

**NEW ISSUE- SERIAL BONDS
BOND ANTICIPATION NOTES****RATING – S&P GLOBAL RATINGS: “ ”
See “Bond Rating”, herein**

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds and the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the Bonds and the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel is also of the opinion that interest on the Bonds and the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion regarding any other tax consequence related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds and the Notes. See “Tax Matters”. The Bonds and the Notes will NOT be designated as “qualified tax-exempt obligations” pursuant to Section 265(b)(3) of the Code.

**CITY OF KINGSTON
ULSTER COUNTY, NEW YORK
(the “City”)**

**\$17,275,507* PUBLIC IMPROVEMENT (SERIAL) BONDS, 2022
(the “Bonds”)**

**BOND MATURITY SCHEDULE
(See Inside Front Cover)**

Prior Redemption: The Bonds maturing on August 15, 2031 and thereafter are subject to redemption, at the option of the City, prior to maturity, in any order of maturity and in any amount within a maturity, on any date on or after August 15, 2030 in accordance with the terms described herein. See "Optional Redemption" under "The Bonds," herein.

**\$23,385,000 BOND ANTICIPATION NOTES, 2022 SERIES B
(the “Series B Notes”)**

Dated Date: August 17, 2022

Maturity Date: August 17, 2023

Prior Redemption: The Notes will be subject to redemption prior to their maturity on any date on or after November 17, 2022.

**\$1,789,000 BOND ANTICIPATION NOTES, 2022 SERIES C (RENEWALS)
(the “Series C Notes” together with the Series B Notes, the “Notes”)**

Dated Date: August 17, 2022

Maturity Date: August 17, 2023

Prior Redemption: The Notes will not be subject to redemption prior to their maturity.

The Bonds and the Notes are general obligations of the City of Kingston, Ulster County, New York (the “City”), and will contain a pledge of the faith and credit of the City for the payment of the principal thereof and interest thereon and, unless paid from other sources, the Bonds and the Notes are payable from ad valorem taxes which may be levied upon all the taxable real property within the City, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended (the “Tax Levy Limit Law”). (See “Tax Levy Limit Law” herein).

At the option of the purchaser, the Bonds and the Notes may be either (i) registered to the purchaser or (ii) registered in the name of Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York (“DTC”) as book-entry bonds.

For bonds and notes registered in the name of the purchaser, a single bond certificate shall be issued for each maturity and principal of and interest on such Bonds and Notes will be payable in Federal Funds by the City, at such bank or trust company located and authorized to do business in the State of New York as selected by the successful bidder(s).

The Bonds and the Notes issued in book-entry form will be registered in the name of Cede & Co., as the partnership nominee for DTC, which will act as securities depository for the Bonds and the Notes. Beneficial owners will not receive certificates representing their respective interests in the Bonds and the Notes. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof, except for one necessary odd denomination which is or includes \$9,000 relating to the Series C Notes. A single bond certificate will be issued for each maturity of any book-entry Bonds and Notes. Principal of and interest on book-entry Bonds and Notes will be paid in Federal Funds by the City to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its Participants (as herein after defined) for subsequent distribution to the beneficial owners of the Bonds and the Notes as described herein. Transfer of principal and interest payments to Beneficial Owners (as hereinafter defined) by Participants of DTC will be the responsibility of such Participants and other nominees of Beneficial Owners. The City will not be responsible or liable for payments by DTC to its Participants or by Direct Participants (as hereinafter defined) to Beneficial Owners or for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants. (See “DESCRIPTION OF BOOK-ENTRY SYSTEM” herein).

The Bonds and the Notes are offered when, as and if issued and received by the Purchasers and subject to the receipt of an approving legal opinion as to the validity of the Bonds and the Notes of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, of New York, New York. It is anticipated that the Bonds and the Notes will be available for delivery through the facilities of DTC in Jersey City, New Jersey on or about August 17, 2022.

FOR A DESCRIPTION OF THE CITY’S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE BONDS, AS DESCRIBED IN THE RULE, SEE “DISCLOSURE UNDERTAKING” HEREIN.

July 25, 2022

*Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstance shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

**CITY OF KINGSTON
ULSTER COUNTY, NEW YORK**

**\$17,275,507* PUBLIC IMPROVEMENT (SERIAL) BONDS, 2022
MATURITIES, RATES AND YIELDS (OR PRICES)**

Dated: August 17, 2022

Principal Due: August 15, 2023-2042, inclusive

Interest Due: February 15, 2023 and semi-annually thereafter in each year until maturity

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield or Price</u>	<u>CUSIP #</u>
2023	1,135,507			
2024	1,135,000			
2025	1,130,000			
2026	1,090,000			
2027	1,095,000			
2028	1,080,000			
2029	1,080,000			
2030	1,080,000			
2031	1,080,000**			
2032	1,070,000**			
2033	1,080,000**			
2034	920,000**			
2035	885,000**			
2036	660,000**			
2037	625,000**			
2038	565,000**			
2039	565,000**			
2040	360,000**			
2041	360,000**			
2042	280,000**			

*Preliminary, subject to change.

**Subject to Optional Redemption prior to maturity.

**CITY OF KINGSTON
ULSTER COUNTY, NEW YORK**

420 Broadway
Kingston, New York 12401
Telephone: 845/331-0080
Fax: 845/334-3944

CITY OFFICIALS

Steven T. Noble, Mayor

Andrea Shaut, Alderman-at-Large

Aldermen

First Ward – Barbara Hill
Second Ward – Carl Frankel
Third Ward – Reynolds Scott-Childress
Fourth Ward – Rita Worthington
Fifth Ward – Naimah Muhammad
Sixth Ward – Anthony Davis
Seventh Ward – Michael Olivieri
Eighth Ward – Steven Schabot
Ninth Ward – Michele Hirsch

John R. Tuey, CPA, City Comptroller
Elisa Tinti, City Clerk
Barbara Graves-Poller, Esq., Corporation Counsel

* * *

BOND COUNSEL

Orrick, Herrington & Sutcliffe, LLP
New York, New York

* * *

MUNICIPAL ADVISOR



Municipal Finance Advisory Service

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Port Jefferson Station, N.Y. 11776
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No dealer, broker, salesman or other person has been authorized by the City to give any information or to make any representations, other than those contained in this Official Statement and if given or made, such other information or representations must not be relied upon as having been authorized by the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor there any sale of the Bonds and the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the City from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor may sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof.

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DECEMBER 31, 2021	
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OFFICIAL STATEMENT

CITY OF KINGSTON ULSTER COUNTY, NEW YORK

\$17,275,507 PUBLIC IMPROVEMENT (SERIAL) BONDS, 2022 **\$23,385,000 BOND ANTICIPATION NOTES, 2022 SERIES B** **\$1,789,000 BOND ANTICIPATION NOTES, 2022 SERIES C (RENEWALS)**

This Official Statement, including the cover page and appendices thereto, has been prepared by the City of Kingston, Ulster County, New York (the "City") and presents certain information relating to the City's \$17,275,507 Public Improvement (Serial) Bonds, 2022, \$23,385,000 Bond Anticipation Notes, 2022 Series B (the "Series B Notes") and \$1,789,000 Bond Anticipation Notes, 2022 Series C (Renewals) (the "Series C Notes" together with the Series B Notes, the "Notes")

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the City contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof and all references to the Bonds and the Notes and the proceedings of the City relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and the Notes and such proceedings.

This Official Statement should be read with the understanding that the ongoing COVID-19 global pandemic has created prevailing economic conditions (at the global, national, State and local levels) that are highly uncertain, generally negative, and rapidly changing, and these conditions are expected to continue for an indefinite period of time. Accordingly, the City's overall economic situation and outlook (and all of the specific City-related information contained herein) should be carefully reviewed, evaluated and understood in the full light of this unprecedented world-wide event, the effects of which are extremely difficult to predict and quantify. See "MARKET AND RISK FACTORS" and "IMPACTS OF COVID-19" herein.

THE BONDS

Description of the Bonds

The Bonds will be dated date of delivery, and will mature in the principal amounts on August 15, in each of the years 2023 to 2042, inclusive, as set forth on the inside cover page. Interest on the Bonds will be payable February 15, 2023, and semi-annually thereafter in each year until maturity.

At the option of the purchaser, the Bonds may be either registered in the name of the purchaser or registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC") as book-entry bonds. Individual purchases of the Bonds may be made in denominations of \$5,000 or integral multiples thereof, except for one necessary odd denomination which is or includes \$5,507. For Bonds issued as book-entry bonds through DTC, Bondholders will not receive certificates representing their respective interests in the Bonds purchased (See "*BOOK-ENTRY SYSTEM*," herein).

The Record Date of the Bonds will be the last business day of the calendar month preceding each interest payment date.

The City will act as Paying Agent for the Bonds. The City's contact information is as follows: John R. Tuey, CPA, City Comptroller, City of Kingston, 420 Broadway, Kingston, New York 12401, Phone (845) 331-0080, Fax (845) 334-3944 and email: jtuey@kingston-ny.gov. However, payment of the principal of and interest on any Bonds registered in the name of the Purchaser will be payable at such bank or trust company located and authorized to do business in the State of New York as may be selected by the successful bidder, at the bidders expense.

Optional Redemption

The Bonds maturing on or before August 15, 2030 will not be subject to redemption prior to maturity. The Bonds maturing on August 15, 2031 and thereafter, will be subject to redemption, at the option of the City, prior to maturity, in whole or in part, and if in part, in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), on any date on or after August 15, 2030, at par plus accrued interest to the date of redemption.

Notice of such call for redemption shall be given by mailing such notice to the registered owner at least thirty (30) days prior to the date set for such redemption. Notice of redemption having been given as aforesaid, the bonds so called for redemption shall, on the date for redemption set forth in such call for redemption, become due and payable together with interest to such redemption date. Interest shall cease to be paid thereon after such redemption date.

Authorization and Purpose for the Bonds

The Bonds are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Local Finance Law, and various bond resolutions duly adopted by the Common Council on various dates (the "Bond Resolutions"). The amounts to be financed are set forth below:

Date of Most Recent Authorization	Purpose	Amount Outstanding	Amount to be Paid	Additional Amount to be Issued	Total Amount to be Issued
07/10/2018	Sewer and Stormwater Projects	\$ 2,920,000	\$ 160,000	\$ -	\$ 2,760,000
10/06/2015	Street Light Replacement Project	65,000	5,000	1,256,000	1,316,000
06/02/2015	Various Stormwater Improvements	17,000	1,000	-	16,000
06/07/2016	Andy Murphy Center Improvements	18,000	1,000	-	17,000
10/04/2016	Transportation Infrastructure Project	55,000	55,000	-	-
12/05/2017	Washington Avenue Tunnel Relining Project	29,000	29,000	-	-
12/06/2016	Purchase of Time and Attendance System	-	-	8,000	8,000
12/05/2017	Purchase of Heavy Equipment and Machinery	511,000	41,000	-	470,000
12/05/2017	Purchase of Refuse/Recycling Totes	46,018	46,018	-	-
08/07/2018	Sanitary Sewer Replacement Project	1,004,000	56,000	-	948,000
09/13/2016	Purchase of a Ladder Truck	40,000	40,000	-	-
12/03/2013	Parking Lot Renovations	30,000	30,000	-	-
12/01/2015	Greenkill Avenue Bridge Improvements	270,000	15,000	-	255,000
09/06/2017	Henry Street Pedestrian Improvement Project	36,000	36,000	-	-
12/05/2017	Purchase of Fire Engine	410,000	20,000	-	390,000
04/03/2018	City Hall Tower and Roof Project	51,000	2,000	688,000	737,000
09/12/2018	Construction of the Kingston Point Rail Trail	393,000	33,000	-	360,000
12/04/2018	Purchase of Computer Equipment	29,000	29,000	-	-
12/04/2018	Street Infrastructure Improvements	24,000	24,000	-	-
06/04/2019	Purchase of a Demo Model Packer	192,000	192,000	-	-
09/10/2019	Jacob's Valley Storm Sewer Replace	113,000	6,000	19,000	126,000
02/04/2020	Broadway Streetscape Project	2,371,489	161,489	375,000	2,585,000
07/02/2019	Hurley Ave Paving & Complete Streets	395,000	25,000	-	370,000
07/10/2018	Rondout Riverport Shoreline Improvements	39,000	9,000	53,000	83,000
03/05/2019	Volunteer Fireman's Museum Improvements	41,000	8,000	14,000	47,000
10/02/2018	Greenkill Ave Sanitary Sewer Project	70,000	15,000	-	55,000
12/04/2018	Acquisition of DPW Bobcat Trailer	9,000	1,000	-	8,000
12/04/2018	Acquisition of DPW Chipper	36,000	36,000	-	-
12/04/2018	Acquisition of DPW 3/4 Ton Pickup Truck w/ Plow	34,000	34,000	-	-
12/04/2018	Acquisition of Hydraulic Hammer for Excavator	7,000	2,000	-	5,000
03/05/2019	Franklin Street Complete Streets	4,000	4,000	30,000	30,000
09/10/2019	Hasbrouck Storm Sewer Improvements	7,000	7,000	-	-
06/04/2019	Wilbur Avenue Reconstruction	75,000	5,000	-	70,000
05/01/2018	Westbrook Lane Storm Sewer Improvements	255,000	10,000	-	245,000
01/07/2020	Westbrook Lane Storm Sewer Improvements	148,000	8,000	14,000	154,000
12/04/2018	Acquisition of DPW Dump Truck - 6 Wheel	201,000	34,493	-	166,507
12/04/2018	DPW Welder Bay Improvements	12,000	12,000	-	-

Date of Most Recent Authorization	Purpose	Amount Outstanding	Amount to be Paid	Additional Amount to be Issued	Total Amount to be Issued
02/04/2020	Rt. 32 Sidewalk Project	\$ 144,000	\$ 14,000	\$ -	\$ 130,000
12/03/2019	Acquisition of DPW 52ft Bucket Truck	155,000	155,000	-	-
12/03/2019	Acquisition of Fire Engine	540,000	30,000	-	510,000
05/04/2021	Elmendorf Street Bridge Rehab Project	75,000	15,000	935,000	995,000
04/07/2020	Hudson River Brickyard Trail Project	312,000	27,000	-	285,000
02/02/2021	Broadway Sewer Project	1,900,000	45,000	160,000	2,015,000
05/03/2022	Henry Street Furnace Street Manhole Project	-	-	600,000	600,000
10/01/2019	Flatbush and Foxhall Safety Improvements	-	-	31,000	31,000
03/05/2019	Midtown Parking Improvements	-	-	7,000	7,000
12/01/2020	Acquisition of F550 Dump	-	-	70,000	70,000
12/01/2020	Acquisition of Dump Truck 6 Wheel	-	-	185,000	185,000
05/04/2021	Broadway and Grant Street Intersection	-	-	600,000	600,000
12/07/2021	WWTP Equipment	-	-	46,000	46,000
02/06/2018	Replacement of Water Infrastructure	590,000	10,000	-	580,000
		<u>\$ 13,673,507</u>	<u>\$ 1,489,000</u>	<u>\$ 5,091,000</u>	<u>\$ 17,275,507</u>

Continuing Disclosure Undertaking for the Bonds

At the time of delivery of the Bonds, the City will provide an executed copy of its “Undertaking to Provide Continuing Disclosure” (the “Undertaking”). Said Undertaking will constitute a written agreement or contract of the City for the benefit of holders of and owners of beneficial interest in the Bonds, to provide, or cause to be provided to the Electronic Municipal Market Access (“EMMA”) System implemented by the Municipal Securities Rulemaking Board (“MSRB”) established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of such Board contemplated by the Undertaking:

- (1) (i) to the Electronic Municipal Market Access (“EMMA”) system of the Municipal Securities Rulemaking Board (“MSRB”) or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, during each fiscal year in which the Bonds are outstanding, (i) certain annual financial information and operating data for the preceding fiscal year in a form generally consistent with the information contained or cross-referenced in the final Official Statement relating to the Bonds under the headings “The City”, “Indebtedness of the City”, “Finances of the City”, “Real Property Tax Information”, “Litigation” and all Appendices (other than any related to bond insurance and bond counsel opinions) by the end of the sixth month following the end of each succeeding fiscal year, commencing with the fiscal year ending December 31, 2021, and (ii) a copy of the audited financial statement, if any, (prepared in accordance with accounting principles generally accepted in the United States of America in effect at the time of the audit) for the preceding fiscal year, commencing with the fiscal year ending December 31, 2021; such audit, if any, will be so provided on or prior to the later of either the end of the sixth month of each such succeeding fiscal year or, if an audited financial statement is not available at that time, within sixty days following receipt by the City of its audited financial statement for the preceding fiscal year, but, in any event, not later than the last business day of each such succeeding fiscal year; and provided further, in the event that the audited financial statement for any fiscal year is not available by the end of the sixth month following the end of any such succeeding fiscal year, unaudited financial statements in the form provided to the State, if available, will be provided no later than said date; provided however, that provision of unaudited financial statements in any year shall be further conditioned upon a determination by the City of whether such provision is compliant with the requirements of federal securities laws including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17(a)(2) of the Securities Act of 1933;
- (2) timely notice, not in excess of ten (10) business days after the occurrence of such event, of the occurrence of any of the following events:
 - (i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (vii) modifications to rights of

Bondholders, if material; (viii) Bond calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Bonds, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the City; (xiii) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material; (xv) incurrence of a financial obligation (as defined in the Rule) of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect bond holders, if material; and (xvi) default, event of acceleration, termination event, modification of terms or other similar events under a financial obligation of the Issuer, any of which reflect financial difficulties.

Event (iii) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers, dated September 19, 1995. However, event (iii) is not applicable, since no “debt service reserves” will be established for the Bonds.

With respect to event (iv) the City does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Bonds.

With respect to event (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and official or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

With respect to events (xv) and (xvi), the term “financial obligation” means a (i) debt obligation (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

The City may provide notice of the occurrence of certain other events, in addition to those listed above, if it determines that any such other event is material with respect to the Bonds; but the City does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above; and

(3) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of a failure to provide the annual financial information by the date specified.

The City’s Undertaking shall remain in full force and effect until such time as the principal of, redemption premiums, if any, and interest on the Bonds shall have been paid in full or in the event that those portions of the Rule which require the Undertaking, or such provisions, as the case may be, do not or no longer apply to the Bonds. The sole and exclusive remedy for breach or default under the Undertaking is an action to compel specific performance of the undertakings of the City, and no person or entity, including a holder of the Bonds, shall be entitled to recover monetary damages thereunder under any circumstances. Any failure by the City to comply with the Undertaking will not constitute a default with respect to the Bonds.

The City reserves the right to amend or modify the Undertaking under certain circumstances set forth therein; provided that, any such amendment or modification will be done in a manner consistent with Rule 15c2-12 as then in effect.

THE SERIES B NOTES

Description of the Series B Notes

The Notes will be dated August 17, 2022 and will mature, on August 17, 2023, with interest payable at maturity. (See “Optional Redemption of the Series B Notes” herein.)

At the option of the purchaser(s), the Notes may be either registered to the purchaser(s) or registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”) as book-entry notes.

For those Notes registered to the purchaser(s), a single note certificate shall be delivered to the purchaser(s), for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable in lawful money of the United States of America (Federal Funds) at the office of the City Comptroller in Kingston, New York.

For those Notes issued as book-entry notes registered to Cede & Co., DTC will act as securities depository for the Notes and owners will not receive certificates representing their respective interests in the Notes. Individual purchases of such registered Notes may be made in denominations of \$5,000 or integral multiples thereof. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the City to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. See "Book-Entry System" herein.

The City will act as Paying Agent for the Notes. The City's contact information is as follows: John R. Tuey, CPA, City Comptroller, City of Kingston, 420 Broadway, Kingston, New York 12401, Phone (845) 331-0080, Fax (845) 334-3944 and email: jtuey@kingston-ny.gov.

Optional Redemption of the Series B Notes

The Notes are subject to redemption prior to their maturity, at the option of the City, in whole or in part on any date on or after November 17, 2022, at a redemption price equal to the principal amount of the Notes to be redeemed plus accrued interest to the date of redemption upon not less than 20 days' notice prior to the date set for any such redemption.

Authorization and Purpose of the Series B Notes^a

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Local Finance Law and various bond ordinances adopted by the Common Council of said City. The list of projects that will be financed by such amount are as follows:

Date of Authorization	Purpose	Amount Outstanding	Amount to be Paid	Additional Amount to be Issued	Total Amount to be Issued
07/10/2018 & 10/05/2021	Engineering and Design Wastewater Treatment Plant	\$ 955,000	\$ 155,000	\$ 6,955,000	\$ 7,755,000
02/06/2018 & 05/03/2021	Cooper Lake Dam and Intake Rehabilitation	11,780,000	150,000	4,000,000	15,630,000
		\$ 12,735,000	\$ 305,000	10,955,000	\$ 23,385,000

- a. The Series B Notes are subject to redemption prior to maturity. The projects to be financed by the Series B Notes have qualified for NYS Environmental Facilities Corporation financing and all or a portion of such Notes are expected to be converted to short term financing prior to the final maturity.

THE SERIES C NOTES

Description of the Series C Notes

The Notes will be dated August 17, 2022 and will mature, without right of redemption prior to maturity, on August 17, 2023, with interest payable at maturity.

At the option of the purchaser(s), the Notes may be either registered to the purchaser(s) or registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC") as book-entry notes.

For those Notes registered to the purchaser(s), a single note certificate shall be delivered to the purchaser(s), for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable in lawful money of the United States of America (Federal Funds) at the office of the City Comptroller in Kingston, New York.

For those Notes issued as book-entry notes registered to Cede & Co., DTC will act as securities depository for the Notes and owners will not receive certificates representing their respective interests in the Notes. Individual purchases of such registered Notes may be made in denominations of \$5,000 or integral multiples thereof, except for one necessary odd denomination which is or includes \$9,000. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the City to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. See "Book-Entry System" herein.

The City will act as Paying Agent for the Notes. The City's contact information is as follows: John R. Tuey, CPA, City Comptroller, City of Kingston, 420 Broadway, Kingston, New York 12401, Phone (845) 331-0080, Fax (845) 334-3944 and email: jtuey@kingston-ny.gov.

Optional Redemption of the Series C Notes

The Notes will not be subject to redemption prior to their maturity.

Authorization and Purpose of the Series C Notes

The Notes are being issued pursuant to the Constitution and statutes of the State of New York, including among others, the Local Finance Law and various bond ordinances adopted by the Common Council of said City. The list of projects that will be financed by such amount are as follows:

Date of Authorization	Purpose	Amount Outstanding	Amount to be Paid	Additional Amount to be Issued	Total Amount to be Issued
04/07/2015	Washington Avenue Tunnel Remediation	\$ 158,000	\$ 16,000	\$ 0	\$ 142,000
02/02/2016	Washington Avenue Tunnel Remediation	270,000	15,000	0	255,000
05/03/2016	Washington Avenue Tunnel Remediation	516,000	29,000	0	487,000
12/05/2017	Washington Avenue Tunnel Relining Project	995,000	90,000	0	905,000
		\$ 1,939,000	\$ 150,000	\$ 0	\$ 1,789,000

Disclosure Undertaking of the Notes

This Official Statement is in a form “deemed final” by the City for the purposes of Securities and Exchange Commission Rule 15c2-12 (the “Rule”). At the time of the delivery of the Notes, the City will provide an executed copy of its “Material Event Notices Certificate” (the “Undertaking”). Said Undertaking will constitute a written agreement or contract of the City for the benefit of holders of and owners of beneficial interests in the Notes, to provide, or cause to be provided, to the Electronic Municipal Market Access (“EMMA”) System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto, timely notice not in excess of ten (10) business days after the of the occurrence of any of the following events with respect to the Notes:

- (i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes; (vii) modifications to rights of Noteholders, if material; (viii) Note calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Notes, if material; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the City; note to clause (xii): For the purposes of the event identified in clause (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City; (xiii) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (xiv) appointment of a

successor or additional trustee or the change of name of a trustee, if material; (xv) incurrence of a financial obligation (as defined in the Rule) of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect noteholders, if material; and (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties.

Event (iii) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (iii) is not applicable, since no “debt services reserves” will be established for the Notes.

