



2024 COMPTROLLER'S FINANCIAL REPORT

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





Overview

Ulster County ended fiscal year 2024 in a strong financial position, with revenues exceeding expenditures and independent auditors issuing a clean opinion on the County's financial statements. This report summarizes the key results of that audit, offering the public and policymakers a clear view of the County's overall fiscal health. The County continues to maintain substantial reserves, including sizable balances in its health insurance and workers' compensation internal service funds. While these funds provide important financial protection, their growing surpluses suggest the need for review to ensure that rates charged, and benefits offered are appropriately aligned with actual costs. The audit also highlights areas needing attention, including fund balance management, tax receivable reconciliations, and restoring the County's low-risk federal audit status. Together, these findings demonstrate both the County's financial stability and the importance of continued oversight and accountability.

Financial Analysis

The independent audit of Ulster County's financial statements for the year ended December 31, 2024, was completed by PFK O'Connor Davies, LLP. The County received an unmodified, or "clean" opinion on the financial statements and did not have any material weaknesses or noncompliance relating to internal controls over financial reporting. However, one significant deficiency in internal control regarding the reconciliation of taxes receivable was reported.

Prior to 2023, Ulster County was classified as a "low risk" auditee for federal single audit purposes. However, the late filing of the 2022 Single Audit, which resulted from transition challenges within the Department of Finance and prior issues in financial oversight, caused the County to be designated as "high risk." This designation requires additional audit testing to ensure compliance with federal programs. The County is actively working to regain its "low risk" status by improving financial management and audit coordination, submitting reports on time, and achieving a clean opinion for the 2025 fiscal year.

There is a significant difference in financial reporting from the amounts that were listed in the County's Annual Financial Report "AFR", which was submitted to the NYS Comptroller in May 2025, and the audited financial statements which were completed in September 2025. The audited financial statements are the official financial report of the County. Normally these two financial reports should not have drastic differences. The audited financial statements show that fund balance in the General Fund increased by \$13,055,756 during the year, with total General Fund 2024 fund balance ending at \$182,266,797. This represents an \$8.5 million decrease from the amount reported in the County's AFR. Reasons for the differences include both adjustments prepared and recorded by the County after report submission and adjustments proposed by the auditors.

The full audited financial statements can be found [here](#).

The full Annual Financial Report can be found [here](#).

County of Ulster's Fund Balance – Governmental Funds
DECEMBER 31, 2024

	Major Funds			Non Major Funds	Total Govt
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>		<u>Total</u>
Beginning of Year Fund Balances, as Restated	169,211,041	2,924,860	(23,739,007)	6,514,939	154,911,833
Fund Revenues & Other Sources	374,341,048	16,060,116	45,713,300	31,556,130	467,670,594
Fund Expenditures & Other Uses	361,285,292	14,379,651	42,505,198	31,040,518	449,210,659
Net Change in Fund Balances	13,055,756	1,680,465	3,208,102	515,612	18,459,935
Ending Fund Balances	182,266,797	4,605,325	(20,530,905)	7,030,551	173,371,768
Fund Balance as Reported to NYS on AFR	190,761,191	4,605,325	(27,342,821)	7,030,553	175,054,248
Difference	(8,494,394)	-	6,811,916	(2)	(1,682,480)

General Fund revenues and other sources exceeded expenditures and other uses by \$13,055,756. This surplus is attributed in part to an increase in sales tax revenue and hotel occupancy tax revenue in 2024. Sales tax revenue remains the highest source of revenue at \$175,342,032 in 2024, up from \$170,569,996 in 2023 and above the \$167,000,000 budgeted for 2024. Sales and use tax revenue was more than double the County's property tax revenue of \$75,445,725 in 2024.

County of Ulster's Fund Balance Policy Compliance
DECEMBER 31, 2024

Fund Balance	General	County Road	Road Machinery
Nonspendable	17,566,657	-	-
Restricted	65,886,465	-	-
Assigned	61,004,176	4,279,229	439,028
Unassigned	37,809,499	-	-
Total Fund Balance	182,266,797	4,279,229	439,028
Total Unrestricted	98,813,675	4,279,229	439,028
2025 Budget	392,688,709	21,568,697	4,427,390
20% of 2025 Budget	78,537,742	4,313,739	885,478
Amount Over / (Under) Policy Limits	20,275,933	(34,510)	(446,450)



At the end of 2024, the amount of unrestricted fund balance in the General Fund was \$20.3 million over the maximum amount allowed by the County's Fund Balance Policy. The two other funds covered by the policy (the Road Machinery Fund and the County Road Fund) were within (under) the policy limits. The policy calls for the General Fund to maintain a minimum of 15% of current expenditures, which would have been \$58,903,306 for 2024.

The County Legislature has assigned a great deal of fund balance to various projects, which has no impact on unrestricted fund balance.

The County has set aside \$17,275,261 to fund housing development. This is composed of a \$2,000,000 transfer to the Housing Action Fund in 2024, and a \$15,275,261 assignment of General Fund Balance. In the chart below from the 2024 audited financial statements, the full detail of how the County has planned to use fund balance can be seen:

