



ULSTER COUNTY COMPTROLLER'S ANNUAL REPORT 2024

Office of the
Ulster County Comptroller
March S. Gallagher



2024 IN REVIEW

Transparency and Accountability to Improve Government Service

The Ulster County Comptroller's Office released three audits during 2024. These audits included an audit of the CARES 1 Grant Program, an Audit of the Corporate Compliance Program, and an Audit of Real Property Tax Installment Contracts. It was our privilege to be able to work on behalf of taxpayers to identify opportunities to strengthen Ulster County's programs and finances.

In addition to performing audits, the Comptroller's Office consistently reviews financial data and distributes reports to support policymakers in making informed decisions and to educate the public about their government's financial status. In 2024, we maintained this dedication by providing regular updates on sales tax and quarterly financial reports. Additionally, our Office published reports on sales tax, mortgage tax, fund balance, federal funds impacts, and community college chargebacks.

The Comptroller's Office continued to prioritize transparency throughout 2024. We added new data to our Public Pay Dashboard, launched a new website and launched a Contract and Vendor Dashboard that now makes public all Ulster County contracts, and the payments made under those contracts.

Although our staff primarily focuses on auditing and financial reporting, we also address relevant issues as they emerge. For example, we published an opioid snapshot, memos on transparency and accountability, tax filings, and the Living Wage Act.

Much of 2024 was taken up with review of finance operations given that the former Commissioner of Finance pleaded guilty to grand larceny for theft from an outside organization. The County Comptroller's Office assisted the State Comptroller in their work. In addition, the County Comptroller issued internal memoranda on backup documentation for revenue transactions and controls over cash handling to strengthen internal controls.

Over the last year, the Comptroller's quality analysis function continued to expand including a review of over 50 high touch constituent contracts for their reporting. That work led to a report on contract reporting and the report recommendations were used by the Administration in training department heads on contract reporting.

Finally, the Citizens Commission on Digital Inclusion, appointed in 2022 by the Comptroller under authority of the Ulster County Charter, continued to convene. The Commission assisted in defining project areas, expanding digital equity training opportunities, and interfacing with broadband service providers and workforce as Ulster County looks forward to the roll out of broadband infrastructure.

The staff of the Comptroller's Office take their work seriously and are honored to use the tools of auditing, transparency, and accountability to help inform policymakers and improve lives for all the people of Ulster County.

AUDITS

Audit of the CARES I Grant Program

The audit of the Ulster County Small Business CARES grant program found that eligibility determinations deviated from contractual requirements and expenditures did not align with legislative intent. Findings of the audit include grants made to ineligible recipients, grant funds spent on items that were not in line with legislative intent, a potentially fraudulent award causing a \$15,000 loss to County taxpayers, and a failure to fulfill IRS informational return filing requirements. Addressing these issues is crucial for transparency, accountability, and the effective allocation of funds to support Ulster County businesses and protect taxpayer resources. We acknowledge the recent change in leadership within the Office of Economic Development and feel it's important to clarify that the findings of this audit are not associated with the new Administration.

Audit of the Corporate Compliance Program

The Audit found that risks could be reduced through improved training and changes to the Corporate Compliance Committee structure, process, and communications. Historically, some staff, including senior management and executive positions, have not complied with training requirements, although compliance has improved under the new Administration. The Administration has agreed to assign each complaint a unique tracking number to facilitate complaint tracking. The corporate compliance risk assessment is limited to the mandated programs of early childhood education and homecare but could be expanded to other risk areas. The Corporate Compliance Committee could be strengthened with representation from those charged with governance (the Legislature) as well as representation from internal audit (the Comptroller). The audit also found that corporate compliance communications could be more targeted.

Audit of Real Property Tax Installment Contracts

Our review of 138 installment contracts indicated that the payment collection process must be improved by strictly enforcing late fee application and terminating contracts for non-payment in accordance with the law. Additionally, the former Commissioner of Finance signed a contract with an immediate family member, who stopped payments after the second installment. No action was taken to address this until the Commissioner left abruptly on March 1, 2023, when all overdue payments were made within five days. This action by the former Commissioner raises concerns of possible preferential treatment.



