PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 6, 2026

NEW ISSUE – SERIAL BONDS **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 is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax on individuals. Interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that interest on the Bonds 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. See "Tax Matters". The Bonds will NOT be designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

$12,940,000

CITY OF KINGSTON
ULSTER COUNTY, NEW YORK
(the "City")

PUBLIC IMPROVEMENT (SERIAL) BONDS, 2026

Dated: March 3, 2026

Principal Due: **March 1, 2027-2049, inclusive**
Interest Due: **March 1, 2027, September 1, 2027 and semiannually thereafter in each year to maturity**

SEE BOND MATURITY SCHEDULE HEREIN

Security and Sources of Payment: The Bonds 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 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 Laws of 2011, as amended (the "Tax Levy Limitation Law"). (See "*Tax Levy Limitation Law"* herein).

Prior Redemption: The Bonds maturing on March 1, 2035 and thereafter are subject to redemption prior to maturity, at the option of the City, as a whole or in part, on any date on or after March 1, 2034. (See "Optional Redemption" under "THE BONDS," herein.)

Form and Denomination: At the option of the purchaser, the Bonds may be issued in registered certificated form 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. Bondholders will not receive certificates representing their respective interests in the Bonds purchased in book-entry form. See "Book-entry-only System" under "The Bonds," herein.

Payment: Payment of the principal of and interest on any Bonds issued in book-entry form will be made by the City to DTC which will in turn remit such payment to its Participants for subsequent distribution to the Beneficial Owners of the Bonds in accordance with standing instructions and customary practices. Payment to the Beneficial Owners will be the responsibility of the DTC Participant or Indirect Participant and not of DTC or the City, subject to any statutory and regulatory requirements as may be in effect from time to time. See "Book-entry-only System" under "The Bonds," herein. 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 bidder's expense.

The Bonds are offered when, as and if issued and received by the Purchaser and subject to the receipt of an approving legal opinion as to the validity of the Bonds of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, of New York, New York. It is anticipated that the Bonds will be available for delivery through the facilities of DTC in Jersey City, New Jersey on or about March 3, 2026 or as otherwise agreed to by the City and the Purchaser.

THIS OFFICIAL STATEMENT IS IN A FORM "DEEMED FINAL" BY THE CITY FOR THE PURPOSE OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE") EXCEPT FOR CERTAIN INFORMATION THAT WILL BE UPDATED FOLLOWING THE SALE OF THE BONDS. FOR A DESCRIPTION OF THE CITY'S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE BONDS, AS DESCRIBED IN THE RULE. SEE "*DISCLOSURE UNDERTAKING*" HEREIN.

CITY OF KINGSTON
ULSTER COUNTY, NEW YORK

$12,940,000 PUBLIC IMPROVEMENT (SERIAL) BONDS, 2026

BOND MATURITY SCHEDULE

Dated: March 3, 2026

Principal Due: **March 1, 2027-2049, inclusive**
Interest Due: **March 1, 2027, September 1, 2027 and semiannually thereafter in each year to maturity**

Year	Amount*	Rate	Yield or Price	CUSIP #
2027	$ 50,000			
2028	350,000			
2029	365,000			
2030	385,000			
2031	400,000			
2032	420,000			
2033	440,000			
2034	460,000			
2035	480,000**			
2036	500,000**			
2037	525,000**			
2038	550,000**			
2039	575,000**			
2040	605,000**			
2041	630,000**			
2042	660,000**			
2043	690,000**			
2044	720,000**			
2045	755,000**			
2046	790,000**			
2047	825,000**			
2048	865,000**			
2049	900,000**			

*Amounts are subject to adjustment by the City following the sale, pursuant to the terms of the Notice of Bond Sale relating to the Bonds, to achieve substantial level or declining annual debt service as provided in Section 58.00 (c)(2) of the Local Finance Law.
**Subject to redemption prior to maturity.

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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 – Sara Pasti
Second Ward – Michael Tierney
Third Ward – Marissa Marvelli
Fourth Ward – Benjamin Falk
Fifth Ward – Teryl Mickens
Sixth Ward – Robert Dennison
Seventh Ward – Michael Ham
Eighth Ward – Ruth Katz
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

12 Roosevelt Avenue
Port Jefferson Station, N.Y. 11776
(631) 331-8888

E-mail: info@munistat.com
Website: https://www.munistat.com

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 shall there be any sale of the Bonds 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 any 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.

TABLE OF CONTENTS

Page

THE BONDS **1**
Description of the Bonds 1
Optional Redemption 1
Book-entry-only System 2
Continuing Disclosure Undertaking for the Bonds 3
Certificated Bonds 5
Authorization and Purpose for the Bonds 5
Nature of Obligation 5
Tax Levy Limitation Law 6
Real Property Tax Rebate 7

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT **8**
General Municipal Law Contract Creditors' Provision 8
Execution/Attachment of Municipal Property 8
Authority to File for Municipal Bankruptcy 8
State Debt Moratorium Law 8
Constitutional Non-Appropriation Provision 10
Default Litigation 10
No Past Due Debt 10

THE CITY **11**
Governmental Organization 11
Financial Organization and Budgetary Procedures 11
Employees 11
Population 12
Selected Wealth and Income Indicators 12
Building Permit Activity 12
Selected Listing of Larger Employers Within and in the Vicinity of Kingston 13
Unemployment Rate Statistics 14

INDEBTEDNESS OF THE CITY **14**
Constitutional Requirements 14
Statutory Procedure 15
Computation of Debt Limit and Calculation of Net Debt Contracting Margin 16
Debt Service Requirements - Outstanding Bonds 17
Lease-Purchase Obligations 17
Trend of City Indebtedness 18
Details of Short-Term Indebtedness Outstanding 18
Sanitary Sewer System Improvements 18
Authorized but Unissued Indebtedness 18
Capital Program 18
Calculation of Estimated Overlapping and Underlying Indebtedness 19
Debt Ratios 19

