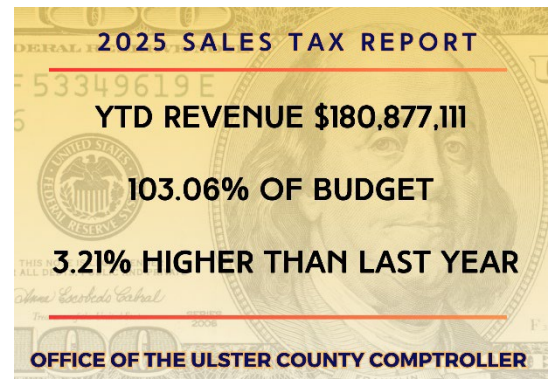




FEBRUARY 2026

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 has recorded interest on sales tax collections received from NYS of \$301,778 (this excludes December 2025) to the sales tax revenue line, so we have earned 103.06% of the \$175,500,000 budgeted for 2025. The 2026 Adopted Budget calls for \$182,500,000 in sales tax revenues, or a 1.07% increase to the actual amount received for 2025.



The County has paid \$5,895,195 to the Towns and Villages situated within its borders in 2025 so far. We anticipate that the fourth quarter sales tax sharing amount of \$1,271,600 will be allocated to the Towns and paid in the coming weeks which totals \$7,166,795 in 2025 payments. We anticipate that the County will share an additional \$1,805,753 or 1% of the 2025 total collections in 2026.

The County has paid the City of Kingston \$20,472,872 in 2025 so far, with a final payment of \$293,291 to be issued to the City this month for taxable sales made in December bringing the total paid by the County to the City for 2025 to \$20,766,163.

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.

Occupancy Tax:

Recorded 2025 Occupancy Tax Revenues are \$8,726,629 or 138.5% of the budgeted amount of \$6.3 million.

Adult-Use Cannabis Products Tax:

The County has received adult-use cannabis tax payments for 2025 sales totaling \$1,112,768 and will recognize 25% or \$278,192 of this amount as revenue. This represents 214% of the amount budgeted. It is possible that the County will receive additional tax payments for 2025 that are outside of the ordinary quarterly distribution schedule, but we believe that these will be immaterial to the financial statements as a whole, and as such no additional accrual will be made.

Delays in Accounting Procedures:

Ulster County has experienced significant turnover once again in the Finance Department. As a result of that, payroll journal entries have not been recorded to the County's general ledger since September of 2025. This led to bank reconciliations being delayed, which is a deficiency in our internal controls. 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.

As a result of these delays, the Comptroller's Office is currently unable to provide an estimate of the year-end financial status of the County with any degree of certainty. However, the Comptroller's Office is clear that Ulster County will close 2025 with a budgeted deficit in the tens of millions of dollars. This is in part a result of transfers to funds such as the Housing Action Fund, Self-Insurance Fund, and Capital Projects Fund.

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 \$2,873,667 including interest and penalties as of February 3, 2026. The total combined sums owed to taxpayers between mortgage and tax delinquencies are now \$9,437,527.

Audits, Reports and Initiatives:

The Comptroller's Office is now working on audits of payroll and RUPCO's affordable rental upgrade program as well as reports on iPark, sales tax, debt and a review of several constituent services contracts.

The Comptroller's Office is in final review of the newly updated Payment and Contract Dashboard. The new version which will be released soon contains payment data from the Welfare Management System. This brings another level of transparency and will daylight an additional \$30 million in payments annually.

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 has conducted several site visits since the beginning of the year including the crisis stabilization center, peer-to-peer programs of the Hudson Valley National Center for Veteran Reintegration and the new warming center in Ellenville.