PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 9, 2026

NEW ISSUE/ RENEWALS **BOND ANTICIPATION NOTES**

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 Notes 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 Notes is not a specific preference item for purposes of the federal alternative minimum tax on individuals. Interest on the Notes 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 Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes. See "Tax Matters" herein.

The City will NOT designate the Notes as "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3) of the Code.

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

$6,500,000 BOND ANTICIPATION NOTES, 2026 SERIES B
(the "Notes")

Dated Date: December 3, 2026 Maturity Date: August 11, 2027

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

Security and Sources of Payment: The Notes will constitute general obligations of the City and will contain a pledge of its faith and credit for the punctual payment of the principal of and interest on the Notes, and all the taxable real property within the City will be subject to the levy of ad valorem taxes, for such purpose, subject to applicable statutory limitations. See "Tax Levy Limitation Law" herein.

At the option of the purchaser(s), the Notes may either be registered to the purchaser(s) or registered in the name of Cede & Co., as nominee for the Depository Trust Company, New York, New York ("DTC") as book-entry notes. Note certificates shall bear a single rate of interest and shall be in a denomination equal to the aggregate principal amount awarded to such purchaser at such interest rate.

Form and Denomination: The Notes to be issued in book-entry form will be issued as registered notes, and, when issued, will be registered in the name of Cede & Co. as nominee, which will act as the securities depository for the Notes. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Individual purchases of the Notes to be issued in book-entry form may be made only in book-entry form in denominations of $5,000 or integral multiples thereof. Noteholders will not receive certificates representing their ownership interest in the Notes to be issued in book-entry form purchased. See "Book-Entry System" herein.

Payment: Payment of the principal of and interest on the Notes to be issued in book-entry form will be made by DTC Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers registered in "street name." Payment 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 System" herein. Payment of the principal of and interest on the Notes issued in the form registered to the purchaser(s) will be payable at such bank of trust company located and authorized to do business in the State of New York as may be selected by the successful bidder.

Proposals for the Notes will be received at 11:00 A.M. (Prevailing Time) on November 19, 2026 at the office of Munistat Services, Inc., 12 Roosevelt Avenue, Port Jefferson Station, New York 11776.

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of an approving legal opinion as to the validity of the Notes of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, of New York, New York. It is anticipated that the Notes will be available for delivery in Jersey City, New Jersey or such other place as may be agreed upon with the purchaser(s) on or about December 3, 2026.

THE CITY DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER(S) AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. IN ADDITION, THE CITY WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS AS DEFINED IN THE RULE. (SEE "*DISCLOSURE UNDERTAKING*," HEREIN).

CITY OF KINGSTON
ULSTER COUNTY, NEW YORK

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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
Rebecca Mantello, Esq., Corporation Counsel

* * *

BOND COUNSEL

Orrick, Herrington & Sutcliffe LLP
New York, New York

* * *

MUNICIPAL ADVISOR

Municipal Finance Advisory Service

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

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No person has been authorized by the City of Kingston to give any information or to make any representations not contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, any of the Notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates 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 of Kingston since the date hereof.

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OFFICIAL STATEMENT

Relating to

CITY OF KINGSTON
ULSTER COUNTY, NEW YORK

$6,500,000 BOND ANTICIPATION NOTES, 2026 SERIES B

This Official Statement, including the cover page and appendices thereto, has been prepared by the City of Kingston, Ulster County, New York (the "City") and presents certain information relating to the City's $6,500,000 Bond Anticipation Notes, 2026 Series B (the "Notes"). All quotations from and summaries and explanations of provisions of the Constitution and laws of the State of New York (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 Notes and the proceedings of the City relating thereto are qualified in their entirety by reference to the definitive form of the Notes and such proceedings.

THE NOTES

Description of the Notes

The Notes will be dated December 3, 2026 and will mature, without right of redemption prior to maturity, on August 11, 2027, with interest payable at maturity.