	General Fund	Debt Service	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable:					
Prepaid expenditures	\$ 6,849,387	\$ -	\$ 9,351,892	\$ -	\$ 16,201,279
Inventory	111,514	-	-	-	111,514
Advances	10,605,756	-	-	-	10,605,756
Total Nonspendable	17,566,657	-	9,351,892	-	26,918,549
Restricted:					
Tax stabilization	10,159,090	-	-	-	10,159,090
Insurance liability	133,920	-	-	-	133,920
Sheriff forfeitures	214,307	-	-	-	214,307
911 phone surcharge	1,732,544	-	-	-	1,732,544
Stop - DWI Program	333,509	-	-	-	333,509
V&T admin fees	807,028	-	-	-	807,028
Traffic safety board	3,598	-	-	-	3,598
Opioid settlement	4,991,977	-	-	-	4,991,977
Retirement contribution	2,000,000	-	-	-	2,000,000
Debt service	-	4,605,325	-	-	4,605,325
Capital reserve fund:					
Capital government operations center	17,605,957	-	-	-	17,605,957
Capital decarbonization	17,904,535	-	-	-	17,904,535
Capital bridge reserve	10,000,000	-	-	-	10,000,000
Total Restricted	65,886,465	4,605,325	-	-	70,491,790
Assigned:					
Purchases on order:					
General government support	1,824,376	-	-	-	1,824,376
Public safety	640,070	-	-	-	640,070
Health	2,568,684	-	-	-	2,568,684
Transportation	-	-	-	142,970	142,970
Economic opportunity and development	3,115,608	-	-	-	3,115,608
Culture and recreation	149,592	-	-	-	149,592
Home and community services	1,623,657	-	-	-	1,623,657
	9,921,987	-	-	142,970	10,064,957
Jail commissions	310,446	-	-	-	310,446
Tourism and convention	770,989	-	-	-	770,989
Housing Action Fund	15,275,261	-	-	-	15,275,261
For subsequent year's expenditures	34,725,493	-	-	342,594	35,068,087
Non-Major funds:					
Special Grants Fund	-	-	-	312,294	312,294
County Road Fund	-	-	-	3,898,257	3,898,257
Road Machinery Fund	-	-	-	334,436	334,436
Housing Action Fund	-	-	-	2,000,000	2,000,000
Total Assigned	61,004,176	-	-	7,030,551	68,034,727
Unassigned	37,809,499	-	(29,882,797)	-	7,926,702
Total Fund Balances (Deficits)	\$ 182,266,797	\$ 4,605,325	\$ (20,530,905)	\$ 7,030,551	\$ 173,371,768

So far, this report has discussed the governmental fund financial statements of the County, which focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. We primarily focus on the information presented in the fund financial statements, as it is far more relevant to decision makers than the information presented in the government wide financial statements. For example, the County develops and tracks budget performance using fund financial statements.

In addition to governmental funds, the County also has two internal service funds. The County has a Health Insurance Fund which accounts for the County employee's self-insured medical coverage, and a Worker's Compensation Pool Fund. The County and its employees are the sole participants of the Health Insurance Fund, while other local governments situated within the County purchase coverage from the Worker's Compensation Fund. At the close of 2024 the Worker's Compensation Pool had an accumulated surplus (or net position) of \$10.5 million, and the health insurance fund had net position of \$10.6 million. While the balances in these funds are unrestricted in nature, they must be used to either lower rates charged by the funds to participants or increase the benefits offered. The external auditors have noted that this should be addressed in their management letter for the last two years.

The goal of the Governmental Accounting Standards Board in requiring local governments to present government wide financial statements was to increase comparability across industries in the accounting world. The issue with that is that government simply is not the same as a for profit entity. Certain relevant information can be found in the government wide financial statements, such as the total outstanding debt of the County. But the statements also require the inclusion of a fair amount of actuarial estimation to determine and record liabilities for things such as the discounted total amount of pension and other than pension benefits that the County will have to pay out to retirees in the future. These actuarially determined estimates are subject to differ greatly from actual performance. The statement of net position accounts makes the appropriate adjustments to convert fund financial statements to government wide financial statements which account for all resources, current and long term.

County of Ulster's Net Position – Primary Government						
CONDENSED STATEMENTS OF NET POSITION • DECEMBER 31, 2024						
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current Assets	344,328,200	317,153,792	6,939,351	7,277,028	351,267,551	324,430,820
Capital Assets, Net	258,370,166	238,046,233	-	-	258,370,166	238,046,233
Total Assets	602,698,366	555,200,025	6,939,351	7,277,028	609,637,717	562,477,053
Deferred Outflows of Resources	79,466,777	80,029,039	-	-	79,466,777	80,029,039
Current Liabilities	98,596,480	100,663,399	287,263	379,266	98,883,743	101,042,665
Long-term Liabilities	475,071,260	451,354,349	33,325,810	33,720,129	508,397,070	485,074,478
Total Liabilities	573,667,740	552,017,748	33,613,073	34,099,395	607,280,813	586,117,143
Deferred Inflows of Resources	58,871,313	46,573,769	5,152,261	5,667,487	64,023,574	52,241,256
Net Position: Net Investment in Capital Assets	91,789,248	101,932,985	-	-	91,789,248	101,932,985
Restricted	73,321,356	57,566,957	1,533,922	202,615	74,855,278	57,769,572
Unrestricted	(115,484,514)	(122,862,395)	(33,359,905)	(32,692,469)	(148,844,419)	(155,554,864)
Total Net Position	49,626,090	36,637,547	(31,825,983)	(32,489,854)	17,800,107	4,147,693

The net position, or the difference between total assets & liabilities, of the County Governmental Activities was \$49.6 million, an increase of \$13.0 million from the prior year.

Bonds Payable in governmental activities increased to \$112,157,283 in 2024, up by \$16,556,663, from \$95,600,620 in 2023. The County issued \$27,867,283 in general obligation bonds in 2024 and has scheduled principal payments of \$10,767,283 due in 2025.

Conclusions

In summary, Ulster County closed 2024 on solid financial footing. Revenues outpaced expenditures, reserves remain well above policy minimums, and the County continues to maintain a positive outlook with manageable debt levels. Continued diligence will be needed to address recurring audit recommendations, but the County's financial position should be on pace to provide flexibility to support housing, infrastructure, and community priorities in the years ahead.