PRELIMINARY OFFICIAL STATEMENT DATED JULY 15, 2026

RENEWAL ISSUE **RATINGS: See "RATINGS" herein**
BOND ANTICIPATION NOTES

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the City, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Note is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, in the opinion of Bond Counsel to the City, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York. See "Tax Matters" herein.

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

CITY OF NEWBURGH
ORANGE COUNTY, NEW YORK

$8,835,000
BOND ANTICIPATION NOTES – 2026 SERIES A
(the "Notes")

Date of Issue: August 6, 2026 **Maturity Date: August 6, 2027**
(subject to optional redemption)

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

The Notes are dated the Date of Issue and bear interest from that date until the Maturity Date, at the annual rate(s) as specified by the purchaser(s) of the Notes. The Notes will be subject to optional redemption prior to maturity as described herein. (See "*Optional Redemption*" herein.)

The Notes will be issued in registered form and, at the option of the purchaser(s), the Notes will be (i) registered in the name of the successful bidder or (ii) registered to Cede & Co., as the partnership nominee for The Depository Trust Company ("DTC") as book-entry notes.

If the Notes are registered in the name of the successful bidder, a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable in Federal Funds by TD Bank, Newburgh, New York, as Paying Agent for the City (the "Paying Agent"), at such bank or trust company located and authorized to do business in the State of New York as selected by the successful bidder.

DTC will act as Securities Depository for those Notes issued as book-entry notes. Individual purchases of such Notes may be made in book-entry form only, in principal amounts of $5,000 or integral multiples thereof. Purchasers will not receive certificates representing their ownership interests in said Notes issued as book-entry notes. Principal of and interest on such Notes will be paid by the Paying Agent to DTC, which will in turn remit such principal and interest to its Participants for subsequent distribution to the Beneficial Owners of the Notes. The City will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See "*Description of Book-Entry System*" herein.)

Capital Markets Advisors, LLC has served as the Municipal Advisor to the City in connection with the issuance of the Notes.

The Notes are offered when, as and if issued and received by the purchaser(s) and subject to the receipt of the final approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel. It is anticipated that the Notes will be available for delivery through the offices of DTC or as otherwise agreed upon by the purchaser(s) and the City on or about the Date of Issue.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE CITY FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"). FOR A DESCRIPTION OF THE CITY'S AGREEMENT TO PROVIDE CONTINUING DISCLOSURE FOR THE NOTES AS DESCRIBED IN THE RULE, SEE "DISCLOSURE UNDERTAKINGS" HEREIN.

Dated: July __, 2026

____
* Preliminary, subject to change.

CITY OF NEWBURGH
ORANGE COUNTY, NEW YORK

CITY COUNCIL

Torrance Harvey .... Mayor

Giselle Martinez .... Councilmember

Ramona Monteverde .... Councilmember

Tamika E. Stewart .... Councilmember

Ronald Zorrilla .... Councilmember

Robert McLymore, Sr. .... Councilmember

Omari Shakur .... Councilmember

Jason Morris, P.E. .... Interim City Manager, Commissioner of Finance and Public Works and City Engineer

Nancy Bloom .... City Comptroller

Vickiana DeMora .... City Collector

Katrina Cotten .... City Clerk

Michelle Kelson, Esq. .... Corporation Counsel

INDEPENDENT AUDITOR
PKF O'Connor Davies, LLP
Harrison, New York

BOND COUNSEL
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New York, New York

MUNICIPAL ADVISOR

CMA
CapitalMarketsAdvisors,LLC

Capital Markets Advisors, LLC
Long Island * Western New York
(516) 487-9817

No dealer, broker, salesperson or other person has been authorized by the City of Newburgh to give any information or to make any representation other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer, solicitation or sale. The information estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City of Newburgh since the date hereof.

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APPENDIX A

OFFICIAL STATEMENT

CITY OF NEWBURGH
ORANGE COUNTY, NEW YORK

relating to

$8,835,000
BOND ANTICIPATION NOTES – 2026 SERIES A

This Official Statement, which includes the cover page and appendices attached hereto, presents certain information relating to the City of Newburgh, in Orange County, in the State of New York (the "City," "County," and "State," respectively), in connection with the sale of $8,835,000 Bond Anticipation Notes – 2026 Series A (the "Notes").

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

Statements in this Official Statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the City management's beliefs as well as assumptions made by, and information currently available to, the City's management and staff.

INTRODUCTION – REPEAL OF THE ACT

The New York State Legislature had enacted Chapter 223 of the Laws of 2010, as amended by Chapter 350 of the Laws of 2011 (the "Act"), which authorized the City to finance projected deficits in the General Fund, Special Revenue Fund and Capital Project Fund of the City at the close of the fiscal year ended December 31, 2010. The City issued deficit bonds pursuant to the Act in 2012. The final maturity date of such deficit bonds was June 15, 2025.

The Act provided purchasers of the City's debt obligations with special enforcement rights and remedies not usually afforded to the holders of general obligation debt of most other municipalities in the State.

The debt obligations of the City were entitled to certain benefits of the provisions of the Act, including certain rights of the State Comptroller and City noteholders to require the City to carry out any of its obligations under the Act or enjoin any acts or things which may be unlawful or in violation of the obligations imposed on the City under the Act. Pursuant to the Act, the State Comptroller had specific monitoring and enforcement functions. However, the Act was deemed repealed on August 30, 2025 and as a result, the debt obligations of the City, including the Notes, do not benefit from the special rights and remedies that were afforded to bondholders and noteholders under the Act.

Further, the Special Debt Service Fund established by the City pursuant to the Act for the purpose of paying Special Debt Service was discontinued on August 30, 2025 and the remaining balance in the Special Debt Service Fund on such date was paid by the State Comptroller to the City Comptroller for use by the City in the manner provided by law. Following the repeal of the Act, debt service on the City's debt obligations, including the Notes, is no longer payable from the Special Debt Service Fund which was discontinued. (See "*Nature of Obligation*" herein.)

THE NOTES

Description

The Notes will be dated and will mature on the dates as reflected on the cover page hereof. The Notes will be subject to optional redemption prior to maturity as described herein. (See "*Optional Redemption*" herein.) Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

Principal of and interest on the Notes will be paid by TD Bank, Newburgh, New York, as Paying Agent for the City (the "Paying Agent") to DTC, which will in turn remit such principal and interest to its Participants for subsequent distribution to the Beneficial Owners of the Notes (see "*Description of Book-Entry System*" herein).

Authority for and Purpose of the Notes

The Notes are issued pursuant to the Constitution and statutes of the State, including among others, the Local Finance Law and the Act, and a bond resolution duly adopted by the City Council on November 8, 2021 and amended on July 11, 2022, authorizing the issuance of up to $31,394,650 bonds or notes to finance the Long Term Control Plan Phase III North Interceptor Improvements Project in the City. The proceeds from the sale of the Notes, together with $85,000 in available funds, will be used to redeem the City's $8,920,000 Bond Anticipation Notes – 2025 Series B in full at maturity on August 7, 2026. It is expected that the Notes will be redeemed with grant funds anticipated to be received by the City.

Optional Redemption

The Notes will be subject to redemption prior to maturity, at the option of the City, on any date on or after December 7, 2026, in whole or in part, and if in part selected by lot, at the redemption price equal to par, plus accrued interest to the date of redemption.

The City may select the amount of Series B Notes to be redeemed, as the City shall determine to be in the best interest of the City at the time of such redemption. If less than all of the Notes are to be redeemed prior to maturity, the particular Notes to be redeemed shall be selected by the City by lot in any customary manner of selection as determined by the City. Notice of such call for redemption shall be given by mailing such notice to the registered owner not less than twenty (20) days nor more than thirty (30) days prior to such date. Notice of redemption having been given as aforesaid, the Notes, or a part thereof so called for redemption shall, on the date of redemption set forth in such call for redemption, become due and payable, together with accrued interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

Nature of Obligation

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

The Notes will be general obligations of the City and will contain a pledge of the faith and credit of the City for the payment of the principal thereof and the interest thereon. For the payment of such principal of and interest on the Notes, the City has the power and statutory authorization to levy ad valorem taxes on all taxable real property in the City, subject to certain statutory limitations imposed by the Tax Levy Limit Law. (See "*Tax Levy Limit Law*" herein.)

Under the Constitution of the State, the City is required to pledge its faith and credit for the payment of the principal of and interest on the Notes, and the State is specifically precluded from restricting the power of the City to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limit Law imposes a statutory limitation on the City's power to increase its annual tax levy. As a result, the power of the City to levy real estate taxes on all the taxable real property within the City is subject to statutory limitations set forth in Tax Levy Limit Law, unless the City complies with certain procedural requirements to permit the City to levy certain year-to-year increases in real property taxes. (See "*Tax Levy Limit Law*" herein.)

Description of Book-Entry-Only System

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

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

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

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

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

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

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

Payment of redemption proceeds and principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

Source: The Depository Trust Company

THE INFORMATION CONTAINED IN THE ABOVE SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SAMPLE OFFERING DOCUMENT LANGUAGE SUPPLIED BY DTC, BUT THE CITY TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF. IN ADDITION, THE CITY WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO: (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY PARTICIPANT OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENTS BY DTC OR ANY PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, OR PREMIUM, IF ANY, OR INTEREST ON THE NOTES OR (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO NOTEOWNERS.

THE CITY CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE NOTES (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE CITY WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM ON THE NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR

PERMITTED TO BE GIVEN TO OWNERS; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE NOTES.

REMEDIES UPON DEFAULT

Neither the Notes, nor the proceedings with respect thereto, specifically provide any remedies which would be available to owners of the Notes should the City default in the payment of principal of or interest on the Notes, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the owners of the Notes upon the occurrence of any such default. The Notes are general obligation contracts between the City and the owners for which the faith and credit of the City are pledged and while remedies for enforcement of payment are not expressly included in the City's contract with such owners, any permanent repeal by statute or constitutional amendment of a bondholder's and/or noteholder's remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional.

Upon default in the payment of principal of or interest on the Notes at the suit of the owner, a Court has the power, in proper and appropriate proceedings, to render judgment against the City. The present statute limits interest on the amount adjudged due to contract creditors to nine per centum per annum from the date due to the date of payment. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment. A Court also has the power, in proper and appropriate proceedings, to order payment of a judgment on such bonds or notes from funds lawfully available therefor or, in the absence thereof, to order the City to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising its discretion as to whether to issue such an order, the Court may take into account all relevant factors, including the current operating needs of the City and the availability and adequacy of other remedies. Upon any default in the payment of the principal of or interest on the Notes, the owners of such Notes could, among other remedies, seek to obtain a writ of mandamus from a Court ordering the governing body of the City to assess, levy and collect an ad valorem tax, upon all taxable property of the City subject to taxation by the City sufficient to pay the principal of and interest on the Notes as the same shall come due and payable (and interest from the due date to date of payment) and otherwise to observe the covenants contained in the Notes and the proceedings with respect thereto all of which are included in the contract with the owners of the Notes. The mandamus remedy, however, may be impracticable and difficult to enforce. Further, the right to enforce payment of the principal of or interest on the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles, which may limit the specific enforcement of certain remedies.

In 1976, the New York Court of Appeals, the State's highest court, held in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), that the New York State legislation purporting to postpone the payment of debt service on New York City obligations was an unconstitutional moratorium in violation of the New York State constitutional faith and credit mandate included in all municipal debt obligations. While that case can be viewed as a precedent for protecting the remedies of bondholders and Noteholders, there can be no assurance as to what a Court may determine with respect to future events, including financial crises as they may occur in the State and in municipalities of the State, that require the exercise by the State of its emergency and police powers to assure the continuation of essential public services. (See also, *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 1088 (1977), where the Court of Appeals described the pledge as a direct Constitutional mandate.)

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the City.

Pursuant to Article VIII, Section 2 of the State Constitution, the City is required to provide an annual appropriation of monies for the payment of due and payable principal of and interest on indebtedness. Specifically this constitutional provision states: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. In *Quirk v. Municipal Assistance Corp.*, 41 N.Y.2d 644 (1977), the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in the State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy, to pay debt service on such obligations, but that such pledge may or may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues. The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

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

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

No Past Due Debt

No principal or interest payment on City indebtedness is past due.

Municipal Bankruptcy

The undertakings of the City should be considered with reference, specifically, to Chapter IX of the Bankruptcy Act, 11 U.S.C. §401, et seq., as amended ("Chapter IX") and, in general, to other bankruptcy laws affecting creditors' rights and municipalities. Chapter IX permits any political subdivision, public agency or instrumentality that is insolvent or unable to meet its debts (i) to file a petition in a Court of Bankruptcy for the purpose of effecting a plan to adjust its debts provided such entity is authorized to do so by applicable state law; (ii) directs such a petitioner to file with the court a list of a petitioner's creditors; (iii) provides that a petition filed under such chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; (iv) grants priority to debt owed for services or material actually provided within three (3) months of the filing of the petition; (v) directs a petitioner to file a plan for the adjustment of its debts; and (vi) provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds (2/3) in amount or more than one-half (1/2) in number of the listed creditors.

Bankruptcy proceedings by the City could have adverse effects on holders of bonds or notes including (a) delay in the enforcement of their remedies, (b) subordination of their claims to those supplying goods and services to the City after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (c) imposition without their consent of a reorganization plan reducing or delaying payment of the Notes. The Bankruptcy Code contains provisions intended to ensure that, in any reorganization plan not accepted by at least a majority of a class of creditors such as the holders of general obligation bonds, such creditors will have the benefit of their original claim or the "indubitable equivalent". The effect of these and other provisions of the Bankruptcy Code cannot be predicted and may be significantly affected by judicial interpretation.

Accordingly, enforceability of the rights and remedies of the owners of the Notes, and the obligations incurred by the City, may become subject to Chapter IX and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally, now or hereafter in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against public agencies in the State. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Notes to judicial discretion, interpretation and of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

The State has consented (see Title 6-A of the Local Finance Law) that any municipality in the State may file a petition with any United States district court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect for the composition or adjustment of municipal indebtedness. However, it is noted that there is no record of any recent filings by a New York municipality. Since the New York City fiscal crisis in 1975, the State has legislated a finance control or review board and assistance corporations to monitor and restructure finance matters in addition to New York City, for the Cities of Yonkers, Troy and Buffalo and for the Counties of Nassau and Erie. Similar active intervention pursuant to State legislation to relieve fiscal stress for the City in the future cannot be assured.