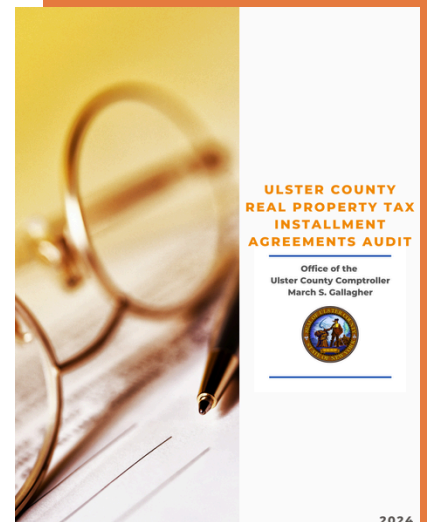
AUDIT OF ULSTER COUNTY CARES I GRANT PROGRAM

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AUDIT OF ULSTER COUNTY CORPORATE COMPLIANCE PROGRAM

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ULSTER COUNTY REAL PROPERTY TAX INSTALLMENT AGREEMENTS AUDIT

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2024

REPORTS

Constituent Service Reporting Quality Evaluation Report

The Ulster County Comptroller's Office evaluated constituent service contract reporting, identifying inconsistencies in data collection and oversight. The review covered 55 contracts across multiple departments, revealing varying reporting standards, delays in submission, and a lack of uniform performance metrics. Some agencies provided detailed reports, while others submitted incomplete or delayed data.

Key findings included inconsistent definitions of services provided, reliance on vendors to format reports, and missing or insufficient documentation in some cases. Notably, the Youth Department did not provide any reports despite contractual obligations. To improve transparency and accountability, the Comptroller's Office recommends standardizing reporting requirements, ensuring timely submissions, and enhancing oversight to ensure taxpayer funds are effectively used to support public services.

Quarterly Reports

The Ulster County Comptroller typically releases four quarterly reports annually. Because of delays in financial accounting, those reports lag so that in any given year there may be third and fourth quarterly reporting from the prior year. Over the last several years because of management turnover in the Finance Department financial reporting delays were exacerbated. During 2024 the Comptroller's Office released the 2022 Fourth Quarter Report, the 2023 Third Quarter Report, and the 2024 First and Second Quarter Reports. The 2022 Fourth Quarter Report noted that revenues totaled \$394 million, exceeding expectations and resulting in a surplus driven by increased sales tax and occupancy tax revenues, while expenditures aligned with the budget at \$350 million. The 2023 Third Quarter Report detailed a strong financial position, with revenues of \$287 million surpassing expenditures and predicted a year-end surplus of up to \$38 million. The 2024 First Quarter Report reiterated previous financial trends, with fund balances remaining above policy limits. The 2024 Second Quarter Report highlighted mid-year revenue growth, boosted by increased sales tax, state aid, and a higher occupancy tax rate, though expenditures also rose due to personnel costs, Medicaid, and social services. A common theme across the reports was the County's financial stability while underscoring the need for improved and timely financial reporting, strategic oversight, and policy adjustments to ensure long-term fiscal sustainability.

Opioid Snapshot

Ulster County continues to battle the opioid crisis, with over 460 non-fatal overdoses in 2023 and one of the highest opioid death rates in New York State. While fatal overdoses have stabilized, non-fatal cases remain high. The County has received significant opioid settlement funds, mostly front-loaded in 2022-2023, with smaller payments continuing through 2040. The Comptroller's Office advises careful use of these funds to ensure long-term impact. Key initiatives include the Sheriff's Office ORACLE program, naloxone distribution, an opioid data dashboard, and partnerships with treatment providers. Continued oversight and strategic allocation of resources are essential to reducing overdoses and improving public health.

Sales Tax Snapshot 2023

Ulster County's sales tax revenues reached \$170.6 million in 2023, a 3% increase from 2022 and exceeding budgeted projections by \$3.6 million. Sales tax remains the County's largest revenue source, accounting for 41% of the 2024 budget, but it is subject to economic fluctuations. Industry trends showed strong growth in traveler accommodations (+21%), gasoline stations (+14%), and restaurants (+4%), while building materials saw a significant decline (-19%). Fossil fuel-related industries contributed 10% of the County's budget, highlighting the need for a long-term shift toward sustainable revenue sources. Moving forward, Ulster County is taking a cautious approach, keeping 2024 sales tax projections flat to mitigate potential economic downturn impacts.

