



2025 FIRST QUARTER FINANCIAL REPORT

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





ULSTER COUNTY OFFICE OF THE COMPTROLLER

FIRST QUARTER FINANCIAL REPORT

comptroller.ulstercountyny.gov

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Overview

This financial report provides an analysis of the financial condition of Ulster County and the local economy for the period from January 1, 2025, to March 31, 2025.¹

This report does not include the revenues or expenditures associated with the Housing Action Fund or the Medical Health Insurance Fund. The Housing Action Fund was not budgeted to have any activity in 2025, while the Medical Health Insurance Fund was budgeted at \$28.8 million. No transactions were recorded to the County's general ledger in either fund for the period as of the date that data was extracted for this report. All activity for the Medical Health Insurance Fund is currently recorded in the County's General fund and Trust and Agency fund.

Fund	First Quarter Through March 31, 2025		Net Surplus (Deficit)
	Revenues	Expenditures	
General Fund	\$ 73,454,294	\$ 79,030,010	\$ (5,575,716)
County Road Fund	14,587,382	3,570,104	11,017,278
Debt Service Fund	14,512,426	-	14,512,426
Road Machinery Fund	4,373,275	1,017,585	3,355,690
Special Grant Fund	790,427	515,579	274,848
Total Governmental Funds	107,717,804	84,133,278	23,584,526
Worker's Compensation Fund	9,352,979	1,332,784	8,020,195
Total Funds	<u>\$ 117,070,783</u>	<u>\$ 85,466,062</u>	<u>\$ 31,604,721</u>

2025 Year-to-Date Fund Performance: As of the quarter, Ulster County reported revenues of \$117.1 million and expenditures of \$85.5 million, resulting in a surplus of \$31.6 million.

Revenues

Overall, Ulster County budgeted an increase to revenues of \$63.1 million for 2025. Most of the increase is related to the establishment of the Medical Self Insurance Fund, which budgeted for \$24.2 million in interfund revenues. Appropriated fund balance increased to \$35.1 million from \$17.7 million, sales tax and state aid projections also increased. Revenues through the quarter of \$117.1 million show the County had an increase of \$1.6 million compared to the same period in 2024. Most of the actual increase from year-to-year is state aid revenues and increases in collections of sales tax and occupancy tax.

Revenues by Category Through March 31st						
Category	2024 YTD Transactions	2024 Adopted Budget	% of 2024 Adopted Budget	2025 YTD Transactions	2025 Adopted Budget	% of 2025 Adopted Budget
Non-Property Tax Items (incl. Sales Tax)	\$ 18,841,077	\$ 175,326,000	11%	\$ 19,941,988	\$ 183,956,000	11%
Real Property Taxes	74,028,225	73,028,225	101%	74,028,225	73,028,225	101%
State Aid	4,588,750	66,409,425	7%	5,357,894	75,052,198	7%
Federal Aid	881,162	41,932,376	2%	527,717	40,698,204	1%
Other Financing Sources (incl. Fund Balance)	-	17,740,919	0%	-	35,068,087	0%
Departmental Income	2,071,020	8,979,293	23%	1,673,344	9,425,466	18%
Intergovernmental Charges	6,499,003	8,008,246	81%	6,337,730	7,646,538	83%
Real Property Tax Items	2,227,708	4,380,000	51%	2,020,107	4,580,000	44%
Interfund Revenues	2,745,396	5,013,425	55%	2,987,421	29,391,809	10%
Sale of Property & Compensation for Loss	440,159	1,683,550	26%	642,571	1,688,550	38%
Use of Money and Property	2,773,995	7,994,693	35%	2,713,441	8,783,182	31%
Miscellaneous Local Sources	87,115	519,250	17%	468,471	4,697,935	10%
Fines and Forfeitures	87,659	426,500	21%	175,261	481,840	36%
Licenses and Permits	201,277	532,188	38%	196,613	534,113	37%
Grand Total	\$ 115,472,546	\$ 411,974,090	28%	\$ 117,070,783	\$ 475,032,147	25%

State & Federal Aid

State aid revenues are up \$769 thousand at this point compared to the prior year, while current year budgeted state aid is up \$8.6 million. Due to errors in the posting dates of accrual related general ledger journal entries, various state aid lines for the public defender aid are negative, totaling \$2.7 million. If corrected, first quarter state aid revenues would total \$7.9 million and be \$3.5 million higher when compared to the first quarter of 2024. The major areas of State Aid revenues recorded in the first quarter of 2025 are \$4.5 million in contracted mental health services, District Attorney funding of \$704 thousand and DSS administrative revenues of \$624 thousand.

