



AUDIT OF THE ULSTER COUNTY AGRICULTURAL SOCIETY LICENSE AGREEMENT

**Office of the
Ulster County Comptroller
March S. Gallagher**





ULSTER COUNTY OFFICE OF THE COMPTROLLER

AUDIT OF THE ULSTER COUNTY AGRICULTURAL SOCIETY LICENSE AGREEMENT

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Executive Summary

Why this audit is important

Ulster County's license agreement with the Ulster County Agricultural Society (UCAS) grants operational control of the County Fairgrounds, one of the County's most prominent public assets, to a non-profit operator. The current five-year agreement, set to expire at the end of 2025, contains provisions intended to ensure ongoing investment, public benefit, and alignment with County priorities. However, the agreement has remained largely unchanged for decades, and both oversight and planning requirements have gone unenforced. With negotiations for a new agreement approaching, the County has an opportunity to address these gaps, strengthen accountability, and consider lease terms that better support long-term capital investment (CI) while preserving County ownership and control.

What we found

Based on the documentation provided, UCAS has largely complied with the current terms of the license agreement. However, the County has not maintained consistent oversight of the agreement. Contractually required monthly reports, annual financial statements, capital investment documentation, and proof of insurance were not consistently obtained or reviewed, and annual meetings, intended to evaluate potential modifications through review of operations and compliance, did not occur between 2021 and 2024. The County also did not reconcile the "Annual CI Obligation" (Base Obligation plus 25% of non-Fair profits) against actual capital expenditures or track carryovers allowed under the agreement.

While the Agricultural Society met the agreement's minimum requirements, the contract does not require a multi-year capital improvement plan or alignment of investments with County objectives such as environmental sustainability. In addition, the short five-year lease term discourages large-scale, multi-phase projects and limits the Society's ability to commit to infrastructure upgrades, particularly those needed to advance County policy goals like composting and waste diversion. UCAS has expressed interest in a longer-term agreement to support significant improvements, but the County has yet to determine how to achieve this within its governance and oversight framework.

What we recommend

The County should modernize the license agreement to:

- Clearly assign oversight responsibilities and require standardized annual reconciliation of the Annual CI Obligation and other obligations, including carryovers.
- Establish a central tracking system for all deliverables and require documented annual meetings to review operations, compliance, and potential modifications.
- Require UCAS to develop and annually update a 3–5 year board-approved capital improvement plan that aligns with County priorities, including environmental sustainability goals.
- Evaluate alternative lease structures or longer terms, potentially involving entities such as the Ulster County Industrial Development Agency (UCIDA) or Ulster County Economic Development Agency (UCEDA), to provide stability for long-term investments while safeguarding County ownership and control.

Objectives

The objective of this audit was to assess compliance with License Agreement No. 2021-79 between Ulster County and the Ulster County Agricultural Society, covering the use and management of the County Fairgrounds in New Paltz. Specifically, the audit aimed to determine:

- Whether the Agricultural Society fulfilled key contractual obligations related to reporting, financial disclosures, capital investments, insurance documentation, and event oversight, and
- To evaluate the County's role, primarily through The Ulster County Department of Public Works (DPW), in monitoring, enforcing, and administering the agreement.

This audit was initiated in advance of the license's scheduled expiration at the end of 2025 to inform the County's renegotiation process and ensure that any successor agreement adequately addresses operational gaps.

Scope & Methodology

The audit reviewed the period from January 1, 2021, through June 30, 2025, focusing on compliance with administrative and operational terms of License Agreement No. 2021-79 between Ulster County and the UCAS. The review included an evaluation of whether the Society met its contractual obligations and whether the County effectively monitored and enforced the agreement.

Methodology included a review of the executed license agreement, internal memoranda, and documentation submitted by both the Agricultural Society and DPW in response to formal audit requests.

This audit was conducted in accordance with the audit authority of the County Comptroller as set forth in Article IX § C-57 of the Ulster County Charter.

Background

According to the New York State Department of Agriculture and Markets, there are 49 county fairs across the state. Of these, eight operate on municipally owned property, six of which operate on County-owned land under nonprofit management, five are agricultural societies and one is a Cornell Cooperative Extension.

The UCAS has managed the annual Ulster County Fair for more than a century, along with other agricultural, educational, and community events at the New Paltz fairgrounds. The Fairgrounds are a significant County asset, drawing visitors from across the region and hosting events that generate both economic activity and community engagement.

