PRELIMINARY OFFICIAL STATEMENT DATED MARCH 23, 2021

NEW ISSUE SERIAL BONDS **Ratings: See "Ratings" herein**

In the opinion of Bond Counsel, under existing statutes, regulations, administrative rulings, and court decisions, and assuming continuing compliance by the District with its covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), and the accuracy of certain representations made by the District, interest on the Bonds is excluded from gross income of the owners thereof for Federal income tax purposes and is not an "item of tax preference" for purposes of the Federal alternative minimum tax imposed on individuals. Bond Counsel is also of the opinion that under existing statutes interest on the Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). No opinion is expressed regarding other Federal or State tax consequences arising with respect to the Bonds. See "TAX EXEMPTION" herein.

*The Bonds will **not** be designated or deemed designated as "qualified tax-exempt obligations" pursuant to Section 265 (b)(3) of the Internal Revenue Code of 1986.*

NEWBURGH ENLARGED CITY SCHOOL DISTRICT
ORANGE COUNTY, NEW YORK

$15,000,000*
SCHOOL DISTRICT SERIAL BONDS - 2021
(the "Bonds")

Dated Date: Date of Delivery **Maturity Date: April 15, 2022-2041**

The Bonds will be general obligations of the Newburgh Enlarged City School District, Orange 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, 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 (subject to certain statutory limitations imposed by Chapter 97 of the 2011 Laws of the State of New York). (See " THE BONDS' "*Nature of the Obligation*" and "REAL PROPERTY TAXES INFORMATION" "*Tax Levy Limitation Law*" in APPENDIX A hereto.)

The Bonds will be issued in registered book-entry-only form registered to Cede & Co., as the partnership nominee for the Depository Trust Company ("DTC") which 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 are dated their Date of Delivery and will bear interest from such date payable April 15, 2022, October 15, 2022 and semiannually thereafter on each April 15 and October 15 until maturity and will mature on April 15 in the years and amounts as set forth on the inside cover page hereof. The Bonds are subject to optional redemption prior to maturity as discussed herein. (See "Optional Redemption" herein).

The Bonds are offered when, as if issued and received by the purchaser and subject to the receipt of the approving opinion of Harris Beach PLLC, White Plains, New York, Bond Counsel. Harris Beach PLLC has not participated in the preparation of the demographic, financial or statistical data contained in this Official Statement, nor verified the accuracy, completeness or fairness thereof, and, accordingly, expresses no opinion with respect thereto. It is anticipated that the Bonds will be available for delivery through the facilities of DTC in Jersey City, New Jersey on or about April 20, 2021.

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

DATED: April ___, 2021

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*Preliminary, subject to change.

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

Date	Amount*	Interest Rate	Yield	CUSIP Number***
2022	$2,300,000	%		
2023	750,000			
2024	750,000			
2025	750,000			
2026	750,000			
2027	585,000			
2028	590,000			
2029	595,000			
2030**	600,000			
2031**	610,000			
2032**	620,000			
2033**	630,000			
2034**	640,000			
2035**	650,000			
2036**	665,000			
2037**	675,000			
2038**	690,000			
2039**	705,000			
2040**	715,000			
2041**	730,000			

* The principal maturities of the Bonds are subject to adjustment following their sale, pursuant to the terms of the accompanying Notice of Sale.

** Subject to redemption prior to maturity (See *"Optional Redemption"* herein.)

*** CUSIP numbers have been assigned by an independent company not affiliated with the District and are included solely for the convenience of the holders of the Bonds. The District is not responsible for the selection or uses of these CUSIP numbers and no representation is made as to their correctness on the Bonds or as indicated above.

NEWBURGH ENLARGED CITY SCHOOL DISTRICT
ORANGE COUNTY, NEW YORK

BOARD OF EDUCATION

Carol Mineo .... President

Phillip Howard .... Vice President

Ramona Burton .... Board Member

Dr. Shane Henderson .... Board Member

Mark Levinstein .... Board Member

Carol Maida .... Board Member

Sylvia Santiago .... Board Member

Darren Stridiron .... Board Member

William Walker .... Board Member

DISTRICT OFFICIALS

Dr. Roberto Padilla .... Superintendent of Schools

Dr. Lisamarie Spindler .... Assistant Superintendent of Finance

Matthew McCoy .... School District Clerk

INDEPENDENT AUDITORS

Bonadio & Co., LLP
Albany, New York

BOND COUNSEL

HARRIS BEACH PLLC
White Plains, New York

MUNICIPAL ADVISOR

CMA
CapitalMarketsAdvisors,LLC

Capital Markets Advisors, LLC
Hudson Valley * Long Island * New York City * Southern Tier * Western New York
(516) 274-4504

No dealer, broker, salesman or other person has been authorized by the Newburgh Enlarged City School District to give any information or to make any representations, other than those contained in this Official Statement and if given or made, such other information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Newburgh Enlarged City District from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Newburgh Enlarged City School District since the date hereof.

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OFFICIAL STATEMENT

NEWBURGH ENLARGED CITY SCHOOL DISTRICT
ORANGE COUNTY, NEW YORK

Relating to

$15,000,000*
SCHOOL DISTRICT SERIAL BONDS - 2021
(the "Bonds")

This Official Statement (the "Official Statement"), which includes the cover page and appendices hereto, presents certain information relating to the Newburgh Enlarged City School District, in the County of Orange, in the State of New York (the "District", "County", and "State", respectively), in connection with the sale of $15,000,000* School District Serial Bonds -2021 (the "Bonds").

All quotations from and summaries and explanations of the 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 compilation thereof, and 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.

This Official Statement should be read with the understanding that the ongoing COVID-19 global pandemic has created prevailing economic conditions (at the global, national, State and local levels) that are highly uncertain, generally negative, and rapidly changing, and these conditions are expected to continue for an indefinite period of time. Accordingly, the District's overall economic situation and outlook (and all of the specific District-related information contained herein) should be carefully reviewed, evaluated and understood in the full light of this unprecedented world-wide event, the effects of which are extremely difficult to predict and quantify. (See "*Risk Factors*", "*State Aid*" and "*Events Affecting New York School Districts*" herein.)

