

NEWS FROM THE ULSTER COUNTY OFFICE OF THE COMPTROLLER

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Ulster County Has Additional Investment Opportunities Comptroller's Office Audit Shows More Than \$650,000 in Missed Potential Revenue

Kingston, NY (March 30, 2022) - County Comptroller March Gallagher released an audit today finding that Ulster County could better analyze alternative investment opportunities, maximize investment revenues, and diversify investments. Doing so during the last three years could have resulted in \$650,000 additional revenues to the County.

"Ulster County taxpayers have an opportunity to earn additional money by investing these funds, which could be used to reduce taxes or increase services," said Comptroller March Gallagher. "Right now, Ulster County has \$175 million in a checking account and regularly carries a balance of over \$100 million, and those funds are currently earning minimal interest. While the checking account yielded small amounts of interest in most of the months reviewed, other safe, legal investments would have returned more. Surpluses from 2020 and 2021 plus the American Rescue Plan funding have substantially increased Ulster County's daily cash balances. Taxpayers deserve to have these public funds invested wisely and earning decent returns."

As of March 2022, investment opportunities like those identified in the audit have once again outpaced what Ulster County earns in its bank accounts. These investments are likely to provide greater returns given recent and anticipated increases in the federal funds interest rate.

The audit revealed compliance issues with Ulster County's investment policy including the need for written procedures for investments. Additionally, annual investment reports, and a depository list detailing those institutions the County may utilize for its cash investments, should be generated and approved each year. Ulster County has not reviewed its investment strategy on a consistent basis, including the consideration of future cash flows, the identification of funds available for investment, and the contemplation of possible alternative investment opportunities. The current Investment Policy was adopted in 2012 but it is unclear when the County Legislature last reviewed the policy.

The full report is available at <https://comptroller.ulstercountyny.gov/audit-reports/ulster-county-investment-policy-compliance-audit>

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