With respect to event (iv) the City does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Notes.

With respect to event (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

With respect to events (xv) and (xvi), the term “financial obligation” means a (i) debt obligation (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with a Rule.

The City may provide notice of the occurrence of certain other events, in addition to those listed above, if it determines that any such other event is material with respect to the Notes; but the City does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

The City's Undertaking shall remain in full force and effect until such time as the principal of, redemption premiums, if any, and interest on the Notes shall have been paid in full. The sole and exclusive remedy for breach or default under the Undertaking is an action to compel specific performance of the undertakings of the City, and no person or entity, including a holder of the Notes, shall be entitled to recover monetary damages thereunder under any circumstances. Any failure by the City to comply with the Undertaking will not constitute a default with respect to the Notes.

The City reserves the right to amend or modify the Undertaking under certain circumstances set forth therein; provided that, any such amendment or modification will be done in a manner consistent with Rule 15c2-12 as then in effect.

BOOK-ENTRY SYSTEM

DTC will act as securities depository for the Bonds/or and the Notes issued in book-entry-only form. The Bonds and the Notes will be issued as fully-registered securities, in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond certificate will be issued for each maturity of the Bonds deposited with DTC. One fully registered note certificate will be issued for each Note bearing the same rate of interest and CUSIP number and will be deposited with DTC.

DTC is limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of certificates.

Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of the Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds and Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds and the Notes on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase, Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds and the Notes are to be accomplished by entries made on the books of Direct or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds and the Notes, except in the event that use of the book-entry system for the Bonds and the Notes is discontinued.

To facilitate subsequent transfers, all Bonds and Notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds and the Notes with DTC and their registration in the name of Cede & Co., or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds and the Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds and Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping accounts of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Beneficial Owners of the Bonds and the Notes may wish to take certain steps to augment the transmission to them or notices of significant events with respect to the Bonds and the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds and the Notes may wish to ascertain that the nominee holding the Bonds and the Notes for their benefit has agreed to obtain and transmit notices to the Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds and the Notes unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Bonds and the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds and the Notes will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the City on the payable date, in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC (nor its nominee) or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds and the Notes at any time by giving reasonable notice to the City. Under such circumstances, in the event that a successor depository is not obtained, bond and note certificates are required to be printed and delivered. The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In the event, bond and note certificates will be printed and delivered to DTC. The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond and note certificates will be printed and delivered to DTC.

Source: The Depository Trust Company, New York, New York.

THE CITY WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY PARTICIPANTS, OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY PARTICIPANT OR INDIRECT PARTICIPANT OR ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST ON THE BONDS AND THE NOTES; (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO HOLDERS; OR (IV) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS AND THE NOTES; OR (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS HOLDER.

THE CITY CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC WILL DISTRIBUTE TO DIRECT PARTICIPANTS OR THAT DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS AND THE NOTES (I) PAYMENTS OF THE PRINCIPAL OF OR INTEREST ON THE BONDS AND THE NOTES; (II) CONFIRMATION OF THEIR OWNERSHIP INTEREST IN THE BONDS AND THE NOTES; OR (III) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO. AS NOMINEE, AS REGISTERED OWNER OF THE BONDS AND THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SO SERVE AND ACT IN THE MANNER DESCRIBED IN THE OFFICIAL STATEMENT.

The information contained in the above section concerning DTC and DTC's book-entry system has been obtained from sample offering document language supplied by DTC, but the City takes no responsibility for the accuracy thereof. In addition, the City will not have any responsibility or obligation to participants, to indirect participants or to any beneficial owner with respect to: (i) the accuracy of any records maintained by DTC, and participant or any indirect participant; (ii) the payments by DTC or any participant or any indirect participant of any amount with respect to the principal of, or premium, if any, or interest on the bonds or (iii) any notice which is permitted or required to be given to Bondowners.

Security and Source of Payment

Bonds and Notes are a contract between the City and the holder thereof. The Bonds and the Notes are general obligations of the City and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Bonds and the Notes as required by the Constitution and laws of the State of New York (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). For the payment of such principal and interest, the City has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the City subject to applicable statutory limitations. See "Nature of Obligation" and "Tax Levy Limitation Law" herein.

Principal and interest on the Bonds and the Notes will be provided from budget appropriations.

For a description of prior issues of bond anticipation notes and of projected issues of obligations for capital and operating purposes of the City, see "Details of Short-Term Indebtedness Outstanding".

Nature of Obligation

Each of the Bonds and Notes when duly issued and paid for will constitute a contract between the City and the holder thereof.

Holders of any series of notes or bonds of the City may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of notes or bonds.

The Bonds and the Notes will be general obligations of the City and will contain a pledge of the faith and credit of the City for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the City has power and statutory authorization to levy ad valorem taxes on all real property within the City subject to such taxation by the City, subject to applicable statutory limitations. See "Tax Levy Limitation Law", herein.

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay “interest on or principal of indebtedness theretofore contracted” prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

Under the Constitution of the State, the City is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds and the Notes and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the City’s power to increase its annual tax levy with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See “Tax Levy Limitation Law,” herein.

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State’s highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), as follows:

“A pledge of the City’s faith and credit is both a commitment to pay and a commitment of the City’s revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City’s “faith and credit” is secured by a promise both to pay and to use in good faith the City’s general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, “faith” and “credit” are used and they are not tautological. That is what the words say and this is what the courts have held they mean . . . So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City’s power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded”. In addition, the Court of Appeals in the Flushing National Bank (1976) case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank (1976) Court noted, the term “faith and credit” in its context is “not qualified in any way”. Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, “with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the City of those revenues to meet its obligations.” According to the Court in Quirk, the State Constitution “requires the City to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness.”

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school districts may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

In Quirk v. Municipal Assistance Corp., the Court of Appeals described this as a “first lien” on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

While the courts in New York State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

Tax Levy Limitation Law

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to virtually all local governments, including school districts (with the exception of New York City, Yonkers, Syracuse, Rochester and Buffalo). It also applies to independent special districts and to improvements districts as part of their parent municipalities tax levies.

The Tax Levy Limitations Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index (“CPI”), over the amount of the prior year’s tax levy. Certain adjustments would be permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law (resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees’ Retirement System, the Police and Fire Retirement System, and the Teachers’ Retirement System. Each municipality, prior to adoption of each fiscal year budget, must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year.

The Tax Levy Limitation Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation debt of municipalities or such debt incurred after the effective date of the tax levy limitation provisions.

While the Tax Levy Limitation Law may constrict an issuer’s power to levy real property taxes for the payment of debt service on debt contracted after the effective date of said Tax Levy Limitation Law, it is clear that no statute is able (1) to limit an issuer’s pledge of its faith and credit to the payment of any of its general obligation indebtedness or (2) to limit an issuer’s levy of real property taxes to pay debt service on general obligation debt contracted prior to the effective date of the Tax Levy Limitation Law. Whether the Constitution grants a municipality authority to treat debt service payments as a constitutional exception to such statutory tax levy limitation outside of any statutorily determined tax levy amount is not clear.

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

General Municipal Law Contract Creditors’ Provision

The Bonds and Notes when duly issued and paid for will constitute a contract between the City and the holder thereof. Under current law, provision is made for contract creditors of the City to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the City upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Bonds in the event of a default in the payment of the principal of and interest on the Bonds and Notes.

Execution/Attachment of Municipal Property

As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the City may not be enforced by levy and execution against property owned by the City.

Authority to File for Municipal Bankruptcy

The Federal Bankruptcy Code allows public bodies, such as counties, cities, towns or villages, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While this Local Finance Law provision does not apply to school districts, there can be no assurance that it will not be made so applicable in the future.

The State has consented that any municipality in the State may file a petition with the United States District Court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness. Subject to such State consent, under the United States Constitution, Congress has jurisdiction over such matters and has enacted amendments to the existing federal bankruptcy statute, being Chapter 9 thereof, generally to the effect and with the purpose of affording municipal corporations, under certain circumstances, with easier access to judicially approved adjustment of debt including judicial control over identifiable and unidentifiable creditors.

No current state law purports to create any priority for holders of the Bonds or Notes should the City be under the jurisdiction of any court, pursuant to the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness.

The rights of the owners of Bonds or Notes to receive interest and principal from the City could be adversely affected by the restructuring of the City's debt under Chapter 9 of the Federal Bankruptcy Code. No assurance can be given that any priority of holders of debt obligations issued by the City (to payment from monies retained in any debt service fund or from other cash resources would be recognized if a petition were filed by or on behalf of the City under the Federal Bankruptcy Code or pursuant to other subsequently enacted laws relating to creditors' rights; such monies might, under such circumstances, be paid to satisfy the claims of all creditors generally.

Under the Federal Bankruptcy Code, a petition may be filed in the Federal Bankruptcy court by a municipality which is insolvent or unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Federal Bankruptcy Code also requires that a plan be filed for the adjustment of the municipality's debt, which may modify or alter the rights of creditors and which could be secured. Any plan of adjustment confirmed by the court must be approved by the requisite number of creditors. If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it.

State Debt Moratorium Law

There are separate State law provisions regarding debt service moratoriums enacted into law in 1975.

At the Extraordinary Session of the State Legislature held in November, 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such City of its faith and credit for the payment of obligations.

As a result of the Court of Appeals decision in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature, as described below, authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the City.

Right of Municipality or State to Declare a Municipal Financial Emergency and Stay Claims Under State Debt Moratorium Law. The State Legislature is authorized to declare by special act that a state of financial emergency exists in any county, city, town or village. (The provision does not by its terms apply to school districts or fire districts.) In addition, the State Legislature may authorize by special act establishment of an "emergency financial control board" for any county, city, town or village upon determination that such a state of financial emergency exists. Thereafter, unless such special act provides otherwise, a voluntary petition to stay claims may be filed by any such municipality (or by its emergency financial control board in the event said board requests the municipality to petition and the municipality fails to do so within five days thereafter). A petition filed in supreme court in county in which the municipality is located in accordance with the requirements of Title 6-A of the Local Finance Law ("Title 6-A") effectively prohibits the doing of any act for ninety days in the payment of claims, against the municipality including payment of debt service on outstanding indebtedness.

This includes staying the commencement or continuation of any court proceedings seeking payment of debt service due, the assessment, levy or collection of taxes by or for the municipality or the application of any funds, property, receivables or revenues of the municipality to the payment of debt service. The stay can be vacated under certain circumstances with provisions for the payment of amounts due or overdue upon a demand for payment in accordance with the statutory provisions set forth therein. The filing of a petition may be accompanied with a proposed repayment plan which upon court order approving the plan, may extend any stay in the payment of claims against the municipality for such "additional period of time as is required to carry out fully all the terms and provisions of the plan with respect to those creditors who accept the plan or any benefits thereunder." Court approval is conditioned, after a hearing, upon certain findings as provided in Title 6-A.

A proposed plan can be modified prior to court approval or disapproval. After approval, modification is not permissible without court order after a hearing. If not approved, the proposed plan must be amended within ten days or else the stay is vacated and claims including debt service due or overdue must be paid. It is at the discretion of the court to permit additional filings of amended plans and continuation of any stay during such time. A stay may be vacated or modified by the court upon motion of any creditor if the court finds after a hearing, that the municipality has failed to comply with a material provision of an accepted repayment plan or that due to a “material change in circumstances” the repayment plan is no longer in compliance with statutory requirements.

Once an approved repayment plan has been completed, the court, after a hearing upon motion of any creditor, or a motion of the municipality or its emergency financial control board, will enter an order vacating any stay then in effect and enjoining of creditors who accepted the plan or any benefits thereunder from commencing or continuing any court action, proceeding or other act described in Title 6-A relating to any debt included in the plan.

Title 6-A requires notice to all creditors of each material step in the proceedings. Court determinations adverse to the municipality or its financial emergency control board are appealable as of right to the appellate division in the judicial department in which the court is located and thereafter, if necessary, to the Court of Appeals. Such appeals stay the judgment or appealed from and all other actions, special proceedings or acts within the scope of Section 85.30 of Title 6-A pending the hearing and determination of the appeals.

Whether Title 6-A is valid under the Constitutional provisions regarding the payment of debt service is not known. However, based upon the decision in the Flushing National Bank case described above, its validity is subject to doubt.

While the State Legislature has from time to time adopted legislation in response to a municipal fiscal emergency and established public benefit corporations with a broad range of financial control and oversight powers to oversee such municipalities, generally such legislation has provided that the provisions of Title 6-A are not applicable during any period of time that such a public benefit corporation has outstanding indebtedness issued on behalf of such municipality.

Fiscal Stress and State Emergency Financial Control Boards. Pursuant to Article IX Section 2(b)(2) of the State Constitution, any local government in the State may request the intervention of the State in its “property, affairs and government” by a two-thirds vote of the total membership of its legislative body or on request of its chief executive officer concurred in by a majority of such membership. This has resulted in the adoption of special acts for the establishment of public benefit corporations with varying degrees of authority to control the finances (including debt issuance) of the cities of Buffalo, Troy and Yonkers and the County of Nassau. The specific authority, powers and composition of the financial control boards established by these acts varies based upon circumstances and needs. Generally, the State legislature has granted such boards the power to approve or disapprove budget and financial plans and to issue debt on behalf of the municipality, as well as to impose wage and/or hiring freezes and approve collective bargaining agreements in certain cases. Implementation is left to the discretion of the board of the public benefit corporation. Such a State financial control board was first established for New York City in 1975. In addition, on a certificate of necessity of the governor reciting facts which in the judgment of governor constitute an emergency requiring enactment of such laws, with the concurrences of two-thirds of the members elected in each house of the State legislature the State is authorized to intervene in the “property, affairs and governments” of local government units. This occurred in the case of the County of Erie in 2005. The authority of the State to intervene in the financial affairs of local government is further supported by Article VIII, Section 12 of the Constitution which declares it to be the duty of the State legislature to restrict, subject to other provisions of the Constitution, the power of taxation, assessment, borrowing money and contracting indebtedness and loaning the credit of counties, cities, towns and villages so as to prevent abuses in taxation and assessment and in contracting indebtedness by them.

In 2013, the State established a new state advisory board to assist counties, cities, towns and villages in financial distress. The Financial Restructuring Board for Local Governments (the “FRB”), is authorized to conduct a comprehensive review of the finances and operations of any such municipality deemed by the FRB to be fiscally eligible for its services upon request by resolution of the municipal legislative body and concurrence of its chief executive. The FRB is authorized to make recommendations for, but cannot compel improvement of fiscal stability, management and delivery of municipal services, including shared services opportunities and is authorized to offer grants and/or loans of up to \$5,000,000 through a Local Government Performance and Efficiency Program to undertake certain recommendations. If a municipality agrees to undertake the FRB recommendations, it will be automatically bound to fulfill the terms in order to receive the aid.

The FRB is also authorized to serve as an alternative arbitration panel for binding arbitration.

Although from time to time, there have been proposals for the creation of a statewide financial control board with broad authority over local governments in the State, the FRB does not have emergency financial control board powers to intervene such as the public benefit corporations established by special acts as described above.

Several municipalities in the State are presently working with the FRB. The City is presently not working with the FRB, nor does it reasonably anticipate the need to do so. School districts and fire districts are not eligible for FRB assistance.

Constitutional Non-Appropriation Provision

There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See "General Municipal Law Contract Creditors' Provision" herein.

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

Default Litigation

In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders and noteholders, such courts might hold that future events including financial crises as they may occur in the State and in political subdivisions of the State require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service. See "Nature of Obligation" and "State Debt Moratorium Law" herein.

No Past Due Debt

No principal of or interest on City indebtedness is past due. The City has never defaulted in the payment of the principal of and interest on any indebtedness.

THE CITY

Known previously over the past 300 years as Esopus, Wiltwyck and Swanenburg, prior to its present name, the City of Kingston was, in its early history, raided, burned and fought over by Indians, Dutch and British. The City, located on the west side of the Hudson River, has an area of approximately 7.4 square miles, a population of 22,954 (2020 U.S. Census), and is approximately 78 miles north of Manhattan and approximately 48 miles south of Albany, the State capital. Kingston was the first capital of the State. The City was incorporated in 1872, and is also known as the "Gateway to the Catskills". The County Seat of Ulster County is located in the City. Police and fire protection are provided by the City. The City provides park and recreational facilities.

Educational facilities are available through the Kingston City School District. Ulster Community College and State University at New Paltz are nearby. Health care is provided by Benedictine Hospital and Kingston Hospital.

Residents are served by passage railroads in Poughkeepsie (Metro North) and Rhinecliff (Amtrak), numerous bus lines, Interstate Route 87 (New York State Thruway), New York Routes 28 and 32, as well as U.S. Route 9W. Travel to the eastern side of the Hudson River is available via the Kingston-Rhinecliff Bridge.

Governmental Organization

Subject to the State Constitution, the City operates pursuant to the City Charter and in accordance with other laws governing the City, including the General Municipal Law, and the Local Finance Law, generally to the extent that such laws are applicable to a city operating under a charter form of government.

The Common Council is the legislative and policy-making body of the City, consisting of nine Aldermen elected from various wards within the City and one Alderman elected at-large. The Alderman at-large is the presiding officer. The Mayor is the chief executive officer of the City government. The term of office of the Mayor is four years and members of the Common Council are elected for two years with the general City election being held in odd-numbered years.

The City Comptroller, appointed by the Common Council, is the chief fiscal officer of the City with responsibility for control and administration of fiscal affairs, and is responsible for accounting for all revenues and disbursements; for preparation and payment of employee payrolls; for custody and investment of all City funds; supervision of tax billing, and tax and revenue collections, administration of tax lien sales, and management of bank accounts.

Financial Organization and Budgetary Procedures

The City Comptroller is the chief fiscal officer, and accounting officer.

The Mayor prepares an annual budget estimate for the ensuing fiscal year and submits it to the Common Council for consideration. The Common Council makes any changes deemed appropriate. Additional changes (if any) are made and the budget is adopted. The budget is not subject to referendum and must comply with the Tax Levy Limit Law.

Employees

The City provides services through approximately 317 full-time employees. Union representation of full time employees is as follows:

<u>Name of Union</u>	<u>Approximate Membership</u>	<u>Date Contract Expires</u>
Civil Service Employees Association	140	12-31-20 ^a
Kingston Professional Fire Fighters' Association	50	12-31-24
Kingston Police Benevolent Association	76	12-31-25
American Federation of State, County & Municipal Employees	21	12-31-24

a. Currently in negotiations.

Selected Wealth and Income Indicators

	<u>Per Capita Money Income</u>			
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2020^a</u>
City of Kingston	\$14,341	\$18,662	\$24,117	\$29,101
County of Ulster	14,921	20,842	28,532	35,816
State of New York	16,501	23,389	30,948	40,898

	<u>Median Household Income</u>			
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2020^a</u>
City of Kingston	\$29,133	\$31,594	\$44,939	\$54,311
County of Ulster	34,033	42,551	56,434	65,306
State of New York	32,965	43,393	55,217	71,117

Source: United States Bureau of the Census

a. Based on American Community Survey 5-Year Estimates (2016-2020)

Population

<u>Year</u>	<u>City of Kingston</u>	<u>Ulster County</u>	<u>New York State</u>
1990	23,095	165,304	17,990,455
2000	23,456	177,749	18,976,457
2010	23,893	182,493	19,378,102
2020	22,954	178,371	19,514,849

Source: United States Bureau of the Census.

Building Permit Activity

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
New One or Two Family Residences	4	7	2	4	6
New Commercial/Industrial Buildings	-	4	1	2	2
New Multiple Residences Occupancies	1	2	2	2	2
Additions, Alterations or Repairs on Existing Buildings	211	222	1,085	1,129	1,274
All Other Permits (Pools, Sheds, Decks, Etc.)	599	526	250	177	556

Selected Listing of Larger Employers within and in the vicinity of Kingston

Non-Retail Employers

<u>Name</u>	<u>Employees</u>	<u>Product</u>	<u>Location</u>
County of Ulster	A	Government	Kingston
Health Alliance of the Hudson Valley	A	Health Services	Kingston/New Paltz
State Correctional Facilities	A	Correctional Services	Walkkill/Napanoch
SUNY New Paltz	A	Educational Services	New Paltz
Bank of America, N.A.	B	Finance	Kingston
Mohonk Mountain House	B	Resort/Hotel	New Paltz
SUNY Ulster	B	Educational Services	Stone Ridge
BOCES	C	Educational Services	New Paltz/Port Ewen
City of Kingston	C	Government	Kingston
Hudson Valley Resort & Spa	C	Resort/Hotel	Kerhonkson
Kingston Consolidated School District	C	Educational Services	Kingston
Northeast Center for Special Care	C	Health Services	Lake Katrine
Ten Broeck Commons	C	Health Services	Lake Katrine
Honor's Haven	C	Resort/Hotel	Ellenville
Ulster Savings	C	Finance/Insurance	Kingston
Ametek Rotron	D	Electrical Manufacturing	Woodstock
Brooklyn Bottling Company	D	Food Manufacturing	Milton
CH Energy Group	D	Utility	Kingston
Ellenville Central School District	D	Educational Services	Ellenville
Ellenville Regional Hospital	D	Health Services	Ellenville
Elna Magnetics	D	Electrical Manufacturing	Saugerties
Fair Rite Products	D	Electronic Manufacturing	Walkkill
Fala Technologies	D	Electronic Manufacturing	Kingston
Full Moon Resort	D	Resort/Hotel	Shandaken
Gateway Community Industries	D	Miscellaneous Manufacturing	Kingston
GHI Insurance	D	Insurance	Lake Katrine
HUCK International	D	Metal Manufacturing	Kingston

Retail Businesses

<u>Name</u>	<u>Employees</u>	<u>Product</u>	<u>Location</u>
Wal-Mart	B	Retail – All	Kingston
Hannaford	C	Retail - Grocery	Kingston (2)/Highland/Plattekill
Adams Fairacre Farms	D	Retail – Grocery/Garden	Kingston
Home Depot	D	Retail – Home Supply	Kingston
Kohl's	D	Retail – Department Store	Kingston
Lowes	D	Retail – Home Supply	Kingston/Highland
Price Chopper	D	Retail – Grocery	Saugerties
Sam's Club	D	Retail – All	Kingston
Shop Rite	D	Retail – Grocery	Kingston/New Paltz
Target	D	Retail – Department Store	Kingston

Key: A Greater than 1,000 employees
 B 500-999 employees
 C 250-499 employees
 D 100-249 employees

Source: Ulster County Official Statement dated November 17, 2021.

The following represents a listing of a business and number of employees by section within a 15 mile radius of the City.

<u>Sector</u>	<u>Businesses</u>		<u>Employees</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Agriculture, Forestry, Fishing & Hunting	43	0.54%	99	0.16%
Mining	4	0.05	11	0.02
Utilities	9	0.11	111	0.18
Construction	542	6.85	1,968	3.14
Manufacturing	247	3.12	3,637	5.81
Wholesale Trade	268	3.39	1,522	2.43
Retail Trade	1,092	13.80	10,055	16.06
Transportation & Warehousing	177	2.24	1,584	2.53
Information	216	2.73	1,470	2.35
Finance & Insurance	238	3.01	3,472	5.54
Real Estate, Rental & Leasing	313	3.96	1,394	2.23
Professional, Scientific & Tech Services	1,015	12.83	3,081	4.92
Management of Companies & Enterprises	10	0.13	14	0.02
Administrative & Support & Waste Management & Remediation Services	887	11.21	2,454	3.92
Educational Services	118	1.49	3,129	5.00
Health Care & Social Assistance	901	11.39	11,887	18.98
Arts, Entertainment & Recreation	191	2.41	801	1.28
Accommodation & Food Services	486	6.14	3,225	5.15
Other Services (except Public Administration)	885	11.18	4,785	7.64
Public Administration	<u>271</u>	<u>3.42</u>	<u>7,926</u>	<u>12.66</u>
Totals	<u>7,913</u>	<u>100.00%</u>	<u>62,625</u>	<u>100.00%</u>

Unemployment Rate Statistics

<u>Annual Averages:</u>	<u>City of Kingston (%)</u>	<u>Ulster County (%)</u>	<u>New York State (%)</u>
2017	4.5	4.5	4.6
2018	3.9	3.9	4.1
2019	3.8	3.8	4.0
2020	8.0	8.0	10.0
2021	4.9	4.9	7.2
2022 (4 months)	3.5	3.5	4.8

Source: New York State Department of Labor.