THE BONDS

Description

The Bonds will be dated the Date of Delivery, will bear interest from such date payable April 15, 2022, October 15, 2022 and semiannually thereafter on each April 15 and October 15 until maturity and will mature in the years and amounts as set forth on the inside cover page hereof. The Bonds are subject to optional redemption prior to maturity as described herein. (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")which 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 Bonds will be the last business day of the calendar month preceding each interest payment date.

* Preliminary, subject to change.

The District will act as Paying Agent for the Bonds. Paying agent fees, if any, will be paid by the purchaser. The District's contact information is Dr. Lisamarie Spindler, Assistant Superintendent of Finance, telephone number 845-563-3417, lspindler@necsd.net.

Authority for and Purpose of the Bonds

The Bonds are issued pursuant to the Constitution and Laws of the State, including among others, the Local Finance Law, the Education Law and two bond resolutions adopted by the Board of Education of the District on March 12, 2019 which were duly approved by the qualified voters of the District by bond referendum on May 18, 2019 authorizing the issuance of not to exceed $188,000,000 bonds of the District to undertake a capital improvement program consisting of (i) construction of a Career and Technology Center at the campus of the Newburgh Free Academy; (ii) construction of additions to the New Windsor School and the Vails Gate Elementary School and related demolition work in connection therewith; (iii) alterations, renovations and improvements to all existing school buildings and facilities; (iv) site improvements for various school purposes, including improvements to outdoor athletic facilities and playgrounds; (v) the acquisition of original furnishings, equipment, and apparatus and other appurtenant and related improvements (collectively, the "Capital Project"); and authorizing the issuance of not to exceed $59,000,000 bonds of the District to undertake upgrades and improvements to the heating, ventilation, air conditioning and air circulation systems in all of the District's existing school buildings and facilities (the "HVAC Project"). An $8,020,000 portion of the proceeds from the sale of the Bonds will be used to provide original financing for the Capital Project and a $6,980,000 portion of such proceeds will be applied to provide original financing for the HVAC Project .

Nature of the Obligation

Each Bond 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 of and interest on the District has the 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 (however, see "-REAL PROPERTY TAXES- Tax Levy Limitation Law" in Appendix A hereto). The State Constitution requires the District to provide by appropriation for the payment of interest on all obligations which will become due during the fiscal year. In addition, the State Constitution requires the District to provide in each year by appropriation for the payment of all installments of principal of the Bonds which will become due and payable in such year.

Optional Redemption

The Bonds maturing in the years 2022 to 2029, inclusive, are not subject to redemption prior to maturity.

The Bonds maturing on or after April 15, 2030 will be subject to redemption prior to maturity, at the option of the District, on any date on or after April 15, 2029, 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.

The District may select the maturities of the Bonds to be redeemed and the amount to be redeemed of each maturity selected, as the District shall determine to be in the best interest of the District at the time of such redemption. If less than all of the Bonds of any maturity are to be redeemed prior to maturity, the particular Bonds of such maturity to be redeemed shall be selected by the District 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 owner not less than thirty (30) days nor more than sixty (60) days prior to such date. Notice of redemption having been given as aforesaid, the Bonds so called for redemption shall, on the date of redemption set forth in such call for redemption, become due and payable, together with accrued interest to such redemption date, and interest shall cease to be paid thereon after such redemption date.

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 bondholder's and/or noteholder's remedial right to judicial enforcement of the contract should, in the opinion of Bond Counsel, be held unconstitutional.

Upon default in the payment of principal of or interest on the 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 bonds or 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 bond or note to use its general revenue powers, including, but not limited to, its property tax levy, to pay debt service on such obligations, but that such pledge may or may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues. The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

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

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

No Past Due Debt

No principal or interest payment on District indebtedness is past due. The District has never defaulted in the payment of the principal of and/or interest on any indebtedness.

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.

DESCRIPTION OF BOOK-ENTRY SYSTEM

The information in this Section concerning DTC and DTC's book-entry only system has been obtained from DTC. The District makes no representation or warranty regarding the accuracy or completeness thereof.

DTC 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.

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 note ("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.

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

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 of such issue to be redeemed. The District is not responsible for sending notices to Beneficial Owners.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the 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).

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 to DTC.

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 OR 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.

Certificated Bonds

DTC may discontinue providing its services with respect to the Bonds at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law, or the District may terminate its participation in the system of book-entry-only transfers through DTC at any time. In the event that such book-entry-only system is discontinued, the following provisions will apply: the Bonds will be issued in fully registered form in denominations of $5,000 each or any integral multiple thereof. Principal of the Bonds when due will be payable upon presentation at the office of a bank or trust company located and authorized to do business in the State as a fiscal agent bank to be named by the District upon termination of the book-entry-only system. Interest on the Bonds will be payable on April 15, 2022, October 15, 2022 and semi-annually thereafter on April 15 and October 15 in each year to maturity. Such interest will be payable by check drawn on the fiscal agent and mailed to the registered owner on each interest payment date at the address as shown on the registration books of the fiscal agent as of the last day of the month preceding each such interest payment date. Bonds may be transferred or exchanged at no cost to the registered owner at any time prior to maturity at the office of the fiscal agent for Bonds of the same or any other authorized denomination or denominations in the same aggregate principal amount upon the terms set forth in the Certificate of Determination of the President of the Board of Education authorizing the sale of the Bonds and fixing the details thereof and in accordance with the Local Finance Law. The fiscal agent shall not be obligated to make any such transfer or exchange of Bonds between the last business day of the month preceding an interest payment date and such interest payment date.

RISK FACTORS

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. Accordingly, a decline in the District's credit rating could adversely affect the market value of the Bonds.