Mortgage Tax Allocation Report

A review of Ulster County's mortgage tax allocations revealed miscalculations that resulted in overpayments to the Villages of New Paltz, Ellenville, and Saugerties, and corresponding underpayments to their respective Towns. Errors stemmed from incorrect calculation methods, including reliance on external software and use of taxable rather than total assessed values. Over the past seven years, the Village of New Paltz was overpaid by \$196,834, Ellenville by \$285,597, and Saugerties by \$215,805. The Comptroller's Office has recommended that future distributions strictly adhere to New York State tax law formulas to ensure equitable and accurate allocations. Moving forward, the County will apply the correct methodology to prevent further discrepancies.

Ulster County Sales Tax Sharing Report

Ulster County shares a portion of its sales tax revenues with local municipalities under an agreement set to expire in February 2026. Currently, the City of Kingston receives 11.5% of sales tax collections, while Towns and Villages receive 3%, with historically an additional 1% allocated when County revenues exceed a set benchmark. In 2023, this resulted in an extra \$1.7 million distributed to municipalities. Sales tax sharing remains a key issue, with discussions expected in 2025 for a new agreement. Alternative allocation methods, such as using population instead of property valuation, could significantly impact municipal budgets. Future negotiations will determine how sales tax revenues are distributed to balance fairness and fiscal responsibility across the County.

Fund Balance Report

Ulster County has consistently generated large budget surpluses, exceeding projections by \$38.3 million in 2023 and by \$136.4 million over the past three years. As a result, the County's unrestricted fund balance at the end of 2023 exceeds policy limits by \$31.1 million in the General Fund, \$1.2 million in the County Road Fund, and \$30,000 in the Road Machinery Fund.

The Comptroller's Office recommends reallocating excess funds to reserve accounts, paying down callable debt, and funding one-time capital expenditures to reduce reliance on borrowing. Strategic fund balance management will help ensure long-term financial stability while potentially allowing for future tax reductions.

Community College Chargebacks Report

Ulster County continues to face significant financial burdens from community college chargebacks, having paid over \$41.9 million from 2012 to 2023, averaging more than \$3 million annually. With over 1,000 Ulster County students attending out-of-county community colleges each year, the county's geography plays a key role in these costs, as many residents live closer to neighboring institutions than to SUNY Ulster. SUNY Ulster's enrollment has declined by 16.5% over the past decade, particularly in full-time students. To address this, the college is investing in capital improvements and expanding programs to attract more local students.

The Comptroller's Office recommends improved data collection on student decisions, enhanced transportation options to SUNY Ulster, and stronger oversight of chargeback documentation. These efforts aim to reduce chargeback costs and ensure County resources support local higher education effectively.

Federal Funds Impact Report

Ulster County receives significant federal funding, with \$50.9 million passing through County government in 2023, primarily for health and human services, ARPA programs, and transportation. However, this represents only a fraction of total federal support benefiting residents. In 2023, Ulster County residents received \$642.9 million in Medicaid, \$616.6 million in Medicare, \$999.4 million in Social Security, and \$46.6 million in SNAP benefits, among other federal programs. Federal aid also supports local schools, municipalities, and community services. With potential federal budget cuts on the horizon, any reductions in funding could impact County services and the broader economy. Continued monitoring and strategic planning will be essential to mitigate potential disruptions.

MEMORANDA

Comptroller's Tax Filings Memorandum

In response to identified payroll tax filing and payment issues, the Comptroller's Office has implemented new oversight measures to enhance fiscal accountability. Following an overpayment discovered in 2020 and recent IRS notices regarding potential payroll tax penalties, the office has formally requested copies of all quarterly payroll tax returns and supporting documentation for the fiscal years 2022 and 2023.

To ensure transparency and compliance, all future quarterly and annual tax filings, along with supporting reports, must be submitted to the Comptroller's Office within three business days of filing. Additionally, departments must provide timely notification of tax-related notices received from state and federal agencies. These measures will safeguard against financial discrepancies, ensure timely reconciliations, and maintain public trust in the County's financial management.

Memorandum on Controls Over Cash Collections

The Ulster County Comptroller's Office has identified weaknesses in cash collection controls across County departments and has issued recommendations to improve security and oversight. Key concerns include inadequate segregation of duties, a lack of electronic point-of-sale systems, insufficient supervision during cash reconciliation, and limited use of surveillance cameras at cash collection stations. Additionally, large cash transactions pose potential financial and security risks, with some payments exceeding five figures. To mitigate these risks, the Comptroller's Office recommends stricter segregation of duties, enhanced surveillance, improved reconciliation procedures, and a \$500 cap on cash transactions to prevent potential money laundering. The office also encourages the expansion of electronic and online payment options. Once controls are strengthened, periodic random internal audits will be conducted to ensure compliance and effectiveness.