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

The above references to the Bankruptcy Act are not to be construed as an indication that the City is currently considering or expects to resort to the provisions of the Bankruptcy Act.

Financial Control Boards

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

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

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

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

Several municipalities in the State are presently working with the FRB. The City has not applied to the FRB and does not reasonably anticipate submission of a request to the FRB for a comprehensive review of its finances and operations. School districts and fire districts are not eligible for FRB assistance.

RISK FACTORS

There are certain potential risks associated with an investment in the Notes, and investors should be thoroughly familiar with this Official Statement, including its appendices, in order to make an informed investment decision. Investors should consider, in particular, the following factors:

The City's credit rating could be affected by circumstances beyond the City's control. Economic conditions such as the rate of unemployment and inflation, termination of commercial operations by corporate taxpayers and employers, as well as natural catastrophes, could adversely affect the assessed valuation of City property and its ability to maintain fund balances and other statistical indices commensurate with its current credit rating. As a consequence, a decline in the City's credit rating could adversely affect the market value of the Notes.

If and when an owner of any of the Notes should elect to sell all or a part of the Notes prior to maturity, there can be no assurance that a market will have been established, maintained and continue in existence for the purchase and sale of any of those Notes. The market value of the Notes is dependent upon the ability of holder to potentially incur a capital loss if such Notes are sold prior to their maturity.

There can be no assurance that adverse events including, for example, the seeking by another municipality in the State or elsewhere of remedies pursuant to the Federal Bankruptcy Act or otherwise, will not occur which might affect the market price of and the market for the Notes. In particular, if a significant default or other financial crisis should occur in the affairs of the State or any of its municipalities, public authorities or other political subdivisions thereby possibly further impairing the acceptability of obligations issued by those entities, both the ability of the City to arrange for additional borrowing(s) as well as the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

The City is dependent in part upon financial assistance from the State in the form of State aid as well as grants and loans to be received ("State Aid"). The availability of such monies and the timeliness of such payment may be affected by a delay in the adoption of the State budget, the State's economy and financial condition and other circumstances. State aid appropriated and apportioned to the City can be paid only if the State has such monies available therefore. The City's receipt of State aid may be delayed as a result of the State's failure to adopt its budget timely and/or to appropriate State Aid to municipalities and school districts. Should the City fail to receive all or a portion of the amounts of State Aid expected to be received from the State in the amounts and at the times anticipated, occasioned by a delay in the payment of such moneys or by a reduction in State Aid or its elimination, the City is authorized pursuant to the Local Finance Law ("LFL") to provide operating funds by borrowing in anticipation of the receipt of such uncollected State Aid, however, there can be no assurance that, in such event, the City will have market access for any such borrowing on a cost effective basis. (See also "*State Aid*" herein.)

In addition, municipalities' receipt of State aid can be delayed as a result of the County's delay in disseminating State aid to municipalities within its borders, including the City. If the County should delay payments to the municipalities within its borders, including the City, in this year or future years, the City may be affected by such a delay.

Future amendments to applicable statutes whether enacted by the State affecting the treatment of interest paid on municipal obligations, including the Notes, for income taxation purposes could have an adverse effect on the market value of the Notes (see "*Tax Matters*" herein).

The enactment of the Tax Levy Limit Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the City, without providing exclusion for debt service on obligations issued by municipalities and fire districts, may affect the market price and/or marketability for the Notes. (See "*The Tax Levy Limit Law*" herein.)

Federal or State legislation imposing new or increased mandatory expenditures by municipalities, school districts and fire districts in the State, including the City could impair the financial condition of such entities, including the City and the ability of such entities, including the City to pay debt service on their respective obligations.

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the City's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid.

THE STATE COMPTROLLER'S FISCAL STRESS MONITORING SYSTEM AND COMPLIANCE REVIEWS

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

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

The most current applicable report of the State Comptroller designates the City as "No Designation." See http://www.osc.state.ny.us/localgov/fiscalmonitoring/.

See the State Comptroller's official website for more information on FSMS. Reference to this website implies no warranty of accuracy of information therein.

The financial affairs of the City are subject to periodic compliance reviews by OSC to ascertain whether the City has complied with the requirements of various State and federal statutes. The last audit conducted by OSC was released on October 25, 2012. The purpose of such audit was to examine the City's financial operations for the period January 1, 2010, to June 21, 2011. The complete report can be obtained from the OSC's website.

During the effective period of the Act, the City's budget was subject to annual review to determine whether the significant revenue and expenditure projections in the City's proposed budget were reasonable. The last budget review conducted by OSC was released on November 15, 2024. The City's 2026 Adopted Budget was not and no future budgets of the City will be subject to OSC review following the repeal of the Act on August 30, 2025. (See "*Budgetary Procedure*" herein.)

Cybersecurity

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

In June 2024, the City detected a network disruption incident, which impacted the availability of certain systems within its computer network for approximately 45 days. This did not impact the City's ability to meet its obligations including the payment of principal and interest on its debt obligations. The City was able to restore a substantial portion of its properly backed up and restored files without consequence. In response, the City has implemented various security protocols, which include activating its response team and notifying law enforcement to commence an investigation. Due to security updates completed by the City's network engineers and IT staff that included network segmentation, the City was able to restore the majority of its computer systems from backups. The City maintains cybersecurity insurance that covered most of the expenses related to this cybersecurity attack. However, incremental expenses were incurred to cover policy deductibles and the costs of several additional measures to enhance security in an effort to prevent an incident from recurring in the future.

LITIGATION

The Department of Environmental Conservation ("DEC") conducted a preliminary site assessment of the former City landfill which characterized the waste present at the site and identified "Company A" as a potentially responsible party. The Environmental Protection Agency ("EPA"), on referral of the DEC, conducted a drum removal action at the site to address approximately 450 barrels of waste material. The EPA identified the City and "Company B" as potentially responsible for the removal action. The City has asserted that Company A is primarily responsible since the barrels containing waste materials were disposed of by them and/or their predecessors which owned and operated the neighboring manufacturing facility and former landfill. In January 2012, the City and the two companies signed a Settlement and Access Agreement for the companies to clean up the site. In August 2020, the DEC notified the City that the site is a potential hazardous waste disposal site and the City has consented to DEC access to conduct further environmental investigation activities. The City is also seeking a "No Ability to Pay" determination from the EPA and the DEC, but the determination remains outstanding. The drum removal clean-up is completed. At this time, this matter had no impact on the City's 2025 financial statements. The City is not able to determine the outcome of this matter.

The City is a defendant in numerous tax certiorari proceedings, the result of which cannot be determined at this time. Any future refunds resulting from adverse settlements will be funded in the year the payments are made.

On May 2, 2016, the City discontinued the use of Washington Lake as the City's primary water supply due to the discovery of Perfluorooctane Sulfonate (PFOS). The detected levels of PFOS were below the provisional health advisory published by the Environmental Protection Agency ("EPA") at the time the water supply was sampled and the PFOS detected. The City took immediate action to access back-up water supply. The Department of Environmental Conservation ("DEC") has undertaken construction of improvements to the City's water filtration plant for the purpose of removing PFOS from the City's primary water supply at Washington Lake. A motion to file late notices of claim against the City for personal injuries allegedly resulting from exposure to PFOS was denied in New York State Supreme Court. A second motion to file late notices of claim was granted in part dismissing property damage claims and denied in part as to personal injuries. All claims were removed to federal court and consolidated into the multi-district AFFF Products Liability Litigation ("AFFF MDL Litigation") and following preliminary discovery, only fifteen claims appeared to remain active, and of the fifteen, only three claims appeared to be timely filed. A DEC investigation into the source of the PFOS contamination determined that the PFOS originated at facilities within Stewart Airport, formerly Stewart Air Force Base, by activities conducted by the US Department of Defense. The City has not been identified as a potentially responsible party and no evidence of causation between the PFOS and any of the claimants' injuries have been presented. After further discovery in the AFFF MDL Litigation, twenty-four claims remained pending against the City and those twenty-four plaintiffs settled their claims for $100.00 per plaintiff ($2,400.00 total) and agreed to discontinue the claims with prejudice by settlement agreement dated March 8, 2024. The City paid the settlement amount on March 26, 2024.

A claimant filed a complaint against the City alleging civil rights violations based on his claim that he spent more than 9 years in state prison as the result of actions taken by City police officers at the time of his arrest. He was convicted twice but both verdicts were reversed on appeal and the indictment dismissed. The claim was settled in October 2025 prior to trial for $1,975,000.00. The City paid the balance of its self-insured retention in the amount of $254,100.55 to the settlement on November 5, 2025.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the City, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Notes is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Notes is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Note is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. The Tax Certificate of the City (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Notes, will contain provisions and procedures relating to compliance with applicable requirements of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the City and others in connection with the Notes, and Bond Counsel has assumed compliance by the City with certain ongoing provisions and procedures set forth in the Tax Certificate relating to compliance with applicable requirements of the Code to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel to the City, under existing statutes, interest on the Notes is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

Bond Counsel expresses no opinion as to any other federal, state or local tax consequences arising with respect to the Notes, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Notes.

Certain Ongoing Federal Tax Requirements and Certifications

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on such Notes be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Notes, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Notes to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The City, in executing the Tax Certificate, will certify to the effect that the City will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure the exclusion of interest on the Notes from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Notes. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of the Notes. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Notes.

Prospective owners of the Notes should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Notes may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

"Original issue discount" ("OID") is the excess of the sum of all amounts payable at the stated maturity of a Note (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the "issue price" of a maturity (a bond with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Notes. In general, the issue price for each maturity of Notes is expected to be the initial public offering price set forth on the cover page of the Official Statement. Bond Counsel further is of the opinion that, for any Notes having OID (a "Discount Obligation"), OID that has accrued and is properly allocable to the owners of the Discount Obligations under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Notes.

In general, under Section 1288 of the Code, OID on a Discount Obligation accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Obligation. An owner's adjusted basis in a Discount Obligation is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Note. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Obligation even though there will not be a corresponding cash payment.

Owners of Discount Obligations should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Obligations.

Note Premium

In general, if an owner acquires a note for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the note after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "note premium" on that note (a "Premium Obligation"). In general, under Section 171 of the Code, an owner of a Premium Obligation must amortize the note premium over the remaining term of the Premium Obligation, based on the owner's yield over the remaining term of the Premium Obligation, determined based on constant yield principles (in certain cases involving a Premium Obligation callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). An owner of a Premium Obligation must amortize the note premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the note premium allocable to that period. In the case of a Premium Obligation, if the note premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Obligation may realize a taxable gain upon disposition of the Premium Obligation even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Premium Obligations should consult their own tax advisors regarding the treatment of note premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of note premium on, sale, exchange, or other disposition of Premium Obligations.

Information Reporting and Backup Withholding

Information reporting requirements will apply to interest on tax-exempt obligations, including the Notes. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Note through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Notes from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, could adversely affect the tax-exempt status of interest on the Notes under federal or state law or otherwise prevent beneficial owners of the Notes from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) or such decisions could affect the market price or marketability of the Notes.

Prospective purchasers of the Notes should consult their own tax advisors regarding the foregoing matters.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel. The opinion of Bond Counsel will be in substantially the form attached hereto in Appendix D.

DISCLOSURE UNDERTAKING

In order to assist the purchaser(s) in complying with Rule 15c2-12 with respect to the Notes, the City will execute a Certificate to Provide Notices of Events, the form of which is attached hereto as Appendix E.

Compliance History

On August 15, 2024, Moody's Investor Service, Inc. ("Moody's") upgraded the underlying credit rating of the City to "A1" from "A3". On February 19, 2025, the City made a late filing of the rating change.

MUNICIPAL ADVISOR

Capital Markets Advisors, LLC, Great Neck, New York, (the "Municipal Advisor") is an independent municipal advisor registered with the SEC and the Municipal Securities Rulemaking Board. The Municipal Advisor has served as the independent financial advisor to the City in connection with this transaction.

In preparing the Official Statement, the Municipal Advisor has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for the Official Statement. The Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Municipal Advisor is not a public accounting firm and has not been engaged by the City to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Municipal Advisor is not a law firm and does not provide legal advice with respect to this or any debt offerings of the City. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Notes.

RATINGS

The City has not applied to Moody's Investors Service, Inc. ("Moody's") for a rating on the Notes.

On August 15, 2024, Moody's upgraded the City's underlying, uninsured rating to "A1" from "A3".

Such rating reflects only the views of such organizations and any desired explanation of the significance of such rating should be obtained from such rating agency at the following address: Moody's Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007. There can be no assurance that such rating will continue for any specified period of time or that such rating will not be revised or withdrawn, if in the judgment of Moody's circumstances so warrant. Any such change or withdrawal of such rating may have an adverse effect on the market price of the or the availability of a secondary market for the Notes.

ADDITIONAL INFORMATION

Additional information may be obtained from Nancy Bloom, City Comptroller, City Hall, 83 Broadway, Newburgh, New York 12550, (845) 569-7319, e-mail: nbloom@cityofnewburgh-ny.gov or from the City's Municipal Advisor, Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York 11021, (516) 487-9817.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized. This Official Statement is not to be construed as a contract or agreement between the City and the original purchasers or any subsequent holders of any of the Notes.

Hawkins Delafield & Wood LLP expresses no opinion as to the accuracy or completeness of any documents prepared by or on behalf of the City for use in connection with the offer or sale of the Notes, including this Official Statement. This Official Statement has been prepared only in connection with the sale of the Notes by the City and may not be reproduced or used in whole or in part for any other purpose.

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

The City hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission.

The statements contained in this Official Statement and the appendices hereto that are not purely historical are forwardlooking statements. Such forward-looking statements can be identified, in some cases, by terminology such as “may,” “will,” “should,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” “illustrate,” “example,” and “continue,” or the singular, plural, negative or other derivations of these or other comparable terms. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to such parties on the date of this Official Statement, and the City assumes no obligation to update any such forward-looking statements. The forwardlooking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including, but not limited to, risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in various important factors. Accordingly, actual results may vary from the projections, forecasts and estimates contained in this Official Statement and such variations may be material.

This Official Statement is submitted only in connection with the sale of the Notes by the City and may not be reproduced or used in whole or in part for any other purpose.