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

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

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

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

Optional Redemption of the Notes

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

Authorization and Purpose of the Notes

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

Date of Authorization	Date of Amendment	Purpose	Amount Authorized	Amount Issued to Date	Authorized But Unissued	Amount to be Issued
11/24/24 &11/6/2025	4/7/2026	18-30 East O'Reilly St Building Improvements	$9,781,000	$3,315,000	$6,466,000	$3,350,000
11/6/2025		Flatbush and Foxhall Sewer Improvements	10,800,000	2,750,000	8,050,000	2,500,000
5/3/2022		Upgrades at TR Gallo Park and City Marina	1,700,000	500,000	1,200,000	650,000
		Totals:	$22,281,000	$6,565,000	$15,716,000	$6,500,000

DISCLOSURE UNDERTAKING OF THE NOTES

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

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

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

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

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

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

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

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

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

On February 12, 2024, the City filed a material event notice for the incurrence of an obligation of a State Revolving Fund Financing with the NYS Environmental Facilities Corporation that occurred on November 30, 2023.

BOOK-ENTRY SYSTEM

In the event that the Notes are issued in registered book-entry form, DTC will act as securities depository for the Notes and the Notes will be issued as fully-registered Notes registered 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 note certificate will be issued for each note bearing the same rate of interest and CUSIP number and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need or physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

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

Redemption notices shall be sent to DTC. If less than all of the Notes are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City 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 Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City, on 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 or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the City. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company

Nature of Obligation

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

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

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

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

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

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

> "A pledge of the City's faith and credit is both a commitment to pay and a commitment of the City's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City's "faith and credit" is secured by a promise both to pay and to use in good faith the City's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, "faith" and "credit" are used and they are not tautological. That is what the words say and this is what the courts have held they mean . . . So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City's power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted…. While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded".

In addition, the Court of Appeals in the Flushing National Bank (1976) case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

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

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

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

General Municipal Law Contract Creditors' Provision

Each Note 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 Notes in the event of a default in the payment of the principal of and interest on the Notes.

Execution/Attachment of Municipal Property

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

Authority to File For Municipal Bankruptcy

The Federal Bankruptcy Code allows public bodies, such as counties, cities, towns or villages, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness.

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 Notes should the City be under the jurisdiction of any court, pursuant to the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness.

The rights of the owners of Notes to receive interest and principal from the City could be adversely affected by the restructuring of the City's debt under Chapter 9 of the Federal Bankruptcy Code. No assurance can be given that any priority of holders of debt obligations issued by the City (including the Notes) 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 and does not reasonably anticipate doing so in the foreseeable future. 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, such as the 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, 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. To the best knowledge of current officials, 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 23,911 (2024 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	12-31-29
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
2024	23,911	182,977	19,867,248

Source: United States Bureau of the Census.

Selected Wealth and Income Indicators

	Per Capita Money Income			
	2000	2010	2020	2024
City of Kingston	$18,662	$24,117	$29,101	$40,197
County of Ulster	20,842	28,532	35,816	47,293
State of New York	23,389	30,948	40,898	51,002

	Median Household Income			
	2000	2010	2020	2024
City of Kingston	$31,594	$44,939	$54,311	$68,186
County of Ulster	42,551	56,434	65,306	87,847
State of New York	43,393	55,217	71,117	85,820

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

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 October 30, 2025.

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

	Businesses		Employees	
Sector	Number	Percent	Number	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 (%)
2022	3.1	3.1	4.4
2023	3.3	3.3	4.2
2024	3.6	3.6	4.3
2025	3.6	3.6	4.2
2026 (YTD)	4.2	4.0	4.4

Source: New York State Department of Labor.

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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 Notes.

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

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

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

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

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

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

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

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

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

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

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Computation of Debt Limit and Calculation of Net Debt Contracting Margin
(As of November 9, 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	$39,426,346
Library Purposes	12,326,000
Sewer Purposes	17,479,249
Water Purposes	19,769,444
Sub-Total	89,001,039
Bond Anticipation Notes	8,215,000
Total Inclusions	97,216,039
Exclusions:	
Sewer Debt	1,550,000
Water Debt	19,769,444
Note Appropriations	0
Bond Appropriations	0
Total Exclusions	21,319,444
Total Net Indebtedness	75,896,595
Net Debt Contracting Margin	$116,276,505
Percent of Debt Limit Exhausted	39.49%