Memorandum on the Living Wage Act

The Ulster County Comptroller's Office conducted a review of the Living Wage Act, highlighting concerns over its outdated wage rate, administrative burden, and potential conflicts with state law. The County's living wage remains at \$15 per hour, unchanged since 2021, despite significant inflation and rising costs of living.

By 2025, the state minimum wage will surpass this rate, potentially causing confusion for vendors and compliance challenges. Additionally, many County positions currently earn below the MIT-calculated living wage of \$24.97 per hour. The Comptroller’s Office recommends a legislative review of the Act, considering either an update or a sunset provision while exploring alternative ways to address wage equity and the cost of living.

Memorandum on Revenue Backup Documentation

The Ulster County Comptroller’s Office has identified significant gaps in revenue backup documentation within the County’s financial system. A review of over 20,000 revenue receipt transactions in 2023 and more than 13,000 in 2024 revealed a lack of supporting documentation for key financial entries, including revenues based on calculations, government transfers, lease payments, interdepartmental revenues, and auction proceeds. Without proper documentation, the Comptroller’s Office cannot effectively verify transactions, ensure accurate financial reporting, or provide necessary oversight. The office has recommended enhanced recordkeeping practices to improve transparency and accountability, ensuring all revenue transactions are properly supported and traceable.

Comptroller’s Comments on Transparency and Accountability at UCEDA

The Ulster County Comptroller’s Office continues to provide oversight of the Ulster County Economic Development Alliance (UCEDA) to ensure transparency and accountability in its financial and governance practices. Over the past year, concerns have been raised regarding inadequate financial reporting, lack of transparency in major transactions—including the sale of the former IBM property—delayed audits, and improper tax treatments. Additionally, the Comptroller’s Office has identified unauthorized expenditures and insufficient oversight of pandemic-related business grants. To address these issues, the office has conducted audits, attended board meetings, and issued formal recommendations to County leadership. Despite these efforts, UCEDA recently eliminated public comment periods at meetings, further restricting transparency. Moving forward, the Comptroller’s Office remains committed to ensuring financial accountability and proper governance to protect taxpayer interests.

CLAIMS PROCESSING

The Ulster County Charter enumerates the claims audit function as an essential element of the powers and duties of the Comptroller’s Office.¹ This role provides the County with an independent advocate who can assure that meaningful internal controls and processes are in place, so tax dollars are spent efficiently and reasonably.

Two full-time auditors primarily oversee this function with support of other staff members when necessary. The auditors examine each invoice, payroll warrant, wire payment request or other claim submitted for comptroller approval to determine the claim is accurately calculated with sufficient supporting documentation to verify the lawfulness and appropriateness.

CLAIMS AUDIT 7 YEAR SUMMARY							
	2018	2019	2020	2021	2022	2023	2024
Contracts Count	831	1,002	674	860	962	998	1,013
Contracts Expenditure \$ Amount	\$ 80,800,561	\$ 83,104,808	\$ 44,160,169	\$ 82,473,698	\$ 88,620,939	\$ 77,142,211	\$ 147,542,232
Contracts Revenue \$ Amount	\$ 11,879,497	\$ 29,622,651	\$ 18,241,381	\$ 32,323,273	\$ 29,147,243	\$ 26,574,426	\$ 26,645,189
Wires Count	1,249	1,296	1,282	1,295	1,349	1,292	1,288
Wires \$ Amount	\$ 186,626,735	\$ 216,451,188	\$ 211,774,351	\$ 201,119,192	\$ 224,674,150	\$ 209,696,024	\$ 277,581,573
Employee Reimbursements Count	3,273	3,262	1,413	2,068	2,490	1,429	1,587
Employee Reimbursements \$ Amount	\$ 585,721	\$ 681,849	\$ 217,520	\$ 665,882	\$ 589,586	\$ 278,000	\$ 377,606
Batches Invoice Count	28,343	28,533	23,844	24,934	27,125	29,002	30,135
Batch \$ Amount	\$ 165,059,682	\$ 163,555,213	\$ 147,329,574	\$ 156,798,799	\$ 192,805,398	\$ 182,742,599	\$ 219,283,982
Payroll Transactions	39,563	40,984	41,413	40,388	41,960	41,183	42,034
Payroll \$ Amount	\$ 83,761,365	\$ 85,975,996	\$ 86,320,810	\$ 89,061,835	\$ 95,234,626	\$ 99,488,596	\$ 105,789,843