[1] For the purposes of this review, we have used unaudited and unofficial amounts as reported within Ulster County's financial management system as of July 29, 2025. Financial information is not finalized until external audit procedures are completed, which may include audit adjustments.

Federal aid is down \$353 thousand at this point when compared to the prior year, while budgeted federal aid for 2025 is down \$1.2 million from the prior year. Due to the timing of accrual journal entries, a federal aid line for UCAT operations shows negative \$3.9 million. Adjusted for these timing errors, federal aid revenues would total \$4.5 million and be up \$3.6 million in the first quarter. The areas with the highest federal aid revenues in the first quarter were DSS Administrative revenues of \$1.6 million, Family Assistance of \$1.0 million, and Job and training services of \$750 thousand.

Non-Property Tax Items Revenues Through March 31st						
Non-Property Tax Items	2024 YTD Transactions	2024 Adopted Budget	% of 2024 Adopted Budget	2025 YTD Transactions	2025 Adopted Budget	% of 2025 Adopted Budget
Sales & Use Tax	\$ 17,678,171	\$ 167,000,000	11%	\$ 18,026,089	\$ 175,500,000	10%
Occupancy Tax	692,268	6,300,000	11%	1,444,442	6,300,000	23%
OTB Surtax	59,852	6,000	0%	971	6,000	16%
Adult-Use Cannabis Tax	-	-	0%	-	130,000	0%
Automobile Use Tax	235,179	1,200,000	20%	295,539	1,200,000	25%
Emergency Phone System Tax	175,607	820,000	21%	174,947	820,000	21%
Non-Property Tax Items Total	\$ 18,841,077	\$ 175,326,000	11%	\$ 19,941,988	\$ 183,956,000	11%

Occupancy Tax

While occupancy taxes collected on short term rentals and hotel stays represent less than one percent of the total budgeted County revenues, they can be a strong indicator of local tourism and economic trends. The 2025 budgeted occupancy tax collections remained the same as the previous year's budget. Occupancy tax revenues have increased by \$750 thousand or 108% during the first quarter of 2025. This is in part because the full implementation of the increase from 2% to 4% occupancy tax rate did not occur until February 2024.

Sales Tax

The County received \$18.0 million in sales tax revenue by the end of the first quarter, a 2.0% increase compared to \$17.7 million collected by Q1 of 2024. Sales tax revenues in 2024 totaled \$175.0 million by the end of the year. The 2025 budget increased sales tax collection to \$175.5 million an increase of \$8.5 million from the prior year budget. Based on recent collections for the periods through midyear, the sales collections are hovering right around what is needed to achieve the budgeted amount. The collections for the second half of the year need to at least match what was received in the prior year.

Expenditures

By the end of the quarter, 2025 and 2024 expenditures were both at 18% of total annual budgeted amounts. The 2025 actual spending increased approximately \$12.2 million when compared to the prior year, from \$73.2 million to \$85.5 million, which is on par with expectations considering the substantial increase of \$63.1 million in total budgeted spending.

Expenditures by Category Through March 31st						
Category	2024 YTD Transactions	2024 Adopted Budget	% of 2024 Adopted Budget	2025 YTD Transactions	2025 Adopted Budget	% of 2025 Adopted Budget
Contractual Expenses	\$ 36,797,287	\$ 223,172,273	16%	\$ 38,879,143	\$ 263,808,364	15%
Personnel Services	23,603,368	110,457,398	21%	23,870,624	120,812,669	20%
Employee Benefits	12,337,779	58,255,740	21%	13,978,122	59,818,014	23%
Debt Service	-	17,385,366	0%	-	27,677,533	0%
Equipment & Capital Outlay	493,117	2,703,313	18%	475,939	2,915,567	16%
Transfers	-	-	0%	8,262,234	-	0%
Grand Total	\$ 73,231,551	\$ 411,974,090	18%	\$ 85,466,062	\$ 475,032,147	18%