TABLE OF CONTENTS - CONTINUED

Page

FINANCES OF THE CITY **20**
Financial Statements and Accounting Procedures 20
Fund Structure and Accounts 20
Basis of Accounting 20
Investment Policy 20
Financial Operations 21
Revenues 21
Real Property Taxes 21
State Aid 21
Expenditures 22
2026 Adopted Budget 22
2025 Adopted Budget 22
Results of Operations: 2024 (Audited) 22
Results of Operations: 2023 (Audited) 22
Results of Operations: 2022 (Audited) 22
Results of Operations: 2021 (Audited) 22
Results of Operations: 2020 (Audited) 23
The State Comptroller's Fiscal Stress Monitoring System 23
Pension Systems 23
Contributions to the Retirement Systems 24
Other Post-Employment Benefits 24

REAL PROPERTY TAX INFORMATION **26**
Real Property Taxes 26
Tax Levy and Collection Record 26
Constitutional Tax Limit 26
Tax Collection Procedure 27
Sales Tax 27
Large Taxable Properties 27
Tax Certiorari Claims 28

LITIGATION **28**

CYBERSECURITY **28**

MARKET AND RISK FACTORS **28**

TAX MATTERS **29**

LEGAL MATTERS **31**

BOND RATING **31**

MUNCIPAL ADVISOR **31**

OTHER MATTERS **31**

ADDITIONAL INFORMATION **32**

APPENDIX A: FINANCIAL INFORMATION
APPENDIX B: AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024
APPENDIX C: BOND COUNSEL OPINION

OFFICIAL STATEMENT

$12,940,000

CITY OF KINGSTON
ULSTER COUNTY, NEW YORK

PUBLIC IMPROVEMENT (SERIAL) BONDS, 2026

This Official Statement and the appendices hereto present certain information relating to the City of Kingston, in the County of Ulster, in the State of New York (the "City," "County" and "State," respectively) in connection with the sale of $12,940,000 Public Improvement (Serial) Bonds, 2026 (the "Bonds") of the City.

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 proceedings of the City relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

THE BONDS

Description of the Bonds

The Bonds will be dated March 3, 2026, and will mature on March 1, in each of the years 2027 to 2049, inclusive, in the principal amounts as set forth on the inside cover page hereof.

At the option of the purchaser, the Bonds may be either issued in registered certificated form 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. 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-only System" under "The Bonds," herein.

Interest on the Bonds will be payable March 1, 2027, September 1, 2027 and semi-annually thereafter in each year to maturity. For Bonds issued as book-entry bonds through DTC, principal and interest will be paid by the City to DTC as the securities depository, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein. The Bonds may be transferred in the manner described on the Bonds and as referenced in certain proceedings of the City referred to therein.

The Record Date of the Bonds will be the fifteenth 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, PO Box 1627, Kingston, NY 12401, telephone number (845) 331-0080 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 March 1, 2034 will not be subject to redemption prior to maturity. The Bonds maturing on March 1, 2035 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 March 1, 2034, at a redemption price equal to the principal amount of the Bonds to be redeemed plus accrued interest to the date of redemption.

If less than all of any of the Bonds of any maturity are to be redeemed prior to maturity, the particular Bonds of such maturity to be redeemed shall be selected by the City by lot in any customary manner of selection as determined by the City. 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.

Book-entry-only System

DTC will act as Securities Depository for the Bonds, if the book-entry-only format is chosen by the successful bidder. The Bonds 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 and deposited with DTC for each maturity of the Bonds.

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 facilities 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 a www.dtcc.com and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds 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 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, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds 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 with DTC and their registration in the name of Cede & Co., or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds 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 may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds 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 unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the 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 are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds 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.

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

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.

THE CITY WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION 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 OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF OR INTEREST ON THE BONDS; (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO HOLDERS; (IV) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; 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 (I) PAYMENTS OF THE PRINCIPAL OF OR INTEREST ON THE BONDS; (II) CONFIRMATION OF THEIR OWNERSHIP INTEREST IN THE BONDS; OR (III) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO. AS NOMINEE, AS REGISTERED OWNER OF THE BONDS, 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.

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) by the end of the sixth month following the end of each succeeding fiscal year, commencing with the fiscal year ending December 31, 2026, 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, 2025; 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 security 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.

Certificated Bonds

DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the City and discharging its responsibilities with respect thereto under applicable law, or the City may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued and a successor depository is not obtained, the following provisions will apply: The Bonds will be issued in registered form in denominations of $5,000 or integral multiples thereof. Principal of and interest on the Bonds when due will be payable at the principal corporate trust office of a bank or trust company to be named by the City as the fiscal agent. Certificated Bonds may be transferred or exchanged at no cost to the owner of such Bonds at any time prior to maturity at the corporate trust office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the bond determinations certificate of the City Comptroller authorizing the sale of the Bonds and fixing the details thereof and in accordance with the New York State Local Finance Law.

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 a bond ordinance adopted by the Common Council of said City.

Such projects, and the allocated principal amount of Bonds to be issued is as follows:

Date of Authorization	Purpose	Amount Outstanding	Amount to be Paid	Total Amount to be Issued
06/06/2023	Renovation, Reconstruction and Expansion of Library Building for the Kingston Library District	$ 13,470,000	$ 530,000	$ 12,940,000
		$ 13,470,000	$ 530,000	$ 12,940,000

Nature of Obligation

The Bonds 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 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 Laws”, 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 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 and noteholders 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 district 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. It was set to expire on June 15, 2020 but has been permanently extended. 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 and 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.