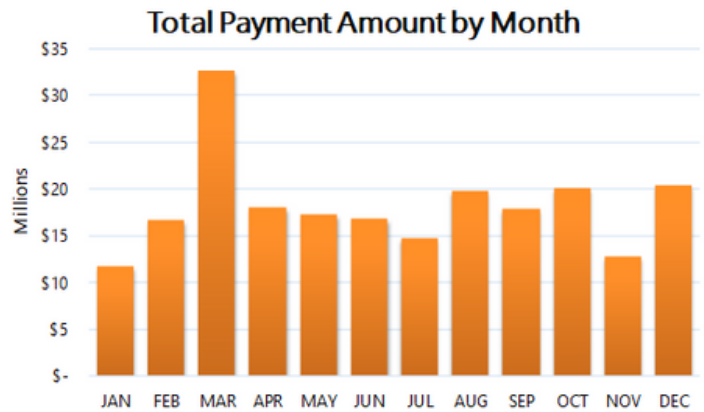
¹ See Ulster County Charter: § C-57(D): [The Comptroller shall] certify the availability of funds for all requisitions, contracts, purchase orders and other documents by which the County incurs financial obligations or for the expenditure of funds for which the County is responsible; and § C-57(F): [The Comptroller shall] audit and certify for payment all lawful claims or charges against the County, whether for payroll or otherwise, or against funds for which the County is responsible in whole or in part.

This essential analysis assures that every claim paid is for a legitimate County purpose, that required approvals and authorizations have been obtained, adequate budgetary appropriations are available, and validates the accuracy of any calculations that are relied upon. These auditors also certify that a claim meets both state and local laws and policies, that competitive bidding was sought where required and contractual terms were met. Prompted by the pandemic, the processing of claims has taken a more significantly digital role over the last few years which has improved efficiency, documentation abilities, and the safety of our staff.

Highest Paid Vendors and Taxing Jurisdictions in 2024		
Vendor	# of Invoices	Total Invoice Amount \$
59 - City of Kingston	203	21,134,739
5431 - Bette & Cring LLC	15	8,034,819
186 - Ulster County Community College	31	7,042,261
338 - Onteora Central School District	103	5,281,531
1096 - Kingston City School District	131	5,154,228
417 - Family of Woodstock Inc	247	4,009,503
2497 - Harrison & Burrowes Bridge Constructors	12	3,942,153
437 - Rondout Valley Central School District	3	3,875,563
452 - Gateway Hudson Valley	44	3,249,853
2171 - Saugerties Central School District	4	3,164,219

The compilation of the monthly taxpayer checkbook was published throughout 2024 by our Office is an additional responsibility of our claims audit team, which details the payments issued to each vendor every month. This material is shared within days of the end of the monthly period and allows the people of Ulster County to see where their tax dollars are being spent on a timely basis. In addition to the Taxpayer Checkbook, the claims auditors are responsible for approving contracts entered into by Ulster County and have made the approvals transparent through a publicly available monthly Contract Log. This function has been redirected into the vendor and contract dashboard going forward.

The claims auditing function is not only an indispensable component of the Office of the Comptroller in enforcing internal controls, but it also serves as a vital part in maintaining the integrity and transparency of governmental best practices. Claims auditing has evolved to mean much more than just a review of invoices, as our claims auditors also highlight and track fluctuations in expenditures that provide the opportunity for additional analysis, proactive responses to changes occurring in our community and economy and identify opportunities for improvement or scrutiny if needed.