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	4,956,502	3,839,660	8,796,162
2028	5,512,545	3,033,439	8,545,984
2029	5,627,107	2,828,929	8,456,036
2030	5,722,531	2,618,697	8,341,228
2031	5,778,480	2,404,121	8,182,601
2032	5,584,988	2,188,028	7,773,016
2033	5,502,361	1,975,193	7,477,554
2034	5,525,777	1,757,416	7,283,193
2035	5,675,301	1,535,408	7,210,709
2036	5,336,981	1,319,330	6,656,311
2037	5,470,858	1,116,087	6,586,945
2038	5,511,633	917,634	6,429,267
2039	5,244,353	721,155	5,965,508
2040	3,504,098	558,790	4,062,888
2041	2,171,131	430,597	2,601,728
2042	2,070,706	353,765	2,424,471
2043	1,857,899	278,536	2,136,435
2044	1,927,631	210,270	2,137,901
2045	939,324	138,500	1,077,824
2046	967,289	109,800	1,077,089
2047	1,000,254	80,000	1,080,254
2048	1,038,220	48,900	1,087,120
2049	1,071,185	16,500	1,087,685
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:	$93,446,061	$30,566,240	$124,012,301

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 [b]	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 $8,215,000 in bond anticipation notes due August 11, 2027.

Sanitary Sewer System Improvements

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 Phase 1 of the sanitary sewer pump station rehabilitation and reconstruction project. The project is still in the planning phase and $80,000 has been borrowed to date.

On November 6, 2025, the City adopted a $10,800,000 bond ordinance for the Flatbush and Foxhall Sewer Rehabilitation Project. Construction started in 2026 and $2,750,000 has been borrowed to date.

On June 2, 2026, the City adopted a $1,500,000 bond ordinance for Wastewater Treatment Plant Improvements. This project has yet to commence and no borrowing has been issued to date.

On July 7, 2026, the City adopted a $3,320,000 bond ordinance for Phase 2 of the sanitary sewer pump station rehabilitation and reconstruction project. This project is still in the planning phase and no borrowing has been issued to date.

Authorized but Unissued Indebtedness

The City has authorized but unissued debt in the amount of $64,529,742 for various public improvements. Of such amount, approximately $8.78 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 $32.55 million of the authorized but unissued amount and therefore the amount to be financed will be reduced. The issuance of the Notes will fund $6.5 million of the authorized but unissued amount.

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 2027-2029 is set forth below.

	2027	2028	2029
Project Costs: [a]			
Building	$200,000	$50,000	$0
Communications	$100,000	$0	$0
Engineering	$21,060,000	$23,340,000	$9,370,000
Health and Wellness	$420,700	$5,625,000	$562,500
Housing Initiatives	$300,000	$0	$0
Parks, Recreation and Sustainability	$17,540,000	$8,840,000	$38,000
Planning	$8,420,000	$621,700	$368,200
Public Works	$320,000	$1,500,000	$0
Total Project Costs	$48,360,700	$39,976,700	$10,338,700

Sources: Capital Improvement Plan of the City.
A. The Capital Improvement Plan ("CIP") represents an inventory of potential projects. The City will select projects based on priorities, affordability, available funding, and readiness. The City expects to apply for grants on approximately 40% of the project costs. Inclusion in the CIP does not commit the City to completion. Common Council authorizations and procurement requirements still apply. Amounts may be rounded for summary presentation.

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 November 9, 2026)

	Amount [a]	Per Capita [b]	Percentage Of Full Value (%) [c]
Total Direct Debt	$97,216,039	$4,066	2.71
Net Direct Debt	73,566,595	3,077	2.05
Total Direct & Applicable Total Overlapping Debt	156,575,509	6,548	4.37
Net Direct & Applicable Net Overlapping Debt	101,433,828	4,242	2.83

a. Prior to the issuance of the Notes.
b. The current estimated population of the City is 23,911.
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, 2025 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. A copy of the Audited Financial Statement for the fiscal year ending December 31, 2025 is attached hereto as Appendix B.

Fund Structure and Accounts

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

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

The City presently maintains the following governmental funds: General Fund, Special Revenue Funds, Capital Projects Fund, Debt Service Fund and Proprietary Funds (Water and Sewer). Fiduciary funds consist of a 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 4.67% of its total General Fund operating revenue from State aid in 2025. 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 2021 through 2025 and as budgeted for 2026.

Fiscal Year Ending December 31:	General Fund Total Revenue	State & Federal Aid	State and Federal Aid To Revenues (%)
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	62,111,009	3,414,708	5.50
2026 (Budgeted)	63,383,672	4,962,883	7.83

Source: Audited Financial Statements (2021-2025) and Adopted Budget of the City (2026).
Note: The budgeted revenue amount includes the appropriation of fund balance. Audited results may vary. Table itself is not audited.

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 $1,454,571 in general fund balance to balance the 2026 Budget.