The current license agreement between Ulster County and UCAS runs from January 1, 2021, through December 31, 2025. Under its terms, the Society is required to submit monthly activity reports, provide annual financial documentation, invest a minimum of \$15,000 annually in capital improvements, and commit 25 percent of profits from non-Fair events towards improvements to the County owned property. Together, these two amounts, less the cost of grounds maintenance constitute the "Annual CI Obligation," which the agreement allows to be met on a cumulative basis by carrying forward any capital expenditures that exceed the obligation each year to subsequent years.

According to documentation provided by UCAS, since 2016 the Society has invested approximately \$615,905 in capital improvements and infrastructure at the Fairgrounds, funded through a combination of grants and Society resources. Projects have included facility upgrades, grounds maintenance, and improvements to event infrastructure. In addition, UCAS reports taking steps toward compliance with various County laws and policies, including installing AED units on-site, posting no-smoking signage, initiating pollinator-friendly landscaping, advising food vendors on "Skip the Straw" compliance, and beginning to phase out non-environmentally friendly landscaping products. The Society has also expressed willingness to collaborate with the County on future sustainability initiatives, such as providing designated areas for public composting education during the Fair.

DPW is designated as the County's primary point of contact for site coordination and approvals. The agreement also anticipates annual meetings between the County and the Society to discuss potential modifications to the agreement, a process that should be informed by a review of operations, compliance, and future plans for the property.

In addition to the requirements of the license agreement, Ulster County incurs ongoing costs to operate and maintain the Fairgrounds. Budget records from 2021 through 2024 show that the County has spent approximately \$412,000 on personnel, professional services such as water testing, building maintenance and repair, and other operating expenses. Annual spending has ranged from about \$67,000 to over \$138,000. As presented by the Budget Office, the County has also invested \$240,780 in capital projects at the Fairgrounds for improvements as of August 2025. These in-kind contributions are not formally acknowledged or credited within the license agreement, yet they represent a significant and ongoing public investment in the Fairgrounds.

Within the current County administration, there have been concerns that certain environmentally focused County laws and policies, such as composting and waste diversion, have not yet been fully implemented at the Fairgrounds. UCAS has acknowledged these as goals and indicated they are works in progress, but notes that achieving them would require investment in infrastructure and systems that are difficult to commit to without the certainty of a longer-term lease. The Society has also emphasized its reliance on volunteer support, which limits its capacity to make large-scale changes without stable, multi-year planning horizons.

Publicly available financial filings provide context for UCAS's financial capacity. In its most recent filing, the Society reported total cash of \$871,069, substantially higher than many peer agricultural societies operating on county or municipal property in New York State. While cash levels alone do not determine performance, they can influence an organization's ability to undertake large-scale capital projects or long-term improvements, particularly when paired with a clear, board-approved investment plan.

Despite this potential capacity, the current five-year license term limits the Society's ability to commit to long-range projects. UCAS has expressed interest in a longer-term agreement to better align planning and investment cycles.



Findings & Recommendations

Finding 1 - Insufficient Oversight of License Agreement Compliance

Condition: DPW, designated as the County's primary point of contact for site coordination and approvals, has not consistently obtained, tracked, or reviewed required deliverables under the license agreement. These deliverables include monthly activity reports, annual financial statements, capital investment documentation, and proof of insurance. Annual meetings, intended to determine whether modifications are necessary by reviewing operations and ensuring compliance did not occur between 2021 and 2024. Without these meetings or the required reports, the County lacked a formal basis to determine whether contractual changes were necessary or to address operational issues in a timely manner.

In addition, the County did not verify or reconcile the Annual CI Obligation (defined as the sum of the \$15,000 Base Obligation, less the cost of lawn maintenance, plus 25% of profits from non-Fair events), with UCAS's actual capital expenditures. While the agreement allows excess expenditures to be carried forward to subsequent years, the County has not maintained a ledger to track these carryovers or shortfalls. Our review of financial records and calculations prepared by our office indicated that although UCAS generally exceeded the Annual CI Obligation in some years, there is no evidence the County monitored this obligation or applied the carryover provisions.

