

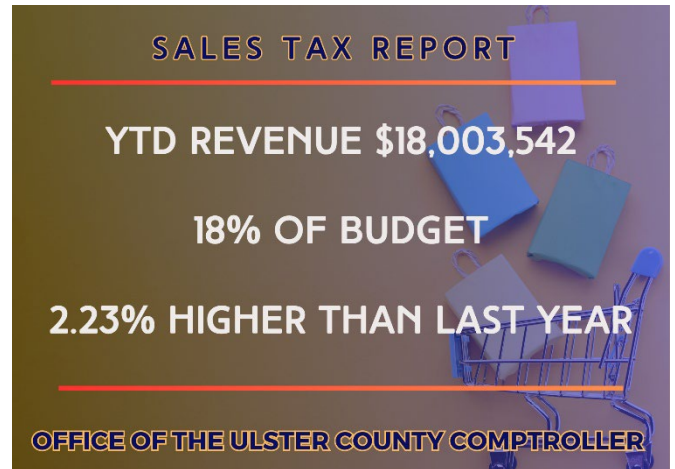


**MARCH 2025**

***Revenues:***

The County has received all three sales tax payments for the month of January 2025. The payments totaled \$18,003,542, an increase of 2.23% over last year's January payments.

The County received a quarterly Adult Use Cannabis Tax payment of \$147,265 on January 30<sup>th</sup>, 2025. This represented an increase of 70% from the October 24<sup>th</sup>, 2024, payment. This payment was for tax collected on sales made between September 1<sup>st</sup>, and November 30<sup>th</sup>, 2024. The County will retain 25% of this distribution or \$36,816, and this amount will be recognized as revenue.



As discussed last month, we raised concerns on January 28<sup>th</sup> to the NYS office of Cannabis management about the sales data that they are reporting to us and have not yet received a response. The County is required to make distributions of 75% of all AUC tax receipts to the local Towns and Villages based on the sales that occur within those geographical locations. We are aware of dispensaries operating within the City of Kingston and the Town of Marbletown during the period, yet saw no sales reported from OCM for those municipalities. The commissioner of finance is required by state law to distribute the AUC to the local municipalities by the end of the month following the distribution, in this case by the end of February. The payment was made to the Towns and Village with the understanding that the amounts paid will need to be corrected in future periods.

Recorded 2025 Occupancy Tax Revenues are \$570,310 or 9% of the budgeted amount of \$6.3 million. Recorded 2024 Occupancy Tax Revenues are \$7.9 million or 126% of the budgeted amount of \$6.3 million. We expect the final 2024 number to increase and the current 2025 number to decrease when year-end revenue accrual journal entries are recorded. The 2023 occupancy tax revenue accrual entry recorded \$256,000 of 2024 collections as 2023 revenues.

Ulster County earned \$9.6 million in interest income in 2024, or 143.4% of the budget which was \$6,717,500. New World currently shows \$36 thousand more than we earned on our bank deposits, which represents interest turned over to the County from local tax collectors. We recommend that this interest be separated from our bank interest in the future.

Interest earnings through February of 2025 are \$1,318,439, or 17% of the budget. Of this, \$189,597 was earned from CDs and the remainder was from cash accounts. Budgeted interest income for 2025 is \$7,743,500, an increase of 15.3% from the 2024 budget.

### ***Expenditures:***

Health insurance expenditures for the fourth quarter of 2024 have not yet been allocated to all the funds, as a budget amendment will be required to post the expenditures to certain departments. The total fiscal impact of the unrecorded journal entry will be \$8,9 million, of which \$8.1 million will be recorded in the General Fund.

### ***Bank Recs:***

The Comptroller's office has received bank reconciliations from the Finance Department for January of 2025. The Commissioner of Finance communicated that the 2025 bank recs will be delayed because of staffing vacancies, but Finance is relatively current.

### ***Fund Balance:***

The current fund balance policy maximum allows an unrestricted balance of 20% of General Fund adopted budget expenditures. The 2025 Adopted Budget included \$392.7 in expenditures, 20% of which would be \$78.5 million. Based on the remaining unrestricted fund balance of \$89.7 million from 2023, combined with the current results in New World showing a 27.6 million surplus in 2024, we predict an unrestricted fund balance of \$117.3 million meaning the County would still be \$38.8 million over the fund balance policy at the start of 2025. The numbers I just told you are all subject to material change as the County's external audit is not yet complete and the Department of Finance does not consider the 2024 accounting records to be closed yet.

### ***Audits, Reports, and Initiatives:***

Since we last met, the Comptroller's Office has released the pay dashboard 2024 update, we urge you to explore this tool, as well as the vendor dashboard. Both are available on our website.

We released an audit of the County's Self Health Insurance plan.

Our audit of the P-Card program has been sent to management.

Our audit of Community Action is ongoing.

Our audit of occupancy tax is ongoing. Specifically, we have been looking at all inclusions and the use of exemptions. The audit itself will result in additional revenues to the County as several properties underpaid and one property was extremely behind on payment as a result of a change in ownership and management transition.

We have identified that in 2024 the meals/activities exemption shielded approximately \$1m during the 2023 sales tax year and would have been \$2m at the higher rate. Please keep in mind that we cannot charge occupancy tax on meals and activities and our current occupancy law has a clunky way to carve these out. This will be better documented in our forthcoming report. We continue to believe that there needs to be exemptions for services provided that are not lodging.

### ***Quality Analysis:***

The Quality Analyst continues reviewing year end reporting for various departments and contracts. Contracts were selected based on an internal risk assessment. We will be reporting more formally on those. We attended the Community Services Board meeting earlier this week to share with the group and gather feedback on reporting on Mental Health contracts. The Board was very pleased with having access to contract agreements and spending through the contract vendor dashboard and if you haven't yet reviewed that, I urge you to do so.

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