Real Property Tax Rebate

Chapter 59 of the Laws of 2014 ("Chapter 59"), included provisions which provide a refundable personal income tax credit to real property taxpayers in school districts and certain municipal units of government. Real property owners in school districts were eligible for this credit in the 2014 and 2015 taxable years of those property owners. Real property taxpayers in certain other municipal units of government were eligible for this credit in the 2015 and 2016 taxable years of those real property taxpayers. The eligibility of real property taxpayers for the tax credit in each year depends on such jurisdiction's compliance with the provisions of the Tax Levy Limitation Law. School districts budgets must comply in their 2014-2015 and 2015-2016 fiscal years. Other municipal units of government must have their budgets in compliance for their 2015 and 2016 fiscal years. Such budgets must be within the tax cap limits set by the Tax Levy Limitation Law for the real property taxpayers to be eligible for this personal income tax credit. The affected jurisdictions include counties, cities (other than any towns with a population of one million or more and its counties), towns, villages, school districts (other than the dependent school districts of New York City, Buffalo, Rochester, Syracuse and Yonkers, the latter four of which are indirectly affected by applicability to their respective city) and independent special districts.

Certain additional restrictions on the amount of the personal income tax credit are set forth in Chapter 59 in order for the tax cap to qualify as one which will provide the tax credit benefit to such real property taxpayers. The refundable personal income tax credit amount is increased in the second year if compliance occurs in both taxable years.

For the second taxable year of the program, the refundable personal income tax credit for real property taxpayers was additionally contingent upon adoption by the school district or municipal unit of a state approved "government efficiency plan" which demonstrates "three-year savings and efficiencies of at least one per cent per year from shared services, cooperation agreement and/or mergers or efficiencies".

Municipalities, school districts and independent special districts must provide certification of compliance with the requirements of the new provisions to certain state officials in order to render their real property taxpayers eligible for the personal income tax credit.

While the provisions of Chapter 59 did not directly further restrict the taxing power of the affected municipalities, school districts and special districts, they did provide an incentive for such tax levies to remain within the tax cap limits established by the Tax Levy Limitation Law.

An additional real property tax rebate program applicable solely to school districts was enacted by Chapter 20 of the Laws of 2015, signed into law by the Governor on June 26, 2015. The program applied starting in the year 2016 and was fully phased in in 2019 and includes continued tax cap compliance.

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

General Municipal Law Contract Creditors' Provision

The Bonds 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.

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 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 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 crisises 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 Indian tribes, the Dutch and the British. The City, located on the west side of the Hudson River, has an area of approximately 7.4 square miles, a population of 23,942 (2023 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.

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 Limitation Law. See "Tax Levy Limitation Law" herein.

Employees

The City provides services through approximately 332 full-time employees. Union representation of full time employees is as follows:

Name of Union	Approximate Membership	Date Contract Expires
Civil Service Employees Association	138	12-31-25 [a]
Kingston Professional Fire Fighters' Association	67	12-31-24 [a]
Kingston Police Benevolent Association	75	12-31-25 [a]
American Federation of State, County & Municipal Employees	20	12-31-27

a. Contract in negotiations.

Population

Year	City of Kingston	Ulster County	New York State
2000	23,456	177,749	18,976,457
2010	23,893	182,493	19,378,102
2020	22,954	178,371	19,514,849
2023	23,942	182,333	19,571,216

Source: United States Bureau of the Census.

Selected Wealth and Income Indicators

	Per Capita Money Income			
	2000	2010	2020	2023
City of Kingston	$18,662	$24,117	$29,101	$39,199
County of Ulster	20,842	28,532	35,816	47,271
State of New York	23,389	30,948	40,898	48,847

	Median Household Income			
	2000	2010	2020	2023
City of Kingston	$31,594	$44,939	$54,311	$65,413
County of Ulster	42,551	56,434	65,306	85,878
State of New York	43,393	55,217	71,117	82,095

Source: United States Bureau of the Census.

Building Permit Activity

	2021	2022	2023	2024	2025
New One or Two Family Residences	6	3	3	3	9
New Commercial/Industrial Buildings	2	0	1	2	0
New Multiple Residences Occupancies	2	1	0	6	2
Additions, Alterations or Repairs on Existing Buildings	1,274	888	1,394	2,121	2,353
All Other Permits (Pools, Sheds, Decks, Etc.)	556	1,393	1,044	608	465

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Selected Listing of Larger Employers Within and in the Vicinity of Kingston

Non-Retail Employers

Name	Employees	Product	Location
County of Ulster	A	Government	Kingston
Health Alliance of the Hudson Valley	A	Health Services	Kingston/New Paltz
State Correctional Facilities	A	Correctional Services	Wallkill/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	Wallkill
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

Name	Employees	Product	Location
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 14, 2024.

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

Sector	Businesses Number	Businesses Percent	Employees Number	Employees Percent
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	271	3.42	7,926	12.66
Totals:	7,913	100.00%	62,625	100.00%

Unemployment Rate Statistics

Annual Averages:	City of Kingston (%)	Ulster County (%)	New York State (%)
2020	8.0	8.0	10.0
2021	4.9	4.9	7.2
2022	3.1	3.1	4.4
2023	3.3	3.3	4.2
2024	3.6	3.6	4.3
2025 (YTD)	3.6	3.6	4.2

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.

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 Limit 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 and the General Municipal Law.

Pursuant to the Local Finance Law, the City authorizes the incurrence of indebtedness by the adoption of a bond ordinance 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. Except on rare occasions, the City complies with this estoppel procedure. The City is in compliance with such requirements with respect to the other bond ordinances authorizing the issuance of the Bonds.

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 "Nature of Obligation" and "Tax Levy Limitation Law," herein.

