



# FIRST QUARTER FINANCIAL REPORT

---

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





# ULSTER COUNTY OFFICE OF THE COMPTROLLER

## 2021 FIRST QUARTER FINANCIAL REPORT

comptroller.ulstercountyny.gov

Released August 2021

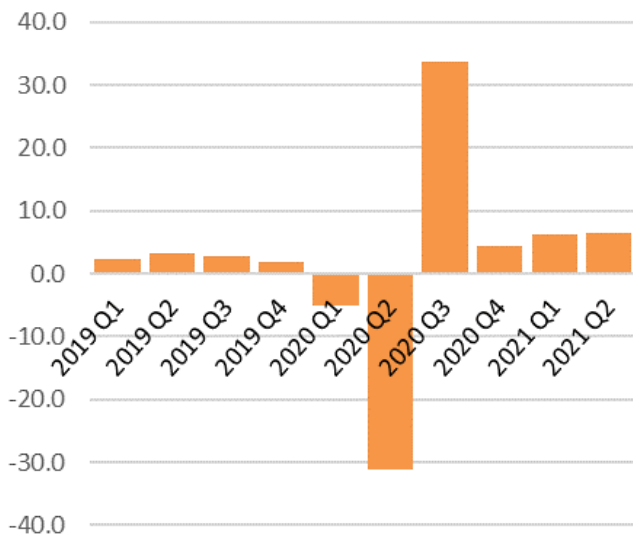
**This financial report highlights aspects of Ulster County’s fiscal status through the first quarter of 2021 (ending March 31st). Generally, the County’s fiscal health was strong during the first quarter of 2021, as expenditures remained consistent, revenue exceeded budgeted amounts, and economic indicators remained strong. Based on first quarter results, and preliminary second quarter figures, the County appears to be in a positive financial position should current trends remain consistent across these financial and economic indicators. Funding through the American Rescue Plan will provide a cash infusion to further bolster the County’s positive financial position.**

### Economic Outlook

#### Gross Domestic Product (GDP)

Gross Domestic Product has continued to rebound from the abysmal low in the second quarter of 2020 when economic activity was severely impacted. We saw a return to single digit growth in the fourth quarter of 2020 at a 4.3% increase from the third quarter. The first quarter of 2021 shows a 6.4% growth in the advance report and we expect positive growth overall for 2021 as the country continues to rebound.

### GDP % Change



Source: Bureau of Economic Analysis, Gross Domestic Product, 2nd Quarter 2021 (Advance Estimate) (July 29, 2021) available at <https://www.bea.gov/news/2021/gross-domestic-product-second-quarter-2021-advance-estimate-and-annual-update>

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, state, and government spending and state and local government spending. While GDP is a national measure it is important because it provides us feedback on the size of the economy and overall economic performance. In broad terms, an increase in real GDP is interpreted as a sign that the economy is doing well.

#### Consumer Price Index (CPI)

CPI for All Urban Consumers (CPI-U), rose 1.0% in June and 4.1% over the last year. The index for all items less food and energy rose 3.7%. This is the first time since October 2008 that the 12-month percent increase exceeded 4.0%. Over the last year, energy prices climbed 16.8%, largely the result of an increase of 40.1% the price of gasoline, while food prices increased 1.8%.

