PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 6, 2019

NEW ISSUE
SERIAL BONDS

RATING: See "RATING" herein

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax certifications described herein, (i) interest on the Bonds 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 Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code. In addition, in the opinion of Bond Counsel to the District, under existing statutes, interest on the Bonds 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 District will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3) of the Code.

NEW PALTZ CENTRAL SCHOOL DISTRICT
ULSTER COUNTY, NEW YORK

$50,000,000*
SCHOOL DISTRICT SERIAL BONDS - 2019

(the "Bonds")

Date of Issue: Date of Delivery

Maturity Dates: February 15, 2020 - 2035

The Bonds are general obligations of the New Paltz Central School District, Ulster County, New York (the "District"), and will contain a pledge of the faith and credit of the District for the payment of the principal of and interest on the Bonds and, unless paid from other sources, the Bonds are payable from ad valorem taxes which may be levied upon all the taxable real property within the District without limitation as to rate or amount. (See *"Nature of the Obligation,"* herein).

The Bonds will be issued in fully registered form, and when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Individual purchases may be made in book-entry form only, in the principal amount of $5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Payment of the principal of and interest on the Bonds will be made by the District to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds as described herein. (See "*Book-Entry-Only System*" herein).

The Bonds will be dated their Date of Delivery and will bear interest from such date payable semiannually on February 15 and August 15 in each year until maturity, commencing February 15, 2020. The Bonds will mature on February 15 in the years and amounts as set forth on the inside cover page hereof. The Bonds are subject to redemption prior to maturity. (See "*Optional Redemption*" herein).

The Bonds are offered when, as and if issued and received by the purchaser and subject to the final approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel, and certain other conditions. It is expected that delivery of the Bonds will be made on or about February 26, 2019 in New York, New York, or such place agreed to by the purchaser and the District.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM "DEEMED FINAL" BY THE DISTRICT FOR THE PURPOSES OF THE SECURITIES AND EXCHANGE COMMISSION RULE 15C2-12 (THE "RULE"). FOR A DESCRIPTION OF THE DISTRICT'S AGREEMENT TO PROVIDE NOTICE OF EVENTS AS DESCRIBED IN THE RULE, SEE "*DISCLOSURE UNDERTAKING*," HEREIN.

DATED: February ___, 2019

*Preliminary subject to change.

The Bonds mature on February 15 in each year as set forth below:

Date	Amount [1]	Interest Rate	Yield	CUSIP Number
2020	$2,480,000			647860
2021	2,510,000			647860
2022	2,590,000			647860
2023	2,675,000			647860
2024	2,760,000			647860
2025	2,850,000			647860
2026	2,945,000			647860
2027	3,040,000			647860
2028 [2]	3,140,000			647860
2029 [2]	3,240,000			647860
2030 [2]	3,345,000			647860
2031 [2]	3,455,000			647860
2032 [2]	3,565,000			647860
2033 [2]	3,680,000			647860
2034 [2]	3,800,000			647860
2035 [2]	3,925,000			647860

(1) The principal maturities of the Bonds are subject to adjustment following their sale pursuant to the terms of the accompanying Notice of Bond Sale to achieve substantially level or declining annual debt service as provided in the Local Finance Law.

(2) The Bonds maturing in the years 2028 and thereafter will be subject to optional redemption prior to maturity, as described herein. See "Optional Redemption" herein.

NEW PALTZ CENTRAL SCHOOL DISTRICT
ULSTER COUNTY, NEW YORK

BOARD OF EDUCATION

Michael O'Donnell ....President

Sophia Skiles..Vice President

Diana Armstead ....Board Member

Glenn LaPolt ....Board Member

Kathy Preston...Board Member

Teresa Thompson..Board Member

Matthew Williams...Board Member

DISTRICT OFFICIALS

Maria C. Rice .... Superintendent of Schools

Richard Linden...Assistant Superintendent for Business

Dusti Callo ....District Clerk

Tina Long...District Treasurer

BOND COUNSEL

Hawkins Delafield & Wood LLP
New York, New York

MUNICIPAL ADVISOR

Capital Markets Advisors, LLC
Hudson Valley * Long Island * Southern Tier * Western New York
(845) 227-8678

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No dealer, broker, salesman or other person has been authorized by the New Paltz Central School District to give any information or to make any representations not contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof.

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OFFICIAL STATEMENT

NEW PALTZ CENTRAL SCHOOL DISTRICT
ULSTER COUNTY, NEW YORK

relating to

\$50,000,000*
SCHOOL DISTRICT SERIAL BONDS - 2019
(the "Bonds")

This Official Statement, which includes the cover page, inside cover page and appendices hereto, presents certain information relating to the New Paltz Central School District, in Ulster County, in the State of New York (the "District," "County," and "State," respectively), in connection with the sale of \$50,000,000* School District Serial Bonds - 2019 (the "Bonds").

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the District 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 Bonds and the proceedings of the District relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

THE BONDS

Description

The Bonds will be dated their Date of Delivery and will bear interest from such date payable semiannually on February 15 and August 15 in each year until maturity commencing February 15, 2020. The Bonds will mature on February 15 in the years and amounts as set forth on the inside cover page hereof. The Bonds are subject to redemption prior to the maturity (see "*Optional Redemption*" herein).

The Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Individual purchases may be made in book-entry form only, in the principal amount of \$5,000 and integral multiples thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds.

Principal of and interest on the Bonds will be made by the District to DTC, which will in turn remit such principal of and interest on to its Participants (defined herein), for subsequent disbursement to the Beneficial Owners (defined herein) of the Bonds as described herein. The Bonds may be transferred in the manner described on the Bonds and as referenced in certain proceedings of the District referred to therein.

The record date for payment of principal of and interest on the Bonds will be the last business day of the calendar month preceding each interest payment date.

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*Preliminary subject to change.

Authority for and Purpose of the Bonds

The Bonds are issued pursuant to the Constitution, the laws of the State, including, among others, the Local Finance Law and the Education Law, and a bond resolution adopted by the Board of Education of the District on May 6, 2015, following approval of a proposition by a majority of the qualified voters of the District voting at a Special District Meeting and Election duly called and held on March 24, 2015. Said bond resolution authorizes the issuance of $52,900,000 serial bonds to pay the cost of construction of improvements to various District buildings and sites. In addition, the resolution authorized the expenditure of $700,000 currently on hand in the District's "District-wide Construction and Reconstruction Capital Reserve Fund" to pay for a portion of costs associated with the Project.

A $43,447,300 portion of the proceeds of the Bonds, together with $1,312,000 in available funds of the District, will redeem $44,759,300 in outstanding bond anticipation notes which mature on February 27, 2019. The $6,552,700 balance of the proceeds of the Bonds will provide additional original financing for the construction of improvements and alterations to various District buildings and sites and provide

Optional Redemption

Call Provisions. The Bonds maturing on or before February 15, 2027 are not subject to redemption prior to their stated maturity. The Bonds maturing on or after February 15, 2028 will be subject to redemption prior to maturity, at the option of the District, on any date on or after February 15, 2027, in whole or in part, and if in part in any order of their maturity and in any amount within a maturity (selected by lot within a maturity), at the redemption price of 100% of the par amount of the Bonds to be redeemed, plus accrued interest to the date of redemption.

Call Notification. If less than all of the Bonds of any maturity are to be redeemed, the particular bonds of such maturity to be redeemed shall be selected by lot in any customary manner of selection as determined by the District. Notice of such call for redemption shall be given by mailing such notice to the registered holder not more than sixty (60) days nor less than thirty (30) days prior to such date of redemption. Notice of redemption having been given as aforesaid, the bonds so called for redemption shall, on the date for redemption set forth in such call of redemption, become due and payable together with interest to such redemption date. Interest shall cease to be paid thereon after such redemption date (See *"Book-Entry-Only System"* for additional information concerning redemptions).

Nature of the Obligation

The Bonds, when duly issued and paid for, will constitute a contract between the District and the holder thereof.

The Bonds will be general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon. For the payment of such principal and interest the District has power and statutory authorization to levy ad valorem taxes on all taxable real property in the District without limitation as to rate or amount.

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Bonds, and the State is specifically precluded from restricting the power of the District to levy taxes on real estate therefor. Chapter 97 of the Laws of 2011, as amended, (the "*The Tax Levy Limit Law*"), imposes a limitation on the power of local governments and school districts, including the District, to increase their annual tax levy. The amount of such year-to-year increase is limited by the formulas set forth in the Tax Levy Limit Law. The Tax Levy Limit Law also provides the procedural method to overcome that limitation. In addition, the Tax Levy Limit Law expressly provides an exclusion from the annual tax levy limitation for any taxes levied to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures, or the refinancing or refunding of such bonds or notes. As the Bonds are being issued to finance voter approved capital expenditures, the Bonds qualify for such exclusion to the annual tax levy limitation. The exclusion does NOT apply to taxes to pay debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments. (See "*The Tax Levy Limit Law*" herein.)

REMEDIES UPON DEFAULT

Neither the Bonds, nor the proceedings with respect thereto, specifically provide any remedies which would be available to owners of the Bonds should the District default in the payment of principal of or interest on the Bonds, nor do they contain any provisions for the appointment of a trustee to enforce the interests of the owners of the Bonds upon the occurrence of any such default. The Bonds are general obligation contracts between the District and the owners for which the faith and credit of the District are pledged and while remedies for enforcement of payment are not expressly included in the District's contract with such owners, any permanent repeal by statute or constitutional amendment of a 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 Bonds at the suit of the owner, a Court has the power, in proper and appropriate proceedings, to render judgment against the District. 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 notes from funds lawfully available therefor or, in the absence thereof, to order the District 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 District and the availability and adequacy of other remedies. Upon any default in the payment of the principal of or interest on the Bonds, the owners of such Bonds could, among other remedies, seek to obtain a writ of mandamus from a Court ordering the governing body of the District to assess, levy and collect an ad valorem tax, upon all taxable property of the District subject to taxation by the District sufficient to pay the principal of and interest on the Bonds 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 Bonds and the proceedings with respect thereto all of which are included in the contract with the owners of the Bonds. 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 Bonds 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, 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 District.