DEPTS WITH MORE THAN \$1M IN CLAIMS AUDITED	
DEPARTMENT	\$ TOTAL
1310 Finance	90,716,168.4
1490 DPW	44,113,388
6010 Social Services	28,703,992
4310 Mental Health	13,211,844
3110 Sheriff	10,010,936
1680 Information Services	4,629,331
1910 Insurance	4,155,644
1430 Personnel	3,983,104
8021 Economic Development	3,320,073
6772 Office for Aging	1,945,947
3020 Emergency Management	1,769,734
5630 UCAT	1,470,936
6290 Employment & Training	1,377,953
1010 Legislature	1,217,725
8020 Planning	1,107,869
6410 Tourism	1,021,631

Expenditures made through the separate financial system operated by NYS called Welfare Management System are not claims audited by the Comptroller's Office. These payments include temporary assistance payments, Medicaid, HEAP, foster care payments and other forms of social services payments. Primary audit responsibility for WMS claims lies with New York State. In 2024, the County Comptroller's Office audited over \$28 million in DSS claims outside of the WMS system and included claims generated through contracts between DSS and outside vendors for services such as pre-school and emergency housing.

In addition to approving payments to outside vendors for services, the claims audit team also reviews passthrough payments of sales tax made to the City of Kingston and the towns, and property tax to the towns, villages, and school districts.

Finally, the claims team is responsible for auditing employee vouchers and payroll processing – that is all payments to employees including those that are reimbursements for mileage or other expenses discussed in greater detail in the following section.

PAYROLL

Claims auditors certify each payroll warrant the County issues by verifying that all calculations are correct and agree to personnel records and the appropriate backup documentation has been provided. Payroll auditing took on special significance in 2024 with several large payouts for employees leaving County service.

The Ulster County Comptroller's Office audited each payroll for 2024 that included 26 bi-weekly, 52 weekly, 12 monthly, 4 quarterly, 20 election workers, and 9 OFA neighbor to neighbor payroll for a total of 123 payroll audits. The total payroll audited was \$105.8 million in 2024. Payroll audits are carried out primarily by the Claims Auditors with the Senior Auditors as back up.

2024 Payroll Summary		
Payroll	\$ Total	Count YTD
Weekly - Highway	\$ 9,657,721	5,949
Bi-Weekly - Regular	93,869,010	33,294
Monthly - Legislature, Arson and Fire Coordinator	429,923	350
Quarterly - Retiree HI Buyback	1,081,065	1,695
Election Workers	751,282	737
RSVP Volunteers	842	9
Grand Total	\$ 105,789,843	42,034

We verify individual department time tracking information against what is put into the general County system. We look for any employees that are not being paid their standard hours, for any pay adjustments or other unusual pays and verify them to back-up provided, as well as rate increases that are matched to an authorization of the change. We also track employee reimbursements paid against the total reimbursements paid over all warrants for that payroll. Some of the most common issues found are mistakes regarding shift pay, some incorrect standard hours paid, and data entry errors regarding the employee reimbursements.

QUALITY ANALYSIS

In 2024 the Comptroller's Office had the first full year of the Quality Analyst position. The purpose of the position is to evaluate the quality of services being provided to Ulster County constituents by outside agencies under contract to deliver those services. The Quality Analyst reviews contracts awaiting Legislature approval for reporting requirements, tracks active contracts and their reporting, engages with the contract approval process, and consults with departments on ways to improve their reporting. A public anonymous survey was developed to provide an avenue for constituents receiving services to provide feedback for these services directly. Results of the survey are collated and submitted to the Executive along with the relevant department. This survey has not been widely adopted by departments and the Comptroller's Office recommends that it be adopted into contract requirements.