Computation of Debt Limit and Calculation of Net Debt Contracting Margin
(As of February 6, 2026)

Fiscal Year Ending December 31:	Assessed Valuation	State Equalization Rate (%)	Full Valuation
2022	$1,661,030,904	81.00	$2,050,655,437
2023	1,671,592,295	70.00	2,387,988,993
2024	1,678,119,900	61.00	2,751,016,230
2025	1,682,733,045	57.00	2,952,163,237
2026	1,684,868,282	47.00	3,584,826,132
Total Five-Year Full Valuation			$13,726,650,028
Average Five-Year Full Valuation			2,745,330,006
Debt Limit - 7% of Average Full Valuation			192,173,100
Inclusions:			
Outstanding Bonds:			
General Purposes			$25,146,000
Library Purposes			129,000
Sewer Purposes			18,695,779
Water Purposes			20,820,282
Sub-Total			64,791,061
Bond Anticipation Notes			32,485,476
Total Inclusions			97,276,537
Exclusions:			
Sewer Debt			1,860,000
Water Debt			20,820,282
Note Appropriations			1,630,000
Bond Appropriations			2,027,654
Total Exclusions			26,337,936
Total Net Indebtedness			70,938,601
Net Debt Contracting Margin			$121,234,499
Percent of Debt Limit Exhausted			36.91%

a. See also “Water System Improvements”, “Sewer System Improvements” and “Capital Program” herein.

Debt Service Requirements - Outstanding Bonds

Fiscal Year Ending December 31:	Principal	Interest	Total
2026	$4,445,022	$2,085,485	$6,530,507
2027	4,306,502	1,964,124	6,270,626
2028	4,197,545	1,825,964	6,023,509
2029	4,247,107	1,688,829	5,935,936
2030	4,267,531	1,549,472	5,817,003
2031	4,248,480	1,409,521	5,658,001
2032	3,979,988	1,271,803	5,251,791
2033	3,812,361	1,141,343	4,953,704
2034	3,750,777	1,010,191	4,760,968
2035	3,810,301	879,183	4,689,484
2036	3,386,981	748,730	4,135,711
2037	3,440,858	625,087	4,065,945
2038	3,396,633	509,534	3,906,167
2039	3,039,353	399,455	3,438,808
2040	2,929,098	292,690	3,221,788
2041	1,571,131	187,997	1,759,128
2042	1,445,706	135,665	1,581,371
2043	1,207,899	85,936	1,293,835
2044	1,252,631	44,170	1,296,801
2045	234,324	0	234,324
2046	237,289	0	237,289
2047	240,254	0	240,254
2048	243,220	0	243,220
2049	246,185	0	246,185
2050	249,151	0	249,151
2051	176,975	0	176,975
2052	179,086	0	179,086
2053	181,198	0	181,198
2054	108,109	0	108,109
2055	109,366	0	109,366
Totals:	$64,941,061	$17,855,179	$82,796,240

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

Lease-Purchase Obligations

As of the date of this Official Statement, the City does not have any Lease-Purchase obligations outstanding.

Trend of City Indebtedness [a]

	Fiscal Year Ending December 31:				
	2021	2022	2023	2024	2025
Debt Outstanding End of Year:					
Bonds	$26,109,367	$40,882,100	$39,321,701	$35,899,049	$64,941,061
BANs	28,750,507	25,174,000	15,423,686	49,945,928	32,485,476
EFC Notes	456,179	446,679	14,061,621	16,522,545	0
Lease Purchase Obligations	363,775	0	0	0	0
Total Debt Outstanding	$55,679,828	$66,502,779	$68,807,008	$102,367,522	$97,426,537

a. See also "Water System Improvements" and "Sanitary Sewer System Improvements" herein.
b. Did not constitute general obligation debt but did count toward debt limit.

Details of Short-Term Indebtedness Outstanding

The City has $13,470,000 in bond anticipation notes outstanding for the Kingston Library District due March 4, 2026, such Notes, along with available funds will be redeemed by the issuance of the Bonds. The City also has $18,576,476 in bond anticipation notes for the reconstruction of Dietz Stadium due April 10, 2026 and $439,000 in bond anticipation notes for a packer truck due August 12, 2026

Sanitary Sewer System Improvements

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. To date, the City has borrowed $8,000,351 for this project. The City used grant funds to offset a portion of the project and the amount of $2,734,133 was converted to long term interest free financing with EFC in December 2025.

On July 11, 2023, the City adopted a $6,500,000 bond ordinance for sanitary sewer reconstruction and replacement on Prospect Street. Construction started in 2024 and $3.7 million has been borrowed to date.

On June 4, 2024, the City adopted a $2,500,000 bond ordinance for sanitary sewer pump station improvements. The project is currently in the design phase and no borrowing has been issued to date.

Authorized but Unissued Indebtedness

The City has authorized but unissued debt in the amount of $67,400,178 for various public improvements. Of such amount, approximately $5.23 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 $35.07 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 2026-2028 is set forth below.

	2026	2027	2028
Project Costs:			
Engineering	$19,701,885	$59,995,310	$186,376
Planning	2,904,869	$	0
Recreation	5,851,842	6,336,967	0
Total Project Costs	$28,458,596	$66,332,277	$186,376
Funding Sources:			
City Debt Obligations	$15,245,697	$21,121,820	$20,000
Grants/Other	13,212,899	45,210,457	166,376
Total Funding Sources:	$28,458,596	$66,332,277	$186,376

Sources: Capital Improvement Plan of the City.

Calculation of Estimated Overlapping and Underlying Indebtedness

Overlapping Units	Date of Report	Percentage Applicable (%)	Applicable Total Indebtedness	Applicable Net Indebtedness
County of Ulster	11/13/2025	7.70	$12,185,383	$11,356,302
Kingston CSD	09/23/2025	34.03	47,174,088	16,510,931
Totals			$59,359,470	$27,867,233

Sources: State Comptroller's Special Report on Municipal Affairs for 2024 or more recently published Official Statements.

