City of Kingston Finance and Audit Committee
Meeting Agenda
Wednesday, November 14, 2018

## FIRE DEPARTMENT BUDGET REVIEW

## NEW BUSINESS

John Schulteis, Engineer Re: Albany Avenue at I-587 Roundabout, Sewer Betterment
10-16-18 Borrowing Communication for Albany Ave Betterment to NYSDOT.pdf

Dan Baker, Assessor Re: Budget Transfer Request
Assessor Budget Transfer Nov 2018.pdf

T. Roser, Citibus Re: Budget Modification Request
Bus Budget Req Nov 2018.pdf
Bus Memo to Council.pdf

Carly Winnie, City Clerk Re: Budget Transfer Request
20181101102420.pdf

MaryJo Wiltshire, DPW Re: DPW charges for tax levy
20181102093736.pdf

Laurie Hughes, Buildign Safety Re: Building Safety charges for tax levy
20181102093633.pdf

Kevin Gilfeather, Parks & Recr Re: Budget Transfer Request
20181102093504.pdf

John Tuey, Comptroller Re: City Hall Roof Repair Reserve
City Hall Roof Repair Reserve.pdf

D. Baker, Assessor Re: Local Adjustments to the Adjusted Base Proportions for the 2019 Budget

B. Robinson, Community & Economic Dev Re: Budget Modification Request
j noble 110218.pdf

John Tuey, Comptroller Re: 2017 Independent Audit Report
181011124939_0001.pdf
2017 Audit Report.pdf

## OLD BUSINESS

# CITY OF KINGSTON
## Office of the City Engineer
jschultheis@kingston-ny.gov

John M. Schultheis, P.E., City Engineer

Steven T. Noble, Mayor


October 16, 2018

Mr. James L. Noble, Jr.
Alderman-At-Large
President of the Common Council
Kingston City Hall
420 Broadway
Kingston, New York 12401

RE: Albany Avenue at I-587 Roundabout, Sewer Betterment

Dear President Noble:

Borrowing of $1,080,000.00 for this project was authorized by resolution 157 of 2018. This amount was based on early estimates of the City's expected share of the project. Based on the low bid received by NYSDOT, the actual amount due to NYSDOT is 1,100,656.77, which exceeds the authorized borrowing

Therefore, it is requested to increase borrowing from 1,080,000.00 to 1,100,656.77, an increase of $20,656.77.

Please refer this item to the Finance Committee for further discussion and approval. Should you have any questions concerning this request, do not hesitate to contact me.

Respectfully,

John M. Schultheis
City Engineer

Cc: Steve Noble, Mayor
Douglas Koop, Chair, Finance Committee
John Tuey, Comptroller



City Hall · 420 Broadway · Kingston, New York 12401 · (845) 334-3967· www.kingston-ny.gov

**THE CITY OF KINGSTON COMMON COUNCIL**

**FINANCE AND AUDIT**
**COMMITTEE REPORT**

**REQUEST DESCRIPTION**

| | | |
|---|---|---|
| **INTERNAL TRANSFER _____** | **CONTINGENCY TRANSFER _____** | **TRANSFER _X___** |
| **AUTHORIZATION _____** | **BUDGET MODIFICATION ____** | **BONDING REQUEST _____** |
| **CLAIMS _____** | **ZONING _____** | **OTHER _____** |

DEPARTMENT___ Assessor_________________________________DATE_____________________

Description; Budget Transfer Request for Assessor's Office

| | | |
|---|---|---|
| From | 1355.205 | $502.69 |
| To | 1355.402 | $502.69 |
| From | 1355.411 | $300.00 |
| To | 1355.402 | $300.00 |

Estimated Financial Impact___________0__________Signature___________________________________

Motion by______________________

Seconded by____________________

Action Required:

| Committee Vote | YES | NO |
|---|---|---|
| Douglas Koop, Chairman | | |
| Reynolds Scott-Childress Ward 3 | | |
| Anthony Davis, Ward 6 | | |
| Patrick O'Reilly, Ward 7 | | |
| Steven Schabot, Ward 8 | | |

SEQRA Decision:
Type I Action _____
Type II Action _____
Unlisted Action _____

Negative Declaration of Environmental Significance: _____

Conditioned Negative Declaration: _____

Seek Lead Agency Status: _____

Positive Declaration of Environmental Significance: _____

THE CITY OF KINGSTON COMMON COUNCIL

FINANCE AND ECONOMIC DEVELOPMENT

## COMMITTEE REPORT

| | | | |
|---|---|---|---|
| Internal Transfer | X | Contingency Transfer | |
| Transfer | | Authorization | |
| Budget Modification | | Bonding Request | |
| Claims | Zoning | Other | |

**Department:** ***CITIBUS*** **Date:** ***October 12, 2018***

| **A1** | **Transfer To:** | | **A1** | **Transfer From:** | |
|---|---|---|---|---|---|
| *A15630115103* | Overtime | 30,000.00 | *A15630115101* | Regular Pay | 28,300.00 |
| *A15630115120* | Substitute Employees | 17,500.00 | *A15630115108* | Comp Time Payout | 2,400.00 |
| *A15630145444* | Vehicle Maintenance | 10,000.00 | *A15630115112* | Part Time | 5,000.00 |
| *A15630145485* | General Materials and Supplies | 2,500.00 | *A15630125211* | Other Equipment | 1,500.00 |
| | | | *A15630145402* | Office Supplies | 1,000.00 |
| | | | *A15630145461* | Travel Reimbursement | 1,800.00 |
| | | | *A11990145404* | Contingency | 20,000.00 |

Estimated Financial Impact ______________________ 20,000.00 Signature _______ TONI ROSER

Motion By ____________________

*Seconded By* __________________

*Action Required* ________________________________

*SEQRA Decision:*

*Type I Action* _________

*Type II Action* _________

*Unlisted Action* ________

Negative Declaration of Environmental Significance ____________

Conditioned Negative Declaration ____________

Seek Lead Agency Status ____________

Positive Declaration of Environmental Significance ____________

| **Committee Vote** | **Yes** | **No** |
|---|---|---|
| Douglas Koop, Ward 2 Chairman | | |
| Reynolds Scott-Childress, Ward 3 | | |
| Tony Davis, Ward 6 | | |
| Patrick O'Reilly, Ward 7 | | |
| Steven Schabot, Ward 8 | | |

KINGSTON CITIBUS

# Memo

**To:** President Jim Noble

**From:** Toni Roser

**CC:** John Tuey

**Date:** October 23, 2018

**Re:** Budget Transfers

---

Citibus would like to submit the attached transfers. Because of the announcement of a merger between the Citibus and UCAT, we had several drivers that went to DPW to keep their city retirements, benefits and accrued time. They we not sure what the status of their employment was going to be in 2018. That left Citibus with 5 drivers to cover 8 routes. We had to cut back on one Paratransit Route and have that driver stay late for overtime if needed to return passengers. We used substitutes who also ended up receiving overtime during this period.

Vehicle Maintenance – Normal Maintenance to keep the buses on the road and safe for the public.

General Materials and supplies – Supplies used for cleaning the buses and office.

# CITY OF KINGSTON
## Office of the City Clerk
## Registrar of Vital Statistics
cityclerk@kingston-ny.gov

Steven T. Noble, Mayor
Carly J. Winnie, City Clerk/Registrar

Deidre Sills, Deputy Clerk
Susan Mesches, Deputy Registrar


November 1, 2018

Mr. James L. Noble
President, Common Council
420 Broadway
Kingston, NY 12401

Dear President Noble,

I respectfully request approval for a budget transfer in the amount of $2,100 to cover shortages in overtime and supplies lines. Please consider transfer, as follows:

| | | | |
|---|---|---|---|
| From: | A11410.5102 | Longevity | $200 |
| | A11410.5109 | Temporary Status Change | $500 |
| | A11410.5462 | Dues, Seminars | $900 |
| | A11620.5103 | Building Maintenance Overtime | $1,000 |
| | A11620.5421 | Building Maintenance Telephone | $400 |
| | | | $3,000 |
| To: | A11410.5103 | City Clerk Overtime | $1,425 |
| | A11010.5402 | Office Supplies | $475 |
| | A11620.5485 | General Materials & Supplies | $110 |
| | A17550.5495 | Celebrations | $990 |
| | | | $3,000 |

Thank you for your attention to this matter.

Sincerely,

Carly Winnie
City Clerk



City Hall· 420 Broadway · Kingston, New York 12401 · (845)334-3915 · Fax (845) 334-3918 · www.kingston-ny.gov

THE CITY OF KINGSTON COMMON COUNCIL

FINANCE AND AUDIT
COMMITTEE REPORT

**REQUEST DESCRIPTION**

INTERNAL TRANSFER _____ CONTINGENCY TRANSFER _____ TRANSFER X
AUTHORIZATION _____ BUDGET MODIFICATION ____ BONDING REQUEST _____
CLAIMS _____ ZONING _____ OTHER ____

DEPARTMENT City Clerk DATE 11/1/18

Description: Recommend approval of budget transfer, as follows:

| | | | |
|---|---|---|---|
| From: | A11410.5102 | Longevity | $200 |
| | A11410.5109 | Temporary Status Change | $500 |
| | A11410.5462 | Dues, Seminars | $900 |
| | A11620.5103 | Building Maintenance Overtime | $1,000 |
| | A11620.5421 | Building Maintenance Telephone | $400 |
| | | | $3,000 |
| To: | A11410.5103 | City Clerk Overtime | $1,425 |
| | A11010.5402 | Office Supplies | $475 |
| | A11620.5485 | General Materials & Supplies | $110 |
| | A17550.5495 | Celebrations | $990 |
| | | | $3,000 |

Estimated Financial Impact 0 Signature

Motion by ____________________

Seconded by ____________________

Action Required:

SEQRA Decision:
Type I Action _____
Type II Action _____
Unlisted Action _____

Negative Declaration of Environmental Significance: _____

Conditioned Negative Declaration: _____

Seek Lead Agency Status: _____

Positive Declaration of Environmental Significance: _____

| Committee Vote | YES | NO |
|---|---|---|
| Douglas Koop, Chairman | | |
| Reynolds Scott-Childress Ward 3 | | |
| Anthony Davis, Ward 6 | | |
| Patrick O'Reilly, Ward 7 | | |
| Steven Schabot, Ward 8 | | |

# CITY OF KINGSTON
## Department of Public Works
publicworks@kingston-ny.gov

Edward Norman, Superintendent

Steven T. Noble, Mayor


October 1, 2018

Common Council
President James Noble
420 Broadway
Kingston, NY 12401

Re: Unpaid Invoice for Tax Roll - 2019

President Noble;

Enclosed please find a list of unpaid invoices from the Department of Public Works to be applied to the 2019 property tax bills. Your assistance in this matter is greatly appreciated.

Sincerely,

Mary Jo Wiltshire

Mary Jo Wiltshire
Finance and Operations Administrator

Enc.

Cc: Edward Norman, Superintendent
John Tuey, Comptroller


25 East O'Reilly Street * Kingston, New York 12401 * (845) 331-0682 * Fax (845) 331-0295 * www.kingston-ny.gov

## 2018 Re-Levy

| S/B/L | ADDRESS | | AMT DUE |
|---|---|---|---|
| 56.43-5-20 | 14 | Abeel St | $ 85.00 |
| 56.50-6-25 | 170 | Abeel St | $ 25.00 |
| 56.36-11-26 | 37 | Abryun St | $ 50.00 |
| 48.80-2-7 | 117 | Albany Ave | $ 85.00 |
| 48.333-2-2 | 160 | Albany Ave | $ 25.00 |
| 48.302-3-3 | 392 | Albany Ave | $ 85.00 |
| 56.34-3-28 | 30 | Andrew St | $ 85.00 |
| 48.334-7-15 | 15 | Ardsley St | $ 40.00 |
| 56.26-8-4 | 15 | Arlington Pl | $ 75.00 |
| 56.42-3-4 | 19 | Augusta St | $ 25.00 |
| 56.42-3-1.100 | 33 | Augusta St | $ 50.00 |
| 56.48-1-15 | 326 | Boulevard | $ 110.00 |
| 56.34-5-18 | 81 | Brewster St | $ 25.00 |
| 56.25-3-6 | 620 | Broadway | $ 725.00 |
| 56.25-1-11 | 694 | Broadway | $ 50.00 |
| 56.25-1-9.100 | 702 | Broadway | $ 220.00 |
| 56.109-3-27 | 57 | Cedar St | $ 50.00 |
| 56.109-4-9 | 60 | Cedar St | $ 85.00 |
| 56.109-4-17 | 84 | Cedar St | $ 25.00 |
| 56.109-2-19 | 88 | Cedar St | $ 340.00 |
| 56.109-2-17 | 102 | Cedar St | $ 50.00 |
| 56.108-5-17 | 129 | Cedar St | $ 85.00 |
| 56.108-6-21 | 15 | Clinton Ave | $ 85.00 |
| 56.108-6-19 | 21 | Clinton Ave | $ 25.00 |
| 56.108-3-18 | 77 | Clinton Ave | $ 25.00 |
| 56.108-3-17 | 81 | Clinton Ave | $ 85.00 |
| 56.92-3-39 | 100 | Clinton Ave | $ 255.00 |
| 56.108-1-32 | 113 | Clinton Ave | $ 25.00 |
| 56.92-5-14 | 131 | Clinton Ave | $ 85.00 |
| 56.92-4-2 | 150 | Clinton Ave | $ 40.00 |
| 48.312-3-2 | 31 | Coffey Place | $ 25.00 |
| 56.36-9-16 | 35 | Crane St | $ 25.00 |
| 56.34-10-3 | 623-629 | Delaware Ave | $ 1,030.00 |
| 48.302-4-5 | 6 | Deyo St | $ 85.00 |
| 48.333-7-14 | 45 | Downs St | $ 85.00 |
| 56.25-2-20 | 46 | Downs St | $ 85.00 |
| 48.333-9-9 | 100 | Downs St | $ 85.00 |

2018 Re-Levy

| S/B/L | ADDRESS | | AMT DUE |
|---|---|---|---|
| 48.334-1-2 | 114 | Downs St | $ 170.00 |
| 48.333-4-12 | 121 | Downs St | $ 85.00 |
| 48.318-2-14 | 147 | Downs St | $ 85.00 |
| 48.318-6-7 | 178 | Downs St | $ 25.00 |
| 48.318-6-12 | 200 | Downs St | $ 85.00 |
| 56.26-12-35 | 50 | E Chester St | $ 25.00 |
| 56.26-12-31 | 62 | E Chester St | $ 25.00 |
| 56.36-4-15 | 249 | E Union St | $ 135.00 |
| 56.25-1-27 | 18 | Elmendorf St | $ 250.00 |
| 48.333-2-24 | 55 | Elmendorf St | $ 85.00 |
| 48.333-3-12 | 103 | Elmendorf St | $ 170.00 |
| 48.317-3-9 | 135 | Elmendorf St | $ 25.00 |
| 48.318-1-19 | 185 | Elmendorf St | $ 85.00 |
| 56.108-2-14 | 58 | Fair St | $ 85.00 |
| 56.108-2-28 | 81 | Fair St | $ 50.00 |
| 56.107-3-8 | 117 | Fair St | $ 135.00 |
| 56.91-6-23 | 150 | Fair St | $ 50.00 |
| 56.105-2-22 | 46 | Fairmont Ave | $ 25.00 |
| 48.82-8-41 | 98 | Florence St | $ 85.00 |
| 56.26-1-48 | 76 | Foxhall Ave | $ 85.00 |
| 48.82-5-45 | 154 | Foxhall Ave | $ 85.00 |
| 48.82-4-1 | 224 | Foxhall Ave | $ 25.00 |
| 48.82-3-30.200 | 244 | Foxhall Ave | $ 170.00 |
| 48.318-8-10 | 319 | Foxhall Ave | $ 170.00 |
| 56.26-1-59 | 118-120 | Foxhall Ave | $ 85.00 |
| 56.93-2-7 | 28 | Franklin St | $ 255.00 |
| 56.92-3-30 | 47 | Franklin St | $ 25.00 |
| 56.93-2-1 | 54 | Franklin St | $ 85.00 |
| 56.108-1-27 | 109 | Franklin St | $ 135.00 |
| 56.108-3-5 | 122 | Franklin St | $ 85.00 |
| 56.108-1-28 | 105-107 | Franklin St | $ 365.00 |
| 56.92-3-28 | 39-41 | Franklin St | $ 25.00 |
| 56.92-4-32 | 90 | Furnace St | $ 85.00 |
| 56.26-7-54 | 76 | Garden St | $ 50.00 |
| 56.36-3-6 | 59 | Gill St | $ 100.00 |
| 56.40-1-1 | 75 | Glen St | $ 85.00 |
| 56.90-4-16 | 71 | Green St | $ 25.00 |

2018 Re-Levy

| S/B/L | ADDRESS | | AMT DUE | |
|---|---|---|---|---|
| 48.331-7-11 | 92 | Green St | $ | 25.00 |
| 48.330-3-21 | 126 | Green St | $ | 85.00 |
| 56.90-4-14 | 79-83 | Green St | $ | 170.00 |
| 56.109-4-27 | 67 | Greenkill Ave | $ | 25.00 |
| 56.124-4-10.200 | 208 | Greenkill Ave | $ | 85.00 |
| 56.26-12-51.200 | 272 | Hasbrouck Ave | $ | 110.00 |
| 56.26-11-38 | 311 | Hasbrouck Ave | $ | 170.00 |
| 56.26-12-37 | 318 | Hasbrouck Ave | $ | 25.00 |
| 56.26-6-14 | 402 | Hasbrouck Ave | $ | 85.00 |
| 56.26-6-17 | 416 | Hasbrouck Ave | $ | 520.00 |
| 56.26-6-3 | 442 | Hasbrouck Ave | $ | 195.00 |
| 56.26-8-45 | 484 | Hasbrouck Ave | $ | 25.00 |
| 56.109-1-23 | 33 | Henry St | $ | 110.00 |
| 56-109-3-6 | 42 | Henry St | $ | 25.00 |
| 56.109-3-4 | 46 | Henry St | $ | 50.00 |
| 56.109-1-31 | 63 | Henry St | $ | 25.00 |
| 56.109-2-5 | 76 | Henry St | $ | 495.00 |
| 56.109-2-3 | 82 | Henry St | $ | 110.00 |
| 56.108-5-4 | 112 | Henry St | $ | 210.00 |
| 56.108-3-26 | 147 | Henry St | $ | 425.00 |
| 56.26-10-11 | 53 | Hoffman St | $ | 50.00 |
| 56.26-10-33 | 54 | Hoffman St | $ | 85.00 |
| 56.50-5-11 | 15 | Hone St | $ | 25.00 |
| 56.42-6-19 | 96 | Hone St | $ | 25.00 |
| 48.312-5-5 | 48 | Howland Ave | $ | 85.00 |
| 48.70-1-33 | 250 | Hurley Ave | $ | 75.00 |
| 56.26-9-11 | 130 | Jansen Ave | $ | 25.00 |
| 56.26-9-20.100 | 131 | Jansen Ave | $ | 85.00 |
| 56.26-9-16 | 139 | Jansen Ave | $ | 85.00 |
| 56.26-9-15 | 143 | Jansen Ave | $ | 110.00 |
| 48.79-1-3 | 27 | Joys Lane | $ | 85.00 |
| 56.92-3-16 | 20 | Liberty St | $ | 85.00 |
| 56.92-4-45 | 65 | Liberty St | $ | 85.00 |
| 48.83-2-2.100 | 174 | Lincoln St | $ | 25.00 |
| 56.32-1-7 | 54 | Linderman Ave | $ | 25.00 |
| 56.32-1-4 | 62 | Linderman Ave | $ | 50.00 |
| 56.32-2-19 | 116 | Linderman Ave | $ | 40.00 |

2018 Re-Levy

| S/B/L | ADDRESS | | AMT DUE |
|---|---|---|---|
| 56.32-1-24 | 135 | Linderman Ave | $ 85.00 |
| 56.39-1-11 | 254 | Linderman Ave | $ 50.00 |
| 56.36-8-4.100 | 48 | Lindsley Ave | $ 50.00 |
| 48.82-5-7 | 20 | Linwood Pl | $ 50.00 |
| 56.106-2-6 | 46 | Lounsbury Pl | $ 25.00 |
| 48.270-5-9 | 14 | Madison Ave | $ 50.00 |
| 56.90-4-32 | 112 | Main Street | $ 35.00 |
| 48.73-1-15 | 147 | Manor Ave | $ 85.00 |
| 48.73-3-2 | 204 | Manor Ave | $ 25.00 |
| 56.42-1-8 | 23 | Mary's Ave | $ 25.00 |
| 56.28-3-3 | 189 | North St | $ 85.00 |
| 56.108-3-29 | 24 | Oak St | $ 35.00 |
| 56.25-2-13 | 17 | O'Neil St | $ 85.00 |
| 48.318-7-12 | 201 | O'Neil St | $ 85.00 |
| 48.318-9-3 | 204 | O'Neil St | $ 25.00 |
| 56.31-3-20 | 25 | Overlook Dr | $ 25.00 |
| 56.91-1-8 | 106 | Pearl St | $ 85.00 |
| 56.90-5-17 | 153 | Pearl St | $ 25.00 |
| 56.124-2-28 | 15 | Pine St | $ 85.00 |
| 56.124-2-27 | 17 | Pine St | $ 85.00 |
| 56.108-3-45 | 66 | Pine St | $ 195.00 |
| 56.108-2-23 | 81 | Pine St | $ 85.00 |
| 56.92-5-25 | 164 | Pine St | $ 25.00 |
| 56.91-5-29 | 184 | Pine St | $ 50.00 |
| 56.26-7-40 | 12 | Prince St | $ 50.00 |
| 56.26-6-6 | 31 | Prince St | $ 25.00 |
| 56.26-9-6 | 60 | Prince St | $ 170.00 |
| 56.109-2-28 | 23 | Prospect St | $ 25.00 |
| 56.33-2-11 | 30 | S Clinton Ave | $ 75.00 |
| 56.91-4-10 | 137 | S James St | $ 25.00 |
| 48.318-7-14 | 56 | S Manor Ave | $ 25.00 |
| 56.124-4-16 | 14 | S Pine St | $ 85.00 |
| 56.33-1-19 | 47 | S Pine St | $ 85.00 |
| 56.32-6-18 | 16 | S Washington Ave | $ 75.00 |
| 48.82-4-47 | 49 | Shufeldt St | $ 85.00 |
| 56.26-8-38 | 19 | Smith Ave | $ 85.00 |

2018 Re-Levy

| S/B/L | ADDRESS | | AMT DUE |
|---|---|---|---|
| 56.26-8-51 | 67 | Smith Ave | $ 85.00 |
| 48.334-7-9 | 173 | Smith Ave | $ 25.00 |
| 48.82-3-36 | 34 | Stephan St | $ 25.00 |
| 48.82-3-47 | 76 | Stephan St | $ 50.00 |
| 56.36-2-8 | 43 | Sycamore St | $ 85.00 |
| 56.36-2-7 | 47 | Sycamore St | $ 85.00 |
| 48.334-2-12.100 | 155 | TenBroeck Ave | $ 25.00 |
| 48.318-2-13 | 173 | TenBroeck Ave | $ 25.00 |
| 48.318-2-8 | 195 | TenBroeck Ave | $ 50.00 |
| 56.27-7-22 | 31 | Third Ave | $ 85.00 |
| 56.27-6-10 | 88 | Third Ave | $ 25.00 |
| 48.74-2-13 | 8 | Tietjen Ave | $ 85.00 |
| 48.74-2-15 | 14 | Tietjen Ave | $ 25.00 |
| 56.36-1-4 | 47 | Tompkins St | $ 50.00 |
| 48.334-7-19 | 128 | Tremper Ave | $ 75.00 |
| 48.333-8-10 | 159 | Tremper Ave | $ 85.00 |
| 56.93-3-8 | 20 | Van Buren St | $ 85.00 |
| 56.93-3-4 | 34 | Van Buren St | $ 85.00 |
| 56.93-3-3 | 36 | Van Buren St | $ 85.00 |
| 56.93-3-6 | 26 | Van Buren St | $ 85.00 |
| 56.26-2-15 | 23 | Vangaasbeck St | $ 85.00 |
| 56.34-9-18 | 65 | W Chestnut St | $ 25.00 |
| 56.34-1-18 | 69 | W O'Reilly St | $ 25.00 |
| 56.34-1-19 | 75 | W O'Reilly St | $ 25.00 |
| 56.42-12-6 | 136 | W Pierpont St | $ 110.00 |
| 56.42-12-5 | 144 | W Pierpont St | $ 85.00 |
| 56.43-2-12 | 64 | W Union St | $ 25.00 |
| 56.107-3-16 | 110 | Wall St | $ 25.00 |
| 56.91-3-15 | 220 | Wall St | $ 110.00 |
| 56.90-4-2 | 268 | Washington Ave | $ 85.00 |
| 48.330-4-20 | 298 | Washington Ave | $ 25.00 |
| 48.330-1-13 | 345 | Washington Ave | $ 25.00 |
| 48.330-1-8 | 361 | Washington Ave | $ 50.00 |
| 48.330-1-1 | 389 | Washington Ave | $ 50.00 |
| 56.107-1-11 | 173-177 | Washington Ave | $ 25.00 |
| 56.33-1-12 | 425 | Wilbur Ave | $ 85.00 |
| 48.74-1-17 | 7 | Wrentham St | $ 85.00 |

2018 Re-Levy

| S/B/L | ADDRESS | | AMT DUE |
|---|---|---|---|
| 48.270-3-9 | 95 | Wrentham St | $ 85.00 |
| 56.43-1-16 | 11 | Wurst St | $ 25.00 |
| 56.26-1-55 | 18 | Wynkoop Pl | $ 85.00 |

**$ 16,705.00**

**ENERGY IMPROVEMENT CORPORATION**
PROGRAM: ENERGIZE NY
BENEFITED PROPERTIES IN: City of Kingston, NEW YORK
FUNDED PROJECTS(S) REPAYMENT SUBMISSION FOR 2019

**City of Kingston**

| Municipality | Section, Block and Lot | Property Owner | Address | Amount of EIC Levy added to 2019 Tax Bill | Date of Reimbursement Payment Due to EIC from Kingston for 2019 Levy | Current Balance of EIC Funding prior to 2019 payment | Final Year of EIC Levy onto Tax Bill(s) | Date of Finance Agreement | New or Existing Financing | Original Amount of Financing |
|---|---|---|---|---|---|---|---|---|---|---|
| City of Kingston | 56.26-6-38.100 | 446 Broadway, LLC | 446 Broadway, Kingston, NY 12401 | $1,005.81 | 03/14/17 | $11,036.62 | 2034 | 7/25/2016 | Existing | $11,910.95 |
| **Total Amount due to EIC** | | | | $1,005.81 | 03/16/19 | | | | | |

**CITY OF KINGSTON**
Kingston Fire Department
Building Safety Division
ttiano@kingston-ny.gov

Steven T. Noble, Mayor
Mark Brown, Fire Chief

Tom Tiano, Deputy Chief

## Memorandum

To: Alderman-at-Large, James L. Noble, Jr.
City of Kingston Common Council

From: Laurie Hughes, Clerk
Building Safety Division
Kingston Fire Department

Date: October 12, 2018

Cc: Cindy Belsito, City of Kingston Comptroller's Office

Attached is a list of charges to be levied against City of Kingston Property Owners on their 2019 tax bill.