Pursuant to Article VIII, Section 2 of the State Constitution, the District 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 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 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 District indebtedness is past due. The District has never defaulted in the payment of the principal of and/or interest on any indebtedness. See also, "*Compliance History*" under the section entitled "*Disclosure Undertaking*" herein.

Bankruptcy

The Federal Bankruptcy Code (Chapter IX) allows public bodies, such as municipalities, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Title 6-A of the Local Finance Law specifically authorizes any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While this Local Finance Law provision does not apply to school districts, there can be no assurance that it will not become applicable in the future. As such, the undertakings of the District should be considered with reference, specifically, to Chapter IX, and, in general, to other bankruptcy laws affecting creditors' rights and municipalities. Bankruptcy proceedings by the District, if authorized by the State in the future, could have adverse effects on bondholders and/or noteholders including (a) delay in the enforcement of their remedies, (b) subordination of their claims to those supplying goods and services to the District 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 Bonds.

The above references to said Chapter IX are not to be construed as an indication that the State will consent in the future to the right of the District to 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 or that the District is currently considering or expects to resort to the provisions of Chapter IX if authorized to do so in the future.

SECTION 99-B OF THE STATE FINANCE LAW

Section 99-b of the State Finance Law (the "SFL") provides for a covenant between the State and the purchasers and the holders and owners from time to time of the bonds and notes issued by school districts in the State for school purposes that it will not repeal, revoke or rescind the provisions of Section 99-b of the SFL, or amend or modify the same so as to limit, impair or impede the rights and remedies granted thereby.

Said section provides that in the event a holder or owner of any bond or note issued by a school district for school purposes shall file with the State Comptroller, a verified statement describing such bond or note and alleging default in the payment thereof or the interest thereon or both, it shall be the duty of the State Comptroller to immediately investigate the circumstances of the alleged default and prepare and file in his office a certificate setting forth his determinations with respect thereto and to serve a copy thereof by registered mail upon the chief fiscal officer of the school district which issued the bond or note. Such investigation by the State Comptroller shall set forth a description of all such bonds and notes of the school district found to be in default and the amount of principal and interest thereon past due.

Upon the filing of such a certificate in the office of the State Comptroller, he shall thereafter deduct and withhold from the next succeeding allotment, apportionment or payment of such State aid or assistance due to such school district such amount thereof as may be required to pay (a) the school district's contribution to the State Teachers' Retirement System, and (b) the principal of and interest on such bonds and notes of such school district then in default. In the event such State aid or assistance initially so withheld shall be insufficient to pay said amounts in full, the State Comptroller shall similarly deduct and withhold from each succeeding allotment, apportionment or payment of such State aid or assistance due such school district such amount or amounts thereof as may be required to cure such default. Allotments, apportionments and payments of such State aid so deducted or withheld by the State Comptroller for the payment of principal and interest on the bonds and notes shall be forwarded promptly to the paying agent or agents for the bonds and notes in default of such school district for the sole purpose of the payment of defaulted principal of and interest on such bonds or notes. If any such successive allotments, apportionments or payment of such State aid so deducted or withheld shall be less than the amount of all principal and interest on the bonds and notes in default with respect to which the same was so deducted or withheld, then the State Comptroller shall promptly forward to each paying agent an amount in the proportion that the amount of such bonds and notes in default payable to such paying agent bears to the total amount of the principal and interest then in default on such bonds and notes of such school district. The State Comptroller shall promptly notify the chief fiscal officer of such school district of any payment or payments made to any paying agent or agents of defaulted bonds or notes pursuant to said section of the SFL.

Book-Entry-Only System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds 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 bond certificate will be issued for each maturity of the Bonds 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 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each bond ("Beneficial

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping 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 Bonds 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 District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption notices shall be sent to DTC. If less than all of the Bonds 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.

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District, 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 District, 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 District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

The District 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 District believes to be reliable, but the District 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 DISTRICT TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF. IN ADDITION, THE DISTRICT 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 BONDS OR (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDOWNERS.

THE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE BONDS (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE BONDS OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE BONDS, 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 DISTRICT 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 BONDS; (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 BONDS.

MARKET FACTORS AFFECTING FINANCINGS OF THE MUNICIPALITIES OF THE STATE

There are certain potential risks associated with an investment in the Bonds, 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 District's credit rating could be affected by circumstances beyond the District'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 District 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 District's credit rating could adversely affect the market value of the Bonds.

If and when an owner of any of the Bonds should elect to sell all or a part of the Bonds 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 the Bonds. The market value of the Bonds is dependent upon the ability of holder to potentially incur a capital loss if such Bonds are sold prior to its 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 Bonds. 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 District to arrange for additional borrowing(s) as well as the market for and market value of outstanding debt obligations, including the Bonds, could be adversely affected.

The District 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 District'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 District 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 District 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 District will have market access for any such borrowing on a cost effective basis. The elimination of or any substantial reduction in State Aid would likely have a materially adverse effect upon the District requiring either a counterbalancing increase in revenues from other sources to the extent available or a curtailment of expenditures. (See also "*State Aid*" herein.)

Future amendments to applicable statutes whether enacted by the State or the United States of America affecting the treatment of interest paid on municipal obligations, including the Bonds, for income taxation purposes could have an adverse effect on the market value of the Bonds (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 District, without providing exclusion for debt service on obligations issued by municipalities and fire districts, may affect the market price and/or marketability for the Bonds. (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 District could impair the financial condition of such entities, including the District and the ability of such entities, including the District to pay debt service on the Bonds.

Cybersecurity

The District, 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 District 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 District 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 District digital networks and systems and the costs of remedying any such damage could be substantial.

THE STATE COMPTROLLER'S FISCAL STRESS MONITORING SYSTEM AND OSC 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 District as “No Designation,” with a fiscal score of 8.3% and an environmental score of 10.0.

The financial affairs of the District are subject to periodic compliance reviews by OSC to ascertain whether the District has complied with the requirements of various State and federal statutes. A report reviewing the financial conditions of the District for the period July 1, 2012 to November 30, 2013 was made available by OSC on June 6, 2014. Results of the audit and corresponding recommendations have been discussed with District officials and comments from the District have been included as a part of the audit report. Full copies of the State audit may be obtained by request of the District or the District’s Municipal Advisor.

See the State Comptroller’s official website for more information on FSMS. References to websites and/or website addresses presented herein are for informational purposes only. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

LITIGATION

General Matters. In common with other school districts, the District from time to time receives various notices of claim and s party to litigation. In the opinion of the School Attorney, unless otherwise set forth herein and apart from matters covered by applicable insurance coverage, there is one claim pending which, if determined against the District, could have an contingent liability as much as $100,000, according to the District’s attorney.

Tax Certiorari Proceedings. The District is also a party to various tax certiorari proceedings instituted under Article 7 of the Real Property Tax law. Such proceedings are administered by the component towns of the District that prepare the school assessment rolls. The District must refund taxes in accordance with settlements negotiated by the towns. In these actions, taxpayers claim that their current real property assessment is excessive and ask that such assessment be reduced. Generally, tax claims request a refund of taxes applicable to the alleged over assessment. Claims of this nature are filed continuously and some cases may not be settled for several years or more. It is not usual for certain taxpayers to have multiple pending claims affecting a period of years. It is not possible to provide an estimate concerning the possible outcome of pending tax certiorari cases. Tax certiorari claims, however are often settled for amounts substantially less than the original claims. According to District officials, the District paid approximately a de minimis amount in tax refunds in connection with the 2017-18 fiscal year.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the District, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Bonds 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 Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code. The Tax Certificate of the District (the “Tax Certificate”), which will be delivered concurrently with the delivery of the Bonds 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 District in connection with the Bonds, and Bond Counsel has assumed compliance by the District 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 Bonds from gross income pursuant to Section 103 of the Code.

In addition, in the opinion of Bond Counsel to the District, under existing statutes, interest on the Bonds 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 federal, state or local tax consequences arising with respect to the Bonds, 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 this 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 Bonds.

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 Bonds in order that interest on the Bonds 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 Bonds, 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 Bonds 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 District, in executing the Tax Certificate, will certify to the effect that the District 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 Bonds 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 Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Bond. 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 Bonds.

Prospective owners of the Bonds 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 Bonds 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 Bond (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 note 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 Bonds. In general, the issue price for each maturity of Bonds is expected to be the initial public offering price set forth on the cover of the Official Statement. Bond Counsel is of the further opinion that, for any Bonds having OID (a "Discount Bonds"), OID that has accrued and is properly allocable to the owners of the Discount Bonds 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 Bonds.

In general, under Section 1288 of the Code, OID on a Discount Bond 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 Bond. An owner's adjusted basis in a Discount Bond is increased by accrued

OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Discount Bond. 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 Bond even though there will not be a corresponding cash payment.

Owners of Discount Bonds 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 Bonds.

Bond Premium

In general, if an owner acquires a Bond 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 Bond after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "bond premium" on that Bond (a "Premium Bond"). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner's yield over the remaining term of the Premium Bond, determined based on constant yield principles (in certain cases involving a Premium Bond 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 note). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond 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 Bond may realize a taxable gain upon disposition of the Premium Bond 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 Bond should consult their own tax advisors regarding the treatment of bond 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 bond premium on, sale, exchange, or other disposition of Premium Bonds.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest on tax-exempt obligations, including the Bonds. 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 Bond 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 Bonds 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, may adversely affect the tax-exempt status of interest on the Bonds under federal or state law or otherwise prevent beneficial owners of the Bonds 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) and such decisions could affect the market price or marketability of the Bonds.

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

Legal Matters

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

DISCLOSURE UNDERTAKING

This Official Statement is in a form "deemed final" by the District for the purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule"). In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12") with respect to the Bonds, the District will execute a Certificate to Provide Continuing Disclosure for the benefit of holders of and owners of beneficial interests in the Bonds, the form of which is attached hereto as Appendix E hereto.

