

NEWS FROM THE ULSTER COUNTY OFFICE OF THE COMPTROLLER

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Comptroller Finds Ulster County General Fund \$31.1 Million Over Fund Balance Policy Limits, Recommends Protecting Taxpayers from Future Economic Downturns

Kingston, NY (October 31, 2024) – Ulster County Comptroller March Gallagher released a report on Ulster County’s Fund Balance. The Comptroller’s analysis shows that at the close of 2023, the County was \$31.1 million over the fund balance threshold for the General Fund based on limits established by the Ulster County Legislature last year. However, we note that this figure included \$15 million in the Housing Action Fund because assigned fund balance is included in unrestricted fund balance per policy calculations. The Comptroller’s Office and the proposed 2025 Executive Operating Budget anticipate additional surplus from 2024 that will add to overall Fund Balance. The 2025 Executive Operating Budget recommends reserving an additional \$12 million in fund balance.

Over the past three years, the County’s operating surplus was \$136.4 million higher than planned. While a surplus is positive, such large differences from projections may indicate budgeting weaknesses. The Comptroller recommends that the County allocate even more to reserve funds, pay debt, and pay other one-time expenditures to comply with Fund Balance Policy limits.

Over the last year, the County increased the tax stabilization reserve fund to \$10.1 million and plowed \$18 million each into a fund for housing and the decarbonization of County facilities.

“By moving available fund balance into reserves, paying debt or paying other one-time expenditures, we could protect Ulster County taxpayers from the impacts of an inevitable downturn as a result of that natural swings in the economy,” said Ulster County Comptroller March Gallagher. “We are living through unprecedented financially flush times for the County, and it is prudent to prepare for uncertainty ahead.”

The Fund Balance Policy requires the Department of Finance to provide a Fund Balance allocation plan to the Legislature in June of each year, but financial information was not readily available at the time and such a plan has never been presented.

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