INDEBTEDNESS OF THE CITY

Constitutional Requirements

The New York State Constitution limits the power of the City (and other municipalities and school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional and statutory limitations include the following, in summary form, and are generally applicable to the City and the Bonds and the Notes.

Purpose and Pledge. The City shall not give or loan any money or property to or in aid of any individual or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The City may contract indebtedness only for a City purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute or the weighted average period of probable usefulness thereof; and no installment may be more than fifty per centum in excess of the smallest prior installment, unless the City has authorized the issuance of indebtedness having substantially level or declining annual debt service. The City is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and bond anticipation notes.

General. The City is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation, assessment, borrowing money, contracting indebtedness and loaning the credit of the City so as to prevent abuses in the exercise of such powers; however, as has been noted under "Nature of Obligation", the State Legislature is prohibited by a specific constitutional provision from restricting the power of the City to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limitation Law imposes a statutory limitation on the City's power to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in the Tax Levy Limitation Law. See "Tax Levy Limitation Law," herein.

Statutory Procedure

In general, the State Legislature has authorized the power and procedure for the City to borrow and incur indebtedness subject, of course, to the constitutional and provisions set forth above. The power to spend money, however, generally derives from other law, including the City Law.

Pursuant to the Local Finance Law, the City authorizes the incurrence of indebtedness by the adoption of a bond resolution approved by at least two-thirds of the members of the Common Council, the finance board of the City. Certain such resolutions may be subject to permissive referendum, or may be submitted to the City voters at the discretion of the Common Council.

The Local Finance Law also provides a twenty-day statute of limitations after publication of a bond resolution which, in effect, estops thereafter legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. The City will be in compliance upon closing with such requirement with respect to the bond resolution authorizing the issuance of the Bonds and the Notes.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds and notes subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto.

Each bond resolution also authorizes the issuance of bond anticipation notes prior to the issuance of serial bonds. Statutory law in New York permits notes to be renewed each year provided that principal is amortized and provided that such renewals do not (with certain exceptions) extend more than five years beyond the original date of borrowing. However, notes issued in anticipation of the sale of serial bonds for assessable improvements are not subject to such five year limit and may be renewed subject to annual reductions of principal for the entire period of probable usefulness of the purpose for which such notes were originally issued. See "Payment and Maturity" under "Constitutional Requirements".

In addition, under each bond resolution, the Common Council may delegate, and has delegated, power to issue and sell bonds, to the City Comptroller, the chief fiscal officer of the City.

In general, the Local Finance Law contains similar provisions providing the City with power to issue general obligation revenue anticipation notes, tax anticipation notes, deficiency notes and budget notes.

Debt Limit. The City has the power to contract indebtedness for any City purpose so long as the principal amount thereof shall not exceed seven per centum of the average full valuation of taxable real estate of the City and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional and statutory method for determining the full valuation is by dividing the assessed valuation of taxable real estate by the respective equalization rates assigned to each assessment roll. Such equalization rates are the ratios which each of such assessed valuations bear to the respective full valuation of such year, as assigned by the Office of Real Property Tax Services. The State Legislature is required to prescribe the manner by which such ratios shall be determined. Average full valuation is determined by adding the full valuations for the most recently completed assessment roll and the four immediately preceding assessments rolls and dividing the resulting sum of such addition by five.

There is no constitutional limitation on the amount that may be raised by the City by tax on real estate in any fiscal year to pay principal and interest on all indebtedness. However, the Tax Levy Limitation Law, imposes a statutory limitation on the power of the City to increase its annual tax levy. The amount of such increases is limited by the formulas set forth in the Tax Levy Limitation Law. See "Tax Levy Limitation Law," herein.

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Computation of Debt Limit and Net Debt Contracting Margin
(As of July 25, 2022)

Fiscal Year Ending <u>December 31:</u>	Assessed <u>Valuation</u>	State Equalization <u>Rate (%)</u>	Full <u>Valuation</u>
2018	\$1,427,133,713	100.00	\$1,427,133,713
2019	1,504,905,000	100.00	1,504,905,000
2020	1,630,350,022	100.00	1,630,350,022
2021	1,639,611,452	90.00	1,821,790,502
2022	1,661,030,904	81.00	<u>2,050,655,437</u>
Total Five Year Full Valuation			\$8,434,834,674
Average Five Year Full Valuation			1,686,966,935
Debt Limit - 7% of Average Full Valuation			118,087,685
Inclusions:			
Outstanding Bonds:			
General Purposes			7,762,437
Library Purposes			304,000
Sewer Purposes			7,765,563
Water Purposes			<u>8,006,367</u>
Sub-Total			23,838,367
Bond Anticipation Notes			<u>28,347,507</u>
Total Inclusions			<u>52,185,874</u>
Exclusions:			
Sewer Debt			2,790,000
Water Bonds			8,006,367
Water Notes			12,370,000
Note Appropriations			1,784,000
Bond Appropriations			<u>90,000</u>
Total Exclusions			25,040,367
Total Net Indebtedness Before Issuing the Bonds and Notes			<u>27,145,507</u>
The Bonds and Notes			42,449,507
Less: BANs being Redeemed by the Bonds and Notes			28,707,507
Net Effect of the Bonds and Notes			13,742,000
Total Net Indebtedness After Issuing the Bonds and Notes			<u>40,887,507</u>
Net Debt Contracting Margin			<u><u>\$77,200,178</u></u>
Percent of Debt Limit Exhausted			34.62%

Debt Service Requirements - Outstanding Bonds

Fiscal Year Ending <u>December 31:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$2,502,774	\$720,032	\$3,222,806
2023	2,283,520	656,710	2,940,230
2024	2,238,088	588,248	2,826,336
2025	2,158,927	517,043	2,675,970
2026	1,928,796	450,001	2,378,797
2027	1,749,650	391,717	2,141,367
2028	1,605,503	339,838	1,945,341
2029	1,596,357	290,936	1,887,293
2030	1,557,211	242,701	1,799,912
2031	1,473,065	196,369	1,669,434
2032	1,148,919	157,795	1,306,714
2033	904,773	129,267	1,034,040
2034	930,627	103,668	1,034,295
2035	946,481	76,615	1,023,096
2036	667,335	53,891	721,226
2037	673,188	35,610	708,798
2038	609,042	17,560	626,602
2039	169,896	7,608	177,504
2040	175,750	4,997	180,747
2041	151,604	2,225	153,829
2042	67,458	0	67,458
2043	68,312	0	68,312
2044	69,166	0	69,166
2045	70,020	0	70,020
2046	70,873	0	70,873
2047	71,727	0	71,727
2048	72,581	0	72,581
2049	73,435	0	73,435
2050	74,289	0	74,289
Totals	<u>\$26,109,367</u>	<u>\$4,982,832</u>	<u>\$31,092,199</u>

a. The subsidies received from the Environmental Facilities Corporation (EFC) have not been deducted from the interest due on approximately \$8.4 million in loans through EFC. Does not reflect payments made to date.

Lease-Purchase Obligations

In addition, the City has entered into Lease-Purchase Agreements for the following purposes: purchase of equipment, energy performance measures and purchase of vehicles.

Fiscal Year Ending <u>December 31:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	<u>\$363,775</u>	<u>\$12,415</u>	<u>\$376,190</u>
Totals	<u>\$363,775</u>	<u>\$12,415</u>	<u>\$376,190</u>

Trend of City Indebtedness

	Fiscal Year Ending December 31:				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Debt Outstanding End of Year:					
Bonds	\$20,686,000	\$29,874,000	\$27,307,000	\$27,153,607	\$26,109,367
BANs	13,005,886	6,997,462	11,612,462	18,288,962	28,750,507
EFC Notes	1,973,713	2,074,582	2,728,815	1,821,679	456,179
Lease Purchase Obligations	<u>1,962,959</u>	<u>1,561,624</u>	<u>1,145,990</u>	<u>715,544</u>	<u>363,775</u>
Total Debt Outstanding	<u>\$37,628,558</u>	<u>\$40,507,668</u>	<u>\$42,794,267</u>	<u>\$47,979,792</u>	<u>\$55,679,828</u>

a. See also “Water System Improvements” and “Sanitary Sewer System Improvements” herein.

Details of Short-Term Indebtedness Outstanding

The City has \$12,730,000 in bond anticipation notes outstanding for Water System improvements within the City due August 19, 2022 and \$15,977,507 for various projects due August 19, 2022. The issuance of the Bonds and Notes along with available funds will redeem such notes.

Water System Improvements

On June 6, 2017, the City adopted a bond ordinance in the amount of \$1,500,000 for water system improvements. The project was awarded a New York State WIIA grant of \$900,000. The balance of the project will be financed through a subsidized loan through the EFC in the amount of \$600,000. To date, \$172,558 has been drawn down from the balance of the WIIA grant. This project is in the construction phase and it is expected that the loan portion through EFC will be converted to long term financing in the 2023 fiscal year.

The City began construction in 2021 for the Cooper Lake Dam and Intake Remediation. The City adopted various bond ordinances in the aggregate amount of \$20,000,000. To date the City has borrowed \$12,100,000. An additional \$4,000,000 will be financed by the Series B Notes. The project was awarded a New York State WIIA grant of \$3 million and the expectation is that the project will be converted to a subsidized loan through the EFC.

Sanitary Sewer System Improvements

On April 5, 2016, the City adopted a \$2,350,000 bond ordinance for the Wastewater Treatment Plant upgrades and improvements. The project was awarded a grant of \$587,500 and \$1,762,500 in subsidized financing through EFC. As of the date of this Official Statement, the City has drawn down \$293,750 from the grant and \$468,679 in short-term financing from EFC. This project is near completion.

On July 10, 2018, the City adopted a bond ordinance in the amount of \$1,200,000 for engineering, design, administration, and construction inspection for Wastewater Treatment Plant upgrades necessary to comply with SPDES permit modifications. On October 5, 2021, the City adopted a bond ordinance in the additional amount of \$9,000,000. \$7,755,000 of such amount will be financed by the Series B Notes. The City expects grant funds to offset a portion of the project and the expectation is that the project will be converted to a subsidized loan through EFC.

On November 10, 2020, the City adopted a \$1,900,000 bond ordinance for improvements to the Broadway Sanitary Sewer System. On February 2, 2021, the City authorized an additional \$250,000 for the same purpose. This project is under construction.

Authorized but Unissued Indebtedness

The City has authorized but unissued debt in the amount of \$64,101,083 for various public improvements in the City. Of such amount, approximately \$7.1 million is for projects that have been closed and are not expected to be borrowed. It is expected that the City will also receive grant funds for approximately \$21.8 million of the authorized but unissued amount and therefore the amount to be financed will be reduced.

Capital Program

The City is generally responsible for providing services as required to the citizens on a City-wide basis. The City maintains a road system necessitating road resurfacing and improvements and the acquisition of machinery and, from time to time, equipment. Additionally, although not a capital expense, such road system requires annual expenditures for snow removal as well as regular general operating maintenance expenses. In addition, the City owns, operates, maintains and improves recreation facilities. As has been noted, the City generally has provided the financing for water and sewer purposes and maintains primary responsibility for these functions. In general, needs for capital funding for the above described projects which the City has responsibility are anticipated to continue and to be in approximately the same amounts or less than has prevailed in the past.

The City’s proposed capital improvement plan for the years 2022-2024 is set forth below.

	<u>2022</u>	<u>2023</u>	<u>2024</u>
Project Costs:			
Transportation	\$8,435,334	\$8,231,912	\$5,065,615
Storm Sewers	\$0	\$1,662,500	\$0
Parks and Recreation	\$2,204,400	\$8,672,600	\$10,293,000
Other Facilities	\$777,000	\$825,000	\$0
Sewer Department	\$9,914,649	\$2,162,500	\$350,000
Total Project Costs	<u>\$21,331,383</u>	<u>\$21,554,512</u>	<u>\$15,708,615</u>
Funding Sources:			
City Debt Obligations	\$10,475,649	\$12,628,000	\$10,342,279
Grants/Other	\$10,855,734	\$8,926,512	\$5,366,336
Total Funding Sources:	<u>\$21,331,383</u>	<u>\$21,554,512</u>	<u>\$15,708,615</u>

Sources: Capital Improvement Plan of the City.

The City has authorized but unissued debt in the amount of \$12,251,507 for Water System Improvements. The City is in the midst of a capital plan which includes construction of various improvements to the Water System to improve operational effectiveness or efficiencies, improve service delivery, or water quality. The majority of the funding for the capital plan is proposed to come directly from the operations budget, either from direct budget appropriations or from debt payments. Since the major source of operating income is from water rates, the Capital Improvement Plan will have an impact on water rates. The Water Department will continue to look for cost effective funding opportunities and grants to underwrite the Capital Improvement Plan.

Calculation of Estimated Overlapping and Underlying Indebtedness

<u>Overlapping Units</u>	<u>Date of Report</u>	<u>Percentage Applicable (%)</u>	<u>Applicable Total Indebtedness</u>	<u>Applicable Net Indebtedness</u>
County of Ulster	11/05/2021	7.70	\$10,938,547	\$7,923,716
Kingston CSD	10/27/2021	34.03	<u>38,516,856</u>	<u>13,480,899</u>
Totals			<u>\$49,455,403</u>	<u>\$21,404,615</u>

Sources: State Comptroller’s Special Report on Municipal Affairs for 2020 or more recently published Official Statements.

Debt Ratios
(As of July 25, 2022)

	<u>Amount</u>	<u>Per Capita</u> ^a	<u>Percentage Of Full Value (%)</u> ^b
Total Direct Debt	\$52,185,874	\$2,273	2.54
Net Direct Debt	27,145,507	1,183	1.32
Total Direct & Applicable Total Overlapping Debt	101,641,277	4,428	4.96
Net Direct & Applicable Net Overlapping Debt	48,550,122	2,115	2.37

a. The current estimated population of the City is 22,954.

b. The full valuation of taxable real property in the City for 2021-22 is \$2,050,655,437.

FINANCES OF THE CITY

Financial Statements and Accounting Procedures

The City maintains its financial records in accordance with the Uniform System of Accounts for Cities prescribed by the State Comptroller. The financial records of the City are audited by independent accountants. The last such audit made available for public inspection covers the fiscal year ended December 31, 2020. In addition, the financial affairs of the City are subject to periodic compliance review by the Office of the State Comptroller to ascertain whether the City has complied with the requirements of various State and Federal statutes. The City also prepares an Annual Financial Report Update Document (unaudited) (the "AUD") that is filed with the State Comptroller and such report for the fiscal year ended December 31, 2021 is attached as Appendix B.

Fund Structure and Accounts

The City utilizes fund accounting to record and report its various service activities. A fund represents both a legal and an accounting entity which segregates the transactions of specific programs in accordance with special regulations, restrictions or limitations.

There are three basic fund types: (1) governmental funds that are used to account for basic services and capital projects; (2) proprietary funds that account for operations of a commercial nature; and, (3) fiduciary funds that account for assets held in a trustee capacity. Account groups, which do not represent funds, are used to record fixed assets and long-term obligations that are not accounted for in a specific fund.

The City presently maintains the following governmental funds: General Fund, Special Revenue Funds, Capital Projects Fund, Debt Service Fund and Proprietary Funds (Water and Sewer). Fiduciary funds consist of a Trust and Agency Fund. Account groups are maintained for fixed assets and long-term debt.

Basis of Accounting

The City's governmental funds are accounted for on a modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become susceptible to accrual - that is, when they become "measurable" and "available" to finance expenditures to the current period. Revenues are susceptible to accrual include real property taxes, intergovernmental revenues (State and Federal aid) and operating transfers.

Expenditures are generally recognized under the modified accrual basis of accounting that is when the related fund liability is incurred. An exception to this general rule is unmatured interest on general long-term debt which is recognized when due.

Investment Policy

The primary objectives of the City's investment activities are, in priority order:

- *Legal:* to conform with all applicable federal, state and other legal requirements;
- *Safety:* to adequately safeguard principal;
- *Liquidity:* to provide sufficient liquidity to meet all operating requirements;
- *Yield:* to obtain a reasonable rate of return.

The Common Council's responsibility for administration of the investment program is delegated to the City Comptroller who shall establish written procedures for the operation of the investment program consistent with these investment policies. Such procedures shall include internal controls to provide a satisfactory level of accountability based upon records incorporating the description and amounts of investments, the fund(s) for which they are held, the place(s) where kept, and other relevant information, including dates of sale or other dispositions and amounts realized. In addition, the internal control procedures shall describe the responsibilities and levels of authority for key individuals involved in the investment program.

Pursuant to the statutes of the State of New York and its adopted Investment Policy, the City is permitted to temporarily invest moneys which are not required for immediate expenditures, with the exception of moneys the investment of which is otherwise provided for by law, in the following investments:

- Special time deposit accounts in, or certificates of deposit issued by, a bank or trust company located and authorized to do business in the State of New York.
- Obligations of the United States of America;
- Obligations guaranteed by agencies of the United States of America, where the payment of principal and interest are guaranteed by the United States of America.
- Obligations of the State of New York;
- With the approval of the State Comptroller, obligations issued pursuant to Local Finance Law §24.00 or 25.00 (i.e. Tax Anticipation Notes and Revenue Anticipation Notes) by any municipality, school district or district corporation in the State of New York other than the City.
- Obligations of the City, but only with moneys in a reserve fund established pursuant to General Municipal Law.
- Repurchase Agreements in accordance with the investment guidelines as defined in the New York Liquid Asset Fund Municipal Cooperation Agreement.

Any investments made by the City pursuant to law are required to be payable or redeemable at the option of the City within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable in any event, at the option of the owner, within two years of the date of purchase. These statutes also require that the City's investments, unless registered or inscribed in the name of the City, must be purchased through, delivered to and held in custody of a bank or trust company in the State. All such investments held in the custody of a bank or trust company must be held pursuant to a written custodial agreement as that term is defined in the law.

Collateral is required for demand deposit, money market accounts and certificates of deposit not covered by Federal deposit insurance and the eligible securities utilized for such collateral must be held by a third party financial institution, pursuant to security and custodial agreements. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of New York State and its municipalities and school districts.

Financial Operations

The City Comptroller functions as the chief fiscal officer as provided in Section 2 of the Local Finance Law; in this role, the Comptroller is responsible for the City's accounting and financial reporting activities. In addition, the Mayor is the City's budget officer and must therefore prepare the annual tentative budget for submission to the Common Council. Budgetary control during the year is the responsibility of the Comptroller. Pursuant to Section 30 of the Local Finance Law, the Comptroller has been authorized to issue or renew certain specific types of notes. As required by law, the Comptroller must execute an authorizing certificate which then becomes a matter of public record.

The Common Council, as a whole, serves as the finance board of the City and is responsible for authorizing, by resolution, all material financial transactions such as operating and capital budgets and bonded debt.

City finances are operated primarily through the General Fund. All real property taxes and most of the other City revenues are credited to this fund. Current operating expenditures are paid from these funds subject to available appropriations. The City also has water and sewer departments, which are accounted for within separate funds. Capital projects and equipment purchases are accounted for in special capital projects funds. The City observes a calendar year for operating and reporting purposes.

Revenues

The City receives most of its revenues from real property taxes and assessments. A summary of such revenues for the five recently completed fiscal years may be found in Appendix A.

Real Property Taxes

See "Real Property Tax Information", herein.

State Aid

The City receives financial assistance from the State. If the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the City, may be affected by a delay in the payment of State aid. Additionally, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the City, in this year or future years, the City may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments.

Based on the unaudited results, the City received approximately 10.72% of its total General Fund operating revenue from State aid in 2021. There is no assurance, however, that State appropriations for aid to municipalities will continue, either pursuant to existing formulas or in any form whatsoever. The State is not constitutionally obligated to maintain or continue such aid and, in fact, the State has drastically reduced funding to municipalities and school districts in the last several years in order to balance its own budget.

The State is not constitutionally obligated to maintain or continue State aid to the City. No assurance can be given that present State aid levels will be maintained in the future. Currently, due to the outbreak of COVID-19 the State has declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time; however, it is anticipated that the State will experience budgetary restrictions which will require certain gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations and/or the delay, elimination or substantial reduction in payments to municipalities, school districts or other recipients of State aid in the State. If this were to occur, reductions in the payment of State aid could adversely affect the financial condition of municipalities and school districts in the State, requiring either a counterbalancing increase in revenues

Although the City cannot predict at this time whether there will be any delays and/or reductions in State aid in the current year or in future fiscal years, the City may be able to mitigate the impact of any delays or reductions by reducing expenditures, increasing revenues appropriating other available funds on hand, and/or by any combination of the foregoing.

The following table sets forth the percentage of the City's General Fund revenue comprised of State and Federal Aid for each of the fiscal years 2017 through 2021 and as budgeted for 2022.

<u>Fiscal Year Ended December 31:</u>	<u>General Fund Total Revenue</u>	<u>State & Federal Aid</u>	<u>State Aid To Revenues (%)</u>
2017	\$41,910,927	\$4,683,159	11.17
2018	43,609,003	5,229,157	11.99
2019	44,194,234	2,479,819	5.61
2020	42,913,672	1,300,384	3.03
2021 (Unaudited)	46,499,007	4,985,074	10.72
2022 (Budgeted)	46,721,659	4,465,977	9.56

Source: Audited Financial Statements (2017-2020), Annual Financial Report Update Document (2021), and Adopted Budget of the City (2022). The budgeted revenue amount includes the appropriation of fund balance.

Expenditures

The major categories of expenditure for the City are General Government Support, Public Safety, Health, Transportation, Economic Assistance and Opportunity, Culture and Recreation, Home and Community Services, Employee Benefits and Debt Service. A summary of the expenditures for the five most recently completed fiscal years may be found in Appendix A.

2022 Adopted Budget

The 2022 Budget of the City calls for total expenditures of \$46,721,659 which is an increase of \$3,600,974 from the 2021 Adopted Budget. The City appropriated \$1,878,199 in general fund balance to balance the 2022 Budget.

Results of Operations: 2021 (Unaudited)

Based upon unaudited results, the City's revenues exceeded its expenditures by \$2,561,287 in its General Fund for the fiscal year which ended December 31, 2021 which resulted in an increase in fund balance from \$12,505,364 at the beginning of the fiscal year to \$15,066,651 at the end of the fiscal year.

Results of Operations: 2020 (Audited)

Based upon audited results, the City's revenues exceeded its expenditures by \$1,783,241 in its General Fund for the fiscal year which ended December 31, 2020, which resulted in an increase in fund balance from \$10,722,123 at the beginning of the fiscal year to \$12,505,364 at the end of the fiscal year.

Results of Operations: 2019 (Audited)

Based upon audited results, the City's expenditures exceeded its revenues by \$183,558 in its General Fund for the fiscal year which ended December 31, 2019, which resulted in a decrease in fund balance from \$10,905,681 at the beginning of the fiscal year to \$10,722,123 at the end of the fiscal year.

Results of Operations: 2018 (Audited)

Based upon audited results, the City's revenues exceeded its expenditures by \$1,722,001 in its General Fund for the fiscal year which ended December 31, 2018, which resulted in an increase in fund balance from \$9,183,680 at the beginning of the fiscal year to \$10,905,681 at the end of the fiscal year.

Results of Operations: 2017 (Audited)

Based upon audited results, the City's revenues exceeded its expenditures by \$1,795,545 in its General Fund for the fiscal year which ended December 31, 2017, which resulted in an increase in fund balance from \$7,388,135 at the beginning of the fiscal year to \$9,183,680 at the end of the fiscal year.

Results of Operations: 2016 (Audited)

Based upon audited results, the City's revenues exceeded its expenditures by \$865,427 in its General Fund for the fiscal year which ended December 31, 2016, which resulted in an increase in fund balance from \$6,522,708 at the beginning of the fiscal year to \$7,388,135 at the end of the fiscal year.