In addition, if and when a holder of any of the Bonds should elect to sell a Bond prior to its maturity, there can be no assurance that a market shall have been established, maintained and be in existence for the purchase and sale of any Bonds. The price or principal value of the Bonds is dependent on the prevailing level of interest rates. If interest rates should increase, the price of a bond or note may decline causing the bond or noteholder to potentially incur a capital loss if such bond or note is sold prior to its maturity.

The financial condition of the District as well as the market for the Bonds could be affected by a variety of factors, some of which are beyond the District's control. There can be no assurance that adverse events in the State, including, for example, the seeking by a municipality 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. If a significant default or other financial crisis should occur in the affairs of the State or at any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the District to arrange for additional borrowings and the market for and market value of outstanding debt obligations, including the Bonds, could be adversely affected.

The District relies in part on State aid to fund its operations. 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 may also be affected by a delay in the adoption of the State budget, the impact to the State's economy and financial condition due to the COVID-19 outbreak and 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. (See "*State Aid*" and "*Events Affecting New York School Districts*" herein). Should the District fail to receive State aid expected from the State in the amounts or at the times expected, occasioned by a delay in the payment of such monies or by a reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing on account of the uncollected State aid.

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the District's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, the COVID-19 outbreak has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to continue to affect economic growth worldwide. The outbreak caused the Federal government to declare a national state of emergency, which was followed by the enactment of a variety of stimulus measures designed to address financial stability and liquidity issues caused by the outbreak. The State also declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. Efforts to contain the spread of COVID-19 has reduced the spread of the virus in some areas and there have been recent efforts to relax some of the restrictions put in place following the initial outbreak. Nevertheless, the outbreak of COVID-19 and the dramatic steps taken by the Federal government and State to address it are expected to negatively impact federal and local economies, including the economy of the State. The full impact of COVID-19 on the State's operations and financial condition is not expected to be known for some time. Similarly, the degree of the impact to the District's operations and finances as a result of COVID-19 is extremely difficult to predict due to the uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions have been or may continue to be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The spread of the outbreak or resurgence later in the year could have a material adverse effect on the State and municipalities and school districts located in the State, including the District. The District is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See "*State Aid*" and "*Events Affecting New York School Districts*" herein).

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

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.

LITIGATION

In common with other school districts, the District from time to time receives various notices of claim and is party to litigation. In the opinion of legal counsel to the District, unless otherwise set forth herein and apart from matters provided for by applicable insurance coverage, there are no claims or actions pending which, if determined against the District, would have an adverse material effect on the financial condition of the District.

The District has two New York Child Victims Act cases. In the event of a settlement or an adverse judicial determination in these cases, the District may issue obligations to pay the costs of the settlements or judgments.

Tax Certiorari Claims. The District is also a party to various tax certiorari proceedings instituted under Article 7 of the Real Property Tax Law. 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 unusual for certain taxpayers to have multiple pending claims affecting a period of years.

It is not possible to estimate the outcome of all pending tax certiorari cases. Tax certiorari claims are frequently settled for amounts substantially less than the original claims. In addition, settlements sometimes provide for reduced assessments in future years rather than a refund of taxes previously paid. The District maintains a tax certiorari reserve which had a balance of $3,361,886 at June 30, 2020. Pursuant to State law, the District uses its tax certiorari reserve for the payment of tax refunds pursuant to settlements and court orders of its tax certiorari proceedings. At a minimum, the District must redesignate this reserve every three years otherwise moneys therein revert to the District's general fund. The District may also finance tax certiorari settlements by issuing debt pursuant to provisions set forth in the Local Finance Law.

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the District, threatened against or affecting the District to restrain or enjoin the issuance, sale or delivery of the Bonds or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Bonds or any proceedings or authority of the District taken with respect to the authorization, issuance or sale of the Bonds or contesting the corporate existence or boundaries of the District.

TAX MATTERS

In the opinion of Bond Counsel, based on existing statutes, regulations, administrative rulings and court decisions, and assuming compliance by the District with certain covenants and the accuracy of certain representations, interest on the Bonds is excluded from gross income for Federal income tax purposes and is not an "item of tax preference" for purposed of its Federal alternative minimum tax imposed on individuals.

The Internal Revenue Code of 1986, as amended (the "Code"), imposes various limitations, conditions and other requirements which must be met at and subsequent to the date of issue of the Bonds in order that interest on the Bonds will be and remain excluded from gross income for federal income tax purposes. Included among these requirements are restrictions on the investment and use of proceeds of the Bonds and in certain circumstances, payment of amounts in respect of such proceeds to the United States. Failure to comply with the requirement of the Code may cause interest on the Bonds to be includable in gross income for purposes of federal income tax, possibly from the date of issuance of the Bonds. In the arbitrage and use of proceeds certificate to be delivered by the District in connection with the issuance of the Bonds, the District will covenant to comply with certain procedures, and it will make certain representations and certifications, designed to assure satisfaction of the requirements of the Code in respect to the Bonds. The opinion of Bond Counsel assumes compliance with such covenants and the accuracy, in all material respects, of such representations and certificates.

Prospective purchasers of the Bonds should be aware that ownership of the Bonds, and the accrual or receipt of interest thereon, may have collateral federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or Railroad benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences of their ownership of the Bonds and their accrual or receipt of interest thereon. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

The Bonds will **NOT** be designated as "qualified tax-exempt obligations" within the meaning of, and pursuant to Section 265(b)(3) of the Code.

In the opinion of Bond Counsel, interest on the Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof, including the City of New York.

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance and delivery of the Bonds may affect the tax status of interest on the Bonds.

No assurance can be given that any future legislation or governmental actions, including amendments to the Code or State income tax laws, regulations, administrative rulings, or court decisions, will not, directly or indirectly, cause interest on the Bonds to be subject to federal, State or local income taxation, or otherwise prevent holders of the Bonds from realizing the full current benefit of the tax status of such interest. Further, no assurance can be given that the introduction or enactment of any such future legislation, or any judicial decision or action of the Internal Revenue Service or any State taxing authority, including, but not limited to, the promulgation of a regulation or ruling, or the selection of the Bonds for audit examination or the course or result of an audit examination of the Bonds or of obligations which present similar tax issues, will not affect the market price, value or marketability of the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

Bond Counsel expresses no opinion regarding any other state or local tax consequences related to the ownership or disposition of, or the receipt or accrual of interest on, the Bonds.