### Consumer Price Index

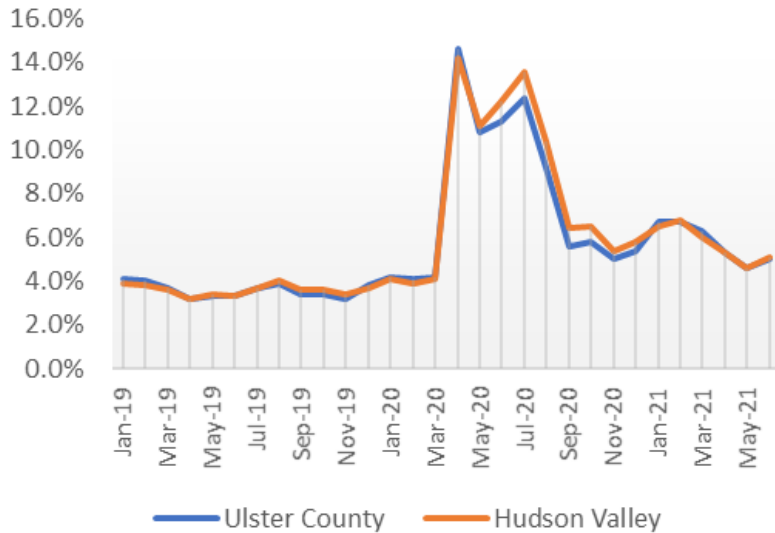


Source: US Bureau of Labor Statistics, Over-the-year percent change in CPI-U, New York-Newark-Jersey City, NY-NJ-PA June 2018-2021 (July 13, 2021) available at [https://www.bls.gov/regions/new-york-new-jersey/news-release/consumerpriceindex\\_newyorkarea.htm#chart1](https://www.bls.gov/regions/new-york-new-jersey/news-release/consumerpriceindex_newyorkarea.htm#chart1)

## Unemployment

Ulster County unemployment during the first quarter of 2021 increased slightly to a high of 6% in February but declined to 5% as of June 2021. The County unemployment rate mirrors the Hudson Valley rate for the last couple of months. Unemployment is classified as not having a job, having actively looked for work in the prior 4 weeks, and being currently available for work. Total unemployment figures cover people who have quit their jobs to look for other employment, workers whose temporary jobs have ended, individuals looking for their first job, and experienced workers looking for jobs after an absence from the labor force. Expanded unemployment insurance during the pandemic has encouraged longer duration unemployment while employers are experiencing a labor shortage. Regional businesses have adjusted by cutting operating hours, raising prices and wages, or providing additional benefits to lure scarce workers.

## Unemployment



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>

Annual Non-Farm Employment				
Category	Jun-21	Jun-20	Net Year	%Year
Construction	2,900	2,600	300	12%
Manufacturing	3,200	3,000	200	7%
Wholesale Trade	1,400	1,400	-	0%
Retail Trade	8,600	7,800	800	10%
Transportation, Warehousing, & Utilities	1,300	1,200	100	8%
Information	800	800	-	0%
Financial Activities	2,200	2,200	-	0%
Professional & Business Services	4,400	4,500	(100)	-2%
Education & Health Services	9,400	9,400	-	0%
Leisure & Hospitality	7,700	5,100	2,600	51%
Other Services	2,400	2,300	100	4%
Government	13,700	13,300	400	3%

Source: Aggregated by the Ulster County Comptroller's Office from New York State Department of Labor Monthly Labor Market Profile for June 2021.

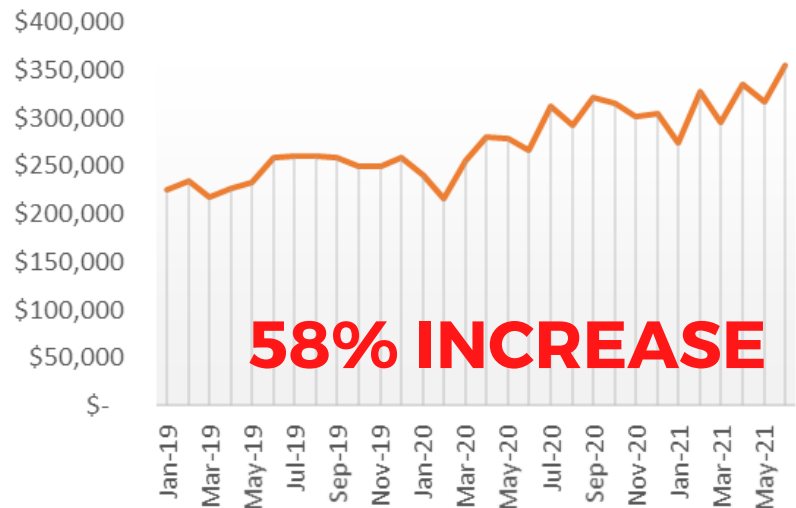
Many of the jobs lost during the pandemic were lost in the second quarter of 2020; comparing recent employment numbers from June 2021 to June 2020 gives a good indication of which industries are rebounding. Leisure & Hospitality had the biggest one year come back adding 2,600 jobs (a 51% increase). Construction, Manufacturing, Retail Trade, and Government sectors all saw increases. The only sector to decrease in the one year period ending June 2021 was Professional and Business Services as the region saw COVID transplants working from home move back to the metro-New York region.