Results of Operations: 2025 (Audited)

Based upon audited results, the City's expenditures exceeded its revenues by $727,921 in its General Fund for the fiscal year which ended December 31, 2025 which resulted in a decrease in fund balance from $16,451,974 at the beginning of the fiscal year to $15,724,053 at the end of the fiscal year.

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.

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: 0.0%; Environmental Score: 13.3%). More information on the FSMS may be obtained from the Office of the State Comptroller.

In addition, OSC helps local government officials manage government resources efficiently and effectively. The Comptroller oversees the fiscal affairs of local governments statewide, as well as compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through its audits, which identify opportunities for improving operations and governance. The most recent audit performed was released January 31, 2013. The purpose of such audit was to examine the City's internal controls procedures from the period January 1, 2011 – January 31, 2012. The complete report and the City's response may be found on the OSC's official website. Reference to this website implies no warranty of accuracy of information therein, 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 the ERS, the "Retirement System"), a cost-sharing multiple public employer retirement system. The obligation of employers and employees to contribute and the benefit to employees are governed by the 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. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts, which are collected through annual billings to all participating employers. Generally, all full-time employees participate in the Retirement System.

Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to 20% (percentage dependent on tier) of payroll for ERS and 20% to 40% for PFRS. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

The investment of monies, and assumptions underlying same, of the Retirement System covering the Cities employees is not subject to the direction of the City. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the Retirement System ("UAALs"). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment returns and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the City, which could affect other budgetary matters. Concerned investors should contact the Retirement System administrative staff for further information on the latest actuarial valuations of the Retirement System.

In the event that there are capital market declines in the future, the State's Retirement System portfolio may experience negative investment performance and downward trends in market earnings. As a result of the foregoing, the employer contribution rate for the State's Retirement System in future years may be higher than the minimum contribution rate established under applicable law. Since 2010, various forms of legislation have been

enacted to allow local governments and school districts the option of amortizing required contributions to the Retirement System. However, although these options reduce near term payments, it may require higher than normal contributions in later years.

As of December 31, 2025, the City does not have any amortized amounts due to the Retirement System.

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

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, 2025 is as follows:

Total OPEB Liability at Dec 31, 2024	$135,677,257
Charges for the Year:	
Service Cost	3,173,238
Interest	5,811,912
Changes in Assumptions	(3,171,170)
Differences Between Expected and Actual Experience	-
Benefit Payments	(5,970,409)
Net Changes in total OPEB liability	(156,429)
Total OPEB Liability at Dec 31, 2025	$135,520,828

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				
	2021	2022	2023	2024	2025
Taxes on Roll [a]	$26,388,510	$26,890,222	$26,381,113	$26,719,995	$29,857,970
Collected During Year	25,644,064	26,200,126	25,688,007	26,001,159	28,904,804
Uncollected Amount	744,446	690,095	693,106	718,836	953,166
Percent Collected	97.18	97.43	97.37	97.31	96.81
Tax Rate Per $1,000					
Homestead	$13.61	$13.65	$13.33	$13.46	$14.85
Non-Homestead	19.10	19.23	18.69	18.84	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 2021 through 2025 and as budgeted for 2026.

Fiscal Year Ending December 31:	Total Revenue	Real Property Taxes	Real Property Taxes to Revenues (%)
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	62,111,009	19,617,640	31.58
2026 (Budgeted)	63,383,672	21,496,726	33.92

Source: Audited Financial Statements (2021-2025) and Adopted Budget of the City (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 2021 through 2025 and as budgeted for 2026.

Fiscal Year Ending December 31:	General Fund Total Revenue	Non-Property Taxes	Sales Tax to Revenues (%)
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	62,111,009	21,743,062	35.01
2026 (Budgeted)	63,383,672	22,800,500	35.97

Source: Audited Financial Statements (2021-2025) and Adopted Budget of the City (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
CSX Transportation Inc	Commercial	10,000,000
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
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 a typical annual exposure of around $500,000 or less.

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.

In February and March 2026, the City deconstructed municipally-owned structures that were previously attached to buildings along portions of Wall Street and North Front Street (the "Pike Plan canopies"). The City executed settlement agreements with most affected property owners in advance of that project, agreements that extinguished those owners' potential claims for any past or future property damage allegedly caused by the Pike Plan canopies and their removal. One group of affiliated property owners had already commenced litigation in Ulster County Supreme Court before the demolition began, alleging that the Pike Plan canopies damaged their properties while attached. The City's insurance carrier assigned outside counsel to defend against those claims.