Contractual Expenditures

Budgeted contractual expenditures were up \$40.6 million from year to year, while actual expenditures through the end of the quarter are up \$2.1 million. The largest variance is attributed to Interfund Transfers of \$8.3 million compared to zero from the prior year related to a change in the way the Legislature is funding certain capital projects. Medicaid Management Information System (MMIS) expenditures were \$8.1 million, which represents a decrease of \$1.8 million, while the budget was also slightly down to \$36.9 million from \$37.0 million in 2024. Contracted mental health service costs were up \$1.3 million in actual expenditures from year to year. Community college contributions and chargebacks combined for \$6.6 million in expenditures in the first quarter, which was up \$722 thousand from the prior year. Snow removal paid through the county road fund was up \$550 thousand in actual expenditures from year to year.

Employee Benefits

Employee benefit costs were budgeted to increase \$1.6 million from year to year from \$58.3 to \$59.8 million. Actual expenditures through the end of the quarter are up \$1.6 million from \$12.3 to \$14.0 million. A significant increase in FICA expenditures is expected upon the completion of various labor union negotiations.

Payroll Expenditures

Through the end of the first quarter of 2025, the County paid a total of \$29.1 million in gross wages to employees compared to \$27.8 million in the same period of 2024. Gross wages are based on paycheck date and represent all amounts paid to employees, including certain employee benefits such as health insurance buyouts, employee payouts upon retirement or separation, and other contractual compensation and reimbursable expenses. This included \$364 thousand in health insurance buyout payments for employees declining coverage under the County's plan, which was up when compared to \$316 thousand in buyout payments made through Q1 of 2024. Overtime paid totaled \$2.2 million through the first quarter of 2025, compared to \$1.9 million in overtime in the same period of 2024. The total of covid and quarantined pay for 2025 was down from 2024, there was \$59 thousand paid in 2025 compared to \$148 thousand in 2024. The Ulster County Comptroller's office has daylighted County payroll by displaying all County employee's annual earnings for calendar years 2022, 2023, and 2024. It can be accessed here: [Ulster County Pay Dashboard](#)

Transfers

The 2025 adopted budget did not include any transfer related expenditures, however, budget amendments have allowed there to be a significant increase in actual interfund transfer expenditures recorded in the financial system during the first quarter. The majority of this is due to a transfer to the capital projects fund of \$5.5 million for County pool enhancements, of which \$3.9 million will be funded by state aid, and will be returned to the General Fund upon completion of the project. The Legislature passed resolution 701 of 2024 to amend the budget and authorize the transfer. Similarly, \$700 thousand related to Persen House repairs is included in the interfund transfer amount and the County will be reimbursed for \$558 thousand of expenditures with state aid funding. The comptroller takes the position that use of interfund receivables and payables for the amount of state aid expected would be more appropriate than equity transfers. Additionally, should the County bond for any of these projects, any residual equity remaining in these projects generated by such borrowing would need to be returned to the general fund.

Transfer Expenditures Through March 31st				
Capital Project	Transfer Amount	State Aid	Net County Amount	Reserve Fund
No 716 County Pool Upgrades	\$ 5,500,000	\$ 3,920,000	\$ 1,580,000	N/A
No 724 Persen House Preservation	700,000	558,232	141,768	N/A
No 725 HVAC Replacement- Probation	1,870,000	-	1,870,000	Decarbonization
No 721 IT Service Management Platform	192,234	-	192,234	N/A
Transfers Total	\$ 8,262,234	\$ 4,478,232	\$ 3,784,002	

Cash

The average cash balance for all County accounts in the first quarter of 2025 was \$253.2 million compared to \$248.3 million in the first quarter of 2024. The total 2025 interest revenue earned on bank accounts through the quarter was \$2.1 million compared to the prior year of \$2.2 million. While cash is up slightly overall, interest rates have come down slightly over the year, leading to slightly less interest revenues. If the County were to conduct a cash flow analysis it may indicate a larger portion of available cash could be utilized as an investment asset.

