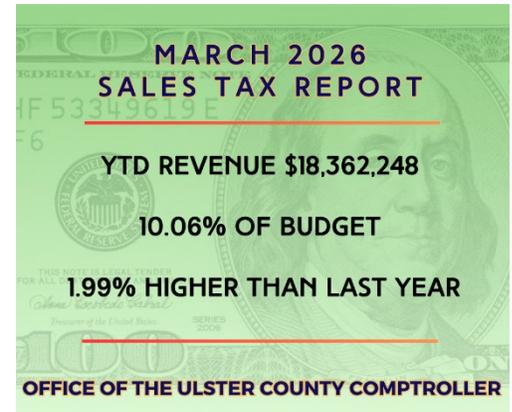




MARCH 2026

Sales Tax:

The County has received all sales tax payments for 2025, totaling \$180,575,333 or a 3.21% (\$5.1 million) increase from the prior year. The County will record interest received from NYS on sales tax collections of \$322,949 to the sales tax revenue line, and this interest is not shared with the Towns, Villages, or City. We understand that the department of Finance is considering recording these payments on a separate revenue line for 2026. In total, including interest, the County will record \$180,898,282 or 103.08% of the \$175,500,000 budgeted for 2025. See our 2025 sales tax sharing report, released today, on the impact of the new sales tax sharing agreement on the local municipalities.



The 2026 Adopted Budget calls for \$182,500,000 in sales tax revenue, which represents an increase of 0.89% to the actual 2025 revenue. The County has received three sales tax payments for January of 2026, totaling \$18,362,248. This is up 1.99% from the prior year and represents 10.06% of the budgeted 2026 sales tax revenues.

Interest & Investment Earnings:

Interest & investment earnings for the year ending December 31, 2025, were \$8.17 million, or 105.5% of the budget. Of this, \$1,069,620 was earned from CDs, \$361,064 was earned in dividends from NYCLASS, and the remainder was from demand deposit accounts. The County moved \$40 million to NYCLASS on October 7, 2025, which helped surpass the \$7,743,500 budgeted revenue.

Interest budgeted for 2026 is \$6,545,091, which represents a 15.5% decrease over the 2025 budget. The County has earned approximately \$974,000 for the first two months of the year, which represents 14.9% of the 2026 budget. The county collected \$344,765 less (a 26% decrease) over the first two months of 2026 than 2025, when collections were \$1,318,145.

Occupancy Tax:

Recorded 2025 Occupancy Tax Revenues are \$8,726,629 or 138.5% of the budgeted amount of \$6.3 million. We expect the 2025 revenue to increase as the Department of Finance will record an accrual for December collections when the tax returns and payments due March 20th are filed. We estimate that short term bookings from online platforms such as Airbnb and VRBO were roughly \$3.5 million or 40% of revenue in 2025.

The 2026 budget calls for \$8,688,000. This is an increase of 37.9% over the 2025 budgeted amount, and slightly under 2025 actual collections. Currently the County's general ledger shows \$588,068 for occupancy tax, but we expect much of this will be brought back to 2025.

Adult-Use Cannabis Products Tax:

The County has received adult-use cannabis tax payments for 2025 sales totaling \$1,170,134 and will recognize 25% or \$292,534 of this amount as revenue. This represents 225% of the amount budgeted. The New York

State Office of Cannabis Management has reported that total taxable cannabis sales of \$28,246,962 occurred in the County from December 1, 2024, through November 30, 2025.

The County has budgeted \$220,000 for this revenue in 2026, an increase of 69% over the 2025 budget.

Delays in Accounting Procedures:

Since our last meeting, payroll journal entries have been recorded to the County's general ledger through the end of 2025. The Department of Finance has provided us with bank reconciliations through September of 2025, and we understand that they are close to completing the last three months of the year. The Comptroller has been meeting biweekly with the Finance Commissioner and is satisfied that the Finance team is making best efforts to get caught up and that they understand the seriousness of the situation.

The Comptroller's Office is currently working to provide an estimate of the year-end financial status of the County, and we expect to have more precise numbers within the coming weeks. Material unrecorded transactions we are aware of are Health Insurance costs for the fourth quarter of 2025 and DSS Federal and State Aid Revenues.

The Comptroller's Office is clear that Ulster County will close 2025 with a budgeted deficit between \$30 million to \$54 million. This is in part a result of transfers to funds such as the Housing Action Fund, Self-Insurance Fund, and Capital Projects Fund. The County's amended 2025 budget did plan to use \$54 million of fund balance, so this deficit is expected.

iPark Financial Status:

iPark failed to make two required mortgage payments due January 2, and January 10, 2026, bringing the total mortgage arrears to \$6,563,860. iPark also failed to pay general town, county and special district taxes due January 31, 2026, bringing the total tax arrears to \$2,910,184 including interest and penalties as of March 12, 2026. The total combined sums owed to taxpayers between mortgage and tax delinquencies are now \$9,474,045.

Audits, Reports and Initiatives:

The Comptroller's Office has released two snapshots on sales tax: one reporting on the major driving industries including the treatment of electronic shopping and a second snapshot today that looks at distribution uncertainty.

The Comptroller's Office is now working on audits of payroll and RUPCO's affordable rental upgrade program as well as reports on our 2025 activities, debt, and a review of constituent services contracts. We have an iPark report draft out to the UCEDA and the Administration.

The Payment and Contract Dashboard has been updated to include all payment data from the Welfare Management System. This brings another level of transparency and will daylight an additional \$30 million in payments annually. Wire transfers expenditures such as the Medicaid weekly share can now be seen.

We are finalizing guidance documents for Ulster County's internal departments and agencies on the accounts payable process, gift card usage, contract approvals, and employee reimbursement. These will be made available to all departments and on our website.

The Comptroller's Quality Team is reviewing the Restorative Justice contract with Family of Woodstock and planning a survey process for caseworkers at DSS to gather information on caseworker satisfaction with constituent service vendors.