A global settlement has been reached resolving all outstanding state and federal actions, notices of claim and FOIL requests involving the Pike Plan canopies as it relates to these property owners and their affiliates. The settlement includes a $200,000 monetary settlement ($66,666.67 paid by Tokio Marine, and $133,333.33 paid by the City of Kingston) and an easement with a right of access over a public parking lot. In exchange, the property owners and their affiliates have agreed to discontinue all pending state and federal actions, withdraw pending FOIL requests, withdraw pending notices of claim, and waiver challenges in an unrelated matter. The settlement was approval by the Common Council on July 7, 2026. All releases were executed; stipulations of discontinuance were filed; and payment was made.

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

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

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

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

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

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

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

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Notes is not a specific preference item for purposes of the federal alternative minimum tax on individuals. Interest on the Notes 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 Notes is less than the amount to be paid at maturity of such Notes (excluding amounts stated to be interest and payable at least annually over the term of such Notes), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Notes which is excluded from gross income for federal income tax purposes and exempt from State of New York personal income taxes. For this purpose, the issue price of a particular maturity of the Notes is the first price at which a substantial amount of such maturity of the Notes is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Notes accrues daily over the term to maturity of such Notes on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Notes to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Notes. Owners of the Notes should consult their own tax advisors with respect to the tax consequences of ownership of Notes with original issue discount, including the treatment of owners who do not purchase such Notes in the original offering to the public at the first price at which a substantial amount of such Notes is sold to the public.

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

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

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

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

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

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

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Notes for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the 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 Notes ends with the issuance of the Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the City or the owners regarding the tax-exempt status of the Notes in the event of an audit examination by the IRS. Under current procedures, owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt Notes is difficult, obtaining an independent review of IRS positions with which the City legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Notes for audit, or the course or result of such audit, or an audit of Notes presenting similar tax issues may affect the market price for, or the marketability of, the Notes, and may cause the City or the owners to incur significant expense.

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

LEGAL MATTERS

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

RATING

The Notes are not rated. The City's outstanding bonds is rated "AA-" by Standard & Poor's Corporation ("S&P") 55 Water Street, New York, NY 10041, Telephone: (877) 299-2569 and Fax: (212) 438-5153. The rating reflect only the view of the rating agency and any desired explanation of the significance of such rating should be obtained from S&P. Generally, a rating agency bases its ratings on the information and materials furnished to it and on investigation, studies and assumptions by the rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of such ratings could have an adverse affect on the market price of the Notes or the availability of a secondary market for such Notes.

MUNICIPAL ADVISOR

Munistat Services, Inc. (the "Municipal Advisor"), is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the City on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes 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 Notes 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 Notes 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.

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

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

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

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

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

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

CITY OF KINGSTON, NEW YORK

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

November , 2026

APPENDIX A

FINANCIAL INFORMATION

Balance Sheets
General Fund

	Fiscal Year Ending December 31:	
	2024	2025
Assets:		
Cash	$ 17,712,007	$ 14,038,522
Taxes Receivable	6,112,220	6,360,880
Other Receivables	2,075,641	2,470,375
Inventory	12,990	15,004
Due from Other Funds	6,297,384	3,175,507
Due From Other Governments	3,663,247	4,391,786
State and Federal Aid Receivables	640,030	1,297,146
Prepaid Expenses	1,464,212	1,474,842
Total Assets	$ 37,977,731	$ 33,224,062
Liabilities & Fund Balances		
Liabilities:		
Accounts Payable	$ 1,095,549	$ 1,611,557
Accrued Liabilities	520,450	652,737
Due to Other Funds	8,751,469	4,004,155
Due to Other Governments	3,578,351	4,465,292
Deferred Revenue	7,579,938	6,766,268
Total Liabilities	21,525,757	17,500,009
Fund Balances:		
Nonspendable	1,477,202	1,489,846
Restricted	1,396,467	1,380,592
Assigned Appropriated	3,563,099	2,019,778
Unassigned	10,015,206	10,833,837
Total Fund Balances	16,451,974	15,724,053
Total Liabilities and Fund Balances	$ 37,977,731	$ 33,224,062

Source: Audited Financial Statements (2024-2025).
Table itself is NOT audited.