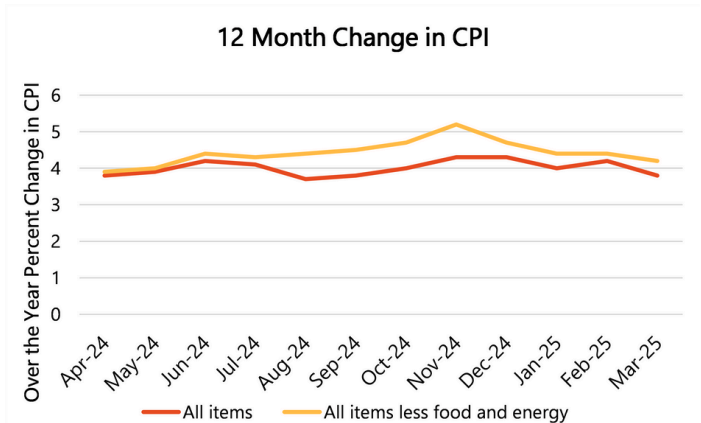
The County maintained an average of \$59.3 million in the Deposit account earning minimal interest at 0.9% during the quarter. While this amount is significant, it is a decrease from an average of \$78.1 in Q1 of 2024. The County currently maintains multiple accounts that earn better interest rates: the County's Deposit PLUS had an average value during the quarter of \$63.5 million, the County's IntraFi account had an average of \$81.6 million, and two CDs had a combined average of \$27.2 million. The average annual percentage yield for the Deposit PLUS account was 4.4%, the average rate was 4.3% in the IntraFi account, and 4.0% in the CDs. The total average balance of these main accounts was \$231.6 million for the quarter. While these accounts are diversified in type, they are all maintained at the same institution. These accounts, combined with several other accounts at the Bank of Greene County, account for over **95.94%** of County financial resources being held with one institution. Additionally, the County's money that is held by this institution represents a sizeable portion of the bank's assets.

Economic Outlook

The first quarter of 2025 saw a transition in federal leadership, accompanied by newly imposed tariffs and changes in federal spending that are expected to influence economic conditions.

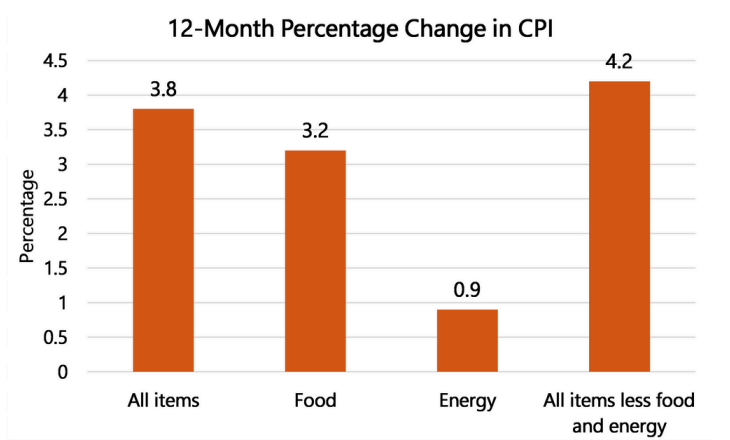
Consumer Price Index

The Consumer Price Index has risen slightly by 0.1% in March of 2025. The all items CPI-U increased 3.8 percent for the 12 months ending in March. The index for all items less food and energy rose 4.2 percent over the 12-month period, and food prices advanced 3.2 percent. Energy prices rose 0.9%.



Source: Aggregated from Bureau of Labor Statistics, Over-the-year percent change in CPI-U, New York-Newark-Jersey City, NY-NJ-PA, available at: https://www.bls.gov/regions/northeast/news-release/consumerpriceindex_newyork.htm

From April 2024 to March 2025, the index for all items less food and energy increased 4.2 percent, led by shelter prices increasing 5.2%. Over the year, Energy prices increased 0.9 percent over the year. The gasoline index fell 8.5%. Among the other categories with annual increases were recreation (+9.3%) and education and communication (+3.8%).