The State Comptroller's Fiscal Stress Monitoring System

The New York State Comptroller has reported that New York State's school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "significant fiscal stress", in "moderate fiscal stress," as "susceptible to fiscal stress" or "no designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "no designation." This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The most current applicable report of OSC designates the City as “No Designation” (Fiscal Score: 1.7%; Environmental Score: 33.3%). More information on the FSMS may be obtained from the Office of the State Comptroller.

In addition, OSC helps local government officials manage government resources efficiently and effectively. The Comptroller oversees the fiscal affairs of local governments statewide, as well as compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through its audits, which identify opportunities for improving operations and governance. The most recent audit performed was released January 31, 2013. The purpose of such audit was to examine the City’s internal controls procedures from the period January 1, 2011 – January 31, 2012. The complete report and the City’s response may be found on the OSC’s official website. Reference to this website implies no warranty of accuracy of information therein.

Pension Systems

Substantially all employees of the City are members of the New York State and Local Employees’ Retirement System (“ERS”) or the State and Local Police and Fire Retirement System (“PFRS” and together with ERS, the “Retirement System”). The Retirement System is a cost-sharing multiple public employer retirement system. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement System and Social Security Law (the “Retirement System Law”). The Retirement System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service. The Retirement System Law generally provides that all participating employers in the Retirement System are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement System. The Retirement System is non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976 and before January 1, 2010 must contribute three percent of their gross annual salary towards the costs of retirement programs until they attain ten years in the Retirement System, at such time contributions become voluntary. On December 10, 2009, then Governor Paterson signed into law the creation of a new Tier 5, which is effective for new ERS employees hired on or after January 1, 2010. New ERS employees in Tier 5 contribute 3% of their salaries. There is no provision for these contributions to cease for Tier 5 employees after a certain period of service.

Pension reform legislation changed the billing cycle for employer contributions to the ERS retirement system to match budget cycles of the City. Under the previous method, the City was not provided with required payment until after the budget was implemented. Under the reforms implemented, the employer contribution for a given fiscal year is based on the value of the pension fund on the prior April 1, instead of the following April 1. As a result, the City is notified of and can include the actual cost of the employer contribution in its budget. Legislation also required a minimum payment of 4.5% of payroll each year, including years in which investment performance of the fund would make a lower employer contribution possible.

In addition, the pension payment date for all local governments was changed from December 15 to February 1 and permits the legislative body of a municipality to establish a retirement contribution reserve fund for the purpose of financing retirement contributions in the future. The New York State Retirement System has advised the City that municipalities can elect to make employer contribution payments in the December or the following February, as required. If such payments are made in the December prior to the scheduled payment date in February, such payments may be made at a discount amount.

On March 16, 2012, Governor Cuomo signed into law the new Tier 6 pension program, effective for new ERS employees hired after April 1, 2012. The Tier 6 legislation provides for increased employee contribution rates of between 3% and 6%, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for final average salary calculation from 3 years to 5 years. Tier 6 employees will vest in the system after five years of employment and will continue to make employee contributions throughout employment.

Members of the PFRS are divided into four tiers. The plans adopted for PFRS employees are noncontributory for Tier 1 and Tier 2 employees. PFRS members that were hired between July 1, 2009 to January 8, 2010 are currently in Tier 3, which has a 3% employee contribution rate by members. There is no Tier 4 in PFRS. PFRS members hired after January 9, 2010 are in Tier 5 which also requires a 3% employee contribution. PFRS members hired after April 1, 2012 are in Tier 6, which also originally has a 3% contribution requirement for members for fiscal year 2012-2013; however, as of April 1, 2013, Tier 6 PFRS members are required to contribute a specific percentage of their annual salary, as follows, until retirement or until the member has reached 32 years of service credit, whichever occurs first: \$45,000.00 or less contributes 3%; \$45,000.01 to \$55,000.00 contributes 3.5%; \$55,000.01 to \$75,000.00 contributes 4.5%; \$75,000.01 to \$100,000.00 contributes 5.75%; and more than \$100,000.00 contributes 6%.

The City is required to contribute an actuarially determined rate. The required contributions for the five most recently completed fiscal years are as follows:

Contributions to the Retirement Systems

<u>Fiscal Year Ending December 31:</u>	<u>Total Amount of Contribution</u>
2017	\$4,196,697
2018	4,739,752
2019	4,521,084
2020	3,795,324
2021	4,617,237
2022 (Budgeted)	4,693,088

Due to prior poor performance of the investment portfolio of the Retirement System, the employer contribution rates for required pension contributions has increased. To help mitigate the impact of such increases, legislation has been enacted that permits local governments and school districts to amortize a portion of such contributions. The City has elected to amortize certain contribution costs in the 2005 through 2007 fiscal years, inclusive, and the 2012 through 2015 fiscal years inclusive. As of December 31, 2021, the total unpaid liability across all funds is \$0 as the City has elected to prepay amortized amounts prior to their maturity.

Other Post-Employment Benefits

The City provides post-retirement healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. School districts and Boards of Cooperative Education Services, unlike other municipal units of government in the State, have been prohibited from reducing retiree health benefits or increasing health care contributions received or paid by retirees below the level of benefits or contributions afforded to or required from active employees. This protection from unilateral reduction of benefits had been extended annually by the New York State Legislature until recently when legislation was enacted to make permanent these health insurance benefit protections for retirees. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of the date hereof. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

GASB Statement No. 75 (“GASB 75”) of the Governmental Accounting Standards Board (“GASB”), requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits (“OPEB”). GASB 75 generally requires that employers account for and report the annual cost of the OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Under previous rules, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements. Only current payments to existing retirees were recorded as an expense.

GASB 75 requires that state and local governments adopt the actuarial methodologies to determine annual OPEB costs. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due.

During the year ended December 31, 2018, the City adopted GASB 75, which supersedes and eliminates GASB 45. Under GASB 45, based on actuarial valuation, an annual required contribution (“ARC”) will be determined for each state or local government. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

GASB 75 establishes new standards for recognizing and measuring OPEB liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures to provide more transparent reporting and useful information about the liability and cost of benefits. Municipalities and school districts are required to account for OPEB within the financial statements rather than only noted in the footnotes as previously required by GASB 45. It is measured as of a date no earlier than the end of the employer’s prior fiscal year and no later than the employer’s current fiscal year. The discount rate is based on 20-year, tax exempt general obligation municipal bonds. There is no amortization of prior service cost.

Those that have more than 200 participants are required to have a full actuarial valuation annually. Plans with fewer than 200 participants are required to have a full valuation every two years.

For the fiscal year ended December 31, 2018, the City implemented GASB 75. The implementation of this Statement resulted in the reporting of the entire actuarial accrued liability for other post-employment benefits. The City's total OPEB liability at December 31, 2020 is as follows:

Total OPEB Liability at Dec 31, 2019	<u>\$171,180,003</u>
Charges for the Year:	
Service Cost	5,009,410
Interest	5,518,116
Changes in Assumptions	28,559,165
Differences Between Expected and Actual Experience	(44,270,163)
Benefit Payments	<u>(3,825,260)</u>
Net Changes in total OPEB liability	<u>(9,008,732)</u>
Total OPEB Liability at Dec 31, 2020	<u>\$162,171,271</u>

At this time, New York State has not developed guidelines for the creation and use of irrevocable trusts for the funding of OPEB. As a result, the City had decided to continue funding the expenditure on a pay-as-you-go basis.

REAL PROPERTY TAX INFORMATION

Real Property Taxes

The City derives a significant portion of its annual revenue through a direct real property tax.

The following table presents the total tax levy, by purpose, with adjustments and collection performance for recent fiscal years.

Tax Levy and Collection Record

Fiscal Year Ending December 31:

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Taxes on Roll	\$25,641,801	\$25,672,660	\$25,657,010	\$25,930,051	\$26,068,671	\$26,388,510
Collected During Year	24,738,826	24,955,431	24,906,834	25,179,708	25,210,142	25,644,064
Uncollected Amount	902,975	916,729	750,176	750,343	858,529	744,446
Percent Collected	96.48	97.21	97.08	97.11	96.71	97.18
 Tax Rate Per \$1,000						
Homestead	\$14.99	\$14.92	\$14.71	\$14.39	\$13.48	\$13.61
Non-Homestead	23.49	23.31	22.50	20.53	18.97	19.10

a. Includes the County, Library, and Relevies.

Constitutional Tax Limit

The Constitution limits the amount that may be raised by the City ad valorem tax levy on real estate in any fiscal year to two per centum (2%) of the five-year average full valuation of taxable real estate of the City plus (1) the amounts required for principal and interest on all capital indebtedness, and (2) current appropriations for certain capital purposes. The tax limit for the City for the 2022 fiscal year is as follows:

2% Limitation of Five Year Average Full Valuation	\$33,739,339
Plus Exclusions	<u>2,247,202</u>
Maximum Taxing Power	35,986,541
Tax Levy Subject to Tax Limit	<u>\$15,403,738</u>
Tax Margin	<u><u>\$18,335,601</u></u>

The following table sets forth the percentage of the City’s General Fund revenue comprised of real property taxes for each of the fiscal years 2017 through 2021, inclusive, and budgeted for the year ending December 31, 2022.

Fiscal Year Ended <u>December 31:</u>	<u>Total Revenue</u>	Real Property <u>Taxes</u>	Real Property Taxes to <u>Revenues (%)</u>
2017	\$41,910,927	\$18,168,172	43.35
2018	43,609,003	17,316,107	39.71
2019	44,194,234	17,248,065	39.03
2020	42,913,672	17,545,839	40.89
2021 (Unaudited)	46,499,007	17,407,513	37.44
2022 (Budgeted)	46,721,659	17,730,094	37.95

Source: Audited Financial Statements (2017-2020), Annual Financial Report Update Document (2021), and Adopted Budget of the City (2022). The budgeted revenue amount includes the appropriation of fund balance.

*Represents the City’s Real Property Tax Levy. It does not include the amount levied to fund the local share of the Safety Net Assistance Program. Such program is a State-mandated program that provides assistance to individuals and families who do not qualify for Federally-funded programs.

Tax Collection Procedure

The City collects its own taxes, and is also responsible for collection of its delinquent taxes and delinquent taxes of the Kingston City School District. The District notifies the City of the uncollected taxes and the City reimburses the District the following year.

City taxes are payable in two installments. The first half is due forty-five days after adoption of the budget and the second half is due on hundred twenty days after the adoption of the budget. In the calendar month when taxes are due a penalty of 2% is added to the end of the month. During the first calendar month after which taxes are due, penalties are imposed at the rate of 6%. Thereafter, penalties are imposed at the rate of 1% per month on each half amount due.

The City of Kingston buys all outstanding tax liens and enters into an “IN REM” proceeding which is a lawsuit against the property owner and attempts to have the liens redeemed. This procedure takes approximately one year and if at that time the lien is not resolved, the City sells or otherwise disposes of the property.

Sales Tax

The County levies a sales and use tax computed at 4.00%. The County retains 85.5% of the tax receipts with 11.5% distributed to the City of Kingston and 3% distributed to the towns in the County on a full valuation basis. In August 2005, the County received approval from New York State to continue the additional sales tax rate of one percent (above the base rate) previously authorized by Chapter 200 of the Laws of 2002 for an additional period of twenty-four months to expire November 2009. This was extended to November 30, 2023.

The impacts of COVID-19 on the City and the economy is also expected to impact sales future tax collections. (See also “Impact of COVID-19” herein.

In April 2022, the County enacted a local law to cap the amount of sales taxes the County collects on each gallon of gas to \$.08. The gas tax relief law went into effect on June 1, 2022 and expires on December 1, 2022.

The following table sets forth the percentage of the City’s General Fund revenue of sales tax for each of the fiscal years 2017 through 2021 and as budgeted for 2022.

Fiscal Year Ended <u>December 31:</u>	General Fund <u>Total Revenue</u>	<u>Sales Tax</u>	Sales Tax to <u>Revenues (%)</u>
2017	\$41,910,927	\$13,258,442	31.63
2018	43,609,003	13,825,500	31.70
2019	44,194,234	14,616,081	33.07
2020	42,913,672	15,380,227	35.84
2021 (Unaudited)	46,499,007	18,539,875	39.87
2022 (Budgeted)	46,721,659	17,887,000	38.28

Source: Audited Financial Statements (2017-2020), Annual Financial Report Update Document (2021), and Adopted Budget of the City (2022). The budgeted revenue amount includes the appropriation of fund balance.

Large Taxable Properties 2022 Assessment Roll^a

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
Central Hudson Corp	Utility	\$68,245,316
Kingston Village LLC	Commercial	17,970,000
Herzog Supply Co. Inc	Shopping Center	11,845,500
CSX Transportation Inc	Commercial	10,000,000
Ulster NH Realty LLC	Commercial	9,930,000
Kingston Motel Corp	Motel	9,000,000
J Dutch Village LLC	Commercial	7,898,000
Fairview Gardens LLC	Apartments	7,457,000
Orchard Hills North LLC	Apartments	6,992,000
Orchard Hills South LLC	Apartments	5,914,000
Total ^a		\$155,251,816

a. Represents 9.47% of the total taxable Assessed Valuation of the City for 2021.

Tax Certiorari Claims

In common with other municipalities, there are a number of tax certiorari proceedings involving properties that are subject to the levy of City of Kingston ad valorem taxes. The plaintiffs in these matters have asserted that their properties are over-assessed and are seeking assessment reductions. Historically, tax certiorari claims have been settled through negotiations, resulting in assessed value adjustments substantially less than originally claimed and with some claims being outright withdrawn or dismissed. Additionally, the City of Kingston has a strong practice of pursuing resolutions to tax certiorari claims prospectively. Over the past 5 years, the City of Kingston has averaged \$10,000 per year in tax certiorari refunds when carrying an average annual exposure of around \$500,000.

LITIGATION

It is the opinion of Corporation Counsel that there are no significant claims or actions pending which the City has not asserted an adequate defense.

CYBERSECURITY

The City, like many other public and private entities, relies on technology to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the City faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the City invests in various forms of cybersecurity and operational controls; however, no assurances can be given that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage City digital networks and systems and the costs of remedying any such damage could be substantial.

IMPACT OF COVID-19

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the City's financial condition and operating results. Currently, the spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The full impact of COVID-19 upon the State is not expected to be known for some time. Similarly, the degree of the impact to the City's operations and finances is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The City is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations.

The American Rescue Plan Act ("ARPA")

A \$1.9 trillion COVID-19 relief package, includes \$350 billion to state, local and territorial governments to keep their frontline workers employed, distribute the vaccine, increase testing, reopen schools and maintain vital services. The American Rescue Plan also includes an additional \$1,400 payment to eligible individuals and families, enhanced unemployment aid, rental and utility assistance to low and moderate income households, an increase in food stamp benefits, additional funding for child care and an increase in child care tax credits.

Accordingly to the most recent estimates from the treasury, the City is expected to receive approximately \$17.3 million in direct aid through the ARPA which was signed into law on March 11, 2021. The City received 50% of its allocation in 2021 and received the remaining 50% in 2022. According to the ARPA, the City must obligate the funds by December 31, 2024 and expend them by December 31, 2026. It is the intent of the City, to the extent allowable under the ARPA, to use these funds for expenditures incurred as a well as lost revenue related to COVID-19.

The City completed an “Economic Recovery Plan” that details how the ARPA funds are proposed to be applied over the next five years. The plan advances public health, safety, and wellness while restoring beneficial business activity to mitigate any lasting impact the pandemic may otherwise have had on the City. It also supports economic development actions, including improvements to broadband, water, and sewer infrastructure as one component of a multi-pronged economic strategy that will propel the City’s economy forward. The plan was adopted by the Common Council in April, 2022.

Although the ARPA provides for funds to be paid to the State, it is not possible to predict whether any future federal legislation will contain reduction in other federal aid to the State. Any reduction in Federal funding levels could have a materially adverse impact on the State budget. In addition to the potential fiscal impact of policies that may be proposed and adopted by the new administration and Congress, the State budget may be adversely affected by other actions taken by the federal government, including audits, disallowances, and changes to federal participation rates or other Medicaid rules. The City will continue to monitor closely the 2022 economic environment and the global COVID-19 pandemic situation, and take the proactive measures as required to ensure the strong financial condition of the City.

MARKET AND RISK FACTORS

There are various forms of risk associated with investing in the Bonds and the Notes. The following is a discussion of certain events that could affect the risk of investing in the Bonds and the Notes. In addition to the events cited herein, there are other potential risk factors that an investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential investment risk.

The financial and economic condition of the City as well as the market for the Bonds and the Notes could be affected by a variety of factors, some of which are beyond the City’s control. There can be no assurance that adverse events in the State and in other jurisdictions, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Bonds and the Notes. If a significant default or other financial crisis should occur in the affairs of the State or another jurisdiction or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the City to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Bonds and the Notes could be adversely affected.

The City is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes and revenues in order to pay State aid to municipalities and school districts in the State, including the City, in any year, the City may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the City. In some years, the City has received delayed payments of State aid which resulted from the State’s delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. (See also “State Aid”).

There are a number of general factors which could have a detrimental effect on the ability of the City to continue to generate revenues, particularly property taxes. For instance, the termination of a major commercial enterprise or an unexpected increase in tax certiorari proceedings could result in a significant reduction in the assessed valuation of taxable real property in the City. Unforeseen developments could also result in substantial increases in City expenditures, thus placing strain on the City’s financial condition. These factors may have an effect on the market price of the Bonds and the Notes.

If a holder elects to sell his investment prior to its scheduled maturity date, market access or price risk may be incurred. If and when a holder of any of the Bonds and the Notes should elect to sell a Bond or Note prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any of the Bonds and the Notes. Recent global financial crises have included limited periods of significant disruption. In addition, the price and principal value of the Bonds and the Notes is dependent on the prevailing level of interest rates; if interest rates rise, the price of a bond or note will decline, causing the bondholder and the noteholder to incur a potential capital loss if such bond or note is sold prior to its maturity.

Amendments to U.S. Internal Revenue Code could reduce or eliminate the favorable tax treatment granted to municipal debt, including the Bonds and the Notes and other debt issued by the City. Any such future legislation would have an adverse effect on the market value of the Bonds and the Notes (See “Tax Exemption” herein).

The Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the City and continuing technical and constitutional issues raised by its enactment and implementation could have an impact upon the finances and operations of the City and hence upon the market price of the Bonds and the Notes. See “Tax Levy Limitation Law” herein.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds and the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Bonds and the Notes is not a specific preference item for purposes of the federal alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in “APPENDIX – C”.

To the extent the issue price of any maturity of the Bonds and the Notes is less than the amount to be paid at maturity of such Bonds and the Notes (excluding amounts stated to be interest and payable at least annually over the term of such Bonds and the Notes), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Bonds and the Notes which is excluded from gross income for federal income tax purposes and exempt from State of New York personal income taxes. For this purpose, the issue price of a particular maturity of the Bonds and the Notes is the first price at which a substantial amount of such maturity of the Bonds and the Notes is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds and the Notes accrues daily over the term to maturity of such Bonds and the Notes on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds and the Notes to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds and the Notes. Owners of the Bonds and the Notes should consult their own tax advisors with respect to the tax consequences of ownership of Bonds and the Notes with original issue discount, including the treatment of owners who do not purchase such Bonds and the Notes in the original offering to the public at the first price at which a substantial amount of such Bonds and the Notes is sold to the public.

Bonds and the Notes purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds and the Notes”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of Bonds and the Notes, like the Premium Bonds and the Notes, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and an owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such owner. Owners of Premium Bonds and the Notes should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Bond Counsel is of the further opinion that the amount treated as interest on the Bonds and the Notes and excluded from gross income will depend upon the taxpayer’s election under Internal Revenue Notice 94-84. Notice 94-84, 1994-2 C.B. 559, states that the Internal Revenue Service (the “IRS”) is studying whether the amount of the stated interest payable at maturity on short-term debt obligations (i.e., debt obligations with a stated fixed rate of interest which mature not more than one year from the date of issue) that is excluded from gross income for federal income tax purposes should be treated (i) as qualified stated interest or (ii) as part of the stated redemption price at maturity of the short-term debt obligation, resulting in treatment as accrued original issue discount (the “original issue discount”). The Bonds and the Notes will be issued as short-term debt obligations. Until the IRS provides further guidance with respect to tax-exempt short-term debt obligations, taxpayers may treat the stated interest payable at maturity either as qualified stated interest or as includable in the stated redemption price at maturity, resulting in original issue discount as interest that is excluded from gross income for federal income tax purposes. However, taxpayers must treat the amount to be paid at maturity on all tax-exempt short-term debt obligations in a consistent manner. Taxpayers should consult their own tax advisors with respect to the tax consequences of ownership of Bonds and the Notes if the taxpayer elects original issue discount treatment.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds and the Notes. The City has covenanted to comply with certain restrictions designed to ensure that interest on the Bonds and the Notes will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds and the Notes being included in gross income for federal income tax purposes possibly from the date of original issuance of the Bonds and the Notes. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds and the Notes may adversely affect the value of, or the tax status of interest on, the Bonds and the Notes. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Bonds and the Notes.

Certain requirements and procedures contained or referred to in the Arbitrage Certificate, and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Bonds and the Notes) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Bonds and the Notes or the interest thereon if any such change occurs or action is taken or omitted.

Although Bond Counsel is of the opinion that interest on the Bonds and the Notes is excluded from gross income for federal income tax purposes and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York), the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds and the Notes may otherwise affect an owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner or the owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds and the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds and the Notes. Prospective purchasers of the Bonds and the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds and the Notes for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The City has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Bonds and the Notes ends with the issuance of the Bonds and the Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the City or the owners regarding the tax-exempt status of the Bonds and the Notes in the event of an audit examination by the IRS. Under current procedures, owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt Bonds and the Notes is difficult, obtaining an independent review of IRS positions with which the City legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds and the Notes for audit, or the course or result of such audit, or an audit of Bonds and the Notes presenting similar tax issues may affect the market price for, or the marketability of, the Bonds and the Notes, and may cause the City or the owners to incur significant expense.

Payments on the Bonds and the Notes generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate owner of Bonds and the Notes may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Bonds and the Notes and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Bonds and the Notes. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against an owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds and the Notes are subject to the respective approving legal opinions of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel's opinions will be in substantially the forms attached hereto as Appendix C.

RATING

The Notes are not rated.

The City has applied to S&P Global Ratings (“S&P”) 55 Water Street, New York, New York 10041, Telephone: (877) 299-2569 and Fax: (212) 438-5153, for a rating on the Bonds and such application is pending at this time. This rating reflects only the view of the rating agency furnishing the same, and an explanation of the significance of this rating may be obtained only from the rating agency. There is no assurance such rating will continue for any given period of time, or that such rating will not be revised or withdrawn by such rating agency, if in its judgment, circumstances so warrant. Any such action could have an adverse effect on the market for and market price of the Bonds.

MUNICIPAL ADVISOR

Munistat Services, Inc. (the “Municipal Advisor”), is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the City on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the City or the information set forth in this Official Statement or any other information available to the City with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement.

OTHER MATTERS

The City is in the process of complying with the procedure for the validation of the Bonds and the Notes provided in Title 6 of Article 2 of the Local Finance.

There is no bond or note principal or interest past due.

The fiscal year of the City is January 1 to December 31.

This Official Statement does not include the financial data of any political subdivision of the State of New York having power to levy taxes within the City, except as expressed in the "Calculation of Estimated Overlapping and Underlying Indebtedness."

ADDITIONAL INFORMATION

Additional information may be obtained upon request from the office of John R. Tuey, CPA, City Comptroller, City of Kingston, 420 Broadway, Kingston, New York 12401, Phone (845) 331-0080, Fax (845) 334-3944 and email: jtuey@kingston-ny.gov or from the office of Munistat Services Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776, telephone number 631/331-8888 and website: <http://www.munistat.com>.

So far as any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of such opinions or estimates will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing with regard to the Bonds and the Notes is to be construed as a contract with the holders of the Bonds and the Notes.

To the extent any statements made in this Official Statement involve matters of opinion or estimates whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holder of the Bonds and the Notes.