Interest on the Bonds may or may not be subject to state or local income taxes in jurisdictions other than the State of New York under applicable state or local tax laws. Bond Counsel expresses no opinion, however, as to the tax treatment of the Bonds under other state or local jurisdictions. Each purchaser of the should consult his or her own tax advisor regarding the taxable status of the Bonds in a particular state or local jurisdiction other than the State of New York.

All summaries and explanations of provisions of law do not purport to be complete and reference is made to such laws for full and complete statements of their provisions.

ALL PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE AS TO THE TAX CONSEQUENCES OF PURCHASING OR HOLDING THE BONDS.

LEGAL MATTERS

The legality of the authorization and issuance Bonds will be covered by a separate approving legal opinion of Harris Beach PLLC, Bond Counsel, White Plains, New York. The legal opinion will state that (i) in rendering the opinion, Bond Counsel has assumed the accuracy and truthfulness of all public records, documents and proceedings examined by Bond Counsel which have been executed or certified by public officials acting within the scope of their official capacities, and has not verified the accuracy or truthfulness thereof, and Bond Counsel also has assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and such certifications thereof; (ii) the scope of Bond Counsel's engagement in relation to the issuance Bonds has extended solely to the examination of the facts and law incident to rendering the opinions expressed therein; (iii) the opinions expressed therein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the District together with other legally available sources of revenue, if any, will be sufficient to enable the District to pay the principal of and interest on the Bonds as the same respectively become due and payable; (iv) reference should be made to the Official Statement for factual information which, in the judgment of the District, would materially affect the ability of the District to pay such principal and interest; and (v) while Bond Counsel has participated in the preparation of the Official Statement, Bond Counsel has not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, no opinion is expressed by Bond Counsel as to whether the District, in connection with the sale of the Bonds, has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

DISCLOSURE UNDERTAKING

This Preliminary Official Statement is in a form "deemed final" by the District for the purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule"). At the time of the delivery of the Bonds, the District will provide an executed copy of its "Undertaking to Continuing Disclosure" ("the Undertaking"). The Undertaking will constitute a written agreement or contract of the District for the benefit of holders of and owners of beneficial interests in the Bonds, to provide, or cause to be provided, to the Electronic Municipal Market Access ("EMMA") System implemented by the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as follows:

(1) (i) certain annual financial information, in a form generally consistent with the information

contained or cross-referenced in this Official Statement under the heading “LITIGATION”; in APPENDIX A under the headings: “THE DISTRICT”, “FINANCIAL FACTORS”, “REAL PROPERTY TAXES”, “DISTRICT INDEBTEDNESS” and “ECONOMIC AND DEMOGRAPHIC DATA”; and in APPENDICES B and C, on or prior to the 270th day following the end of each fiscal year, commencing with the fiscal year ending June 30, 2021 and (ii) the audited financial statement, if any, of the District for each fiscal year commencing with the fiscal year ending June 30, 2021 on or prior to the 270th day following the end of such fiscal year, unless such audited financial statement, if any, shall not then be available in which case the unaudited financial statement for such fiscal year shall be provided on or prior to the 270th day following the end of such fiscal year and an audited financial statement shall thereafter be provided within 30 days after it becomes available and in no event later than 360 days after the end of each fiscal year.

(2) timely notice, not in excess of ten (10) business days after the occurrence of such event, of the occurrence of any of the following events:

(i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) in the case of credit enhancement, if any, provided in connection with the issuance of the Bonds, unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, as applicable, or other material events affecting the tax status of the Bonds; (vii) modifications to rights of Bondholders, if material; (viii) bond calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Bonds, as applicable; (xi) rating changes; (xii) bankruptcy, insolvency, receivership or similar event of the District; [note to clause (xii): For the purposes of the event identified in clause (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District 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 District, 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 District]; (xiii) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (xiv) appointment of a successor or additional trustee or the change of the name of a trustee, if material; (xv) incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if any; and (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

(i)

Event (iii) described in the above paragraph is included pursuant to a letter from the SEC staff to the National Association of Bond Counsel, dated September 19, 1995. However, event (iii) is not applicable, since no "debt service reserves" will be established for the Bonds.

With respect to event (iv) described in the above paragraph, the District does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Bonds.

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

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

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

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

Continuing Disclosure History

On June 6, 2019, the District filed a material event notice with EMMA related to a rating upgrade. On June 6, 2019, Moody's Investors Service upgraded the long-term credit rating of the Newburgh City School District to "Aa3" from "A1".

RATING

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

The District's outstanding uninsured long-term indebtedness has been assigned a rating of "Aa3" by Moody's.

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

MUNICIPAL ADVISOR

Capital Markets Advisors LLC, Great Neck, New York is serving as Municipal Advisor to the District with respect to the issuance of the Bonds. The Municipal Advisor will not engage in any underwriting activities with regard to the issuance and sale of the Bonds. The Municipal Advisor is not obligated to undertake and has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement and is not obligated to review or ensure compliance with the undertaking by the District to provide continuing secondary market disclosure.

ADDITIONAL INFORMATION

Additional information may be obtained from the District's Assistant Superintendent of Finance, Dr. Lisamarie Spindler at 124 Grand Street, Newburgh, NY 12550, phone: 845-563-3417, email: **lspindler@necsd.net** or from the District's Financial Advisor, Capital Markets Advisors, LLC, (516) 274-4504.

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 the Bonds.

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

Capital Markets Advisors, LLC may place a copy of this Official Statement on its website at www.capmark.org. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Capital Markets Advisors, LLC has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the 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.