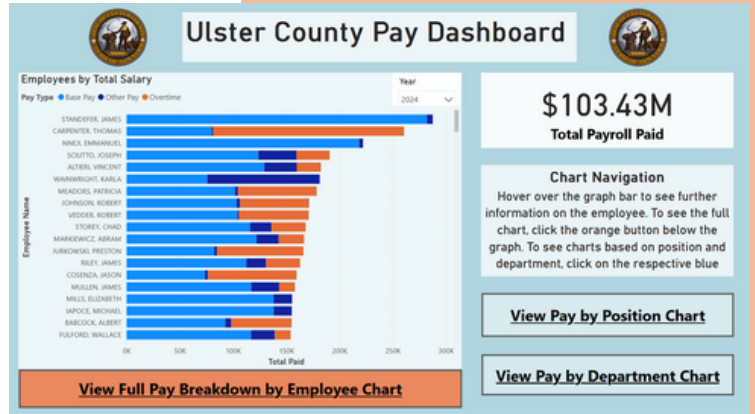


Several site visits of outside agencies were conducted by the Quality Analyst to ensure program integrity. The Quality Analyst also released an overview of reporting within the County from a sample of contracts. Based on that quality evaluation, a set of contract reporting recommendations were sent to the Legislature, which included ensuring the timely collection of reports in accordance with current contracts. Further, the final payment for a contract is not to be released by the Comptroller's Office until the reporting is confirmed to be received by the relevant department. For contracts that were currently in negotiation the recommendations were to have a set due date for reporting (i.e., quarterly, monthly, annually), capture unique individuals served in addition to, when relevant, the number of instances a service has been accessed, and have space within the reporting form for a anonymous story that might speak to the impact of the services of the agency. From these recommendations, the Executive engaged departments heads in a reporting training to improve reporting quality.



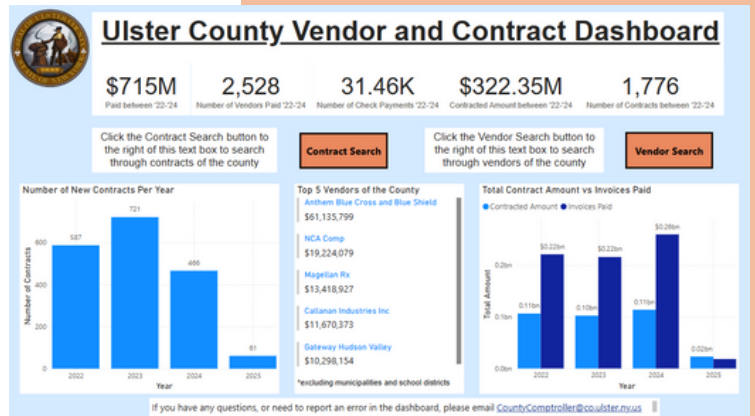
PAY DASHBOARD

This year the Comptroller's Office updated the [Ulster County Public Pay Dashboard](#) which aggregates county payroll, and now houses 2022, 2023, and 2024 payroll data. With the addition of new data, the public can compare the previous year's payroll, pay between positions, and pay between departments. A total of \$103.43 million was paid out in payroll in 2024 with the three highest paid departments being the Sheriff's Office (\$25.59 million), Social Services (\$18.34 million), and Public Works (\$13.76 million). Public facing data enriches the interaction of government and the taxpayers, which in turn can support collaboration and decision making.

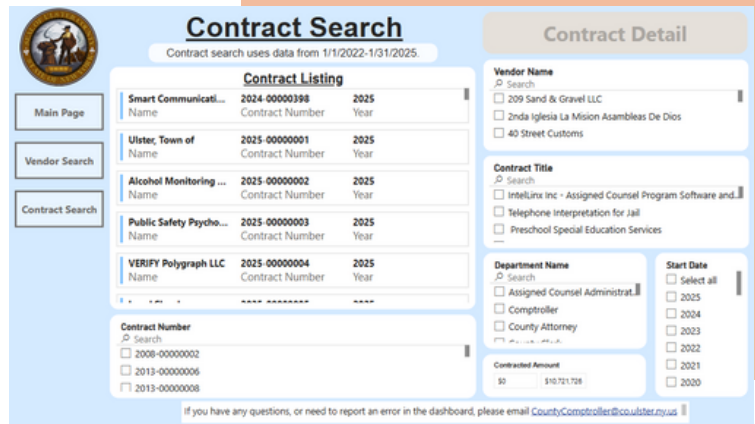


VENDOR DASHBOARD

This past year the Comptroller's Office released a new transparency tool, the [Ulster County Comptroller's Vendor and Contract Dashboard](#). For the first time the public has access to a dashboard containing most County contracts and their related amendments, a listing of active vendors, and a listing of payments made to those vendors. Users are able to search by vendor, department, and/or contract area. All contracts include a pdf link to the original contract, along with a pdf link for any amendment documentation. Payments included are made through the County's primary financial system, and do not include those made through the Welfare Management System, which is the NYS run system that processes and distributes public assistance payments to eligible recipients.



The dashboard was released to provide transparency on contracts active between, January 1, 2022 and October 31, 2024, as well as payments made during that period. It is updated monthly to reflect the previous months' transactions. The dashboard serves as a public repository, allowing stakeholders to track contract performance and spending without the need for a Freedom of Information Request.