CITY OF NEWBURGH
ORANGE COUNTY, NEW YORK

By: ___________________________________
Jason Morris
Interim City Manager and Director of Finance

DATED: July __, 2026

APPENDIX A

THE CITY

THE CITY

General Information

The City, which was incorporated in 1865, is located in the northeastern part of the County on the west bank of the Hudson River approximately 60 miles north of New York City. According to the U.S. Census bureau, the population of the City is 28,519 as of 2024 and it has a land area of 3.8 square miles. The City is largely residential in character but has many light industries.

Form of Government

The City has the powers and responsibilities inherent in the operation of a municipal government including independent taxing and debt issuance authority. Subject to the provisions of the State Constitution, the City operates under a charter adopted on May 21, 1917, as amended, and in accordance with other statutes including General City Law, General Municipal Law, the Local Finance Law and the Real Property Tax Law, to the extent that these statutes apply to a city operating with a charter. In its charter, the City has elected to have a managerial form of government. The City Manager, who is appointed by and serves at the pleasure of the City Council, serves as the chief executive officer of the City. The City Council is vested with all legislative authority.

The City Council is the legislative body of the City and consists of four members elected at large to serve four-year terms, plus the Mayor. It is the responsibility of the City Council to approve all legislation, including resolutions, ordinances and local laws, adopt and modify as required, operating and capital budgets, levy real property taxes and authorize the issuance of all indebtedness. In 2012, the City amended its Charter to expand the City Council to seven members, effective for the November elections in 2013. As a seven-member City Council it would take the four votes to pass the budget and five votes to enact a local law in order to override of the Tax Levy Limitation Law.

The Mayor and members of the City Council are elected at a general election for a four-year term and there is no restriction on the number of terms that may be served. As a member of the City Council, the Mayor presides over this body and is eligible to vote on all matters.

As noted above, the City Manager is appointed by the City Council and serves at its pleasure. The City Manager is the chief administrative and executive officer and responsible for the City's day-to-day operations. The City Manager is also an ex-officio, non-voting member of the Council. The City Manager appoints all department heads. Under the City's Charter, the City Manager is designated as the City budget officer responsible for preparing annual operating budgets.

The City Director of Finance and Comptroller are appointed by and serve at the pleasure of the City Manager, however the City Manager may assume the duties and powers of the Director of Finance. The duties of these positions include: the collection of taxes and other revenues and the investment thereof; the disbursement of moneys for payrolls and accounts payable; the maintenance of the City's accounting records; the coordination of debt issuance and the analysis of financial and operational matters. The Director of Finance and Comptroller assist the City Manager with the preparation of the annual operating budget and the administration of the City's employee benefit programs.

Key City Management Positions

Interim City Manager and Director of Finance. Jason Morris, PE was appointed Interim City Manager of the City of Newburgh on April 1, 2026. He also currently serves as Director of Finance, Commissioner of Public Works and the City Engineer. Mr. Morris has previously served as the City Engineer since 2013, and was later appointed to also hold the position of Commissioner of Public Works. Mr. Morris is a licensed Professional Engineer in New York State with over 25 years of work experience. Prior to joining the City in 2013, Mr. Morris worked as a consultant for a Civil Engineering firm in New York State. Mr. Morris holds a Bachelor’s Degree in Civil Engineering from the University at Buffalo. In addition to holding a professional engineering license, Mr. Morris also holds various professional certifications in the construction industry, and several Drinking Water Operator Licenses from the New York State Department of Health.

Corporation Counsel. Michelle Kelson, Esq. was appointed in April 2011. From May 2001 through April 2011, Ms. Kelson served as Assistant Corporation Counsel for the City. From 1998 through 2001, Ms. Kelson was associated with the law firm of Gorlick, Kravitz & Listhaus in New York, NY. She began her legal career as an attorney with the Federal Labor Relations Authority from 1991 through 1998. Ms. Kelson is a graduate of Emory Law School and received her undergraduate degree from Cornell University.

Services

The City provides a full range of municipal services. These services include public safety (police and fire), public works (sanitation, highway and public improvements), park and recreational facilities, public parking, economic development and community development, and general administrative services necessary to serve the citizens of the City. The City also owns and maintains two reservoirs, four water storage tanks with a 5.5 million gallon capacity, a City-wide water distribution system, a sewage treatment plant and a sewage collection system.

Public education is provided by the City School District of the City of Newburgh (the "District"), which serves the City and certain areas outside the City. The District has a separately elected governing body and has independent taxing and debt authority.

Employees

The City provides services through approximately 284 full-time and part-time union employees.

Employee Organization	Employees	Contract Expiration Date
Civil Service Employees' Assoc.	165	12/31/26
Policemen's Benevolent Assoc.	49	12/31/26
Police Superior Officers Assoc.	18	12/31/26
International Assoc. of Fire Fighters	52	12/31/26

In addition, the City has a non-bargaining unit for 41 exempt employees that has its terms of employment imposed by the City Manager.

Employee Benefits

Substantially all employees of the City are members of the New York State and Local Employees Retirement System ("ERS") or the New York State and Local Police and Fire Retirement System ("PFRS") (ERS and PFRS are referred to collectively hereinafter as the "Retirement System" where appropriate). The Retirement System is a cost-sharing multiple public employer retirement system. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement and Social Security Law (the "Retirement System Law"). The Retirement System offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after five years of credited service. The Retirement System Law generally provides that all participating employers in the Retirement System are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement System. The Retirement System is non-contributory with respect to members hired prior to July 27, 1976. All members hired on or after July 27, 1976 through and including December 31, 2009, must contribute three percent of their gross annual salary toward the costs of retirement programs until they attain ten years in the Retirement System, at such time contributions become voluntary. Members hired on or after January 1, 2010 must contribute three or more percent of their gross annual salary toward the costs of retirement programs for the duration of their employment.

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

Police officers and firefighters who are members of PFRS are divided into four tiers. As with ERS, retirement benefit plans available under PFRS are most liberal for Tier 1 employees. The plans adopted for PFRS employees are noncontributory for Tier 1 and Tier 2 employees. Police officers and firefighters that were hired between July 1, 2009 and January 8, 2010 are currently in Tier 3, which has a 3% employee contribution rate by members. There is no Tier 4 in PFRS. Police officers and firefighters hired after January 9, 2010 are in Tier 5 which also requires a 3% employee contribution from members. Police officers and firefighters hired after April 1, 2012 are in Tier 6, which also originally had a 3% contribution requirement for members for FY 12-13; however, as of April 1, 2013, Tier 6 PFRS members are required to contribute a specific percentage of their annual salary, as follows, until retirement or until the member has reached 32 years of service credit, whichever occurs first: $45,000.00 or less contributes 3%; $45,000.01 to $55,000.00 contributes 3.5%; $55,000.01 to $75,000.00 contributes 4.5%; $75,000.01 to $100,000.00 contributes 5.75%; and more than $100,000.00 contributes 6%.

New York State recently enacted major pension changes for Tier 6 public employees as part of the State's 2026-2027 Enacted Budget. For Tier 6 public employees, these reforms improve benefits, reduce mandatory employee contributions on a sliding salary scale, lower the retirement age for teachers, and increase the cap on overtime that can be calculated into pensions. The changes that were enacted to align Tier 5 and Tier 6 benefits more closely with those available under earlier tiers. Increasing pension benefits or otherwise modifying the Retirement System is expected to result in increased costs to the State and participating employers, including municipalities, which could have an adverse effect on their financial condition.

Beginning July 1, 2013, a voluntary defined contribution plan option was made available to all unrepresented employees of New York State public employers hired on or after that date, and who earn $75,000 or more on an annual basis.

The New York State Retirement System allows municipalities to make employer contribution payments in December of each year, at a discount, or the following February, as required. The City generally opts to make its pension payments in December in order to take advantage of the discount and expects to make this payment in December 2025 for the upcoming fiscal year.

From time to time, the State will permit, through the enactment of legislation, municipalities and school districts to amortize a portion of its annual employer pension payment. Such programs have taken various forms with the goal of mitigating the impact of increases in employer contribution payments. To date, the City has not participated in any such programs.

ERS and PFRS Contributions. The current retirement expenditures presented in the City's financial statements for each of the last five years and the amounts budgeted for the upcoming fiscal year are shown in the following table:

Fiscal Year Ended December 31:	ERS	PFRS
2021	$ 871,454	$2,534,485
2022	1,519,000	3,385,289
2023	1,030,235	2,866,591
2024	1,276,765	3,163,293
2025	1,692,897	3,828,959
2026 (Budget)	1,746,701	3,330,983

Source: Audited Financial Statements and Adopted Budget.

Other Postemployment Benefits

The City implemented GASB Statement No. 75 ("GASB 75") of the Governmental Accounting Standards Board ("GASB"), which replaces GASB Statement No. 45 as of fiscal year ended June 30, 2018. GASB 75 requires state and local governments to account for and report their costs associated with post-retirement healthcare benefits and other non-pension benefits, known as other post-employment benefits ("OPEB"). GASB 75 generally requires that employers account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB similarly to GASB Statement No. 68 reporting requirements for pensions.

GASB 75 requires state and local governments to measure a defined benefit OPEB plan as the portion of the present value of projected benefit payments to be provided to current active and inactive employees, attributable to past periods of service in order to calculate the total OPEB liability. Total OPEB liability generally is required to be determined through an actuarial valuation using a measurement date that is no earlier than the end of the employer's prior fiscal year and no later than the end of the employer's current fiscal year.

GASB 75 requires that most changes in the OPEB liability be included in OPEB expense in the period of the changes. Based on the results of an actuarial valuation, certain changes in the OPEB liability are required to be included in OPEB expense over current and future years.

The City's total OPEB liability as of December 31, 2025 was $157,953,089 using a discount rate of 4.16% and actuarial assumptions and other inputs as described in the City's December 31, 2025 audited financial statements.

Should the City be required to fund the total OPEB liability, it could have a material adverse impact upon the City's finances and could force the City to reduce services, raise taxes or both. At the present time, however, there is no current or planned requirement for the City to partially fund its OPEB liability.

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

Legislation has been introduced from time to time to create an optional investment pool to help the State and local governments fund retiree health insurance and OPEB. Such proposed legislation would generally authorize the creation of irrevocable OPEB trusts so that the State and its local governments can help fund their OPEB liabilities, establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the State and participating eligible local governments, designate the president of the Civil Service Commission as the trustee of the State's OPEB trust and the governing boards as trustee for local governments and allow school districts to transfer certain excess reserve balances to an OPEB trust once it is established. Under the proposals, there would be no limits on how much a local government can deposit into the trust. The City cannot predict whether such legislation will be enacted into law in the foreseeable future.

Economic Development Activities

Ongoing Public and Private Investment:

Resulting from its reputation for fiscal prudence and progressive policies, the City is attracting considerable public and private investments that have spurred significant economic development and enhanced quality of life. These investments include:

- Educational and cultural investments such as the $85 million expansion of SUNY Orange's campus;
- Over $60 million in grant awards through the New York State Mid-Hudson Regional Economic Development Council for various arts, cultural, educational, housing, and mixed-use projects and planning activities. This includes $10 million awarded in the last quarter of 2025 to support environmental, waterfront, and private housing projects;
- RUPCO's $35 million East End Apartment Phase 1 and 2 developments – a multisite redevelopment project that placed dozens of properties back onto the tax roll and added downtown housing;
- A $46 million downtown boutique hotel project by Foster Supply Hospitality and is expected to break ground in 2026;

- $20 million invested to redevelop abandoned warehouse space in the South William Street corridor by Baxter Development group, Atlas Industries, Thornwillow Press, and others;
- $8 million for Safe Harbors of the Hudson's Ritz Theatre project, that will provide for the revitalization of the City's remaining historic theatre space into a multiuse performing arts space to supplement the previously completed $22 million Safe Harbors downtown campus, which includes 128 units of affordable housing, an art gallery, performing arts space, two vibrant commercial spaces, eight studio spaces, and a half-acre urban park;
- $6 million investment by the Boys and Girls Club to create a 21,000 square foot Center for Arts & Education in a historic building on a prime downtown corner of Grand Street. The project was completed in 2025 and is now open to the public;
- Over $5 million in private investment into the City's emerging craft food and beverage sector via the establishment of production facilities by Newburgh Brewing Company and Graft Cider.

Proposed Large Scale Infill Development:

The City has prioritized the redevelopment of existing buildings while also targeting new infill development. The City's focused approach has translated to an increase in quality housing, as the number of apartment units constructed in 2025 increased by 20% when compared to 2024. This pace of development is not slowing down as the City has many large-scale infill projects that are in various stages of the approval process.

The Kearney Development Group has over 200 housing units planned or constructed across two large-scale mixed-income housing projects. The East End Lofts project was completed in 2025 and includes 62 affordable-housing apartments and restaurant space near the Liberty Street Corridor. Another project, "The Green", is a $68 million investment that will transform lower South Street with retail space and 122 apartments. The Green is fully approved for construction and expected to close on financing in the Spring of 2026.

Riverside Newburgh Realty LLC is proposing the first new construction project on the City's waterfront in over a decade. The project at 2-4 Washington Street includes 172 apartments, 25,000 square feet of Grade A commercial office space and the continuation of the publicly accessible Hudson River Walk throughout their river frontage. The project is currently seeking approval from the City's Planning Board and Zoning Board of Appeals and construction is expected to commence in the summer of 2027.

Liberty Street Partners is fully approved for the construction of 104 Washington Street, which will transform a vacant lot with a mixed-use project with 14 housing units and 8,000 sq feet of commercial space. Two 100+ unit mixed income, mixed use development projects are fully approved on Liberty and Washington Streets.

The Shaw Building Redevelopment will adaptively re-use a warehouse building into a mixed-use development with 20 apartments and space for retail and restaurants. On the same property, a new 34-unit apartment complex is proposed. The plan has been fully approved by the City. The project received $4.2 million in State funds in 2025.

Also in 2025, construction commenced to convert a shell building at 143 Washington Street into a 15-unit apartment complex. The project, located on former Community Land Bank property, represents a $4.6 million investment.

Safe Harbors of the Hudson is fully approved for the adaptive re-use of three shell buildings on William Street to be converted to 50 affordable housing units with supportive services. The project represents a $35 million investment.

