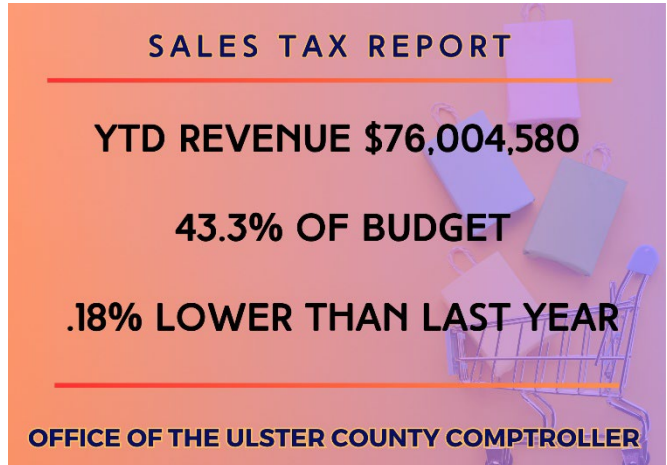




JULY 2025

Sales Tax

The County has received the first of three of our June sales tax payments. Year-to-date sales tax revenue is \$76,004,580, which represents a 0.18% (or \$134,956) decline from where we were this time last year. We have continued to see improvement since the disappointing returns in February; however, the payments for counties across the state seem to fluctuate unpredictably, so our outlook remains cautious.



Cannabis Tax

The article published in the Daily Freeman on June 2nd had incorrect information. We have collected \$71,936.99 which is 55% of budgeted revenue. We anticipate making budget for this revenue.

On May 28, 2025, the County received \$190,988 from the State Comptroller for Adult-Use Cannabis Tax collections with no communication from any state department explaining what period the payment belongs to. Most recent communications from the Office of Cannabis Management seem to imply this is a payment for April collections, however this would be a change in the way revenues have been previously distributed on a quarterly basis. OCM still has not provided municipal origin of sale, which prevents the County Department of Finance from paying the towns and villages their 75% share of the payment. On June 27, 2025, we received a \$12.46 Adult Use Cannabis payment with no explanation as to period or sales jurisdiction for distribution.

Occupancy Tax

As of July 9, 2025, recorded Occupancy Tax Revenue for 2025 is \$3,137,263 or 50% of budgeted revenues.

Effective April 2025, New York State implemented a new law requiring short-term rental (STR) platforms to collect and remit sales and occupancy taxes to the State and local jurisdictions. Under this law, platforms must also verify that STR properties are registered with the state before listing them. As a result, we may have begun to receive payments from platforms other than Airbnb, with whom we already had a voluntary collection agreement with. However, that is hard to discern as of the date of this report as Avalara (the payee agent for Airbnb) receipts were recorded all attributed to Airbnb. Avalara is a sales and occupancy tax platform that serves many clients other than Airbnb. We identified this issue and communicated it to the Department of Finance.

Interest Earnings

Interest earnings for the year through June of 2025 are \$4.1 million or 53% of the budget. Of this \$603,418 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. It appears we are currently on track to meet this target.

Bank Reconciliations

The Comptroller's office has received bank reconciliations from the Finance Department for May of 2025.

Audits/Reports and Initiatives

We continue to review the quality of services provided by contracts with nonprofit agencies around constituent services and are currently working on a report on 35 contracted agencies. While some of our recommendations on contract reporting may have been incorporated into departmental training last year, we still see a multitude of contracts with less-than-ideal reporting. As a conclusion to our current review, we will have a set of recommendations for the Legislature to consider in adopting as policy on contract reporting requirements. As part of this work, we have been taking a more in depth look at claims going through the Welfare Management System at DSS. Currently, the Comptroller's Office does not have access to or visibility into payments made directly through this state-run system, limiting our oversight of certain expenditures. To strengthen our review, we plan to conduct monthly in person review of invoices under contracts identified through our risk assessment process.

We have concluded our audit of Community Action and have an exit conference scheduled with the agency for July 15th. To our knowledge, Community Action has not yet filed tax returns or completed their audits for 2023 or 2024.

Our audit of occupancy tax is completed. We had an exit conference with the Department of Finance. All properties audited have received audit resolution letters, except for one property for which we are awaiting a bill from Finance to share with the taxpayer.

We have begun an audit of the license agreement between Ulster County and the Ulster County Agricultural Society for use of the Ulster County Fairgrounds.

We have a draft report on the delinquent real property tax auction that we plan to publish soon.

We are working on a report that examines the impact of short-term rentals on housing availability.

Other Issues

There are still unposted 2024 transactions in the financial system delaying the Comptroller's ability to prepare a 2024 4th Quarter and 2025 1st Quarter Report.

The iPark properties are behind in general and school taxes totaling \$1.4 million in taxes, interest and penalties.

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