Compliance History

Since 2007, there have been in excess of 50 rating actions reported by Moody's Investors Service, S&P Global Ratings and Fitch Ratings affecting the municipal bond insurance companies, some of which had insured bonds previously issued by the District. Due to widespread knowledge of these rating actions, material event notices were not filed by the District in each instance.

The District has been in compliance in all material respects with Rule 15c2-12 during the last five years, except as follows. Since 2007, there have been in excess of 50 rating actions reported by Moody's Investors Service, Standard & Poor's Rating Corporation and Fitch Ratings affecting the municipal bond insurance companies, some of which had insured bonds previously issued by the District. Due to widespread knowledge of these rating actions, material event notices were not filed by the District in each instance. The District is required to post financial statements and annual financial information and operating data by December 27th of each year. However, as the result of an administrative error, this date was previously believed to be December 31st. As a result, the District's filing for the fiscal year ended June 30, 2014 and 2015 were late.

The District has reviewed and modified its continuing disclosure practices to ensure that all annual filings and material event notices are filed in a timely manner and, to the extent necessary, has also corrected any past failures to file.

MUNICIPAL ADVISOR

Capital Markets Advisors, LLC, Hopewell Junction, New York, (the "Municipal Advisor") is an independent municipal advisor registered with the United States Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor has served as the independent financial advisor to the District 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 District 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 District. 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 Bonds.

RATING

The District has applied to Moody's Investors Service ("Moody's") for a rating of the Bonds. Such application is pending at this time.

The District's underlying rating by Moody's is currently "A1."

Such rating reflects only the views of such organization and any desired explanation of the significance of such rating should be obtained from Moody's 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 change or withdrawal of such rating may have an adverse effect on the market price of the Bonds or the availability of a secondary market for the Bonds.

ADDITIONAL INFORMATION

Additional information may be obtained upon request from Richard A. Linden, Assistant Superintendent for Business, 196 Main Street, New Paltz, New York 12561, (845) 256-4010, e-mail: rlinden@newpaltz.k.12.ny.us or from the District's Municipal Advisor, Capital Markets Advisors, LLC, 822 Route 82 – Suite 310, Hopewell Junction, New York 12533, (845) 227-8678.

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 District and the original purchasers or holders of any of the Bonds.

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 District nor Capital Markets Advisors, LLC assumes any liability or responsibility for errors or omissions on such website. Further, Capital Markets Advisors, LLC and the District 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 District also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

NEW PALTZ CENTRAL SCHOOL DISTRICT
ULSTER COUNTY, NEW YORK

By: ____________________________________
Michael O'Donnell
President of the Board of Education and
Chief Fiscal Officer

DATED: February 6, 2019

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APPENDIX A

THE DISTRICT

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THE DISTRICT

General Information

The District is located on the west side of the Hudson River approximately 75 miles north of New York City. The District is approximately 78.5 square miles and includes most of the Town of New Paltz and portions of the Towns of Gardiner, Esopus, Lloyd, Plattekill, Rochester and Rosendale, all located in the County.

The District is primarily rural and residential in nature. Residents are employed locally and throughout the region including in New York City. The State University of New York at New Paltz is located in the District and is the largest employer in the District with approximately 1,000 employees. Unemployment rates are not reported for the District, including any of the Towns therein, but rates for Ulster County have generally been below State and national averages. Income and home values in the District are generally higher than the averages reported for the County and comparable to State averages. (See "*Economic and Demographic Data*" herein). According to District officials, the District maintains four school buildings and has a 2017-18 student enrollment of 2,215 (grades k though 12). (See "*School Enrollment Trends,*" herein).

Residents of the District receive their basic municipal services from the towns making up the District. The County provides social and certain health related programs to their respective residents and also sponsors a two-year community college offering associates degrees in various fields of study.

District Organization

The District is an independent entity governed by an elected Board of Education comprised of seven members. District operations are subject to the provisions of the State Education Law affecting school districts; other statutes applicable to the District include the General Municipal Law, the Local Finance Law and the Real Property Tax Law.

Members of the Board of Education are chosen on a rotating basis by qualified voters at the annual election of the District. The term of office for each board member is 3 years and the number of terms that may be served is unlimited. Each year the board selects from its members a president who serves as the chief fiscal officer of the District. The Board is vested with various powers and duties as set forth in the Education Law. Among these are the adoption of annual budgets (subject to voter approval), the levy of real property taxes for the support of education, the appointment of such employees as may be necessary, and other such duties reasonably required to fulfill the responsibilities provided by law. (See "*The Tax Levy Limit Law"* herein).

The Board of Education appoints the Superintendent of Schools who serves at its pleasure. Such Superintendent is the chief executive officer of the District and the education system. The Superintendent enforces all provisions of law and all rules and regulations relating to the management of the schools and other educational, social and recreational activities under the direction of the Board of Education. Certain of the financial functions of the District are the responsibility of the Assistant Superintendent for Business who is also appointed by the Board.

Financial Organization

Pursuant to the Local Finance Law, the President of the Board of Education is the Chief Fiscal Officer of the District. However, certain of the financial functions of the District are the responsibility of the Superintendent of Schools, the Assistant Superintendent for Business, the District Treasurer and the District Clerk.

Financial Statements and Accounting Procedures

The financial accounts of the District are maintained in accordance with the New York State Uniform System of Accounting for School Districts. Such accounts are audited annually by independent auditors, and are available for public inspection upon request.

See Audited Financial Statement as of and for the year ended June 30, 2018, "Notes to Financial Statements."

Budgetary Procedure

The District's fiscal year begins on July 1 and ends on June 30. Starting in the fall or winter of each year, the District's financial plan and enrollment projection are reviewed and updated and the first draft of the next year's proposed budget is developed by the central office staff. During the winter and early spring the budget is developed and refined in conjunction with the school building principals and department supervisors. The District's budget is subject to the provisions of the Tax Levy Limit Law, which imposes a limitation on the amount of real property taxes that a school district may levy, and by law is submitted to voter referendum on the third Tuesday of May each year. (See "*The Tax Levy Limit Law,"* herein).

The Budget for the 2018-19 fiscal year was approved by a majority of the voters of the District on May 15, 2018. See Appendix B for a summary of the 2018-19 adopted budget.

School Enrollment Trends

The following table represents the District's enrollment history for the five most recent fiscal years and enrollment projections for the next three years.

Fiscal Years Ended June 30:	District Enrollment (1)	Fiscal Years Ended June 30:	District Enrollment (1)
2014 (Actual)	2,246	2019 (Projected)	2,136
2015 (Actual)	2,259	2020 (Projected)	2,127
2016 (Actual)	2,254	2021 (Projected)	2,085
2017 (Actual)	2,251		
2018 (Actual)	2,215		

(1) Elementary through High School (K-12).

Source: District Officials.

District Facilities

The District operates four school buildings, statistics relating to each are shown below.

Name	Grades	Capacity	Year Built	Year of Latest Addition Or Alteration (1)
New Paltz High School	9-12	680	1968	1998, 2013
New Paltz Middle School	6-8	575	1932	1998, 2013
Dugine Elementary School	K-2	679	1963	1998, 2003
Lenape Elementary School	3-5	572	1992	2002, 2013

(1) Qualified voters of the District voting at a Special District Meeting and Election duly called and held on March 24, 2015 approved a \$52.9 million capital improvement project (the "Project"). A bond resolution was subsequently approved by the Board on May 6, 2015. On March 1, 2016, February 28, 2017, and February 27, 2018 the District issued in bond anticipation notes in connection with the project. The Bonds are being issued to permanently finance such outstanding bond anticipation notes (see "Authority for and Purpose of the Bonds," herein).

Source: District Officials.

Employees

The District provides services through approximately 380 full and part-time employees, most of which are represented by the following units of organized labor.

Union	No. of Employees	Contract Expiration Date
Bus Driver Association	48	June 30, 2021
CWA Head Custodial, Custodial Maintenance Unit	30	June 30, 2019
New Paltz United Teachers	222	June 30, 2019
Secretarial Association	13	June 30, 2021
Administrators Association	7	June 30, 2019
Educational Support Staff	67	June 30, 2019
CWA Cafeteria Unit	23	June 30, 2019
New Paltz District Office & Technology Support Staff Assoc.	7	June 30, 2021
Bus Attendants	12	June 30, 2021
NPCSD Support Staff Directors & Supervisors Association	3	June 30, 2021
New Paltz Pupil Services Association	2	June 30, 2019

Source: District Officials.

Employee Benefits

New York State Certified employees (teachers and administrators) are members of the New York State Teachers Retirement System (“TRS”). Payments to the TRS are generally deducted from State aid payments. All non-NYS certified/civil service employees of the District eligible for pension or retirement benefits under the Retirement and Social Security Law of the State of New York are members of the New York State and Local Employee's Retirement System (“ERS”). Both the TRS and ERS are non-contributory with respect to members hired prior to July 1, 1976. Other than as discussed below, all members of the respective systems hired on or after July 1, 1976 with less than 10 year’s full-time service contribute 3% (ERS) or 3.5% (TRS) of their gross annual salary toward the cost of retirement programs.

On December 10, 2009 a new Tier V was signed into law. The law is effective for new ERS and TRS employees hired after January 1, 2010 and on or before April 1, 2012. Tier V ERS employees will contribute 3% of their salaries and TRS employees will contribute 3.5% of their salaries. There is no provision for these contributions to cease after a certain period of service.

On March 16, 2012, Governor Cuomo signed into law Chapter 18 of the Laws of 2012, which legislation provides for a new Tier VI for employees hired after April 1, 2012. The new pension tier has progressive contribution rates between 3% and 6% with no provision for these contributions to cease after a certain period of service; it increases the retirement age for new employees from 62 to 63 and includes provisions allowing early retirement with penalties. Under Tier VI, the pension multiplier will be 1.75% for the first 20 years of service and 2% thereafter; vesting will occur after 10 years; the time period for calculation of final average salary is increased from three years to five years; and the amount of overtime to be used to determine an employee’s pension is capped at $15,000, indexed for inflation, for civilian and non-uniform employees and at 15% of base pay for uniformed employees outside of New York City. It also includes a voluntary, portable, defined contribution plan option for new non-union employees with salaries of $75,000 or more.