On Water Street, the first new construction project since Urban Renewal, proposed by Cosimo's Restaurant Group will expand two popular waterfront restaurants, and construct a new, downtown corporate headquarters. The $5 million project is fully approved at the City level for construction and is currently seeking approval from the State for improvements to Water Street. Construction is anticipated to start in Fall 2026.

In the west end, three large-scale mixed-use projects are before the City's Planning Board, with a transformative $20 million in combined investment at a busy intersection near the City line. These proposed developments are adjacent to the adaptive reuse of a former mill complex into a large, regional law firm's headquarters and proximate to Graft Cider's hard cider manufacturing facility and tasting room.

On the warehousing/industrial front, 700 South Street is currently under construction on a 500 thousand square footage warehouse facility. A similar project at 5 Scobie Drive is currently seeking City approvals. Both projects are expected to provide modern, walkable jobs for residents.

Public Infrastructure Improvements:

The City is committed to a series of major capital projects that is expected to result in $250 million in improvements to water, wastewater, transportation and parks infrastructure. This includes a key improvement known as the North Interceptor Sewer Improvement project. The $32 million North Interceptor Sewer Improvement Project is the largest and most significant infrastructure project to take place in the City in decades. The North Interceptor project was completed in September of 2024 and consisted of the installation of 8,700 linear feet of new, larger-gravity interceptor sewer along the east side of the City. This new interceptor sewer has improved the conveyance and capacity of the City's wastewater collection system which will result in greatly improved water quality in the Hudson River and enable the City to move forward with the redevelopment of 147 acres of vacant land situated between the waterfront and the downtown business corridor.

In Summer 2025, the Newburgh Hillside Brownfield Opportunity Area ("BOA") Nomination Study was accepted by the New York Department of State. The City received a $200 thousand State grant to complete the study. The nomination will facilitate the development of 147 acres of destroyed Urban Renewal lands through enhanced brownfield tax credits. Development in this area has already gained momentum, as The Green, 2-4 Washington Street, and The Cosimo's Restaurant Group's project have all been accepted into the Brownfield Cleanup Program and are now eligible for significant brownfield tax credits. When the remaining of the BOA Hillside lands are developed, the economic power of the City is expected to be fully realized, and the City will once again be the economic engine of the Mid-Hudson Valley.

In July 2024, the City began construction on a new, state-of-the-art $15 million Delano-Hitch Aquatic Center, located at Delano-Hitch Recreation Park on Washington Street. The project was completed in May of 2025. This new facility includes a brand new publicly accessible pool house, concession stand, large public pool and a large splashpad for children. The City received an $8 million grant through the NY SWIMS program, which it combined with its allocation of ARPA funds to fund this project at no direct cost to the City's taxpayers.

In 2024, the City commenced construction on its latest bridge replacement project at Walsh Road, over Quassaick Creek. This project will completely replace a failing bridge at one of the City's key south side entry points. This $7 million project is expected to be completed in late 2027 and will result in improved vehicular and pedestrian access on the south side of the City; improved aquatic habitat through streambed restoration; reduced flooding in upstream areas of the City along the Quassaick Creek; and an improved water main interconnection with the neighboring Town of New Windsor.

The City expects to award a bid in late 2026 for the construction of a future Floatables Control and Disinfection Facility at its wastewater treatment plant. This new $45 million facility will reduce combined sewer overflows to the Hudson River and Quassaick Creek which will result in greatly improved water quality in the Hudson River along the City's waterfront area. This project is a key infrastructure improvement identified in the City's Long Term Combined Sewer Overflow Control Plan (LTCP) and will allow the Hudson River to return to swimmable status much more quickly after future precipitation events.

Historical and Cultural Landmarks:

The City's downtown boasts many prominent historical and cultural landmarks that drive local tourism and merge centers of place. This trail includes the nation's first publicly owned historic site, Washington's Headquarters. The site was the longest-serving headquarters for General Washington during the American Revolution and is where Washington famously rejected an American monarchy. Washington's Headquarters is centrally located on Liberty Street, which is becoming a highly concentrated area of investment defined by new shops and restaurants.

The City's downtown is also home to one of Thomas Edison's first electrical power plants, which served to make the City one of the first electrified cities in the country. Other sites include 93 Liberty Street (Alsdorf Hall) which served as a stop on the underground railroad; Colonial Terraces (Built by Henry Wright) which served to house workers at the City's Shipyard during World War I; Downing Park (designed in memoriam to Andrew Jackson Downing by Olmstead and Vaux); the Old County Courthouse; and the Dutch Reformed Church at 134 Grand Street, which is designated as a National Historic Landmark and has tremendous potential for cultural redevelopment.

Investment in Arts, Culture and Entrepreneurship:

The City is home to a bustling, grassroots arts scene that fosters entrepreneurship via mixed-use spaces that house resident artists, galleries, performing arts centers, cultural tours, and public festivals. The South William Street warehouse corridor, which includes the Thornwillow Institute, Wireworks, the Shaw Building, and Atlas Industries, offers another shining example of the City's burgeoning artistic, cultural and entrepreneurship scene. Former factory buildings now house nearly 100 small and micro businesses that range from architecture and development firms to technology companies, and artist and maker spaces.

Safe Harbors of the Hudson is undertaking an $8 million renovation of the Ritz Theatre, the City's last remaining historic theatre space. This project will complement Safe Harbors' existing $22 million arts and housing campus that includes 128 units of affordable housing, an art gallery, performing arts venue, 2 vibrant commercial spaces, 8 artist studio spaces, and a half-acre park in the heart of downtown.

FINANCIAL FACTORS

Budgetary Procedure

The budget process begins mid-year at which time department heads prepare estimates of revenue and expenditures for the following year. Departmental estimates must be submitted to the City Manager on or about August 15. Subsequently, the City Manager reviews each department's requests, conducts departmental hearings and assembles the preliminary budget.

A preliminary budget is submitted to the Mayor and City Council, generally no later than the second Tuesday in October. The City Council reviews the budget and may make changes or revisions that are not inconsistent with the law. After review of the proposed budget, public sessions are held by the City Council during the months of October and November.

A public hearing is held by the City Council on the budget in November at which members of the public may express their views on the budget. Following the public hearing, the City Council may make whatever additional revisions it deems necessary.

Not later than November 20, the Director of Finance receives the revised budget from the City Council and proceeds to prepare the final version for adoption. On or before the last Monday of November, the operating budgets are legally enacted through adoption of an ordinance by the City Council. The budget is not subject to referendum.

Once the budget has been approved, in order to amend the budget during the fiscal year, the City Manager is authorized to transfer budgeted amounts within a department. Further, upon recommendation of the City Manager, the City Council may transfer amounts from one department to another department and from one fund to another or it may decrease the budget appropriations through City Council resolutions.

The City Comptroller may not disburse money in excess of appropriated amounts. Except for personal services and related employee benefits, department heads may transfer budgeted amounts within major objects of expenditures or expense with the approval of the City Manager. Transfers between departments and modifications to personal service related appropriations or the total budget must be authorized by the City Council.

Encumbrance accounting is used to control the budget. Under this method, unfilled purchase orders, contracts or other commitments are recorded in order to reserve that portion of the applicable appropriations. At the end of the year, all appropriations lapse including any amount encumbered. Outstanding encumbrances at year end are recorded as a reservation of the fund balance since they do not constitute current expenditures or liabilities. The budget in the following year is amended to provide the authority to complete these transactions at the proper time.

A summary of the budgets for the 2025 and 2026 fiscal years may be found in Appendix B hereto.

Budgetary Monitoring. Pursuant to generally applicable statutory requirements, the City must present a balanced budget. While the City is limited by the Tax Levy Limitation Law (the "Law") to the amount that the tax levy may increase for its succeeding fiscal year, the Law does set forth certain exclusions to the real property tax levy limitation of the City, including the ability of the governing board of the City to adopt a budget that exceeds the tax levy limit for the coming fiscal year.

During the effective period of the Act, which expired on August 30, 2025, the City was required to submit its proposed budget to the State Comptroller for review and was required to make adjustments to the proposed budget consistent with any recommendations by the State Comptroller. The City is no longer required to submit its proposed budget to the State Comptroller for review.

During the effective period of the Act, which expired on August 30, 2025, the City Comptroller was required to monitor the City's budget and prepare a quarterly report of summarized budget data depicting overall trends of actual revenue and budget expenditures for the entire budget. Such reports compared revenue estimates and appropriations as set forth in such budget with the actual revenues and expenditures to date. All quarterly reports were accompanied by a recommendation by the City Manager setting forth any remedial action necessary to resolve any unfavorable budget variances including the over estimation of revenues and the underestimation of appropriations. Although the City is no longer required to prepare quarterly reports, the City still expects to continue its practice of preparing quarterly reports.

In 2012, the City amended its Charter to expand the City Council to seven members, effective for the November elections in 2013. As a seven-member City Council it takes four votes to pass the budget and five votes to enact a local law in order to override of the Tax Levy Limitation Law.

Financial Statements and Accounting Procedures

The City maintains its financial records in accordance with the Uniform System of Accounts for Cities prescribed by the State Comptroller. Summary Balance Sheets and the Analysis of Fund Balance and Statements of Revenues and Expenses of the General Fund, the Water Fund and the Sewer Fund for the years 2021 through 2025, which are presented in Appendix B, have been compiled from audited financial information.

The financial records of the City are audited by independent accountants. The City retained the services of PKF O'Connor Davies, LLP to perform the audits for the fiscal years since the fiscal year ending December 31, 2016. These services also include an A-133 Single Audit to ascertain whether the City has complied with the requirements of various State and Federal statutes. The last completed audit made available for public inspection covers the fiscal year ending December 31, 2025. (See Appendix C "General Purpose Financial Statements" independent auditors report, page 1). In addition, the financial affairs of the City are subject to periodic compliance reviews by the Office of the State Comptroller. See "The State Comptroller's Fiscal Stress Monitoring System and Compliance Reviews" herein.

Beginning with the fiscal year ending December 31, 2004 the City has issued its financial statements in accordance with The Government Accounting Standards Board (GASB) Statement No. 34, as required by law. The financial statements include a Management Discussion and Analysis plus Government-Wide Financial Statements that include all City assets and all long-term obligations of the City using the accrual basis of accounting. All current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Investment Policy

Pursuant to Section 39 of the State's General Municipal Law, the City has an investment policy applicable to the investment of all moneys and financial resources of the City. The responsibility for the investment program has been delegated by the City Council to the Comptroller who is required to establish written operating procedures consistent with the City's investment policy guidelines. According to the investment policy of the City, all investments must conform to the applicable requirements of law and provide for: the safety of the principal; sufficient liquidity; and a reasonable rate of return.

Authorized Investments. The City has designated four banks or trust companies which are located and authorized to conduct business in the State and any financial institution specified in the Newburgh Fiscal Recovery Act. to receive deposits of money. The City is permitted to invest in special time deposits or certificates of deposit.

In addition to bank deposits, the City is permitted to invest moneys in direct obligations of the United States of America, obligations guaranteed by agencies of the United States where the payment of principal and interest are further guaranteed by the United States of America and obligations of the State. Other eligible investments for the City include: revenue and tax anticipation notes issued by any municipality, school district or district corporation other than the City (investment subject to approval of the State Comptroller); obligations of certain public authorities or agencies; obligations issued pursuant to Section 109(b) of the General Municipal Law (certificates of participation) and certain obligations of the City, but only with respect to moneys of a reserve fund established pursuant to Section 6 of the General Municipal Law. The City may also utilize repurchase agreements to the extent such agreements are based upon direct or guaranteed obligations of the United States of America. Repurchase agreements are subject to the following restrictions, among others: all repurchase agreements are subject to a master repurchase agreement; trading partners are limited to banks or trust companies authorized to conduct business in the State or primary reporting dealers as designated by the Federal Reserve Bank of New York; securities may not be substituted; and the custodian for the repurchase security must be a party other than the trading partner. All purchased obligations, unless registered or inscribed in the name of the City, must be purchased through, delivered to and held in the custody of a bank or trust company located and authorized to conduct business in the State. Reverse repurchase agreements are not allowed under State law.

Collateral Requirements. All City deposits in excess of the applicable insurance coverage provided by the Federal Deposit Insurance Act must be secured in accordance with the provisions of and subject to the limitations of Section 10 of the General Municipal Law of the State. Such collateral must consist of the "eligible securities" eligible surety bonds, or "eligible letters of credit" as described in the Law.

Eligible securities pledged to secure deposits must be held by the depository or third party bank or trust company pursuant to written security and custodial agreements. The City's security agreements provide that the aggregate market value of pledged securities must equal or exceed the principal amount of deposit, the agreed upon interest, if any, and any costs or expenses arising from the collection of such deposits in the event of a default. Securities not registered or inscribed in the name of the City must be delivered, in a form suitable for transfer or with an assignment in blank, to the City or its designated custodial bank. The custodial agreements used by the City provide that pledged securities must be kept separate and apart from the general assets of the custodian and will not, under any circumstances, be commingled with or become part of the backing for any other deposit or liability. The custodial agreement must also provide that the custodian shall confirm the receipt, substitution or release of the collateral, the frequency of revaluation of eligible securities and the substitution of collateral when a change in the rating of a security may cause ineligibility.

An eligible irrevocable letter of credit may be issued, in favor of the City, by a qualified bank other than the depository bank. Such letters may have a term not to exceed 90 days and must have an aggregate value equal to 140% of the deposit obligations and the agreed upon interest. Qualified banks include those with commercial paper or other unsecured or short-term debt ratings within one of the three highest categories assigned by at least one nationally recognized statistical rating organization or a bank that is in compliance with applicable Federal minimum risk-based capital requirements.

An eligible surety bond must be underwritten by an insurance company authorized to do business in the State which has claims paying ability rated in the highest rating category for claims paying ability by at least two nationally recognized statistical rating organizations. The surety bond must be payable to the City in an amount equal to 100% of the aggregate deposits and the agreed interest thereon.

Summary Results of Operations – FY Ended December 31, 2021-2025

The following tables summarize the results of operations for the City's General Fund. As of December 31, 2025, the City showed a fund balance of $27,568,798, including an unassigned balance of $21,140,619.