Effect: The absence of a structured oversight process reduces the County's ability to ensure that the Fairgrounds are managed to maximize public benefit, comply with agreement terms, and protect the County's investment in the property. Without documented reconciliation of the Annual CI Obligation or regular operational reviews, the County risks underinvestment, missed opportunities to address compliance issues early, and diminished accountability for the use of public resources.

Cause: Oversight responsibilities have not been formally assigned or enforced, deliverable tracking remains absent, and the license agreement's reporting and meeting requirements have not been implemented. The agreement's provisions have remained largely unchanged for decades, without mechanisms to ensure active contract administration.

Criteria: The License Agreement obligates UCAS to submit monthly activity reports, provide annual financial documentation, invest a minimum amount each year in capital improvements, and invest a percentage of profits from non-Fair events in the County-owned property.¹ The Government Finance Officers Association (GFOA) best practices further recommend that governments establish and maintain clear monitoring procedures for contractual relationships involving public assets.²

Recommendation: The County should update the license agreement to require a standardized, annual reconciliation of the Annual CI Obligation, including carryovers, and to ensure that all required deliverables are submitted, reviewed, and centrally tracked. Oversight responsibilities should be clearly assigned to designated staff, and annual meetings should be held and documented to review operations, compliance, and potential modifications to the agreement.

Finding 2 – Lack of Strategic Capital Planning and Alignment with County Priorities

Condition: The license agreement requires only a minimum annual investment of a percentage of non-Fair profits but does not mandate a multi-year capital improvement plan or alignment of capital spending with County priorities. This lack of strategic planning limits the County's ability to ensure that capital investments support long-term objectives such as modernization, environmental sustainability, and compliance with County laws and policies, including goals for composting and waste diversion. UCAS has acknowledged these goals as works in progress but indicated that infrastructure upgrades needed to achieve them require greater lease stability and long-term planning.

Effect: Without a multi-year capital improvement plan that aligns with County objectives, capital investments at the Fairgrounds may be reactive, piecemeal, and insufficient to advance broader policy goals. This reduces the potential public value of County-owned assets and delays the implementation of important initiatives like environmental sustainability measures.

Cause: The license agreement's capital investment provisions have not evolved to require strategic planning, and the short five-year lease term discourages commitment to large-scale or multi-phase projects. The County has not used its negotiation leverage to align investment requirements with long-term goals.

Criteria: Best practice in asset management emphasize the importance of long-term planning for capital improvements to align resources with strategic objectives and to ensure they are maintained and improved over time.³ Ulster County environmental sustainability goals, as reflected in County law and policy, require progress towards such initiatives like composting and waste diversion, which requires capital investment and infrastructure changes.⁴

[1] License Agreement No. 2021-0000079 between the County of Ulster and the Ulster County Agricultural Society, executed January 1, 2021, Sections 5, 6, 7, 8, & 10

[1] Government Finance Officers Association (GFOA) Best Practice: "Contract Management: Monitoring and Oversight," approved by the GFOA Executive Board [insert approval year], available at <https://www.gfoa.org/materials/contract-management-monitoring-and-oversight>

Recommendation: The next license agreement should require UCAS to develop and annually update a 3–5 year board-approved capital improvement plan that aligns with County priorities, including environmental sustainability goals. This plan should outline specific projects, timelines, and cost estimates, and be reviewed jointly by the County and UCAS to ensure strategic alignment and accountability. In addition, the County should explore alternative lease structures or longer terms, potentially involving entities such as UCIDA or UCEDA, to provide the stability UCAS needs to commit to long-term capital projects while safeguarding County ownership and control.

Conclusion

The Ulster County Fairgrounds represent a valuable public asset with deep cultural, economic, and community significance. While our review found that the Ulster County Agricultural Society is meeting the minimum requirements of the current license agreement, the County’s oversight framework and the agreement’s structure do not ensure that the Fairgrounds are being managed to their fullest potential.

The lack of centralized deliverable tracking, infrequent coordination, and absence of measurable performance expectations have limited the County’s ability to hold the operator accountable or assess the true public return on its investment, including substantial in-kind support. Additionally, without a requirement for a multi-year capital improvement plan, the County cannot fully evaluate whether UCAS’s available resources are being strategically directed toward long-term sustainability, modernization, and alignment with County priorities.