If you should have any questions, please do not hesitate to contact this office



5 Garraghan Drive · Kingston, New York 12401 · (845)331-1217 · Fax (845) 331-1224 · www.kingston-ny.gov

| | | |
|---|---|---|
| 2019 TAXES | | |
| SBL | ADDRESS | AMOUNT |
| 56.43-5-19 | 16 ABEEL ST | 450.00 |
| 56.43-5-8 | 76 ABEEL ST | 125.00 |
| 56.43-5-7 | 80 ABEEL ST | 2950.00 |
| 56.50-4-1.210 | 185 ABEEL ST | 125.00 |
| 56.36-5-5 | 77 ABRUYN ST | 400.00 |
| 56.35-1-17 | 19 ADAMS ST | 175.00 |
| 48.80-1-7 | 73 ALBANY AVE | 225.00 |
| 48.333-2-8 | 188 ALBANY AVE | 175.00 |
| 48.333-2-9 | 192 ALBANY AVE | 550.00 |
| 48.302-3-3 | 392 ALBANY AVE | 125.00 |
| 48.329-1-2 | 44 ALCAZAR AVE | 125.00 |
| 56.34-3-28 | 30 ANDREW ST | 175.00 |
| 56.34-3-26 | 34 ANDREW ST | 125.00 |
| 56.34-2-31 | 81 ANDREW ST | 175.00 |
| 56.25-4-3 | 16 ARDSLEY ST | 150.00 |
| 56.39-1-16 | 5-13 BECKET ST | 175.00 |
| 48.333-7-13 | 11 BELVEDERE ST | 125.00 |
| 56.41-2-22 | 16 BELMONT ST | 25.00 |
| 48.333-7-10 | 17 BELVEDERE ST | 175.00 |
| 56.34-3-9 | 9 BREWSTER ST | 175.00 |
| 56.34-3-19 | 41 BREWSTER ST | 175.00 |
| 56.34-5-12 | 61 BREWSTER ST | 175.00 |
| 56.34-9-4 | 251 BROADWAY | 125.00 |
| 56.34-8-2 | 317 BROADWAY | 125.00 |
| 56.26-11-11 | 342 BROADWAY | 125.00 |
| 56.26-11-51 | 356 BROADWAY | 400.00 |
| 56.26-9-26 | 460 BROADWAY | 175.00 |
| 56.26-9-28.100 | 470 BROADWAY | 175.00 |
| 56.25-3-26.200 | 590 BROADWAY | 175.00 |
| 56.25-3-24 | 594 BROADWAY | 600.00 |
| 56.25-3-8 | 618 BROADWAY | 350.00 |
| 56.93-2-14 | 661 BROADWAY | 175.00 |
| 56.25-1-19 | 670 BROADWAY | 125.00 |
| 56.25-1-9.100 | 702 BROADWAY | 225.00 |
| 56.92-2-18 | 742 BROADWAY | 175.00 |
| 48.318-4-14 | 12 BROWN AVE | 175.00 |
| 56.36-12-3 | 218 CATHERINE ST | 175.00 |
| 56.109-4-9 | 60 CEDAR ST | 350.00 |
| 56.109-4-13 | 72 CEDAR ST | 175.00 |
| 56.109-3-33 | 77 CEDAR ST | 125.00 |
| 56.109-3-34 | 81 CEDAR ST | 1750.00 |
| 56.109-2-12 | 85-87 CEDAR ST | 350.00 |
| 56.109-2-13 | 89 CEDAR ST | 175.00 |
| 56.109-2-15 | 97 CEDAR ST | 175.00 |

| | | |
|---|---|---|
| 56.108-5-15 | 121 CEDAR ST | 500.00 |
| 56.108-5-20 | 144 CEDAR ST | 175.00 |
| 56.26-1-32 | 31 CLIFTON AVE | 175.00 |
| 56.26-1-30 | 45 CLIFTON AVE | 175.00 |
| 56.26-3-25 | 50 CLIFTON AVE | 175.00 |
| 48.82-10-47 | 138 CLIFTON AVE | 125.00 |
| 56.108-6-21 | 15 CLINTON AVE | 125.00 |
| 56.108-4-33 | 60 CLINTON AVE | 225.00 |
| 56.108-4-38 | 76 CLINTON AVE | 125.00 |
| 56.108-4-39 | 80 CLINTON AVE | 175.00 |
| 56.108-3-16 | 85 CLINTON AVE | 175.00 |
| 56.108-4-1 | 96 CLINTON AVE | 450.00 |
| 56.92-3-39 | 100 CLINTON AVE | 175.00 |
| 56.92-3-41 | 108 CLINTON AVE | 175.00 |
| 56.92-5-14 | 131 CLINTON AVE | 350.00 |
| 56.92-4-52 | 136 CLINTON AVE | 175.00 |
| 56.92-5-13 | 137 CLINTON AVE | 350.00 |
| 56.92-4-2 | 150 CLINTON AVE | 350.00 |
| 56.92-4-6 | 162 CLINTON AVE | 350.00 |
| 56.92-1-30 | 194 CLINTON AVE | 350.00 |
| 48.331-3-8 | 299 CLINTON AVE | 225.00 |
| 56.28-1-15 | 12 CORDTS ST | 500.00 |
| 56.36-10-3 | 14 CRANE ST | 125.00 |
| 56.27-8-16 | 7 CROSS ST | 175.00 |
| 56.28-3-18 | 138 DELAWARE AVE | 175.00 |
| 56.28-3-13 | 146 DELAWARE AVE | 125.00 |
| 56.28-3-11 | 154 DELAWARE AVE | 125.00 |
| 56.36-6-1 | 281-289 DELAWARE AVE | 250.00 |
| 56.35-9-2 | 427 DELAWARE AVE | 175.00 |
| 56.27-7-15 | 492 DELAWARE AVE | 175.00 |
| 56.35-7-4 | 495 DELAWARE AVE | 125.00 |
| 56.27-8-11 | 504 DELAWARE AVE | 175.00 |
| 56.27-8-10 | 512 DELAWARE AVE | 275.00 |
| 56.27-2-21 | 526 DELAWARE AVE | 225.00 |
| 56.35-4-2 | 545 DELAWARE AVE | 125.00 |
| 56.34-10-3 | 623-629 DELAWARE AVE | 350.00 |
| 48.333-7-14 | 45 DOWNS ST | 350.00 |
| 48.333-6-13 | 53 DOWNS ST | 175.00 |
| 48.333-9-6 | 88 DOWNS ST | 125.00 |
| 48.333-5-18 | 97 DOWNS ST | 225.00 |
| 48.318-6-5 | 174 DOWNS ST | 125.00 |
| 48.318-5-8 | 215 DOWNS ST | 250.00 |
| 48.302-5-25 | 217 DOWNS ST | 175.00 |
| 48.318-8-12 | 218 DOWNS ST | 175.00 |
| 56.26-5-11 | 49 E. CHESTER ST | 125.00 |
| 56.26-4-11 | 71 E. CHESTER ST | 125.00 |

| | | |
|---|---|---|
| 56.26-3-13 | 109 E. CHESTER ST | 175.00 |
| 56.26-3-10 | 127 E. CHESTER ST | 125.00 |
| 56.27-1-15 | 132 E. CHESTER ST | 175.00 |
| 56.26-3-6 | 147 E. CHESTER ST | 125.00 |
| 48.83-2-19 | 304 E. CHESTER ST | 175.00 |
| 56.34-10-16 | 17 E. CHESTNUT ST | 250.00 |
| 56.124-1-12 | 21 ELIZABETH ST | 1025.00 |
| 56.25-1-26 | 14 ELMENDORF ST | 175.00 |
| 56.25-1-27 | 18 ELMENDORF ST | 250.00 |
| 48.333-7-2 | 34 ELMENDORF ST | 175.00 |
| 48.333-7-4 | 42 ELMENDORF ST | 175.00 |
| 48.333-2-26 | 47 ELMENDORF ST | 175.00 |
| 48.333-2-24 | 55 ELMENDORF ST | 225.00 |
| 48.333-2-23 | 57 ELMENDORF ST | 125.00 |
| 48.333-2-16 | 75 ELMENDORF ST | 500.00 |
| 48.333-3-16 | 91 ELMENDORF ST | 175.00 |
| 48.333-5-3 | 92 ELMENDORF ST | 175.00 |
| 48.333-3-12 | 103 ELMENDORF ST | 175.00 |
| 48.318-3-2 | 174 ELMENDORF ST | 125.00 |
| 48.318-1-20 | 183 ELMENDORF ST | 350.00 |
| 48.318-1-17 | 191 ELMENDORF ST | 175.00 |
| 48.302-5-2 | 228 ELMENDORF ST | 175.00 |
| 56.108-2-14 | 58 FAIR ST | 450.00 |
| 56.107-3-8 | 117 FAIR ST | 225.00 |
| 56.91-4-18 | 165 FAIR ST | 350.00 |
| 56.91-4-17 | 167 FAIR ST | 175.00 |
| 56.105-2-18 | 30 FAIRMONT AVE | 175.00 |
| 48.328-2-19 | 110 FAIRVIEW AVE | 175.00 |
| 48.83-4-21 | 190 FIRST AVE | 175.00 |
| 48.302-4-35 | 62 FLATBUSH AVE | 175.00 |
| 48.302-5-11 | 65 FLATBUSH AVE | 125.00 |
| 48.302-5-12 | 67 FLATBUSH AVE | 125.00 |
| 56.26-7-36 | 95 FOXHALL AVE | 225.00 |
| 56.26-7-31 | 115 FOXHALL AVE | 125.00 |
| 56.26-1-60 | 124 FOXHALL AVE | 3,000.00 |
| 56.26-1-61 | 128 FOXHALL AVE | 125.00 |
| 48.82-5-50 | 174 FOXHALL AVE | 125.00 |
| 48.82-4-62 | 198 FOXHALL AVE | 175.00 |
| 48.82-1-22 | 209 FOXHALL AVE | 225.00 |
| 56.92-3-25 | 29 FRANKLIN ST | 175.00 |
| 56.93-2-6 | 34 FRANKLIN ST | 125.00 |
| 56.93-2-5 | 38 FRANKLIN ST | 225.00 |
| 56.93-2-1 | 54 FRANKLIN ST | 750.00 |
| 56.93-1-4 | 56 FRANKLIN ST | 225.00 |
| 56.93-1-3 | 60 FRANKLIN ST | 350.00 |
| 56.92-3-35 | 79 FRANKLIN ST | 550.00 |

| | | |
|---|---|---|
| 56.108-3-11 | 106 FRANKLIN ST | 125.00 |
| 56.108-3-5 | 122 FRANKLIN ST | 125.00 |
| 56.108-4-13 | 13 FURNACE ST | 125.00 |
| 56.92-4-32 | 90 FURNACE ST | 125.00 |
| 48.82-2-14 | 79 GAGE ST | 175.00 |
| 56.26-8-22 | 53 GARDEN ST | 450.00 |
| 56.42-15-8 | 56 GERMAN ST | 125.00 |
| 56.36-3-23 | 31 GILL ST | 175.00 |
| 56.36-3-6 | 59 GILL ST | 175.00 |
| 56.36-3-4 | 65 GILL ST | 125.00 |
| 56.26-7-4 | 90 GRAND ST | 175.00 |
| 56.31-1-7 | 79 GRANDVIEW AVE | 1200.00 |
| 56.90-4-14 | 79-83 GREEN ST | 1280.00 |
| 48.330-2-7 | 167 GREEN ST | 125.00 |
| 56.109-4-27 | 67 GREENKILL AVE | 225.00 |
| 56.124-3-12 | 177 GREENKILL AVE | 175.00 |
| 56.124-3-19 | 207-211 GREENKILL AVE | 250.00 |
| 56.124-5-32 | 251 GREENKILL AVE | 125.00 |
| 56.124-5-33 | 265 GREENKILL AVE | 175.00 |
| 56.35-7-19 | 38 HANRATTY ST | 175.00 |
| 56.26-5-27 | 337 HASBROUCK AVE | 375.00 |
| 56.26-2-33 | 11 HEMLOCK AVE | 125.00 |
| 56.109-1-23 | 33 HENRY ST | 175.00 |
| 56.109-1-31 | 63 HENRY ST | 1100.00 |
| 56.109-1-32 | 65 HENRY ST | 175.00 |
| 56.108-5-10 | 90 HENRY ST | 175.00 |
| 56.108-4-24 | 93 HENRY ST | 175.00 |
| 56.108-4-25 | 99 HENRY ST | 300.00 |
| 56.108-5-3 | 116 HENRY ST | 1750.00 |
| 56.25-5-26 | 6 HILTON PLACE | 125.00 |
| 56.26-12-27 | 97 HIGHLAND AVE | 125.00 |
| 56.26-10-29 | 38 HOFFMAN ST | 125.00 |
| 56.34-1-15 | 76 HOFFMAN ST | 400.00 |
| 56.42-9-7 | 35 HONE ST | 125.00 |
| 56.42-11-10 | 91 HONE ST | 175.00 |
| 56.42-11-9 | 95 HONE ST | 125.00 |
| 56.42-6-19 | 96 HONE ST | 225.00 |
| 48.312-3-12 | 41 HOWLAND AVE | 125.00 |
| 48.312-1-4 | 79 HOWLAND AVE | 250.00 |
| 56.42-8-28 | 57 HUNTER ST | 125.00 |
| 56.43-1-32 | 80 HUNTER ST | 175.00 |
| 56.42-9-9 | 91-95 HUNTER ST | 400.00 |
| 56.50-5-8 | 100 HUNTER ST | 225.00 |
| 56.42-9-18.100 | 129 HUNTER ST | 175.00 |
| 48.313-1-11 | 98 HURLEY AVE | 125.00 |
| 48.70-1-17 | 189 HURLEY AVE | 450.00 |

| | | |
|---|---|---|
| 48.313-1-7 | 122 HURLEY AVE | 125.00 |
| 48.313-1-5 | 128 HURLEY AVE | 125.00 |
| 48.313-1-4 | 132 HURLEY AVE | 125.00 |
| 48.312-2-1 | 196 HURLEY AVE | 125.00 |
| 56.90-6-27.100 | 33-35 JANET ST | 250.00 |
| 56.90-5-4 | 40 JANET ST | 125.00 |
| 56.26-9-11 | 130 JANSEN AVE | 175.00 |
| 56.26-9-12 | 132 JANSEN AVE | 125.00 |
| 56.26-9-17 | 137 JANSEN AVE | 125.00 |
| 56.26-9-16 | 139 JANSEN AVE | 125.00 |
| 56.35-7-13.100 | 19 JARROLD ST | 175.00 |
| 48.331-4-4.210 | 2 JOHN ST | 450.00 |
| 48.331-3-10 | 17 JOHN ST | 175.00 |
| 56.106-3-23.100 | 36 JOHNSTON AVE | 125.00 |
| 56.90-3-17 | 28 LAFAYETTE AVE | 125.00 |
| 48.330-5-15 | 44 LAFAYETTE AVE | 175.00 |
| 56.34-4-28 | 8 LEVAN ST | 175.00 |
| 56.92-3-16 | 20 LIBERTY ST | 125.00 |
| 56.92-4-47 | 73 LIBERTY ST | 175.00 |
| 56.32-2-19 | 116 LINDERMAN AVE | 350.00 |
| 56.32-1-21 | 119 LINDERMAN AVE | 125.00 |
| 56.36-7-4 | 63 LINDSLEY AVE | 125.00 |
| 56.28-1-4.2 | 132 LINDSLEY AVE | 125.00 |
| 56.106-2-6 | 46 LOUNSBURY PLACE | 250.00 |
| 48.329-1-5 | 207 LUCAS AVE | 125.00 |
| 56.88-2-11 | 253 LUCAS AVE | 250.00 |
| 56.42-5-17 | 104 MCENTEE ST | 125.00 |
| 56.91-4-1 | 110 MAIDEN LANE | 175.00 |
| 56.92-1-6 | 22-24 MAIDEN LANE | 500.00 |
| 56.90-3-11 | 143 MAIN ST | 125.00 |
| 56.90-6-15 | 146 MAIN ST | 125.00 |
| 56.105-3-5 | 316 MAIN ST | 125.00 |
| 56.35-5-18.100 | 5 MAPLE ST | 125.00 |
| 56.32-4-39 | 66 MARIUS ST | 125.00 |
| 56.42-1-10 | 17 MARYS AVE | 125.00 |
| 56.42-2-37 | 35 MONTREPOSE AVE | 175.00 |
| 56.42-2-7 | 49 MONTREPOSE AVE | 250.00 |
| 56.42-2-6 | 53 MONTREPOSE AVE | 175.00 |
| 56.42-2-5 | 57 MONTREPOSE AVE | 125.00 |
| 56.35-8-18.100 | 139 MURRAY ST | 550.00 |
| 56.35-6-20 | 110 NEWKIRK AVE | 175.00 |
| 56.107-1-34.100 | 60 NOONE LANE | 125.00 |
| 48.331-1-6 | 42 N FRONT ST | 125.00 |
| 56.124-3-5 | 9 N. WILBUR AVE | 175.00 |
| 56.36-1-25 | 20 NORTH ST | 175.00 |
| 56.28-3-15 | 165 NORTH ST | 175.00 |

| | | |
|---|---|---|
| 56.108-3-28 | 18 OAK ST | 175.00 |
| 56.108-3-34 | 19 OAK ST | 125.00 |
| 56.108-3-30 | 26 OAK ST | 125.00 |
| 56.25-2-13 | 17 ONEIL ST | 175.00 |
| 56.25-2-14 | 19 ONEIL ST | 125.00 |
| 56.25-3-3 | 24 ONEIL ST | 125.00 |
| 56.25-2-19 | 51 ONEIL ST | 175.00 |
| 48.334-5-1 | 126-128 ONEIL ST | 175.00 |
| 48.334-5-7 | 146 ONEIL ST | 125.00 |
| 48.333-7-18 | 12 ORA PLACE | 125.00 |
| 56.26-4-21 | 26 PARK ST | 125.00 |
| 48.331-5-12 | 8 PEARL ST | 175.00 |
| 56.91-1-8 | 106 PEARL ST | 175.00 |
| 56.91-1-6 | 112 PEARL ST | 125.00 |
| 56.90-4-23 | 119 PEARL ST | 225.00 |
| 56.91-1-2 | 126 PEARL ST | 225.00 |
| 56.108-2-19 | 63 PINE ST | 175.00 |
| 56.108-3-1 | 86-90 PINE ST | 450.00 |
| 56.108-1-20 | 110 PINE ST | 125.00 |
| 56.108-1-14 | 119 PINE ST | 175.00 |
| 56.91-6-16 | 145 PINE ST | 225.00 |
| 56.91-5-31 | 188 PINE ST | 350.00 |
| 56.91-5-6 | 189 PINE ST | 1225.00 |
| 56.33-3-25 | 75 PINE GROVE AVE | 125.00 |
| 56.36-11-9 | 1 PONCHOCKIE ST | 125.00 |
| 56.26-8-40 | 32 PRINCE ST | 125.00 |
| 48.334-3-9 | 31 PROGRESS ST | 125.00 |
| 56.109-2-30 | 15 PROSPECT ST | 350.00 |
| 56.108-4-23 | 61 PROSPECT ST | 175.00 |
| 56.109-1-38 | 62 PROSPECT ST | 175.00 |
| 56.92-4-16 | 161 PROSPECT ST | 175.00 |
| 56.33-2-15 | 18 S. CLINTON AVE | 125.00 |
| 56.124-4-16 | 14 S PINE ST | 125.00 |
| 56.49-2-5 | 34 S WALL ST | 125.00 |
| 56.50-5-23 | 14 RAVINE ST | 350.00 |
| 56.42-10-16 | 66 RAVINE ST | 125.00 |
| 48.73-4-45 | 58 ROOSEVELT AVE | 175.00 |
| 56.32-6-18 | 16 S. WASHINGTON AVE | 125.00 |
| 56.92-1-27 | 59 ST JAMES ST | 350.00 |
| 56.92-5-3 | 80 ST JAMES ST | 225.00 |
| 56.91-6-7 | 96 ST JAMES ST | 225.00 |
| 56.91-4-12 | 142-144 ST JAMES ST | 450.00 |
| 56.91-1-27 | 152 ST JAMES ST | 175.00 |
| 56.27-8-13 | 13 SECOND AVE | 175.00 |
| 56.27-4-15 | 47 SECOND AVE | 125.00 |
| 56.26-8-61 | 56-58 SMITH AVE | 175.00 |

| | | |
|---|---|---|
| 56.26-8-51 | 67 SMITH AVE | 50.00 |
| 56.25-4-2 | 147 SMITH AVE | 175.00 |
| 48.334-7-10 | 161 SMITH AVE | 175.00 |
| 48.334-1-9 | 202 SMITH AVE | 125.00 |
| 48.333-4-17 | 230 SMITH AVE | 125.00 |
| 48.333-5-10 | 235 SMITH AVE | 175.00 |
| 48.333-3-5 | 271 SMITH AVE | 250.00 |
| 48.312-2-13 | 25 SNYDER AVE | 225.00 |
| 56.35-2-33 | 21 SPRING ST | 125.00 |
| 56.42-13-12 | 140 SPRING ST | 225.00 |
| 48.82-5-42 | 9 STANLEY ST | 125.00 |
| 48.82-3-31 | 14 STEPHAN ST | 175.00 |
| 48.82-3-27 | 45 STEPHAN ST | 125.00 |
| 48.82-3-47 | 76 STEPHAN ST | 125.00 |
| 48.82-3-15 | 89 STEPHAN ST | 500.00 |
| 56.35-3-9 | 32 STUYVESANT ST | 225.00 |
| 56.33-3-16 | 22 SUMMER ST | 125.00 |
| 56.33-3-13.100 | 34 SUMMER ST | 125.00 |
| 56.36-2-21.100 | 35 SYCAMORE ST | 125.00 |
| 56.36-3-18 | 56 SYCAMORE ST | 250.00 |
| 48.75-2-22 | 104 TAMMANY ST | 125.00 |
| 48.318-2-12 | 177 TENBROECK AVE | 225.00 |
| 56.27-5-11 | 87-89 THIRD AVE | 125.00 |
| 56.27-5-2 | 139 THIRD AVE | 225.00 |
| 48.302-4-26 | 15 TIETJEN AVE | 500.00 |
| 56.36-1-4 | 47 TOMPKINS ST | 125.00 |
| 56.25-4-7 | 110 TREMPER AVE | 250.00 |
| 48.333-8-10 | 159 TREMPER AVE | 175.00 |
| 48.333-8-9 | 163 TREMPER AVE | 125.00 |
| 48.333-9-26 | 164 TREMPER AVE | 125.00 |
| 48.333-6-7 | 191 TREMPER AVE | 125.00 |
| 48.82-10-35 | 94 TUBBY ST | 175.00 |
| 56.93-3-11 | 10 VANBUREN ST | 225.00 |
| 56.93-2-15 | 23 VANBUREN ST | 125.00 |
| 56.93-2-21 | 43 VANBUREN ST | 175.00 |
| 56.109-1-10 | 50 VANBUREN ST | 175.00 |
| 56.109-1-9 | 52 VANBUREN ST | 175.00 |
| 56.93-2-31 | 67 VANBUREN ST | 125.00 |
| 56.108-4-16 | 86 VANBUREN ST | 125.00 |
| 56.93-3-15 | 15 VANDEUSEN ST | 175.00 |
| 48.82-10-8 | 104 VANGAASBECK ST | 250.00 |
| 56.34-8-56 | 14-16 W. CHESTER ST | 225.00 |
| 56.34-8-51 | 24 W. CHESTER ST | 125.00 |
| 56.34-8-40 | 66 W. CHESTER ST | 125.00 |
| 56.42-4-3 | 200 W. CHESTNUT ST | 125.00 |
| 56.42-2-40 | 211 W CHESTNUT ST | 125.00 |

| | | |
|---|---|---|
| 56.42-4-8.301 | 214 W. CHESTNUT ST | 125.00 |
| 56.42-4-8.201 | 214 W. CHESTNUT ST | 125.00 |
| 56.42-4-8.304 | 214 W. CHESTNUT ST | 125.00 |
| 56.42-4-8.202 | 214 W. CHESTNUT ST | 125.00 |
| 56.42-2-51 | 257 W. CHESTNUT ST | 175.00 |
| 56.26-10-41 | 49 W. O'REILLY ST | 175.00 |
| 56.34-2-2 | 68 W. O'REILLY ST | 1,000.00 |
| 56.34-2-7 | 84 W. OREILLY ST | 125.00 |
| 56.34-1-21 | 85 W. O'REILLY ST | 125.00 |
| 56.35-1-22 | 23 W. PIERPONT ST | 225.00 |
| 56.42-7-5 | 50 W. PIERPONT ST | 175.00 |
| 56.42-7-1 | 64 W. PIERPONT ST | 350.00 |
| 56.42-5-3 | 87 W. PIERPONT ST | 350.00 |
| 48.331-2-11 | 312 WALL ST | 175.00 |
| 56.36-4-10 | 10 WALNUT ST | 175.00 |
| 56.36-6-11.200 | 47 WALNUT ST | 125.00 |
| 56.107-5-7 | 117 WASHINGTON AVE | 350.00 |
| 56.90-4-36 | 256 WASHINGTON AVE | 1350.00 |
| 56.90-3-6 | 279 WASHINGTON AVE | 125.00 |
| 48.330-4-16 | 280 WASHINGTON AVE | 350.00 |
| 48.330-4-24 | 312 WASHINGTON AVE | 175.00 |
| 48.330-4-1 | 324 WASHINTON AVE | 400.00 |
| 48.330-1-8 | 361 WASHINGTON AVE | 350.00 |
| 56.49-2-3.200-1 | 200 WILBUR AVE | 1750.00 |
| 48.74-1-17 | 7 WRENTHAM ST | 175.00 |
| 56.43-2-16 | 1 WURTS ST | 125.00 |
| 56.43-2-15 | 5 WURTS ST | 175.00 |
| 56.26-1-55 | 18 WYNKOOP PLACE | 175.00 |
| | | |
| | TOTAL | $85,930.00 |