Harris Beach PLLC, Bond Counsel to the District, expresses no opinion as to the accuracy or completeness of information in any documents prepared by or on behalf of the District for use in connection with the offer or sale of the Bonds, including but not limited to the financial or statistical information in this Official Statement.

NEWBURGH ENLARGED CITY SCHOOL DISTRICT
ORANGE COUNTY, NEW YORK

By: ________________________________

Carol Mineo
President of the Board of Education and
Chief Fiscal Officer

DATED: April __, 2021

APPENDIX A

THE DISTRICT

THE DISTRICT

General Information

The Newburg Enlarged City School District (the "District") with an area of approximately 44 square miles is located in northeastern Orange County on the west bank of the Hudson River, approximately 60 miles north of New York City. The District consists of the entire City of Newburgh, major portions of the Towns of Newburgh and New Windsor, and a few homes in the Town of Cornwall. While the District encompasses the entire City of Newburgh over 75% of the District consists of properties in the Towns surrounding the City.

The District has an in-district pre-kindergarten program in four different schools, nine elementary schools, two middle schools and Three senior high schools (Newburgh Free Academy – Main Campus, Newburgh Free Academy – West Campus and Newburgh Free Academy – North Campus).

District Organization

The Board of Education, which is the policy-making body of the District, consists of nine members with overlapping three-year terms so that as nearly an equal number as possible is elected to the Board each year. The President and the Vice President are selected by the Board members.

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 and the Assistant Superintendent of Finance.

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.

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 staff. During the winter and early spring the budget is developed and refined in conjunction with the school building principals and department supervisors.

Pursuant to the Education Law, the District's Board of Education generally prepares or causes to be prepared a budget for the ensuing fiscal year. The budget, effective for fiscal years beginning on or after July 1, 1998, must consist of three parts: program, administration and capital. During November and December the tentative budget is developed and refined in consultation with school administrators. At the March and April meetings of the Board of Education, the proposed budget is discussed and further refined. The tentative budget is adopted by the Board at its April meeting and submitted to referendum at the Annual Meeting held on the third Tuesday of May. Residents of the District who are qualified to vote may participate in the referendum. Prior to the Annual Meeting a public hearing on the proposed budget is held.

The District's budget is subject to the provisions of Chapter 97 of the Laws of 2011, 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 "Tax Levy Limitation Law," herein for a further discussion regarding the budget vote, revote, contingency budget and the tax cap.

The voters approved the District's 2020-21 budget on June 9, 2020. See Appendix B for a summary of the 2019-20 and 2020-21 adopted budgets of the District.

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School Enrollment Trends

The following table presents the past and projected school enrollment for the District.

School Year	Actual Enrollment	School Year	Projected Enrollment
2016-17	11,742	2021-22	10,969
2017-18	11,742	2022-23	10,580
2018-19	11,382	2023-24	10,515
2019-20	11,554	2024-25	10,583
2020-21	11,084	2025-26	10,490

Source: School District officials.

District Facilities

The District currently operates the following school facilities; statistics relating to each are shown below.

Name	Grades	Capacity
Balmville Elementary School	Pre-K-5	475
Fostertown Elementary School	K-5	675
Gardnertown Elementary School	PreK-5	650
Gidney Avenue High Tech Magnet Elementary School	PreK-5	1,000
Heritage Middle School	6-8	900
Horizons-on-the-Hudson Magnet School	PreK-5	600
Meadow Hill Elementary School	K-8	1,100
New Windsor Elementary School	K-5	650
Newburgh Free Academy – Main Campus	9-12	2,850
Newburgh Free Academy – North Campus	9-12	1,150
South Middle School	6-8	1,150
Temple Hill Elementary School	K-8	1,150
Vails Gate High Tech Magnet Elementary	K-5	600
Newburgh Free Academy-West Campus	9-12	120

Source: School District records.

Employees

The School District employees are represented by collective bargaining agents. The dates of expiration of the various collective bargaining agreements are as follows:

Employees Represented	Union Representation	Expiration Date
67	Newburgh Association of Supervisors & Administrators	6-30-23
1,219	Newburgh Teachers' Association	6-30-22
591	CSEA - Local 836	6-30-23

Additionally, there are 19 managerial/confidential employees not represented by any formal bargaining unit.
Source: School District officials.

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Employee Pension 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 on or 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.

Under current law, the employer pension payments for a given fiscal year are based on the value of the pension fund on the prior April 1 thus enabling the District to more accurately include the cost of the employer pension payment in its budget for the ensuing year. In addition, the District is required to make a minimum contribution of 4.5% of payroll every year, including years in which the investment performance of the fund would make a lower payment possible. The annual employer pension payment is due on February 1 of each year.

Due to poor performance of the investment portfolio of TRS and ERS during the recent financial crisis, the employer contribution rates for required pension payments to the TRS and ERS increased substantially. 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 addition, 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.

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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 District's 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 last five fiscal years ended June 30 and the amount budgeted for the current fiscal year are as follows:

Fiscal Year Ended June 30:	ERS	TRS
2016	$3,881,960	$14,401,015
2017	3,204,154	12,642,345
2018	3,214,618	10,969,680
2019	3,043,822	11,717,947
2020	3,290,587	10,969,680

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).

Total OPEB liability at June 30, 2020 is as follows:

Balance at June 30, 2019	$621,422,574
Service Cost	22,504,303
Interest	24,606,506
Changes of benefit terms	(1,151,558)
Differences between expected and actual experience	21,504,331)
Changes in Assumptions	8,345,884
Benefit Payments	(16,354,979)
Total change in total OPEB Liability	59,454,487
Net Change	
Balance at June 30, 2020	$680,877,061

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 Deputy Supervisor for Human Resources and 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 four 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 ending June 30, 2020 is contained in Appendix B. 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.