The upcoming renewal of the license agreement presents an opportunity to address these longstanding structural weaknesses. By modernizing the agreement, strengthening oversight processes, establishing measurable benchmarks, and exploring lease structures that enable long-term investment, the County can safeguard the public’s interest while supporting the continued vitality of the Fairgrounds for generations to come.

**Management’s Response

Management’s response to our recommendations will be included at the end of our report. If there are factual errors or incorrect information we will notate these items in the last paragraph of our report.



[3] U.S. GAO, “Capital Decision-Making,” GAO/AIMD-99-32.

[4] Ulster County Environmental Policy, The Food Waste Prevention and Recovery Act, enacted in 2019

ULSTER COUNTY DEPARTMENT OF PUBLIC WORKS

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JEN METZGER
County Executive



BRENDAN M. MASTERSON
Commissioner

September 4, 2025

March Gallagher
Comptroller
Ulster County Comptroller's Office
244 Fair Street
Kingston, New York 12401

Subject: Management Response to Ulster County Agricultural Society License Agreement

Dear Comptroller Gallagher,

Thank you for your review and report regarding the audit of the Ulster County Agricultural Society License Agreement for the period ending December 31, 2025. We appreciate the professional way in which you conducted this process, and the constructive feedback provided.

This letter serves as our official written response to the findings and recommendations outlined in your draft audit report dated August 19, 2025. We have reviewed your observations and developed the following corrective action plan for each finding:

Finding 1: Insufficient Oversight of License Agreement Compliance

- **Management's Position:** The Agreement identifies multiple parties responsible for providing approvals related to the Fairgrounds property. For example, reconciliation of the annual capital improvement obligation is a shared responsibility between multiple parties. While the Department of Public Works is authorized to approve maintenance projects, it is not authorized to approve capital investments. We generally agree with this finding and recommend that any future Agreement designate a single point of contact for oversight.
- **Corrective Action Plan:** A revised procedure has been proposed requiring all communication and approvals to be coordinated through the Department of Public Works with sufficient lead time for review.
- **Responsible Person:** Commissioner, Department of Public Works.
- **Anticipated Completion Date:** January 1, 2026, with execution of the new Agreement.

ULSTER COUNTY DEPARTMENT OF PUBLIC WORKS

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JEN METZGER
County Executive



BRENDAN M. MASTERSON
Commissioner

Finding 2: Lack of Strategic Capital Planning and Alignment with County Priorities

- **Management's Position:** We agree with this finding and believe the Agricultural Society must provide adequate long-term capital planning. The plan should be submitted annually to the Department of Public Works and include cost estimates, specific project locations, and intended purposes.
- **Corrective Action Plan:** The new Agreement will include language requiring submission of a five-year capital improvement plan each year.
- **Responsible Person:** Commissioner, Ulster County Department of Public Works.
- **Anticipated Completion Date:** January 1, 2026, with execution of the new Agreement.

The Department of Public Works recognizes that the existing Agreement should be modernized and codified by all parties and is actively developing a new Agreement between Ulster County and the Agricultural Society to govern the use of the Fairgrounds property in New Paltz. We are confident that the actions outlined above will address the deficiencies noted in your report and strengthen operational oversight of the Fairgrounds property.

Please feel free to contact me at bmas@co.ulster.ny.us or 845-340-3126 if you need any additional information.

Sincerely,

Brendan M. Masterson
Commissioner of Public Works



Ulster County Agricultural Society

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September 10, 2025

Audit Response

The Ulster County Agricultural Society has reviewed the Audit conducted by the County of Ulster. After several attempts at a detailed response, the Ag Society agreed that we basically agree with the findings. Throughout the audit, the main point is that there has been a lack of communication.

The one issue that we have is the conclusion saying that the Agricultural Society is meeting the minimum requirements of the current license agreement and that the Fairgrounds are not being managed to their fullest potential. The Agricultural Society believes that we are far exceeding the requirements and has built the Fairgrounds into the beautiful venue that it is today. Again, the lack of communication could easily lead to this conclusion.

More important now is that we work together to update the license agreement. We look forward to seeing a new red-line document that we can start working on. The Ag Society is hoping that we can make things more streamlined and not more difficult. As always, we welcome any attempt to find a way to get a longer term so we could start planning a long-range capital improvement plan.

Gary Newkirk – CFE
Fair Manager

Dara Kopaskie
UCAS President