# City of Kingston
# Parks and Recreation Department
*kgilfeather@kingston-ny.gov*

Steven T. Noble, Mayor

Kevin D. Gilfeather, Superintendent

October9, 2018

James Noble,

President, Common Council

420 Broadway

Kingston, NY 12401

Dear President Noble:

Attached is the Committee Report for an internal budget transfer to cover shortfalls in a particular account.

Please transfer $3565 from account #: 7110.472 – Contracted Service to increase account #: 7110.471 – Service Contracts. There is no financial impact to the City.

Please feel free to reach out to me with any questions.

With Regards,

Kevin D. Gilfeather

Kevin D. Gilfeather

Superintendent

Cc: Steven Noble, Mayor

John Tuey, City Comptroller

## THE CITY OF KINGSTON COMMON COUNCIL

### FINANCE AND AUDIT
### COMMITTEE REPORT

**REQUEST DESCRIPTION**

| | | |
|---|---|---|
| INTERNAL TRANSFER x | CONTINGENCY TRANSFER ___ | TRANSFER ___ |
| AUTHORIZATION ___ | BUDGET MODIFICATION x | BONDING REQUEST ___ |
| CLAIMS ___ | ZONING ___ | OTHER ___ |

DEPARTMENT Parks and Recreation DATE 10/9/18

Description: An internal department transfer to cover shortfall in account #: 7110.471 - Service Contracts in the amount of $3565. The transfer of funds will come from account #: 7110.472 - ( Contracted Service.

Estimated Financial Impact 0 Signature

Motion by___________

Seconded by___________

Action Required:

SEQRA Decision:
Type I Action ___
Type II Action ___
Unlisted Action ___

Negative Declaration of Environmental Significance: ___

Conditioned Negative Declaration: ___

Seek Lead Agency Status: ___

Positive Declaration of Environmental Significance: ___

| Committee Vote | YES | NO |
|---|---|---|
| Douglas Koop, Chairman | ☐ | ☐ |
| Reynolds Scott-Childress Ward 3 | ☐ | ☐ |
| Anthony Davis, Ward 6 | ☐ | ☐ |
| Patrick O'Reilly, Ward 7 | ☐ | ☐ |
| Steven Schabot, Ward 8 | ☐ | ☐ |

# CITY OF KINGSTON
## Office of the Comptroller
comptroller@kingston-ny.gov

John Tuey, Comptroller | Steven T. Noble, Mayor

November 1, 2018

Alderman at Large James Noble
City of Kingston Common Council
420 Broadway
Kingston, NY 12401

RE: City Hall Roof Repair Reserve

Dear Alderman at Large Noble,

The City received a $225,654.84 insurance reimbursement for wind and water damage to City Hall Roof caused during the 3/2/18 winter storm. I recommend the Common Council to establish a Capital Reserve so that these funds can be used in the first instance to pay for the necessary repairs. The maximum estimated cost of the repairs for which these funds will be used is $298,700 (See Attached Estimate: Roof Removal and Replacement $242,700, Interior Restorations $18,100, Exterior Repointing $37,900). Additional non-storm damage improvements are included in the attached estimate but are not part of the scope of work to be awarded this year.

Respectfully,

John R. Tuey
Comptroller, City of Kingston

cc: Mayor Steven T. Noble
John Schultheis, City Engineer
Carly Winnie, City Clerk



City Hall · 420 Broadway · Kingston, New York 12401 · (845) 334-3935· Fax (845) 334-3944 · www.kingston-ny.gov

# KINGSTON CITY HALL
# ROOF & TOWER
# RESTORATION

## KINGSTON, NEW YORK

## PRELIMINARY ESTIMATE

## LACEY THALER REILLY WILSON

**ESTIMATE PREPARED BY:**

**danda inc.**
CONSTRUCTION COST CONSULTANT

**SEPTEMBER 18, 2018**

# KINGSTON CITY HALL ROOF & TOWER RESTORATION

## KINGSTON, NEW YORK

## PRELIMINARY ESTIMATE

## LACEY THALER REILLY WILSON

### SEPTEMBER 18, 2018

| SHEET # | SHEET TITLE | DATED |
|---|---|---|
| G001 | COVER SHEET | 9-11-18 |
| G002 | NOTES, SYMBOLS AND ABBREVIATIONS | 9-11-18 |
| A001 | EXISTING ROOF PLAN | 9-11-18 |
| A201 | EXTERIOR TOWER ELEVATIONS | 9-11-18 |
| A202 | EXTERIOR TOWER ELEVATIONS | 9-11-18 |
| A203 | EXTERIOR TOWER ELEVATIONS | 9-11-18 |
| A251 | INTERIOR ELEVATIONS | 9-11-18 |
| A252 | INTERIOR ELEVATIONS | 9-11-18 |
| A301 | TOWER SECTIONS | 9-11-18 |
| A401 | ENLARGED TOWER PLANS | 9-11-18 |
| A501 | ROOF DETAILS | 9-11-18 |
| A502 | STAIR DETAILS | 9-11-18 |

# KINGSTON CITY HALL ROOF & TOWER RESTORATION

**PRELIMINARY ESTIMATE**

**LACEY THALER REILLY WILSON**

**LIST OF ASSUMPTIONS**

**SEPTEMBER 18, 2018**

---

PRICING BASED UPON CURRENT SEPTEMBER 1, 2018 NEW YORK STATE DEPARTMENT OF LABOR ULSTER COUNTY WAGE RATES, FRINGES, BENEFITS, PAYROLL TAXES; MARKET PLACE MATERIAL PRICING AND RENTAL COSTS FOR EQUIPMENT INCLUSIVE OF TRADE CONTRACTORS OH&P. ALSO INCLUDED IS AN APPRENTICE PROGRAM PER THE CITY OF KINGSTON.

THE FOLLOWING IS TO BE CONSIDERED TO BE STAND ALONE PROJECT:
- ROOF REMOVAL AND REPLACEMENT

THE FOLLOWING ARE CONSIDERED TO BE A SINGLE PROJECT:
- INTERIOR REPOINTING - SECOND FLOOR
- INTERIOR REPOINTING - THIRD FLOOR & THIRD FLOOR RCP
- INTERIOR REPOINTING - LOWER BELFRY
- INTERIOR REPOINTING - UPPER BELFRY
- INTERIOR RESTORATIONS
- EXTERIOR REPOINTING ( ONLY )

THE FOLLOWING IS CONSIDERED TO BE STAND ALONE ALTERNATE
- EXTERIOR WALLS - REPOINTING

WE HAVE INCLUDED THE FOLLOWING ALLOWANCES

ROOF REMOVAL AND REPLACEMENT

REPAIR & REPLACE COMPROMISED TECTUM DECK - 5% ALLOWANCE
- REMOVAL AND REPLACEMENT OF SLATE TILES (ALLOWANCE - 50 EA)
- ROOF ACCESS STAIRS ( $3,480 MATERIAL ALLOWANCE )

ROOF CONTRACT IS BASED UPON A 2018 START AND COMPETITION

ALL OTHER CONTRACTS ARE BASED UPON A 2019 START AND COMPETITION.

danda inc.

# KINGSTON CITY HALL ROOF & TOWER RESTORATION

**LACEY THALER REILLY WILSON**

**SEPTEMBER 18, 2018**

| DESCRIPTION | | PRELIMINARY ESTIMATE QUANTITY | U/M | UNIT PRICE | EXTENSION | TOTAL |
|---|---|---|---|---|---|---|
| 1 ROOF REMOVAL AND REPLACEMENT | | | | | | $242,700 |
| 32 INTERIOR REPOINTING - SECOND FLOOR | | | | | | $37,800 |
| 41 INTERIOR REPOINTING - THIRD FLOOR & THIRD FLOOR RCP | | | | | | $67,000 |
| 53 INTERIOR REPOINTING - LOWER BELFRY | | | | | | $67,800 |
| 64 INTERIOR REPOINTING - UPPER BELFRY | | | | | | $28,900 |
| 79 EXTERIOR REPOINTING ( ONLY ) | | | | | | $37,900 |
| 72 INTERIOR RESTORATIONS | | | | | | $18,100 |
| 89 EXTERIOR WALLS - REPOINTING | ALTERNATE | | | | | ALTERNATE |
| **TOTAL** | | | | | | **$500,200** |
| **ALTERNATE EXTERIOR WALLS - REPOINTING** | | | | | | **$285,600** |

# KINGSTON CITY HALL ROOF & TOWER RESTORATION

**LACEY THALER REILLY WILSON**

**SEPTEMBER 18, 2018**

| DESCRIPTION | PRELIMINARY ESTIMATE QUANTITY | U/M | UNIT PRICE | EXTENSION | TOTAL |
|---|---|---|---|---|---|
| **ROOF REMOVAL AND REPLACEMENT** | 5,755 | **RSF** | **$42.17** | | **$242,700** |
| REMOVAL OF EXISTING ROOF ASSEMBLY | 5,755 | SF | $2.90 | $16,690 | |
| REMOVE EXISTING COPPER FASCIA FOR RE-INSTALLATION | 318 | LF | $10.30 | $3,275 | |
| TRASH CHUTE & DEBRIS REMOVAL | 1 | LS | $7,200.00 | $7,200 | |
| REPAIR & REPLACE COMPROMISED TECTUM DECK - 5% ALLOWANCE | 288 | SF | $11.40 | $3,283 | |
| NEW ROOF BLOCKING AT PERIMETER | 318 | LF | $6.50 | $2,067 | |
| NEW 2" RIGID INSULATION | 5,755 | SF | $2.60 | $14,963 | |
| NEW 2 1/2" TAPERED RIGID INSULATION | 5,755 | SF | $4.00 | $23,020 | |
| NEW POLYSIO COVER BOARD | 5,755 | SF | $1.70 | $9,784 | |
| NEW 60 MIL EPDM ROOF MEMBRANE & UPTURNS | 6,185 | SF | $4.80 | $29,688 | |
| NEW ROOF BLOCKING AT CURB (B1/A501) | 112 | LF | $7.00 | $784 | |
| NEW ALUMINUM FLASHING AT CURB (B1/A501) | 112 | LF | $22.20 | $2,486 | |
| NEW VENT FLASHING ASSEMBLY (A501) | 4 | LF | $816.00 | $3,264 | |
| NEW BLOCKING AT TOWER TYPICAL (E1/A501) | 35 | LF | $7.00 | $245 | |
| NEW COPPER COUNTERFLASHING AT TOWER TYPICAL(E1/A501) | 35 | LF | $22.20 | $777 | |
| NEW ROOF SEALANT AT TOWER TYPICAL (E1/A501) | 35 | LF | $11.10 | $389 | |
| NEW COPPER STRIP @ COPING (E8/A501) | 318 | LF | $10.30 | $3,275 | |
| RE-INSTALL EXISTING COPPER FASCIA @ COPING (E8/A501) | 318 | LF | $12.40 | $3,943 | |
| NEW COPPER FASCIA DRIP EDGE & CLEAT@ COPING (E8/A501) | 318 | LF | $10.30 | $3,275 | |
| REMOVAL AND REPLACEMENT OF SLATE TILES (ALLOWANCE - 50 EA) | 50 | EA | $130.60 | $6,530 | |
| REINSTALL CHIMNEY, REINFORCE AT BASE, ADD GUY WIRES | 1 | EA | $4,352.00 | $4,352 | |
| REMOVE AND REPLACE LIGHTNING PROTECTION | 570 | LF | $24.60 | $14,022 | |
| INSTALLATION OF ROOF ANCHORS | 2 | EA | $816.00 | $1,632 | |
| ROOF ACCESS STAIRS ( $3,480 MATERIAL ALLOWANCE ) | 1 | EA | $8,040.00 | $8,040 | |
| ALLOW FOR HOISTING OF MATERIAL | 8 | DAYS | $2,064.00 | $16,512 | |
| ALLOW FOR TEMPORARY STAIR TO ACCESS ROOF | 1 | LS | $2,736.00 | $2,736 | |
| TEMPORARY PROTECTION | 570 | SF | $8.90 | $5,073 | |
| GENERAL CONDITIONS, OVERHEAD, INSURANCE, BOND & FEE | 17.80% | | $187,305.50 | $33,340 | |
| SUBTOTAL | | | $220,645.88 | | |
| DESIGN & CONSTRUCTION CONTINGENCY | 10.00% | | $220,645.88 | $22,065 | |
| **INTERIOR REPOINTING - SECOND FLOOR** | | | | | **$37,800** |
| TEMPORARY SCAFFOLDING | 3,879 | CF | $1.20 | $4,655 | |
| REPOINT INTERIOR WYTHE | 842 | SF | $23.40 | $19,703 | |
| CLEANING OF INTERIOR WYTHE | 842 | SF | $3.40 | $2,863 | |
| REPAIR GYPSUM BLOCK | 1 | LS | $753.30 | $753 | |
| GENERAL CONDITIONS, OVERHEAD, INSURANCE, BOND & FEE | 23.00% | | $27,973.70 | $6,434 | |
| SUBTOTAL | | | $34,407.65 | | |
| DESIGN & CONSTRUCTION CONTINGENCY | 10.00% | | $34,407.65 | $3,441 | |
| **INTERIOR REPOINTING - THIRD FLOOR & THIRD FLOOR RCP** | | | | | **$67,000** |
| TEMPORARY SCAFFOLDING | 5,867 | CF | $1.20 | $7,040 | |
| REPOINT INTERIOR WYTHE | 1,263 | SF | $23.40 | $29,554 | |
| CLEANING OF INTERIOR WYTHE | 1,263 | SF | $2.30 | $2,905 | |
| REMOVAL OF SPALLED CONCRETE SLAB | 2 | EA | $576.00 | $1,152 | |
| REPLACEMENT OF SPALLED CONCRETE SLAB | 2 | EA | $864.00 | $1,728 | |
| REMOVAL OF SPALLED CONCRETE BEAMS | 48 | LF | $59.50 | $2,856 | |
| REPLACEMENT OF SPALLED CONCRETE BEAMS | 48 | LF | $89.30 | $4,286 | |
| GENERAL CONDITIONS, OVERHEAD, INSURANCE, BOND & FEE | 23.00% | | $49,521.90 | $11,390 | |
| SUBTOTAL | | | $60,911.94 | | |
| DESIGN & CONSTRUCTION CONTINGENCY | 10.00% | | $60,911.94 | $6,091 | |
| **INTERIOR REPOINTING - LOWER BELFRY** | | | | | **$67,800** |
| TEMPORARY SCAFFOLDING | 6,135 | CF | $1.20 | $7,362 | |
| REPOINT INTERIOR WYTHE | 1,333 | SF | $23.40 | $31,192 | |
| CLEANING OF INTERIOR WYTHE | 1,333 | SF | $2.20 | $2,933 | |
| REMOVAL OF SPALLED CONCRETE SLAB | 22 | SF | $52.50 | $1,155 | |
| REPLACEMENT OF SPALLED CONCRETE SLAB | 22 | SF | $78.90 | $1,736 | |
| STRUCTURAL STEEL REPAIRS | 1 | LS | $7,776.00 | $7,776 | |
| GENERAL CONDITIONS, OVERHEAD, INSURANCE, BOND & FEE | 23.00% | | $44,377.60 | $10,207 | |
| SUBTOTAL | | | $54,584.45 | | |
| DESIGN & CONSTRUCTION CONTINGENCY | 10.00% | | $54,584.45 | $5,458 | |
| **INTERIOR REPOINTING - UPPER BELFRY** | | | | | **$28,900** |
| TEMPORARY SCAFFOLDING | 3,186 | CF | $1.20 | $3,823 | |
| REPOINT INTERIOR WYTHE | 660 | SF | $23.40 | $15,444 | |
| CLEANING OF INTERIOR WYTHE | 660 | SF | $4.30 | $2,838 | |
| GENERAL CONDITIONS, OVERHEAD, INSURANCE, BOND & FEE | 23.00% | | $19,267.20 | $4,431 | |
| SUBTOTAL | | | $23,698.66 | | |
| DESIGN & CONSTRUCTION CONTINGENCY | 10.00% | | $23,698.66 | $2,370 | |

danda inc.

# KINGSTON CITY HALL ROOF & TOWER RESTORATION

## LACEY THALER REILLY WILSON

## SEPTEMBER 18, 2018

| | DESCRIPTION | QUANTITY | U/M | PRELIMINARY ESTIMATE UNIT PRICE | EXTENSION | TOTAL |
|---|---|---|---|---|---|---|
| 71 | | | | | | |
| 72 | **INTERIOR RESTORATIONS** | | | | | **$18,100** |
| 73 | REPAIR DAMAGED LUNETTE & REPAINT | 5 | EA | $2,232.00 | $11,160 | |
| 74 | REPAIR & REPAINT DAMAGED DRYWALL | 3 | EA | $744.00 | $2,232 | |
| 75 | GENERAL CONDITIONS, OVERHEAD, INSURANCE, BOND & FEE | 23.00% | | $13,392.00 | $3,080 | |
| 76 | SUBTOTAL | | | $16,472.16 | | |
| 77 | DESIGN & CONSTRUCTION CONTINGENCY | 10.00% | | $16,472.16 | $1,647 | |
| 78 | | | | | | |
| 79 | **EXTERIOR REPOINTING ( ONLY )** | | | | | **$37,900** |
| 80 | MAN LIFT | 5 | DAYS | $2,064.00 | $10,320 | |
| 81 | ENTRANCE ACCESS / PROTECTION | 16 | LF | $250.00 | $4,000 | |
| 82 | PROTECTION OF WINDOWS | 5 | EA | $345.00 | $1,725 | |
| 83 | REPOINTING OF EXTERIOR WYTHE OF BRICK | 354 | SF | $25.80 | $9,133 | |
| 84 | WASH AND SCRUB CAST STONE AND BRICK | 354 | SF | $8.10 | $2,867 | |
| 85 | GENERAL CONDITIONS, OVERHEAD, INSURANCE, BOND & FEE | 23.00% | | $28,045.60 | $6,450 | |
| 86 | SUBTOTAL | | | $34,496.09 | | |
| 87 | DESIGN & CONSTRUCTION CONTINGENCY | 10.00% | | $34,496.09 | $3,450 | |
| 88 | | | | | | |
| 89 | **EXTERIOR WALLS - REPOINTING** **ALTERNATE** | | | | | **$285,600** |
| 90 | TEMPORARY SCAFFOLDING | 4,380 | SF | $5.70 | $24,966 | |
| 91 | ENTRANCE ACCESS / PROTECTION | 16 | LF | $250.00 | $4,000 | |
| 92 | PROTECTION OF WINDOWS | 5 | EA | $345.00 | $1,725 | |
| 93 | POWER WASH CAST STONE ELEMENTS | 1 | LS | $2,856.00 | $2,856 | |
| 94 | REPOINT JOINTS OF CAST STONE | 1,478 | SF | $42.50 | $62,832 | |
| 95 | REPOINT JOINTS OF CAST STONE @ COLUMNS ETC. | 668 | SF | $42.50 | $28,390 | |
| 96 | REPOINTING OF EXTERIOR WYTHE OF BRICK | 3,448 | SF | $23.40 | $80,683 | |
| 97 | ALLOWANCE FOR RECAULKING | 1 | LSA | $2,880.00 | $2,880 | |
| 98 | WASH AND SCRUB FACE BRICK | 3,908 | SF | $1.60 | $6,253 | |
| 99 | GENERAL CONDITIONS, OVERHEAD, INSURANCE, BOND & FEE | 31.10% | | $214,585.00 | $66,736 | |
| 100 | SUBTOTAL | | | $281,320.94 | | |
| 101 | DESIGN & CONSTRUCTION CONTINGENCY | 15.00% | | $281,320.94 | $42,198 | |
| 102 | EXTERIOR REPOINTING ( ONLY ) DEDUCT | -1 | LS | $37,900.00 | -$37,900 | |
| 102 | **SUBTOTAL** | | | | **$786,000** | **$785,800** |

# CITY OF KINGSTON
## Office of Economic and Community Development
brobinson@kingston-ny.gov

Brenna L. Robinson, Director | Steven T. Noble, Mayor


November 2, 2018

Honorable James L. Noble, Jr.
President & Alderman-at-Large
Kingston Common Council
420 Broadway
Kingston, NY 12401

Re: 2018 Budget Transfers

Dear President Noble:

This is a request to be heard at the regular November Finance Committee meeting to address some end of year budget transfers regarding balances in some of my department's budget lines and transferring revenue to our Consultant and Contracted Services lines.

If you or other Council members would like to discuss, please contact me at your convenience at (845) 334-3924 or brobinson@kingston-ny.gov. Thank you.

Sincerely,

Brenna L. Robinson, Director
Office of Economic & Community Development



City Hall · 420 Broadway · Kingston, New York 12401 · (845) 334-3924· Fax (845) 334-3932 · www.kingston-ny.gov

# CITY OF KINGSTON
## Office of the Comptroller
comptroller@kingston-ny.gov

John Tuey, Comptroller | Steven T. Noble, Mayor

October 11, 2018

Alderman at Large James Noble
City of Kingston Common Council
420 Broadway
Kingston, NY 12401

RE: 2017 Independent Audit Report

Dear Alderman at Large Noble,

The City has received its independent audit report for calendar year 2017 from RBT CPAs LLP. Please refer to the City's Finance Committee for discussion. Copies of the audit report will be distributed to Council Members once they are received.