	2021	2022	2023	2024	2025
Revenues & Transfers In	$54,818,814	$60,795,757	$62,012,435	$65,675,814	$66,045,042
Proceeds of Obligations	0	0	0	0	0
Expenditures & Transfers Out	(48,001,942)	(55,568,743)	(57,978,449)	(66,333,237)	(69,070,190)
Excess(Deficiency) of Revenues Over Expenditures	6,816,872	5,227,014	4,033,986	(657,423)	(3,025,148)
Fund Balance – Beginning of Year	15,173,497	21,990,369	27,217,383	31,251,369	30,593,946
Prior Year Adjustments	0	0	0	0	0
Fund Balance – End of Year	$21,990,369	$27,217,383	$31,251,369	$30,593,946	$27,568,798

Source: Audited Financial Statements. Summary itself not audited.

Fund Balance - End of Year
Composed of:

	2021	2022	2023	2024	2025
Nonspendable, Restricted, and Assigned	$6,684,738	$6,417,892	$6,964,419	$6,545,010	$6,428,179
Unreserved/Unassigned	15,305,631	20,799,491	24,286,950	24,048,936	21,140,619

Source: Audited Financial Statements. Summary itself not audited.

Fiscal Year 2026 Budget

The General Fund budget adopted in November 2025 for the City's fiscal year commencing January 1, 2026 included expenditures and other uses of $71,843,190; revenues and other sources of $68,836,944 with an appropriated fund balance of $3,006,246, producing a balanced budget. The balanced budget was accomplished with a tax levy increase that was within the confines of the Tax Levy Limitation Law. The budget in its entirety is available on the City's website.
https://city-newburgh-ny-budget-book.cleargov.com/20925

Financial Controls

Pursuant to the Act, the City issued bonds in the amount of $6,090,000 to liquidate the accumulated deficit in the City's general fund which totaled $6,093,846. The final maturity date of such bonds was June 15, 2025. The City has implemented strict controls over financial management to prevent future deficits through a fiscal recovery plan. As per the Multiyear Financial Plan dated December 25, 2024, the City is projecting balanced operations in 2025-2028 through the use of appropriated fund balance as required. (see "Multiyear Financial Plan" herein). The plan included, but was not limited to, the following:

- Strategic use of appropriated fund balance, allowing specific revenue sources time to develop to support and sustain budgetary increases related to the following:
  - Increased equipment and operating costs due to surging global inflation
  - Increased personnel costs resulting from a highly competitive labor market
- Monitor additional parking revenue related to recent expansion and upgrade of the City's parking ecosystem

- Monitor Hotel Occupancy Tax collection in CFY 2025
- Monitor various City fees
- Monitor Marijuana Regulation & Taxation Act (MRTA) Regulatory Scheme - Adult-Use Cannabis Taxation. Promote retail locations within the City
- Reduce overtime in Police and Fire departments
- Maintain City-wide staffing levels steady through CFY 2028

Multiyear Financial Plan. The Act, which expired on August 30, 2025, required the City Manager to prepare a three (3) year financial plan covering the next succeeding fiscal year and two fiscal years thereafter, which would at a minimum contain; projected employment levels; projected annual expenditures; reserve fund accounts; estimated annual revenues; and the proposed use of onetime revenue sources. In addition, the financial plan would identify actions necessary to achieve and maintain long-term fiscal stability, including, but not limited to, improved management practices, initiatives to minimize or reduce operating expenses, and potential shared services agreements with other municipalities. The most recent Multiyear Financial Plan is dated December 25, 2024 and included projections for the fiscal years ending December 31, 2025-2028. Although the statutory requirement to prepare the Multiyear Financial Plan lapsed with the expiration of the Act on August 30, 2025, the City still expects to continue its practice. (See also "*Budgetary Procedure*" herein.)

The City has identified and initiated significant actions necessary to achieve and maintain long-term fiscal stability. For the fiscal years ended December 31, 2018, 2019, 2020, 2021, 2022 and 2023, the City had operating surpluses of $703,395, $3,482,399, $2,668,153, $6,816,872, $5,227,014 and $4,033,986 respectively. For the fiscal years ended December 31, 2024 and 2025, the City had operating deficits of $657,423 and $3,025,148, respectively.

Revenues

The City derives its principal revenues from real property taxes, sales taxes and State aid. A summary of revenues and other financing sources for the 2021-2025, fiscal years may be found under the Statements of Revenues, Expenditures and Changes in Fund Balance in Appendix B hereto. Also, see "*Summary Results of Operations – Fiscal Years Ended December 31, 2021-2025*" See also "*Tax Levy Limit Law*" herein.

Real Property Taxes. The City receives a significant portion of its revenues from real property taxes and assessments. See also "*Tax Levy Limit Law*" herein.

Real Property Taxes as a % of General Fund Revenues

	General Fund Revenues	Real Property Taxes Collected	Tax as % GFR
2021	$52,156,486	$22,351,471	42.9%
2022	60,434,060	23,435,466	38.8
2023	61,277,573	24,314,266	39.7
2024	64,925,354	23,407,386	36.1
2025	65,274,425	24,990,905	38.3
2026 (Budget)	71,843,190	24,746,400	34.4

(1) General Fund.
Source: Audited Financial Statements and Adopted Budget of the City. Summary itself not audited.

Sales Tax Distribution from County.

<u>Sales Tax as a % of General Fund Revenues</u>

	General Fund Revenues	Sales Tax	Sales Tax as % of GFR
2021	$52,156,486	$13,128,058	25.2%
2022	60,434,060	14,278,680	23.6
2023	61,277,573	14,353,893	23.4
2024	64,925,354	14,249,988	21.9
2025	65,274,425	14,661,983	22.5
2026 (Budget)	71,843,190	14,677,488	20.4

(1) General Fund.
Source: Audited Financial Statements and Adopted Budget of the City. Summary itself not audited.

In May 2026, the County was informed by OSC that they had improperly distributed sales tax revenue to municipalities. The County has been sharing 3.75% of its sales tax revenue for more than a decade even though it is authorized to share only 3.00%. It is estimated that the oversight could cost municipalities at least $20 million in 2026 as the budgeted sales tax is withheld from the County's towns, villages and cities, including the City. The State Senate and Assembly have passed legislation that would restore the additional sales tax revenue to the County's municipalities retroactive to January 1, 2026. It is expected that Governor Hochul will sign the bill into law by July 20, 2026.

State Aid. There is no assurance that State appropriations for aid to municipalities will continue, either pursuant to existing formulas or in any form whatsoever. The State is not constitutionally obligated to maintain or continue such aid.

<u>State Aid as a % of General Fund Revenues</u>

	General Fund Revenues	State Aid	State Aid as % GFR
2021	$52,156,486	$ 6,146,700	11.8%
2022	60,434,060	5,801,702	9.6
2023	61,277,573	6,157,025	10.1
2024	64,925,354	6,832,813	10.5
2025	65,274,425	6,051,116	9.3
2026 (Budget)	71,843,190	14,713,615	20.5

(1) General Fund.
Source: Audited Financial Statements and Adopted Budget of the City. Summary itself not audited.

Expenditures

The major categories of expenditure for the City are General Government, Public Safety, Public Works, Community Services, Culture and Recreation and Debt Service. A summary of the expenditures for the 2021-2025 fiscal years may be found in Appendix B hereto. Also, see "Summary Results of Operations – FY Ended December 31, 2021–2025."

REAL PROPERTY TAXES

Constitutional Tax Margin
Fiscal Year Ending December 31:

	2025	2026
Tax Limit	$31,462,956	$35,144,881
Total Tax Levy	24,507,675	24,746,400
Total Exclusions	7,178,262	6,546,137
Tax Levy Subject to Limit	17,329,413	18,200,263
Constitutional Tax Margin	14,133,543	16,944,618
Percentage of Unused Taxing Power	55.08%	48.21%

Tax Collection Procedures

The City is responsible for the collection of its own taxes and for the collection of County taxes, both current and delinquent (for taxes levied on property which is located within the City) and delinquent taxes of the District (for taxes levied on property which is located within the City). In addition, commencing with the 1998 tax year, the City has levied delinquent water and sewer bills.

City and County taxes are levied simultaneously, payable in four installments. The first installment is due in February, the second installment is due in May, the third installment is due in June and the final installment is due in August. If an installment payment is not paid in full by the due date, there is a 5% penalty until paid. Tax enforcement is accomplished through judicial foreclosure.

Delinquent County and Newburgh Enlarged City School District (the "District") taxes are paid by the City to the County and District, respectively, as collected or prior to foreclosure. With respect to District taxes, the District notifies the City by April 15 each year of the amount of uncollected taxes owed to the District. The City must then forward such uncollected taxes by April 30 or pay an interest penalty. Any uncollected District taxes received by the City between May 1 and October 31 will be paid with interest and fees that are retained by the City. The City is required to pay the District in full within two years after the return of the statement of unpaid taxes. Under the City Charter, the County Levy must be paid in full by October 10th of the levy year.

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Tax Rates, Levies and Collection Record

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
City Tax Levy	$23,029,608	$23,632,551	$23,576,778	$24,507,675	$24,746,400
Relevied Amounts (1)	1,347,132	3,696,574	2,548,166	2,608,809	$3,003,369
County Taxes	4,476,392	4,099,289	4,426,530	4,309,066	$4,298,921
Total to be Collected	28,853,132	31,428,414	30,551,474	31,425,550	$32,048,690
Amount Collected (2)	26,890,120	29,963,034	28,800,738	30,171,001	29,785,902(3)
% Collected	93.19	95.34	94.27	96.01	92.94
Tax Rates per $1,000 Of Assessed Valuation:					
Homestead	$15.07	$12.98	$10.79	$10.63	$15.68
Non-Homestead	22.03	21.48	15.18	15.38	23.53

(1) Includes uncollected Water/Sewer and Sanitation taxes from previous years.
(2) As of the end of each respective fiscal year.
(3) As of June 5, 2026.

Major Taxpayers

Selected Listing of Large Taxable Properties
2025 Assessment Roll for 2026 Taxes

Name	Type	Assessed Valuation	% of Assessed Value(1)
Central Hudson Gas & Electric	Utility Company	$106,633,423	5.35%
Mid Hudson Film LLC	Warehouse / Storage	13,865,000	0.70
CSX Transportation Inc	Railroad	11,942,642	0.60
Chadwick Gardens Assoc	Apartment Complex	8,500,000	0.42
Newburgh Commercial	Shop Ctr/WHs/Retail	7,768,000	0.39
Verizon New York Inc	Telephone / Telecom	7,155,907	0.36
Statistical Analysis, Inc	Warehouse / Storage	6,164,200	0.31
Newburgh Metals, Inc	Manufacturer	5,260,000	0.26
Cerone Place LLC	Apartment Complex	5,185,000	0.26
High Pointe Apartments Owner LLC	Apartment Complex	4,900,000	0.25
	Totals:	$177,374,172	8.43%

(1) Total assessed value for 2026 tax roll is $2,103,019,184.

Tax Levy Limit Law

Prior to the enactment of Chapter 97 of the New York Laws of 2011, as amended (the "Tax Levy Limit Law"), all the taxable real property within the City has been subject to the levy of ad valorem taxes to pay the bonds and notes of the City and interest thereon without limitation as to rate or amount. However, the Tax Levy Limit Law imposes a tax levy limitation upon the City for any fiscal year commencing after January 1, 2012 and thereafter, without providing an exclusion for debt service on obligations issued by the City. As a result, the power of the City to levy real estate taxes on all the taxable real property within the City is subject to statutory limitations set forth in Tax Levy Limit Law.

The following is a brief summary of certain relevant provisions of Tax Levy Limit Law. The summary is not complete and the full text of the Tax Levy Limit Law should be read in order to understand the details and implications thereof.

The Tax Levy Limit Law imposes a limitation on increases in the real property tax levy of the City, subject to certain exceptions. The Tax Levy Limit Law permits the City to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor", which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by: (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, with the result expressed as a decimal to four places. The City is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limit Law sets forth certain exclusions to the real property tax levy limitation of the City, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the City. The City Council may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the City Council first enacts, by a vote of at least sixty percent of the total voting power of the governing board of the City, a local law to override such limit for such coming fiscal year.

The Tax Levy Limit Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation bonds or notes of the City or such indebtedness incurred after the effective date of the Tax Levy Limit Law. As such, there can be no assurances that the Tax Levy Limit Law will not come under legal challenge for violating (i) Article VIII, Section 12 of the State Constitution for not providing an exception for debt service on obligations issued prior to the enactment of the Tax Levy Limit Law, (ii) Article VIII, Section 10 of the State Constitution by effectively eliminating the exception for debt service to general real estate tax limitations, and (iii) Article VIII, Section 2 of the State Constitution by limiting the pledge of its faith and credit by a municipality or school district for the payment of debt service on obligations issued by such municipality or school district.

CITY INDEBTEDNESS

Constitutional Requirements

The State Constitution limits the power of the City (and other municipalities and city school districts of the State) to issue obligations and to contract indebtedness. Such constitutional limitations in summary form, and as generally applicable to the City and its obligations include the following:

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

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

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

General. The City is further subject to constitutional limitation by the general constitutionally imposed duty of the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such powers. As has been noted under "Payment and Security for the Notes", the State Legislature is prohibited by a specific constitutional provision from restricting the power of the City to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. However, the Tax Levy Limitation Law imposes a statutory limitation on the City's power to increase its annual tax levy. The amount of such increase is limited by the formulas set forth in the Tax Levy Limit Law. (See "*Tax Levy Limit Law*" herein.)

Debt Limit. The City has the power to contract indebtedness for any City purpose provided the aggregate principal amount of such indebtedness, excluding certain specified types of obligations, shall not exceed seven percent of the average full valuation of the taxable real estate located in the City and subject to certain enumerated exclusions and deductions such as debt contracted to provide water, self-liquidating facilities, certain sewer facilities and cash or appropriations for principal of debt. Pursuant to constitutional and statutory methods, average full valuation is determined by taking the assessed valuation of taxable real estate for the last five assessment rolls and applying thereto the ratio (equalization rate) which such assessed valuation bear to the full valuation, as determined by the NYS Department of Taxation & Finance – Office of Real Property Tax Service ("ORPTS").

The ORPTS annually establishes State equalization rates for the City and all localities in the State which are determined by statistical sampling of market sales/assessment studies. The equalization rates are used in the calculation and distribution of certain State aid and are used by many localities in the calculation of debt contracting and real property taxing limitations. The debt contracting and real property taxing limitations are based on a percentage amount of average full valuation.