## Housing

According to sales price data collected by the New York State Association of Realtors, Ulster County Median Sales price has increased 58% in 30 months from January 2019 to June 2021. Home sale price is only part of the equation as many families in Ulster County rent.

The 2 bedroom fair market rent in Ulster County has increased 6.7% from \$1,215 in 2020 to \$1,296 in 2021. That was the second highest increase in the Hudson Valley after Greene County which saw an 8.2% increase. According to Hudson Valley Pattern for Progress' Out of Reach Report, the hourly wage needed to make the Ulster County rent affordable is \$24.92 per hour. Since the average Ulster County renter was is only \$11.41, the average renter has a \$703 gap between rent that's affordable and what is available.

## Median Home Sale Price



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/>

## Revenues

Overall, the County Revenues were budgeted to decrease \$8.5 million, primarily due to anticipated decreases in sales tax and state aid revenues. First quarter results, however, left the County with an increase in total revenue collections of \$3.5 million dollars as compared to Q1 2020, with better than anticipated performance in several revenue lines when compared to the previous year's results.

Revenues by Category Through March 31st						
Category	2020 YTD Transactions	2020 Adopted Budget	% of 2020 Adopted Budget	2021 YTD Transactions	2021 Adopted Budget	% of 2021 Adopted Budget
Non-Property Tax Items (incl. Sales Tax)	\$ 13,265,580	\$ 132,751,423	10%	\$ 12,498,629	\$ 124,564,288	10%
Real Property Taxes	76,318,489	75,567,758	101%	76,317,761	75,567,758	101%
State Aid	2,613,451	54,165,167	5%	6,548,324	52,910,151	12%
Federal Aid	958,301	33,095,059	3%	2,766,252	33,837,478	8%
Other Financing Sources (incl. Fund Balance)	-	13,160,242	0%	-	13,213,967	0%
Departmental Income	1,999,145	9,923,745	20%	1,921,037	10,992,154	17%
Intergovernmental Charges	6,742,002	8,336,974	81%	6,029,495	7,762,387	78%
Real Property Tax Items	2,151,357	5,435,000	40%	2,180,056	5,681,911	38%
Interfund Revenues	3,286,104	5,227,200	63%	2,905,789	4,783,913	61%
Sale of Property & Compensation for Loss	567,360	1,188,750	48%	353,393	1,566,950	23%
Use of Money and Property	700,419	2,032,989	34%	476,075	1,558,637	31%
Miscellaneous Local Sources	117,294	971,400	12%	110,916	1,046,900	11%
Fines and Forfeitures	22,066	531,894	4%	65,870	376,000	18%
Licenses and Permits	171,945	489,000	35%	197,903	498,170	40%
<b>Grand Total</b>	<b>\$ 108,913,514</b>	<b>\$ 342,876,601</b>	<b>31.8%</b>	<b>\$ 112,371,500</b>	<b>\$ 334,360,664</b>	<b>33.6%</b>

## Sales Tax

Sales Tax represents the single largest revenue source for the County and was budgeted to total \$120.5 million dollars in the 2021 Budget, or 36% of total budgeted revenues. While the 2021 Budget included an anticipated 6% reduction in sales tax revenue, actual first quarter collections represented an 8% decrease when compared to 2020 collections. The County collected \$11.7 million in sales tax revenue in the first quarter, compared to \$12.7 million collected in the first quarter of 2020. Preliminary second quarter collections, however, have shown solid growth in sales revenue collections and if current trend continues, we will see an increase in sales tax revenues in the current year and that actual collections will likely exceed budgeted values. As this revenue item is subject to considerable variability and is a major source of revenue for the County, strong performance is an indicator of positive financial performance we anticipate will continue through the remainder of 2021.