Munistat Services, Inc. may place a copy of this Official Statement on its website at www.munistat.com. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Munistat Services, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the City nor Munistat Services, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Munistat Services, Inc. and the City disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Munistat Services, Inc. and the City also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

Orrick, Herrington & Sutcliffe LLP expresses no opinion as to the accuracy or completeness of any documents prepared by or on behalf of the City for use in connection with the offer and sale of the Bonds and the Notes, including this Official Statement.

The preparation and distribution of this Official Statement have been approved by the City Comptroller pursuant to the power delegated to him by the authorizing bond and note resolutions to sell and deliver the Bonds and the Notes.

This Official Statement has been duly executed and delivered by the City Comptroller of the City of Kingston.

CITY OF KINGSTON, NEW YORK

By: s/s JOHN R. TUEY, CPA
City Comptroller and Chief Fiscal Officer

August , 2022

APPENDIX A

FINANCIAL INFORMATION

Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund

	Fiscal Year Ending December 31:				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues:					
Real property taxes	\$ 18,168,172	\$ 17,316,107	\$ 17,248,065	\$ 17,545,839	\$ 17,407,513
Other property tax items	960,495	750,585	785,970	994,722	880,690
Non property tax items	13,977,330	14,424,888	14,649,632	15,380,227	18,539,875
Departmental income	1,875,820	2,431,571	2,531,936	1,541,474	1,608,024
Intergovernmental charges	80,791	237,896	559,565	386,116	785,393
Use of money & property	49,536	146,787	215,540	39,162	8,513
Licenses & permits	577,757	812,331	890,043	989,176	972,408
Fines and forfeitures	265,238	184,695	136,853	63,149	58,545
Sale of property & comp. for loss	137,588	954,918	243,704	106,753	167,849
Miscellaneous/Interfund local sources	1,135,041	1,050,068	4,453,107	4,566,670	945,123
Interfund Revenues					140,000
State aid and Federal Aid	4,683,159	5,299,157	2,479,819	1,300,384	4,985,074
Total Revenues	<u>41,910,927</u>	<u>43,609,003</u>	<u>44,194,234</u>	<u>42,913,672</u>	<u>46,499,007</u>
Expenditures:					
General government support	5,734,640	4,105,022	3,542,823	4,055,884	5,763,736
Public safety	19,396,090	13,376,605	13,251,225	14,016,093	14,151,008
Health	87,740	163,343	115,518	98,203	122,643
Transportation	3,109,850	2,051,720	2,242,601	1,366,721	1,475,742
Economic assistance & opportunity	259,696	200,393	1,141,697	561,393	583,656
Culture and recreation	2,205,521	1,725,462	2,347,896	1,462,181	1,554,858
Home and community services	3,292,696	2,403,565	2,219,867	2,540,890	2,737,629
Employee benefits	2,981,990	14,850,425	15,690,271	14,248,152	13,745,990
Capital Outlay		487,856	1,669,900	919,737	
Debt service	1,088,337	722,284	469,117	599,988	2,357,510
Total expenditures	<u>38,156,560</u>	<u>40,086,675</u>	<u>42,690,915</u>	<u>39,869,242</u>	<u>42,492,773</u>
Excess/(Deficiency) of Revenues					
Over Expenditures	3,754,367	3,522,328	1,503,319	3,044,430	4,006,234
Other Financing Sources/(Uses):					
Operating Transfers In					
Operating Transfers Out	(1,958,822)	(1,800,327)	(1,686,877)	(1,431,793)	(1,444,949)
Total Other Sources/Uses	<u>(1,958,822)</u>	<u>(1,800,327)</u>	<u>(1,686,877)</u>	<u>(1,431,793)</u>	<u>(1,444,949)</u>
Change in Fund Balances	<u>1,795,545</u>	<u>1,722,001</u>	<u>(183,558)</u>	<u>1,612,637</u>	<u>2,561,285</u>
Fund Balance - Beginning of Year	Fund Balance - En	9,183,680	10,905,681	10,722,123	12,505,364
Prior Period Adjustments			^a	170,604	
Fund Balance - Beginning of Year, as restated	<u>7,388,135</u>	<u>9,183,680</u>	<u>10,905,681</u>	<u>10,892,727</u>	<u>12,505,364</u>
Fund Balance - End of Year	<u>\$ 9,183,680</u>	<u>\$ 10,905,681</u>	<u>\$ 10,722,123</u>	<u>\$ 12,505,364</u>	<u>\$ 15,066,649</u>

Source: Audited Financial Statements (2017-2020), Annual Financial Report Update Document (2021)
Table itself is NOT audited.

a. Cumulative Effect and Prior Period Adjustments: The City implemented GASB 84, Fiduciary Activities, in 2020. As a result, the City recorded a cumulative effect adjustment, increasing beginning fund balance and beginning net position by \$170,604.

**Statement of Revenues, Expenditures and Changes In Fund Balances/Net Assets
Enterprise Fund (Water Department)**

	Fiscal Year Ending December31:				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Operating Revenues:					
Departmental income	\$ 4,212,040	\$ 4,693,820	\$ 4,640,078	\$ 4,794,780	\$ 5,039,489
Miscellaneous local sources	292,610	11,579	14,887	83,228	283,735
Total Operating Revenues	<u>4,504,650</u>	<u>4,705,399</u>	<u>4,654,965</u>	<u>4,878,008</u>	<u>5,323,224</u>
Operating Expenditures:					
Personal Services	2,707,962	2,795,894	2,928,447	3,261,588	3,192,457
Real property taxes	287,631	295,833	315,651	326,166	344,259
Contractual services and Other Expenses	696,570	619,188	722,325	616,929	811,965
Depreciation and amortization	671,736	679,396	766,095	763,374	777,714
Total Operating Expenditures	<u>4,363,899</u>	<u>4,390,311</u>	<u>4,732,518</u>	<u>4,968,057</u>	<u>5,126,395</u>
Net Operating Income/(Loss)	<u>140,751</u>	<u>315,088</u>	<u>(77,553)</u>	<u>(90,049)</u>	<u>196,829</u>
Non-Operating Income and (Expense):					
Rental Income	49,897	56,311	52,986	59,741	56,160
State Grant Revenue		194,996	822,004	556,847	255,190
Investment Earnings	1,113				
Interest Income	(147,847)	7,728	22,379	7,788	3,319
Sale of capital asset	36,923	269	888	5,917	219,258
Interest on Bonds and Notes		(175,147)	(196,651)	(222,720)	(297,330)
Other Income	288,683		391,054		
Total Nonoperating Revenue (Expenses)	<u>228,769</u>	<u>84,157</u>	<u>1,092,660</u>	<u>407,573</u>	<u>236,597</u>
Change in Net Position	<u>369,520</u>	<u>399,245</u>	<u>1,015,107</u>	<u>317,524</u>	<u>433,426</u>
Fund Balance/Net Asset Beginning of Year	<u>4,353,724</u>	<u>4,723,244</u>	<u>(71,280)</u>	<u>943,827</u>	<u>1,261,351</u>
Prior Period Adjustments*		(5,193,769)			122,617
Fund Balance/Net Asset End of Year	<u>\$ 4,723,244</u>	<u>\$ (71,280)</u>	<u>\$ 943,827</u>	<u>\$ 1,261,351</u>	<u>\$ 1,817,394</u>

Source: Audited Financial Statements (2017-2020), Annual Financial Report Update Document (2021)

Table itself is NOT audited.

*Adjustments reflect the accounting changes effective for fiscal years beginning after June 15, 2017, due to the transition to GASB 75. The new standard requires a change from reporting the unfunded actuarial accrued liability in the financial statements to recognizing the unfunded actuarial accrued liability on the balance sheet.

**Statement of Revenues, Expenses and Changes in Net Assets
Enterprise Fund (Sewer)**

	Fiscal Year Ending December31:				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Operating Revenues:					
Charges for Services	\$ 4,944,163	\$ 5,177,379	\$ 4,968,584	\$ 5,060,346	4,907,159
State Aid	165,485	171,050	295,923	3,436	419
Federal Aid					3,772
Miscellaneous	6,374	38,295	37,568	53,968	429,814
Total Operating Revenues	<u>5,116,022</u>	<u>5,386,724</u>	<u>5,302,075</u>	<u>5,117,750</u>	<u>5,341,164</u>
Operating Expenses:					
Personal Services	2,831,263	2,560,187	2,272,087	2,525,845	1,947,356
Contractual Services and Other Expenses	1,372,786	1,365,644	1,186,172	1,010,412	1,709,182
Depreciation and Amortization	1,064,525	1,088,982	1,099,506	1,102,741	1,301,812
Total Operating Expenditures	<u>5,268,574</u>	<u>5,014,813</u>	<u>4,557,765</u>	<u>4,638,998</u>	<u>4,958,350</u>
Net Operating Income/(Loss)	<u>(152,552)</u>	<u>371,911</u>	<u>744,310</u>	<u>478,752</u>	<u>382,814</u>
Non-Operating Income and (Expense):					
Investment Earnings	776				
Federal Grant Revenue		1,743,076	1,303,194	30,927	
Interest Income		111,253	97,440	8,486	1,968
Sale of Capital Assests	31,541	1,357	5,661	5,028	767
Interest on Bonds and Notes	(329,811)	(454,215)	(490,602)	(356,670)	(548,001)
Total Nonoperating Revenue (Expenses)	<u>(297,494)</u>	<u>1,401,471</u>	<u>915,693</u>	<u>(312,229)</u>	<u>(545,266)</u>
Income Before Transfers and Contributions	<u>(450,046)</u>	<u>1,773,382</u>	<u>1,660,003</u>	<u>166,523</u>	<u>(162,452)</u>
Transfers					
Changes in Net Assets	(450,046)	1,773,382	(171,383)		
Total Net Assets-Beginning of the Year	<u>8,286,047</u>	<u>7,836,001</u>	<u>3,377,322</u>	<u>5,037,325</u>	<u>7,196,119</u>
Prior Period Adjustment		<u>(6,232,061)</u> ^a		<u>1,992,271</u> ^b	<u>365,276</u>
Total Net Assets-End of the Year	<u>\$ 7,836,001</u>	<u>\$ 3,377,322</u>	<u>\$ 5,037,325</u>	<u>\$ 7,196,119</u>	<u>7,398,943</u>

Source: Audited Financial Statements (2017-2020), Annual Financial Report Update Document (2021)
Table itself is NOT audited.

a. Adjustments reflect the accounting changes effective for fiscal years beginning after June 15, 2017, due to the transition to GASB 75. The new standard requires a change from reporting the unfunded actuarial accrued liability in the financial statements to recognizing the unfunded actuarial accrued liability on the balance sheet.

b. Cumulative Effect and Prior Period Adjustments: The City implemented GASB 84, Fiduciary Activities, in 2020. As a result, the City recorded a cumulative effect adjustment, increasing beginning fund balance and beginning net position by \$170,604.

Balance Sheets
General Fund

	Fiscal Year Ending December 31:	
	2020	2021
Assets:		
Cash	\$ 7,793,147	\$ 18,964,171
Taxes Receivable	5,836,406	6,247,884
Other Receivables	1,085,543	633,317
Inventory	9,204	13,267
Due from Other Funds	4,648,107	5,222,256
Due From Other Governments	3,514,561	4,106,828
State and Federal Aid Receivables	1,559,591	597,439
Prepaid Expenses	724,713	714,799
Total Assets	25,171,272	36,499,961
Liabilities & Fund Balances		
Liabilities:		
Accounts Payable and Accrued Liabilities	1,704,147	1,682,656
Accrued Liabilities	238,794	155,141
Other Deposits		25,560
Other Liabilities		8,541,962
Due to Other Funds	1,077,901	
Due to Other Governments	4,312,974	5,333,338
Deferred Revenue	5,332,092	5,694,653
Total Liabilities	12,665,908	21,433,310
Fund Balances:		
Nonspendable Fund Balance	733,917	728,066
Restricted Fund Balance	876,490	
Assigned Appropriated	1,467,557	1,878,199
Assigned Unappropriated	200,710	2,246,732
Unassigned	9,226,690	10,213,654
Total Fund Balances	12,505,364	15,066,651
Total Liabilities and Fund Balances	\$ 25,171,272	\$ 36,499,961

Source: Audited Financial Statements (2020), Annual Financial Report Update Document (2021)
Table itself is NOT audited.

GENERAL FUND BUDGET SUMMARIES

	Fiscal Year Ending December 31	
	2021	2022
Revenues:		
Real Property Taxes & Items	\$ 17,675,495	\$ 17,730,094
Non Property Taxes	15,550,000	17,887,000
Other Local Sources	5,458,957	4,760,389
State Aid	3,079,777	4,294,175
Federal Aid	21,057	171,802
Appropriated Fund Balance	1,335,399	1,878,199
Total Revenues	\$ 43,120,685	\$ 46,721,659
Expenditures:		
General Government	\$ 7,134,297	\$ 8,608,695
Public Safety	21,278,907	22,399,916
Health	161,478	618,880
Transportation	2,281,100	2,401,512
Economic Assistance	831,886	698,371
Culture & Recreation	2,261,917	2,900,412
Home & Community Services	3,650,677	3,745,975
Employee Benefits	3,393,000	3,298,000
Debt Service	1,345,876	1,235,852
Interfund Transfers	781,547	814,046
Total Expenditures	\$ 43,120,685	\$ 46,721,659

Source: Adopted Budgets of the City (2021-2022)

APPENDIX B

**ANNUAL FINANCIAL REPORT UPDATE DOCUMENT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021**

NOTE: SUCH FINANCIAL REPORT AND OPINIONS WERE PREPARED AS OF THE DATE THEREOF AND HAVE NOT BEEN DRAFTED REVIEWED AND/OR UPDATED BY THE CITY'S AUDITORS IN CONNECTION WITH THE PREPARATION AND DISSEMINATION OF THIS OFFICIAL STATEMENT.

All Numbers in This
Report Have Been
Rounded To The Nearest
Dollar

ANNUAL FINANCIAL REPORT
UPDATE DOCUMENT
For The
CITY of Kingston
County of Ulster
For the Fiscal Year Ended 12/31/2021

AUTHORIZATION

ARTICLE 3, SECTION 30 of the GENERAL MUNICIPAL LAW:

1. ***Every Municipal Corporation *** shall annually make a report of its financial condition to the Comptroller. Such report shall be made by the Chief Fiscal Officer of such Municipal Corporation ***

5. All reports shall be certified by the officer making the same and shall be filed with the Comptroller *** It shall be the duty of the incumbent officer at the time such reports are required to be filed with the Comptroller to file such report ***

State of NEW YORK
Office of The State Comptroller
Division of Local Government and School Accountability
Albany, New York 12236

CITY OF Kingston

*** FINANCIAL SECTION ***

Financial Information for the following funds and account groups are included in the Annual Financial Report filed by your government for the fiscal year ended 2020 and has been used by the OSC as the basis for preparing this update document for the fiscal year ended 2021:

- (A) GENERAL
- (CD) SPECIAL GRANT
- (ES) ENTERPRISE SEWER
- (EW) ENTERPRISE WATER
- (H) CAPITAL PROJECTS
- (K) GENERAL FIXED ASSETS
- (PN) PERMANENT
- (TA) AGENCY
- (TC) CUSTODIAL
- (TE) PRIVATE PURPOSE TRUST
- (V) DEBT SERVICE
- (W) GENERAL LONG-TERM DEBT

All amounts included in this update document for 2020 represent data filed by your government with OSC as reviewed and adjusted where necessary.

*** SUPPLEMENTAL SECTION ***

The Supplemental Section includes the following sections:

- 1) Statement of Indebtedness
- 2) Schedule of Time Deposits and Investments
- 3) Bank Reconciliation
- 4) Local Government Questionnaire
- 5) Schedule of Employee and Retiree Benefits
- 6) Schedule of Energy Costs and Consumption

All numbers in this report will be rounded to the nearest dollar.

CITY OF Kingston
Annual Update Document
For the Fiscal Year Ending 2021

(A) GENERAL

Balance Sheet

Code Description	2020	EdpCode	2021
Assets			
Cash	7,791,996	A200	18,962,771
Cash In Time Deposits		A201	
Petty Cash	1,150	A210	1,400
TOTAL Cash	7,793,146		18,964,171
Taxes Receivable, Current	858,529	A250	744,446
Taxes Receivable, Overdue	373,203	A260	378,705
City School Taxes Receivable	981,673	A290	882,319
Tax Sale Certificates	2,020,085	A320	2,443,151
Property Acquired For Taxes	1,976,118	A330	1,799,263
TOTAL Taxes Receivable (net)	6,209,608		6,247,884
Accounts Receivable	712,340	A380	633,317
TOTAL Other Receivables (net)	712,340		633,317
Due From State And Federal Government	1,559,591	A410	597,439
TOTAL State And Federal Aid Receivables	1,559,591		597,439
Due From Other Funds	3,693,594	A391	5,222,256
Additional Description Short Term			
TOTAL Due From Other Funds	3,693,594		5,222,256
Due From Other Governments	3,382,183	A440	4,106,828
TOTAL Due From Other Governments	3,382,183		4,106,828
Inventory Of Materials And Supplies	9,205	A445	13,267
TOTAL Inventories	9,205		13,267
Prepaid Expenses	724,713	A480	714,799
TOTAL Prepaid Expenses	724,713		714,799
TOTAL Assets and Deferred Outflows of Resources	24,084,380		36,499,961

CITY OF Kingston
Annual Update Document
For the Fiscal Year Ending 2021

(A) GENERAL

Balance Sheet

Code Description	2020	EdpCode	2021
Accounts Payable	1,679,326	A600	1,682,656
TOTAL Accounts Payable	1,679,326		1,682,656
Accrued Liabilities	200,964	A601	155,141
TOTAL Accrued Liabilities	200,964		155,141
Guaranty & Bid Deposits	37,606	A730	25,560
TOTAL Other Deposits	37,606		25,560
Other Liabilities		A688	8,541,962
Additional Description ARPA Deferred			
TOTAL Other Liabilities	0		8,541,962
Due To Employees' Retirement System	1,824,642	A637	2,375,825
Due To City School Districts	2,488,557	A661	2,957,513
TOTAL Due To Other Governments	4,313,199		5,333,338
TOTAL Liabilities	6,231,095		15,738,657
Deferred Inflows of Resources			
Deferred Inflow of Resources	513,774	A691	666,755
Deferred Taxes	4,818,318	A694	5,027,898
TOTAL Deferred Inflows of Resources	5,332,092		5,694,653
TOTAL Deferred Inflows of Resources	5,332,092		5,694,653
Fund Balance			
Not in Spendable Form	733,918	A806	728,066
TOTAL Nonspendable Fund Balance	733,918		728,066
Assigned Appropriated Fund Balance	1,335,399	A914	1,878,199
Assigned Unappropriated Fund Balance	1,209,358	A915	2,246,732
TOTAL Assigned Fund Balance	2,544,757		4,124,931
Unassigned Fund Balance	9,242,518	A917	10,213,654
TOTAL Unassigned Fund Balance	9,242,518		10,213,654
TOTAL Fund Balance	12,521,193		15,066,651
TOTAL Liabilities, Deferred Inflows And Fund Balance	24,084,380		36,499,961

CITY OF Kingston
Annual Update Document
For the Fiscal Year Ending 2021

(A) GENERAL

Results of Operation

Code Description	2020	EdpCode	2021
Revenues			
Real Property Taxes	17,545,839	A1001	17,407,513
TOTAL Real Property Taxes	17,545,839		17,407,513
Other Payments In Lieu of Taxes	434,943	A1081	425,931
Interest & Penalties On Real Prop Taxes	550,788	A1090	454,760
TOTAL Real Property Tax Items	985,731		880,690
Non Prop Tax Dist By County	14,637,515	A1120	17,809,712
Utilities Gross Receipts Tax	357,958	A1130	369,307
Franchises	384,754	A1170	360,857
TOTAL Non Property Tax Items	15,380,228		18,539,875
Treasurer Fees	133,550	A1230	134,541
Clerk Fees	5,311	A1255	7,404
Other General Departmental Income	233,242	A1289	431,802
Police Fees	2,046	A1520	2,750
Fire Inspection Fees	36,525	A1540	57,343
Vital Statistics Fees	43,309	A1603	57,756
Parking Lots And Garages-No Tax	63,603	A1721	107,151
Parking Meter Fees Non-Taxable	245,534	A1741	376,526
Bus Operations		A1750	
Other Transportation Departmental Income		A1789	
Park And Recreational Charges	24,204	A2001	149,823
Special Recreational Facility Charges	54,943	A2025	41,841
Contributions, Private Agencies-Youth	500	A2070	28,207
Other Culture & Recreation Income	24,822	A2089	18,362
Zoning Fees	4,498	A2110	5,393
Refuse & Garbage Charges	157,642	A2130	189,126
TOTAL Departmental Income	1,029,728		1,608,024
General Services, Inter Government	1,138,516	A2210	779,243
Civil Service Charges	2,590	A2220	6,150
TOTAL Intergovernmental Charges	1,141,106		785,393
Interest And Earnings	39,162	A2401	8,513
TOTAL Use of Money And Property	39,162		8,513
Games of Chance	20	A2530	20
Licenses, Other	9,927	A2545	12,581
Permits, Other	979,228	A2590	959,807
TOTAL Licenses And Permits	989,175		972,408
Fines And Forfeited Bail	63,149	A2610	58,545
TOTAL Fines And Forfeitures	63,149		58,545
Sales of Scrap & Excess Materials	12,304	A2650	54,892
Insurance Recoveries	130,138	A2680	111,707
Self Insurance Recoveries	876	A2683	1,250
TOTAL Sale of Property And Compensation For Loss	143,318		167,849
Refunds of Prior Year's Expenditures	28,061	A2701	
Gifts And Donations	143,451	A2705	232,576
Employees Contributions	675,734	A2709	621,407

CITY OF Kingston
Annual Update Document
For the Fiscal Year Ending 2021

(A) GENERAL

Results of Operation

Code Description	2020	EdpCode	2021
Revenues			
Unclassified (specify)	370,462	A2770	91,140
TOTAL Miscellaneous Local Sources	1,217,708		945,123
Interfund Revenues	140,000	A2801	140,000
TOTAL Interfund Revenues	140,000		140,000
St Aid, Revenue Sharing	3,069,151	A3001	3,069,151
St Aid, Mortgage Tax	567,998	A3005	827,163
St Aid - Other (specify)	460,984	A3089	524,048
St Aid, Other Transportation	26,383	A3589	26,383
St Aid, Youth Programs	2,800	A3820	2,800
St Aid-Other Cul & Rec St Aid	78,813	A3889	66,585
TOTAL State Aid	4,206,129		4,516,130
Fed Aid, Crime Control	43,556	A4320	743
Fed Aid Other Transportation	119,851	A4589	468,201
TOTAL Federal Aid	163,406		468,944
TOTAL Revenues	43,044,679		46,499,009
Interfund Transfers		A5031	0
TOTAL Interfund Transfers	0		0
TOTAL Other Sources	0		0
TOTAL Detail Revenues And Other Sources	43,044,679		46,499,009