Impact of COVID-19

The degree of the impact to the District's operations and finances as a result of COVID-19 is extremely difficult to predict due to the uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions have been or may continue to be taken by governmental and other health care authorities, including the State, to contain or mitigate its impact. The spread of the outbreak or resurgence later in the year could have a material adverse effect on the State and municipalities and school districts located in the State, including the District. The District's State aid for the 2019-2020 school year was not reduced. In the District's 2020-2021 Adopted Budget, State aid revenues are not estimated to be less than the prior year. In the District's 2020-2021 Adopted Budget, State aid revenues comprise approximately 58% of its operating budget. The District is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations.

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, which imposes a tax levy limitation upon the municipalities, school districts and fire districts in the State, including the District. **See "Tax Levy Limitation Law," herein.** Property taxes accounted for 35.4% of total general fund revenues for the fiscal year ended June 30, 2020, while State aid accounted for 57.6%.

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 current fiscal year.

Property Taxes

Fiscal Year	General Fund Revenues (1)	Real Property Taxes)	Real Property Taxes to Revenues
2016	$257,715,225	$98,188,091	38.1%
2017	262,272,367	97,783,374	37.3
2018	271,904,318	98,589,111	36.3
2019	277,856,436	100,138,955	36.0
2020	280,643,729	99,270,604	35.4
2021 (Budget)	285,434,423	100,475,215	35.2

(1) General Fund only. Does not include transfers in and insurance recoveries.
Source: Audited Financial Statements and Adopted Budget. Table itself is not audited.

State Aid

The District receives appropriations from the State of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. While the State has a constitutional duty to maintain and support a system of free common schools that provides a "sound basic education" to children of the State, 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 school districts can be paid only if the State has such monies available for such payment.

The following table sets forth total general fund revenues and State aid revenues during the last five fiscal years, and the amount budgeted for the current fiscal year.

State Aid

Fiscal Year	General Fund Revenues	State Aid	State Aid to Revenue
2016	$257,715,225	$138,901,279	53.9%
2017	262,272,367	144,126,782	55.0
2018	271,904,318	152,548,308	56.1
2019	277,856,436	156,295,246	56.3
2020	280,643,729	161,618,202	57.6
2021 (Budget)	285,434,423	165,494,423	58.0

Source: Audited Financial Statements and Adopted Budget. Table 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" herein).

The amount of State aid to school districts is dependent in part upon the financial condition of the State. Currently, due the outbreak of COVID-19 the State has declared a state of emergency and the Governor has taken steps designed to mitigate the spread and impacts of COVID-19, including closing schools and non-essential businesses. The outbreak of COVID-19 and the dramatic steps taken by the State to address it are expected to negatively impact the State's economy and financial condition. The full impact of COVID-19 upon the State is not expected to be known for some time; however, it is anticipated that the State will be required to take certain gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations and/or delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. If this were to occur, reductions in the payment of State aid could adversely affect the financial condition of school districts in the State, including the District.

The State's 2020-2021 Adopted Budget authorizes the State's Budget Director to make periodic adjustments to nearly all State spending, including State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. Specifically, the legislation provides that the State Budget Director will determine whether the State's 2020-2021 budget is balanced during three "measurement periods": April 1 to April 30, May 1 to June 30, and July 1 to Dec. 31. According to the legislation, if "a General Fund imbalance has occurred during any Measurement Period," the State's Budget Director will be empowered to "adjust or reduce any general fund and/or state special revenue fund appropriation … and related cash disbursement by any amount needed to maintain a balanced budget," and "such adjustments or reductions shall be done uniformly across the board to the extent practicably or by specific appropriations as needed." The legislation further provides that prior to making any adjustments or reductions, the State's Budget Director must notify the Legislature in writing and the Legislature has 10 days following receipt of such notice to prepare and approve its own plan. If the Legislature fails to approve its own plan, the Budget Director's reductions take effect automatically. (See "*Events Affecting New York School Districts*" herein).

On August 13, 2020, the New York State Division of the Budget released the fiscal year ending 2021 First Quarterly State Budget Financial Plan Update, which projects a $14.5 billion General Fund revenue decline and a 15.3% decline in tax receipts from prior budget forecasts. The State further projects a total revenue loss of $62 billion through the State's fiscal year ending 2024 as a direct consequence of the COVID-19 pandemic. The State has announced that in the absence of Federal funding to offset this revenue loss, the State has begun to take steps to reduce spending, including but not limited to, temporarily holding back aid payments to local governments and school districts. According to the State, all or a portion of such temporary reductions in aid payments may be converted to permanent reductions, depending on the size and timing of any new Federal aid. Such reductions or delays in the payment of State aid could adversely affect the financial condition of municipalities and school districts in the State. (See also "*Impacts of COVID-19*," "*Risk Factors*," and "*Recent Events Affecting New York School Districts*" herein).

In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in the adoption of the State budget. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

The State receives a substantial amount of federal aid for health care, education, transportation and other governmental purposes, as well as federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this federal aid may be subject to change under the federal administration and the current Congress. Current federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy, the general condition of the global and national economies and other circumstances, including the diversion of federal resources to address the current COVID-19 outbreak.

The federal government may enact budgetary changes or take other actions that adversely affect State finances. State legislation adopted with the State's 2019-2020 Enacted Budget continued authorization for a process by which the State would manage significant reductions in federal aid during Federal fiscal year 2020 should they arise. Specifically, the legislation allowed the State Budget Director to prepare a plan for consideration by the State Legislature in the event that the federal government (i) reduced federal financial participation in Medicaid funding to the State or its subdivisions by $850 million or more; or (ii) reduced federal financial participation of other federal aid funding to the State that affects the State Operating Funds financial plan by $850 million or more, exclusive of any cuts to Medicaid. Each limit is triggered separately. The plan prepared by the State Budget Director must equally and proportionately reduce appropriations and cash disbursements in the State's General Fund and State Special Revenue Funds. Upon receipt of the plan, the State Legislature has 90 days to prepare its own corrective action plan, which may be adopted by concurrent resolution passed by both houses, or the plan submitted by the State Budget Director takes effect automatically.

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.