## Real Property Tax

Real Property taxes are due annually on January 31st of each year, so the majority of collections occur during the first quarter. The tax level was unchanged in 2021, and property tax collections remained consistent in the first quarter of 2021. The County collected \$76.3 million in real property taxes in the first quarter, exceeding the annual budgeted amount. Real Property taxes represent the second largest source of revenue for the County, and first quarter collections totaled 101% of the annual budgeted amount.

## Occupancy Tax

While occupancy taxes collected on short term rentals and hotel stays do not represent a large % of the total County revenues collected, they can be a strong indicator of local tourism and economic trends. While the County budgeted a small decrease in occupancy tax collections from 2020 to 2021, first quarter results (\$317k) were more than twice the collections received in the prior year (\$134k). More recent collections and the voluntary collection agreement the County now holds with Air BnB indicate the County will nearly double the prior year collections by year-end.

## Expenditures

Overall spending remained generally consistent in the first Quarter, with a small \$394k increase in actual expenditures when compared to 2020 spending. Included in these figures were payments made for Employee Benefits, that totaled more than twice the amounts paid in 2020, primarily related to retirement incentive payments that occurred during the first Quarter of 2021. The Comptroller's Office approved 5,629 invoices in the first quarter .

Expenditures by Category Through March 31st						
Category	2020 YTD Transactions	2020 Adopted Budget	% of 2020 Budget	2021 YTD Transactions	2021 Adopted Budget	% of 2021 Budget
Contractual Expenses	\$ 32,232,371	\$ 182,297,033	18%	\$ 30,599,147	\$ 180,608,675	17%
Personal Services	17,725,682	91,157,492	19%	16,922,650	85,617,312	20%
Employee Benefits	1,734,834	53,058,816	3%	4,518,869	51,632,092	9%
Debt Service	(59,265)	13,477,961	0%	-	14,145,698	0%
Equipment & Capital Outlay	365,518	2,885,299	13%	352,003	2,356,887	15%
<b>Grand Total</b>	<b>\$ 51,999,140</b>	<b>\$ 342,876,601</b>	<b>15.2%</b>	<b>\$ 52,392,669</b>	<b>\$ 334,360,664</b>	<b>15.7%</b>

## Payroll Expenditures

In the first quarter of 2021 the County paid a total of \$20.4 in gross earnings to employees, which included \$295k in health insurance buyout payments for employees declining coverage under the County's plan, as well as vacation buyouts and other payroll adjustments. Overtime hours paid totaled \$1.2 million in the first quarter, compared to \$1 million in overtime earnings in the first quarter of 2020. The County also paid \$221k to employees who were quarantined with pay, and \$222k in earnings related to an Emergency Closing of County facilities. In the first quarter of 2021, 52 employees retired from service versus 17 in the first quarter of 2021 largely due to a retirement incentive offered. At the end of the first quarter the County employed 1,343 employees compared to 1,458 in the previous year, with a 111 decrease in full-time positions year-over-year.

## Contracts

The County approved or amended 217 contracts with totals not to exceed \$41 million. The majority of these contracts were for services managed by the County's Department of Social Services, which totaled more than \$25 million of the contract totals for the quarter, the majority of which is paid for foster care services.

## Capital Projects

The County expended \$5.2 million on various capital projects in the first quarter of the year. Most of the spending was related to Capital Project 482, Through the Department of Emergency Management for the implementation and improvement of a County Wide Radio System. In the first quarter of 2021, the County expended \$4.7 million on this project. The total budget for this project is \$9.5 million, the County has expended \$5.8 million towards this upgrade since the project began.

## Cash

The County maintains a variety of cash accounts at several financial institutions throughout the County. The average ending cash balance for all County accounts in the first quarter was \$112.7 million. The majority of cash reserves held by the County are maintained in the County's Deposit account. The average deposit account value during the first quarter of 2021 was \$85.4 million dollars, earning an annual percentage yield of .2%.