CITY OF Kingston
Annual Update Document
For the Fiscal Year Ending 2021

(A) GENERAL

Results of Operation

Code Description	2020	EdpCode	2021
Expenditures			
Legislative Board, Pers Serv	92,500	A10101	92,476
Legislative Board, Equip & Cap Outlay		A10102	
Legislative Board, Contr Expend	7,547	A10104	11,666
Legislative Board, Empl Bnfts	10,902	A10108	10,112
TOTAL Legislative Board	110,949		114,255
Traffic Viol Bureau, Pers Serv	41,001	A11301	22,278
Traffic Viol Bureau, Contr Expend	35,833	A11304	58,768
Traffic Viol Bureau, Empl Bnfts	28,046	A11308	23,124
TOTAL Traffic Viol Bureau	104,880		104,170
Mayor, Pers Serv	102,053	A12101	105,567
Mayor, Equip & Cap Outlay		A12102	
Mayor, Contr Expend	187,263	A12104	51,146
Mayor, Empl Bnfts	34,444	A12108	39,132
TOTAL Mayor	323,760		195,845
Comptroller,pers Serv	263,005	A13151	265,202
Comptroller, Equip & Cap Outlay		A13152	1,180
Comptroller, Contr Expend	10,036	A13154	13,727
Comptroller, Empl Bnfts	139,031	A13158	143,098
TOTAL Comptroller	412,072		423,208
Auditor, Contr Expend	41,460	A13204	52,688
TOTAL Auditor	41,460		52,688
Tax Collection,pers Serv	73,729	A13301	72,275
Tax Collection,contr Expend	10,610	A13304	10,269
Tax Collection,empl Bnfts	51,092	A13308	57,822
TOTAL Tax Collection	135,431		140,366
Budget, Contr Expend		A13404	55
TOTAL Budget	0		55
Purchasing, Pers Serv	47,292	A13451	47,249
Purchasing, Contr Expend	1,236	A13454	387
Purchasing, Empl Bnfts	22,387	A13458	23,761
TOTAL Purchasing	70,915		71,397
Assessment, Pers Serv	205,847	A13551	205,261
Assessment, Equip & Cap Outlay	1,021	A13552	
Assessment, Contr Expend	65,154	A13554	33,654
Assessment, Empl Bnfts	142,403	A13558	129,514
TOTAL Assessment	414,425		368,428
Tax Advertising, Contr Expend	2,512	A13624	1,310
TOTAL Tax Advertising	2,512		1,310
Exp On Prop Acq For Taxes, Contr Expend	3,109	A13644	
TOTAL Exp On Prop Acq For Taxes	3,109		0
Clerk,pers Serv	123,929	A14101	131,011
Clerk,equip & Cap Outlay		A14102	
Clerk,contr Expend	4,549	A14104	5,034
Clerk,empl Bnfts	80,816	A14108	100,200
TOTAL Clerk	209,294		236,245
Law, Pers Serv	235,435	A14201	272,119

CITY OF Kingston
Annual Update Document
For the Fiscal Year Ending 2021

(A) GENERAL

Results of Operation

Code Description	2020	EdpCode	2021
Expenditures			
Law, Equip & Cap Outlay		A14202	
Law, Contr Expend	124,939	A14204	322,061
Law, Empl Bnfts	139,220	A14208	155,656
TOTAL Law	499,594		749,835
Personnel, Pers Serv	144,020	A14301	154,856
Personnel, Contr Expend	4,418	A14304	5,384
Personnel, Empl Bnfts	119,578	A14308	121,728
TOTAL Personnel	268,015		281,967
Engineer, Pers Serv	187,976	A14401	153,300
Engineer, Equip & Cap Outlay	35,665	A14402	
Engineer, Contr Expend	5,114	A14404	9,196
Engineer, Empl Bnfts	72,762	A14408	60,121
TOTAL Engineer	301,518		222,618
Public Works Admin, Pers Serv	266,963	A14901	265,064
Public Works Admin, Equip & Cap Outlay		A14902	
Public Works Admin, Contr Expend	163,359	A14904	191,939
Public Works Admin, Empl Bnfts	155,606	A14908	185,982
TOTAL Public Works Admin	585,928		642,985
Operation of Plant, Pers Serv	224,710	A16201	175,367
Operation of Plant, Equip & Cap Outlay	2,660	A16202	26,718
Operation of Plant, Contr Expend	107,477	A16204	213,196
Operation of Plant, Empl Bnfts	74,791	A16208	47,215
TOTAL Operation of Plant	409,638		462,497
Central Comm System Pers Serv	47,702	A16501	49,941
Central Comm System Equip & Cap Outlay	503	A16502	
Central Comm System Contr Expend	1,348	A16504	874
Central Comm System Empl Bnfts	17,428	A16508	18,999
TOTAL Central Comm System Empl Bnfts	66,981		69,813
Central Print & Mail Contr Expend	18,545	A16704	17,805
TOTAL Central Print & Mail Contr Expend	18,545		17,805
Central Data Process Pers Serv	198,863	A16801	200,154
Central Data Process & Cap Outlay	114,639	A16802	35,107
Central Data Process, Contr Expend	214,058	A16804	278,416
Central Data Process, Empl Bnfts	110,172	A16808	111,795
TOTAL Central Data Process	637,732		625,472
Unallocated Insurance, Contr Expend	772,051	A19104	805,637
TOTAL Unallocated Insurance	772,051		805,637
Municipal Assn Dues, Contr Expend	6,318	A19204	6,318
TOTAL Municipal Assn Dues	6,318		6,318
Judgements And Claims, Contr Expend	85,047	A19304	170,821
TOTAL Judgements And Claims	85,047		170,821
TOTAL General Government Support	5,480,173		5,763,736
Police, Pers Serv	7,454,540	A31201	6,742,289
Police, Equip & Cap Outlay	478,903	A31202	157,052
Police, Contr Expend	704,661	A31204	958,928

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(A) GENERAL

Results of Operation

Code Description	2020	EdpCode	2021
Expenditures			
Police, Empl Bnfts	3,801,924	A31208	4,187,504
TOTAL Police	12,440,028		12,045,773
Traffic Control, Pers Serv	198,426	A33101	201,232
Traffic Control, Contr Expen	65,658	A33104	66,040
Traffic Control, Empl Bnfts	100,921	A33108	105,847
TOTAL Traffic Control	365,005		373,119
On-Street Parking, Pers Serv	100,330	A33201	123,038
On-Street Parking, Equipment & Cap Outlay		A33202	
On-Street Parking, Contr Expend	7,995	A33204	8,756
On-Street Parking, Empl Bnfts	63,041	A33208	54,449
TOTAL On-Street Parking	171,366		186,243
Fire, Pers Serv	4,426,003	A34101	4,970,917
Fire, Equip & Cap Outlay	30,330	A34102	26,866
Fire, Contr Expend	221,432	A34104	265,628
Fire, Empl Bnfts	2,578,417	A34108	2,798,515
TOTAL Fire	7,256,182		8,061,926
Control of Animals, Contr Expend	66,058	A35104	70,000
Control of Animals, Empl Bnfts		A35108	
TOTAL Control of Animals	66,058		70,000
Examining Boards, Pers Serv	987	A36101	
Examining Boards, Contr Expend	24	A36104	91
Examining Boards, Empl Bnfts	25	A36108	
TOTAL Examining Boards	1,036		91
Safety Inspection, Pers Serv	430,373	A36201	468,679
Safety Inspection, Equip & Cap Outlay	4,650	A36202	10,947
Safety Inspection, Contr Expend	31,103	A36204	25,620
Safety Inspection, Empl Bnfts	260,520	A36208	280,683
TOTAL Safety Inspection	726,646		785,930
Demo of Unsafe Buildings, Contr Expend		A36504	8,100
TOTAL Demo of Unsafe Buildings	0		8,100
Misc Public Safety, Pers Serv	27,149	A39891	36,046
Misc Public Safety, Contr Expend	8,304	A39894	10,779
Misc Public Safety, Empl Bnfts	15,933	A39898	15,919
TOTAL Misc Public Safety	51,386		62,744
TOTAL Public Safety	21,077,707		21,593,925
Public Health, Pers Serv	45,000	A40101	48,543
Public Health, Equip & Cap Outlay		A40102	
Public Health, Contr Expend	2,653	A40104	23,521
Public Health, Empl Bnfts	11,055	A40108	36,329
TOTAL Public Health	58,708		108,393
Registrar of Vital Statistics, Pers Serv	48,368	A40201	48,929
Registrar of Vital Stat Contr Expend	2,182	A40204	1,651
Registrar of Vital Stat, Empl Bnfts	42,752	A40208	45,326
TOTAL Registrar of Vital Stat	93,301		95,905
TOTAL Health	152,009		204,298

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(A) GENERAL

Results of Operation

Code Description	2020	EdpCode	2021
Expenditures			
Maint of Streets, Pers Serv	296,265	A51101	334,956
Maint of Streets, Equip & Cap Outlay	74,457	A51102	
Maint of Streets, Contr Expend	46,092	A51104	69,215
Maint of Streets, Empl Bnfts	220,146	A51108	288,906
TOTAL Maint of Streets	636,960		693,077
Garage, Pers Serv	395,551	A51321	392,366
Garage, Equip & Cap Outlay	8,743	A51322	2,789
Garage, Contr Expend	49,679	A51324	83,289
Garage, Empl Bnfts	285,409	A51328	270,354
TOTAL Garage	739,382		748,798
Snow Removal, Pers Serv	33,221	A51421	26,586
Snow Removal, Equip & Cap Outlay		A51422	
Snow Removal, Contr Expend	98,655	A51424	148,731
Snow Removal, Empl Bnfts	3,061	A51428	3,195
TOTAL Snow Removal	134,936		178,513
Street Lighting, Pers Serv	116	A51821	29
Street Lighting, Contr Expend	187,050	A51824	171,185
Street Lighting, Empl Bnfts	9	A51828	2
TOTAL Street Lighting	187,174		171,216
Bus Operations, Pers Serv		A56301	
Bus Operations, Equip & Cap Outlay		A56302	
Bus Operations, Contr Expend	225,000	A56304	233,500
Bus Operations, Empl Bnfts	25,529	A56308	3,411
TOTAL Bus Operations	250,529		236,911
Off-Street Parking, Pers Serv	10,651	A56501	
Off-Street Parking, Equip & Cap Outlay		A56502	
Off-Street Parking, Contr Expend	13,117	A56504	13,094
Off-Street Parking, Empl Bnfts	10,394	A56508	606
TOTAL Off-Street Parking	34,162		13,701
TOTAL Transportation	1,983,144		2,042,216
Programs For Aging, Pers Serv	501	A67721	
Programs For Aging, Contr Expend		A67724	
Programs For Aging, Empl Bnfts	11	A67728	
TOTAL Programs For Aging	511		0
Other Eco & Dev, Pers Serv	488,401	A69891	362,116
Other Eco & Dev, Equip & Cap Outlay	51,960	A69892	104,404
Other Eco & Dev, Contr Expend	20,534	A69894	117,135
Other Econ & Dev, Empl Bnfts	281,003	A69898	225,981
TOTAL Other Econ & Dev	841,898		809,637
TOTAL Economic Assistance And Opportunity	842,410		809,637
Council On The Arts, Pers Serv	45,306	A70101	40,244
Council On The Arts, Equip & Cap Outlay		A70102	
Council On The Arts, Contr Expend	39,189	A70104	39,401
Council On The Arts, Empl Bnfts	15,998	A70108	18,071
TOTAL Council On The Arts	100,493		97,716
Recreation Admini, Pers Serv	184,776	A70201	128,961

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(A) GENERAL

Results of Operation

Code Description	2020	EdpCode	2021
Expenditures			
Recreation Admini, Contr Expend	25,211	A70204	6,182
Recreation Admini, Empl Bnfts	63,270	A70208	53,164
TOTAL Recreation Admini	273,257		188,308
Parks, Pers Serv	382,223	A71101	572,647
Parks, Equip & Cap Outlay	122,955	A71102	27,547
Parks, Contr Expend	94,296	A71104	25,518
Parks, Empl Bnfts	211,733	A71108	322,652
TOTAL Parks	811,207		948,365
Playgr & Rec Centers, Pers Serv	121,506	A71401	159,385
Playgr & Rec Centers, Equip & Cap Outlay	98,563	A71402	26,597
Playgr & Rec Centers, Contr Expend	69,741	A71404	87,447
Playgr & Rec Centers, Empl Bnfts	89,375	A71408	83,744
TOTAL Playgr & Rec Centers	379,185		357,174
Special Rec Facility, Pers Serv	320,300	A71801	267,208
Special Rec Facility, Equip & Cap Outlay	66,180	A71802	13,876
Special Rec Facility, Contr Expend	48,985	A71804	75,540
Special Recreation Facilities, Empl Bnfts	211,407	A71808	129,466
TOTAL Special Recreation Facilities	646,872		486,090
Youth Prog, Pers Serv	4,280	A73101	12,052
Youth Prog, Contr Expend	13,750	A73104	13,628
Youth Prog, Empl Bnfts	320	A73108	666
TOTAL Youth Prog	18,350		26,347
Historian, Contr Expend	638	A75104	750
TOTAL Historian	638		750
Historical Property, Contr Expend	615	A75204	959
TOTAL Historical Property	615		959
Celebrations, Pers Serv		A75501	6,332
Celebrations, Contr Expend	4,712	A75504	7,182
Celebrations, Empl Bnfts		A75508	473
TOTAL Celebrations	4,712		13,988
Other Performing Arts, Contr Expend	14,703	A75604	16,698
TOTAL Other Performing Arts	14,703		16,698
Adult Recreation, Pers Serv	590	A76201	6,986
Adult Recreation, Equip & Cap Outlay	1,396	A76202	
Adult Recreation, Contr Expend	10,530	A76204	14,205
Adult Recreation, Empl Bnfts	43	A76208	544
TOTAL Adult Recreation	12,560		21,735
Other Culture And Rec, Contr Expend	9,216	A79894	5,509
TOTAL Other Culture And Rec	9,216		5,509
TOTAL Culture And Recreation	2,271,808		2,163,638
Zoning, Pers Serv	27,003	A80101	27,211
Zoning, Contr Expend	512	A80104	806
Zoning, Empl Bnfts	5,118	A80108	6,475
TOTAL Zoning	32,633		34,491
Planning, Pers Serv	198,425	A80201	195,227
Planning, Equip & Cap Outlay	495	A80202	945

CITY OF Kingston
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(A) GENERAL

Results of Operation

Code Description	2020	EdpCode	2021
Expenditures			
Planning, Contr Expend	8,309	A80204	262,302
Planning, Empl Bnfts	89,953	A80208	95,333
TOTAL Planning	297,182		553,806
Human Rights, Pers Serv	26,812	A80401	26,625
Human Rights, Contr Expend	2,626	A80404	1,802
Human Rights, Empl Bnfts	4,639	A80408	4,711
TOTAL Human Rights	34,078		33,138
Storm Sewers, Contr Expend	8,441	A81404	20,147
TOTAL Storm Sewers	8,441		20,147
Refuse & Garbage, Pers Serv	1,048,044	A81601	1,022,964
Refuse & Garbage, Contr Expend	962,188	A81604	989,588
Refuse & Garbage, Empl Bnfts	732,468	A81608	702,188
TOTAL Refuse & Garbage	2,742,700		2,714,740
Street Cleaning, Pers Serv	150,491	A81701	148,386
Street Cleaning, Contr Expend	28,580	A81704	28,625
Street Cleaning, Empl Bnfts	175,727	A81708	136,134
TOTAL Street Cleaning	354,797		313,145
Shade Tree, Contr Expend	69,935	A85604	4,200
TOTAL Shade Tree	69,935		4,200
Flood & Erosion Control, Contr Expend	2,231	A87454	2,576
TOTAL Flood & Erosion Control	2,231		2,576
Misc Home & Comm Serv, Equip & Cap Outlay	135,850	A89892	
Misc Home & Comm Serv, Contr Expend	6,798	A89894	6,227
TOTAL Misc Home & Comm Serv	142,648		6,227
TOTAL Home And Community Services	3,684,645		3,682,470
Worker's Compensation, Empl Bnfts	799,795	A90408	698,629
Unemployment Insurance, Empl Bnfts	3,746	A90508	
Disability Insurance, Empl Bnfts	10,687	A90558	11,026
Hospital & Medical (dental) Ins, Empl Bnft	3,041,680	A90608	3,141,373
Other Employee Benefits (spec)	36,627	A90898	24,314
TOTAL Employee Benefits	3,892,535		3,875,342
Debt Principal, Bond Anticipation Notes	400,000	A97306	2,255,521
Install Pur Debt, Principal	140,513	A97856	97,289
TOTAL Debt Principal	540,513		2,352,810
Debt Interest, Bond Anticipation Notes	47,423	A97307	-2,056
Install Pur Debt, Interest	12,052	A97857	6,756
TOTAL Debt Interest	59,475		4,700
TOTAL Expenditures	39,984,419		42,492,773
Transfers, Other Funds	1,431,793	A99019	1,339,876

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(A) GENERAL

Results of Operation

Code Description	2020	EdpCode	2021
Other Uses			
Transfers, Capital Projects Fund		A99509	105,073
TOTAL Operating Transfers	1,431,793		1,444,949
TOTAL Other Uses	1,431,793		1,444,949
TOTAL Detail Expenditures And Other Uses	41,416,212		43,937,722

CITY OF Kingston
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(A) GENERAL

Analysis of Changes in Fund Balance

Code Description	2020	EdpCode	2021
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	10,680,298	A8021	12,521,194
Prior Period Adj -Increase In Fund Balance	212,428	A8012	9,171
Prior Period Adj -Decrease In Fund Balance		A8015	25,000
Restated Fund Balance - Beg of Year	10,892,726	A8022	12,505,365
ADD - REVENUES AND OTHER SOURCES	43,044,679		46,499,009
DEDUCT - EXPENDITURES AND OTHER USES	41,416,212		43,937,722
Fund Balance - End of Year	12,521,194	A8029	15,066,651

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(A) GENERAL

Budget Summary

Code Description	2021	EdpCode	2022
Estimated Revenues			
Est Rev - Real Property Taxes	17,675,495	A1049N	17,730,094
Est Rev - Real Property Tax Items	1,326,000	A1099N	848,000
Est Rev - Non Property Tax Items	14,675,000	A1199N	17,040,000
Est Rev - Departmental Income	1,726,615	A1299N	1,655,470
Est Rev - Intergovernmental Charges	868,541	A2399N	776,602
Est Rev - Use of Money And Property	50,300	A2499N	25,300
Est Rev - Licenses And Permits	980,910	A2599N	980,620
Est Rev - Fines And Forfeitures	129,000	A2649N	79,000
Est Rev - Sale of Prop And Comp For Loss	152,220	A2699N	82,250
Est Rev - Miscellaneous Local Sources	960,371	A2799N	1,020,147
Est Rev - Interfund Revenues	140,000	A2801N	140,000
Est Rev - State Aid	3,079,777	A3099N	4,294,175
Est Rev - Federal Aid	21,057	A4099N	171,802
TOTAL Estimated Revenues	41,785,286		44,843,460
Appropriated Fund Balance	1,335,399	A599N	1,878,199
TOTAL Estimated Other Sources	1,335,399		1,878,199
TOTAL Estimated Revenues And Other Sources	43,120,685		46,721,659

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(A) GENERAL

Budget Summary

Code Description	2021	EdpCode	2022
Appropriations			
App - General Government Support	7,134,297	A1999N	8,608,695
App - Public Safety	21,278,907	A3999N	22,399,916
App - Health	161,478	A4999N	618,880
App - Transportation	2,281,100	A5999N	2,401,512
App - Economic Assistance And Opportunity	831,886	A6999N	698,371
App - Culture And Recreation	2,261,917	A7999N	2,900,412
App - Home And Community Services	3,650,677	A8999N	3,745,975
App - Employee Benefits	3,393,000	A9199N	3,298,000
App - Debt Service	1,345,876	A9899N	1,235,852
TOTAL Appropriations	42,339,138		45,907,613
App - Interfund Transfer	781,547	A9999N	814,046
TOTAL Other Uses	781,547		814,046
TOTAL Appropriations And Other Uses	43,120,685		46,721,659

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(CD) SPECIAL GRANT

Balance Sheet

Code Description	2020	EdpCode	2021
Assets			
Cash In Time Deposits	44,561	CD201	155,566
TOTAL Cash	44,561		155,566
Rehabilitation Loan Receivable	1,065,858	CD390	1,051,694
TOTAL Other Receivables (net)	1,065,858		1,051,694
Due From State And Federal Government	123,387	CD410	558,392
TOTAL State And Federal Aid Receivables	123,387		558,392
Due From Other Governments	22,732	CD440	21,470
TOTAL Due From Other Governments	22,732		21,470
TOTAL Assets and Deferred Outflows of Resources	1,256,538		1,787,122

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(CD) SPECIAL GRANT

Balance Sheet

Code Description	2020	EdpCode	2021
Accounts Payable	9,200	CD600	35,851
TOTAL Accounts Payable	9,200		35,851
Due To Other Funds	123,387	CD630	
TOTAL Due To Other Funds	123,387		0
Due To Other Governments	83	CD631	558,108
TOTAL Due To Other Governments	83		558,108
TOTAL Liabilities	132,670		593,959
Deferred Inflows of Resources			
Deferred Inflow of Resources	1,081,223	CD691	1,051,694
TOTAL Deferred Inflows of Resources	1,081,223		1,051,694
TOTAL Deferred Inflows of Resources	1,081,223		1,051,694
Fund Balance			
Assigned Unappropriated Fund Balance	42,645	CD915	141,469
TOTAL Assigned Fund Balance	42,645		141,469
TOTAL Fund Balance	42,645		141,469
TOTAL Liabilities, Deferred Inflows And Fund Balance	1,256,538		1,787,122

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(CD) SPECIAL GRANT

Results of Operation

Code Description	2020	EdpCode	2021
Revenues			
Interest And Earnings	18	CD2401	
TOTAL Use of Money And Property	18		0
Unclassified (specify)	32,640	CD2770	12,810
TOTAL Miscellaneous Local Sources	32,640		12,810
Other Aid (specify)	88,760	CD3089	
TOTAL State Aid	88,760		0
Fed Aid, Community Development Act	538,793	CD4910	1,464,561
Federal Aid - Sewer	48,630	CD4990	
TOTAL Federal Aid	587,423		1,464,561
TOTAL Revenues	708,841		1,477,371
TOTAL Detail Revenues And Other Sources	708,841		1,477,371

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(CD) SPECIAL GRANT

Results of Operation

Code Description	2020	EdpCode	2021
Expenditures			
Public Works Fac Site, Equip & Cap	383,083	CD86622	171,845
TOTAL Public Works Fac Site	383,083		171,845
Rehab Loans & Grant, Contr Expend	185,965	CD86684	475,692
TOTAL Rehab Loans & Grant	185,965		475,692
Prov of Public Service, Contr Expen	64,372	CD86764	520,650
TOTAL Prov of Public Service	64,372		520,650
Administration, Contr Expend	175,074	CD86864	223,368
TOTAL Administration	175,074		223,368
Econ Dev Zone - Contr Expend	48,750	CD86874	
TOTAL Econ Dev Zone - Contr Expend	48,750		0
TOTAL Home And Community Services	857,244		1,391,555
TOTAL Expenditures	857,244		1,391,555
TOTAL Detail Expenditures And Other Uses	857,244		1,391,555

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(CD) SPECIAL GRANT

Analysis of Changes in Fund Balance

Code Description	2020	EdpCode	2021
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	218,912	CD8021	42,645
Prior Period Adj -Increase In Fund Balance		CD8012	15,365
Prior Period Adj -Decrease In Fund Balance	27,864	CD8015	2,357
Restated Fund Balance - Beg of Year	191,048	CD8022	55,653
ADD - REVENUES AND OTHER SOURCES	708,841		1,477,371
DEDUCT - EXPENDITURES AND OTHER USES	857,244		1,391,555
Fund Balance - End of Year	42,645	CD8029	141,469

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(ES) ENTERPRISE SEWER

Statement of Net Position

Code Description	2020	EdpCode	2021
Assets			
Cash	3,490,577	ES200	4,458,212
Cash In Time Deposits		ES201	
TOTAL Cash	3,490,577		4,458,212
Accounts Receivable	968,566	ES380	832,947
TOTAL Other Receivables (net)	968,566		832,947
Due From State And Federal Government	812,750	ES410	816,941
TOTAL State And Federal Aid Receivables	812,750		816,941
Due From Other Funds	569,134	ES391	
TOTAL Due From Other Funds	569,134		0
Due From Other Governments	242,478	ES440	185,539
TOTAL Due From Other Governments	242,478		185,539
Prepaid Expenses	44,098	ES480	46,556
TOTAL Prepaid Expenses	44,098		46,556
Land	244,930	ES101	244,930
Improvements Other Than Buildings	7,495,407	ES103	11,437,847
Machinery And Equipment	1,978,517	ES104	1,968,720
Construction Work In Progress	5,900,843	ES105	3,033,887
Infrastructure	27,444,396	ES106	28,545,053
Accum Deprec, Infrastructure	-16,404,679	ES116	-17,522,985
TOTAL Fixed Assets (net)	26,659,414		27,707,452
Deferred Outflow of Resources	1,722,888	ES495	1,429,923
Deferred Outflows of Resources - Pensions	838,639	ES496	970,149
TOTAL Deferred Outflows of Resources	2,561,527		2,400,072
TOTAL Assets and Deferred Outflows of Resources	35,348,544		36,447,719