Debt Ratios
(As of February 6, 2026)

	Amount [a]	Per Capita [b]	Percentage Of Full Value (%) [c]
Total Direct Debt	$97,276,537	$4,063	2.71
Net Direct Debt	70,938,601	2,963	1.98
Total Direct & Applicable Total Overlapping Debt	156,636,007	6,542	4.37
Net Direct & Applicable Net Overlapping Debt	98,805,834	4,127	2.76

a. Prior to the issuance of the Bonds.
b. The current estimated population of the City is 23,942.
c. The full valuation of taxable real property in the City for 2025-26 is $3,584,826,132.

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, 2024 and is attached as Appendix B. 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 (unaudited) (the "AFR") that is filed with the State Comptroller.

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 Custodial 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 than 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 of 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 audited results and subject to revision, the City received approximately 22.51% of its total General Fund operating revenue from State aid in 2024. 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.

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 2020 through 2024 and as budgeted for 2025 and 2026.

Fiscal Year Ending December 31:	General Fund Total Revenue	State & Federal Aid	State and Federal Aid To Revenues (%)
2020	$42,913,672	$1,300,384	3.03
2021	46,359,017	1,915,924	4.13
2022	50,732,945	2,295,147	4.52
2023	54,944,646	5,325,197	9.69
2024	67,998,193	15,307,602	22.51
2025 (Budgeted)	59,847,749	4,815,324	8.05
2026 (Budgeted)	63,383,672	4,962,883	7.83

Source: Audited Financial Statements (2020-2024), and Adopted Budget of the City (2025 and 2026).
Note: The budgeted revenue amount includes the appropriation of fund balance. Audited results may vary.

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.

2026 Adopted Budget

The 2026 Budget of the City calls for total expenditures of $63,383,672 which is an increase of $3,535,923 from the 2025 Adopted Budget. The City appropriated $1,535,571 in general fund balance to balance the 2026 Budget.

2025 Adopted Budget

The 2025 Budget of the City calls for total expenditures of $59,847,749 which is an increase of $7,625,626 from the 2024 Adopted Budget. The City appropriated $2,914,070 in general fund balance to balance the 2025 Budget.

Results of Operations: 2024 (Audited)

Based upon audited results, the City's revenues exceeded its expenditures by $395,104 in its General Fund for the fiscal year which ended December 31, 2024 which resulted in an increase in fund balance from $16,056,870 at the beginning of the fiscal year to $16,451,974 at the end of the fiscal year.

Results of Operations: 2023 (Audited)

Based upon audited results, the City's revenues exceeded its expenditures by $555,683 in its General Fund for the fiscal year which ended December 31, 2023, which resulted in an increase in fund balance from $15,501,187 at the beginning of the fiscal year to $16,056,870 at the end of the fiscal year.

Results of Operations: 2022 (Audited)

Based upon audited results, the City's revenues exceeded its expenditures by $434,533 in its General Fund for the fiscal year which ended December 31, 2022 which resulted in an increase in fund balance from $15,066,654 at the beginning of the fiscal year to $15,501,187 at the end of the fiscal year.

Results of Operations: 2021 (Audited)

Based upon audited results, the City's revenues exceeded its expenditures by $2,561,290 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 $15,066,654 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.

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: 6.7%; Environmental Score: 6.7%). 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, nor inclusion herein by reference.

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

Fiscal Year Ending December 31:	Total Amount of Contribution
2021	$4,617,237
2022	4,242,149
2023	4,829,269
2024	5,496,602
2025	6,602,527
2026 (Budgeted)	7,170,140

Due to prior poor performance of the investment portfolio of the Retirement System, the employer contribution rates for required pension contributions have 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 not elected to amortize any of its pension contributions in the last five years.

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, 2024 is as follows:

Total OPEB Liability at Dec 31, 2023	$131,684,031
Charges for the Year:	
Service Cost	3,231,716
Interest	5,430,553
Changes in Assumptions	1,326,823
Differences Between Expected and Actual Experience	-
Benefit Payments	(5,995,866)
Net Changes in total OPEB liability	3,993,226
Total OPEB Liability at Dec 31, 2024	$135,677,257

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

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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				
	2020	2021	2022	2023	2024
Taxes on Roll [a]	$26,068,671	$26,388,510	$26,890,222	$26,381,113	$26,719,995
Collected During Year	25,210,142	25,644,064	26,200,126	25,688,007	26,001,159
Uncollected Amount	858,529	744,446	690,095	693,106	718,836
Percent Collected	96.71	97.18	97.43	97.37	97.31
Tax Rate Per $1,000					
Homestead	$13.48	$13.61	$13.65	$13.33	$14.85
Non-Homestead	18.97	19.10	19.23	18.69	20.56

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 2026 fiscal year is as follows:

2% Limitation of Five Year Average Full Valuation	$54,906,600
Plus Exclusions	3,679,394
Maximum Taxing Power	58,585,994
Tax Levy Subject to Tax Limit	$17,817,332
Tax Margin	$37,089,268

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 2020 through 2024 and as budgeted for 2025 and 2026.

Fiscal Year Ending December 31:	Total Revenue	Real Property Taxes	Real Property Taxes to Revenues (%)
2020	$42,913,672	$17,545,839	40.89
2021	46,359,017	17,407,513	37.55
2022	50,732,945	17,835,970	35.16
2023	54,944,646	17,164,565	31.24
2024	67,998,193	17,492,417	25.72
2025 (Budgeted)	59,847,749	19,562,582	32.69
2026 (Budgeted)	63,383,672	21,496,726	33.92

Source: Audited Financial Statements (2020-2024) and Adopted Budget of the City (2025 and 2026).