Sincerely,

John R. Tuey
Comptroller, City of Kingston

cc: Mayor Steven T. Noble



City Hall · 420 Broadway · Kingston, New York 12401 · (845) 334-3935· Fax (845) 334-3944 · www.kingston-ny.gov

# THE CITY OF KINGSTON COMMON COUNCIL

## FINANCE AND AUDIT COMMITTEE REPORT

**REQUEST DESCRIPTION**

INTERNAL TRANSFER _____
AUTHORIZATION _____
CLAIMS _____

CONTINGENCY TRANSFER _____
BUDGET MODIFICATION _____
ZONING _____

TRANSFER _____
BONDING REQUEST _____
OTHER x

DEPARTMENT Comptroller DATE 10/11/2018

Description: Hereby recommend that the City accept the City's 2017 Independent Audit Report as submitted by RBT CPA's.

Estimated Financial Impact $0 Signature

Motion by ____________________

Seconded by ____________________

Action Required:

| Committee Vote | YES | NO |
|---|---|---|
| Douglas Koop, Chairman | ☐ | ☐ |
| Reynolds Scott-Childress Ward 3 | ☐ | ☐ |
| Anthony Davis, Ward 6 | ☐ | ☐ |
| Patrick O'Reilly, Ward 7 | ☐ | ☐ |
| Steven Schabot, Ward 8 | ☐ | ☐ |

SEQRA Decision:
Type I Action _____
Type II Action _____
Unlisted Action _____

Negative Declaration of Environmental Significance: _____

Conditioned Negative Declaration: _____

Seek Lead Agency Status: _____

Positive Declaration of Environmental Significance: _____

FINANCIAL REPORT

Audited

**CITY OF KINGSTON, NEW YORK**

December 31, 2017

---

***Audited for:***

Members of the Common Council

**CITY OF KINGSTON, NEW YORK**

***Audited by:***

RBT CPAs, LLP
2678 South Road, Suite 101
Poughkeepsie, NY 12601
(845) 485-5510

---

## TABLE OF CONTENTS


| | Page |
|---|---|
| **Independent Auditor's Report** | 1 - 3 |
| **Management's Discussion and Analysis (unaudited)** | 4 - 15 |
| **BASIC FINANCIAL STATEMENTS:** | |
| **Government-Wide Financial Statements:** | |
| Statement of Net Position | 16 - 17 |
| Statement of Activities | 18 |
| **Fund Financial Statements:** | |
| Balance Sheet – Governmental Funds | 19 |
| Reconciliation of the Total Governmental Funds Balance Sheet to the Statement of Net Position | 20 |
| Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds | 21 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities | 22 |
| Statement of Net Position – Proprietary Funds | 23 - 24 |
| Statement of Revenues, Expenditures and Changes in Net Position – Proprietary Funds | 25 |
| Statement of Cash Flows – Proprietary Funds | 26 |
| Statement of Net Position – Fiduciary Fund | 27 |
| **Notes to the Basic Financial Statements** | 28 - 56 |
| **REQUIRED SUPPLEMENTARY INFORMATION:** | |
| Exhibit I | |
| Budgetary Comparison Schedule – General Fund | 57 |
| Exhibit II | |
| Other Post-Employment Benefits Schedule of Funding Progress | 58 |
| Exhibit III | |
| Schedule of the Proportionate Share of the Net Pension Liability | 59 |
| Exhibit IV | |
| Schedule of Employer Contributions | 60 |
| **Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards** | 61 - 62 |
| **Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance** | 63 - 64 |
| **Independent Auditor's Report on Compliance and Controls Over State Transportation Assistance Expended Based on an Audit of Financial Statements in Accordance with *Government Auditing Standards*** | 65 - 66 |
| **OTHER SUPPLEMENTARY INFORMATION:** | |
| Summary Schedule of Prior Audit Findings | 67 |
| Schedule of Expenditures of Federal Awards and Selected State Awards | 68 |
| Notes to the Schedule of Expenditures of Federal Awards and Selected State Awards | 69 - 70 |
| Schedule of Findings and Questioned Costs | 71 |

LIMITED LIABILITY PARTNERSHIP
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

**INDEPENDENT AUDITOR'S REPORT**

To the Mayor and
Members of the Common Council
City of Kingston, New York
420 Broadway
Kingston, New York 12401

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Kingston, New York, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City of Kingston, New York's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements.**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City's Water Fund, as shown on the Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Water Fund, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.


11 Racquet Road
Newburgh, NY 12550
T: (845) 567-9000
F: (845) 567-9228

2678 South Road, Suite 101
Poughkeepsie, NY 12601
T: (845) 485-5510
F: (845) 485-5547

P.O. Box 209
51 Sullivan Street
Wurtsboro, NY 12790
T: (845) 888-5656
F: (845) 888-2789

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinions**

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Kingston, New York, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, other post-employment benefits schedule of funding progress, schedule of proportionate share of the net pension liability, and schedule of employer contributions on pages 4-15 and 57-60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Kingston, New York's basic financial statements. The schedule of expenditures of federal awards and selected state awards is presented for purposes of additional analysis as required by Title 2, U.S. *Code of Federal Regulations,* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the basic financial statements.

The schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and selected state awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards,* we have also issued our report dated September 26, 2018 on our consideration of the City of Kingston, New York's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Kingston's internal control over financial reporting and compliance.

*RBT CPAs, LLP*

Poughkeepsie, New York
September 26, 2018

# *City of Kingston*

New York 12401

*Office of the Comptroller*

CPO Box 1627 | Telephone: (845)331-0080

City Hall, 420 Broadway | Fax: (845)334-3944

**Management's Discussion and Analysis**

The discussion and analysis of the City of Kingston's financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2017. Please read it in conjunction with the City's financial statements, which begin on page 16. The management discussion and analysis for component units are presented in the component units' own separately issued financial reports.

**Financial Highlights**

The City's net position decreased as a result of this year's operations. The net assets of our business-type activities decreased by $80,526 or 0.06% and net assets of our governmental activities decreased by $3,790,696, or 34.42%.

During the year the City had expenses that were $3.7 million more than the $46.3 million generated in tax and other revenues for governmental programs. This is compared to last year when expenses exceeded revenue by $5.0 million.

The revenues for the City's business-type activities increased by $412,141 or 4.29%. Expenses increased by $484,990 or 5.04%.

The cost of all the City's programs increased by $1,328,675

**Using This Annual Report**

This annual report consists of a series of financial statements. The Statement of Net Position on pages 16 – 17 and the Statement of Revenues, Expenses, and Changes in Net Position on page 18 provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements start on page 19. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending.

Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

**Reporting the City as a Whole**

One of the most important questions asked about the City's finances is, "Is the City better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities and Changes in Net Position report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net assets and changes in them. You can think of the City's net assets - the difference between assets and liabilities - as one way to measure the City's financial health, or financial position. Over time increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the City's property tax base and the condition of the City's capital assets (roads, buildings, water, and sewer lines) to assess the overall health of the City.

In the Statement of Net Position and the Statement of Activities and Changes in Net Position we divide the City into three kinds of activities.

Governmental activities - Most of the City's basic services are reported here, including the police, fire, public works, community development and parks department and general administration. Property taxes, sales tax, franchise fees, charges for services and state and federal grants finance most of these activities.

Business - type activities - The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and sewer system are reported here.

Component units - The City included one separate legal entity in its report - the Kingston Local Development Corp. Although legally separate, this "component unit" is important because the City is financially accountable for it, or is significant to the City's activities.

## Reporting the City's Most Significant Funds

Our analysis of the City's major funds begins on page 11. The fund financial statements begin on page 22 and provide detailed information about the most significant funds - not the City as a whole. Some funds are required to be established by State law and by bond covenants. However the City Council establishes many other funds to help it control and manage money for particular purposes (such as capital projects) or to show that it is meeting legal responsibilities for using certain grants and other money (like grants received from the U.S. Department of Housing and Urban Development). The City's two kinds of funds - governmental and proprietary - use different accounting approaches.

Governmental funds - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities and Changes in Net Position) and governmental funds in a reconciliation following the fund financial statements.

Proprietary funds - When the City charges customers for the services it provides - whether to outside customers or to other units of the City - these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business- type activities we report in the government -wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

## The City as a Whole

The City's total net position changed from a year ago, decreasing from a positive $1,627,139 to a negative $2,243,603. In contrast, from 2015 to 2016, net assets decreased by 62.8%. Our analysis on page 7 focuses on the net position (Table 1) and changes in net assets page 9 (Table 2) of the City's governmental and business-type activities.

## MANAGEMENT'S DISCUSSION AND ANALYSIS
## Required Supplemental Information
## For the Year Ended December 31, 2017 (cont'd)
## (Un-audited)

### Condensed Financial Statement and Analysis
### Table 1

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|---|---|---|---|---|---|---|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Current & Other Assets | $ 24,292,274 | $ 23,130,506 | $ 8,135,689 | $ 8,102,083 | $ 32,427,963 | $ 31,232,589 |
| Capital Assets | 44,740,012 | 44,198,463 | 36,635,537 | 36,634,874 | 81,375,549 | 80,833,337 |
| Total Assets | 69,032,286 | 67,328,969 | 44,771,226 | 44,736,957 | 113,803,512 | 112,065,926 |
| Deferred Outflow of Resources | 7,709,821 | 12,142,130 | 984,848 | 1,756,099 | 8,694,669 | 13,898,229 |
| Total Assets and Deferred Outflow of Resources | 76,742,107 | 79,471,099 | 45,756,074 | 46,493,056 | 122,498,181 | 125,964,155 |
| Long Term Liabilities | 74,834,346 | 73,121,371 | 24,323,837 | 24,888,797 | 99,158,183 | 98,010,168 |
| Other Liabilities | 15,399,820 | 15,417,104 | 8,011,480 | 8,682,934 | 23,411,300 | 24,100,038 |
| Total Liabilities | 90,234,166 | 88,538,475 | 32,335,317 | 33,571,731 | 122,569,483 | 122,110,206 |
| Deferred Inflows of Resources | 1,311,269 | 1,945,256 | 861,032 | 281,554 | 2,172,301 | 2,226,810 |
| Total Liabilities and Deferred Inflows of Resources | 91,545,435 | 90,483,731 | 33,196,349 | 33,853,285 | 124,741,784 | 124,337,016 |
| Net Position | | | | | | |
| Invested in Capital Assets, net of Debt | 28,869,773 | 28,313,543 | 14,877,217 | 12,724,069 | 43,746,990 | 41,037,612 |
| Restricted | 275,298 | 120,065 | 154,049 | 364,496 | 429,347 | 484,561 |
| Unrestricted(deficit) | (43,948,399) | (39,446,240) | (2,471,541) | (448,794) | (46,419,940) | (39,895,034) |
| Total Net Position | $ (14,803,328) | $ (11,012,632) | $ 12,559,725 | $ 12,639,771 | $ (2,243,603) | $ 1,627,139 |

Net position of the City's governmental activities decreased by 34.42% (Negative $14.8 million compared to $11.0 million). Unrestricted net position represents the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements. The prior year deficit in unrestricted net position of $39,446,240 is now a deficit of $ $43,948,399.

The deficit in unrestricted governmental net position is mainly due to the requirement to accrue postemployment benefits under GASB Statement No. 45. The total accrued liability for postemployment benefits was $56,129,613 as of December 31, 2017.

The net position of the business-type activities increased by 0.60% ($12.30 million to $12.60 million) in 2017 mainly due to increases in charges for services. This was partially offset by the requirement to accrue additional postemployment benefits of $957,839 under GASB Statement No. 45. The total accrued liability for postemployment benefits was $7,740,387 as of December 31, 2017. Even though the business-type activities have positive net position they cannot be used to offset governmental activities. The City generally can only use these net assets to finance the continuing operations of the water and sewer departments.

# MANAGEMENT'S DISCUSSION AND ANALYSIS
## Required Supplemental Information
## For the Year Ended December 31, 2017 (cont'd)
## (Un-audited)

### Changes in Net Assets
### Table 2

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|---|---|---|---|---|---|---|
| Revenues | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Program Revenues | | | | | | |
| Charges for Services | $ 3,457,197 | $ 3,091,358 | $ 9,620,672 | $ 9,562,809 | $ 13,077,869 | $ 12,654,167 |
| Operating Grants & Contrib. | 899,536 | 490,231 | - | - | 899,536 | 490,231 |
| Capital Grants & Contrib. | 3,995,201 | 4,363,998 | 288,683 | - | 4,283,884 | 4,363,998 |
| Total Program Revenues | 8,351,934 | 7,945,587 | 9,909,355 | 9,562,809 | 18,261,289 | 17,508,396 |
| General Revenues | | | | | | |
| Property Taxes | 19,632,427 | 18,497,686 | - | - | 19,632,427 | 18,497,686 |
| Other Taxes | 14,357,879 | 13,940,953 | - | - | 14,357,879 | 13,940,953 |
| State Aid | 3,705,885 | 3,725,033 | - | - | 3,705,885 | 3,725,033 |
| Other General Revenues | 279,344 | 265,600 | 120,250 | 54,655 | 399,594 | 320,255 |
| Total General Revenues | 37,975,535 | 36,429,272 | 120,250 | 54,655 | 38,095,785 | 36,483,927 |
| **Total Revenues** | 46,327,469 | 44,374,859 | 10,029,605 | 9,617,464 | 56,357,074 | 53,992,323 |
| Program Expenses | | | | | | |
| General Government | 5,202,407 | 6,241,023 | - | - | 5,202,407 | 6,241,023 |
| Public Safety | 28,162,549 | 28,063,773 | - | - | 28,162,549 | 28,063,773 |
| Health | 111,053 | 74,056 | - | - | 111,053 | 74,056 |
| Trasportation | 6,003,590 | 6,400,202 | - | - | 6,003,590 | 6,400,202 |
| Economic Assist. & Opp. | 356,645 | 240,094 | - | - | 356,645 | 240,094 |
| Culture & Recreation | 3,258,546 | 3,026,620 | - | - | 3,258,546 | 3,026,620 |
| Home & Community Serv. | 6,264,169 | 4,872,990 | - | - | 6,264,169 | 4,872,990 |
| Interest Expense | 739,730 | 336,246 | - | - | 739,730 | 336,246 |
| Water | - | - | 4,511,746 | 4,264,391 | 4,511,746 | 4,264,391 |
| Sewer | - | - | 5,598,385 | 5,360,750 | 5,598,385 | 5,360,750 |
| **Total Expenses** | 50,098,689 | 49,255,004 | 10,110,131 | 9,625,141 | 60,208,820 | 58,880,145 |
| Change in Net Assets before transfers | (3,771,220) | (4,880,145) | (80,526) | (7,677) | (3,851,746) | (4,887,822) |
| Transfers | - | - | - | - | - | - |
| Increase (decrease) in net assets | $ (3,771,220) | $ (4,880,145) | $ (80,526) | $ (7,677) | $ (3,851,746) | $ (4,887,822) |

The City's total revenues increased by $2,364,751 or 4.38%. The total cost of all programs and services increased by $1,328,675 or 2.26%. The following analysis separately considers the operations of governmental and business-type activities.

**Governmental Activities**

Revenues for the City's governmental activities increased by $1,952,610 or 4.40%, while total expenses increased by $817,951or 1.60%, which results in a decrease in net assets of $3.7 million for 2017 compared to a $4.8 million decrease in 2016.

The cost of all governmental activities this year was $50.09 million compared to $49.26 million last year. However, as shown in Table 2, the amount that our taxpayers ultimately financed for these activities through City taxes was only $19,632,427 because some of the cost was paid by those who directly benefited from the programs, ($3,457,197) or by other governments and organizations that subsidized certain programs with grants and contributions ($4,894,737) and other general revenue ($18,343,108). Overall, the City's governmental program revenues increased $406,347 or 4.40%. The City paid for the remaining "public benefit" portion of governmental activities with $37.98 million in taxes and with the other revenues, such as general state aid.

**Business-type Activities**

Revenues of the City's business-type activities (see Table 2) increased from $9.61 million to $10.00 million or 4.29% and expenses increased from $9.63 million to $10.11 million or 5.04%. The most significant factor driving the decrease in net assets was the cost of postemployment benefit expenses.

Details on changes relating to the Water Department may be found in the management discussion and analysis that is presented in the Department's own separately issued financial reports.

**The City's Funds**

As the City completed the year, its governmental funds as presented in the Balance Sheet on page 21 reported a combined fund balance of $2,857,099 which is $1,227,657 higher than last year's total. The capital expenditures create new assets for the City and are reported in the Statement of Net Position.

### General Fund Budgetary Highlights

Over the course of the year, the Council revised the City budget several times. These budget amendments include the following:

1. Modifications required to reflect new grants which were obtained and to authorize expenditures for same.

2. Various modifications throughout the year for unanticipated expenditures.

Even with these adjustments, the actual charges to appropriations (expenditures) of $38,156,560 were $1,624,600 less than the final budget amount. This is most significantly due to Public Safety expenditures being under-budget by $881,377 and General Government Support expenditures being under-budget by $567,843.

### Capital Assets

At the end of 2017, the City had $81,375,549 invested in a broad range of capital assets, including buildings, roads, park facilities, water and sewer lines and equipment for police, fire, public works departments. (See Table 3 on page 12) This amount represents a net increase (including additions and deductions) of $542,212 or 0.67% over the last year.

This year's major additions included the following items which were funded by a combination of bonding, grants, and budget appropriations:

| | |
|---|---|
| General Fund | |
| Greenkill Avenue Bridge | $1,491,103 |
| Storm Sewer Improvements | $166,534 |
| Signalization Improvements | $532,877 |
| Street and Sidewalk Improvements, including CHIPS | $1,143,234 |
| Park Improvements | $141,978 |
| Various Equipment Purchases | $466,742 |
| | |
| Sewer Fund | |
| Sewer System Improvements | $1,324,971 |
| | |
| Water Fund | |
| Water System Improvements | $472,355 |

At the City's December 2017 Common Council meeting, bonding in the amount of $4,560,000 was approved for various capital projects to take place in 2018 including $2,395,000 for General Fund projects and $2,165,000 in the Sewer Fund. However, there are also projects that were approved prior to and after the December 2018 meeting that will occur in 2018. The Capital Improvement Plan for the Water Department is updated every two years. Such plan was last updated in 2017. The Water Department's proposed capital improvement plan for 2018 is approximately $4,550,000. More detailed information about the City's capital assets is presented in Note D to the financial statements.

**Capital Assets at Year End**
**(Net Depreciation)**
**Table 3**

| | Governmental Activities | | Business-Type Activities | | Totals | |
|---|---|---|---|---|---|---|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Land | $ 192,500 | $ 192,500 | $ 363,659 | $ 118,729 | $ 556,159 | $ 311,229 |
| Construction in Progress | 1,610,757 | 2,534,099 | 3,884,179 | 3,764,586 | 5,494,936 | 6,298,685 |
| Buildings | 6,689,868 | 6,977,720 | 4,727,819 | 4,929,335 | 11,417,687 | 11,907,055 |
| Improvements | 10,184,705 | 9,949,586 | 3,942,129 | 4,429,274 | 14,126,834 | 14,378,860 |
| Infrastructure | 21,783,516 | 19,319,190 | 21,981,299 | 21,785,283 | 43,764,815 | 41,104,473 |
| Machinery & Equip. | 4,278,666 | 5,225,368 | 1,736,452 | 1,607,667 | 6,015,118 | 6,833,035 |
| Total | $ 44,740,012 | $ 44,198,463 | $ 36,635,537 | $ 36,634,874 | $ 81,375,549 | $ 80,833,337 |

**Debt**

At year-end, the City had $37,628,559 in bonds and notes outstanding versus $38,261,387 last year – a decrease of 1.65%.

On April 2, 2014, S&P raised the rating on the City's long-term rating and underlying rating (SPUR) one notch from A+ to AA-, with a stable outlook. Some of the factors cited in the decision for the upgrade include strong budgetary flexibility, very strong liquidity, adequate overall budget performance, a strong debt and contingent liabilities profile, and strong management conditions with good financial management practices.

On March 6, 2016, S&P assigned its AA- long-term rating to the City's $8,673,407 public improvement bonds - 2016. At the same time, S&P affirmed the AA- long-term rating and underlying rating on the city's outstanding general obligation bonds. The outlook is stable. Some of the factors cited in the decision include strong budgetary flexibility, very strong liquidity, strong management conditions, strong debt and contingent liabilities profile, and strong institutional framework score.

On July 27, 2016, S&P assigned its AA- long-term rating to the City's $2,675,000 public improvement refunding bonds - 2016. At the same time, S&P affirmed the AA- long-term rating and underlying rating on the city's outstanding general obligation bonds. The outlook is stable. Some of the factors cited in the decision include strong budgetary flexibility, very strong liquidity, strong management, strong debt and contingent liability position, and strong institutional framework score.

On March 6, 2018, S&P assigned its AA- long-term rating to the City's $11,930,000 public improvement serial bonds – 2018. At the same time, S&P affirmed the AA- long-term rating and underlying rating on the City's outstanding general obligation bonds. The outlook is stable. Some of the factors cited in the decision include strong management, strong budgetary performance, very strong budgetary flexibility, and strong institutional framework score.

The stable outlook reflects S&P's opinion that the City will likely maintain its very strong budgetary flexibility due to management's ability to maintain structurally balanced operations.

The State limits the amount of general obligation debt that cities can issue to 7% of the average 5 year full assessed value of all taxable property within the City. The City's outstanding debt was approximately 25% of its limit at the end of the year.

Other obligations include liabilities for retirement, compensated absences, judgments and claims, and landfill closure. More detailed information about the City's long-term liabilities is presented in the notes to the financial statement. See Table 4 for details on debt.

**Outstanding Debt at Year End**

**Table 4**

| | Governmental Activities | | Business-Type Activities | | Totals | |
|---|---|---|---|---|---|---|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| General obligation bonds (Backed by the City) | $ 7,369,655 | $ 9,155,337 | $ 4,170,346 | $ 4,544,662 | $ 11,540,001 | $ 13,699,999 |
| Bond anticipation notes | 7,896,263 | 5,999,495 | 7,083,337 | 6,459,593 | 14,979,600 | 12,459,088 |
| NYS EFC Revolving Loans | - | - | 9,146,000 | 9,903,000 | 9,146,000 | 9,903,000 |
| Installment Debt | 604,321 | 730,088 | 1,358,637 | 1,469,213 | 1,962,958 | 2,199,301 |
| Total | $ 15,870,239 | $ 15,884,920 | $ 21,758,320 | $ 22,376,468 | $ 37,628,559 | $ 38,261,388 |

## Economic Factors and Next Year's Budgets and Rates

The City's elected and appointed officials considered many factors when setting the fiscal-year 2018 budget, tax rates, and fees that will be charged for the business-type activities. One of those factors is the economy. As of December 2017, unemployment in the Kingston, NY Metropolitan Statistical Area stands at 4.5 percent versus the state unemployment rate of 4.5 percent.

The residential housing market shows some signs of improvement, however the City has experienced declines in assessed value the last several budget cycles. Sales tax revenues have showed strong, consistent growth.

These indicators were taken into account when adopting the General Fund budget for 2018. Revenues were budgeted at $41,587,391 which was an increase from the 2017 actual amount of $41,910,927. The City appropriated $932,177 of fund balance for the 2018 budget.

2018 budgeted expenditures of $42,519,568 exceeded the final 2017 expended amount of $40,115,382. The City has added no major new programs or initiatives to the 2018 budget. The City has continued to implement a program of conservative spending for required programs and seek out grants and other sources of funding to cover unexpected expenses related to infrastructure repair. Through aggressive actions to control spending, the City has been able to minimize negative impact on fund balance.

As for the City's business-type activities, we expect that the 2018 results will be consistent with 2017.

## Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional information, contact the City Comptroller's Office at 420 Broadway, Kingston, New York, 12401.