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(ES) ENTERPRISE SEWER

Statement of Net Position

Code Description	2020	EdpCode	2021
Accounts Payable	428,346	ES600	876,200
TOTAL Accounts Payable	428,346		876,200
Accrued Liabilities	60,692	ES601	44,302
TOTAL Accrued Liabilities	60,692		44,302
Bond Anticipation Notes Payable	4,466,621	ES626	6,693,179
TOTAL Notes Payable	4,466,621		6,693,179
Net Pension Liability -Proportionate Share	1,139,595	ES638	4,103
Total OPEB Liability	9,124,498	ES683	8,845,353
Installment Purchase Debt	458,057	ES685	232,872
Compensated Absences	259,698	ES687	298,510
TOTAL Other Liabilities	10,981,848		9,380,838
Due To Other Funds	286,983	ES630	157,327
TOTAL Due To Other Funds	286,983		157,327
Bonds Payable	9,344,424	ES628	8,514,329
Bond Interest And Matured Bonds Payable	98,466	ES629	90,829
TOTAL Bond And Long Term Liabilities	9,442,890		8,605,158
TOTAL Liabilities	25,667,380		25,757,004
Deferred Inflows of Resources			
Deferred Inflow of Resources	2,463,202	ES691	2,082,814
Deferred Inflows of Resources - Pensions	21,845	ES697	1,208,959
TOTAL Deferred Inflows of Resources	2,485,047		3,291,773
TOTAL Deferred Inflows of Resources	2,485,047		3,291,773
Fund Balance			
Net Assets-Invsted In Cap Asts, Net Rltd D	12,390,312	ES920	12,267,071
Net Assets-Restricted For Other Purposes	921,498	ES923	1,426,624
Net Assets-Unrestricted (deficit)	-6,115,693	ES924	-6,294,753
TOTAL Net Position	7,196,117		7,398,942
TOTAL Fund Balance	7,196,117		7,398,942
TOTAL Liabilities, Deferred Inflows And Fund Balance	35,348,544		36,447,719

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(ES) ENTERPRISE SEWER

Results of Operation

Code Description	2020	EdpCode	2021
Revenues			
Sewer Charges	4,618,068	ES2122	4,500,502
Int & Penalties On Sewer Accts	25,024	ES2128	31,959
TOTAL Charges For Services Within Locality	4,643,092		4,532,461
Sewer Service - Other Gov'Ts	417,255	ES2374	374,698
TOTAL Charges For Services To Other Localities	417,255		374,698
Sale of Scrap Materials		ES2650	767
Insurance Recoveries	5,028	ES2680	
TOTAL Sale of Property And Compensation For Loss	5,028		767
Interest And Earnings	8,486	ES2401	1,968
TOTAL Use of Money And Property	8,486		1,968
Refunds of Prior Year's Expenditures		ES2701	315,113
Employees Contributions	37,762	ES2709	32,727
Unclassified (specify)	6,326	ES2770	81,974
TOTAL Other	44,088		429,814
St Aid, Oper & Main of Sewer	3,436	ES3901	419
TOTAL State Aid	3,436		419
Fed Aid Other Home and Community Services	30,927	ES4989	3,772
TOTAL Federal Aid	30,927		3,772
TOTAL Revenues	5,152,312		5,343,899
TOTAL Operating Revenue	5,152,312		5,343,899

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(ES) ENTERPRISE SEWER

Results of Operation

Code Description	2020	EdpCode	2021
Expenses			
Sanitary Sewers, Pers Serv	588,499	ES81201	557,956
TOTAL Sanitary Sewers	588,499		557,956
Sewage Treatment And Disposal-Pers Serv	589,584	ES81301	610,015
TOTAL Sewage Treatment And Disposal-Pers Serv	589,584		610,015
TOTAL Personal Services	1,178,083		1,167,971
Judgement And Claims, Contr Expend Additional Description litigation judgment		ES19304	746,783
TOTAL Judgement And Claims	0		746,783
Depreciation	1,092,862	ES19944	1,301,812
TOTAL Depreciation	1,092,862		1,301,812
Sanitary Sewers, Contr Expend	221,208	ES81204	266,747
TOTAL Sanitary Sewers	221,208		266,747
Sewage Treatment And Disposal-Contr Expend	789,203	ES81304	695,652
TOTAL Sewage Treatment And Disposal-Contr Expend	789,203		695,652
TOTAL Contractual Expenses	2,103,273		3,010,994
Sanitary Sewers, Empl Bnfts	-944,578	ES81208	469,793
TOTAL Sanitary Sewers	-944,578		469,793
Sewage Treatment And Disposal-Empl Bnfts	300,069	ES81308	309,592
TOTAL Sewage Treatment And Disposal-Empl Bnfts	300,069		309,592
TOTAL Employee Benefits	-644,509		779,385
Debt Interest, Serial Bonds	254,052	ES97107	240,622
Debt Interest, Bond Anticipation Notes	78,554	ES97307	60,014
Install Pur Debt, Interest	24,064	ES97857	15,638
Other Debt, Interest Additional Description interest on judgment		ES97897	231,727
TOTAL Interest Expense	356,670		548,001
TOTAL Expenses	2,993,517		5,506,351
TOTAL Operating Expenses	2,993,517		5,506,351

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(ES) ENTERPRISE SEWER

Analysis of Changes in Net Position

Code Description	2020	EdpCode	2021
Analysis of Changes in Net Position			
Net Position - Beginning of Year	5,037,322	ES8021	7,196,117
Prior Period Adj -Increase In Net Position		ES8012	365,278
Restated Net Position - Beg of Year	5,037,322	ES8022	7,561,395
ADD - REVENUES AND OTHER SOURCES	5,152,312		5,343,899
DEDUCT - EXPENDITURES AND OTHER USES	2,993,517		5,506,351
Net Position - End of Year	7,196,117	ES8029	7,398,943

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Cash Flow

Code Description	2020	EdpCode	2021
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(EW) ENTERPRISE WATER

Statement of Net Position

Code Description	2020	EdpCode	2021
Assets			
Cash	1,109,600	EW200	1,128,319
Cash In Time Deposits	5,856,509	EW201	11,732,486
Petty Cash	100	EW210	100
TOTAL Cash	6,966,209		12,860,905
Accounts Receivable	761,596	EW380	677,300
Accrued Interest Receivable	318,668	EW381	316,389
TOTAL Other Receivables (net)	1,080,264		993,689
Due From Other Funds	88	EW391	218
TOTAL Due From Other Funds	88		218
Due From Other Governments	12,729	EW440	227,736
TOTAL Due From Other Governments	12,729		227,736
Inventory Of Materials And Supplies	180,249	EW445	257,305
TOTAL Inventories	180,249		257,305
Prepaid Expenses	207,394	EW480	270,914
TOTAL Prepaid Expenses	207,394		270,914
Improvements Other Than Buildings	26,672,344	EW103	29,953,061
Machinery And Equipment	1,082,560	EW104	1,101,141
Accum Depr, Imp Other Than Bld	-10,010,668	EW113	-10,778,643
TOTAL Fixed Assets (net)	17,744,236		20,275,559
Deferred Outflow of Resources	1,678,353	EW495	1,472,265
Deferred Outflows of Resources - Pensions	930,929	EW496	1,215,707
TOTAL Deferred Outflows of Resources	2,609,282		2,687,972
TOTAL Assets and Deferred Outflows of Resources	28,800,451		37,574,298

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(EW) ENTERPRISE WATER

Statement of Net Position

Code Description	2020	EdpCode	2021
Accounts Payable	53,774	EW600	1,263,012
TOTAL Accounts Payable	53,774		1,263,012
Accrued Liabilities	31,885	EW601	136,265
TOTAL Accrued Liabilities	31,885		136,265
Customers' Deposits	9,300	EW615	4,300
TOTAL Other Deposits	9,300		4,300
Bond Anticipation Notes Payable	7,187,500	EW626	12,773,000
TOTAL Notes Payable	7,187,500		12,773,000
Net Pension Liability -Proportionate Share	1,265,004	EW638	5,142
Total OPEB Liability	9,732,190	EW683	9,768,960
Installment Purchase Debt	59,587	EW685	30,292
Compensated Absences	180,168	EW687	163,085
Other Liabilities	48,938	EW688	
TOTAL Other Liabilities	11,285,887		9,967,479
Due To Other Funds	2,495	EW630	2,958
TOTAL Due To Other Funds	2,495		2,958
Bonds Payable	7,567,368	EW628	8,480,367
Bond Interest And Matured Bonds Payable	124,736	EW629	356,532
TOTAL Bond And Long Term Liabilities	7,692,104		8,836,899
TOTAL Liabilities	26,262,945		32,983,913
Deferred Inflows of Resources			
Deferred Inflow of Resources	1,251,907	EW691	1,258,029
Deferred Inflows of Resources - Pensions	24,249	EW697	1,514,962
TOTAL Deferred Inflows of Resources	1,276,156		2,772,991
TOTAL Deferred Inflows of Resources	1,276,156		2,772,991
Fund Balance			
Net Assets-Invsted In Cap Asts, Net Rltd D	7,023,294	EW920	6,296,528
Net Assets-Unrestricted (deficit)	-5,761,944	EW924	-4,479,134
TOTAL Net Position	1,261,350		1,817,394
TOTAL Fund Balance	1,261,350		1,817,394
TOTAL Liabilities, Deferred Inflows And Fund Balance	28,800,451		37,574,298

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(EW) ENTERPRISE WATER

Results of Operation

Code Description	2020	EdpCode	2021
Revenues			
Metered Water Sales	4,561,621	EW2140	4,826,704
Water Service Charges	73,970	EW2144	67,530
Interest & Penalties On Water Rents	73,763	EW2148	99,003
Interfund Revenues	44,958	EW2801	46,252
TOTAL Charges For Services Within Locality	4,754,312		5,039,489
Sale of Scrap Materials	12,705	EW2650	2,033
Sales, Other	85,425	EW2655	98,215
Insurance Recoveries	24,906	EW2680	119,010
TOTAL Sale of Property And Compensation For Loss	123,036		219,258
Interest And Earnings	7,788	EW2401	3,319
Rental of Real Property	59,740	EW2410	56,160
TOTAL Use of Money And Property	67,528		59,479
Unclassified (specify)	13,364	EW2770	283,735
TOTAL Other	13,364		283,735
St Aid - Other Home And Community Service	556,847	EW3989	255,190
TOTAL State Aid	556,847		255,190
TOTAL Revenues	5,515,087		5,857,151
TOTAL Operating Revenue	5,515,087		5,857,151

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(EW) ENTERPRISE WATER

Results of Operation

Code Description	2020	EdpCode	2021
Expenses			
Water Administration-Pers Serv	294,409	EW83101	310,847
TOTAL Water Administration-Pers Serv	294,409		310,847
Purification-Pers Serv	644,166	EW83301	700,777
TOTAL Purification-Pers Serv	644,166		700,777
Transportation And Distribution-Pers Serv	659,996	EW83401	681,007
TOTAL Transportation And Distribution-Pers Serv	659,996		681,007
TOTAL Personal Services	1,598,571		1,692,631
Taxes & Assess On Munic Prop, Contr Expend	326,166	EW19504	344,259
TOTAL Taxes & Assess On Munic Prop	326,166		344,259
Depreciation	763,374	EW19944	777,714
TOTAL Depreciation	763,374		777,714
Water Administration-Contr Expend	224,229	EW83104	252,711
TOTAL Water Administration-Contr Expend	224,229		252,711
Source Supply Pwr & Pump Contr Expend	6,157	EW83204	5,502
TOTAL Source Supply Pwr & Pump Contr Expend	6,157		5,502
Purification-Contr Expend	224,040	EW83304	234,928
TOTAL Purification-Contr Expend	224,040		234,928
Transportation And Distribution-Contr Expe	169,292	EW83404	318,824
TOTAL Transportation And Distribution-Contr Expe	169,292		318,824
TOTAL Contractual Expenses	1,713,258		1,933,938
Water Administration-Empl Bnfts	1,663,016	EW83108	1,499,826
TOTAL Water Administration-Empl Bnfts	1,663,016		1,499,826
TOTAL Employee Benefits	1,663,016		1,499,826
Debt Interest, Serial Bonds	222,720	EW97107	297,330
TOTAL Interest Expense	222,720		297,330
TOTAL Expenses	5,197,565		5,423,725
TOTAL Operating Expenses	5,197,565		5,423,725

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(EW) ENTERPRISE WATER

Analysis of Changes in Net Position

Code Description	2020	EdpCode	2021
Analysis of Changes in Net Position			
Net Position - Beginning of Year	943,828	EW8021	1,261,350
Prior Period Adj -Increase In Net Position		EW8012	122,618
Restated Net Position - Beg of Year	943,828	EW8022	1,383,968
ADD - REVENUES AND OTHER SOURCES	5,515,087		5,857,151
DEDUCT - EXPENDITURES AND OTHER USES	5,197,565		5,423,725
Net Position - End of Year	1,261,350	EW8029	1,817,394

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Cash Flow

Code Description	2020	EdpCode	2021
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(H) CAPITAL PROJECTS

Balance Sheet

Code Description	2020	EdpCode	2021
Assets			
Cash	49,638	H200	49,660
TOTAL Cash	49,638		49,660
Accounts Receivable		H380	14,000
TOTAL Other Receivables (net)	0		14,000
Due From State And Federal Government	3,738,666	H410	5,013,700
TOTAL State And Federal Aid Receivables	3,738,666		5,013,700
Due From Other Funds	676,542	H391	
TOTAL Due From Other Funds	676,542		0
Due From Other Governments	23,077	H440	284,281
TOTAL Due From Other Governments	23,077		284,281
TOTAL Assets and Deferred Outflows of Resources	4,487,923		5,361,641

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(H) CAPITAL PROJECTS

Balance Sheet

Code Description	2020	EdpCode	2021
Accounts Payable	1,106,223	H600	3,142,407
TOTAL Accounts Payable	1,106,223		3,142,407
Bond Anticipation Notes Payable	8,456,520	H626	9,740,507
TOTAL Notes Payable	8,456,520		9,740,507
Other Liabilities	19,472	H688	27,325
TOTAL Other Liabilities	19,472		27,325
Due To Other Funds	4,598,532	H630	5,081,918
TOTAL Due To Other Funds	4,598,532		5,081,918
TOTAL Liabilities	14,180,747		17,992,157
Fund Balance			
Assigned Appropriated Fund Balance		H914	
TOTAL Assigned Fund Balance	0		0
Unassigned Fund Balance	-9,692,824	H917	-12,630,514
TOTAL Unassigned Fund Balance	-9,692,824		-12,630,514
TOTAL Fund Balance	-9,692,824		-12,630,514
TOTAL Liabilities, Deferred Inflows And Fund Balance	4,487,923		5,361,643

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(H) CAPITAL PROJECTS

Results of Operation

Code Description	2020	EdpCode	2021
Revenues			
Capital Projects-Other Local Govts		H2397	292,881
TOTAL Intergovernmental Charges	0		292,881
Premium & Accrued Interest On Obligations	128,904	H2710	100,665
Unclassified (specify)		H2770	14,000
TOTAL Miscellaneous Local Sources	128,904		114,665
St Aid, Consolidated Highway Aid	580,204	H3501	1,494,793
St Aid, Other Transportation	2,431,996	H3589	2,400,588
TOTAL State Aid	3,012,200		3,895,381
Fed Aid Other Transportation	2,204,513	H4589	1,569,375
TOTAL Federal Aid	2,204,513		1,569,375
TOTAL Revenues	5,345,617		5,872,302
Interfund Transfers		H5031	105,073
TOTAL Interfund Transfers	0		105,073
Bans Redeemed From Appropriations	400,000	H5731	2,255,521
TOTAL Proceeds of Obligations	400,000		2,255,521
TOTAL Other Sources	400,000		2,360,594
TOTAL Detail Revenues And Other Sources	5,745,617		8,232,896

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(H) CAPITAL PROJECTS

Results of Operation

Code Description	2020	EdpCode	2021
Expenditures			
General Govt, Equip & Cap Outlay	315,317	H19972	357,425
TOTAL General Govt	315,317		357,425
TOTAL General Government Support	315,317		357,425
Traffic Control, Equip & Cap Outlay	47,788	H33102	
TOTAL Traffic Control	47,788		0
Fire, Equip & Cap Outlay	18,575	H34102	532,655
TOTAL Fire	18,575		532,655
Other Public Safety, Equip & Cap Outlay		H39972	36,792
TOTAL Other Public Safety	0		36,792
TOTAL Public Safety	66,363		569,447
Maint of Streets, Equip & Cap Outlay	5,845,879	H51102	5,343,763
TOTAL Maint of Streets	5,845,879		5,343,763
Perm Improve Highway, Equip & Cap Outlay	589,664	H51122	1,494,793
TOTAL Perm Improve Highway	589,664		1,494,793
Maint of Bridges, Equip & Cap Outlay	9,400	H51202	646,809
TOTAL Maint of Bridges	9,400		646,809
Garage, Equip & Cap Outlay	11,636	H51322	
TOTAL Garage	11,636		0
Street Lighting, Equip & Cap Outlay		H51822	1,257,483
TOTAL Street Lighting	0		1,257,483
TOTAL Transportation	6,456,579		8,742,848
Parks, Equip & Cap Outlay	112,187	H71102	305,401
TOTAL Parks	112,187		305,401
Special Rec Facility, Equip & Cap Outlay	578,490	H71802	662,457
TOTAL Special Rec Facility	578,490		662,457
Historical Property, Equip & Cap Outlay		H75202	26,363
TOTAL Historical Property	0		26,363
TOTAL Culture And Recreation	690,677		994,221
Storm Sewers, Equip & Cap Outlay	463,680	H81402	28,841
TOTAL Storm Sewers	463,680		28,841
Refuse & Garbage, Equip & Cap Outlay	59,284	H81602	
TOTAL Refuse & Garbage	59,284		0
Street Cleaning, Equip & Cap Outlay		H81702	283,884
TOTAL Street Cleaning	0		283,884
Flood & Erosion Control, Equip & Cap Outla	22,414	H87452	18,600
TOTAL Flood & Erosion Control	22,414		18,600
Misc Home & Comm Serv, Equip & Cap Outlay	113,743	H89892	105,100
TOTAL Misc Home & Comm Serv	113,743		105,100
TOTAL Home And Community Services	659,121		436,425
Debt Interest, Bond Anticipation Notes	68,673	H97307	128,904
TOTAL Debt Interest	68,673		128,904
TOTAL Expenditures	8,256,730		11,229,270
TOTAL Detail Expenditures And Other Uses	8,256,730		11,229,270

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(H) CAPITAL PROJECTS

Analysis of Changes in Fund Balance

Code Description	2020	EdpCode	2021
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	-7,308,101	H8021	-9,692,824
Prior Period Adj -Increase In Fund Balance	203,550	H8012	58,684
Prior Period Adj -Decrease In Fund Balance	77,160	H8015	
Restated Fund Balance - Beg of Year	-7,181,711	H8022	-9,634,140
ADD - REVENUES AND OTHER SOURCES	5,745,617		8,232,896
DEDUCT - EXPENDITURES AND OTHER USES	8,256,730		11,229,270
Fund Balance - End of Year	-9,692,824	H8029	-12,630,514

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(K) GENERAL FIXED ASSETS

Balance Sheet

Code Description	2020	EdpCode	2021
Assets			
Land	647,753	K101	647,753
Buildings	11,078,261	K102	11,078,261
Improvements Other Than Buildings	19,335,640	K103	19,155,071
Machinery And Equipment	12,421,057	K104	13,110,146
Construction Work In Progress	7,385,813	K105	16,448,698
Infrastructure	38,660,678	K106	39,177,738
TOTAL Fixed Assets (net)	89,529,202		99,617,667
TOTAL Assets and Deferred Outflows of Resources	89,529,202		99,617,667

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(K) GENERAL FIXED ASSETS

Balance Sheet

Code Description	2020	EdpCode	2021
Liabilities, Deferred Inflows And Fund Balance			
Total Non-Current Govt Assets	89,529,202	K159	99,617,667
TOTAL Investments in Non-Current Government Assets	89,529,202		99,617,667
TOTAL Fund Balance	89,529,202		99,617,667
TOTAL	89,529,202		99,617,667

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(PN) PERMANENT

Balance Sheet

Code Description	2020	EdpCode	2021
Assets			
Cash		PN200	
TOTAL Cash	0		0
TOTAL Assets and Deferred Outflows of Resources	0		0

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(PN) PERMANENT

Balance Sheet

Code Description	2020	EdpCode	2021
Fund Balance			
Must Remain Intact		PN807	
TOTAL Nonspendable Fund Balance	0		0
TOTAL Fund Balance	0		0
TOTAL Liabilities, Deferred Inflows And Fund Balance	0		0

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Results of Operation

Code Description	2020	EdpCode	2021
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Results of Operation

Code Description	2020	EdpCode	2021
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(PN) PERMANENT

Analysis of Changes in Fund Balance

Code Description	2020	EdpCode	2021
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	12,500	PN8021	
Prior Period Adj -Decrease In Fund Balance	12,500	PN8015	
Restated Fund Balance - Beg of Year		PN8022	
Fund Balance - End of Year		PN8029	

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(TA) AGENCY

Balance Sheet

Code Description	2020	EdpCode	2021
Assets			
Cash		TA200	
TOTAL Cash	0		0
TOTAL Assets and Deferred Outflows of Resources	0		0

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(TA) AGENCY

Balance Sheet

Code Description	2020	EdpCode	2021
Due To Other Funds		TA630	
TOTAL Due To Other Funds	0		0
TOTAL Liabilities	0		0
TOTAL Liabilities, Deferred Inflows And Fund Balance	0		0

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(TC) CUSTODIAL

Balance Sheet

Code Description	2020	EdpCode	2021
Assets			
Cash Special Reserves	293,012	TC230	273,019
TOTAL Restricted Assets	293,012		273,019
TOTAL Assets and Deferred Outflows of Resources	293,012		273,019

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(TC) CUSTODIAL

Balance Sheet

Code Description	2020	EdpCode	2021
Bail Deposits	293,012	TC735	273,019
TOTAL Other Deposits	293,012		273,019
TOTAL Liabilities	293,012		273,019
TOTAL Liabilities, Deferred Inflows And Fund Balance	293,012		273,019

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Results of Operation

Code Description	2020	EdpCode	2021
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Results of Operation

Code Description	2020	EdpCode	2021
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(TC) CUSTODIAL

Analysis of Changes in Net Position

Code Description	2020	EdpCode	2021
Analysis of Changes in Net Position			
Fund Balance - Beginning of Year		TC8021	
Restated Fund Balance - Beg of Year		TC8022	
Fund Balance - End of Year		TC8029	

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(TE) PRIVATE PURPOSE TRUST

Balance Sheet

Code Description	2020	EdpCode	2021
Assets			
Cash		TE200	
TOTAL Cash	0		0
TOTAL Assets and Deferred Outflows of Resources	0		0

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(TE) PRIVATE PURPOSE TRUST

Balance Sheet

Code Description	2020	EdpCode	2021
Other Liabilities		TE688	
TOTAL Other Liabilities	0		0
TOTAL Liabilities	0		0
Fund Balance			
Net Assets-Restricted For Other Purposes		TE923	
Net Assets-Unrestricted (Deficit)		TE924	
TOTAL Net Position	0		0
TOTAL Fund Balance	0		0
TOTAL Liabilities, Deferred Inflows And Fund Balance	0		0

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Results of Operation

Code Description	2020	EdpCode	2021
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Results of Operation

Code Description	2020	EdpCode	2021
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(TE) PRIVATE PURPOSE TRUST

Analysis of Changes in Net Position

Code Description	2020	EdpCode	2021
Analysis of Changes in Net Position			
Fund Balance - Beginning of Year	158,104	TE8021	
Prior Period Adjustments,dec Fnd Eqty	158,104	TE8015	
Restated Fund Balance - Beg of Year		TE8022	
Fund Balance - End of Year		TE8029	

