

**Town of Ulster: 2019 Audited Financial Statements**  
**A Brief Summary by TownOfUlsterCitizens.Org (ToUC.org)**  
**August 17, 2020**

The audited report is posted on the town's website:

<https://townulster.digitaltowpath.org:10023/content/Generic/View/102:field=documents;/content/Documents/File/4764.pdf> . Here are some things ToUC.org learned:

1. The independent **auditor** hired by the Town is the same one used in previous years: EFPR Group of 6390 Main Street, Suite 200 Williamsville, NY14221 (near Buffalo NY).
2. With **one major exception**, discussed later, the Town has managed the finances very well. **The Town has a strong financial position.**
3. Page 18 of the audited financial statements is a summary statement of **All Governmental Funds**: General, Highway, Capital Projects, Sewer, Water, and Non-Governmental Funds. Here is what the statement reveals:
  - a. **Total Revenue:** \$16,972,718
  - b. **Total Expenditures:** \$15,617,030
  - c. **Excess** \$ 1,355,688
4. **Total Money left over** (Total Fund Balance) at the end of 2019 plus an accumulation from previous years was **\$13,563,995**.
  - a. Total revenue over total expenditures for 2019 was \$1,355,688.
  - b. The \$1,355,688 was added to the fund balances reported at the end of 2018 plus balances accumulated from previous years, totaling 12,208,307.
  - c. The math:  $\$1,355,688 + \$12,208,307 = \$13,563,995$
  - d. The total fund balance money is not available for anything that needs funding. Government Accounting Standards Board (GASB) has issued strict definitions on fund balances that are non-spendable, restricted, unrestricted, and unassigned. Accordingly, the Town of Ulster has a fund balance policy:  
<https://townulster.digitaltowpath.org:10023/content/Generic/View/95:field=documents;/content/Documents/File/4549.pdf> .
  - e. **2019's unrestricted unassigned fund balance is \$2,670,525** (p.4).
5. **Where does the Town's money come from?** There are 11 sources of revenue distilled into 5 areas:
  - a. Property Taxes: 67.3%
  - b. Other Revenues 12.0%
  - c. Non-Property Taxes 9.2%
  - d. Departmental Income 6.4%
  - e. State and Federal Aid 5.1%

6. **Where does the Town's money go?** There are 12 areas of expenditure distilled into 7

a. Public Safety:	37.0%
b. Employee Benefits	33.1%
c. General Gov't Support	21.4%
d. Home and Comm Serv	3.3%
e. Transportation	2.6%
f. Culture & Recreation	2.4%
g. Health	0.1%
h. Econ. Asst. & Opportun.	0.1%

7. **Other Highlights of the Financial Statements**

a. **Net Position** of the Town's finances is a predictably negative number. All money owed (liabilities), now and into the predictable future, exceeds all assets by **\$7,163,040** (page 14). This negative number improved last year's net position by \$594,916.

b. **Current Ratio**, determined by dividing current assets by current liabilities measures how well the Town can meet its short-term obligations (page 14).

i. **A ratio of 1.00 indicates a break-even** between the available liquid assets of the Town and its current bills.

ii. **The Town's current ratio of 10.14 is a very favorable:**  
\$14,748,817 divided by \$1,454,822.

c. **Working Capital** is another quick way to determine the Town's short-term financial condition. The same numbers above are used differently to determine available dollars: \$14,748,817 minus \$1,454,822 = **\$13,293,995** (page 14).

d. **Balancing total funds with total long-term liabilities**, the Town adds the total fund balance to all capital assets to meet its long-term obligations—the largest of which are retirement benefits and serial bonds (p.17).

8. **Auditor's Adverse Opinion** (Pages 2, 12 and 30)

a. The largest portion of assets reported by the Town are **capital assets**—infrastructure, property and equipment determined by the town to be **\$22,028,677** (pages 12 &17). **The auditors observe that the Town has not implemented GASB 34 which requires an inventory of its capital assets that include depreciation and amortization:**

i. **Depreciation** tracks the accumulated, decreasing value of assets over time which affects "net position" of the Town.

ii. **Amortization** is the periodic payment of principal and interest—as in a mortgage—that affects "net position."

b. The auditors said that "the amount by which this departure would affect the assets, net position, and expenses of the government activities has not been determined."