**Appendix A**

**Actual to Budgeted Departmental Revenues Through March 31, 2020**

<b>Department</b>	<b>Adopted Budget</b>	<b>YTD Transactions</b>	<b>Prior Year YTD</b>
Arson Task Force	\$ 172,570	\$ -	\$ -
Assessment	14,500	1,571	1,064
Assigned Counsel Administration	-	-	-
Benefits and Awards	9,469,058	5,931,431	6,821,579
Buildings	955,430	395,142	371,409
Bus Operations	5,273,000	355,169	349,273
Central Data Processing	105,112	6,417	3,288
Central Garage	405,500	485	155
Child Care	20,456,787	785,767	382,733
Clerk	2,709,327	512,673	485,441
Commissioner of Finance	9,607,658	2,884,137	3,039,044
Community College Tuition	75,000	-	-
Contracted Mental Health Service	7,198,547	3,900,812	1,560,715
Day Care	2,731,482	185,709	1,813
Disability Insurance, Employee Benefits	7,400	-	-
Distribution of Sales Tax	120,559,288	11,696,328	12,675,804
District Attorney	674,181	15,836	19,174
Economic Development	-	-	-
Elections	305,000	49	539
Emergency Aid for Adults	70,630	730	-
Environmental Control	256,561	2,371	872
Family Assistance	8,825,541	687,653	325,575
Home Energy Assistance	126,392	38,955	86,622
Hospital & Medical, Employee Benefits	1,200,000	321,312	453,479
Jail	529,800	337,405	64,741
Job Training and Services	873,550	46,277	25,600
Job Training, Administration	902,490	138,469	250,481
Job Training, Participant Support	5,000	500	400
Juvenile Delinquent	306,486	2,129	9,917
Law	-	18	157,873
Legislative Board	54,487,561	55,237,564	51,415,868
Machinery	694,400	639,849	3,183,126
Maintenance of Roads & Bridges	8,554,599	8,508,234	11,065,326
Medical Assistance	(465,000)	(108,833)	-
Medical Assistance - MMIS	490,000	236,656	22,740
Medical Examiner	550	239	185
Mental Health Administration	758,487	220,572	250,587
Mental Health Programs	9,000	30	26,661
Narcotics Addiction Control Service	936,516	586,128	461,859
Off Street Parking	51,200	1,200	13,439

**Appendix A**

**Actual to Budgeted Departmental Revenues Through March 31, 2020**

<b>Department</b>	<b>Adopted Budget</b>	<b>YTD Transactions</b>	<b>Prior Year YTD</b>
Other Educational Activities	10,000	360	-
Other Public Safety	4,500	1,248	554
Parks	199,100	68,032	69,543
Permanent Improvements	3,686,418	-	-
Personnel	14,000	675	9,264
Planning	495,000	-	-
Probation	2,722,539	222,697	175,316
Programs for the Aging	2,845,243	16,701	24,640
Public Defender	2,035,026	-	-
Public Health	4,102,046	401,845	250,138
Public Safety Communication (911)	2,338,543	218,991	202,006
Public Works Administration	1,215,000	286,116	264,875
Purchasing	210,000	1,084	1,250
Rehabilitation Services	40,750	183	89
Rehabilitation, Loans & Grants	300,000	78,923	91,325
Safety Net	2,545,458	269,750	176,689
Sealer Weights & Measures	100,242	47,380	45,850
Self Insurance, Administration	15,500	-	-
Serial Bonds	11,995,698	11,951,957	10,766,056
Services for Recipients	659,083	44,311	-
Sheriff	1,900,407	139,537	161,569
Snow Removal	110,000	-	-
Social Services Administration	22,552,453	2,170,820	(173,785)
State Retirement, Employee Benefits	674,512	-	-
Tourism	87,620	25	70,721
Unallocated Insurance	355,000	2,814,858	3,179,514
Undistributed Revenues	12,255,782	-	-
Veterans Services	415,282	18,261	28,000
WIC Program	802,447	48,767	62,730
Youth Programs	339,412	-	(20,214)
<b>Grand Total Governmental Funds</b>	<b>\$ 334,360,664</b>	<b>\$ 112,371,500</b>	<b>\$ 108,913,514</b>
General Government, Capital Project	-	-	-
Community College, Capital Project	-	37,599	28,775
Public Safety, Capital Project	-	-	-
Highway, Capital Project	-	-	-
Other Transportation, Capital Project	-	-	-
Recreation, Capital Project	-	-	500,000
<b>Grand Total Capital Project Funds</b>	<b>\$ -</b>	<b>\$ 37,599</b>	<b>\$ 528,775</b>
<b>Grant Total All Funds</b>	<b>\$ 334,360,664</b>	<b>\$ 112,409,099</b>	<b>\$ 109,442,289</b>