Pension reform legislation enacted in 2003 and 2004 changed the cycle of ERS billing to match budget cycles of the District. The reform legislation also required the District to make a minimum contribution of 4.5% of payroll every year, including years in which the investment performance of the fund would otherwise make a lower contribution possible.

Due to poor performance of the investment portfolio of TRS and ERS, the employer contribution rates for required pension contributions to the TRS and ERS in 2011 and subsequent years have increased. To help mitigate the impact of such increases, legislation was enacted to permit school districts to amortize a portion of the contributions to the ERS only. Under such legislation, school districts that choose to amortize will be required to set aside and reserve funds with the ERS for certain future rate increases. The District has not and does not reasonably expect to amortize such contributions in the immediate future.

In Spring 2013, the State and TRS approved a Stable Contribution Option ("SCO") that gives school districts the ability to better manage the spikes in Actuarially Required Contribution rates ("ARCs"). ERS followed suit and modified its existing SCO. Each plan allows school districts to pay the SCO amount in lieu of the ARC amount, which is higher, and defer the difference in payment amounts as described below.

The TRS SCO deferral plan is available to school districts for a total of seven years. Under the TRS SCO plan, payment of the deferred amount will commence in year six of the program (2018-19) and continue for five years. School districts can elect to no longer participate in the plan at any time, resume paying the ARC and begin repayment of deferred amounts over five years. Under the ERS SCO, payment of deferred amounts begins the year immediately following the deferral and the repayment period is 12 years. Once made, the election to participate in the ERS SCO is permanent. However, the school districts can choose not to defer payment in any given year. In both plans, interest on the deferred amounts is based on the yield of 10-year U.S. Treasury securities plus 1%.

The primary benefit of participation in the SCO plans is the elimination of the uncertainty in the volatility of future pension contribution ARCs in the near term, thereby providing school districts with significant assistance in its ability to create a stable and reliable fiscal plan. The District has not and does not reasonably expect to participate in the ERS or TRS SCO program.

Retirement Billing Procedures

TRS. TRS contributions are paid as a reduction in State aid payments due September 15, October 15 and November 15 of the succeeding fiscal year. Any deficiency or excess in TRS contributions are settled on a current basis in the month of January.

ERS. The Districts contributions to ERS are due on or before February 1. Such contributions are based on salary estimates for the State fiscal year ending on March 31 of the next calendar year.

The amounts contributed to ERS and TRS for the fiscal years ended June 30, 2014 through 2018 and the amounts budgeted for 2019 are as follows:

Fiscal Year Ended June 30:	TRS	ERS
2014	$3,238,866	$1,277,654
2015	3,602,233	1,196,326
2016	2,677,624	1,122,388
2017	2,444,791	974,838
2018	2,102,971	1,024,721
2019 (Budget)	2,610,000	1,025,000

Source: The Audited Annual Financial Statements and the Adopted 2018-19 Budget of the District. The Summary itself is not audited.

See "Note 9 - Notes to the Financial Statements" in the Audited Financial Statements for the year ended June 30, 2018.

Other Post Employment Benefits

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

For the fiscal year ended June 30, 2018, the District implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (OPEB), which supersedes GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions. GASB Statement 75 requires the net OPEB liability to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past period of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position (if any).

The District's net position has been restated as follows:

GASB Statement No. 75 Implementation:	
Beginning Total OPEB Liability (GASB 75):	$ (108,549,408)
Eliminate Net OPEB Obligation (GASB 45)	55,238,935
GASB Statement No. 86 implementation	
Eliminate Deferred Charge on Refunding, net	(124,645)
Net Change in Beginning Net Position	$ (53,435,118)

See "Note 15" in the Audited Financial Statements for the year ended June 30, 2018.

Total OPEB liability at June 30, 2018 is as follows:

Balance at June 30, 2017, as restated	$108,549,408
Service Cost	3,999,815
Interest	4,210,448
Difference Between Expected & Actual Experience	4,141,464
Changes in assumptions or other inputs	3,132,154
Benefit Payments	(1,747,948)
Net Changes	13,735,933
Balance at June 30, 2018	$122,285,341

See page 45 of the Audited Financial Statements for the year ended June 30, 2018.

Source: The audited financial statements for the fiscal year ended June 30, 2018.

Investment Policy

Pursuant to Section 39 of the State's General Municipal Law, the District has an investment policy applicable to the investment of all moneys and financial resources of the District. The responsibility for the investment program has been delegated by the Board of Education to the Assistant Superintendent for Business who was required to establish written operating procedures consistent with the District's investment policy guidelines. According to the investment policy of the District, 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 District has designated five banks or trust companies which are located and authorized to conduct business in the State to receive deposits of money. The District is permitted to invest in special time deposits or certificates of deposit.

In addition to bank deposits, the District 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 District include: revenue and tax anticipation notes issued by any municipality, school district or district corporation other than the District (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 District but only with respect to moneys of a reserve fund established pursuant to Section 6 of the General Municipal Law. The District 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 District, 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.

Collateral Requirements. All District deposits in excess of the applicable insurance coverage provide 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 letter 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 District'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 such deposits in the event of a default. Securities not registered or inscribed in the name of the District must be delivered, in a form suitable for transfer or with an assignment in blank, to the District or its designated custodial bank. The custodial agreements used by the District 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 District, 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 District in an amount equal to 100% of the aggregate deposits and the agreed interest thereon.

FINANCIAL FACTORS

District finances are operated primarily through its General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. A Statement of Revenues and Expenditures for the five-year period ended June 30, 2018 is contained in Appendix B. As reflected in Appendix B, the District derives the bulk of its annual revenue from a tax on real property. Capital improvements are generally financed by the issuance of bonds, bond anticipation notes and the use of funds reserved for capital improvements.

Real Property Taxes

The District derives a major portion of its revenues from a tax on real property (see "Statement of Revenues, Expenditures and Changes in Fund Balance-General Fund" in Appendix B, herein). Chapter 97 of the Laws of 2011, as amended, imposes a tax levy limitation upon the municipalities, school districts and fire districts in the State, including the District. (See "The Tax Levy Limit Law" herein.)

The following table sets forth total general fund revenues and real property tax revenues during the last five audited fiscal years, and real property tax revenues budgeted for the year ending June 30, 2019.

Fiscal Years Ended June 30:	General Fund Revenue (1)	Real Property Taxes	Real Property Taxes To Revenue (%)
2014	$51,049,916	$34,334,526	67.3%
2015	52,922,501	35,186,406	66.5
2016	54,749,683	36,798,794	67.2
2017	55,900,449	37,276,339	66.7
2018	58,198,691	38,347,409	65.9
2019 (Budget)	59,785,000	39,850,000	66.7

(1) Exclusive of other financing sources.
(2) Budgeted revenue excludes the appropriation of $1,535,000 in fund balance for the 2018-19 fiscal year.

Source: The Audited Annual Financial Statements and the Adopted 2018-19 Budget of the District. The Summary itself is not audited.

State Aid

The District receives State aid for operating and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. The following schedule presents the amount of State aid and its ratio to General Fund revenue, excluding other financing sources, for the five most recently completed fiscal years and the amount budgeted for the current fiscal year.

Fiscal Years Ended June 30:	General Fund Revenue (1)	State Aid	State Aid To Revenue (%)
2014	$51,049,916	$12,569,547	24.6%
2015	52,922,501	13,389,424	25.3
2016	54,749,683	13,359,110	24.4
2017	55,900,449	14,278,880	25.5
2018	58,198,691	15,505,732	26.6
2019 (Budget)	59,785,000	16,360,000	27.4

(1) Exclusive of other financing sources.
(2) Budgeted revenue excludes the appropriation of $1,535,000 in fund balance for the 2018-19 fiscal year.

Source: The Audited Annual Financial Statements and the Adopted 2018-19 Budget of the District. The Summary itself is not audited.

In addition to the amount of State Aid budgeted annually by the District, the State makes payments of STAR aid representing tax savings provided by school districts to their taxpayers under the STAR Program (see "*STAR-School Tax Exemption*").

There can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. The availability of such monies and the timeliness of such payment could be affected by a delay in the adoption of the State budget or other circumstances including State fiscal stress. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore.

Potential reductions in Federal aid received by the State. The State receives a substantial amount of Federal aid for education. Many of the policies that drive this Federal aid are subject to change under the current presidential administration and Congress. However, the State's current financial projections concerning Federal aid, and the assumptions on which they are based, are subject to revision as more information becomes available about the proposals for Federal tax policy and legislation, health care, including amendments to the Affordable Care Act, infrastructure, taxation, the Budget Control Act of 2011 (as amended), Federal regulatory reform, and other issues that may arise.

Reductions in Federal funding levels could have a materially adverse impact on the State budget. In addition to the potential fiscal impact of policies that may be proposed and adopted by the new administration and Congress, the State budget may be adversely affected by other actions taken by the Federal government, including audits, disallowances, and changes to Federal participation rates or other medicaid rules.

There can be no assurance that the State's financial position will not change materially and adversely from current projections. If this were to occur, the State would be required to take additional gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations; delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. Reductions in the payment of State aid could adversely affect the financial condition of school districts in the State.

Should the District fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies or by a mid-year reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.

Events Affecting New York School Districts

The recent history of state aid to school districts in the State for the last five years is as follows:

School district fiscal year (2014-2015): The State Legislature adopted the State budget on March 31, 2014. The budget included an increase of $1.1 billion in State aid for school districts.

The Smart Schools Bond Act was passed as part of the Enacted 2014-2015 State Budget. The Smart Schools Bond Act authorizes the issuance of $2 billion of general obligation bonds to finance improved educational technology and infrastructure to improve learning and opportunity for students throughout the State. The District's estimated allocation of funds is $752,800.

School district fiscal year (2015-2016): The State Legislature adopted the State budget on March 31, 2015. The budget included an increase of $1.4 billion in State aid for school districts that was tied to changes in the teacher evaluation and tenure process. School districts were required to obtain approval of their revised teacher evaluation plans by November 15, 2015 in order to receive their allotted increase in State aid.