**CITY OF KINGSTON, NEW YORK**
**STATEMENT OF NET POSITION**
**DECEMBER 31, 2017**

| | GOVERNMENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | TOTAL PRIMARY GOVERNMENT | COMPONENT UNITS |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | $ 8,279,559 | $ 3,280,787 | $ 11,560,346 | $ 3,004,821 |
| Taxes receivable (Note A.6.B.) | 5,134,336 | - | 5,134,336 | - |
| Due from other governments | 4,968,391 | 178,191 | 5,146,582 | - |
| Notes receivable (Note A.6.C.) | 1,029,657 | - | 1,029,657 | 140,198 |
| Other receivables | 4,496,018 | 2,820,231 | 7,316,249 | 21,121 |
| Inventory | 10,736 | 133,554 | 144,290 | - |
| Prepaid expenses | 751,842 | 186,443 | 938,285 | 472 |
| Internal balances | (378,265) | 378,265 | - | - |
| Total current assets | 24,292,274 | 6,977,471 | 31,269,745 | 3,166,612 |
| Non-current assets: | | | | |
| Cash - restricted | - | 1,158,218 | 1,158,218 | 289,922 |
| Long term receivables | - | - | - | 958,565 |
| Total non-current assets | - | 1,158,218 | 1,158,218 | 1,248,487 |
| Capital assets: | | | | |
| Land | 192,500 | 363,659 | 556,159 | 2,784,953 |
| Improvements and infrastructure, net of depreciation | 31,968,218 | 25,923,428 | 57,891,646 | 181,264 |
| Buildings, machinery and equipment, net of depreciation | 10,968,536 | 6,464,271 | 17,432,807 | - |
| Construction in progress | 1,610,758 | 3,884,179 | 5,494,937 | - |
| Total capital assets (Note C) | 44,740,012 | 36,635,537 | 81,375,549 | 2,966,217 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | | |
| Other | 573,800 | 16,667 | 590,467 | - |
| Pension (Note A.6.M.) | 7,136,021 | 968,181 | 8,104,202 | - |
| **Total deferred outflows of resources** | 7,709,821 | 984,848 | 8,694,669 | - |
| **Total assets and deferred outflows of resources** | $ 76,742,107 | $ 45,756,074 | $ 122,498,181 | $ 7,381,316 |

See notes to the financial statements

CITY OF KINGSTON, NEW YORK
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2017

| | GOVERNMENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | TOTAL PRIMARY GOVERNMENT | COMPONENT UNITS |
|---|---|---|---|---|
| **LIABILITIES** | | | | |
| Current Liabilities: | | | | |
| Accounts payable | $ 1,062,371 | $ 1,067,649 | $ 2,130,020 | $ 4,414 |
| Accrued liabilities | 624,497 | 196,651 | 821,148 | 5,753 |
| Due to other governments | 4,019,343 | 197,710 | 4,217,053 | - |
| Bond anticipation notes payable (Note D) | 7,896,263 | 5,109,624 | 13,005,887 | - |
| Notes payable | - | - | - | 31,457 |
| Bond & installment obligations payable (Note D) | 1,797,346 | 1,405,950 | 3,203,296 | - |
| Compensated absence liability (Note D) | - | 33,896 | 33,896 | - |
| Total current liabilities | 15,399,820 | 8,011,480 | 23,411,300 | 41,624 |
| Non-current liabilities: | | | | |
| Bond & installment obligations payable (Note D) | 6,176,630 | 13,269,033 | 19,445,663 | - |
| Bond anticipation notes payable (Note D) | - | 1,973,713 | 1,973,713 | - |
| Notes payable | - | - | - | 810,104 |
| Compensated absence liability (Note D) | 2,565,341 | 452,081 | 3,017,422 | - |
| Other long term liabilities (Note D) | 547,146 | 20,301 | 567,447 | - |
| Other post-employment benefits (Note A.6.N.) | 56,129,613 | 7,740,387 | 63,870,000 | - |
| Due to retirement system (Note D) | 1,832,794 | - | 1,832,794 | - |
| Share of net pension liability (Note A.6.M.) | 7,582,822 | 868,322 | 8,451,144 | - |
| Total non-current liabilities | 74,834,346 | 24,323,837 | 99,158,183 | 810,104 |
| **Total liabilities** | 90,234,166 | 32,335,317 | 122,569,483 | 851,728 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | |
| Deferred revenue | - | 728,212 | 728,212 | - |
| Pension (Note A.6.M.) | 1,311,269 | 132,820 | 1,444,089 | - |
| **Total deferred inflows of resources** | 1,311,269 | 861,032 | 2,172,301 | - |
| **NET POSITION** | | | | |
| Net Investment in Capital Assets | 28,869,773 | 14,877,217 | 45,720,703 | 2,966,217 |
| Restricted for economic and community development | 275,298 | - | 275,298 | - |
| Restricted for special projects | - | 154,049 | - | - |
| Unrestricted | (43,948,399) | (2,471,541) | (48,239,604) | 3,563,371 |
| **Total net position** | (14,803,328) | 12,559,725 | (2,243,603) | 6,529,588 |
| **Total liabilities, deferred inflows of resources, and net position** | $ 76,742,107 | $ 45,756,074 | $ 122,498,181 | $ 7,381,316 |

See notes to the financial statements

**CITY OF KINGSTON, NEW YORK**
**STATEMENT OF ACTIVITIES**
**FOR THE YEAR ENDED DECEMBER 31, 2017**

| FUNCTIONS/PROGRAMS | EXPENSES | CHARGES FOR SERVICES | OPERATING GRANTS AND CONTRIBUTIONS | CAPITAL GRANTS AND CONTRIBUTIONS | CHANGES IN NET POSITION PRIMARY GOVERNMENT: GOVERNMENTAL ACTIVITIES | CHANGES IN NET POSITION PRIMARY GOVERNMENT: BUSINESS-TYPE ACTIVITIES | CHANGES IN NET POSITION PRIMARY GOVERNMENT: TOTAL | COMPONENT UNITS |
|---|---|---|---|---|---|---|---|---|
| **Governmental Activities:** | | | | | | | | |
| General government support | $ 5,202,407 | $ 2,325,130 | $ 263,292 | $ - | $ (2,613,985) | $ - | $ (2,613,985) | $ - |
| Public safety | 28,162,549 | 323,946 | - | 6,649 | (27,831,954) | - | (27,831,954) | - |
| Health | 111,053 | 57,766 | - | - | (53,287) | - | (53,287) | - |
| Transportation | 6,003,590 | 130,052 | 300,473 | 2,945,908 | (2,627,157) | - | (2,627,157) | - |
| Economic assistance & opportunity | 356,645 | - | 254,434 | 1,042,644 | 940,433 | - | 940,433 | - |
| Culture and recreation | 3,258,546 | 335,297 | 81,337 | - | (2,841,912) | - | (2,841,912) | - |
| Home and community services | 6,264,169 | 285,006 | - | - | (5,979,163) | - | (5,979,163) | - |
| Interest on long-term debt | 739,730 | - | - | - | (739,730) | - | (739,730) | - |
| **Total governmental activities** | 50,098,689 | 3,457,197 | 899,536 | 3,995,201 | (41,746,755) | - | (41,746,755) | - |
| **Business-type activites:** | | | | | | | | |
| Water Fund | 4,511,746 | 4,504,650 | - | 288,683 | - | 281,587 | 281,587 | - |
| Sewer Fund | 5,598,385 | 5,116,022 | - | - | - | (482,363) | (482,363) | - |
| **Total business-type activities** | 10,110,131 | 9,620,672 | - | 288,683 | - | (200,776) | (200,776) | - |
| **Total primary government** | $ 60,208,820 | $ 13,077,869 | $ 899,536 | $ 4,283,884 | (41,746,755) | (200,776) | (41,947,531) | - |
| **Component Units:** | | | | | | | | |
| **Kingston Local Development Corp.** | $ 204,417 | $ 301,160 | $ - | $ - | - | - | - | 96,743 |
| **General revenues** | | | | | | | | |
| Taxes: | | | | | | | | |
| Real property taxes | | | | | 18,671,932 | - | 18,671,932 | - |
| Other real property tax items | | | | | 960,495 | - | 960,495 | - |
| Sales taxes | | | | | 13,258,442 | - | 13,258,442 | - |
| Mortgage taxes | | | | | 380,549 | - | 380,549 | - |
| Utility taxes | | | | | 337,395 | - | 337,395 | - |
| Franchise taxes | | | | | 381,493 | - | 381,493 | - |
| Grants and contributions | | | | | 3,705,885 | - | 3,705,885 | - |
| Unrestricted investment earnings | | | | | 49,925 | 1,889 | 51,814 | 5,055 |
| Special item-Gain/loss on sale of property and compensation for loss | | | | | 137,588 | 68,464 | 206,052 | (706,775) |
| Miscellaneous | | | | | 91,831 | 49,897 | 141,728 | - |
| Total general revenues, special items and transfers | | | | | 37,975,535 | 120,250 | 38,095,785 | (701,720) |
| Change in net position | | | | | (3,771,220) | (80,526) | (3,851,746) | (604,977) |
| Net position - beginning, as previously stated | | | | | (11,012,632) | 12,640,251 | 1,627,619 | 7,134,565 |
| Prior period adjustment (Note K) | | | | | (19,476) | - | (19,476) | - |
| Net position - beginning, restated | | | | | (11,032,108) | 12,640,251 | 1,608,143 | 7,134,565 |
| Net position - ending | | | | | $ (14,803,328) | $ 12,559,725 | $ (2,243,603) | $ 6,529,588 |

See notes to the financial statements

**CITY OF KINGSTON, NEW YORK**
**BALANCE SHEET**
**GOVERNMENTAL FUNDS**
**DECEMBER 31, 2017**

| | General | Special Grant | Capital Projects | Debt Service | Total Governmental Funds |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Cash and cash equivalents | $ 6,513,544 | $ 275,578 | $ 81,051 | $ 1,409,386 | $ 8,279,559 |
| Receivables: | | | | | |
| Taxes | 5,134,336 | - | - | - | 5,134,336 |
| Other | 1,233,267 | - | - | - | 1,233,267 |
| Inventory | 10,736 | - | - | - | 10,736 |
| Mortgage loans receivable | - | 1,029,657 | - | - | 1,029,657 |
| Due from other funds (Note B) | 2,569,899 | - | 1,774,873 | 60,924 | 4,405,696 |
| Due from other governments | 2,338,552 | - | 142,182 | 554,000 | 3,034,734 |
| State and federal receivable | 1,516,877 | - | 1,745,874 | - | 3,262,751 |
| Prepaid expenses | 646,643 | - | - | - | 646,643 |
| Total assets | $ 19,963,854 | $ 1,305,235 | $ 3,743,980 | $ 2,024,310 | $ 27,037,379 |
| | | | | | |
| **LIABILITIES AND FUND EQUITY** | | | | | |
| Liabilities: | | | | | |
| Accounts payable | $ 866,840 | $ - | $ 195,531 | $ - | $ 1,062,371 |
| Accrued liabilities | 530,793 | - | - | 17,705 | 548,498 |
| Bond anticipation notes payable | - | - | 7,896,263 | - | 7,896,263 |
| Due to other funds (Note B) | 1,015,633 | - | 2,472,815 | 1,295,513 | 4,783,961 |
| Due to other governments | 4,008,481 | 280 | 18,050 | - | 4,026,811 |
| Deferred revenues | 4,357,807 | 1,029,657 | 471,820 | - | 5,859,284 |
| Other liabilities | 620 | - | - | 2,472 | 3,092 |
| Total liabilities | 10,780,174 | 1,029,937 | 11,054,479 | 1,315,690 | 24,180,280 |
| | | | | | |
| Fund Balance: | | | | | |
| Nonspendable | 657,379 | - | - | - | 657,379 |
| Assigned appropriated | 932,177 | - | - | - | 932,177 |
| Assigned unappropriated | 617,837 | 275,298 | - | 708,620 | 1,601,755 |
| Unassigned | 6,976,287 | - | (7,310,499) | - | (334,212) |
| Total fund balance | 9,183,680 | 275,298 | (7,310,499) | 708,620 | 2,857,099 |
| Total liabilities and fund equity | $ 19,963,854 | $ 1,305,235 | $ 3,743,980 | $ 2,024,310 | $ 27,037,379 |

See notes to the financial statements

**CITY OF KINGSTON, NEW YORK**
**RECONCILIATION OF THE TOTAL GOVERNMENTAL FUNDS BALANCE SHEET**
**TO THE STATEMENT OF NET POSITION**
**DECEMBER 31, 2017**

| | Total Governmental Funds | Long-Term Assets and Liabilities | Reclassifications and Eliminations | Statement of Net Position Totals |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash and cash equivalents | $ 8,279,559 | $ - | $ - | $ 8,279,559 |
| Receivables | | | | |
| Taxes | 5,134,336 | - | - | 5,134,336 |
| Other | 4,496,018 | - | - | 4,496,018 |
| Inventory | 10,736 | - | - | 10,736 |
| Mortgage loans receivable | 1,029,657 | - | - | 1,029,657 |
| Due from other funds | 4,405,696 | - | (4,783,961) | (378,265) |
| Due from other governments | 3,034,734 | 1,933,657 | - | 4,968,391 |
| Prepaid expenses | 646,643 | 105,199 | - | 751,842 |
| Capital assets, net | | | | |
| Land | - | 192,500 | - | 192,500 |
| Improvements and infrastructure, net | - | 31,968,218 | - | 31,968,218 |
| Buildings, machinery and equipment, net | - | 10,968,536 | - | 10,968,536 |
| Construction in progress | - | 1,610,758 | - | 1,610,758 |
| Deferred outflows of resources - other | - | 573,800 | - | 573,800 |
| Deferred outflows of resources - pension | - | 7,136,021 | - | 7,136,021 |
| Total Assets and Deferred Outflows | $ 27,037,379 | $ 54,488,689 | $ (4,783,961) | $ 76,742,107 |
| | | | | |
| **LIABILITIES** | | | | |
| Accounts payable | $ 1,062,371 | $ - | $ - | $ 1,062,371 |
| Other liabilities | 3,092 | 547,146 | - | 550,238 |
| Accrued expenditures | 548,498 | 72,907 | - | 621,405 |
| Retainage payable | - | - | - | - |
| Bond anticipation notes payable | 7,896,263 | - | - | 7,896,263 |
| Bond & installment obligations payable | - | 7,973,976 | - | 7,973,976 |
| Due to other funds | 4,783,961 | - | (4,783,961) | - |
| Due to other governments | 4,026,811 | (7,468) | - | 4,019,343 |
| Due to Employees' Retirement System | - | 1,832,794 | - | 1,832,794 |
| Compensated absences | - | 2,565,341 | - | 2,565,341 |
| Net pension liability-proportionate share | - | 7,582,822 | - | 7,582,822 |
| Other postemployment benefits | - | 56,129,613 | - | 56,129,613 |
| Deferred inflows of resources - deferred revenue | 5,859,284 | (5,859,284) | - | - |
| Deferred inflows of resources - pension | - | 1,311,269 | - | 1,311,269 |
| Total Liabilities and Deferred Inflows | 24,180,280 | 72,149,116 | (4,783,961) | 91,545,435 |
| Total Fund Balances | 2,857,099 | (17,660,427) | - | (14,803,328) |
| Total Liabilities, Deferred Inflows and Fund Balances | $ 27,037,379 | $ 54,488,689 | $ (4,783,961) | $ 76,742,107 |



See notes to the financial statements

**CITY OF KINGSTON, NEW YORK**
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**
**GOVERNMENTAL FUNDS**
**FOR THE YEAR ENDED DECEMBER 31, 2017**

| | General | Special Grant | Capital Projects | Debt Service | Total Governmental Funds |
|---|---|---|---|---|---|
| Revenues: | | | | | |
| Real Property Taxes | $ 18,168,172 | $ - | $ - | $ - | $ 18,168,172 |
| Real Property Tax Items | 960,495 | - | - | - | 960,495 |
| Non Property Tax Items | 13,977,330 | - | - | - | 13,977,330 |
| Departmental Income | 1,875,820 | - | 143,134 | - | 2,018,954 |
| Intergovernmental Charges | 80,791 | - | - | - | 80,791 |
| Use of Money and Property | 49,536 | - | 9 | 381 | 49,926 |
| Licenses and Permits | 577,757 | - | - | - | 577,757 |
| Fines and Forfeitures | 265,238 | - | - | - | 265,238 |
| Sale of Property and Compensation for Loss | 137,588 | - | - | - | 137,588 |
| Miscellaneous | 1,135,041 | 90,510 | 17,408 | - | 1,242,959 |
| State and Federal Aid | 4,683,159 | 1,297,078 | 2,364,200 | - | 8,344,437 |
| Total Revenues | 41,910,927 | 1,387,588 | 2,524,751 | 381 | 45,823,647 |
| Expenditures: | | | | | |
| General Government | 5,734,640 | - | 38,791 | 4,500 | 5,777,931 |
| Public Safety | 19,396,090 | - | 229,341 | - | 19,625,431 |
| Health | 87,740 | - | - | - | 87,740 |
| Transportation | 3,109,850 | - | 3,264,596 | - | 6,374,446 |
| Economic Assistance and Opportunity | 259,696 | - | - | - | 259,696 |
| Culture and Recreation | 2,205,521 | - | 195,066 | - | 2,400,587 |
| Home and Community Services | 3,292,696 | 1,232,355 | 288,510 | - | 4,813,561 |
| Employee Benefits | 2,981,990 | - | - | - | 2,981,990 |
| Debt Service | 1,088,337 | - | 198,213 | 2,002,051 | 3,288,601 |
| Total Expenditures | 38,156,560 | 1,232,355 | 4,214,517 | 2,006,551 | 45,609,983 |
| Excess/(Deficiency) of Revenues Over Expenditures | 3,754,367 | 155,233 | (1,689,766) | (2,006,170) | 213,664 |
| Other Financing Sources/(Uses): | | | | | |
| Proceeds from Obligations | - | - | 1,013,993 | - | 1,013,993 |
| Operating Transfers In | - | - | - | 1,958,822 | 1,958,822 |
| Operating Transfers Out | (1,958,822) | - | - | - | (1,958,822) |
| Total Other Financing Sources/(Uses) | (1,958,822) | - | 1,013,993 | 1,958,822 | 1,013,993 |
| Change in Fund Balances | 1,795,545 | 155,233 | (675,773) | (47,348) | 1,227,657 |
| Fund Balances - Beginning, Previously Stated | 7,388,135 | 120,065 | (6,634,726) | 775,444 | 1,648,918 |
| Prior Period Adjustment (Note K) | - | - | - | (19,476) | (19,476) |
| Fund Balances - Beginning, as Restated | 7,388,135 | 120,065 | (6,634,726) | 755,968 | 1,629,442 |
| Fund Balances - Ending | $ 9,183,680 | $ 275,298 | $ (7,310,499) | $ 708,620 | $ 2,857,099 |

See notes to the financial statements

**CITY OF KINGSTON, NEW YORK**
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**
**OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**
**FOR THE YEAR ENDED DECEMBER 31, 2017**

| | Total Governmental Funds | Long-Term Revenue, Expenses | Capital Related Items | Long-Term Debt Transactions | Reclassifications and Eliminations | Statement of Activities Totals |
|---|---|---|---|---|---|---|
| Revenues: | | | | | | |
| Real Property Taxes | $ 18,168,172 | $ 503,760 | $ - | $ - | $ - | $ 18,671,932 |
| Real Property Tax Items | 960,495 | - | - | - | - | 960,495 |
| Non Property Tax Items | 13,977,330 | - | - | - | - | 13,977,330 |
| Departmental Income | 2,018,954 | - | - | - | - | 2,018,954 |
| Intergovernmental/Grant Income | 80,791 | - | - | - | - | 80,791 |
| Use of Money and Property | 49,926 | - | - | - | - | 49,926 |
| Licenses and Permits | 577,757 | - | - | - | - | 577,757 |
| Fines and Forfeitures | 265,238 | - | - | - | - | 265,238 |
| Sale of Property and Compensation for Loss | 137,588 | - | - | - | - | 137,588 |
| Miscellaneous | 1,242,959 | 62 | - | - | - | 1,243,021 |
| State and Federal Aid | 8,344,437 | - | - | - | - | 8,344,437 |
| Total Revenues | 45,823,647 | 503,822 | - | - | - | 46,327,469 |
| Expenditures: | | | | | | |
| General Government | 5,777,931 | (1,808,328) | (30,959) | - | 1,263,763 | 5,202,407 |
| Public Safety | 19,625,431 | (1,419,024) | 270,775 | - | 9,685,367 | 28,162,549 |
| Health | 87,740 | 2,525 | - | - | 20,788 | 111,053 |
| Transportation | 6,374,446 | 107,585 | (1,320,638) | - | 842,197 | 6,003,590 |
| Economic Assistance and Opportunity | 259,696 | 10,680 | - | - | 86,269 | 356,645 |
| Culture and Recreation | 2,400,587 | 85,847 | 56,516 | - | 715,596 | 3,258,546 |
| Home and Community Services | 4,813,561 | 70,609 | 482,757 | - | 897,242 | 6,264,169 |
| Employee Benefits | 2,981,990 | 10,529,232 | - | - | (13,511,222) | - |
| Debt Service | 3,288,601 | - | - | (1,534,878) | (1,013,993) | 739,730 |
| Total Expenditures | 45,609,983 | 7,579,126 | (541,549) | (1,534,878) | (1,013,993) | 50,098,689 |
| Excess/(Deficiency) of Revenues Over Expenditures | 213,664 | (7,075,304) | 541,549 | 1,534,878 | 1,013,993 | (3,771,220) |
| Other Financing Sources/(Uses): | | | | | | |
| Proceeds from Obligations | 1,013,993 | - | - | - | (1,013,993) | - |
| Operating Transfers In | 1,958,822 | - | - | - | (1,958,822) | - |
| Operating Transfers Out | (1,958,822) | - | - | - | 1,958,822 | - |
| Total Other Financing Sources/(Uses) | 1,013,993 | - | - | - | (1,013,993) | - |
| Change in Fund Balances | $ 1,227,657 | $ (7,075,304) | $ 541,549 | $ 1,534,878 | $ - | $ (3,771,220) |

See notes to the financial statements

**CITY OF KINGSTON, NEW YORK**
**STATEMENT OF NET POSITION**
**PROPRIETARY FUNDS**
**DECEMBER 31, 2017**

| | WATER FUND | SEWER FUND | TOTAL |
|---|---|---|---|
| **ASSETS AND DEFERRED OUTFLOWS OF RESOURCES** | | | |
| **ASSETS** | | | |
| Current assets: | | | |
| Cash and cash equivalents | $ 964,573 | $ 2,316,214 | $ 3,280,787 |
| Receivables: | | | |
| Charges for services | 997,666 | 985,113 | 1,982,779 |
| Other | 46,640 | 790,812 | 837,452 |
| Internal balances (Note B) | (4,580) | 382,845 | 378,265 |
| Prepaid expenses | 185,520 | 923 | 186,443 |
| Due from other governments | - | 178,191 | 178,191 |
| Inventories - net of allowance | 133,554 | - | 133,554 |
| Total current assets | 2,323,373 | 4,654,098 | 6,977,471 |
| Non current assets: | | | |
| Restricted cash and cash equivalents | 1,158,218 | - | 1,158,218 |
| Total non-current assets | 1,158,218 | - | 1,158,218 |
| Capital assets: | | | |
| Land | 118,729 | 244,930 | 363,659 |
| Improvements and infrastructure, net of depreciation | 4,641,289 | 21,282,139 | 25,923,428 |
| Buildings, machinery and equipment, net of depreciation | 5,658,681 | 805,590 | 6,464,271 |
| Construction in progress | 3,388,508 | 495,671 | 3,884,179 |
| Total capital assets (Note C) | 13,807,207 | 22,828,330 | 36,635,537 |
| **DEFERRED OUTFLOWS OF RESOURCES** | 480,923 | 503,925 | 984,848 |
| **Total assets and deferred outflows of resources** | $ 17,769,721 | $ 27,986,353 | $ 45,756,074 |

See notes to the financial statements

**CITY OF KINGSTON, NEW YORK**

**STATEMENT OF NET POSITION (CONTINUED)**

**PROPRIETARY FUNDS**

**DECEMBER 31, 2017**

| | WATER FUND | SEWER FUND | TOTAL |
|---|---|---|---|
| **LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION** | | | |
| **LIABILITIES** | | | |
| Current liabilities: | | | |
| Accounts payable | $ 137,472 | $ 930,177 | $ 1,067,649 |
| Accrued liabilities | 72,968 | 123,683 | 196,651 |
| Internal balances (Note B) | - | - | - |
| Due to other governments | 6,369 | 191,341 | 197,710 |
| Bond anticipation notes payable (Note D) | 1,325,000 | 3,784,624 | 5,109,624 |
| Current portion of bonds, notes, and loans payable (Note D) | 500,575 | 905,375 | 1,405,950 |
| Compensated absence liability (Note D) | 33,896 | - | 33,896 |
| Total current liabilities | 2,076,280 | 5,935,200 | 8,011,480 |
| Non-current liabilities: | | | |
| Bond anticipation notes payable (Note D) | 1,973,713 | - | 1,973,713 |
| Compensated absence liability (Note D) | 173,733 | 278,348 | 452,081 |
| Bonds, notes, and loans payable (Note D) | 5,004,675 | 8,264,358 | 13,269,033 |
| Other long term liabilities (Note D) | 20,301 | - | 20,301 |
| Other post-employment benefits (Note A.6.N.) | 3,300,000 | 4,440,387 | 7,740,387 |
| Proportionate share of net pension liability (Note A.6.M.) | 431,320 | 437,002 | 868,322 |
| Total non-current liabilities | 10,903,742 | 13,420,095 | 24,323,837 |
| **Total liabilities** | 12,980,022 | 19,355,295 | 32,335,317 |
| **DEFERRED INFLOWS OF RESOURCES** | 65,975 | 795,057 | 861,032 |
| **NET POSITION** | | | |
| Net investment in capital assets | 5,003,244 | 9,873,973 | 14,877,217 |
| Restricted | - | 154,049 | 154,049 |
| Unrestricted (deficit) | (279,520) | (2,192,021) | (2,471,541) |
| **Total net position** | 4,723,724 | 7,836,001 | 12,559,725 |
| **Total liabilities, deferred inflows of resources and net position** | $ 17,769,721 | $ 27,986,353 | $ 45,756,074 |

