568	Electric Bus Chrging Infrastructure	152,013.66	-	-
529	Mass Transit Buses	1,661,068.19	-	-
514	Mass Transit Buses	86,624.07	-	-
513	UCAT Equipment Facility Upgrade	12,228.06	-	-
602	ARP Infrastructure and Trails	4,040,000.00	1,205,000.00	835,000.00
648	U&D Rail Trail - Shandaken	664,000.00	-	-
635	ARPA Parks Program	2,000,000.00	-	-
479	Kingston Midtown Linear Park	479,643.01	296,591.66	-
459	Ashokan Rail Trail	11,477.66	-	-
334	Rail Trail Connector	3,500,648.94	-	-
630	Old Jail Demolition - ARPA	537,080.73	-	443,846.99
646	Reuse Innovation Ctr	67,143.33	63,183.33	3,960.00
642	Homeowner Energy Improvements	490,000.00	-	-
631	Silver Gardens Senior Housing	600,000.00	-	-
629	ARP Brownfields Redevelopment	750,000.00	-	-
604	ARP Water/Sewer Infrastructure	5,000,000.00	-	-
407	Lower Esopus Environmental Proj	207,123.18	194,882.80	-
<b>Total</b>		<b>89,828,158.63</b>	<b>9,496,148.59</b>	<b>2,621,358.34</b>