**Appendix B**

**Actual to Budgeted Departmental Expenditures Through March 31, 2021**

Department	Total Adopted Budget	Total YTD Encumbrances	Total YTD Transactions	Total Prior Year YTD
Arson Task Force	\$ 248,536	\$ 15,180	\$ 10,192	\$ 12,551
Assessment	505,687	-	71,246	74,178
Assigned Counsel Administration	-	-	3,612	-
Benefits and Awards	6,788,000	-	479,311	641,117
Bond Anticipation Notes	1,000,000	-	-	(59,265)
Budget	573,170	-	68,478	32,830
Buildings	8,926,341	631,238	1,223,626	1,391,837
Bus Operations	6,721,816	10,040	887,213	904,775
Central Data Processing	6,564,123	986,829	1,124,584	1,224,844
Central Garage	857,847	-	100,633	120,080
Child Care	33,355,000	-	2,258,210	3,390,305
Clerk	4,284,833	1,350	557,949	627,286
Clerk of Legislative Board	1,302,230	16,953	164,471	154,849
Commissioner of Finance	3,713,623	1,287	484,939	534,622
Community College Tuition	3,825,000	-	893,474	148,436
Comptroller	862,335	-	102,487	108,731
Conservation	453,500	-	-	-
Contingent Account	273,874	-	-	-
Contracted Mental Health Service	9,439,071	3,468,291	2,321,290	1,426,923
Contribution to Community College	6,400,863	-	4,267,240	4,267,240
Day Care	2,900,000	-	552,294	564,219
Disability Insurance, Employee Benefits	80,738	-	11,342	12,395
Distribution of Sales Tax	17,481,097	-	1,695,923	1,836,956
District Attorney	4,967,575	37,378	817,979	780,871
Economic Development	768,768	563	77,609	56,214
Elections	2,268,937	24,041	225,819	197,234
Emergency Aid for Adults	140,000	-	11,910	10,693
Engineering	475,091	30,500	80,886	86,905
Environmental Control	677,183	28,553	80,793	83,437
Family Assistance	9,800,000	-	1,656,905	1,551,608
Fire Protection	153,175	6,621	42,358	25,273
Highway Administration	3,144,471	-	120,181	120,831
Historian	1,750	-	-	-
Home Energy Assistance	150,000	-	18,454	14,861
Hospital & Medical, Employee Benefits	3,093,556	-	354,841	287,859
Human Rights Commission	136,579	129	16,706	15,586
Jail	22,307,884	148,202	3,295,370	3,545,692
Job Training and Services	873,550	-	27,564	11,066
Job Training, Administration	902,490	581	114,894	104,887
Job Training, Participant Support	5,000	-	500	500
Juvenile Delinquent	700,000	-	25,814	44,974
Law	1,560,570	24	192,186	236,191
Legislative Board	872,128	-	89,237	96,813
Library	84,500	-	-	-
Machinery	3,146,900	98,782	464,313	560,197
Maintenance of Roads & Bridges	4,115,671	135,306	131,200	96,721
Medical Assistance	25,000	-	13,250	5,237
Medical Assistance - MMIS	33,124,580	-	6,255,512	8,650,759
Medical Examiner	856,692	112,333	63,609	67,443
Mental Health Administration	1,383,261	-	174,625	207,991
Mental Health Programs	992,014	4,241	115,013	229,962
Municipal Association Dues	40,438	-	22,566	22,556
Municipal Executive	1,296,757	155	192,913	200,609
Narcotics Addiction Control Service	1,046,156	636,794	122,013	264,568