See notes to the financial statements

**CITY OF KINGSTON, NEW YORK**
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**
**PROPRIETARY FUNDS**
**FOR THE YEAR ENDED DECEMBER 31, 2017**

| | WATER FUND | SEWER FUND | TOTAL |
|---|---|---|---|
| **OPERATING REVENUES** | | | |
| Charges for services | $ 4,212,040 | $ 4,944,163 | $ 9,156,203 |
| Program grants and subsidies | - | 165,485 | 165,485 |
| Other revenue | 292,610 | 6,374 | 298,984 |
| **Total operating revenues** | 4,504,650 | 5,116,022 | 9,620,672 |
| **OPERATING EXPENSES** | | | |
| Personal services | 2,707,962 | 2,831,263 | 5,539,225 |
| Real property taxes | 287,631 | - | 287,631 |
| Maintenance, operations and contractual services | 696,570 | 1,372,786 | 2,069,356 |
| Depreciation | 671,736 | 1,064,525 | 1,736,261 |
| **Total operating expenses** | 4,363,899 | 5,268,574 | 9,632,473 |
| **Net Operating Income (Loss)** | 140,751 | (152,552) | (11,801) |
| **Non-operating income and (expense)** | | | |
| Federal grant revenue | 288,683 | - | 288,683 |
| Interest income | 1,113 | 776 | 1,889 |
| Sale of property | 36,923 | 31,541 | 68,464 |
| Interest on bonds and notes | (147,847) | (329,811) | (477,658) |
| Rental Income | 49,897 | - | 49,897 |
| **Total non-operating revenues (expenses)** | 228,769 | (297,494) | (68,725) |
| **Change in Net Position** | 369,520 | (450,046) | (80,526) |
| **Net Position, December 31, 2016** | 4,354,204 | 8,286,047 | 12,640,251 |
| **Net Position, December 31, 2017** | $ 4,723,724 | $ 7,836,001 | $ 12,559,725 |

**CITY OF KINGSTON, NEW YORK**
**STATEMENT OF CASH FLOWS**
**PROPRIETARY FUNDS**
**FOR THE YEAR ENDED DECEMBER 31, 2017**

| | WATER FUND | SEWER FUND | TOTAL |
|---|---|---|---|
| **Cash Flows From Operating Activities:** | | | |
| Cash received from users | $ 4,471,790 | $ 5,665,681 | $ 10,137,471 |
| Cash paid to employees | (2,264,832) | (2,831,263) | (5,096,095) |
| Cash paid for operating expenses | (1,352,033) | (494,178) | (1,846,211) |
| **Net Cash Provided by Operating Activities** | 854,925 | 2,340,240 | 3,195,165 |
| **Cash Flows From Capital and Related Financing Activities:** | | | |
| Proceeds from capital debt | 512,959 | - | 512,959 |
| Proceed from sale of capital assets | 36,923 | 31,541 | 68,464 |
| Federal grant revenue | 242,043 | - | 242,043 |
| Purchase of fixed assets | (1,128,445) | (1,315,099) | (2,443,544) |
| Interest payments on bonded indebtedness | (147,486) | (329,811) | (477,297) |
| Principal payments on bonded indebtedness | (547,922) | (756,908) | (1,304,830) |
| Principal payments on long-term lease obligations | - | (216,246) | (216,246) |
| Loans provided/paid, net | - | 175,785 | 175,785 |
| **Net Cash Provided (Used) by Capital and Related Financing Activities** | (1,031,928) | (2,410,738) | (3,442,666) |
| **Cash Flows From Investing Activities:** | | | |
| Rental income | 49,897 | - | 49,897 |
| Interest received | 1,113 | 776 | 1,889 |
| **Net Cash Provided by Investing Activities** | 51,010 | 776 | 51,786 |
| Net Increase (Decrease) in Cash and Cash Equivalents | (125,993) | (69,722) | (195,715) |
| **Cash and Cash Equivalents at January 1, 2017** | 2,248,784 | 2,385,936 | 4,634,720 |
| **Cash and Cash Equivalents at December 31, 2017** | $ 2,122,791 | $ 2,316,214 | $ 4,439,005 |
| **Reconciliation of operating income to net cash provided by operating activities:** | | | |
| Operating income | $ 140,751 | $ (152,552) | $ (11,801) |
| **Adjustments to reconcile operating income to net cash provided by operating activities:** | | | |
| Depreciation | 671,736 | 1,064,525 | 1,736,261 |
| Changes in assets and liabilities: | | | |
| Decrease (Increase) in accounts receivable | (32,860) | 549,659 | 516,799 |
| Decrease (Increase) in inventories | 20,686 | - | 20,686 |
| Decrease (Increase) in prepaid items | (19,998) | 2,213 | (17,785) |
| Decrease (Increase) in due from related party | - | 354,919 | 354,919 |
| Increase (Decrease) in accounts payable | (118,972) | (448,612) | (567,584) |
| Increase (Decrease) in deferred revenues | 391,331 | 604,479 | 995,810 |
| Increase(Decrease) in accrued expenses and other liabilities | (197,749) | 365,609 | 167,860 |
| **Net Cash Provided by Operating Activities** | $ 854,925 | $ 2,340,240 | $ 3,195,165 |

See notes to the financial statements

**CITY OF KINGSTON, NEW YOK**

**STATEMENT OF NET POSITION**

**FIDUCIARY FUND**

**DECEMBER 31, 2017**

| | | AGENCY FUNDS |
|---|---|---|
| | **ASSETS** | |
| Cash and cash equivalents | | $ 486,832 |
| | **Total assets** | $ 486,832 |
| | **LIABILITIES** | |
| Escrow funds returnable and other liabilities | | $ 486,832 |
| | **Total liabilities** | 486,832 |
| | **NET POSITION** | - |
| | **Total liabilities and net position** | $ 486,832 |

See notes to the financial statements

## NOTE A - Summary of Accounting Policies

The City of Kingston, New York, (the "City") which was incorporated in 1872, is governed by its Charter, the City of Kingston local law and other general laws of the State of New York. The City operates under a strong-mayor form of government. The Common Council is the legislative body responsible for overall operations, the Mayor serves as chief executive officer and the Comptroller serves as chief fiscal officer. The following basic services are provided: fire and police protection; public works activities including water and sewer services, wastewater treatment, trash collection and removal, street maintenance, snow and ice removal; public transportation; cultural and recreational activities and public parks and facilities; economic and community development; human rights advocacy; tax assessment, collection and enforcement; and code enforcement.

The financial statements of the City of Kingston have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements. The more significant accounting policies established in GAAP and used by the City are discussed below.

### 1. The Reporting Entity

The financial reporting entity consists of (a) the primary government which is the City of Kingston, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Codification Section 2100.

The decision to include a potential component unit in the City's reporting entity is based on several criteria set forth in GASB Codification Section 2100, including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief review of certain entities considered in determining the City of Kingston's reporting entity.

The City of Kingston Local Development Corporation (KLDC), a not-for-profit corporation which was incorporated on June 1, 1994, administers economic development loans for businesses within the City of Kingston. It also developed and operates a business park for the City. It is governed by a board which is appointed by the Mayor. The City of Kingston Local Development Corporation financial statements are available at their offices located at Kingston City Hall, 420 Broadway, Kingston, New York. KLDC is included in the City of Kingston financial statements as a discretely presented component unit.

The Kingston-Ulster Empire Zone was created by New York State to foster the creation of jobs, enhance the property tax base and encourage investment. The Mayor appoints the majority of the board. Activity for the Kingston-Ulster Empire Zone was minimal for the past year as the program is no longer supported by New York State. Therefore, since financial statements have not been prepared, the limited Empire Zone information has not been included in these financial statements.

The Dietz Stadium is jointly administered with the Kingston City School District and is excluded from the financial statements. See Note F for further information.

There were no significant transactions with component units other than that the City processes the payroll for Kingston Local Development Corporation. The entity then reimburses the City.

**NOTE A - Summary of Accounting Policies - continued**

2. **Basic Financial Statements – Government-Wide Statements**

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). The government-wide statements include the Statement of Net Position and the Statement of Activities. The other statements are fund financial statements. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. All of the City's services are classified as governmental activities except for water and sanitary sewer. These services are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column, and (b) reported on a full accrual economic resource basis, which recognizes all long term assets and receivables as well as long term related debt; restricted net position; and unrestricted net position. Net assets are reported as restricted when there are external restrictions by creditors, grantors, laws or regulations of other governments. The City first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (public safety, transportation, etc.). The functions are also supported by general government revenues (property, sales and use taxes, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related charges for services, operating and capital grants. Charges for services must be directly associated with the function (public safety, transportation, home and community services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property, sales taxes, intergovernmental revenues, investment earnings, etc.). The City does not allocate indirect costs. This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

3. **Basic Financial Statements – Fund Financial Statements**

The financial transactions of the City are reported in individual funds in the fund financial statements using the current financial resources measurement focus. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. The City records its transactions in the fund types below:

1) Governmental Funds - The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following are the City's governmental fund types:

   a) General Fund - the principal operating fund and includes all operations not accounted for and reported in another fund.

   b) Special Revenue Funds - used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specific purposes other than debt service or capital projects. This fund is used to account for the activities of the Community Development Office which are funded by HUD. Effective for fiscal year 2017, this fund utilizes a December 31 year-end, whereas the fund formerly reported a year end of June 30.

**NOTE A - Summary of Accounting Policies - continued**

3. **Basic Financial Statements – Fund Financial Statements - continued**

c) Debt Service Funds - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest on general obligation long term debt. Debt Service Funds are used when legally mandated for financial resources accumulated in a reserve for payment of future principal and interest on long-term indebtedness.

d) Capital Projects Funds - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the acquisition or construction of major capital facilities and equipment (other than those financed by business-type/proprietary funds).

2) Proprietary Funds - The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles are similar to businesses in the private sector. The City has only one type of proprietary fund; enterprise funds. Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, is to be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The City's water and sewer activities are accounted for as enterprise funds.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds.

Governmental funds equity - Fund balance is presented in five different classifications which focus on the constraints imposed on resources in governmental funds, rather than on availability for appropriation. The classifications include: non-spendable, restricted, committed, assigned, and unassigned.

a) Non-spendable consists of assets that are inherently non-spendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and principal of endowments.

b) Restricted consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.

**NOTE A - Summary of Accounting Policies - continued**

3. **Basic Financial Statements – Fund Financial Statements – continued**

c) Committed consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint. The Common Council is the decision-making authority that can, by action taken prior to the end of the fiscal year, commit fund balance.

d) Assigned consists of amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund. In funds other than the General Fund, assigned fund balance represents the residual amount of fund balance. The Common Council has not authorized a designated official to assign fund balance.

e) Unassigned represents the residual classification for the government's General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When resources are available from multiple classifications, the City spends funds in the following order: restricted, committed, assigned, unassigned.

The City has, by resolution, adopted a fund balance policy that states the City must maintain a minimum unrestricted (the total of committed, assigned, and unassigned) fund balance of at least ten percent of the general fund operating budget. Unrestricted fund balance below the minimum should be replenished.

| | | |
|---|---|---|
| Nonspendable | | |
| Inventory | $ 10,736 | |
| Prepaid expenses | 646,643 | |
| | | $ 657,379 |
| Assigned Appropriated | | |
| Designated for subsequent year's budget | | 932,177 |
| Assigned Unappropriated | | |
| Recreation fees | 128,233 | |
| Risk retention reserve | 135,804 | |
| Encumbered | 353,800 | |
| | | 617,837 |
| Unassigned | | 6,976,287 |
| Total fund balance | | $ 9,183,680 |

**NOTE A - Summary of Accounting Policies - continued**

**4. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purposes, is employed in the General Fund. Encumbrances are reported as restrictions, commitments, or assignments of fund balances since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred. Encumbrances of $353,800 were included in the reporting of assigned fund balance in the General Fund.

**5. Basis of Accounting**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

**A. Accrual**

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

**B. Modified Accrual**

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. “Available” means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

**6. Financial Statement Amounts**

**A. Cash and Investments**

The City's investment policies are governed by State statutes. In addition, the City has its own written investment policy. City monies must be deposited in FDIC-insured commercial banks located within the State. The Comptroller is authorized to use demand accounts and certificates of deposit. Collateral is required for demand deposits and certificates of deposit not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities.

For the purposes of the proprietary funds statement of cash flows, the City considers all cash and cash equivalents with an original maturity of three months or less to be cash equivalents.

**NOTE A - Summary of Accounting Policies - continued**

**A. Cash and Investments – continued**

Deposits and investments at year-end were entirely covered by federal deposit insurance or by collateral held by a custodial bank in the City's name as follows:

| Bank | Bank Balance | Insured (FDIC) | Collateralized-Custodial Bank | Not Collateralized |
|---|---|---|---|---|
| Catskill Hudson | $ 1,296,378 | $ 500,000 | $ 1,045,641 | $ - |
| M&T Bank | $ 7,459,852 | $ 500,000 | $ 8,979,984 | $ - |
| TD Bank | $ 2,597,191 | $ 250,000 | $ 3,000,000 | $ - |

**B. Taxes and Other Receivables, and Uncollectible Accounts**

Significant receivables include amounts due from customers primarily for water and sewer charges. No allowance for uncollectible accounts is maintained as uncollected accounts are added on to the subsequent year's tax bills. The General Fund reimburses the utility funds for the full amount even though the City may not have actually received payment.

At December 31, 2017, the City had total real property tax receivables of $5,134,336. On the fund financial statements, the taxes are offset by deferred tax revenue of $3,922,827 for the City portion. The deferred tax revenue represents the tax liens which were not collected within the first sixty days of the subsequent year. In the government-wide financial statements, property taxes receivable and related revenue include all amounts due to the City, regardless of when received.

Other revenues totaling $34,514 are deferred in the governmental fund financial statements as they were not received within 60 days following year-end and are, therefore, are unavailable to pay liabilities of the current period. Other deferred revenue received after 60 days is recognized as revenue in the government-wide statements if grantor eligibility requirements are met.

**C. Notes Receivable**

The following is a summary as of December 31, 2017:

Homeowner Loans - The Housing Rehabilitation Program is a federally funded program for income eligible homeowners in the City of Kingston offering up to $20,000 per household. The priority of the program is to address health and safety issues, building code violations, and to reduce the cumulative effects of deteriorating properties concentrated in certain neighborhoods of the city. It allows for an interest-free, deferred loan to the homeowner that is spread over a 10 year period. At the end of the tenth year of owner-occupied homeownership, the loan is completely forgiven.

## NOTE A - Summary of Accounting Policies - continued

### 6. Financial Statement Amounts - continued

#### C. Notes Receivable - continued

| | Balance 6/30/2016 | Additions | Reductions | Balance 12/31/17* | Due in One Year |
|---|---|---|---|---|---|
| Homeowner Loans | $ 911,050 | $ 118,607 | $ - | $ 1,029,657 | $ - |
| Total Loans | $ 911,050 | $ 118,607 | $ - | $ 1,029,657 | $ - |

*The City's program is now running on a calendar year basis, see note A 3.

#### D. Capital Assets

Capital assets purchased or acquired with an original cost of $5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

| | |
|---|---|
| Buildings | 15-40 years |
| Improvements | 15-40 years |
| Infrastructure | 15-40 years |
| Machinery and equipment | 3-40 years |

GASB Statement No. 34 requires the City to report and depreciate new infrastructure assets. Infrastructure assets include roads, underground pipes, etc. Neither their historical cost nor related depreciation had historically been reported in the financial statements prior to 2004 when the City implemented all the provisions of GASB Statement No. 34, including retroactive reporting of infrastructure.

#### E. Property Taxes

The City of Kingston real property taxes are levied annually no later than December 31 and become a lien on January 1. The City of Kingston real property taxes are due in two installments. The first installment is due 45 days after the passage of the tax levy and the second is due 120 days later. Taxes for County purposes apportioned to the area of the County inside the City of Kingston and the Library are levied together with the general taxes for the City of Kingston on a single bill. The County and Library receive the full amount of their levies annually out of the first amounts collected on the combined bills. The collection of County taxes levied on properties within the City of Kingston and library taxes are enforced by the City. In addition, unpaid city school district taxes levied on properties within the City of Kingston are turned over to the City for enforcement.

#### F. Interfund Activity

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

## NOTE A - Summary of Accounting Policies - continued

### 6. Financial Statement Amounts - continued

#### G. Budgets

Operating budgets - must be submitted by the Mayor in the form of a tentative budget to the Common Council at their regular meeting in October for the following calendar year. The tentative budget includes proposed expenditures and the proposed means of financing for the General and Sewer funds. After public hearings are conducted to obtain taxpayer comments, the Common Council adopts the budgets. Once adopted, the Common Council may amend the legally adopted budgets when unexpected modifications are required within NYS guidelines.

Other funds - capital projects are budgeted over the life of the respective projects and are also subjected to the Council review and approval process. Formal budgets are not required for the Water Fund (an enterprise fund); however, a budget is prepared as a guideline for expenditures. Budgetary controls for the Community Development office are established in accordance with applicable grant agreements which may cover more than one year.

Basis of Budgeting - Budgets are adopted annually on a basis consistent with generally accepted accounting principles. Each fund's appropriated budget is prepared on a detailed line item basis. Revenues and expenditures are budgeted by department and class. Appropriations in all budgeted funds lapse at the end of the fiscal year, except that outstanding encumbrances are re-apportioned in the subsequent year.

#### H. Deficit Fund Balances

The Capital Projects Fund had a deficit fund balance at December 31, 2017. The deficit will be eliminated as short-term debt is converted to permanent financing.

#### I. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed as a control in preventing over expenditure of established appropriations. Open encumbrances are reported as reservations of fund balance since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

#### J. Revenues

Substantially all governmental fund revenues are accrued. The governmental fund financial statements recognize the proceeds of debt as other financing sources.

Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non-operating revenue based on GASB Statement No.33. In applying GASB No. 33 to grant revenues, the grantor recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the grantor and deferred revenue by the recipient.

#### K. Expenditures

Expenditures are recognized when the fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than when purchased.

**NOTE A - Summary of Accounting Policies - continued**

**6. Financial Statement Amounts - continued**

**L. Compensated Absences**

The City accrues accumulated unpaid vacation and sick leave and associated employer-related costs when earned (or estimated to be earned) by the employee based on varying contracts. In the event of termination or upon retirement, an employee may be entitled to payment for accumulated vacation and sick leave and unused compensatory absences at various rates subject to certain maximum limitations. The amount estimated to be used in subsequent fiscal years is maintained separately for governmental funds and represents a reconciling item between the fund and government-wide presentations.

**M. Pension Plans**

Plan Description

The City of Kingston is required to participate in the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Policemen's and Firemen's Retirement System (PFRS) (the Systems). These are cost-sharing multiple-employer retirement systems. The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the System. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The Systems issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, New York, 12244.

Funding Policy

The Systems are generally noncontributory. Tiers I-IV are noncontributory after ten years of participation. Tier V is required to contribute 3% of their salary, and Tier VI is required to contribute a minimum of 3% of their salary. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates of participating employers expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by those employers to the pension accumulation fund.

The City is required to contribute to the Systems at an actuarially determined rate. The required contributions for the current and prior two calendar years were $1,569,587, $1,831,262, and $979,145 for ERS, and $2,704,015, $2,934,394, and $1,650,841 for PFRS.

**NOTE A - Summary of Accounting Policies - continued**

**6. Financial Statement Amounts – continued**

**M. Pension Plans - continued**

Chapter 57 of the Laws of 2010 of the State of New York was enacted that allows local employers to amortize a portion of their retirement bill for 10 years in accordance with the following stipulations:

i. For State fiscal year 2010-11, the amount in excess of the graded rate of 9.5 percent of employees' covered pensionable salaries, with the first payment of those pension costs not due until the fiscal year succeeding that fiscal year in which the amortization was instituted.
ii. For subsequent State fiscal years, the graded rate will increase or decrease by up to one percent depending on the gap between the increase or decrease in the System's average rate and the previous graded rate.
iii. For subsequent State fiscal years in which the System's average rates are lower than the graded rates, the employer will be required to pay the graded rate. Any additional contributions made will first be used to payoff existing amortizations, and then any excess will be deposited into a reserve account and will be used to offset future increases in contribution rates.

This law requires participating employers to make payments on a current basis, while bonding or amortizing existing unpaid amounts relating to the System's fiscal years ending March 31, 2007 through 2016. The total unpaid liability at the end of the fiscal year was $1,832,794, which is reported in the governmental activities of the government-wide financial statements.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2017, the City reported liabilities of $2,908,512 under the Employees' Retirement System, net of $13,716 allocated to the Kingston Local Development Corporation, and $5,542,633 under the Police and Fire Retirement System for its proportionate share of the net pension liability. This amount is recorded as a long-term liability due to the NYS Retirement System. The net pension liability was measured as of March 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At March 31, 2017, the City's proportion was 0.0311000 percent of the Employees' Retirement System liability and 0.2674175 percent of the Police and Fire Retirement System.

**NOTE A - Summary of Accounting Policies - continued**

**6. Financial Statement Amounts – continued**

**M. Pension Plans - continued**

For the year ended December 31, 2017, the City recognized pension expense of $1,757,049 under the Employees' Retirement System and $3,283,304 under the Police and Fire Retirement System. At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience - ERS | $ 73,228 | $ 443,757 |
| Differences between expected and actual experience - PFRS | 727,098 | 957,644 |
| Changes of assumptions - ERS | 998,340 | - |
| Changes of assumptions - PFRS | 2,730,622 | - |
| Net difference between projected and actual investment earnings on pension plan investments - ERS | 583,687 | - |
| Net difference between projected and actual investment earnings on pension plan investments - PFRS | 827,784 | - |
| Changes in proportion and differences between employer contributions and proportionate share of contributions - ERS | 245,125 | 3,233 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions - PFRS | 163,855 | 41,090 |
| Employer contributions subsequent to the measurement date - ERS | 1,357,915 | - |
| Adjustment for prior deferred outflow understatement | 396,548 | |
| Total | $ 8,104,202 | $ 1,445,724 |

$1,357,915 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended December 31: | ERS | PFRS | TOTAL |
|---|---|---|---|
| 2018 | $ 636,249 | $ 1,122,128 | $ 1,758,377 |
| 2019 | 636,249 | 1,122,128 | 1,758,377 |
| 2020 | 552,264 | 1,060,346 | 1,612,610 |
| 2021 | (371,371) | (8,861) | (380,232) |
| 2022 | - | 154,884 | 154,884 |

**NOTE A - Summary of Accounting Policies - continued**

**6. Financial Statement Amounts – continued**

**M. Pension Plans - continued**

Actuarial Assumptions

The total pension liability at March 31, 2017, was determined by using an actuarial valuation as of April 1, 2016, with update procedures used to roll forward the total pension liability to March 31, 2017. The actuarial valuation used the following actuarial assumptions.

Significant actuarial assumptions used in the April 1, 2016, valuation were as follows:

| | ERS | PFRS |
|---|---|---|
| Inflation | 2.5% | 2.5% |
| Salary increases | 3.8% | 4.5% |
| Investment rate of return (net of investment expense, including inflation) | 7.0% | 7.0% |
| Cost of living adjustments | 1.3% | 1.3% |

Annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System's experience with adjustments for mortality improvements based on MP-2014.

The actuarial assumptions used in the April 1, 2016 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

The long term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return of the target asset allocation percentage and by adding expected inflation.

**NOTE A - Summary of Accounting Policies -continued**

**6. Financial Statement Amounts -continued**

**M. Pension Plans -continued**

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2017 are summarized below:

| Asset Class | Long-Term Expected Real Rate of Return |
|---|---|
| Domestic equity | 4.55% |
| International equity | 6.35 |
| Private equity | 7.75 |
| Real estate | 5.80 |
| Absolute return strategies | 4.00 |
| Opportunistic portfolio | 5.89 |
| Real assets | 5.54 |
| Bonds and mortgages | 1.31 |
| Cash | (0.25) |
| Inflation-indexed bonds | 1.50 |

Discount Rate

The discount rate used to calculate the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon these assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

| | 1% Decrease (6.0%) | Current Assumption (7.0%) | 1% Increase (8.0%) |
|---|---|---|---|
| City's proportionate share of the net ERS pension liability/(asset) | $ 9,333,019 | $ 2,908,511 | $ (2,498,083) |
| City's proportionate share of the net PFRS pension liability/(asset) | $ 15,713,044 | $ 5,542,633 | $ (2,987,852) |

**NOTE A - Summary of Accounting Policies -continued**

**6. Financial Statement Amounts -continued**

**M. Pension Plans -continued**

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of all employers as of March 31, 2017, were as follows:

| | Dollars in Thousands | | |
|---|---|---|---|
| | **Employees' Retirement System** | **Police and Fire Retirement System** | **Total** |
| Employers' total pension liability | $ 177,400,586 | $ 31,670,483 | $ 209,071,069 |
| Plan net position | 168,004,363 | 29,597,830 | 197,602,193 |
| Employers' net pension liability | $ 9,396,223 | $ 2,072,653 | $ 11,468,876 |
| Ratio of plan net position to the employers' total pension liability | 94.7% | 93.5% | 94.5% |

**N. Post-employment Benefits (Health insurance and firefighter disability)**

From an accrual accounting perspective, the cost of postemployment benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB statement No. 45 during the year ended December 31, 2008, the City recognizes the cost of postemployment benefits in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the City's future cash flows. Recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2008 liability.