Preparation of the City assessment roll is the statutory responsibility of the City under the Real Property Tax Law of the State. The ORPTS establishes the assessed valuation of special franchises and the taxable ceiling of railroad property. Special franchises include assessment on certain specialized equipment of utilities under, above, upon or through public streets or public places. Assessments are made on certain properties which are taxable for school purposes but which the City exempts for general municipal purposes.

Statutory Procedure

In general, the State Legislature, by enactment of the Local Finance Law, has authorized the powers and procedure for the City to borrow and incur indebtedness by the enactment of the Local Finance Law, subject, of course, to the constitutional provisions set forth above. The power to spend money, however, generally derives from other law, including specifically the General Municipal Law of New York State and the City Charter. See "*Tax Levy Limit Law*," herein.

Pursuant to the Local Finance Law, the City authorizes the issuance of bonds by the adoption of a resolution, approved by at least two-thirds of the members of the City Council, the finance board of the City. Customarily the City has delegated to the Director of Finance and Comptroller, as chief fiscal officer of the City, the power to authorize and sell bond anticipation notes in anticipation of authorized bonds.

The Local Finance Law also provides a twenty-day statute of limitations after publication of a bond resolution, together with a statutory form of notice which, in effect, stops legal challenges to the validity of obligations authorized by such bond resolution except for alleged constitutional violations. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement. Except on rare occasions, the City complies with this estoppel procedure.

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

Statutory law in New York permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first of such notes, and provided that such renewals do not (with certain exceptions) extend five years beyond the original date or borrowing. However, notes issued in anticipation of bonds for assessable improvements are not subject to such five year limit and may be renewed subject to annual reductions of principal for the entire period of probable usefulness of the purpose for which such notes were originally issued.

In general, the Local Finance Law contains provisions providing the City with power to issue certain other short-term general obligation indebtedness including revenue and tax anticipation notes and budget notes.

Constitutional Debt-Contracting Limitation

Pursuant to Article VIII of the New York State Constitution, the debt limit of the City is as follows:

Computation of Constitutional Debt Contracting Limitation

Tax Levy Year Ending December 31:	Assessed Valuation	State Equalization Rate	Full Valuation
2022	$1,297,660,744	100.00%	$1,297,660,744
2023	1,486,059,235	100.00	1,486,059,235
2024	1,905,757,697	100.00	1,905,757,697
2025	1,993,723,339	100.00	1,993,723,339
2026	2,103,019,184		2,103,019,184
Total Five Year Full Valuation			$8,786,220,199
Average Five Year Full Valuation			1,757,244,039
Debt Limit - 7% of Average Full Valuation			$123,007,082

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Statutory Debt Limit and Net Indebtedness

Statement of Debt Contracting Power
As of July 14, 2026

	Amount	Percentage of Debt Limit
Debt Contracting Limitation:	$123,007,082	100.00%
Gross Indebtedness:		
Serial Bonds	55,455,214	45.08
Bond Anticipation Notes (1)	37,499,668	30.49
Total Gross Indebtedness	92,954,882	75.57
Less Deductions and Exclusions:		
Water Debt	16,928,858	13.76
Sewer Debt (1)(2)	44,447,102	36.13
Unexpended Appropriations	705,870	0.58
Total Exclusions	62,081,830	50.47
Net Indebtedness	30,873,052	25.10
Debt Contracting Margin	$92,134,030	74.90

(1) Includes short-term financings with EFC.
(2) Sewer debt exclusion pursuant to Section 124.10 dated July 15, 2022.

Short-Term Indebtedness

Pursuant to the Local Finance Law, the City is authorized to issue short-term indebtedness, in the form of notes as specified by such statute, to finance both capital and operating purposes.

Capital Purposes. Bond anticipation notes may be sold to provide moneys for capital projects once a bond resolution has been adopted. Generally, bond anticipation notes are issued in anticipation of the sale of bonds at some future date and may be renewed from time to time up to five years from the date of the first note. Notes may not be renewed after the second year unless there is a principal payment on such notes from a source other than the proceeds of bonds. In no event may bond anticipation notes be renewed after the sale of bonds in anticipation of which the notes were originally issued.

Operating Purposes. The City is also authorized by law to issue tax anticipation notes and revenue anticipation notes to provide cash to pay operating expenditures. Borrowings for these purposes are restricted by formulas contained in the Local Finance Law and Regulations issued under the U.S. Internal Revenue Code. Such notes may be renewed from time to time generally not beyond three years in the case of revenue anticipation notes and five years for tax anticipation notes.

Budget notes may be issued to finance current operating expenditures for which there is no appropriation or the amount so appropriated is not sufficient. Generally, the amount of budget notes issued may not exceed 5% of the budget and must be redeemed in the next fiscal year.

In common with other cities in the State, the City finds it necessary from time to time to borrow in anticipation of the receipt of its real property taxes. The City has not issued revenue or tax anticipation notes in the last five fiscal years and does not plan to issue revenue or tax anticipation notes in the current fiscal year.

Cash Management/Cash Flow. The Director of Finance is empowered by the City Charter to invest all monies not immediately required and is empowered by the City Council resolution to borrow monies as needed for the uninterrupted operation of the City, subject to the limitation of the Local Finance Law.

Summaries of cash receipts and cash disbursements provide the basis for establishing borrowing needs. Prior year experience shows that disbursements are fairly consistent for the twelve months of the fiscal year. Real property taxes may be paid in four installments in February, May, June and August without penalty.

Environmental Facilities Corporation

The City is in the process of financing the following projects through EFC. (See also "*Authorized but Unissued Debt*" herein.)

- $10,770,000 DWSRF Project No: 18631 – Total current project costs funded with a grant of $3,000,000 balance of $7,770,000 issued through EFC as a $5,180,000 EFC short-term market rate loan at 0.32% interest rate and a $2,590,000 EFC short-term interest free loan.

- $31,394,650 CWSRF Project No: C3-7332-11-01 – Total current approved project amount, with grants of $19,137,325 and federal funding of $5,120,000; the balance of $7,137,325 financed by City bond anticipation notes initially, redeemed with an EFC short-term loan at 0% interest and converting to long-term financing at project completion. Interest on the loan will be compromised of the principal loan amount at 0% interest rate. On November 17, 2022, the City issued a $2,568,662 EFC short-term loan at 0% interest to fund this project.

- $44,890,000 CWSRF Project No: C3-7332-11-03 – Total current approved project amount, with grants of $26,648,994; the balance of $18,241,006 financed by EFC short-term loan initially at 0% interest rate and expected to be converting to long-term financing at project completion. On March 6, 2025, the City issued a $18,241,006 EFC short-term loan at 0% interest rate to fund this project.

Trend of Capital Debt

The following table provides information relating to direct indebtedness outstanding for the last five fiscal years.

	Fiscal Year Ending December 31:				
	2021	2022	2023	2024	2025
Debt Outstanding End of Year					
Bonds	$47,548,506	$43,655,000	$44,265,000	$40,320,000	$36,290,000
EFC Loans Payable	17,364,781	20,477,549	24,228,899	26,147,833	25,040,587
Bond Anticipation Notes	4,670,000	12,885,000	9,000,000	9,000,000	16,920,000
Total Debt Outstanding	$69,583,287	$77,017,549	$77,493,899	$75,467,833	$78,250,587

Source: Audited Financial Statements. Summary itself not audited.

Overlapping and Underlying Debt

The real property taxpayers of the City are responsible for a proportionate share of outstanding debt obligations of the County and the school districts situated in the City. Such taxpayers' share of this overlapping debt is based upon the amount of the City's equalized property values taken as a percentage of each separate units' total values. The following table presents the amount of overlapping debt and the City's estimated share of this debt. Authorized but unissued debt has not been included.

Statement of Direct and Overlapping Indebtedness
As of July 16, 2025

Gross Direct Indebtedness	$ 92,954,882
Exclusions and Deductions	37,499,668
Net Direct Indebtedness	$ 30,873,052

Overlapping Units	Date of Report	Net Indebtedness	Percentage Applicable	Applicable Net Indebtedness
County of Orange	06/26/26	$176,260,000	2.81%	$ 4,952,906
Newburgh City School District	12/23/25	112,150,000	22.49	25,222,535
Totals				$ 30,175,441

Sources: MSRB Electronic Municipal Market Access system.

Authorized But Unissued Debt

On August 12, 2019, the City Council adopted a bond resolution authorizing the issuance of up to $5,070,000 bonds or notes to finance the costs of upgrading aged components in the water treatment facility. On November 5, 2020, the City issued a $2,044,700 EFC short-term grid note pursuant to this resolution. On March 24, 2025, the City amended the August 12, 2019 bond resolution for this project to authorize bonds up to $11 million to pay increases in the cost of the project. On June 12, 2025, the City issued a $7,770,000 EFC short-term grid note pursuant to this resolution.

On July 11, 2022, the City Council adopted an amending bond resolution authorizing the issuance of up to $31,394,650 bonds or notes to finance the Long-Term Control Plan Phase III North Interceptor Improvements Project in the City. The City also issued its $2,568,662 EFC grid note pursuant to this resolution. There is $20,241,338 remaining pursuant to this resolution.

On August 8, 2022, the City Council adopted a bond resolution authorizing the issuance of up to $35,531,976 bonds or notes for floatable control and disinfection project (Phase IV of the long-term control plan). On May 28, 2024, the City Council amended this resolution, increasing the authorization for the project to $44,890,000. On March 6, 2025, the City issued a $18,241,006 EFC short-term loan to fund this project.

On August 11, 2025, the City Council adopted a bond resolution authorizing the issuance of up to $15,800,000 bonds or notes for the south interceptor sewer improvement project.

On September 8, 2025, the City Council adopted two bond resolutions authorizing the issuance of up to $17,600,000 bonds or notes for the west trunk sewer rehabilitation – contract no. 3 project and up to $30,600,000 bonds or notes for the construction of new sewer, stormwater and streetscape infrastructure along Liberty Street between Ann Street and Renwick Street.

On January 12, 2026, the City Council adopted a bond resolution authorizing the issuance of up to $7,150,000 bonds or notes for the separation of combined sewers on North Street from Carpenter Avenue to Fullerton Avenue.

Debt Ratios

The following table sets forth certain ratios relating to the City's direct and overlapping capital indebtedness:

Net Direct and Overlapping Indebtedness

	Amount	Per Capita (a)	% of Full Value (b)
Gross Direct Debt	$92,954,882	$3,259	4.42%
Net Direct Debt	30,873,052	1,083	1.47
Net Direct & Overlapping Debt	61,048,493	2,141	2.90

(a) The population of the City is 28,519 as of 2024 according to the U.S. Census Bureau.
(b) The full valuation of real property in the City for 2026 is $2,103,019,184.

Debt Service Schedule

The following table shows the annual debt service requirements to maturity on the City's outstanding general obligation bonded indebtedness.

Year Ending Dec 31	Outstanding Bonded Debt: Principal	Interest	Total	% of Principal Paid
2026[1]	$ 4,125,381	$ 1,369,088	$ 5,494,469	8.69%
2027	4,127,346	1,248,742	5,376,088	17.39
2028	4,209,311	1,114,221	5,323,532	26.26
2029	4,156,276	981,759	5,138,035	35.02
2030	4,243,241	862,834	5,106,075	43.96
2031	4,340,206	746,250	5,086,456	53.10
2032	4,264,250	625,256	4,889,506	62.09
2033	4,374,250	499,967	4,874,217	71.31
2034	2,834,250	391,076	3,225,326	77.28
2035	2,909,250	304,273	3,213,523	83.41
2036	1,314,250	239,782	1,554,032	86.18
2037	604,250	196,417	800,667	87.45
2038	619,250	177,684	796,934	88.76
2039	634,250	158,200	792,450	90.09
2040	659,250	137,975	797,225	91.48
2041	674,250	116,642	790,892	92.90
2042	689,250	94,592	783,842	94.35
2043	709,250	71,842	781,092	95.85
2044	399,250	47,911	447,161	96.69
2045	409,250	36,380	445,630	97.55
2046	414,250	24,452	438,702	98.43
2047	419,250	12,326	431,576	99.31
2048	109,250	0	109,250	99.54
2049	109,250	0	109,250	99.77
2050	109,250	0	109,250	100.00
Totals:	$47,457,511	$ 9,457,669	$56,915,180	

(1) For the entire fiscal year.

Principal Amortization by Purpose

Fiscal Years Ending December 30:	Outstanding Bonds				
	General	Water	Sewer	Sanitation	Total
2026	$ 2,450,055	$ 800,612	$ 783,071	$ 91,643	$ 4,125,381
2027	2,425,006	814,751	793,964	93,625	4,127,346
2028	2,481,579	824,889	807,930	94,913	4,209,311
2029	2,455,211	829,188	794,150	77,727	4,156,276
2030	2,512,267	840,563	811,291	79,120	4,243,241
2031	2,580,528	850,951	828,024	80,703	4,340,206
2032	2,641,525	694,504	845,882	82,339	4,264,250
2033	2,724,607	699,214	866,402	84,027	4,374,250
2034	1,641,545	491,128	686,734	14,843	2,834,250
2035	1,692,165	499,843	701,977	15,265	2,909,250
2036	929,121		385,129		1,314,250
2037	212,806		391,444		604,250
2038	221,493		397,757		619,250
2039	230,177		404,073		634,250
2040	243,209		416,041		659,250
2041	251,894		422,356		674,250
2042	260,579		428,671		689,250
2043	273,605		435,645		709,250
2044			399,250		399,250
2045			409,250		409,250
2046			414,250		414,250
2047			419,250		419,250
2048			109,250		109,250
2049			109,250		109,250
2050			109,250		109,250
Totals:	$26,227,372	$7,345,643	$13,170,291	$714,205	$47,457,511

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ECONOMIC AND DEMOGRAPHIC DATA

The following tables present certain comparative demographic and statistical information regarding the City, the County, the State and the United States.

Population

The table below shows population statistics for the City for the last four censuses, with comparable information for the County and State.

Population

Year	City	County	State
1980	23,438	259,603	17,558,165
1990	26,454	307,647	17,990,778
2000	28,259	341,367	18,976,457
2010	28,866	372,813	19,378,102
2020	28,146	382,077	20,201,249
2024	28,519	411,767	19,867,248

Source: U.S. Department of Commerce, Bureau of the Census.