School district fiscal year (2016-2017): The State Legislature adopted the State budget on March 31, 2016. The budget included an increase of $991 million in State aid for school districts over the State's 2015-16 Budget, $863 million of which consisted of traditional operating aid. In addition to the $408 million of expense based aid, the Governor's budget included a $266 million increase in Foundation Aid and a $189 million restoration to the Gap Elimination Adjustment. The majority of the remaining increase included $100 million in Community Schools Aid, a newly adopted aid category, to support school districts that wish to create community schools. The funds may only be used for certain purposes such as providing health, mental health and nutritional services to students and their families.

School district fiscal year (2017-2018): The State's 2017-2018 Budget provided for school aid of approximately $25.8 billion, an increase of $1.1 billion in school aid spending from the 2016-2017 school year. The majority of the increases have been targeted to high need school districts. Expense-based aids to support school construction, pupil transportation, BOCES and special education were continued in full, in keeping with the State's usual practice. Transportation aid increased by 5.5% and building aid increased by 4.8%. The State 2017-18 Budget continued to link school aid increases for 2017-18 and 2018-19 to teacher and principal evaluation plans approved by September

1 of the current year in compliance with Education Law Section 3012-d. In addition, the State 2017-18 Budget allows the Governor to reduce aid to school districts mid-year if receipts from the Federal government are less than what was expected. The Legislature then will have 90 days to approve the Governor's plan.

School district fiscal year (2018-2019): The State's final education budget includes record support for schools of more than $26 billion, including an increase of $1 billion over last year. This four-percent increase continues the commitment of funding education at a rate higher than the growth of the rest of the budget. In addition, the State 2018-19 Budget allows the Governor to reduce aid to school districts mid-year if receipts from the Federal government are less than what was expected.

The District believes that it would mitigate the impact of any delays or the reduction in State aid by reducing expenditures, increasing revenues, appropriating other available funds on hand, and/or by any combination of the foregoing. (See also "Market Factors Affecting Financings of the State" herein).

Other Revenues

District finances are operated primarily through the General Fund. All taxes and most other revenues are paid into this fund and all current operating expenditures are made from it. As reflected in Appendix B, the District derives the bulk of its annual revenues from a tax on real property. Capital improvements are generally financed by the issuance of bonds, bond anticipation notes and the use of funds reserved for capital improvements.

Independent Audits

The District retained the firm of Cooper Arias, LLP to audit its financial statements for the fiscal year ended June 30, 2018. Appendix B, attached hereto, presents excerpts from the District's most recent audited reports covering the last five fiscal years. Appendix C contains a link to the last fiscal year audit.

State Audit Reports. In addition, the District is subject to audit by the State Comptroller to review compliance with legal requirements and the rules and regulations established by the State. A report reviewing financial conditions of the District for the fiscal years 2010-11 through 2012-13 was made available on June 6, 2014. A full copy of the report may be obtained by request of the District or the District's Municipal Advisor.

See also, "*The State Comptroller's Fiscal Stress Monitoring System and OSC Compliance Reviews*," herein.

REAL PROPERTY TAXES

The District derives its power to levy an ad valorem real property tax from the State Constitution; methods and procedures to levy, collect and enforce this tax are governed by the Real Property Tax Law and County Tax Code. Real property assessment rolls used by the District are prepared by the towns in which the District is situated. Assessment valuations are determined by each town assessor and the State Office of Real Property Tax Services ("ORPTS") which is responsible for certain utility and railroad property. In addition, the ORPTS annually establishes State Equalization Ratios for all localities in the State which are determined by statistical sampling of market sales/assessment studies. The equalization ratios are used in the calculation and distribution of certain State aids and are used by many localities in the calculation of debt contracting and real property taxing limitations. The District has a debt limit but is not subject to a real property taxing limitation.

Real Property Tax Assessments and Rates

	Fiscal Years Ended June 30:				
	2015	2016	2017	2018	2019
Assessed Values:					
Esopus	$ 83,786,888	$ 84,166,379	$ 83,954,308	$ 84,196,252	$ 84,746,963
Gardiner	537,213,066	539,919,743	544,569,578	610,691,857	618,866,853
Lloyd	24,793,396	24,867,884	24,796,099	25,286,680	25,455,108
New Paltz	1,128,408,157	1,128,332,099	1,132,852,948	1,136,554,854	1,138,316,903
Plattekill	13,983,651	13,985,255	14,001,795	14,108,540	14,148,643
Rochester	22,497,621	21,998,653	21,470,078	20,918,444	20,471,420
Rosendale	17,067,971	16,982,905	16,968,804	17,160,703	17,843,559
Total Assessed Values	$ 1,827,750,750	$ 1,830,252,918	$ 1,838,613,610	$ 1,908,917,330	$ 1,919,849,449
Equalization Rates: (1)					
Esopus	100.00%	100.00%	100.00%	100.00%	100.00%
Gardiner	93.00	93.00	93.00	100.00	100.00
Lloyd	100.00	100.00	100.00	100.00	100.00
New Paltz	100.00	100.00	100.00	100.00	100.00
Plattekill	100.00	100.00	100.00	100.00	100.00
Rochester	100.00	100.00	100.00	97.00	93.50
Rosendale	100.00	100.00	100.00	100.00	100.00
Full Values:					
Esopus	$ 83,786,888	$ 84,166,379	$ 83,954,308	$ 84,196,252	$ 84,746,963
Gardiner	577,648,458	580,558,863	585,558,686	610,691,857	618,866,853
Lloyd	24,793,396	24,867,884	24,796,099	25,286,680	25,455,108
New Paltz	1,128,408,157	1,128,332,099	1,132,852,948	1,136,554,854	1,138,316,903
Plattekill	13,983,651	13,985,255	14,001,795	14,108,540	14,148,643
Rochester	22,497,621	21,998,653	21,470,078	21,565,406	21,894,567
Rosendale	17,067,971	16,982,905	16,968,804	17,160,703	17,843,559
Total Full Values	$1,868,186,142	$ 1,870,892,038	$ 1,879,602,718	$ 1,909,564,292	$ 1,921,272,596
Tax Levy (2)	$ 38,022,844	$ 39,635,000	$ 40,120,000	$ 41,060,000	$ 42,860,000
Tax Rate Per $1,000 Assessed Value:					
Esopus	$20.35	$21.31	$21.34	$21.50	$22.31
Gardiner	21.88	22.92	22.95	21.50	22.31
Lloyd	20.35	21.31	21.34	21.50	22.31
New Paltz	20.35	21.10	21.34	21.50	22.31
Plattekill	20.35	21.31	21.34	21.50	22.31
Rochester	20.35	21.31	21.34	22.17	22.31
Rosendale	20.35	21.31	21.34	21.50	22.31

(1) The State Office of Real Property Taxes (the "ORPTS"). All equalization rates shown are final rates.
(2) The tax levy is inclusive of STAR reimbursements.

Source: District Officials.

Tax Limit

The Constitution does not limit the amount that may be raised by the District-wide tax levy on real estate in any fiscal year. However, Chapter 97 of the Laws of 2011, as amended, imposes a statutory limit on the amount of real property taxes that a school district may levy. (See "*The Tax Levy Limit Law*" below.)

The Tax Levy Limit Law

Chapter 97 of the Laws of 2011, as amended, (herein referred to as the "Tax Levy Limit Law" or "Law") modified previous law by imposing a limit on the amount of real property taxes that a school district may levy. Prior to the enactment of the Law, there was no statutory limitation on the amount of real property taxes that a school district could levy if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of four percent (4%) of the prior year's budget or one hundred twenty percent (120%) of the consumer price index ("CPI").

The Tax Levy Limit Law imposes a limitation on the amount of tax levy growth from one fiscal year to the next. Such limitation is the lesser of (i) 2% or (ii) the annual percentage increase in the consumer price index, as described in the Law. A budget with a tax levy that does not exceed such limit will require approval by at least 50% of the voters. Approval by at least 60% of the voters will be required for a budget with a tax levy increase in excess of the limit. In the event the voters reject the budget, or a subsequent resubmitted budget, the tax levy for the school district's budget for the ensuing fiscal year may not exceed the amount of the tax levy for the prior fiscal year.

The Law permits certain significant exclusions to the tax levy limit for school districts. These include taxes to pay the local share of debt service on bonds or notes issued to finance voter approved capital expenditures (such as the Bonds), and the refinancing or refunding of such bonds or notes, certain pension cost increases, and other items enumerated in the Law. However, such exclusion does NOT apply to taxes to pay debt service on tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes; and any obligations issued to finance deficits and certain judgments, including tax certiorari refund payments. (See "*Nature of Obligation*" herein).

On February 20, 2013, the New York State United Teachers ("NYSUT") and several individuals filed a lawsuit in State Supreme Court in Albany County seeking a declaratory judgment and a preliminary injunction that the Tax Levy Limitation Law is unconstitutional as it applies to public school districts. On September 23, 2014, a justice of the New York State Supreme Court dismissed each of NYSUT's causes of action but granted NYSUT's motion to amend the complaint. NYSUT subsequently served a second amended complaint seeking a preliminary injunction and challenging the Tax Levy Limitation Law as violative of the Education Article of the New York State Constitution, the Equal Protection and Due Process clauses and the First Amendment. On March 16, 2015 a New York State Supreme Court Justice denied NYSUT's motion for a preliminary injunction and dismissed all causes of action contained in NYSUT's second amended complaint. NYSUT appealed the decision to continue its challenge to the constitutionality of the Tax Levy Limitation Law. On May 5, 2016 the Appellate Division upheld the lower court dismissal, noting that while the State is required to provide the opportunity of a sound basic education, the Constitution "does not require that equal educational offerings be provided to every student", and further noted "the legitimate government interest of restraining crippling property tax increases". Press reports indicate that NYSUT is reviewing the decision and is likely to appeal to the Court of Appeals.

Tax Collection Procedures

The District derives its power to levy ad valorem real property taxes from the State Constitution; methods and procedures to levy, collect and enforce this tax are governed by the Real Property Tax Law. Real property assessment rolls used by the District are prepared by various towns making up the District. Assessment valuations are determined by each town assessor and the State Board which assesses certain utility and railroad property. In addition, the State Board annually establishes equalization rates for all localities in the State that are determined by statistical sampling of market sales/assessment studies. The equalization rates are used by the District to apportion taxes among its component towns and to calculate its constitution debt limit.