**Appendix B**

**Actual to Budgeted Departmental Expenditures Through March 31, 2021**

Department	Total Adopted Budget	Total YTD Encumbrances	Total YTD Transactions	Total Prior Year YTD
Off Street Parking	66,405	-	9,159	9,284
Other Economic Development	28,750	-	-	-
Other Educational Activities	10,000	-	-	2,000
Other Employee Benefits	2,559,475	-	675,816	317,502
Other Home & Comm Services	227,250	25,000	-	15,864
Other Performing Arts	114,750	-	-	6,188
Other Public Safety	658,675	848	128,984	114,791
Parks	501,624	1,960	8,948	31,458
Permanent Improvements	3,686,418	-	-	-
Personnel	1,447,138	200	243,624	213,523
Planning	1,252,934	137,374	190,085	356,940
Probation	7,221,926	284,013	930,081	1,068,159
Programs for the Aging	3,162,922	8,320	494,992	557,835
Psychiatric Exp Criminal Actions	850,000	132,732	-	25,822
Public Defender	4,107,642	7,822	461,678	501,152
Public Health	6,330,682	203,220	873,094	775,723
Public Safety Communication (911)	4,387,737	386,214	809,644	579,482
Public Works Administration	1,109,123	1,413	150,352	161,823
Purchasing	1,216,702	27	220,334	204,178
Rehabilitation Services	189,404	-	20,630	17,921
Rehabilitation, Loans & Grants	300,000	-	78,923	91,325
Safety Inspection	440,160	3,395	66,246	69,377
Safety Net	7,100,000	-	1,796,991	1,638,666
Sealer Weights & Measures	205,702	805	36,387	38,130
Self Insurance, Administration	2,696,558	52	796,981	787,765
Serial Bonds	13,145,698	-	-	-
Services for Recipients	950,000	-	78,471	39,016
Sheriff	12,547,728	165,264	1,916,852	2,110,798
Snow Removal	3,179,366	152,735	1,669,775	1,448,954
Social Services Administration	29,133,452	332,588	3,662,196	4,442,686
State Retirement, Employee Benefits	674,512	-	-	-
State Training School	575,000	1,029,825	1,015,056	159,275
Stock Pile	297,500	23,065	20,140	3,763
Tourism	982,263	387,207	101,947	145,176
Unallocated Insurance	4,951,920	-	3,611,722	806,225
Unemployment Expenses, Employee Benefits	100,000	-	-	-
Unified Court Budget Costs	28,500	-	508	5,919
Veterans Services	897,845	-	106,001	118,502
WIC Program	802,821	4,017	86,432	103,731
Youth Programs	553,722	7,000	47,087	37,742
<b>Grand Total Governmental Funds</b>	<b>\$ 334,360,664</b>	<b>\$ 9,690,467</b>	<b>\$ 52,392,669</b>	<b>\$ 51,999,140</b>
General Government, Capital Project	\$ -	\$ 273,010	\$ 52,587	\$ 1,999,495
Community College, Capital Project	-	38,610	209,507	171,800
Public Safety, Capital Project	-	115,608	4,735,423	955,092
Law Enforcement, Capital Project	-	329,491	-	-
Highway, Capital Project	-	606,290	151,029	594,780
Other Transportation, Capital Project	-	1,617,314	-	301,470
Recreation, Capital Project	-	-	-	44,908
Planning & Survey, Capital Project	-	29,154	12,710	-
<b>Grand Total Capital Project Funds</b>	<b>\$ -</b>	<b>\$ 3,009,478</b>	<b>\$ 5,161,256</b>	<b>\$ 4,067,545</b>
<b>Grand Total All Funds</b>	<b>\$ 334,360,664</b>	<b>\$ 12,699,945</b>	<b>\$ 57,553,925</b>	<b>\$ 56,066,685</b>

Financial information reported in this report was accumulated using Budget Cross Organization reports as of 7/8/21 and does not reflect adjustments posted after this date.