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(V) DEBT SERVICE

Balance Sheet

Code Description	2020	EdpCode	2021
Assets			
Cash	328,008	V200	400,318
TOTAL Cash	328,008		400,318
Accounts Receivable		V380	25,000
TOTAL Other Receivables (net)	0		25,000
Due From Other Funds	266,745	V391	251,745
TOTAL Due From Other Funds	266,745		251,745
Due From Other Governments	410,000	V440	358,000
TOTAL Due From Other Governments	410,000		358,000
TOTAL Assets and Deferred Outflows of Resources	1,004,753		1,035,063

CITY OF Kingston
Annual Update Document
For the Fiscal Year Ending 2021

(V) DEBT SERVICE

Balance Sheet

Code Description	2020	EdpCode	2021
Other Liabilities	17,974	V688	31,373
TOTAL Other Liabilities	17,974		31,373
Due To Other Funds	194,706	V630	232,016
TOTAL Due To Other Funds	194,706		232,016
Bond Interest And Matured Bonds Payable	2,472	V629	2,472
TOTAL Bond And Long Term Liabilities	2,472		2,472
TOTAL Liabilities	215,152		265,861
Fund Balance			
Reserve For Debt		V884	70,000
TOTAL Restricted Fund Balance	0		70,000
Assigned Unappropriated Fund Balance	789,601	V915	699,202
TOTAL Assigned Fund Balance	789,601		699,202
TOTAL Fund Balance	789,601		769,202
TOTAL Liabilities, Deferred Inflows And Fund Balance	1,004,753		1,035,063

CITY OF Kingston
Annual Update Document
For the Fiscal Year Ending 2021

(V) DEBT SERVICE

Results of Operation

Code Description	2020	EdpCode	2021
Revenues			
Interest And Earnings	166	V2401	80
TOTAL Use of Money And Property	166		80
Other Compensation For Loss		V2690	70,000
TOTAL Sale of Property And Compensation For Loss	0		70,000
TOTAL Revenues	166		70,080
Interfund Transfers	1,431,793	V5031	1,339,877
TOTAL Interfund Transfers	1,431,793		1,339,877
TOTAL Other Sources	1,431,793		1,339,877
TOTAL Detail Revenues And Other Sources	1,431,959		1,409,957

CITY OF Kingston
Annual Update Document
For the Fiscal Year Ending 2021

(V) DEBT SERVICE

Results of Operation

Code Description	2020	EdpCode	2021
Expenditures			
Fiscal Agents Fees, Contr Expend	19,910	V13804	25,250
TOTAL Fiscal Agents Fees	19,910		25,250
TOTAL General Government Support	19,910		25,250
Debt Principal, Serial Bonds	1,185,143	V97106	1,127,143
TOTAL Debt Principal	1,185,143		1,127,143
Debt Interest, Serial Bonds	309,880	V97107	277,962
TOTAL Debt Interest	309,880		277,962
TOTAL Expenditures	1,514,933		1,430,355
TOTAL Detail Expenditures And Other Uses	1,514,933		1,430,355

CITY OF Kingston
Annual Update Document
For the Fiscal Year Ending 2021

(V) DEBT SERVICE

Analysis of Changes in Fund Balance

Code Description	2020	EdpCode	2021
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	872,575	V8021	789,601
Restated Fund Balance - Beg of Year	872,575	V8022	789,601
ADD - REVENUES AND OTHER SOURCES	1,431,959		1,409,957
DEDUCT - EXPENDITURES AND OTHER USES	1,514,933		1,430,355
Fund Balance - End of Year	789,601	V8029	769,203

CITY OF Kingston
Annual Update Document
For the Fiscal Year Ending 2021

(W) GENERAL LONG-TERM DEBT

Balance Sheet

Code Description	2020	EdpCode	2021
Assets			
Total Non-Current Govt Liabilities	176,195,220	W129	174,546,914
TOTAL Provision To Be Made In Future Budgets	176,195,220		174,546,914
TOTAL Assets and Deferred Outflows of Resources	176,195,220		174,546,914

CITY OF Kingston
Annual Update Document
For the Fiscal Year Ending 2021

(W) GENERAL LONG-TERM DEBT

Balance Sheet

Code Description	2020	EdpCode	2021
Net Pension Liability -Proportionate Share	20,030,434	W638	4,119,120
Total OPEB Liability	143,314,584	W683	159,278,907
Landfill Closure & Post Closure Liability	413,020	W684	376,794
Installment Purchase Debt	197,900	W685	100,611
Judgments And Claims Payable	-1,036,843	W686	-1,855,916
Compensated Absences	3,034,311	W687	3,412,727
TOTAL Other Liabilities	165,953,406		165,432,243
Bonds Payable	10,241,814	W628	9,114,671
TOTAL Bond And Long Term Liabilities	10,241,814		9,114,671
TOTAL Liabilities	176,195,220		174,546,914
TOTAL Liabilities	176,195,220		174,546,914

CITY OF Kingston
Statement of Indebtedness
For the Fiscal Year Ending 2021

Countyof: Ulster

Municipal Code: 510224000000

First Year	Debt Code	Description	Cops Flag	Comp Flag	Date of Issue	Date of Maturity	Int. Rate	Var?	Amt. Orig. Issued	O/S Beg. of Year	Paid Dur. Year	Redeemed Bond Proc.	Prior Yr. Adjust.	Accreted Interest	O/S End of Year
2019	BAN E	WATER EFC DWF-2017A #18209			01/01/2019	12/31/2020	1.17%		\$144,012	\$144,012	\$144,012	\$144,012	\$0		\$0
2021	BAN E	Water System Improvements		Y	03/18/2021	03/18/2022	0.251%		\$7,300,000	\$0			\$0		\$7,300,000
2018	BAN E	Water		Y	03/22/2018	03/18/2022	0.251%		\$2,300,000	\$1,831,500	\$158,500	\$0	\$0		\$1,673,000
2020	BAN E	WATER IMPROVEMENTS		Y	03/19/2020	03/18/2022	0.251%		\$4,000,000	\$4,000,000	\$200,000	\$0	\$0		\$3,800,000
2020	BAN E	WATER EFC DWF-2017A #18209			01/01/2020	12/31/2021	1.17%		\$1,211,988	\$1,211,988	\$1,211,988	\$1,196,988	\$0		\$0
Year Total for Type/Exempt Status - Sums Issued Amtsmade in AFR Year									\$7,300,000	\$7,187,500	\$1,714,500	\$1,341,000	\$0	\$0	\$12,773,000
2018	BOND E	Water			03/22/2018	03/15/2038	3.024%		\$1,290,000	\$1,179,000	\$58,000	\$0	\$0		\$1,121,000
2020	BOND E	WATER IMPROVEMENTS-EFC			12/17/2020	10/08/2050	0.00%		\$1,857,213	\$1,857,213	\$49,526	\$0	\$0		\$1,807,687
2021	BOND E	EFC WATER SYSTEM IMPROVEMENTS			11/25/2021	08/01/2041	1.93%	Y	\$1,451,286	\$0			\$0		\$1,451,286
2011	BOND E	SANITARY SEWER - 2011 EFC			07/07/2011	05/01/2031	1.996%		\$5,819,243	\$3,400,000	\$300,000	\$0	\$0		\$3,100,000
2020	BOND E	WATER IMPROVEMENTS-EFC			12/03/2020	10/01/2040	1.85%		\$471,394	\$471,394	\$20,000	\$0	\$0		\$451,394
2014	BOND E	FILTER PLANT - EFC			07/02/2014	02/16/2025	0.00%		\$1,585,000	\$795,000	\$145,000	\$0	\$0		\$650,000
2015	BOND E	REFUNDING			08/09/2015	01/15/2026	2.41%		\$23,927	\$4,761	\$4,761	\$0	\$0		\$0
2012	BOND E	EFC 2012B			05/24/2012	11/01/2032	2.17%	Y	\$3,552,158	\$2,280,000	\$165,000	\$0	\$0		\$2,115,000
2015	BOND E	GENERAL PURPOSE-WATER			03/24/2015	03/15/2035	2.76%		\$1,175,000	\$850,000	\$70,000	\$0	\$0		\$780,000
2015	BOND E	Filter Plant-EFC			08/20/2015	05/15/2025	4.244%		\$239,221	\$130,000	\$26,000	\$0	\$0		\$104,000
Year Total for Type/Exempt Status - Sums Issued Amtsmade in AFR Year									\$1,451,286	\$10,967,368	\$838,287	\$0	\$0	\$0	\$11,580,367
2007	IPC E	Wendel Energy Project			08/19/2007	08/09/2022	3.414%		\$3,996,392	\$655,957	\$322,474	\$0	\$0		\$333,483
2017	IPC E	VEHICLE LEASE			02/07/2017	02/07/2022	3.35%		\$141,815	\$59,587	\$29,295	\$0	\$0		\$30,292
Year Total for Type/Exempt Status - Sums Issued Amtsmade in AFR Year									\$0	\$715,544	\$351,769	\$0	\$0	\$0	\$363,775
2019	BAN N	SEWER CWSRF#C3-5374-06			01/01/2019	12/21/2022	0.00%		\$328,310	\$328,310	\$4,750	\$0	\$0		\$323,560
2021	BAN N	General Purposes			08/19/2021	08/19/2022	0.171%		\$6,064,507	\$0			\$0		\$6,064,507
2018	BAN N	General Purposes		N	12/11/2018	08/19/2022	0.171%		\$4,697,462	\$3,987,462	\$814,450	\$0	\$0		\$3,173,012
2019	BAN N	GENERAL PURPOSES		Y	08/26/2019	08/19/2022	0.171%		\$5,495,000	\$5,270,000	\$1,076,409	\$0	\$0		\$4,193,591
2018	BAN N	SEWER CWSRF #C3-5374-06			01/01/2018	12/21/2022	0.00%		\$140,369	\$137,369	\$4,750	\$0	\$0		\$132,619

CITY OF Kingston
Statement of Indebtedness
For the Fiscal Year Ending 2021

4/29/2022

Countyof: Ulster

Municipal Code: 51022400000

First Year	Debt Code	Description	Cops Flag	Comp Flag	Date of Issue	Date of Maturity	Int. Rate	Var?	Amt. Orig. Issued	O/S Beg. of Year	Paid Dur. Year	Redeemed Bond Proc.	Prior Yr. Adjust.	Accreted Interest	O/S End of Year
2020	BAN N	General Purposes		Y	08/24/2020	08/19/2022	0.171%		\$3,200,000	\$3,200,000	\$653,603	\$0	\$0		\$2,546,397
Year Total for Type/Exempt Status - Sums Issued Amtsmade in AFR Year									\$6,064,507	\$12,923,141	\$2,553,962	\$0	\$0	\$0	\$16,433,686
2015	BOND N	VARIOUS PURPOSES			03/24/2015	03/15/2035	2.76%		\$7,498,407	\$4,600,000	\$465,000	\$0	\$0		\$4,135,000
2010	BOND N	Various Purposes			04/15/2010	04/15/2027	4.25%		\$4,815,000	\$1,130,000	\$225,000	\$0	\$0		\$905,000
2015	BOND N	REFUNDING			08/09/2015	01/15/2026	2.41%		\$2,651,072	\$975,238	\$195,238	\$0	\$0		\$780,000
2018	BOND N	General Purposes		N	03/22/2018	03/15/2038	3.024%		\$10,640,000	\$9,116,000	\$687,000	\$0	\$0		\$8,429,000
2015	BOND N	RONDOUT INTERCEPTOR/SIPHON-I			08/20/2015	10/01/2024	3.866%		\$850,000	\$365,000	\$85,000	\$0	\$0		\$280,000
Year Total for Type/Exempt Status - Sums Issued Amtsmade in AFR Year									\$0	\$16,186,238	\$1,657,238	\$0	\$0	\$0	\$14,529,000
AFR Year Total for All Debt Types - Sums Issued Amtsmade in AFR Year									\$14,815,793	\$47,979,791	\$7,115,756	\$1,341,000	\$0	\$0	\$55,679,828

CITY OF Kingston
Maturity Schedule
For the Fiscal Year Ending 2021

For Bonds Issued During The Fiscal Year Ended 2021

	EDPCODE	
Indebtedness No.		2021000001
Purpose of Issue		EFC WATER SYSTEM IMPROVEMENTS
For State Comptroller Use Only	2P3CE	
Total Principal	2P3PR	1,451,286
Date of Issue	2P3DT	11/25/2021
Interest Rate	2P3PC	1.93000
Final Maturity Date	2P3DM	8/1/2041
Amount of Principal Redeemed in or to be Redeemed in Fiscal Year ending in (The Last Two Digits of the EDP Code Correspond to the Fiscal Year Ended)		
	2P322	65,000
	2P323	66,286
	2P324	65,000
	2P325	65,000
	2P326	65,000
	2P327	70,000
	2P328	70,000
	2P329	70,000
	2P330	70,000
	2P331	70,000
	2P332	70,000
	2P333	70,000
	2P334	75,000
	2P335	75,000
	2P336	75,000
	2P337	80,000
	2P338	80,000
	2P339	80,000
	2P340	85,000
	2P341	85,000
	2P342	0

CITY OF Kingston
 Schedule of Time Deposits and Investments
 For the Fiscal Year Ending 2021

	EDP Code	Amount
CASH:		
On Hand	9Z2001	\$1,500.00
Demand Deposits	9Z2011	\$25,154,846.00
Time Deposits	9Z2021	\$12,005,505.00
Total		\$37,161,851.00
 COLLATERAL:		
- FDIC Insurance	9Z2014	\$750,000.00
Collateralized with securities held in possession of municipality or its agent	9Z2014A	\$36,777,617.00
Total		\$37,527,617.00
 INVESTMENTS:		
- Securities (450)		
Book Value (cost)	9Z4501	_____
Market Value at Balance Sheet Date	9Z4502	_____
Collateralized with securities held in possession of municipality or its agent	9Z4504A	_____
 - Repurchase Agreements (451)		
Book Value (cost)	9Z4511	_____
Market Value at Balance Sheet Date	9Z4512	_____
Collateralized with securities held in possession of municipality or its agent	9Z4514A	_____

CITY OF Kingston
Bank Reconciliation
For the Fiscal Year Ending 2021

Include All Checking, Savings and C.D. Accounts

Bank Account Number	Bank Balance	Add: Deposit In Transit	Less: Outstanding Checks	Adjusted Bank Balance
*****-5558	\$3,125,197	\$79,916	\$94,712	\$3,110,401
*****-5631	\$534,581	\$0	\$110,957	\$423,624
*****-5714	\$997	\$0	\$0	\$997
*****-6778	\$5,741,143	\$0	\$0	\$5,741,143
*****-0403	\$298,619	\$0	\$0	\$298,619
*****-3528	\$124,700	\$0	\$0	\$124,700
*****-4921	\$8,651,143	\$0	\$0	\$8,651,143
*****-6223	\$379,767	\$0	\$0	\$379,767
*****-0001	\$2,441	\$0	\$0	\$2,441
*****-5532	\$1,208,045	\$64	\$848	\$1,207,261
*****-0002	\$3,250,951	\$0	\$0	\$3,250,951
*****-6822	\$39,102	\$0	\$0	\$39,102
*****-8667	\$10,558	\$0	\$0	\$10,558
*****-5520	\$275,166	\$0	\$45,230	\$229,936
*****-7779	\$281,581	\$1,381	\$9,943	\$273,019
*****-6454	\$395,044	\$0	\$0	\$395,044
*****-5918	\$5,274	\$0	\$0	\$5,274
*****-8054	\$1,045,077	\$84,123	\$4,517	\$1,124,683
*****-6660	\$3,636	\$0	\$0	\$3,636
*****-9411	\$1,417,755	\$0	\$0	\$1,417,755
*****-9396	\$153,399	\$0	\$0	\$153,399
*****-1403	\$10,161,332	\$0	\$0	\$10,161,332
*****-2075	\$893	\$0	\$0	\$893
*****-2059	\$53,430	\$0	\$18,695	\$34,735
*****-2067	\$104,410	\$0	\$0	\$104,410
*****-2612	\$15,365	\$0	\$0	\$15,365

CITY OF Kingston
 Bank Reconciliation
 For the Fiscal Year Ending 2021

Include All Checking, Savings and C.D. Accounts

Bank Account Number	Bank Balance	Add: Deposit In Transit	Less: Outstanding Checks	Adjusted Bank Balance
****-2505	\$2,915	\$0	\$2,753	\$162
				<u>\$37,160,350</u>
				<u>\$1,500.00</u>
				<u>\$.00</u>
			9ZCASH *	<u>\$37,161,850</u>
			9ZCASHB *	<u>\$37,161,851</u>

* Must be equal

CITY OF Kingston
Local Government Questionnaire
For the Fiscal Year Ending 2021

	Response
1) Does your municipality have a written procurement policy?	Yes
2) Have the financial statements for your municipality been independently audited? If not, are you planning on having an audit conducted?	No Yes
3) Does your local government participate in an insurance pool with other local governments?	Yes
4) Does your local government participate in an investment pool with other local governments?	Yes
5) Does your municipality have a Length of Service Award Program (LOSAP) for volunteer firefighters?	No
6) Does your municipality have a Capital Plan?	Yes
7) Has your municipality prepared and documented a risk assessment plan? If yes, has your municipality used the results to design the system of internal controls?	No
8) Have you had a change in chief executive or chief fiscal officer during the last year?	No
9) Has your Local Government adopted an investment policy as required by General Municipal Law, Section 39?	Yes

CITY OF Kingston
Employee and Retiree Benefits
For the Fiscal Year Ending 2021

Total Full Time Employees:		300			
Total Part Time Employees:		30			
Account Code	Description	Total Expenditures (All Funds)	# of Full Time Employees	# of Part Time Employees	# of Retirees
90108	State Retirement System	\$1,300,071.74	177	300	
90158	Police and Fire Retirement	\$2,984,038.50	123		
90258	Local Pension Fund				
90308	Social Security	\$1,611,430.74	300	30	
90408	Worker's Compensation Insurance	\$743,983.40	300	30	
90458	Life Insurance	\$32,999.63	67		58
90508	Unemployment Insurance		300	30	
90558	Disability Insurance	\$11,758.04	300	30	
90608	Hospital and Medical (Dental) Insurance	\$10,255,597.59	220		299
90708	Union Welfare Benefits				
90858	Supplemental Benefit Payment to Disabled Fire Fighters	\$157,778.28			4
91890	Other Employee Benefits	\$155,804.64	300	30	
Total		\$17,253,462.56			
Computed Total From Financial Section (comparative purposes only)		\$17,253,463.63			

CITY OF Kingston
 Energy Costs and Consumption
 For the Fiscal Year Ending 2021

Energy Type	Total Expenditures	Total Volume	Units Of Measure	Alternative Units Of Measure
Gasoline	\$174,574		gallons	
Diesel Fuel	\$130,427		gallons	
Fuel Oil			gallons	
Natural Gas	\$119,556		cubic feet	
Electricity	\$687,024		kilowatt-hours	
Coal			tons	
Propane			gallons	

CITY OF Kingston
Financial Comments
For the Fiscal Year Ending 2021

(A) GENERAL

Adjustment Reason

Account Code A8012 Record additional receivable \$8,991, audit adjustment 179.86

Account Code A8015 Record additional payable 12/31/20 \$25,000

(CD) SPECIAL GRANT

Adjustment Reason

Account Code CD801 audit entries

Account Code CD801 audit entries

(H) CAPITAL PROJECTS

Adjustment Reason

Account Code H8012 Audit entries to adjust accounts receivable

(ES) ENTERPRISE SEWER

Adjustment Reason

Account Code ES801 GASB 75 adjustment to reduce Net Opeb Liability

(EW) ENTERPRISE WATER

Adjustment Reason

Account Code EW801 \$67,386 audit entry to adjust compensated absences, \$48,529 to adjust prepaid pension,
\$6,703 audit entry to adjust bonds payable

APPENDIX C

FORMS OF BOND COUNSEL'S OPINIONS

FORM OF BOND COUNSEL’S OPINION

August 17, 2022

City of Kingston
County of Ulster,
State of New York

Re: City of Kingston, Ulster County, New York
\$17,275,507 Public Improvement (Serial) Bonds, 2022

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of \$17,275,507 Public Improvement (Serial) Bonds, 2022 (the "Obligation"), of the City of Kingston, Ulster County, New York (the "Obligor"), dated the date of delivery, initially issued in registered form in denominations such that one bond shall be issued for each maturity of bonds in such amounts as hereinafter set forth, bearing interest at the rate of _____ per centum (_____%) per annum as to bonds maturing in the following amounts: \$ _____ on August 15, 2023, \$ _____ on August 15, 2024, \$ _____ on August 15, 2025, \$ _____ on August 15, 2026, \$ _____ on August 15, 2027, \$ _____ on August 15, 2028, \$ _____ on August 15, 2029, \$ _____ on August 15, 2030, \$ _____ on August 15, 2031, \$ _____ on August 15, 2032, \$ _____ on August 15, 2033, \$ _____ on August 15, 2034, \$ _____ on August 15, 2035, \$ _____ on August 15, 2036, \$ _____ on August 15, 2037, \$ _____ on August 15, 2038, \$ _____ on August 15, 2039, \$ _____ on August 15, 2040, \$ _____ on August 15, 2041 and \$ _____ on August 15, 2042, with interest thereon payable on February 15, 2023 and semi-annually thereafter in each year to maturity.

We have examined:

- (1) the Constitution and statutes of the State of New York;
- (2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");
- (3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligation that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligation not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligation and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligation to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligation and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and

(4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligation, including the form of the Obligation. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Arbitrage Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof

In our opinion:

- (a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, subject to applicable statutory limitations; provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.
- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligation is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligation is not a specific preference item for purposes of the federal alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligation.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligation) may be taken or omitted.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligation has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligation to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligation and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligation has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of revenues or moneys of the Obligor legally available will be sufficient to enable the Obligor to pay the principal of or interest on the Obligation as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligation for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligation, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

/s/ Orrick, Herrington & Sutcliffe LLP

FORM OF BOND COUNSEL'S OPINION

August 2, 2022

City of Kingston,
County of Ulster,
State of New York

Re: City of Kingston, Ulster County, New York
\$23,385,000 Bond Anticipation Notes, 2022 Series B

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an \$23,385,000 Bond Anticipation Note, 2022 Series B (the "Obligation"), of the City of Kingston, Ulster County, New York (the "Obligor"), dated August 17, 2022, numbered _____, of the denomination of \$ _____, bearing interest at the rate of _____ % per annum, payable at maturity, and maturing August 17, 2023.

We have examined:

- (1) the Constitution and statutes of the State of New York;
- (2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");
- (3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligation that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligation not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligation and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligation to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligation and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and
- (4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligation, including the form of the Obligation. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Arbitrage Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

- (a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, subject to applicable statutory limitations; provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.
- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligation is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligation is not a specific preference item for purposes of the federal alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligation.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligation) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligation has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligation to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligation and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligation has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Obligor, together with other legally available sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligation as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligation for factual information which, in the judgement of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligation, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

/es

FORM OF BOND COUNSEL'S OPINION

August 2, 2022

City of Kingston,
County of Ulster,
State of New York

Re: City of Kingston, Ulster County, New York
\$1,789,000 Bond Anticipation Notes, 2022 Series C (Renewals)

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an \$1,789,000 Bond Anticipation Note, 2022 Series C (Renewals) (the "Obligation"), of the City of Kingston, Ulster County, New York (the "Obligor"), dated August 17, 2022, numbered _____, of the denomination of \$ _____, bearing interest at the rate of _____ % per annum, payable at maturity, and maturing August 17, 2023.

We have examined:

- (1) the Constitution and statutes of the State of New York;
- (2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");
- (3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligation that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligation not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligation and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligation to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligation and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and
- (4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligation, including the form of the Obligation. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Arbitrage Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

- (a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, subject to applicable statutory limitations; provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.
- (b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.
- (c) Interest on the Obligation is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligation is not a specific preference item for purposes of the federal alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligation.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligation) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligation has concluded with their issuance, and we disclaim any obligation to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligation to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligation and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligation has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Obligor, together with other legally available sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligation as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligation for factual information which, in the judgement of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligation, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

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