The Board of Education of the District levies real property taxes which become a lien upon the final adoption of the school tax roll by the Board of Education. School taxes are collected by a District appointed tax collector. Such taxes are collected between September 1 and November 1 and may be paid during the month of September without interest. Generally, payments received on or after October 1 must include interest computed at 1% per month from September 1. On or about November 1, the various school tax collecting officers transmit a listing of unpaid taxes to the Board of Education. Certified listings of unpaid taxes must be transmitted to the County not later than November 15.

Unpaid school taxes with 7% added thereto are relevied by the County and thereafter collected and enforced in the same manner as real property taxes levied for county purposes. The County remits the full amount of unpaid taxes to the District by April 1 of the succeeding calendar year. Thus, the District is guaranteed 100% of its taxes in the year of levy.

STAR - School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of $86,300 or less, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $68,700 for the 2019-20 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of $500,000 are eligible for a $30,000 "full value" exemption on their primary residence. School districts receive full reimbursement from the State for real property taxes exempted pursuant to the STAR program by the first business day in January of each year.

Part A of Chapter 60 of the Laws of 2016 of the State of New York ("Chapter 60") gradually converts the STAR program from a real property tax exemption to a personal income tax credit. Chapter 60 prohibits new STAR exemptions from being granted unless at least one of the applicants held title to the property on the taxable status date of the assessment roll that was used to levy school district taxes for the 2018-2019 school year (generally, March 1, 2018), and the property was granted a STAR exemption on that assessment roll. However, a new homeowner may receive a new personal income tax credit in the form of a check. The dollar benefit to eligible taxpayers will not change. A taxpayer who is eligible for the new credit will receive a check from the State equal to the amount by which the STAR exemption would have reduced his or her school tax bill. A homeowner who owned his or her home on the taxable status date for the assessment roll used to levy taxes for the 2018-2019 school year, and who received a STAR exemption on that roll, may continue to receive a STAR exemption on that home as long as he or she still owns and primarily resides in it. No further action is required (unless the homeowner has been receiving Basic STAR and wants to apply for Enhanced STAR, which is permissible).

The State 2017-18 Enacted Budget included changes to Chapter 60. STAR checks are now expected to be mailed out prior to the date that school taxes are payable. The amount of the check will be based on the previous year's amount adjusted by the levy growth factor used for the property tax cap. Any changes that must be made based on the final STAR credit compared to the estimate used will be factored into the subsequent year's STAR credit check or taxpayers also may account for those changes in their State income taxes.

For 2017-18, the District received a STAR reimbursement in the amount of $2,729,091 (unaudited). For 2018-19, the District estimates a STAR reimbursement of $2,530,000

Largest District Taxpayers

For the Collection of 2018-19 School Taxes

Name	Nature of Business	Full Valuation	% of Full Assessments [1]
Central Hudson Gas & Electric	Electric Utility	$35,928,058	1.87%
Palisades Interstate Park	Park Lands	10,355,104	0.54
The Riverside Trust	Private Resident	9,307,800	0.48
State Transition	State Lands	8,529,957	0.44
New Paltz Estates	Apartments	8,075,000	0.42
New Paltz Properties, Inc.	Supermarket, Commercial	8,075,000	0.42
Victorian Square LLC	Commercial	5,872,000	0.31
Southside Associates, LP	Apartments	5,440,000	0.28
Storage Portfolio	Commercial	5,200,000	0.27
Lazy River Resort, LLC	Amusement Park	4,495,750	0.23
		$101,278,669	5.27%

(1) Total taxable full values of the District for the 2018-19 fiscal year is $1,921,272,596.

Source: District Officials.

DISTRICT INDEBTEDNESS

Constitutional Requirements

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

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

The District may contract indebtedness only for a District 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 following the fiscal year in which 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 it is contracted. No installment may be more than fifty per centum in excess of the smallest prior installment, unless the District determines to issue a particular debt obligation amortizing on the basis of substantially level or declining annual debt service. The District 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 such required annual installments on its notes.

Statutory Procedure

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

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds and notes in anticipation of the bonds. With respect to certain school building construction projects, the District is not permitted to spend in excess of $100,000 for construction costs until the plans and specification for such project have been approved by the Commissioner of Education of the State.

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. The District has complied with such procedure with respect to the Bonds.

The Board of Education, as the finance board of the District, also has the power to authorize the sale and issuance of bonds and notes, including the Bonds. However, such finance board may delegate the power to sell the Bonds to the President of the Board of Education, the chief fiscal officer of the District, pursuant to the Local Finance Law.

Debt Limit. Pursuant to the Local Finance Law, the District has the power to contract indebtedness for any District purpose authorized by the Legislature of the State of New York provided the aggregate amount thereof shall not exceed ten per centum of the full valuation of taxable real estate of the District and subject to certain enumerated exclusions and deductions such as State aid for building purposes. The constitutional and statutory method for determining full valuation consists of taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ration is determined by the State Board of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined by such authority.

Statutory Debt Limit and Net Indebtedness

The following table presents the debt contracting power of the District.

Computation of Statutory- Debt Contracting Limitation
As of February 2, 2019:

	Assessed Valuation (1)	Equalization Rate (2)	Full Valuation
Towns:			
Esopus	$ 84,746,963	100.00%	$ 84,746,963
Gardiner	618,866,853	100.00	618,866,853
Lloyd	25,455,108	100.00	25,455,108
New Paltz	1,138,316,903	100.00	1,138,316,903
Plattekill	14,148,643	100.00	14,148,643
Rochester	20,471,420	93.50	21,894,567
Rosendale	17,843,559	100.00	17,843,559
			$1,921,272,596
Debt-Contracting Limitation: (10% of Full Valuation)			$ 192,127,260

(1) Calculation based on 2018-19 Assessed Values.
(2) As established by the ORPTS.

Source: District Officials.

Statement of Debt Limit and Net Indebtedness
As of February 2, 2019

	Amount	Percentage
Debt Contracting Limitation: (1)	$192,127,260	100.00%
Gross Indebtedness:		
Bonds	1,340,000	0.70
Bond Anticipation Notes	44,759,300	23.30
	46,099,300	23.99
Exclusions and Deductions: (2)	-0-	0.00
Net Indebtedness	46,099,300	23.99
Net Debt Contracting Margin	$146,027,960	76.01%

(1) Calculation based on 2018-19 values (see "*Debt Contracting Limitation*," above).
(2) Based on current State aid formulas, the District estimates that it will receive approximately $23.9 million from State school building aid to pay the principal portion of its bonds. However, such amount has not been certified by the State Education Department and no deduction has been taken to compute the District's debt contracting margin.

Bond Anticipation Notes

Bond anticipation notes may be sold to provide moneys for various purposes once a bond resolution has been adopted. Generally, bond anticipation notes are issued in the 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.

As of June 30, 2018, the District had $44,759,300 in outstanding bond anticipation notes, which will mature on February 27, 2019 and were originally issued to commence work on a District wide capital improvement project. The Bonds are being issued to permanently finance such outstanding bond anticipation notes. In addition, for the past several years the District has been in the practice of issuing bond anticipation notes in the amount of $300,000 to $500,000 to fund the purchase of school buses. Such notes are generally issued each May and are set to mature after approximately one month. At maturity, the District pays the notes in full with available funds. The District anticipates issuing approximately $500,000 for this purpose during 2019. An exact amount and timeframe for the proposed 2019 bus notes has not yet been determined by the District.

Tax and Revenue Anticipation Notes

The District is also authorized by law to issue tax anticipation notes and revenue anticipation notes to provide cash for operating expenditures. Borrowings for this purpose are restricted by formulas contained in the Local Finance Law and the Regulations issued under the U.S. Internal Revenue Code of 1986, as amended. Notes may be renewed from time to time but not beyond three years in the case of revenue anticipation notes or five years for tax anticipation notes.

In common with other school districts in the State, the District finds it necessary from time to time to borrow in anticipation of the receipt of its State aid revenue or real property taxes. In the past, the District has paid all notes on their due date. The following table presents a history of the District's revenue anticipation note borrowings during the last five completed fiscal years and the amount borrowed in the current fiscal year.

The District has not issued tax or revenue anticipation notes during the last five completed fiscal years and does not believed they will need to issue for such purposes in the foreseeable future.

Budget 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. The amount of budget notes issued generally may not exceed 5% of the budget and must be redeemed in the next fiscal year.

Energy Performance Contract

The District from time-to-time enters into financing leases or installment purchase contracts as such leases are described under State law. Under State law, installment purchase contracts are deemed to be executory only to the extent that moneys have been appropriated and are available therefor. Such contracts do not constitute general obligations of the District secured by a faith and credit pledge of the District's taxing powers. The total amount of periodic payments, exclusive of interest, due on installment purchase contracts may not exceed 40% of the District's constitutional debt limit. Such obligations presently represent approximately 0.11% of the District's maximum debt authority.

The District entered into an energy performance contract lease purchase obligation in 2013 for approximately $4.0 million. The District prepaid the debt in full during the 2018 fiscal year.

Trend of Capital Indebtedness

The following table provides information relating to capital indebtedness outstanding as of June 30 for the years 2014 through 2018. Energy performance contract from the below calculations.

	2014	2015	2016	2017	2018
Bonds	$9,515,000	$7,275,000	$ 5,330,000	$ 3,370,000	$ 1,340,000
Bond Anticipation Notes	-0-	-0-	15,000,000	30,000,000	44,759,300
Total Outstanding	$9,515,000	$7,275,000	$20,330,000	$33,370,000	$46,099,300

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Overlapping and Underlying Debt

In addition to the District, other political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the District. The real property taxpayers of the District are responsible for a proportionate share of outstanding debt obligations of these subdivisions. Such taxpayers' share of overlapping and underlying debt is based on the amount of the District's equalized property values taken as a percentage of each separate unit's total equalized values. The table presented on the following page includes the amount of overlapping and underlying debt and the District's estimated share of this debt. Authorized but unissued debt has not been included.