Income

Per Capita Income

	2020	2024	% Change
City	$22,425	$31,232	39.3%
County	35,616	43,052	21.0
State	40,898	50,712	24.0

Source: U.S. Department of Commerce, Bureau of the Census (American Community Survey 5-Year Estimates).

Employment

The table below shows the annual average employed labor force for the City, County and State.

Average Employed Civilian Labor Force

Year	City	County	State
2021	12,100	171,800	9,592,000
2022	12,300	178,500	9,682,200
2023	12,500	182,800	9,849,900
2024	12,400	183,200	9,928,100
2025	12,400	184,100	10,009,000

Source: New York State Department of Labor.

Average Unemployment Rates

Year	City	County	State	United States
2021	6.4%	5.0%	7.1%	5.4%
2022	4.7	3.4	4.3	3.7
2023	4.4	3.5	4.0	3.7
2024	4.7	3.7	4.2	4.0
2025	4.9	3.9	4.3	4.2

Source: New York State Department of Labor and U.S. Bureau of Labor Statistics.

Major Non-Governmental Employers in the County
(400+ Employees)

Name	Type	Approx. No. of Employees
United States Military Academy at West Point	Colleges & Technical Institutes	4,000
Garnet Health Medical Center	Healthcare	2,524
Orange County Government	Government	2,308
Crystal Run Health	Healthcare	2,050
Access: Supports for Living	Non-Profit Organizations	1,400
St Luke's Cornwall Hospital	Healthcare	1,247
Elant, Inc.	Healthcare	1,200
Amscan, Inc.	Manufacturing & Distribution	800
C & S Wholesale Grocers, Inc.	Distribution	800
Empire Blue Cross/Blue Shield	Service	795
Spectrum Enterprise	Communications	750
Bon Secours Community Hospital	Healthcare	598
Cornerstone Family Healthcare	Healthcare	550
Amscan, Inc.	Distribution	525
The ARC of Orange County	Non-Profit Organizations	525
Here's Help Staffing & Recruiting	Staffing Services	500
Horizon Family Medical Group	Healthcare	500

Source: Official Statement for Orange County dated August 14, 2025.

Housing Data

Median Housing Values and Rents
2024

	Median Value Owner Occupied Units	Median Rents Renter Occupied Units	Owner Occupied
City	$247,900	$1,454	34.8%
County	387,900	1,680	67.8
State	423,800	1,621	54.3

Source: U.S. Department of Commerce, Bureau of the Census.

Educational, Cultural and Medical Institutions

Education. There are several colleges and universities located in the area of the City. Mt. Saint Mary's College, a liberal arts college, is located in the City. It serves not only as an institution of higher learning, but also as a civic and cultural center. Orange County Community College maintains a campus in the City. Other colleges and universities in the area include the United States Military Academy at West Point, Vassar College and Marist College in Poughkeepsie, State University of New York at New Paltz, and the main campus of Orange County Community College in MiddleCity.

Cultural. Library services are provided to the residents by the City School District. The library has books, periodicals and other materials in excess of 200,000 volumes. Also located in the City is the Crawford House (1829), a Cityhouse once owned by sea captain David Crawford, which provides an example of Greek revival style architecture. Of historical significance, General George Washington used a site, now a national historic monument, within the City as a headquarters during the Revolutionary War. At the same time, General Washington's troops were encamped at the nearby New Windsor Cantonment.

Medical. Hospital services are provided by St. Luke’s Hospital (“St. Luke’s”) located in the City. St. Luke’s is a 242-bed facility with more than 900 employees including a medical staff of 115 professionals.

Financial Institutions

The following commercial banks serve City residents: Key Bank and TD Bank NA.

Transportation

The City enjoys the benefits of a favorable transportation system. Two interstate highways, the New York State Thruway (I-87), and Interstate 84 serve the City; while the Newburgh-Beacon Bridge spans the Hudson River. Other major arteries include State highways 9W, 17K, 207, and 32. There is also local and interstate bus service. Commercial and passenger air transportation is conveniently located in the City of Newburgh at Stewart International Airport and the City is also located just two hours from the three major airports that serve the New York City area (Kennedy, LaGuardia, and Newark).

Utilities

Electricity and natural gas are supplied to the City by CH Energy Group, Inc. Telephone service is provided by Time Warner Cable and Verizon. The City provides sewer facilities and water supply and distribution to its residents, and is responsible for financing the construction, operation and maintenance of these systems. The City bills its residents directly for these services.

Communications

The City is served by the major New York metropolitan area newspapers, radio and television stations. In addition, the City has two local weekly newspapers and one radio station. Time Warner Cable Company and Verizon provide telephone, internet and cable television service within the City.

END OF APPENDIX A

APPENDIX B

SUMMARY OF FINANCIAL STATEMENTS AND BUDGETS

CITY OF NEWBURGH
GENERAL FUND
BALANCE SHEET

	AS OF DECEMBER 31:				
	2021	2022	2023	2024	2025
ASSETS					
Cash and Equivalents	$ 19,559,294	$ 20,996,803	$ 27,108,561	$ 22,194,952	$ 22,296,905
Investments	10,907,507	17,302,943	15,619,136	9,411,128	5,360,065
Taxes Receivables (Net)	4,452,570	4,703,159	4,590,230	4,680,445	5,326,187
Accounts Receivables (Net)	452,242	448,021	357,730	361,881	304,070
Due From Other Governments	3,885,613	4,774,116	4,389,127	3,974,708	3,871,161
Due From Other Funds	1,739,524	3,025,772	2,050,115	5,519,967	1,896,734
Prepaid Items	1,036,501	932,731	893,124	1,158,767	1,346,294
Total Assets	$ 42,033,251	$ 52,183,545	$ 55,008,023	$ 47,301,848	$ 40,401,416
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts Payable	$ 693,145	$ 988,666	$ 1,211,770	$ 454,923	$ 996,994
Accrued Liabilities	2,005,770	221,736	1,314,668	1,020,227	692,792
Deposits Payable	1,482,722	1,503,084	1,835,131	2,154,110	2,033,165
Employee Payroll Tax Deductions	97,208	249,854	165,730	419,825	248,244
Due To Other Governments	3,261	28,311	9,171	41,112	38,724
Due To School Districts	4,599	24,132	0	85,903	126,161
Due To Other Funds	17,476	48,278	90,286	1,365	668,897
Overpayments	207,274	249,004	221,137	233,305	231,628
Unearned Revenues	11,396,488	17,447,215	14,846,187	7,978,885	3,005,009
Total Liabilities	15,907,943	20,760,280	19,694,080	12,389,655	8,041,614
Deferred Inflows of Resources:					
Deferred Tax Revenues	4,134,939	4,205,882	4,062,574	4,318,247	4,791,004
Total Liabilities and Deferred Inflows of Resources	$ 20,042,882	$ 24,966,162	$ 23,756,654	$ 16,707,902	$ 12,832,618
Fund Balances:					
Nonspendable	1,036,501	932,731	893,124	1,158,767	1,346,294
Restricted	1,829,738	1,086,631	1,879,003	2,090,297	2,058,237
Assigned	3,818,499	4,398,530	4,192,292	3,295,946	3,023,648
Unassigned	15,305,631	20,799,491	24,286,950	24,048,936	21,140,619
Total Fund Equity	21,990,369	27,217,383	31,251,369	30,593,946	27,568,798
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 42,033,251	$ 52,183,545	$ 55,008,023	$ 47,301,848	$ 40,401,416

The financial data presented on this page has been excerpted from the audited financial statements of the City.
Such presentation, however, has not been audited.
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CITY OF NEWBURGH
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

	YEARS ENDED DECEMBER 31:				
	2021	2022	2023	2024	2025
REVENUES:					
Real Property Taxes	$ 22,351,471	$ 23,435,466	$ 24,314,266	$ 23,407,386	$ 24,990,905
Other Tax Items	2,106,809	1,457,836	1,334,506	1,595,705	1,844,209
Non-property taxes	14,941,863	16,582,103	16,449,466	16,170,327	16,671,822
Departmental Income	1,023,596	1,076,116	1,199,940	1,141,960	1,260,411
Interfund Revenues	3,346,305	3,834,342	4,804,209	4,936,864	5,179,714
Intergovernmental Charges	75,390	85,327	156,455	97,771	0
Use of Money and Property	101,307	387,787	1,665,535	1,617,249	1,001,895
Licenses And Permits	442,385	647,971	1,069,249	876,599	1,404,566
Fines and Forfeitures	647,520	1,129,792	1,144,224	881,992	1,091,052
Federal and State Aid	6,175,965	10,656,083	8,709,719	13,680,189	11,102,912
Miscellaneous	943,875	1,141,237	430,004	519,312	726,939
Total Revenues	52,156,486	60,434,060	61,277,573	64,925,354	65,274,425
EXPENDITURES:					
Current:					
General Government Support	9,100,517	10,993,210	11,724,656	12,394,577	13,404,664
Public Safety	28,176,404	27,729,402	29,503,528	32,276,806	35,207,018
Transportation	3,017,453	3,212,230	4,020,602	4,565,657	4,147,144
Culture And Recreation	1,137,593	1,444,527	2,310,772	2,672,323	3,118,868
Home and Community Services	1,111,786	1,266,008	1,953,333	1,945,347	2,555,288
Employee Benefits	1,693,328	1,559,933	1,710,634	1,818,243	1,826,470
Debt Service	3,612,361	4,236,282	4,001,954	3,806,664	3,781,154
Total Expenditures	47,849,442	50,441,592	55,225,479	59,479,617	64,040,606
Excess of Revenues Over Expenditures	4,307,044	9,992,468	6,052,094	5,445,737	1,233,819
OTHER FINANCING SOURCES (USES):					
Insurance Recoveries	348,228	306,865	401,605	572,996	606,617
Transfers - In	2,314,100	54,832	333,257	177,464	164,000
Transfers - Out (a)	(152,500)	(5,127,151)	(2,752,970)	(6,853,620)	(5,029,584)
Total Other Financing Sources (Uses)	2,509,828	(4,765,454)	(2,018,108)	(6,103,160)	(4,258,967)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	6,816,872	5,227,014	4,033,986	(657,423)	(3,025,148)
Fund Equity - Beginning of Year	15,173,497	21,990,369	27,217,383	31,251,369	30,593,946
Adjustment	0	0	0	0	0
Fund Equity - End of Year	$ 21,990,369	$ 27,217,383	$ 31,251,369	$ 30,593,946	$ 27,568,798

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CITY OF NEWBURGH
WATER AND SEWER FUNDS
BALANCE SHEET

	AS OF DECEMBER 31:				
	2021	2022	2023	2024	2025
ASSETS					
Current Assets:					
Cash and Equivalents	$ 17,108,190	$ 16,831,458	$ 15,115,678	$ 19,469,634	$ 19,462,550
Investments	1,988,154	5,239,745	5,897,722	10,226,549	7,038,688
Restricted Cash	203,926	3,926	3,926	0	0
Accounts Receivable, net	5,781,644	6,773,840	5,896,360	6,435,937	7,407,890
Due From Other Governments And Agencies	1,072,646	1,534,261	5,611,350	1,907,849	2,181,038
Due From Other Funds	0	85,956	35,109	0	824,432
Prepaid Items	55,498	41,939	52,212	61,798	70,140
Net Pension Asset-ERS	0	428,309	0	0	0
Noncurrent Assets:					
Capital Assets	62,213,105	78,442,681	101,122,706	109,435,389	117,806,999
Total Assets	$ 88,423,163	$ 109,382,115	$ 133,735,063	$ 147,537,156	$ 154,791,737
DEFERRED OUTFLOWS OF RESOURCES	3,513,716	3,210,785	1,740,788	2,757,475	2,023,857
LIABILITIES					
Current Liabilities:					
Accounts Payable	$ 693,064	$ 2,901,121	$ 694,297	$ 657,555	$ 1,169,790
Accrued Liabilities	981,396	1,611,785	5,413,653	2,860,047	1,145,504
Accrued Interest	174,902	229,049	432,697	353,003	307,433
Bond Anticipation Notes Payable	3,425,000	12,885,000	9,000,000	9,000,000	8,920,000
Unearned Revenues	773,162	740,522	690,960	1,898,793	1,758,237
Due to Other Funds	0	381,866	296,400	4,754,160	1,055,542
Current Maturities of Bonds Payable	890,761	855,571	987,183	999,460	1,017,422
Current Maturities of Loans Payable	4,213,058	659,486	661,451	1,056,746	1,063,711
Current Portion of Compensated Absences	40,100	45,400	50,600	74,200	73,000
Current Portion of Other Postemployment Benefit Liability	0	0	338,698	321,579	317,707
Noncurrent Liabilities:					
Due within one year	0	0	0	0	0
Due in more than one year	35,242,893	40,784,427	45,394,264	46,239,153	44,038,500
Total Liabilities	46,434,336	61,094,227	63,960,203	68,214,696	60,866,846
DEFERRED INFLOWS OF RESOURCES	1,768,211	2,492,147	1,939,059	2,971,939	2,092,608
NET POSITION					
Net Investment in Capital Assets	35,234,454	42,551,830	62,516,753	77,347,353	82,986,168
Unrestricted	8,499,878	6,454,696	7,059,836	1,760,643	10,869,972
Total Net Position	43,734,332	49,006,526	69,576,589	79,107,996	93,856,140
Total Liabilities, Deferred Inflows and Net Position	$ 91,936,879	$ 112,592,900	$ 135,475,851	$ 150,294,631	$ 156,815,594

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CITY OF NEWBURGH
WATER AND SEWER FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN NET POSITION

