NEWS FROM THE
ULSTER COUNTY OFFICE OF THE COMPTROLLER

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Ulster County Comptroller's Office Releases 2024 Third Quarter Report
Ulster County Remains Financially Stable; Fifth Consecutive Surplus Anticipated

Kingston, NY (January 23, 2025) – The Ulster County Comptroller's Office has released its 2024 third-quarter financial report, highlighting the County's continued apparent financial strength and projecting a significant surplus for the fifth consecutive year.

Through the third quarter of 2024, Ulster County has experienced increased revenue from state and federal aid, as well as higher collections from sales tax and occupancy tax. These factors have resulted in a substantial surplus at the end of the quarter. Instead of planned use of appropriations during the 2024 budget, the first three quarters' performance indicates that a considerable amount will be added to the County's existing resources.

Based on a combination of actual financial data through the third quarter and historical trends for the fourth quarter, the Comptroller's Office forecasts a total surplus for 2024 in the range of $22.4 million to $38.3 million. This surplus is expected to increase the County's unrestricted fund balance to between $112 million and $128 million after funding reserves for 2025. The County's fund balance would exceed policy limits by at least $18 million, with the possibility of exceeding by as much as $38 million.

The Comptroller's Office strongly recommends the following steps to address the surplus and ensure financial sustainability:

1. **Avoid New Debt**: The County should refrain from taking on additional debt.
2. **Pay Down Existing Debt**: Surplus funds should be used to reduce existing liabilities.
3. **Increase Reserve Allocations**: Additional contributions to reserves can help bring the fund balance within policy limits.
4. **Regular Financial Forecasting**: Add proactive forecasting in reporting to the Legislature and Executive by the finance and budget teams.

The continued accumulation of surpluses is expected to push the County beyond policy limits into 2025. While the 2025 budget includes measures such as reserve transfers and appropriations aimed at addressing this issue, these actions are likely insufficient to achieve full compliance. Furthermore, the County's fund balance policy should be updated to address the new housing action fund to avoid any gaps in comprehensive financial planning.

County employees from all five collective bargaining units are currently working out of contract. The funds earmarked for anticipated contract rate increases in 2025 may fall short, presenting a potential area for additional fund balance appropriation.

Timely and transparent financial reporting is imperative for informed decision-making. Proactive forecasting will be crucial to maintaining fiscal stability, adhering to policy limits, and ensuring continuous fund balance maintenance especially given anticipated cuts to federal and state aid. The County should enhance forecasting practices to anticipate challenges and implement strategic solutions rather than reactively addressing issues as they arise.

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