Note: The budgeted revenue amount includes the appropriation of fund balance. Table itself not audited.

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 retains the right to buy 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. If 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 later extended to November 30, 2027.

The following table sets forth the percentage of the City's General Fund revenue of sales tax for each of the fiscal years 2020 through 2024 and as budgeted for 2025 and 2026.

Fiscal Year Ending December 31:	General Fund Total Revenue	Sales Tax	Sales Tax to Revenues (%)
2020	$42,913,672	$15,380,227	35.84
2021	46,359,017	18,539,876	39.99
2022	50,732,945	19,850,981	39.13
2023	54,944,646	20,361,441	37.06
2024	67,998,193	20,859,486	30.68
2025 (Budgeted)	59,847,749	22,007,795	36.77
2026 (Budgeted)	63,383,672	22,800,500	35.97

Source: Audited Financial Statements (2020-2024) and Adopted Budget of the City (2025 and 2026).
Note: The budgeted revenue amount includes the appropriation of fund balance. Table itself not audited.

Large Taxable Properties
2026 Assessment Roll [a]

Name	Type	Assessed Valuation
Central Hudson Corp	Utility	$ 71,526,778
Herzog Supply Co. Inc	Shopping Center	11,014,000
Kingston Workforce HDFC	Commercial	9,999,000
Ulster NH Realty LLC	Commercial	9,930,000
Saras Hospitality Holding	Commercial	9,000,000
J Dutch Village LLC	Commercial	7,998,000
Fairview Gardens LLC	Apartments	7,457,000
Orchard Hills North LLC	Apartments	6,992,000
CSX Transportation Inc	Commercial	10,000,000
Orchard Hills South LLC	Apartments	5,914,000
	Total [a]	$149,830,778

a. Assessment Roll established in 2025 for levy and collection of Taxes during 2026 Fiscal Year.
b. Represents 8.89% of the total taxable Assessed Valuation of the City for 2026.

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 may significantly affect the financial health of the City. This includes a review of matters handled by Corporation Counsel, those covered by insurance obligations, and matters referred to outside counsel.

Upon delivery of the Bonds, the City shall furnish a certificate of the City, dated the date of delivery and payment for the Bonds, to the effect that there is no controversy or litigation of any nature pending or threatened to his knowledge to restrain or enjoin the issuance, sale, execution or delivery of the Bonds or in any way contesting or affecting the validity of the Bonds or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Bonds and further stating that there is no controversy or litigation of any nature now pending or threatened by or against the City wherein an adverse judgment or ruling could adversely affect the power of the City to levy, collect and enforce the collection of taxes or other revenues for the payment of the Bonds.

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.

MARKET AND RISK FACTORS

There are various forms of risk associated with investing in the Bonds. The following is a discussion of certain events that could affect the risk of investing in the Bonds. 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 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. 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 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.

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 should elect to sell a Bond 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. Recent global financial crises have included limited periods of significant disruption. In addition, the price and principal value of the Bonds 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 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 Bond and other debt issued by the City. Any such future legislation would have an adverse effect on the market value of the Bonds (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. 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 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 is not a specific preference item for purposes of the federal alternative minimum tax on individuals. Interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix C hereto.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), 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 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 is the first price at which a substantial amount of such maturity of the Bonds 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 accrues daily over the term to maturity of such Bonds 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 to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds 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") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of Bonds, like the Premium Bonds, 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 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 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 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 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. The City has covenanted to comply with certain restrictions designed to ensure that interest on the Bonds 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 being included in gross income for federal income tax purposes possibly from the date of original issuance of the Bonds. 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 may adversely affect the value of, or the tax status of interest on, the Bonds. 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.

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) 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 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 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 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 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. Prospective purchasers of the Bonds 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 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 City, 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 ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the City or the owners regarding the tax-exempt status of the Bonds 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 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 for audit, or the course or result of such audit, or an audit of Bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the City or the owners to incur significant expense.

Payments on the Bonds 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 may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Bonds. 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 incidental to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel's opinion will be in substantially in the form attached hereto as Appendix C.

BOND RATING

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 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.

MUNCIPAL 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 provided advice as to the plan of financing and the structuring of the Bonds and has reviewed and commented on certain legal documents, including this Official Statement. The advice on the plan of financing and the structuring of the Bonds was based on materials provided by the City and other sources of information believed to be reliable. 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 compliance with the procedure for the validation of the Bonds provided in Title 6 of Article 2 of the Local Finance Law.

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: https://www.munistat.com.

Statements in the Official Statement, and the documents included by specific reference, that are not historical facts are "forward-looking statements", within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995, which involve a number of risks and uncertainties, and which are based on the City's management's beliefs as well as assumptions made by, and information currently available to, the City's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the City's files with the repositories. When used in City's documents or oral presentation, the words "anticipate", "believe", "intend", "plan", "foresee", "likely", "estimate", "expect", "objective", "projection", "forecast", "goal", "will", or "should", or similar words or phrases are intended to identify forward-looking statements.

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.

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, 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 note resolutions to sell and deliver the Bonds.