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

	Fiscal Year Ending December 31:				
	2021	2022	2023	2024	2025
Revenues:					
Real Property taxes	$ 17,407,513	$ 17,835,970	$ 17,164,565	$ 17,492,417	$ 19,617,640
Real Property Tax Items	880,691	961,331	1,145,080	1,218,979	1,814,563
Non Property Tax Items	18,539,876	19,850,981	20,361,441	20,859,486	21,743,062
Department Income	2,012,621	2,302,046	2,061,711	3,878,331	4,669,770
Intergovernmental Charges	348,384	483,479	694,759	695,398	1,927,339
Use of Money & Property	8,515	366,257	1,298,602	1,165,680	597,344
Licenses & Permits	972,409	1,139,632	1,356,550	1,995,722	2,178,160
Fines & Forfeitures	58,545	112,032	181,536	152,243	269,051
Sale of property & Compensation for Loss	112,830	867,814	328,777	152,416	77,384
Miscellaneous	4,101,709	4,518,256	5,026,428	5,079,919	5,801,988
State Aid	1,434,229	1,505,616	1,046,090	1,627,278	2,897,910
Federal Aid	481,695	789,531	4,279,107	13,680,324	516,798
Total Revenues	46,359,017	50,732,945	54,944,646	67,998,193	62,111,009
Expenditures:					
General Government Support	4,355,137	5,074,182	5,754,657	6,099,921	6,600,567
Public Safety	14,134,025	15,828,387	15,849,798	18,148,632	17,642,191
Health	122,645	562,757	510,300	538,288	2,174,292
Transportation	1,478,978	1,716,585	1,924,951	1,952,751	1,768,996
Economic Assistance & Opportunity	583,655	681,390	782,299	813,756	1,063,981
Culture and Recreation	1,532,643	2,132,935	2,434,888	2,502,587	3,509,064
Home and Community Services	2,728,897	2,871,740	2,962,313	2,692,395	2,915,548
Employee Benefits	14,830,743	15,705,255	17,045,306	18,716,230	20,201,802
Capital Outlay	228,544	910,546	264,344	204,460	1,240,462
Debt Service	2,357,510	1,425,137	146,260	794,147	3,917,720
Total expenditures	42,352,777	46,908,914	47,675,116	52,463,167	61,034,623
Escess/(Deficiency) of Revenues Over Expenditures	4,006,240	3,824,031	7,269,530	15,535,026	1,076,386
Other Financing Sources/(Uses):					
Operating Transfers In			142,000	316,944	884,290
Operating Transfers (Out)	(1,444,950)	(3,389,498)	(6,855,847)	(15,456,866)	(2,688,597)
Total Other Sources/Uses	(1,444,950)	(3,389,498)	(6,713,847)	(15,139,922)	(1,804,307)
Change in Fund Balances	2,561,290	434,533	555,683	395,104	(727,921)
Fund Balance - Beginning of Year	12,505,364	15,066,654	15,501,187	16,056,870	16,451,974
Prior Period Adjustments					
Fund Balance - Beginning of Year, as restated	12,505,364	15,066,654	15,501,187	16,056,870	16,451,974
Fund Balance - End of Year	$ 15,066,654	$ 15,501,187	$ 16,056,870	$ 16,451,974	$ 15,724,053

Source: Audited Financial Statements (2021-2025).
Table itself is NOT audited.

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

	Fiscal Year Ending December31:				
	2021	2022	2023	2024	2025
Operating Revenues:					
Departmental Income	$ 5,091,452	$ 5,057,226	$ 5,667,679	$ 5,997,197	$ 6,242,720
Miscellaneous Local Sources	317,307	409,175	284,448	286,858	609,352
Total Operating Revenues	5,408,759	5,466,401	5,952,127	6,284,055	6,852,072
Operating Expenditures:					
Personal Services	3,198,689	2,868,295	3,346,764	3,310,808	3,021,891
Real Property Taxes	344,259	346,706	382,452	401,030	401,675
Maintenance, Operations and Contractual Expenses	804,578	1,239,397	1,061,487	1,126,870	1,338,499
Debt Services					
Depreciation and Amortization	777,714	774,375	800,246	868,884	1,289,378
Total Operating Expenditures	5,125,240	5,228,773	5,590,949	5,707,592	6,051,443
Net Operating Income/(Loss)	283,519	237,628	361,178	576,463	800,629
Non-Operating Income and (Expense):					
Rental Income	56,160	60,571		57,276	56,257
Lease Income			61,235		
Federal Grant Revenue	12,679		100,000		
State Grant Revenue	255,190	349,997	2,081,650	24,435	1,604,176
Interest Income	3,319	66,627	196,761	74,147	43,813
Sale of Property	119,889	(213)	45,582	19,261	4,600
Transfers from Other Governments			22,500		
Interfund Transfers				575,000	
Interest on Bonds and Notes	(297,330)	(240,033)	(657,158)	(479,467)	(677,753)
Total Nonoperating Revenue (Expenses)	149,907	236,949	1,850,570	270,652	1,031,093
Change in Net Position	433,426	474,577	2,211,748	847,115	1,831,722
Fund Balance/Net Asset Beginning of Year	1,261,351	1,817,394	2,291,971	4,525,233	5,696,439
Prior Period Adjustments	122,617 [a]		21,514 [b]	324,091 [c]	
Fund Balance/Net Asset End of Year	$ 1,817,394	$ 2,291,971	$ 4,525,233	$ 5,696,439	$ 7,528,161