	YEARS ENDED DECEMBER 31:				
	2021	2022	2023	2024	2025
OPERATING REVENUES:					
Metered Sales	$ 14,781,649	$ 15,612,473	$ 16,889,663	$ 17,862,241	$ 21,234,480
Reimbursement from Town	301,600	300,781	302,275	301,851	341,977
Miscellaneous	105,508	97,788	156,404	134,950	531,253
Total Operating Revenues	15,188,757	16,011,042	17,348,342	18,299,042	22,107,710
OPERATING EXPENSES:					
Personal Services	1,590,847	1,756,953	1,868,806	2,182,950	2,203,372
Employee Benefits	1,710,409	1,580,359	1,550,915	1,606,912	1,380,921
Depreciation	1,903,526	1,778,764	2,012,046	2,223,864	2,369,677
Supplies	1,086,453	1,173,520	826,800	1,409,409	981,422
Utilities	239,629	103,059	388,449	351,928	360,758
Insurance	559,314	681,770	953,168	739,324	776,490
Contractual	6,245,984	6,773,765	7,807,346	7,636,403	6,706,990
Fees for Service	2,087,574	2,322,755	2,795,052	3,155,316	3,330,417
Total Operating Expenses	15,423,736	16,170,945	18,202,582	19,306,106	18,110,047
INCOME (LOSS) FROM OPERATIONS	(234,979)	(159,903)	(854,240)	(1,007,064)	3,997,663
NON-OPERATING REVENUES (EXPENSES)					
State Aid	1,848,680	2,636,157	3,498,546	3,062,120	3,077,912
Federal Aid	13,414	0	1,599	0	7,000
Interest Income	7,247	125,071	529,296	444,211	502,258
Interest Expense	(711,732)	(808,415)	(981,175)	(905,719)	(864,812)
Total Non-Operating Revenues (Expenses)	1,157,609	1,952,813	3,048,266	2,600,612	2,722,358
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	922,630	1,792,910	2,194,026	1,593,548	6,720,021
CAPITAL CONTRIBUTIONS					
State Aid	0	78,499	8,157,138	7,315,131	540,648
Federal Aid	0	0	9,137,325	0	3,125,940
Total Capital Contributions	0	78,499	17,294,463	7,315,131	3,666,588
TRANSFERS					
Transfers In	0	3,400,785	1,081,574	677,969	4,361,535
CHANGE IN NET POSITION	922,630	5,272,194	20,570,063	9,586,648	14,748,144
NET POSITION					
Beginning of Year	42,811,702 *	43,734,332 *	49,006,526 *	69,576,589 *	79,107,996
Change in Accouting Principle	0	0	0	(55,241)	0
Adjustments					
Total Net Position - Ending	$ 43,734,332	$ 49,006,526	$ 69,576,589	$ 79,107,996	$ 93,856,140

* Restated

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CITY OF NEWBURGH
2025 OPERATING BUDGET

	General Fund	Water Fund	Sewer Fund	Self Insurance Fund	Sanitation Fund	Total 2025 Budget
ESTIMATED REVENUES:						
Real Property Taxes	$ 24,507,675	$ 0	$ 0	$ 0	$ 0	$ 24,507,675
Real Property Tax Items	1,223,842	0	0	0	0	1,223,842
Non-Property Tax Items	17,204,476	0	0	0	0	17,204,476
Departmental Income	1,112,450	8,755,399	9,299,129	0	5,873,389	25,040,367
Intergovernmental Charges	112,693	0	1,296,685	0	0	1,409,378
Use Of Money And Property	1,011,430	56,324	34,749	0	65,969	1,168,472
Licenses And Permits	915,426	0	24,500	0	10,000	949,926
Fines And Forfeitures	1,086,293	0	0	0	0	1,086,293
State and Federal Aid	15,213,418	0	0	0	0	15,213,418
Interfund Revenues	4,014,979	269,001	0	3,882,451	0	8,166,431
Miscellaneous	787,836	76,029	355,284	0	48,315	1,267,464
Total Estimated Revenues	67,190,518	9,156,753	11,010,347	3,882,451	5,997,673	97,237,742
APPROPRIATIONS:						
Celebrations	198,400	0	0	0	0	198,400
Personnel Services	24,317,770	1,698,229	687,465	0	1,046,867	27,750,331
Equipment & Capital Outlay	12,141,665	225,521	653,114	0	1,000	13,021,300
Debt Service	3,781,153	1,161,702	1,935,711	0	116,001	6,994,567
Employee Benefits	21,425,565	1,528,597	539,420	0	895,934	24,389,516
Contractual Expense	5,854,564	2,623,751	5,006,683	3,882,451	2,596,063	19,963,512
Transfers	2,774,265	1,918,953	2,187,954	0	1,341,808	8,222,980
Total Appropriations	70,493,382	9,156,753	11,010,347	3,882,451	5,997,673	100,540,606
Excess (Deficiency) Of Estimated Revenues Over Appropriations	(3,302,864)	0	0	0	0	(3,302,864)
OTHER FINANCING SOURCES (USES):						
Operating Transfers - In	150,000	0	0	0	0	150,000
Operating Transfers - Out	0	0	0	0	0	0
Total Other Financing Sources (Uses)	150,000	0	0	0	0	150,000
Excess (Deficiency) of Estimated Revenues and Other Financing Sources Sources Over Appropriations and Other Financing Uses	(3,152,864)	0	0	0	0	(3,152,864)
Appropriation of Fund Balance	$ (3,152,864)	$ 0	$ 0	$ 0	$ 0	$ (3,152,864)

CITY OF NEWBURGH
2026 OPERATING BUDGET

	General Fund	Water Fund	Sewer Fund	Self Insurance Fund	Sanitation Fund	Total 2026 Budget
ESTIMATED REVENUES:						
Real Property Taxes	$ 24,746,400	$ 0	$ 0	$ 0	$ 0	$ 24,746,400
Real Property Tax Items	1,432,004	0	0	0	0	1,432,004
Non-Property Tax Items	16,885,922	0	0	0	0	16,885,922
Departmental Income	1,167,385	9,258,754	9,695,229	0	5,851,587	25,972,955
Intergovernmental Charges	114,719	0	1,400,000	0	0	1,514,719
Use Of Money And Property	1,307,809	130,062	179,971	0	112,119	1,729,961
Licenses And Permits	1,239,318	0	24,500	0	8,014	1,271,832
Fines And Forfeitures	992,475	0	0	0	0	992,475
State and Federal Aid	14,733,615	0	0	0	0	14,733,615
Interfund Revenues	5,189,542	295,282	0	4,131,439	0	9,616,263
Miscellaneous	803,878	162,264	350,289	0	45,548	1,361,979
Total Estimated Revenues	68,613,067	9,846,362	11,649,989	4,131,439	6,017,268	100,258,125
APPROPRIATIONS:						
Celebrations	194,400	0	0	0	0	194,400
Personnel Services	25,335,595	1,831,844	710,724	0	1,078,186	28,956,349
Equipment & Capital Outlay	11,289,281	299,882	462,114	0	1,000	12,052,277
Debt Service	3,510,480	1,145,257	1,792,287	0	115,039	6,563,063
Employee Benefits	22,710,109	1,490,289	529,125	0	940,522	25,670,045
Contractual Expense	5,911,318	2,677,008	5,458,375	4,131,439	2,257,711	20,435,851
Transfers	2,892,007	2,402,082	2,697,364	0	1,624,810	9,616,263
Total Appropriations	71,843,190	9,846,362	11,649,989	4,131,439	6,017,268	103,488,248
Excess (Deficiency) Of Estimated Revenues Over Appropriations	(3,230,123)	0	0	0	0	(3,230,123)
OTHER FINANCING SOURCES (USES):						
Operating Transfers - In	223,877	0	0	0	0	223,877
Operating Transfers - Out	0	0	0	0	0	0
Total Other Financing Sources (Uses)	223,877	0	0	0	0	223,877
Excess (Deficiency) of Estimated Revenues and Other Financing Sources Sources Over Appropriations and Other Financing Uses	(3,006,246)	0	0	0	0	(3,006,246)
Appropriation of Fund Balance	$ (3,006,246)	$ 0	$ 0	$ 0	$ 0	$ (3,006,246)

APPENDIX C

INDEPENDENT AUDITORS' REPORT
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2025

Can be accessed on the Electronic Municipal Market Access ("EMMA") website
of the Municipal Securities Rulemaking Board ("MSRB")
at the following link:

https://emma.msrb.org/P22028545.pdf

The audited financial statements referenced above are hereby incorporated into the attached Official Statement.

*** Such Financial Statements and opinion are intended to be representative only as of the date thereof. PKF O'Connor Davies, LLP has not been requested by the City to further review and/or update such Financial Statements or opinion in connection with the preparation and dissemination of this Official Statement.**

APPENDIX D

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL

Hawkins Delafield & Wood LLP
140 Broadway, 42nd Floor
New York, New York 10005

August 6, 2026

The City Council of the
City of Newburgh, in the
County of Orange, New York

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of the $8,835,000 Bond Anticipation Note-2026 Series A of the City of Newburgh, in the County of Orange (the "City"), a municipal corporation of the State of New York (the "Note"). The Note is dated August 6, 2026, bears interest at the rate of _.__% per annum, to be computed on the basis of a 30-day month and 360-day year, payable at maturity or prior redemption, and matures on August 6, 2027, subject to prior redemption as designated in said Note.

The Note is issued pursuant to the provisions of the Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of the State of New York, pursuant to the resolution duly adopted by the City Council on November 8, 2021 and amended on July 11, 2022, authorizing financing of the Long Term Control Plan Phase III North Interceptor Improvements Project (the "Resolution"), and the Certificate of Determination executed by the Director of Finance as of August 6, 2026 (the "Certificate of Determination").

Reference to the Certificate of Determination, and any and all modifications thereto is made for a description of the nature and extent of such benefits, and the rights and remedies of the holders of the Note.

Said bond anticipation note is a temporary obligation issued in anticipation of the sale of permanent bonds.

The Note is payable as to both principal and interest at TD Bank, National Association, Newburgh, New York, as paying agent, and is in the form of a single, fully registered note, in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, an automated depository for securities and clearing house for securities transactions which will maintain a book-entry system for recording the ownership interests in the Note. Purchases of ownership interests in the Note will be made only in book-entry form in denominations of $5,000 or any integral multiple thereof.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Note is a valid and legally binding general obligation of the City for which the City has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the City is subject to the levy of ad valorem real estate taxes to pay the Note and interest thereon, subject to certain statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended. The enforceability of rights or remedies with respect to such Note may be limited by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

2. Under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Note is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Note is not treated as a preference item in calculating the alternative minimum tax under the Code, however, interest on the Note is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

The Code establishes certain requirements which must be met subsequent to the issuance of the Note in order that the interest on the Note be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Note, restrictions on the investment of proceeds of the Note prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause the interest on the Note to become subject to federal income taxation retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of issuance of the Note, the City will execute a Tax Certificate relating to the Note containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the City represents that it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things necessary or desirable to assure that the interest on the Note will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in this paragraph 2, we have relied upon and assumed (i) the material accuracy of the City's representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of the interest on the Note, and (ii) compliance by the City with the procedures and representations set forth in the Tax Certificate as to such tax matters.

3. Under existing statutes, interest on the Note is exempt from personal income taxes of New York State and its political subdivisions, including The City of New York.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Note, or the ownership or disposition thereof, except as stated in paragraphs 2 and 3 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Note.

We give no assurances as to the adequacy, sufficiency or completeness of the Preliminary Official Statement and/or Official Statement relating to the Note or any proceedings, reports, correspondence, financial statements or other documents, containing financial or other information relative to the City, which have been or may hereafter be furnished or disclosed to purchasers of ownership interests in the Note.

Very truly yours,

APPENDIX E

FORM OF CERTIFICATE TO PROVIDE NOTICES OF EVENTS

UNDERTAKING TO PROVIDE NOTICES OF EVENTS

Section 1. Definitions

"EMMA" shall mean the Electronic Municipal Market Access System implemented by the MSRB.

"Financial Obligation" shall mean "financial obligation" as such term is defined in the Rule.

"GAAP" shall mean generally accepted accounting principles as in effect from time to time in the United States.

"Holder" shall mean any registered owner of the Securities and any beneficial owner of Securities within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934.

"Issuer" shall mean the **City of Newburgh**, in the County of Orange, a municipal corporation of the State of New York.

"MSRB" shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934.

"Purchaser" shall mean the financial institution(s) referred to in the Certificate of Determination, executed by the City Manager as of August 6, 2026.

"Rule 15c2-12" shall mean Rule 15c2-12 under the Securities Exchange Act of 1934, as amended through the date of this Undertaking, including any official interpretations thereof.

"Securities" shall mean the Issuer's $8,835,000 Bond Anticipation Notes – 2026 Series A, dated August 6, 2026 maturing on August 6, 2027, and delivered on the date hereof.

Section 2. Obligation to Provide Notices of Events. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided either directly or through Capital Markets Advisors, LLC, 11 Grace Avenue, Suite 308, Great Neck, New York 11021 to the Electronic Municipal Market Access ("EMMA") System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of such Board contemplated by the Undertaking, in a timely manner, not in excess of ten (10) business days after the occurrence of any such event, notice of any of the following events with respect to the Securities:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Securities, or other events affecting the tax status of the Securities;

(vii) modifications to rights of Securities holders, if material;

(viii) Bond calls, if material, and tender offers;

(ix) defeasances;

(x) release, substitution, or sale of property securing repayment of the Securities, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or similar event of the Issuer;

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

(xiii) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

(b) Nothing herein shall be deemed to prevent the Issuer from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated hereunder.

(c) Nothing herein shall be deemed to prevent the Issuer from providing notice of the occurrence of certain other events, in addition to those listed above, if the Issuer determines that any such other event is material with respect to the Securities; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any event except those events listed above.

Section 3. Remedies. If the Issuer shall fail to comply with any provision of this Undertaking, then any Holder of Securities may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Undertaking; provided that the sole and exclusive remedy for breach of this Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Undertaking shall not constitute an event of default on the Securities.

Section 4. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with (b)(5) of the Rule and is delivered for the benefit of the Holders. No other person shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 5. Amendments. Without the consent of any holders of Securities, the Issuer at any time and from time to time may enter into any amendments or changes to this Undertaking for any of the following purposes:

(a) to comply with or conform to any changes in Rule 15c2-12 (whether required or optional);

(b) to add a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;

(c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;

(d) to add to the duties of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer;

(e) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change;

provided that no such action pursuant to this Section 5 shall adversely affect the interests of the Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 6. Termination. This Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Securities shall have been paid in full or the Securities shall have otherwise been paid or legally defeased in accordance with their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to the EMMA System. Such notice shall state whether the Securities have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 7. Undertaking to Constitute Written Agreement or Contract. This Undertaking shall constitute the written agreement or contract for the benefit of Holders of Securities, as contemplated under Rule 15c2-12.

Section 8. Governing Law. This Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Undertaking as of August 6, 2026.

CITY OF NEWBURGH

By____

Interim City Manager and Director of Finance