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

CITY OF KINGSTON, ULSTER COUNTY, NEW YORK

By: s/s JOHN R. TUEY, CPA
City Comptroller

February , 2026

APPENDIX A

FINANCIAL STATEMENTS

Balance Sheets
General Fund

	Fiscal Year Ending December 31: 2023	2024
Assets:		
Cash	$ 24,729,235	$ 17,712,007
Taxes Receivable	5,694,569	6,112,220
Other Receivables	1,350,255	2,075,641
Inventory	16,116	12,990
Due from Other Funds	4,710,530	6,297,384
Due From Other Governments	3,711,039	3,663,247
State and Federal Aid Receivables	713,761	640,030
Prepaid Expenses	1,284,790	1,464,212
Total Assets	$ 42,210,295	$ 37,977,731
Liabilities & Fund Balances		
Liabilities:		
Accounts Payable	$ 1,253,216	$ 1,095,549
Accrued Liabilities	14,127,980	520,450
Due to Other Funds	1,280,632	8,751,469
Due to Other Governments	3,311,753	3,578,351
Deferred Revenue	6,179,844	7,579,938
Total Liabilities	26,153,425	21,525,757
Fund Balances:		
Nonspendable	1,284,790	1,477,202
Restricted	580,124	1,396,467
Assigned Appropriated	2,524,591	3,563,099
Unassigned	11,667,365	10,015,206
Total Fund Balances	16,056,870	16,451,974
Total Liabilities and Fund Balances	$ 42,210,295	$ 37,977,731

Source: Audited Financial Statements (2023-2024).
Table itself is NOT audited.

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

	Fiscal Year Ending December 31:				
	2020	2021	2022	2023	2024
Revenues:					
Real Property taxes	$ 17,545,839	$ 17,407,513	$ 17,835,970	$ 17,164,565	$ 17,492,417
Real Property Tax Items	994,722	880,691	961,331	1,145,080	1,218,979
Non Property Tax Items	15,380,227	18,539,876	19,850,981	20,361,441	20,859,486
Department Income	1,541,474	2,012,621	2,302,046	2,061,711	3,878,331
Intergovernmental Charges	386,116	348,384	483,479	694,759	695,398
Use of Money & Property	39,162	8,515	366,257	1,298,602	1,165,680
Licenses & Permits	989,176	972,409	1,139,632	1,356,550	1,995,722
Fines & Forfeitures	63,149	58,545	112,032	181,536	152,243
Sale of property & Compensation for Loss	106,753	112,830	867,814	328,777	152,416
Miscellaneous	4,566,670	4,101,709	4,518,256	5,026,428	5,079,919
State Aid	1,136,978	1,434,229	1,505,616	1,046,090	1,627,278
Federal Aid	163,406	481,695	789,531	4,279,107	13,680,324
Total Revenues	42,913,672	46,359,017	50,732,945	54,944,646	67,998,193
Expenditures:					
General Government Support	4,055,884	4,355,137	5,074,182	5,754,657	6,099,921
Public Safety	14,016,093	14,134,025	15,828,387	15,849,798	18,148,632
Health	98,203	122,645	562,757	510,300	538,288
Transportation	1,366,721	1,478,978	1,716,585	1,924,951	1,952,751
Economic Assistance & Opportunity	561,393	583,655	681,390	782,299	813,756
Culture and Recreation	1,462,181	1,532,643	2,132,935	2,434,888	2,502,587
Home and Community Services	2,540,890	2,728,897	2,871,740	2,962,313	2,692,395
Employee Benefits	14,248,152	14,830,743	15,705,255	17,045,306	18,716,230
Capital Outlay	919,737	228,544	910,546	264,344	204,460
Debt Service	599,988	2,357,510	1,425,137	146,260	794,147
Total expenditures	39,869,242	42,352,777	46,908,914	47,675,116	52,463,167
Escess/(Deficiency) of Revenues Over Expenditures	3,044,430	4,006,240	3,824,031	7,269,530	15,535,026
Other Financing Sources/(Uses):					
Operating Transfers In				142,000	316,944
Operating Transfers (Out)	(1,431,793)	(1,444,950)	(3,389,498)	(6,855,847)	(15,456,866)
Total Other Sources/Uses	(1,431,793)	(1,444,950)	(3,389,498)	(6,713,847)	(15,139,922)
Change in Fund Balances	1,612,637	2,561,290	434,533	555,683	395,104
Fund Balance - Beginning of Year	10,722,123	12,505,364	15,066,654	15,501,187	16,056,870
Prior Period Adjustments	170,604 [a]				
Fund Balance - Beginning of Year, as restated	10,892,727	12,505,364	15,066,654	15,501,187	16,056,870
Fund Balance - End of Year	$ 12,505,364	$ 15,066,654	$ 15,501,187	$ 16,056,870	$ 16,451,974

Source: Audited Financial Statements (2020-2024).
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:				
	2020	2021	2022	2023	2024
Operating Revenues:					
Departmental Income	$ 4,794,780	$ 5,091,452	$ 5,057,226	$ 5,667,679	$ 5,997,197
Miscellaneous Local Sources	83,228	317,307	409,175	284,448	286,858
Total Operating Revenues	4,878,008	5,408,759	5,466,401	5,952,127	6,284,055
Operating Expenditures:					
Personal Services	3,261,588	3,198,689	2,868,295	3,346,764	3,310,808
Real Property Taxes	326,166	344,259	346,706	382,452	401,030
Maintenance, Operations and Contractual Expenses	616,929	804,578	1,239,397	1,061,487	1,126,870
Depreciation and Amortization	763,374	777,714	774,375	800,246	868,884
Total Operating Expenditures	4,968,057	5,125,240	5,228,773	5,590,949	5,707,592
Net Operating Income/(Loss)	(90,049)	283,519	237,628	361,178	576,463
Non-Operating Income and (Expense):					
Rental Income	59,741	56,160	60,571		57,276
Lease Income				61,235	
Federal Grant Revenue		12,679		100,000	
State Grant Revenue	556,847	255,190	349,997	2,081,650	24,435
Interest Income	7,788	3,319	66,627	196,761	74,147
Sale of Property	5,917	119,889	(213)	45,582	19,261
Transfers from Other Governments				22,500	
Interfund Transfers					575,000
Interest on Bonds and Notes	(222,720)	(297,330)	(240,033)	(657,158)	(479,467)
Total Nonoperating Revenue (Expenses)	407,573	149,907	236,949	1,850,570	270,652
Change in Net Position	317,524	433,426	474,577	2,211,748	847,115
Fund Balance/Net Asset Beginning of Year	943,827	1,261,351	1,817,394	2,291,971	4,525,233
Prior Period Adjustments		122,617 [a]		21,514 [b]	324,091 [c]
Fund Balance/Net Asset End of Year	$ 1,261,351	$ 1,817,394	$ 2,291,971	$ 4,525,233	$ 5,696,439