Litigation regarding apportionment of State aid. In January 2001, the State Supreme Court issued a decision in *Campaign for Fiscal Equity* ("CFE") v. *State of New York* mandating that the system of apportionment of State aid to school districts within the State be restructured by the Governor and the State Legislature. On June 25, 2002, the Appellate Division of the State Supreme Court reversed that decision. On June 26, 2003, the State Court of Appeals, the highest court in the State, reversed the Appellate Division, holding that the State must, by July 30, 2004, ascertain the actual cost of providing a sound basic education, enact reforms to the system of school funding and ensure a system of accountability for such reforms. The Court of Appeals further modified the decision of the Appellate Division by deciding against a Statewide remedy and instead limited its ruling solely to the New York City school system.

After further litigation in 2006, the Court of Appeals held that $1.93 billion of additional funds for the New York City schools - as initially proposed by the Governor and presented to the State Legislature as an amount sufficient to provide a sound basic education - was reasonably determined. State legislative reforms enacted in the wake of the decision in *Campaign for Fiscal Equity* ("CFE") v. *State of New York*, included increased accountability for expenditure of State funds and collapsing over 30 categories of school aid into one classroom operating formula referred to as foundation aid. Foundation aid prioritizes funding distribution based upon student need.

Litigation is continuing however as a statewide lawsuit entitled *NYSER* v. *State of New York* has been filed recently on behalf of the State's public-school students. The lawsuit asserts that the State has failed to comply with the decision of the New York State Court of Appeals in *CFE* v. *State of New York*. The complaint asks the court for an order requiring the State to immediately discontinue the cap on State aid increases and the supermajority requirements regarding increases in local property tax levies. The complaint also asks the court to order the State to develop a new methodology for determining the actual costs of providing all students the opportunity for a sound basic education, revise the State funding formulas to ensure that all schools receive sufficient resources, and ensure a system of accountability that measures whether every school has sufficient resources and that all students are, in fact, receiving the opportunity to obtain a sound basic education. On June 27, 2017, the Court of Appeals ruled that NYSER's claims that students in New York City and Syracuse are being denied the opportunity for a sound basic education could go to trial and that NYSER could rely upon the CFE decision in its arguments. It is not possible to predict the outcome of this litigation.

Events Affecting New York School Districts

Following a State budgetary crisis in 2009, State aid to school districts in the State decreased for a number of years with increases established in more recent years.

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 (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.

School district fiscal year (2019-2020): The Governor's proposed 2019-2020 State Budget provides for school aid of approximately $27.7 billion, an increase of approximately $960 million in school aid spending from the 2018-2019 school year. The State Senate and State Assembly have each put forth proposals to increase school aid by approximately $1.6 billion from the 2018-2019 school year. The deadline for adoption of the State budget is April 1, 2019 and any increases in State aid are subject to negotiation between the Governor and the Legislature.

School district fiscal year (2020-2021): Due to the anticipated impact of the COVID-19 pandemic on State revenues, State aid in the State's 2020-2021 Enacted Budget is 3.7 percent lower than in the State's 2019-2020 Enacted Budget but is offset in part with increased Federal support. This reduction in State Operating Funds support will be offset by approximately $1.1 billion in funding provided to the State through the Federal CARES Act, including the Elementary and Secondary School Emergency Education Relief Fund and the Governor's Emergency Education Relief Fund. With these Federal funds, State aid in the school district fiscal year 2020-2021 is expected to total $27.9 billion, an annual increase of approximately $100 million or 0.4 percent. The State's 2020-2021 Enacted Budget continues prior year funding levels for existing programs, including Foundation Aid, Community Schools and Universal Prekindergarten. The 2020-2021 Enacted Budget also provides over $200 million in support for competitive grant programs, including $1 million for development of a new Civics Education curriculum and $10 million for a Student Mental Health program. Funding for expense-based aids, such as Building Aid, Transportation Aid, and Boards of Cooperative Educational Services (BOCES) Aid is continued under existing aid formulas. Out-year growth in School Aid reflects current projections of the ten-year average growth in State personal income. The State's 2020-2021 Enacted Budget authorizes the State's Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. See "*State Aid*" herein for a discussion of this provision set forth in the State's 2020-2021 Enacted Budget and recent releases by the State regarding the projected revenue shortfalls in such budget.

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 Financing of the State and School Districts of the State*" herein).

Gap Elimination Aid: The State provides annual State aid to school districts in the State, including the District, on the basis of various formulas. Due to the State's own budgetary crisis in 2009 and to assist the State in mitigating the impacts of its own revenue shortfall, the State reduced the allocation of State aid to school districts as part of a program known as the Gap Elimination Adjustment ("GEA"). The GEA was a negative number (funds that were deducted from the State aid originally due to the District under existing State aid formulas). The District's State aid was reduced as a result of the GEA program starting in 2009. Subsequent State budgets decreased the amount of the GEA deduction and the Adopted Budget for the State's 2016-2017 fiscal year included the elimination of the remaining balance of the GEA.

Other Revenues

In addition to property taxes and State Aid, the District receives other revenues from miscellaneous sources as shown in Appendix B.

Independent Audits

The District retained the firm of Bonadio & Co., LLP, Certified Public Accountants, to audit its financial statements for the fiscal year ended June 30, 2020. 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.

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

The State Comptroller's Fiscal Stress Monitoring System and Compliance Reviews

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

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

The most current applicable report of the State Comptroller designates the District as “no designation” with an Environmental Score of 36.7 for the fiscal year ended June 30, 2020.

See the State Comptroller’s official website for more information regarding the foregoing.

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.

References to websites and/or website addresses presented herein are for informational purposes only and implies no warranty of accuracy of information therein. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

REAL PROPERTY TAXES

Assessed and Full Valuations

The City Assessor maintains the assessment records and prepares the annual assessment roll for the District. The following table sets forth the assessed and full valuation of taxable property, rates of tax per $1,000 assessed valuation for the five most recent fiscal years.