**Plan Description**

The City provides continuation of medical insurance coverage to employees that retire directly from City employment after retirement age with a minimum of ten years of service. Based on collective bargaining agreements, the retiree and his or her beneficiaries receive this coverage for the life of the retiree and survivor. Healthcare benefits for non-union employees are based on those of union employees. Currently the retiree's share of premium cost ranges from 0 to 50%, depending on the employee group and lengths of service. These contracts will be renegotiated at various times in the future. Also, under requirements of state and local law, the City compensates firefighters that retire due to disability before the mandatory retirement age of 70. This compensation is equal to the differential between the retiree's pension and the salary that they would be paid if still in active service. There are currently 5 firefighters receiving such compensation.

The total number of participants as of January 1, 2017, the effective date of the OPEB valuations, follows:

| | |
|---|---|
| Active employees | 309 |
| Retired employees | 394 |
| Spouses of deceased employees | 0 |
| | 703 |

**NOTE A - Summary of Accounting Policies -continued**

**6. Financial Statement Amounts -continued**

**N. Post-employment Benefits (Health insurance and firefighter disability) (Cont'd)**

**Funding Policy**

The City currently pays for postemployment healthcare benefits on a pay-as-you-go basis through premiums paid to insurance companies and reimbursements to retirees for their Medicare premiums.

**Annual Other Post-employment Benefit Cost**

For the year ended December 31, 2017, the City's annual OPEB cost (expense) was $11,650,000 and the Annual Required Contribution was $11,950,000. The payment of current health insurance premiums and Medicare reimbursement, which totaled $3,260,000 for retirees and their survivors, resulted in a Net OPEB obligation of $63,870,000 for the year ended December 31, 2017.

| | Governmental Funds | Proprietary Funds | Total |
|---|---|---|---|
| Amortization of UAAL over 30 Years | $ 5,165,112 | $ 764,888 | $ 5,930,000 |
| Normal cost with interest to end of year | 5,311,640 | 708,360 | 6,020,000 |
| Annual required contribution (ARC) | 10,476,752 | 1,473,248 | 11,950,000 |
| Interest on net OPEB obligation | 1,804,392 | 275,608 | 2,080,000 |
| Adjustment to annual required contribution | (2,060,550) | (319,450) | (2,380,000) |
| Annual OPEB cost | 10,220,594 | 1,429,406 | 11,650,000 |
| Contributions made | (2,788,433) | (471,567) | (3,260,000) |
| Increase in net OPEB obligation | 7,432,161 | 957,839 | 8,390,000 |
| Net OPEB obligation - beginning of year | 48,697,452 | 6,782,548 | 55,480,000 |
| Net OPEB obligation - end of year | $ 56,129,613 | $ 7,740,387 | $ 63,870,000 |

**Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2017 actuarial valuation, the most recent actuarial valuation date, the liabilities were computed using the projected unit credit cost method. The actuarial assumptions utilized a 3.75% discount rate. Because the plan is unfunded, this rate was selected based on the expected earnings of the City of Kingston's short-term investments such as certificates of deposit. The valuation assumes a current 8.00% healthcare cost trend increase, reduced by decrements to a rate of 0.5% per year through year seven, to 5.0% thereafter. GASB Statement #45 requires that actuarial valuations be performed at least biennially.

**O. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## NOTE A - Summary of Accounting Policies -continued

### 6. Financial Statement Amounts -continued

#### P. Subsequent Events

Management has evaluated subsequent events through September 26, 2018, the date the financial statements were available to be issued.

## NOTE B - Interfund Receivables, Payables and Transfers

The following is a summary of amounts due from and due to other funds and transfers as of December 31, 2017. These inter-fund balances have been eliminated as part of the aggregation of balances in the statement of net assets. Such balances arise through the use of a pooled cash disbursement account and the temporary funding of capital projects. Transfers are recorded for the reimbursement of expenses, the accumulation of debt service funding amounts, and the permanent funding of capital projects.

| FUND | RECEIVABLE | PAYABLE |
|---|---|---|
| General | $ 2,569,899 | $ (1,015,633) |
| Capital Projects | 1,774,873 | (2,472,815) |
| Special Grant | - | - |
| Debt Service | 60,924 | (1,295,513) |
| Subtotal Governmental funds | 4,405,696 | (4,783,961) |
| Proprietary funds: | | |
| Water | (4,580) | - |
| Sewer | 382,845 | - |
| Subtotal Proprietary funds | 378,265 | - |
| **TOTALS** | **$ 4,783,961** | **$ (4,783,961)** |

| | TRANSFERS IN | TRANSFERS OUT |
|---|---|---|
| General | $ - | $ (1,958,822) |
| Capital Projects | - | - |
| Special Grant | - | - |
| Debt Service | 1,958,822 | - |
| Subtotal Governmental funds | 1,958,822 | (1,958,822) |
| Proprietary funds: | | |
| Water | - | - |
| Sewer | - | - |
| Subtotal Proprietary funds | - | - |
| **TOTALS** | **$ 1,958,822** | **$ (1,958,822)** |

## NOTE C – Explanation of Certain Differences Between Governmental Fund Statements and Government-wide Statements

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the government-wide statements, certain financial transactions are treated differently. The differences result primarily from the economic focus of the government-wide statements, compared with the current financial resources focus of the governmental funds.

### A. Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities:

Total fund balances of the City's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the Governmental Fund Balance Sheet.

The basic financial statements contain a detailed reconciliation of the items creating the differences between fund balance reported in the Governmental Fund Statements and Net Position reported on the Statement of Net Position.

(1) The costs of building and acquiring capital assets (land, infrastructure, buildings and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the Village as a whole, with their original costs capitalized and depreciation expensed annually over their useful lives.

| | |
|---|---|
| Original Cost of Capital Assets | $ 84,454,489 |
| Accumulated Depreciaton | (39,714,477) |
| Capital Assets, Net | $ 44,740,012 |

(2) The governmental funds do not include long-term liabilities because they are not due and payable in the current period. However, these liabilities are reported in the Statement of Net Position. Balances at year-end were:

| | |
|---|---|
| Bond & Installment Obligations Payable | $ 6,176,630 |
| Other Long Term Liabilities | 171,354 |
| Employee Retirement System Liability - Proportionate Share | 4,299,518 |
| Police and Fire Retirement System Liability - Proportionate Share | 3,283,304 |
| Compensated Absences Payable | 2,565,341 |
| Due to Retirement System | 1,832,794 |
| Other Postemployment Benefits | 56,129,613 |
| | $ 74,458,554 |

(3) Deferred outflows and inflows related to pensions are reported in the Statement of Net Position, but not in the governmental funds, because they are not due and payable in the current period. Balances at year-end were:

| | |
|---|---|
| Deferred Outflows of Resources | $ 8,694,669 |
| Deferred Inflows of Resources | (2,172,301) |
| | $ 6,522,368 |

**NOTE C – Explanation of Certain Differences Between Governmental Fund Statements and Government-wide Statements (Continued)**

**B. Explanation of Differences between Governmental Funds Operating Statement and the Statement of Activities:**

Differences between the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of three broad categories.

- Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

- Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities.

- Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements when paid, whereas interest payments are recorded in the Statement of Activities as incurred and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

The basic financial statements contain a detailed reconciliation of the items creating the differences between the change in fund balance reported in the governmental fund statements and the change in net position reported in the Statement of Activities.

| Total Revenues and Other Funding Sources | |
|---|---|
| Total Revenues Reported in Governmental Funds | $ 45,823,647 |
| Property Tax Revenue Adjustments | 503,822 |
| | $ 46,327,469 |

**NOTE C – Explanation of Certain Differences Between Governmental Fund Statements and Government-wide Statements(Continued)**

**B. Explanation of Differences between Governmental Funds Operating Statement and the Statement of Activities – Continued:**

Total Expenditures/Expenses

| | | |
|---|---|---|
| Net change in fund balance - total government funds | | $ 1,227,657 |
| The change in net position reported for governmental activities in the statement of activities is different because: | | |
| Governmental funds report all capital outlays as expenditures. However, in the statement of activities, the cost of certain assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. | | (541,549) |
| Bond proceeds are reported on the financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. | | |
| Repayments: | | |
| Bond principal | 1,785,683 | |
| Capital lease payment | 125,766 | |
| | | 1,911,449 |
| In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. | | (2,134) |
| Some expenses reported in the statement of activities, such as compensated absences and landfill liabilities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. | | (7,082,145) |
| Deferred outflows and inflows pertaining to debt re-financing are not reported in the governmental funds | | 237,414 |
| In the governmental funds, pension expenditures related to ERS and PFRS defined benefit plans are recognized equal to the total of (1) amounts paid by the employer to the pension plan and (2) the change between beginning and ending balances of amounts normally expected to be liquidated with expendable available financial resources. In the Statement of Activities, however, these expenses are measured as the change in the City's proportionate shares of the net pension assets and liabilities as of the measurement dates for each plan. This is the amount by which pension expense exceeded the amount of finanical resources expended during the year. | | 503,822 |
| Net change in net position of governmental activities | | $ (3,745,486) |

## NOTE D – Capital Assets

The table below provides a summary of changes in capital assets. In addition, depreciation was charged to governmental activities functions as follows:

| | |
|---|---|
| General Government | $ 553,715 |
| Public Safety | 520,448 |
| Transportation | 1,341,554 |
| Culture and Recreation | 393,561 |
| Home and Community Services | 853,692 |
| Total governmental activities depreciation | $ 3,662,970 |

The following describes the City's Capital Assets:

| | Balance 12/31/2016 | Additions | Disposals/ Reclassifications | Balance 12/31/2017 |
|---|---|---|---|---|
| Governmental Activities: | | | | |
| Land | $ 192,500 | $ - | $ - | $ 192,500 |
| Construction in progress | 2,534,099 | 741,362 | (1,664,704) | 1,610,757 |
| Depreciated Assets: | | | | |
| Buildings | 13,232,255 | - | - | 13,232,255 |
| Improvements | 16,825,228 | 903,199 | 88,431 | 17,816,858 |
| Infrastructure | 30,501,363 | 2,093,216 | 1,576,273 | 34,170,852 |
| Machinery and equipment | 17,191,210 | 466,742 | (226,685) | 17,431,267 |
| Total Capital Assets | 80,476,655 | 4,204,519 | (226,685) | 84,454,489 |
| Less accumulated depreciation: | | | | |
| Buildings | 6,254,535 | 287,852 | - | 6,542,387 |
| Improvements | 6,875,642 | 756,511 | - | 7,632,153 |
| Infrastructure | 11,182,173 | 1,205,163 | - | 12,387,336 |
| Machinery and equipment | 11,965,842 | 1,413,444 | (226,685) | 13,152,601 |
| Total Accumulated Depreciation | 36,278,192 | 3,662,970 | (226,685) | 39,714,477 |
| Net Governmental Assets | 44,198,463 | 541,549 | - | 44,740,012 |
| Business-Type Activities: | | | | |
| Land | 118,729 | 244,930 | - | 363,659 |
| Construction in progress | 3,764,586 | 719,477 | (599,884) | 3,884,179 |
| Depreciated Assets: | | | | |
| Buildings | 6,514,886 | 33,298 | - | 6,548,184 |
| Improvements | 16,978,213 | 7,878 | - | 16,986,091 |
| Infrastructure | 30,470,618 | 705,139 | (282,171) | 30,893,586 |
| Machinery and equipment | 4,385,539 | 26,202 | 690,411 | 5,102,152 |
| Total Capital Assets | 62,232,571 | 1,736,924 | (191,644) | 63,777,851 |
| Less accumulated depreciation: | | | | |
| Buildings | 1,585,551 | 234,814 | - | 1,820,365 |
| Improvements | 12,548,939 | 495,023 | - | 13,043,962 |
| Infrastructure | 8,685,335 | 226,952 | - | 8,912,287 |
| Machinery and equipment | 2,777,872 | 779,472 | (191,644) | 3,365,700 |
| Total Accumulated Depreciation | 25,597,697 | 1,736,261 | (191,644) | 27,142,314 |
| Net Business-Type Assets | 36,634,874 | 663 | - | 36,635,537 |
| Primary Government Net Assets | $ 80,833,337 | $ 542,212 | $ - | $ 81,375,549 |

## NOTE E - Long-Term Liabilities

Constitutional Debt Limit- At December 31, 2017 the total outstanding indebtedness of the City of Kingston aggregated $37,628,559. Of this amount, $24,487,594 was subject to the constitutional debt limit and represented approximately 25% of its limit.

Sources of Repayment - Governmental activities debt will be repaid from the General Fund and business-type debt will be repaid from the applicable enterprise fund. Compensated absences, retirement and OPEB liabilities are paid from the fund responsible for the employee's compensation. Generally all other liabilities are paid from the General Fund.

### 1. Types

#### a. Serial Bonds

The City of Kingston borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of these capital assets. These long-term liabilities, which are backed by the full faith and credit of the City, are recorded in the enterprise funds and government-wide statements.

#### b. Loans Payable

i. NYS Environmental Facilities Corp - The Water Department received $1,183,625 from the Clean Water & Drinking Water Revolving Fund Revenue Bond of 1998 for improvements to its filtration plant. In addition, the Department received $2,545,816 from the 2004 Bond and $571,283 from the 2005 Bond for improvements to the water treatment plant. Interest payments are reduced by subsidies from the state.

ii. NYS Environmental Facilities Corp - The City received $1,552,579 from the Clean Water & Drinking Water Revolving Fund Revenue Bond series 2005B for the Wilbur Avenue Siphon project and pretreatment pump station. Interest payments are reduced by subsidies from the state. The total interest due on these bonds for the current year was reduced by $13,110.

iii. NYS Environmental Facilities Corp - The City received $5,819,243 from the Clean Water & Drinking Water Revolving Fund Revenue Bond series 2011C for sewer improvements. Interest payments are reduced by subsidies from the state. The total interest due on these bonds for the current year was reduced by $77,735.

#### c. Judgments and Claims

As described in Note D.1f. Insurance Claims, the City has prepared an estimate of future loss liabilities based on historical trends and other factors.

#### d. Compensated Absence and Vacation Pay Obligations

The City has prepared an estimate of the value of earned but unused leave time which is payable from future resources.

## NOTE E - Long-Term Liabilities -continued

### 1. Types -continued

#### e. Landfill Costs

State and federal laws and regulations required the City to place a final cover on its landfill site and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The final closure of the landfill took place in 1998. The estimated cost to the City of post-closure care was $2,692,498 at December 31, 2011. This estimate had not been reviewed for several years. Now that the City is half way through the post-closure period, the prior costs were reviewed to determine if the estimate was still appropriate. As a result of this review, the estimated remaining liability was decreased to $566,810 and is reported with other long-term liabilities in the government-wide statement of net assets. Actual costs may vary due to inflation, changes in technology, or changes in regulations.

#### f. Insurance Claims

The City has adopted an insurance program which includes a self-insurance portion. The City is responsible for the payment of the first $50,000 of every claim arising prior to June 1, 1998 and for claims subsequent to that date, the self-insured retention varies on the type of claim, the maximum is $50,000. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. It is estimated that the City's potential liability for claims for the period prior to December 31, 2012 is $300,000 of which $135,804 has been reserved in the general fund.

### 2. Schedule of Notes Payable

The following is a summary of the Bond Anticipation Notes of and Installment Debt of the City as of December 31, 2017:

| Description | Date of Issue | Interest Rate | Balance 12/31/2016 | Issued (Paid) During Year | Renewals/ New Loans | Balance 12/31/2017 | Date of Maturity |
|---|---|---|---|---|---|---|---|
| DUE IN ONE YEAR | | | | | | | |
| Bond Anticipation: | | | | | | | |
| Equipment/Improvement | Nov-16 | 2.00% | $ 5,999,495 | $ - | $ (5,999,495) | $ - | Mar-17 |
| Equipment/Improvement | Nov-17 | 1.50% | - | 1,896,769 | 5,999,495 | 7,896,264 | Mar-18 |
| Sewer Improvements | Nov-16 | 2.00% | 3,608,838 | - | (3,608,838) | - | Nov-17 |
| Sewer Improvements | Nov-17 | 2.00% | - | 175,785 | 3,608,838 | 3,784,623 | Mar-18 |
| Water Improvements | Mar-17 | 2.00% | 1,360,000 | (35,000) | - | 1,325,000 | Mar-18 |
| Total Bond Anticipation | | | 10,968,333 | 2,037,554 | - | 13,005,887 | |
| DUE IN MULTIPLE YEARS | | | | | | | |
| Bond Anticipation: | | | | | | | |
| Water Improvements | Mar-17 | 2.00% | 1,490,754 | 482,959 | - | 1,973,713 | Jul-20 |
| Installment Debt: | | | | | | | |
| Equipment #3 | Nov-05 | 4.49% | 256,906 | (60,059) | - | 196,847 | Nov-20 |
| Wendel Energy | Aug-07 | 3.41% | 1,842,850 | (281,953) | - | 1,560,897 | Aug-22 |
| Water Vehicles | Jun-10 | 5.90% | 99,544 | (36,144) | 141,815 | 205,215 | Jun-17 |
| Total Installment Debt | | | 3,690,054 | 104,803 | 141,815 | 3,936,672 | |
| Total Notes Payable | | | $ 14,658,387 | | | $ 16,942,559 | |

**NOTE E - Long-Term Liabilities -continued**

3. **Changes**

The changes in the City's indebtedness during the year ended December 31, 2017, are summarized as follows:

| | Balance 12/31/2016 | Additions | Reductions | Balance 12/31/2017 | Due in One Year |
|---|---|---|---|---|---|
| Governmental Activities: | | | | | |
| Bonds Payable | $ 9,155,338 | $ - | $ (1,785,683) | $ 7,369,655 | $ 1,666,848 |
| Retirement payable | 1,911,822 | 173,402 | (252,430) | 1,832,794 | - |
| Compensated absences | 2,636,116 | - | (70,775) | 2,565,341 | - |
| Judgements and claims | (9,697) | - | 9,697 | - | - |
| Landfill closure liability | 601,842 | - | (35,032) | 566,810 | - |
| Installment debt | 730,088 | - | (125,767) | 604,321 | 130,498 |
| Share of net pension liability | 11,428,376 | - | (3,845,554) | 7,582,822 | - |
| OPEB liability | 48,697,452 | 7,432,161 | | 56,129,613 | - |
| Total governmental | 75,151,337 | 7,605,563 | (6,105,544) | 76,651,356 | 1,797,346 |
| Business-type Activities: | | | | | |
| Bonds payable | 14,447,662 | - | (1,131,317) | 13,316,345 | 1,075,152 |
| Installment debt | 1,469,213 | 141,815 | (252,390) | 1,358,638 | 330,798 |
| Bond anticipation note payable | 1,490,754 | 482,959 | - | 1,973,713 | - |
| Compensated absences | 512,202 | 9,745 | (35,970) | 485,977 | 33,896 |
| Share of net pension liability | 1,475,181 | - | (606,859) | 868,322 | - |
| OPEB liability | 6,782,548 | 957,839 | - | 7,740,387 | - |
| Other long-term liability | - | 20,301 | - | 20,301 | - |
| Total business-type | 26,177,560 | 1,612,659 | (2,026,536) | 25,763,683 | 1,439,846 |
| Total Long Term Debt | $ 101,328,897 | $ 9,218,222 | $ (8,132,080) | $ 102,415,039 | $ 3,237,192 |

4. **Description**

a. **Serial Bonds**

The City borrows money in order to acquire or construct buildings and public improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are backed by the full faith and credit of the City, are recorded in long-term liabilities. The provision to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of long-term liabilities.

## NOTE E - Long-Term Liabilities -continued

### 7. Description -continued

#### a. Serial Bonds (Cont'd).

The following is a schedule of the City's serial bonds as of December 31, 2017:

| Despcription | Date of Issue/ Maturity | Interest Rate | Total Authorized | Balance 12/31/2016 | Issued (Paid) During Year | Balance 12/31/2017 |
|---|---|---|---|---|---|---|
| **Serial Bonds:** | | | | | | |
| Clean Water Revolving Loan | 3/98 to 6/18 | 3.75% to 5.20% | $ 1,183,625 | $ 130,000 | $ (65,000) | $ 65,000 |
| Clean Water Revolving Loan | 7/04 to 2/25 | 1.99% to 5.025% | 2,545,816 | 1,340,000 | (130,000) | 1,210,000 |
| Clean Water Revolving Loan | 3/05 to 5/25 | 2.10% to 4.405% | 571,283 | 218,000 | (22,000) | 196,000 |
| Clean Water Revolving Loan | 7/05 to 10/24 | 2.059% to 3.969% | 1,552,579 | 690,000 | (80,000) | 610,000 |
| Public Improvement Serial | 4/10 to 4/27 | 2% to 4.25% | 4,815,000 | 2,175,000 | (305,000) | 1,870,000 |
| Refunding Serial Bonds | 5/13 to 2/18 | 2% to 3.6% | 3,110,000 | 1,255,000 | (625,000) | 630,000 |
| Clean Water Revolving Loan | 7/11 to 5/31 | .28% to 4.113% | 5,819,243 | 4,600,000 | (300,000) | 4,300,000 |
| Clean Water Revolving Loan | 11/12 to 11/32 | .285% to 3.483% | 3,552,158 | 2,925,000 | (160,000) | 2,765,000 |
| Refunding Serial Bonds | 8/15 to 8/21 | .285% to 3.483% | 2,675,000 | 2,415,000 | (465,000) | 1,950,000 |
| Public Improvement Serial | 3/15 to 3/35 | .285% to 3.483% | 8,673,407 | 7,855,000 | (765,000) | 7,090,000 |
| | | | | $ 23,603,000 | $ (2,917,000) | $ 20,686,000 |

#### b. Bond Anticipation Notes Payable

Liabilities for bond anticipation notes (BANs) are generally accounted for in the capital projects and enterprise funds. Principal payments must be made annually. State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date.

## NOTE E - Long-Term Liabilities -continued

### 4. Description -continued

#### c. Amortization

The annual requirements needed to amortize bonded debt and installment debt as of December 31, 2017, are as follows:

| | Governmental Activities | | Business-type Activities | | | |
|---|---|---|---|---|---|---|
| | | | Sewer Fund | | Water Fund | |
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2018 | $ 1,666,848 | $ 198,041 | $ 623,396 | $ 274,438 | $ 451,756 | $ 169,336 |
| 2019 | 742,848 | 163,153 | 622,396 | 256,156 | 391,756 | 156,978 |
| 2020 | 601,143 | 142,128 | 659,095 | 235,782 | 396,762 | 144,984 |
| 2021 | 611,143 | 124,671 | 659,095 | 213,790 | 410,762 | 132,152 |
| 2022 | 572,236 | 108,314 | 672,764 | 192,622 | 416,000 | 118,397 |
| 2023-2027 | 2,026,437 | 342,475 | 2,783,563 | 633,348 | 1,823,000 | 371,374 |
| 2028-2032 | 738,000 | 122,713 | 1,713,000 | 188,697 | 1,304,000 | 122,499 |
| 2033-2036 | 411,000 | 21,255 | 283,000 | 14,601 | 106,000 | 5,491 |
| | $ 7,369,655 | $ 1,222,750 | $ 8,016,309 | $ 2,009,434 | $ 5,300,036 | $ 1,221,211 |

#### d. Advance Refunding of Public Improvement Debt

In May 2005, the City issued $3,335,000 in serial bonds, and in July 2006, issued $4,116,824 in serial bonds through the Depository Trust Company. The proceeds were used to fund public improvements in the City, with $4,981,824 allocated to General Fund, $2,395,000 allocated for Sewer purposes, and $75,000 allocated for Water purposes. The net proceeds of the 2015 refunding, $2,932,469, after payment of $70,850 in underwriting and other issuance costs, were used to purchase state and local securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded debt. As of August 19, 2015, the escrow funds were deposited to pay the refunded debt of $2,810,000. The outstanding principal balance on the refunding debt totaled $1,950,000 at December 31, 2017, with an average interest rate of 4.30%.

## NOTE F - Commitments and Contingencies

### 1. Litigation

There are several pending and/or threatened claims against the City for personal injury and/or property damages. In the opinion of counsel most of these claims are either fully insured or their settlement will not have a material effect on the financial statements. Also, several property owners within the City have filed certiorari claims for reductions in assessed valuations. In the opinion of counsel, the results of these proceedings cannot be determined at this time.