COST AVOIDANCE, COST RECOVERY, AND ENHANCED REVENUES

Through our work auditing every claim for payment, as well as our work on internal financial and program auditing, our staff regularly identifies areas of cost avoidance, cost recovery, and revenue enhancement. Without willing and active partnership by the County Executive and the County Legislature none of these savings or revenues would be realized. Collaboration with policymakers and management to achieve the best services at the lowest cost is what serves the people of Ulster County, and we take pride highlighting such efforts as evident in these numbers. During 2024, the Comptroller's Office identified claims resulting in savings. In addition, audits of occupancy tax, investment policy compliance, and review of delinquent property taxes, the work of the Comptroller's Office in conjunction with action by the Legislature and Executive resulted in the better investment of County resources, the sale of 701 Grant Avenue, and the recoupment of occupancy taxes resulting in millions of dollars for Ulster County taxpayers.

2024 Cost Avoidance, Cost Recovery, and Revenue Enhancement		
Type	Description	Actual
Revenue Enhancement	Better Investment of County Funds	\$ 2,951,655
Cost Recovery	Sale of 701 Grant Avenue	3,902,790
Cost Avoidance	701 Grant Avenue School Taxes	78,811
Cost Avoidance	Alcohol in a claim	628
Cost Avoidance	Duplicate subscription	156
Revenue Enhancement	Occupancy Tax Audit Recovery	200,235
	TOTAL	\$ 7,134,275

FINANCIAL AND ACCOUNTING RISKS

- The County does not perform a timely close of financial records on a periodic monthly or quarterly basis. This could lead to forgone revenues, missed fraudulent activity, and a lack of relevant timely information for decisionmakers.
- The County is largely noncompliant with the provisions of its investment policy that call for diversification. While funds are protected through collateralization, relying so heavily on a single institution exposes the County to potential risks, including limited liquidity in the event of banking disruptions, reduced interest earnings due to lack of competition, and governance concerns regarding investment policy.
- The County Department of Finance does not prepare regular cash flow analyses. The lack of cash flow analysis limits the ability to maximize investment revenues or plan for the unexpected.
- The Office of the State Comptroller's investigation into the former Ulster County Commissioner of Finance made recommendations on payroll timekeeping procedures, management accruals and payouts, estate administration, cash handling procedures, and segregation of duties. Only some of these recommendations have been addressed.
- The County's external auditors identified several control deficiencies during the 2023 financial statement audit that remain unaddressed such as reconciling the County's real property collection software with the County's general ledger.
- The Sheriff's payroll process continues to be hampered by software issues, staffing turnover, and excessive changes throughout the payroll process. These factors shorten the window for review of the County's most complicated payrolls, increasing the risk of over or underpayment each pay period.
- The County's 1992 solid waste management contract with Ulster County Resource Recovery Agency (UCRRA) is terminating at the same time the landfill receiving Ulster County waste, Seneca Meadows, is scheduled to close. The County and UCRRA have developed no other plan for solid waste management. The County is at risk for of substantial increased costs for waste disposal.
- Redevelopment of the former IBM campus proceeds but presents significant risks. The major public investments of the new BOCES facility and the Ulster County Workforce Innovation Center may not see commensurate private sector job creation investment. Furthermore, as the result of a mortgage payment deferral the iPark developer has paid nothing in 2024 on the mortgages for the East or West Campus and there is a risk that the County will not see repayment of outstanding mortgage balances of \$10.6 million. The iPark developer also continues to be delinquent in paying property taxes for the properties (2024/2025 school taxes of more than \$889,000 are still outstanding as of the writing of this report). If iPark continues to fail to pay taxes for three successive years, the property may be the subject of another tax foreclosure and revert to public ownership.
- Two Ulster County Legislators with financial misconduct allegations remain in their current roles, including leadership positions on key committees. Despite these issues, the Legislature has not taken any formal action to address potential risks with respect to their roles in overseeing budgets, salaries, and contract approvals.
- Cuts to federal programs could cause a reduction to the \$50 to \$60 million of federal funds that pass-through Ulster County government annually. If significant federal funding cuts occur for State run programs, we expect the State to push more of its costs to the County, especially around the County's Medicaid share. Other federal funding cuts to other municipal governments, nonprofits, schools and colleges and entitlement programs could create a substantial increase in community need increasing the County's service delivery costs.
- Given that the County has become increasingly reliant on sales tax revenues over the last decade, our fiscal stability may be affected by economic downturns that affect sales tax revenues.