Source: Audited Financial Statements (2021-2025).
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:				
	2021	2022	2023	2024	2025
Operating Revenues:					
Charges for Services	$ 5,033,993	$ 5,478,997	$ 6,439,319	$ 6,832,395	$ 6,924,798
Miscellaneous	419,673	49,132	76,967	98,657	486,842
Total Operating Revenues	5,453,666	5,528,129	6,516,286	6,931,052	7,411,640
Operating Expenses:					
Personal Services	1,947,355	1,484,181	2,518,062	2,633,815	2,609,353
Maintenance, Operations and Contractual Expenses	1,709,182	1,229,448	1,152,066	1,247,106	1,317,041
Depreciation and Amortization	1,301,812	1,293,389	1,470,308	2,105,217	2,126,864
Total Operating Expenditures	4,958,349	4,007,018	5,140,436	5,986,138	6,053,258
Net Operating Income/(Loss)	495,317	1,521,111	1,375,850	944,914	1,358,382
Non-Operating Income and (Expense):					
Federal Grant Revenue	3,772	900			
State Grant Revenue	419	293,850	450	73,782	6,055,000
Interest Income	1,968	39,968	127,516	99,646	61,389
Sale of Property	767	702,448	3,547	8,005	19,995
Transfers		104,180	17,522	186,619	(468)
Interest on Bonds and Notes	(548,001)	(382,472)	(601,345)	(723,399)	(720,380)
Total Nonoperating Revenue (Expenses)	(541,075)	758,874	(452,310)	(355,347)	5,415,536
Income Before Transfers and Contributions	(45,758)	2,279,985	923,540	589,567	6,773,918
Transfers					
Changes in Net Assets	1,036,392	762,237	1,828,160	1,300,261	(4,057,154)
Total Net Assets-Beginning of the Year	7,196,119	7,515,639	9,795,624	10,719,164	11,308,731
Prior Period Adjustment	365,278 [a]				
Total Net Assets-End of the Year	$ 7,515,639	$ 9,795,624	$ 10,719,164	$ 11,308,731	$ 18,082,649

Source: Audited Financial Statements (2021-2025).
Table itself is NOT audited.

a. 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	22,880,500
Other Local Sources	10,063,733	11,626,645
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	1,454,571
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 STATEMENT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2025

►Click Here For 2025 Audit

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

APPENDIX C

FORM OF BOND COUNSEL'S OPINION

December 3, 2026

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

Re: City of Kingston, Ulster County, New York
$6,500,000 Bond Anticipation Notes, 2026 Series B

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of a $6,500,000 Bond Anticipation Notes, 2026 Series B (the "Obligation"), of the City of Kingston, Ulster County, New York (the "Obligor"), dated December 3, 2026, numbered , of the denomination of $, bearing interest at the rate of % per annum, payable at maturity, and maturing August 11, 2027. The obligation will not be subject to redemption prior to maturity.

We have examined:

(1) the Constitution and statutes of the State of New York;

(2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");

(3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligation that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligation not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligation and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligation to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligation and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and

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

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

In our opinion:

(a) The Obligation has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, subject to applicable statutory limitations; provided, however, that the enforceability (but not the validity) of the Obligation: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.

(b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligation; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.

(c) Interest on the Obligation is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligation is not a specific preference item for purposes of the federal alternative minimum tax 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 under the circumstances and subject to the terms and conditions set forth in such documents.

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

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

Very truly yours,

/es