### 2. Grant Programs

The City participates in a number of grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The audits of these programs may be conducted, in accordance with grantor requirements, on a periodic basis. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amounts, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City believes, based upon its review of current activity and prior experience, the amount of such disallowances, if any, will be minimal.

### 3. Authorized Debt

In addition to the debt shown above, $9,607,930 had been authorized but was unissued at December 31, 2017.

### 4. Capital Projects

The Water Department and City of Kingston other than the Water Department have prepared four and five-year capital plans. The current estimated total cost of projects contemplated for the next five years is $28,164,964 for the Water Department and $24,633,428 for the City other than the Water Dept. These projects are prioritized based on criteria, the highest of which is that the project is legally mandated. Unfortunately, only a portion of these projects will be undertaken due to limitations on funding sources, which include a combination of budget appropriations, grants and borrowing.

## NOTE G – Jointly Governed Organization

The City of Kingston and Kingston City School District have undertaken the joint operation and maintenance of Dietz Stadium, a recreational facility, through the Dietz Stadium Commission. The Mayor appoints three members of the seven-member board. This activity is excluded from the financial statements of all participating municipalities. The City has no equity interest in the Commission. All expenses are shared equally by the parties. The City records these expenses in the General Fund.

## NOTE H – Lease Agreements

In August 2005, the City entered into an agreement with Aslan Environmental Services to implement and manage a process for converting sludge into bio-solid pellets with equipment provided by Aslan. The initial term of the agreement was for 10 years; however, it was later increased to 15 years. Currently, the City is in litigation with Aslan. $-0- was paid in 2017. The City has tentatively reached an agreement in 2018. The City has been processing their sludge with outside agencies, primarily Ulster County Resource Recovery Agency (UCRRA).

## NOTE I – Tax Abatement

The City has the following real property tax abatements that provide exemptions for 2017 based on the original payment in lieu of tax agreement. Details related to the abatements for 2017 are as shown below:

| Start Date | Agreement | Total Assessed Value | 2017 City Tax Rate (Excludes County, Special Districts, and School) | 2017 City Tax Value Without Exemptions (Excludes County, Special Districts, and School)** | City Pilot and Tax Received For 2017 | City Taxes Abated For 2017 | Potentially Eligible for RPTL 581a Valuation* |
|---|---|---|---|---|---|---|---|
| 2008 | 346 Washington Avenue, LLC | $2,512,000 | $ 18.127855 | $ 45,537.17 | $ 34,204.48 | $ 11,332.69 | No |
| 2014 | EA Flathbush, LLC | $1,600,000 | $ 18.127855 | $ 29,004.57 | $ 22,440.20 | $ 6,564.37 | No |
| 2015 | Golden Hill Acquisition LLC | $7,815,000 | $ 18.127855 | $ 141,669.19 | $ 49,051.06 | $ 92,618.13 | No |
| 2005 | Benedictine Hospital | $2,047,000 | $ 18.127855 | $ 37,107.72 | $ 15,195.61 | $ 21,912.11 | No |
| 2009 | MHVFCU - Kingston | $1,277,000 | $ 18.127855 | $ 23,149.27 | $ 14,813.18 | $ 8,336.09 | No |
| 2014 | JBT Holdings LLC | $2,600,000 | $ 18.127855 | $ 47,132.42 | $ 26,468.78 | $ 20,663.64 | No |
| 2015 | Lace Mill Limited Partnership | $4,125,000 | $ 18.127855 | $ 74,777.40 | $ 18,311.70 | $ 56,465.70 | Yes |
| 2006 | Kingston Property Associates (Springbrook Village) | $6,870,000 | $ 18.127855 | $ 124,538.36 | $ 117,466.00 | $ 7,072.36 | Yes |
| 1961 | Rondout Gardens | $6,261,000 | $ 18.127855 | $ 113,498.50 | $ 5,264.13 | $ 108,234.37 | Yes |
| 2008 | Anderson Center (Valentine Ct) | $ 321,000 | $ 18.127855 | $ - | $ 3,019.76 | $ (3,019.76) | No |
| 2002 | Brigham Senior Housing LP | $1,202,000 | $ 18.127855 | $ 21,789.68 | $ 20,730.36 | $ 1,059.32 | Yes |
| 2015 | Birchwood Village LP | $4,061,000 | $ 18.127855 | $ 73,617.22 | $ 12,651.72 | $ 60,965.50 | Yes |

* The amount listed in the "City Taxes Abated For 2017" column is based upon market value assessments. These figures would be significantly lower if eligible properties were valued using RPTL 581a valuation methodology.

** Valentine Court property is owned by a Non-Profit entity eligible and receiving full tax exemption under RPTL 420 (wholly exempt).

## NOTE J – New Reporting Standards

GASB has issued Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, which improves accounting and financial reporting by state and local governments for postemployment benefits other than pensions. It also improves the information provided by state and local governmental employers about support for OPEB that is provided by other entities. The City is currently studying the Statement and plans on adopting if and when required, which will be for the December 31, 2018 financial statements.

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations* (GASB 83). GASB 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of GASB 83 are effective for reporting periods beginning after June 15, 2018. The City has not evaluated the effect of GASB 83 on its financial statements.

In January of 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The City is required to implement this standard for the year ended December 31, 2019.

**NOTE J – New Reporting Standards - continued**

In March 2017, GASB issued Statement 85, *Omnibus 2017*. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The City is required to implement this standard for the year ending December 31, 2018.

In June 2017, GASB issued Statement 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. GASB 87 is effective for fiscal year 2020. The City has not evaluated the effect of GASB 87 on its financial statements.

**NOTE J – New Reporting Standards - continued**

In March 2018, GASB issued Statement 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. GASB 88 is effective for fiscal year 2019. The City has not evaluated the effect of GASB 88 on its financial statements.

The GASB has also issued Statements 86, 89, and 90. None of these statements are expected to have a substantive effect on the City's financial reporting.

**NOTE K – Prior Period Adjustment**

The following prior period adjustment was recorded to properly state fund balance and net position as of December 31, 2016:

| Location | Amount | Reason | Effect |
|---|---|---|---|
| Debt Service | $ 19,476 | To correct amount erroneously included in fund balance calculation in prior year | Decrease of opening fund balance |

## NOTE L – Subsequent Events

On March 22, 2018, the City renewed a bond anticipation note for $2,300,000 at 2.50%. The note was for various capital improvements and equipment purchases for the Water Department.

The City issued $11,930,000 in new serial bonds in 2018 at a rate of 3.024%. The proceeds will be used for public improvement purposes.

**REQUIRED SUPPLEMENTARY INFORMATION**

EXHIBIT I

**CITY OF KINGSTON, NEW YORK**
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**
**BUDGET AND ACTUAL - GENERAL FUND**
**FOR THE YEAR ENDED DECEMBER 31, 2017**

| | GENERAL FUND | | | |
|---|---|---|---|---|
| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
| **REVENUES** | | | | |
| Real property taxes | $ 17,685,192 | $ 18,168,172 | $ 18,168,172 | $ - |
| Other property tax items | 908,000 | 908,000 | 960,495 | 52,495 |
| Non property tax items | 13,455,000 | 13,455,000 | 13,977,330 | 522,330 |
| Departmental income | 2,009,784 | 2,020,356 | 1,875,820 | (144,536) |
| Intergovernmental charges | 115,000 | 94,770 | 80,791 | (13,979) |
| Use of money and property | 29,000 | 29,000 | 49,536 | 20,536 |
| Licenses and permits | 426,450 | 426,450 | 577,757 | 151,307 |
| Fines and forfeitures | 235,000 | 235,000 | 265,238 | 30,238 |
| Sale of property and compensation for loss | 71,500 | 161,704 | 137,588 | (24,116) |
| Miscellaneous local sources | 1,343,335 | 1,460,515 | 1,135,041 | (325,474) |
| State aid | 3,897,023 | 4,358,074 | 4,060,471 | (297,603) |
| Federal aid | 517,500 | 517,500 | 622,688 | 105,188 |
| **Total revenues** | 40,692,784 | 41,834,541 | 41,910,927 | 76,386 |
| **EXPENDITURES AND ENCUMBRANCES** | | | | |
| General Government Support | 6,254,923 | 6,686,703 | 5,734,640 | 952,063 |
| Public safety | 20,081,619 | 20,606,432 | 19,396,090 | 1,210,342 |
| Health | 93,502 | 89,581 | 87,740 | 1,841 |
| Transportation | 3,422,432 | 3,320,120 | 3,109,850 | 210,270 |
| Economic assistance & opportunity | 269,086 | 319,292 | 259,696 | 59,596 |
| Culture and recreation | 2,152,012 | 2,444,620 | 2,205,521 | 239,099 |
| Home and community service | 3,399,260 | 3,414,086 | 3,292,696 | 121,390 |
| Employee benefits, retirees | 3,165,124 | 3,034,235 | 2,981,990 | 52,245 |
| Debt Service: | | | | |
| Principal | 558,206 | 999,647 | 998,182 | 1,465 |
| Interest | 96,798 | 90,157 | 90,155 | 2 |
| **Total expenditures and encumbrances** | 39,492,962 | 41,004,873 | 38,156,560 | 2,848,313 |
| **Excess of revenues over (under) expenditures and encumbrances** | 1,199,822 | 829,668 | 3,754,367 | 2,924,699 |
| **Other financing sources (uses):** | | | | |
| Operating transfers in | - | - | - | - |
| Operating transfers out | (1,974,822) | (1,433,382) | (1,958,822) | (525,440) |
| **Total other financing sources** | (1,974,822) | (1,433,382) | (1,958,822) | (525,440) |
| **Net change in fund balance** | (775,000) | (603,714) | 1,795,545 | 2,399,259 |
| Appropriated fund balance, unassigned | 775,000 | - | - | - |
| **Total** | $ - | $ (603,714) | $ 1,795,545 | $ 2,399,259 |

**CITY OF KINGSTON, NEW YORK**
**SCHEDULE OF FUNDING PROGRESS**
**OTHER POST-EMPLOYMENT BENEFITS**
**DECEMBER 31, 2017**

**EXHIBIT II**

| | Year | Annual OPEB Cost | Annual OPEB Cost Contributed | Net OPEB Obligation | Unfunded Actuarial Liability | Funded Ratio | Covered Payroll | UAAL as % of Payroll |
|---|---|---|---|---|---|---|---|---|
| * | 2017 | $ 11,650,000 | 28% | $ 63,870,000 | $ 145,840,000 | 0% | $ 19,650,000 | 742% |
| * | 2016 | 11,380,000 | 27% | 55,480,000 | 138,530,000 | 0% | 19,710,000 | 703% |
| * | 2015 | 9,150,000 | 32% | 47,200,000 | 121,140,000 | 0% | 18,490,000 | 655% |

* Includes Water Fund portion of OPEB liability

**CITY OF KINGSTON, NEW YORK**
**SCHEDULE OF THE PROPORTIONATE SHARE**
**OF THE NET PENSION LIABILITY**
**DECEMBER 31, 2017**

**EXHIBIT III**

NYSLRS Pension Plan
Last 10 Fiscal Years*

| | Employees' Retirement System March 31, 2017 | Police and Fire Retirement System March 31, 2017 | Employees' Retirement System March 31, 2016 | Police and Fire Retirement System March 31, 2016 | Employees' Retirement System March 31, 2015 | Police and Fire Retirement System March 31, 2015 |
|---|---|---|---|---|---|---|
| City's proportion of the net pension liability (asset) | 0.0311000% | 0.2674175% | 0.0308454% | 0.2691796% | 0.0310462% | 0.2604413% |
| City's proportionate share of the net pension liability (asset) | $ 2,922,228 | $ 5,542,633 | $ 4,950,767 | $ 7,969,833 | $ 1,045,219 | $ 716,890 |
| City's covered-employee payroll | $ 8,625,019 | $ 11,289,209 | $ 9,085,750 | $ 10,826,434 | $ 8,805,830 | $ 10,492,852 |
| City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 33.88% | 49.10% | 54.49% | 73.61% | 11.87% | 6.83% |
| Plan fiduciary net position as a percentage of the total pension liability | 94.70% | 93.46% | 90.70% | 90.24% | 97.95% | 99.03% |

*The amounts presented for each fiscal year were determined as of the System's measurement date.

This schedule is presented to illustrate the requirement to show information for 10 years.
However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

**CITY OF KINGSTON, NEW YORK** **EXHIBIT IV**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

**DECEMBER 31, 2017**

NYSLRS Pension Plan
Last 10 Fiscal Years*

| | Employees' Retirement System March 31, 2017 | Police and Fire Retirement System March 31, 2017 | Employees' Retirement System March 31, 2016 | Police and Fire Retirement System March 31, 2016 | Employees' Retirement System March 31, 2015 | Police and Fire Retirement System March 31, 2015 |
|---|---|---|---|---|---|---|
| Contractually required contribution | $ 1,569,587 | $ 2,704,015 | $ 1,831,262 | $ 2,934,394 | $ 979,145 | $ 1,650,841 |
| Contributions in relation to the contractually required contribution | 1,322,993 | 2,367,522 | 1,509,733 | 2,205,484 | 1,668,827 | 2,287,767 |
| Contribution (deficiency)/excess | $ (246,594) | $ (336,493) | $ (321,529) | $ (728,910) | $ 689,682 | $ 636,926 |
| City's covered-employee payroll | $ 8,625,019 | $ 11,289,209 | $ 9,085,750 | $ 10,826,434 | $ 8,805,830 | $ 10,492,852 |
| Contributions as a percentage of covered-employee payroll | 15.34% | 20.97% | 16.62% | 20.37% | 18.95% | 21.80% |

*The amounts presented for each fiscal year were determined as of the System's measurement date.

This schedule is presented to illustrate the requirement to show information for 10 years.
However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

LIMITED LIABILITY PARTNERSHIP
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Mayor and
Members of the Common Council
City of Kingston
Kingston, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Kingston, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City of Kingston's basic financial statements, and have issued our report thereon dated September 26, 2018. Our report includes a reference to other auditors who audited the financial statements of the City's Water Fund, as described in our report on the City of Kingston, New York's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting and on compliance and other matters that are reported separately by these auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Kingston, New York's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Kingston, New York's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Kingston, New York's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness in internal control, yet important enough to merit attention by those charged with governance.

rbtcpas.com

11 Racquet Road
Newburgh, NY 12550
T: (845) 567-9000
F: (845) 567-9228

2678 South Road, Suite 101
Poughkeepsie, NY 12601
T: (845) 485-5510
F: (845) 485-5547

P.O. Box 209
51 Sullivan Street
Wurtsboro, NY 12790
T: (845) 888-5656
F: (845) 888-2789

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit, we did not identify any deficiency in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Kingston, New York's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Kingston, New York's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Kingston, New York's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*RBT CPAs, LLP*

Poughkeepsie, New York
September 26, 2018

RBT
LIMITED LIABILITY PARTNERSHIP
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE**

To the Mayor and
Members of the Common Council
City of Kingston
Kingston, New York

**Report on Compliance for Each Major Federal Program**

We have audited the City of Kingston, New York's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Kingston's major federal programs for the year ended December 31, 2017. The City of Kingston's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the City of Kingston, New York's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations,* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Kingston, New York's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

rbtcpas.com

11 Racquet Road
Newburgh, NY 12550
T: (845) 567-9000
F: (845) 567-9228

2678 South Road, Suite 101
Poughkeepsie, NY 12601
T: (845) 485-5510
F: (845) 485-5547

P.O. Box 209
51 Sullivan Street
Wurtsboro, NY 12790
T: (845) 888-5656
F: (845) 888-2789

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the City of Kingston, New York's compliance.

**Opinion on Each Major Federal Program**

In our opinion, City of Kingston, New York complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2017.

**Report on Internal Control Over Compliance**

Management of the City of Kingston, New York is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Kingston, New York's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Kingston, New York's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*RBT CPAs, LLP*

Poughkeepsie, New York
September 26, 2018

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND CONTROLS OVER STATE TRANSPORTATION ASSISTANCE EXPENDED BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Mayor
and Members of the Common Council
City of Kingston
Kingston, New York

**Report on Compliance for State Transportation Assistance Programs**

We have audited the City of Kingston, New York's compliance with the types of compliance requirements described in the preliminary Title 17, Part 43 of the New York State Codification of Rules and Regulations (NYCRR) that could have a direct and material effect on each of City of Kingston, New York's state transportation assistance programs that were tested for the year ended December 31, 2017. The programs tested are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state transportation assistance programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for the City of Kingston, New York's state transportation assistance programs tested based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and Title 17, Part 43 of NYCRR. Those standards and Title 17, Part 43 of NYCRR require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a tested state transportation assistance program occurred. An audit includes examining, on a test basis, evidence about the City of Kingston, New York's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each state transportation assistance program that was tested. However, our audit does not provide a legal determination on the City of Kingston, New York's compliance.



11 Racquet Road
Newburgh, NY 12550
T: (845) 567-9000
F: (845) 567-9228

2678 South Road, Suite 101
Poughkeepsie, NY 12601
T: (845) 485-5510
F: (845) 485-5547

P.O. Box 209
51 Sullivan Street
Wurtsboro, NY 12790
T: (845) 888-5656
F: (845) 888-2789

**Opinion on State Transportation Assistance Program**

In our opinion, the City of Kingston, New York, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its state transportation assistance programs tested for the year ended December 31, 2017.

**Report on Internal Control Over Compliance**

The management of the City of Kingston, New York is responsible for establishing and maintaining effective internal control over compliance with the compliance requirement of laws, regulations, contracts, and grants applicable to the state transportation assistance programs tested. In planning and performing our audit of compliance, we considered the City of Kingston, New York's internal control over compliance with the types of requirements that could have a direct and material effect on the state transportation assistance programs that were tested in order to determine the auditing procedures are appropriate in the circumstances for the purpose of expressing an opinion on internal control over compliance in accordance with Title 17, Part 43 of NYCRR, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Kingston, New York's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state transportation assistance program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state transportation assistance program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the preliminary Draft Part 43 of NYCRR. Accordingly, this report is not suitable for any other purpose.

*RBT CPAs, LLP*

Poughkeepsie, New York
September 26, 2018

## OTHER SUPPLEMENTARY INFORMATION

**CITY OF KINGSTON**
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**
**DECEMBER 31, 2017**

**Financial Statement Findings:**

No matters were reported.

**Findings and Questioned Costs for Federal Awards:**

No matters were reported.

**CITY OF KINGSTON, NEW YORK**
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**
**AND SELECTED STATE AWARDS**
**DECEMBER 31, 2017**

| Grantor/ Program Title | Federal CFDA Number | Pass-Through Entity Identifying Number/NYSDOT Contract/ Reference Number | Provided to Subrecipients | Total Federal/State Expenditures |
|---|---|---|---|---|
| **US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT** | | | | |
| DIRECT PROGRAMS: | | | | |
| Community Development Block Grants/Entitlement Grants Cluster | | | | |
| * Community Development Block Grants/Entitlement Grants | 14.218 | N/A | $ 206,969 | $ 929,763 |
| PASSED THROUGH NYS HOUSING TRUST FUND CORP.: | | | | |
| * Home Investment Partnerships Program | 14.239 | SHARS ID 20113154 | 213,013 | 213,013 |
| **US DEPARTMENT OF TRANSPORTATION** | | | | |
| DIRECT PROGRAMS: | | | | |
| Federal Transit Formula Grants Cluster | | | | |
| * Federal Transit Formula Grants | 20.507 | N/A | - | 505,000 |
| PASSED THROUGH NEW YORK STATE: | | | | |
| Highway Planning & Construction Cluster | | | | |
| Highway Planning & Construction | 20.205 | N/A | - | 1,583,991 |
| **US DEPARTMENT OF HOMELAND SECURITY** | | | | |
| PASSED THROUGH NEW YORK STATE DHSES: | | | | |
| Homeland Security Grant Program | 97.067 | 3972701 | - | 48,564 |
| **ENVIRONMENTAL PROTECTION AGENCY** | | | | |
| PASSED THROUGH NEW YORK STATE | | | | |
| Drinking Water State Revolving Fund Cluster | | | | |
| Capitalization Grants for Drinking Water State Revolving Funds | 66.468 | 18147-75 | - | 801,642 |
| TOTAL FEDERAL AWARDS EXPENDED | | | $ 419,982 | $ 4,081,973 |

| | | |
|---|---|---|
| **STATE TRANSPORTATION ASSISTANCE** | | |
| New York State Department of Transportation: | | |
| ** CHIPS - Capital Reimbursement Component | N/A | $ 602,113 |
| State Transit Op Assistance - Sponsor Operated | N/A | 23,125 |
| State Formula Grant -5307 | NY-90-X769 | 217,104 |
| Marchiselli Match - Federal Highway Projects | 8756.18.121 | 221,892 |
| TOTAL STATE TRANSPORTATION ASSISTANCE EXPENDITURES | | $ 1,064,234 |

* A major program

** State transportation program tested

N/A - Passthrough entity identifying number not applicable or not available.

**CITY OF KINGSTON, NEW YORK**
**NOTES TO SCHEDULE OF EXPENDITURES OF**
**FEDERAL AND SELECTED STATE AWARDS**
**DECEMBER 31, 2017**

## NOTE 1 – Basis of Presentation

The accompanying schedule of expenditures of federal and selected state awards includes the federal award activity of the City of Kingston, New York under programs of the federal government and financial assistance programs provided by the NYS Department of Transportation for the year ended December 31, 2017. See individual financial statements for reporting on component units. The information in this schedule is presented in accordance with the requirements of Title 2, U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Kingston, New York, it is not intended to and does not present the financial position, changes in fund balance, or cash flows of the City of Kingston, New York.

## NOTE 2 – Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

## NOTE 3 - Indirect Cost Rate

The City of Kingston, New York has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

## NOTE 4 – Subrecipients

The following is a summary of subrecipient activity for 2017:

| Program Title | CDFA Number | Amount Provided to Subrecipients |
|---|---|---|
| Community Development Block Grants/Entitlement Grants | 14.218 | $ 206,969 |
| Home Investment Partnerships Program | 14.239 | 213,013 |

In addition, the City of Kingston has designated the Kingston Local Development Corporation (KLDC) as its subrecipient for purposes of the RUD 108 Loan program. See KLDC financial statement for details on outstanding 108 loans.

## NOTE 5 – Change in Reporting Year

The Community Development Agency of the City has changed their reporting period, from a June 30 fiscal year end, to a December 31 fiscal year end effective in 2017. The activity from July 1, 2016 through December 31, 2017 is reflected in the Schedule of Expenditures of Federal Awards for the Community Block Grant Development program and the Home Investment Partnerships Program.

**NOTE 6 - Reconciliation to Financial Statements**

The federal expenditures presented in the Schedule of Expenditures of Federal Awards reconcile to the Federal revenue reported in the Statement of Revenues, Expenditures and Changes in Fund Balance as follows:

| | |
|---|---|
| Federal expenditures as reported in the SEFA | $ 4,081,973 |
| Reconciling items: | |
| Amounts not recognized until payment to be received, period of reimbursement not determinable | (767,008) |
| Federal Aid revenue | 3,314,965 |
| State Aid revenue | 5,029,472 |
| State and Federal aid as reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances | $ 8,344,437 |

**CITY OF KINGSTON, NEW YORK**
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**
**DECEMBER 31, 2017**

**SECTION I - SUMMARY OF AUDITORS' RESULTS**

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

| | | | | |
|---|---|---|---|---|
| Material weakness(es) identified? | | Yes | X | No |
| Significant deficiency(s) identified? | | Yes | X | None reported |
| Noncompliance material to the financial statements noted? | | Yes | X | No |

Federal Awards

Internal control over major programs:

| | | | | |
|---|---|---|---|---|
| Material weakness(es) identified? | | Yes | X | No |
| Significant deficiency(s) identified? | | Yes | X | None reported |

Type of auditors' report issued on compliance for major programs: Unmodified

| | | | | |
|---|---|---|---|---|
| Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? | | Yes | X | No |

Identification of major programs:

| CFDA/Grant Numbers | Name of Federal Program or Cluster |
|---|---|
| 20.507 | Federal Transit Formula Grant |
| 14.218 | Community Development Block Grants/Entitlement Grants |
| 14.239 | Home Investment Partnerships Program |

Dollar threshold to distinguish between type A and type B programs $ 750,000

| | | | | |
|---|---|---|---|---|
| Auditee qualified as low-risk auditee | | Yes | X | No |

State Transportation Assistance

Internal control over financial reporting:

| | | | | |
|---|---|---|---|---|
| Material weakness(es) identified? | | Yes | X | No |
| Significant deficiency(s) identified? | | Yes | X | None reported |

Type of auditors' report issued on compliance for programs tested: Unmodified

Summary of audit findings: None

Identification of state transportation programs tested: CHIPS - Capital Reimbursement Component

**SECTION II - FINANCIAL STATEMENT FINDINGS**

No matters were reported

**SECTION III - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AND SELECTED STATE AWARDS** 111

No matters were reported