Source: Bureau of Labor Statistics, Consumer Price Index, New York-Newark-Jersey City — March 2025, available at: https://www.bls.gov/regions/northeast/news-release/2025/consumerpriceindex_newyork_20250410.htm

A series of tariffs were implemented in early March, with sporadic implementation and extensions to start dates announced after initial notices. The first major announcement led to significant stock market losses, which have largely been regained. It was widely anticipated in the economic community that tariffs would fan inflation. In testimony before Congress, Federal Reserve Chair Jerome Powell stated that tariffs could push up inflation in the coming months and that concerns over inflation might require the Fed to hold off on any further rate cuts.[1] Certain businesses reliant on imports from some countries are feeling the impact of tariffs very directly, while the overall economic impact is harder to measure.

[2] <https://apnews.com/article/fed-powell-tariffs-inflation-bias-2a6a403f44697d444dac67c6fd3ff214>

Employment

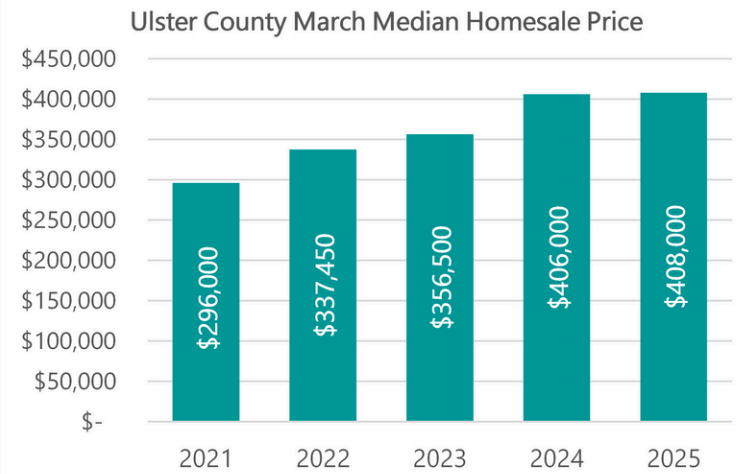
Employment levels continue to slightly increase in Ulster County with annual employment rising 800 jobs in the last twelve months, which represents a 1.3% increase. The largest overall increase was in the Leisure and Hospitality sector (+400). Other notable sectors of increase were Financial Activities, Professional & Business Services, Retail Trade, Local Government, and Private Educational & Health Services, each of which added 100 jobs. The only sector to lose jobs was Mining, Logging & Construction, which lost 100 positions. Other sectors held steady including Federal Government which currently employs 400 people in Ulster County.

Category	Mar 2025	Mar 2024	Net Year	% Year
Financial Activities	2,000	1,900	100	5.3%
Leisure and Hospitality	8,700	8,300	400	4.8%
Professional and Business Services	4,700	4,600	100	2.2%
Retail Trade	8,200	8,100	100	1.2%
Local Government	9,300	9,200	100	1.1%
Private Educational & Health Services	10,300	10,200	100	1.0%
Manufacturing	3,400	3,400	0	0.0%
Wholesale Trade	1,400	1,400	0	0.0%
Transportation, Warehousing & Utilities	1,500	1,500	0	0.0%
Information	900	900	0	0.0%
Other Services	2,600	2,600	0	0.0%
Federal Government	400	400	0	0.0%
State Government	4,000	4,000	0	0.0%
Mining, Logging and Construction	2,900	3,000	-100	-3.3%
Total	60,300	59,500	800	1.3%

Source: New York State, Department of Labor, Labor Market Profile for Resident Civilian Labor Force and Nonfarm Employment, Kingston MSA, March 2025.

Housing

Housing costs continue an upward trajectory year over year with Ulster County median home sale price reaching \$408,000. While rental prices are on available on a quarterly basis, sale prices drive the rental market as well and price increases in rentals have also seen substantial growth.



New York State Association of Realtors, March 2025 Housing Market Report available at https://www.nysar.com/wp-content/uploads/2025/04/NYSAR_MMI_2025-03.pdf