Source: Audited Financial Statements (2020-2024).
Table itself is NOT audited.

a. The City restated its opening net position for adjustments pertaining to revenues, prepaid expense and for the OPEB allocation between the water fund and the governmental activities.

b. The City adopted provisions of GASB statement No.87 - "Leases" during the year ended December 31, 2023. Net position of the water fund at December 31, 2022 was restated as $2,313,485.

c. The City made corrections to certain December 31, 2023 balances. Those changes were made to Government activities and Water Fund resulting in a $324,091 Prior Period Adjustment.

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

	Fiscal Year Ending December31:				
	2020	2021	2022	2023	2024
Operating Revenues:					
Charges for Services	$ 5,060,346	$ 5,033,993	$ 5,478,997	$ 6,439,319	$ 6,832,395
State Aid	3,436				
Miscellaneous	53,968	419,673	49,132	76,967	98,657
Total Operating Revenues	5,117,750	5,453,666	5,528,129	6,516,286	6,931,052
Operating Expenses:					
Personal Services	2,525,845	1,947,355	1,484,181	2,518,062	2,633,815
Maintenance, Operations and Contractual Expenses	1,010,412	1,709,182	1,229,448	1,152,066	1,247,106
Depreciation and Amortization	1,102,741	1,301,812	1,293,389	1,470,308	2,105,217
Total Operating Expenditures	4,638,998	4,958,349	4,007,018	5,140,436	5,986,138
Net Operating Income/(Loss)	478,752	495,317	1,521,111	1,375,850	944,914
Non-Operating Income and (Expense):					
Federal Grant Revenue	30,927	3,772	900		
State Grant Revenue		419	293,850	450	73,782
Interest Income	8,486	1,968	39,968	127,516	99,646
Sale of Property	5,028	767	702,448	3,547	8,005
Transfer In			104,180	17,522	186,619
Interest on Bonds and Notes	(356,670)	(548,001)	(382,472)	(601,345)	(723,399)
Total Nonoperating Revenue (Expenses)	(312,229)	(541,075)	758,874	(452,310)	(355,347)
Income Before Transfers and Contributions	166,523	(45,758)	2,279,985	923,540	589,567
Transfers					
Changes in Net Assets	790,981	1,036,392	762,237	1,828,160	1,300,261
Total Net Assets-Beginning of the Year	5,037,325	7,196,119	7,515,639	9,795,624	10,719,164
Prior Period Adjustment	1,992,271 [a]	365,278 [b]			
Total Net Assets-End of the Year	$ 7,196,119	$ 7,515,639	$ 9,795,624	$ 10,719,164	$ 11,308,731

Source: Audited Financial Statements (2020-2024).
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. Additionally, for the year ended December 31, there was a correction for OPEB allocation between the sewer fund and the governmental activities of $1,992,271.
b. OPEB salary allocation adjustment.

Budget Summaries
General Fund

	Fiscal Year Ending December 31	
	2025	2026
Revenues:		
Real Property Taxes & Items	$ 19,562,582	$ 21,496,726
Non Property Taxes	22,007,795	22,800,500
Other Local Sources	10,063,733	11,625,645
State Aid	4,185,660	4,667,223
Federal Aid	629,664	295,660
Proceeds Long Term Debt	484,245	962,347
Appropriated Fund Balance	2,914,070	1,535,571
Total Revenues	$ 59,847,749	$ 63,383,672
Expenditures:		
General Government	$ 9,178,207	$ 10,430,510
Public Safety	27,333,656	28,379,971
Health	3,049,456	3,089,459
Transportation	2,788,142	2,641,026
Economic Assistance	894,619	718,912
Culture & Recreation	3,649,694	3,710,934
Home & Community Services	4,419,156	4,522,846
Employee Benefits	3,917,000	4,154,000
Debt Service	2,105,173	2,911,126
Interfund Transfers	2,512,646	2,824,888
Total Expenditures	$ 59,847,749	$ 63,383,672

Source: Adopted Budgets of the City

CITY OF KINGSTON

APPENDIX B

AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024

►Click Here For 2024 Audit

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

APPENDIX C

BOND COUNSEL OPINION

FORM OF BOND COUNSEL'S OPINION

March 3, 2026

City of Kingston, Ulster County
State of New York

Re: City of Kingston, New York
$12,940,000 Public Improvement (Serial) Bonds, 2026

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of $12,940,000 Public Improvement (Serial) Bonds, 2026 (the "Obligation"), of the City of Kingston, Ulster County, in the State of New York (the "Obligor"), dated March 3, 2026, 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 March 1, 2027, $ on March 1, 2028, $ on March 1, 2029, $ on March 1, 2030, $ on March 1, 2031, $ on March 1, 2032, $ on March 1, 2033, $ on March 1, 2034, $ on March 1, 2035, $ on March 1, 2036, $ on March 1, 2037, $ on March 1, 2038, $ on March 1, 2039, $ on March 1, 2040, $ on March 1, 2041, and $ on March 1, 2042, $ on March 1, 2043, $ on March 1, 2044, $ on March 1, 2045, $ on March 1, 2046, $ on March 1, 2047, $ on March 1, 2048 and $ on March 1, 2049, with interest thereon payable semi-annually on March 1 and September 1 in each year to maturity, commencing on March 1, 2027.

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 on individuals. We observe that interest on the Obligation included in adjusted financial statement income of certain corporations is not excluded from the federal corporate 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