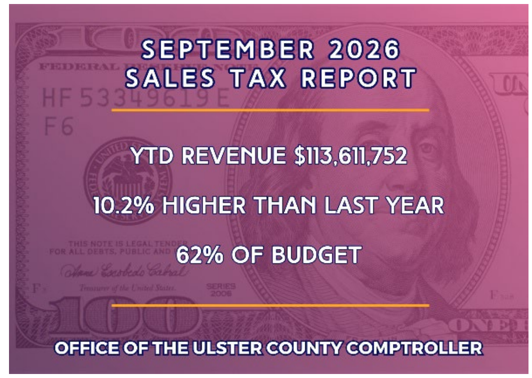
Monthly Report from the

OFFICE OF THE ULSTER COUNTY COMPTROLLER

September 10, 2026



Sales Tax:

The County received our first July 2026 sales tax payment this week of $13,274,419, bringing year-to-date sales tax revenue to $113,611,752. This puts the County $10.5 million or 10.2% ahead of where we were at this time one year ago. Total payments received to date represent 62% of the adopted 2026 budget for our largest revenue. The County is currently on track to exceed the 2026 budgeted amount of $182,500,000.

Cash, Interest & Investment Earnings:

At the end of August 2026, the County had approximately $206 million deposited across all bank and investment accounts. The County maintains funds in several financial institutions that earn varying rates of interest. Most of these funds are held at the Bank of Greene County (BOGC). As of the end of August, approximately $145 million, or 71% of the County's total funds, were on deposit at BOGC.

Interest budgeted for 2026 is $6,545,091, which represents a 15.5% decrease over the 2025 budget. The County has earned approximately $3.8 million during the first eight months of the year, which represents 58.4% of the 2026 budget. The County collected roughly $1.8 million less (a 32% decrease) over the first eight months of 2026 than 2025, when collections were $5.6 million.

We recommend that the County move the $41,325,558 invested in NYCLASS to the company's "Prime" account. The average monthly rate for August of 2026 in the Prime account was 3.742% vs. the 3.578% that the County is earning from their traditional account.

Occupancy Tax:

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 $4,589,201 collected for occupancy tax, making up 53% of revenues budgeted for 2026. We anticipate that the County will recognize more than the amount budgeted, as tax returns for the busiest summer and fall months are due on September 20th and December 20th.

Adult-Use Cannabis Products Tax:

The County has collected adult-use cannabis tax payments for 2026 sales totaling $580,570 and will recognize 25% or $145,143 of this amount as revenue. The remaining 435,427 is paid to the Towns and Villages that host the businesses. County earnings to date represent 66% of the $220,000 budgeted for 2026. We anticipate two more significant quarterly payments that will contribute to 2026 revenues. The July 2026 payment of $291,695 was the largest received since the County began receiving these payments in January of 2024. We assume this is a quarterly payment for sales that occurred between March 1, 2026, and May 31, 2026, but communication from New York State agencies remains unclear, with neither the office of cannabis management nor the department of taxation and finance able to clearly communicate what sales period the payment we received belongs to. This presents a challenge as the County is required to distribute 75% of the payment to the local municipalities where the sales occurred. We have recently expressed our concerns to staff at the State Comptroller, who indicated that they are working on a report on this.

Delays in Accounting Procedures:

Payroll journal entries have not been recorded to the County's general ledger for the months of June, July, August, and September. These delays in postings prevent timely bank reconciliations, a critical internal control. The last bank reconciliation we have been provided with was for May of 2026.

The following departments need to request budget modifications from the budget department so that the finance department can record the June 5, 2026, payroll:

- District Attorney – Overtime pay for discovery unit.
- DPW Buildings and Grounds Administration – Overtime pay, Out of Title pay and Meal Allowances.
- UCAT Bus Operations – Overtime pay.
- DSS – On call pay, Overtime pay, conference expenses.
- DPW County Road Fund Maintenance of Roads and Bridges – Part time & Out of title pay

We reported essentially the same information last month, the one budgetary issue that was addressed was the Fire Coordinator's part time pay.

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 $3,089,988 including interest and penalties as of August 1, 2026. The total combined sums owed to taxpayers between mortgage and tax delinquencies are now $9,653,848.

Audits, Reports and Initiatives:

The Comptroller's Office is working on final drafts of our bridge report and Family of Woodstock Restorative Justice program. We are working on a new emergency housing update and County staffing headcount.

Our audit of the County Sheriff's payroll is continuing and going well. We are working on a potential audit of the reconciliation of our central auto vehicle list to our insured vehicles, which would be the first stage of a larger vehicle review.

We continue to have outstanding requests for materials in relation to our investigation of UCAT time and attendance.

Our preliminary work on a capital projects dashboard has begun and we have been able to meet with the budget team in preparation.