Statement of Direct and Overlapping Indebtedness
As of February 2, 2019

Gross Direct Indebtedness	$46,099,300
Exclusions and Deductions	-0-
Net Direct Indebtedness	$46,099,300

	Date Of Report	Net Debt Outstanding	Percent	Amount Applicable To District
County [1]	11-20-18	$86,374,965	12.11%	$10,460,008
Towns:				
New Paltz	12-31-17	1,728,947	100.00	1,728,947
Gardiner	12-31-17	343,678	72.45	248,995
Esopus	12-31-17	2,320,000	9.25	214,600
Lloyd [2]	01-16-19	6,735,000	2.55	171,743
Plattekill	12-31-17	25,132	1.38	347
Rochester	12-31-17	282,000	2.91	8,206
Rosendale	12-31-17	2,411,846	3.17	76,456
Village of New Paltz [3]	08-16-18	1,788,680	100.00	1,788,680
Total Net Overlapping Debt				$14,697,982

(1) Excludes budgetary appropriations of $7,281,552
(2) Excludes water debt of $2,639,250 and budgetary appropriations of $240,000
(3) Excludes water debt of $6,147,000

Source: Data provided by various municipal officials, the Office of the State Comptroller and the Municipal Securities Rulemaking Board.

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Debt Ratios

The following table presents certain debt ratios relating to the District's Direct and Overlapping Debt as of February 2, 2019. The District is reimbursed by the State for a portion of its debt service for school construction. An estimated deduction of $23.9 million for such aid was not taken out to determine the following ratios.

	Amount	Debt Per Capita (1)	Debt to Full Value (2)	Debt Per Capita To Per Capita Money Income (3)
Net Direct Debt:	$46,099,300	$2,396	2.40%	8.13%
Net Direct & Overlapping Debt:	60,797,282	3,160	3.16	10.72

(1) The estimated 2017 population of the District according to the US Census Bureau, is 19,237.
(2) The District's full value of taxable real property for fiscal 2018-19 is $1,921,272,596.
(3) According to the US Census Bureau (American Community Survey – 5-year estimate) the 2017 per capita money income for the Town of New Paltz was $29,475.

Authorized But Unissued Debt

After the issuance of the Bonds, the District will have no authorized but unissued debt. However, the District generally issues bond anticipation note of approximately $300,000 to $500,000 on an annual basis for the purchase of buses. In previous years the District has set the maturity of such notes at one month. The District expects to issue a similar amount of such notes during the 2019 fiscal year.

Debt Service Schedule

The following table presents the debt service requirements to maturity on the District's outstanding bonds, excluding the Bonds.

Schedule of Debt Service Requirements

Years Ending June 30:	Principal	Interest	Total Debt Service	Cumulative % Principal Paid
2019 (1)	$1,340,000	$53,600	$1,393,600	100.00%
	$1,340,000	$53,600	$1,393,600	

(1) As of February 2, 2019, the District has paid $-0- in principal and $26,800 interest on bonds due in the fiscal year ending June 30, 2019.

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ECONOMIC AND DEMOGRAPHIC DATA

Population

Population trends for the Towns of New Paltz and Gardiner (the District's largest components) are presented below, together with comparative trends for the County and the State. According to interim data obtained from the US Census Bureau, the Districts populations for 2017 was estimated at 19,237.

Population
2000 – 2017

	2000	2010	2017	% Change 2000-2010	% Change 2010-2017
Towns:					
New Paltz	12,830	14,003	14,124	9.1%	0.9%
Gardiner	5,238	5,713	5,671	9.1	(0.7)
County	177,749	182,493	180,129	2.7	(1.3)
State	18,976,457	19,378,102	19,798,228	2.1	2.2

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

Income

The following table provides comparative income statistics for the towns making up most of the District as well as the County and the State. Such statistics do not necessarily represent conditions within the District.

Per Capita Money Income

	2010	2017	% Change
Towns:			
New Paltz	$26,846	$29,475	9.8%
Gardiner	40,901	39,451	(3.5)
County	28,954	32,453	12.1
State	30,948	35,757	15.5

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

Median Income of Families
2017

	Median Income	Under $25,000	$25,000 -49,999	$50,000 -74,999	$75,000 -99,999	$100,000 or More
Towns:						
New Paltz	$101,00	8.0%	10.6%	13.6%	18.0%	50.5%
Gardiner	94,327	3.3	9.9	28.6	11.1	47.1
County	77,336	10.6	19.0	18.9	14.3	37.6
State	77,141	14.6	18.1	16.1	13.1	38.1

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

Employment

Average Employed Civilian Labor Force
2000-2017

	2000	2010	2017	% Change 2000-2010	% Change 2010-2017
County	84,900	86,300	84,800	1.6	(1.7)%
State	8,718,700	8,769,700	9,249,200	0.6	5.5

Source: New York State Department of Labor.

Average Unemployment Rates

Year	County	State	United States
2013	7.1	7.7	7.4
2014	5.7	6.3	6.2
2015	4.8	5.3	5.3
2016	4.4	4.8	4.9
2017	4.6	4.7	4.4
2018: (1)			
Jan	5.4	5.1	4.5
Feb	5.5	5.1	4.4
Mar	4.9	4.8	4.1
Apr	4.2	4.3	3.7
May	3.7	3.7	3.6
Jun	4.0	4.2	4.2
Jul	4.0	4.2	4.1
Aug	3.9	4.1	3.9
Sep	3.4	3.8	3.6
Oct	3.2	3.6	3.5
Nov	3.1	3.5	3.5
Dec	3.4	3.8	3.7

(1) Monthly Rates.

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

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Major Employers in Ulster County
(200 or more employees)

Name of Organization	Industry or Business
1,000+ Employees:	
County of Ulster	Government
Health Alliance of the Hudson Valley	Health Services
State Correctional Facilities	Correctional Services
SUNY New Paltz	Educational Services
500 – 999 Employees	
Bank of America, N.A.	Financial Services
Benedictine Hospital	Health Services
Kingston Hospital	Health Services
Mohonk Mountain House	Resort / Hotel
SUNY Ulster	Educational Services
Wal-Mart	Retail – All
250 – 499 Employees	
BOCES	Educational Services
City of Kingston	Government
Hudson Valley Resort and Spa	Resort / Hotel
Kingston Consolidated School District	Educational Services
Northeast Center for Special Care	Health Services
Ten Broeck Commons	Health Services
The Fallsview	Resort / Hotel
Ulster Savings / Ryan Insurance	Financial / Insurance Services
Hannaford	Retail - Grocery

Source: Ulster County Development Corporation and Commerce Register Inc.

Financial Institutions

The following commercial banks maintain branch offices in the vicinity of the District: The Bank of New York, Fleet National Bank, Key Bank, N.A., and the Manufacturers and Traders Trust Company.

Transportation

The District is served by all major forms of transportation. Highway facilities include U.S. Routes 28 and 42. The State Thruway (I-87) has an interchange in the nearby City of Kingston. Commercial air transportation is available at Stewart Airport in Newburgh or the Metropolitan New York airports located about two hours from the District by automobile.

Utilities

CH Energy Group, NYS Electric and Gas Corp. and Verizon provide residents of the District with gas, electric and local telephone services, respectively. Water and sewer services are comprised of both municipal and private systems. Cable television is provided by Cablevision.

Housing Data

Housing Stock
2000-2017

	Number of Units			% Change	
	2000	2010	2017	2000-2010	2010-2017
Towns:					
New Paltz	4,679	4,877	5,138	4.2%	5.3%
Gardiner	2,255	2,689	2,429	19.2	(9.7)
County	77,656	83.638	84,647	7.7	1.2
State	7,679,307	8,108,103	8,255,911	5.6	1.8

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

Median Housing Values and Rents
2017

	% Constructed 2010-2017	Median Value Owner Occupied Units	Median Rents Occupied Units	Occupancy Status		
				Owner Occupied	Renter Occupied	Vacant
Towns:						
New Paltz	3.5%	$304,000	$1,217	49.4%	37.0%	13.6%
Gardiner	0.7	319,600	1,192	69.4	18.2	12.4
County	0.4	221,600	1,053	57.1	25.2	17.7
State	1.8	293,000	1,194	47.8	40.7	11.5

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

END OF APPENDIX A

APPENDIX B

UNAUDITED SUMMARY OF FINANCIAL STATESMENTS AND 2019 ADOPTED BUDGET

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NEW PALTZ CENTRAL SCHOOL DISTRICT
GENERAL FUND
BALANCE SHEET
UNAUDITED PRESENTATION

	As of June 30:				
	2014	2015	2016	2017	2018
ASSETS					
Cash And Equivalents	$ 6,842,291	$ 5,588,859	$ 5,509,662	$ 5,939,694	$ 5,502,409
Receivables:					
Accounts (net)	6,657	21,547	4,848	9,508	0
State and Federal Aid	533,033	474,248	769,017	372,106	614,420
Due From Other Governments	519,200	946,946	588,728	511,661	583,176
Due From Other Funds	1,700,990	1,389,815	1,270,566	2,128,933	2,972,043
Prepaid Expenditures	0	0	0	0	213,951
Total Assets	$ 9,602,171	$ 8,421,415	$ 8,142,821	$ 8,961,902	$ 9,885,999
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts Payable	$ 817,209	$ 845,041	$ 377,874	$ 326,866	$ 336,950
Accrued Liabilities	90,146	67,153	37,921	181,334	26,046
Revenue Anticipation Note	0	0	0	0	0
Due To Other Funds	0	817,363	0	480,000	1,139,300
Due To Other Governments	1,700,961	562,076	199,511	195,186	161,611
Due To Retirement System	3,675,033	4,038,421	3,070,477	2,821,057	2,494,179
Total Liabilities	6,283,349	6,330,054	3,685,783	4,004,443	4,158,086
Fund Balance:					
Nonspendable:	0	0	0	0	213,951
Restricted	900,482	203,700	503,700	503,700	503,700
Assigned	2,167,156	1,700,000	1,850,000	2,400,000	2,590,000
Unassigned	251,184	187,661	2,103,338	2,053,759	2,420,262
Total Fund Balance	3,318,822	2,091,361	4,457,038	4,957,459	5,727,913
Total Liabilities and Fund Balance	$ 9,602,171	$ 8,421,415	$ 8,142,821	$ 8,961,902	$ 9,885,999

The financial data presented on this page has been excerpted from the audited financial statements of the District. Such presentation, however, has not been audited. Complete copies of the District's audited financial statements are available upon request to the District.

NEW PALTZ CENTRAL SCHOOL DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
UNAUDITED PRESENTATTION

	FOR THE FISCAL YEARS ENDED JUNE 30:				
	2014	2015	2016	2017	2018
REVENUES:					
Real Property Taxes	$ 34,334,526	$ 35,186,406	$ 36,798,794	$ 37,276,339	$ 38,347,409
Other Tax Items	3,152,695	3,228,476	3,327,251	3,256,520	3,210,636
Charges For Services	530,765	426,230	547,634	401,142	430,967
Use of Money And Property	49,714	28,281	11,397	14,048	45,036
Sale of Property And Compensation for Loss	27,510	14,144	31,932	209,167	28,081
State Aid	12,569,547	13,389,424	13,359,110	14,278,880	15,505,732
Federal Aid	0	0	0	0	0
Miscellaneous	385,159	644,566	673,565	464,353	630,830
Total Revenues	51,049,916	52,917,527	54,749,683	55,900,449	58,198,691
EXPENDITURES:					
Current:					
General Support	4,423,329	4,243,053	3,969,315	4,303,508	4,468,102
Instruction	26,334,488	27,047,766	26,524,734	28,080,246	29,189,010
Pupil Transportation	3,944,968	3,577,239	3,449,759	3,617,841	3,926,188
Employee Benefits	14,578,119	15,029,997	14,012,870	14,745,135	15,465,105
Debt Service	2,554,857	3,168,537	3,686,508	4,477,406	3,590,556
Total Expenditures	51,835,761	53,066,592	51,643,186	55,224,136	56,638,961
Excess (Deficiency) of Revenues Over Expenditures	(785,845)	(149,065)	3,106,497	676,313	1,559,730
OTHER FINANCING SOURCES (USES):					
Operating Transfers - In	336,955	4,974	0	174,723	0
Operating Transfers - Out	(663,277)	(1,083,370)	(563,942)	(350,615)	(1,009,347)
Total Other Financing Sources (Uses)	(326,322)	(1,078,396)	(563,942)	(175,892)	(1,009,347)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(1,112,167)	(1,227,461)	2,542,555	500,421	550,383
Fund Balances - Beginning of Year	4,430,989	3,318,822	2,091,361	4,457,038	5,177,530
Prior Period Adjustments	0	0	(176,878)	0	0
Fund Balances - End of Year	$ 3,318,822	$ 2,091,361	$ 4,457,038	$ 4,957,459	$ 5,727,913

The financial data presented on this page has been excerpted from the audited financial statements of the District.
Such presentation, however has not been audited.
Complete copies of the District's audited financial statements are available upon request to the District.

NEW PALTZ CENTRAL SCHOOL DISTRICT
GENERAL FUND
BUDGET SUMMARY

		Adopted Budget 2018-2019
ESTIMATED REVENUES:		
Real Property Taxes (Including STAR)	$	42,380,000
Real Property Tax Items		325,000
Charges For Services		215,000
Intergovernmental Services		160,000
Use Of Money And Property		25,000
Sale Of Property And Compensation For Loss		20,000
State Aid		16,360,000
Federal Aid		
Miscellaneous		300,000
TOTAL ESTIMATED REVENUES		59,785,000
Use of Aprropriated Fund Balance		1,535,000
TOTAL ESTIMATED REVENUES AND APPROPRIATED FUND BALANCE	$	61,320,000
APPROPRIATIONS:		
General Support	$	4,769,100
Instruction		31,520,300
Pupil Transportation		4,220,300
Employee Benefits		17,082,000
Debt Service		3,358,300
Interfund Transfers		370,000
TOTAL APPROPRIATIONS	$	61,320,000

Source: Adopted budget of the District for the fiscal year ending June 30, 2019.

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APPENDIX C

LINK TO
INDEPENDENT AUDITORS' REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2018

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/ER1324084.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. Cooper Arias, LLP has not been requested by the District to further review and/or update such Financial Statements or opinion in connection with the preparation and dissemination of this Official Statement.**

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<u>APPENDIX D</u>

FORM OF BOND COUNSEL OPINION

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The Board of Education of the
New Paltz Central School District,
in Ulster County, New York

Ladies and Gentlemen:

We have acted as Bond Counsel to New Paltz Central School District (the "School District"), in the County of Ulster, a school district of the State of New York, in connection with the authorization, sale and issuance of the $50,000,000 School District Serial Bonds-2019 (the "Bonds"), dated and delivered the date hereof.

We have examined a record of proceedings relating to the Bonds for purposes of this opinion. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof.

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

1. The Bonds are valid and legally binding general obligations of the School District for which the School District has validly pledged its faith and credit and, unless paid from other sources, all the taxable real property within the School District is subject to the levy of ad valorem real estate taxes to pay the Bonds and interest thereon without limitation as to rate or amount. The enforceability of rights or remedies with respect to such Bonds 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 Bonds 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 Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code.

The Code establishes certain requirements that must be met subsequent to the issuance of the Bonds in order that the interest on the Bonds be and remain excludable from gross income 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 Bonds, restrictions on the investment of proceeds of the Bonds 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 Bonds 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 Bonds, the School District will execute a Tax Certificate relating to the Bonds containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the School District 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 Bonds 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 School District'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 Bonds, and (ii) compliance by the School District with the procedures and representations set forth in the Tax Certificate as to such tax matters.

3. Under existing statutes, interest on the Bonds 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 Bonds, 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 Bonds.

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

Very truly yours,

APPENDIX E

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

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UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

Section 1. Definitions

"Annual Information" shall mean the information specified in Section 3 hereof.

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

"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 New Paltz Central School District, in the County of Ulster, a school district 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, or any successor thereto or to the functions of the MSRB contemplated by this Agreement.

"Rule" shall mean Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 CFR Part 240, §240.15c2-12), as amended, as in effect on the date of this Undertaking, including any official interpretations thereof issued either before or after the effective date of this Undertaking which are applicable to this Undertaking.

"Securities" shall mean the Issuer's $50,000,000 School District Serial Bonds - 2019, dated February 26, 2019, maturing in various principal amounts on February 15 in each of the years 2020 to 2035, inclusive, and delivered on the date hereof.

Section 2. Obligation to Provide Continuing Disclosure. (a) The Issuer hereby undertakes, for the benefit of Holders of the Securities, to provide or cause to be provided to the EMMA System:

(i) not later than the last day of the sixth month following the end of each fiscal year, commencing with the fiscal year ending June 30, 2019, the Annual Information relating to such fiscal year, together with audited financial statements of the Issuer for each fiscal year commencing with the fiscal year ending June 30, 2019, if audited financial statements are then available; provided, however, that if audited financial statements are not then available, unaudited financial statements shall be provided with the Annual Information, and audited financial statements, if any, shall be delivered to the EMMA System within sixty (60) days after they become available and in no event later than the last day of the succeeding fiscal year; provided, however, that the unaudited financial statement shall be provided for any fiscal year only if the Issuer has made a determination that providing such unaudited financial statement would be compliant with federal securities laws, including Rule 10b-5 of the Securities Exchange Act of 1934 and Rule 17 (a)(2) of the Securities Act of 1933.

(ii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of any of the following events with respect to the Securities:

(1) principal and interest payment delinquencies;

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

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

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

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

(6) 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 material events affecting the tax status of the Securities;

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

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

(9) defeasances;

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

(11) rating changes;

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

Note to clause (12): For the purposes of the event identified in clause (12) 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;

(13) 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; and

(14) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(iii) in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of a failure to provide by the date set forth in Section 2(a)(i) hereof any Annual Information required by Section 3 hereof.

(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. Annual Information. (a) The required Annual Information shall consist of the financial information and operating data for the preceding fiscal year, in a form generally consistent with the information contained or cross-referenced in the Issuer's final official statement relating to the Securities under the headings: "The District", "Financial Factors", "Tax Information", "District Indebtedness", Economic and Demographic Information" and "Litigation", and in Appendix B.

(b) All or any portion of the Annual Information may be incorporated in the Annual Information by cross reference to any other documents which are (i) available to the public on the EMMA System or (ii) filed with the SEC. If such a document is a final official statement, it also must be available from the EMMA System.

(c) Annual Information for any fiscal year containing any modified operating data or financial information (as contemplated by Section 7(e) hereof) for such fiscal year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Information being provided for such fiscal year. If a change in accounting principles is included in any such modification, such Annual Information shall present a comparison between the financial statements or information prepared on the basis of the modified accounting principles and those prepared on the basis of the former accounting principles.

Section 4. Financial Statements. The Issuer's annual financial statements for each fiscal year shall be prepared in accordance with New York State regulatory requirements or GAAP as in effect from time to time. Such financial statements shall be audited by an independent accounting firm.

Section 5. 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 6. Parties in Interest. This Undertaking is executed to assist the Purchaser to comply with subsection (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 7. 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 modify the contents, presentation and format of the Annual Information from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Issuer or to reflect changes in the identity, nature or status of the Issuer or in the business, structure or operations of the Issuer or any mergers, consolidations, acquisitions or dispositions made by or affecting any such person; provided that any such modifications shall comply with the requirements of Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such modification; or

(f) 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 7 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 8. 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 pursuant to 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.

In addition, this Agreement, or any provision hereof, shall be null and void in the event that those portions of the Rule which require this Agreement, or such provision, as the case may be, do not or no longer apply to the Securities, whether because such portions of the Rule are invalid, have been repealed, or otherwise.

Section 9. 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 10. 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.

NEW PALTZ CENTRAL SCHOOL DISTRICT

By____
President of the Board of Education and Chief Fiscal Officer