Assessed and Full Valuation
Based on Regular Equalization Rates

	2016-17	2017-18	2018-19	2019-20	2020-21
Assessed Values:					
City of Newburgh	$ 868,646,743	$ 885,249,021	$904,451,849	$959,689,405	$1,171,796,721
Town of Cornwall	603,877	938,715	938,680	938,903	938,870
Town of Newburgh	698,030,097	697,186,348	707,486,894	713,475,067	716,173,611
Town of New Windsor	240,238,001	239,058,930	240,307,571	241,208,216	242,723,049
Total Assessed Values	$1,807,518,718	$1,822,433,014	$1,853,184,994	$1,915,311,591	$2,131,632,251
Equalization Rates:					
City of Newburgh	100.00%	100.00%	100.00%	100.00%	100.00%
Town of Cornwall	73.52	100.00	100.00	95.00	95.23
Town of Newburgh	36.00	34.44	34.00	32.20	29.95
Town of New Windsor	18.67	18.04	16.75	15.48	15.31
Full Values:					
City of Newburgh	868,646,743	$885,249,021	$904,451,849	$959,689,405	$1,171,796,721
Town of Cornwall	821,378	938,715	938,680	988,319	985,897
Town of Newburgh	1,938,972,492	2,024,350,604	2,080,843,805	2,215,761,078	2,391,230,755
Town of New Windsor	1,286,759,513	1,325,160,366	1,434,672,065	1,558,192,610	1,585,388,955
Total Full Values	$4,095,200,126	$4,235,698,706	$4,420,906,399	$4,734,631,412	$5,149,402,328

Source: District Officials and the State Office of Real Property Tax Services (the “ORPTS.”)

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Full Valuation
Based on SPECIAL Equalization Rates

Assessment Roll Year	2016	2017	2018	2019	2020
For Fiscal Year Ended	2016-17	2017-18	2018-19	2019-20	2020-2021
Assessed Values:					
City of Newburgh	$ 868,646,743	$ 885,249,021	$904,451,849	$959,689,405	$1,171,796,721
Town of Cornwall	603,877	938,715	938,680	938,903	938,870
Town of Newburgh	698,030,097	697,186,348	707,486,894	713,475,067	716,173,611
Town of New Windsor	240,238,001	239,058,930	240,307,571	241,208,216	242,723,049
Total Assessed Values	$1,807,518,718	$1,822,433,014	$1,853,184,994	$1,915,311,591	$2,131,632,251
Equalization Rates:					
City of Newburgh	108.98%	117.48%	115.31%	109.50%	102.53%
Town of Cornwall	72.97%	110.33%	106.92%	97.74%	95.07%
Town of Newburgh	37.64%	39.62%	38.21%	34.88%	30.98%
Town of New Windsor	19.10%	19.75%	17.73%	15.66%	14.87%
Full Values:					
City of Newburgh	$797,069,869	$753,531,683	$784,365,492	$876,428,680	$1,142,881,811
Town of Cornwall	827,569	850,825	877,927	960,613	987,556
Town of Newburgh	1,854,490,162	1,759,682,857	1,851,575,226	2,045,513,380	2,311,728,893
Town of New Windsor	1,257,790,581	1,210,424,962	1,355,372,651	1,540,282,350	1,632,300,262
Total Full Values	$3,910,178,181	$3,724,490,327	$3,992,191,296	$4,463,185,023	$5,087,898,522

Source: New York State Department of Taxation and Finance.

Real Property Tax Rates

Years Ending June 30:	2017	2018	2019	2020	2021
Cities of:					
Newburgh	$ 28.24	$27.34	$26.27	$24.52	$22.59
Towns of:					
Cornwall	38.40	27.34	26.24	25.81	23.72
Newburgh	78.43	79.39	77.17	76.16	75.43
New Windsor	151.23	151.57	156.64	158.42	147.55

Tax Levy Limitation Law

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, and the counties comprising New York City). The discussion herein does not include school districts in New York City, Buffalo, Rochester, Syracuse, or Yonkers.

Prior to the enactment of the Tax Levy Limitation Law, there was no statutory limitation on the amount of real property taxes that a school district could levy as part of its budget 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 Limitation Law now requires that a school district submit its proposed tax levy to the voters each year beginning with the 2012-13 fiscal year.

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes that may be levied by or on behalf of a school district in a particular year. It expires on June 16, 2020, unless extended. Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year’s tax levy. Certain adjustments would be permitted for taxable real property full valuation increases or changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A school district could exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a budget by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation will only require approval by at least 50% of those voting. A school district's calculation of each fiscal year's tax levy limit is subject to review by the Commissioner of Education and the Commissioner of Taxation and Finance prior to adoption of each fiscal year budget.

There are exceptions for school districts to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, and the Teachers' Retirement System. School districts are also permitted to carry forward a certain portion of their unused levy limitation from a prior year.

There is also an exception for school districts for "Capital Local Expenditures" subject to voter approval where required by law. This term is defined in a manner that does not include certain items for which a school district may issue debt including the payment of judgments or settled claims, including tax certiorari payments, and cashflow borrowings including tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes. "Capital Local Expenditures", are defined as "the taxes associated with budgeted expenditures resulting from the financing, refinancing, acquisition, design, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of or otherwise providing for school district capital facilities or school district capital equipment, including debt service and lease expenditures, and transportation capital debt service, subject to the approval of the qualified voters where required by law". The portion of the tax levy necessary to support "Capital Local Expenditures" is defined as the "Capital Tax Levy", and this is an exclusion from the tax levy limitation.

Article 8 Section 2 of the State Constitution requires every issuer of general obligation notes and bonds in the State to pledge its faith and credit for the payment of the principal thereof and the interest thereon. This has been interpreted by the Court of Appeals, the State's highest court, in *Flushing National Bank* v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), as follows:

> "A pledge of the city's faith and credit is both a commitment to pay and a commitment of the city's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City's "faith and credit" is secured by a promise both to pay and to use in good faith the city's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, "faith" and "credit", are used and they are not tautological. That is what the words say and that is what courts have held they mean."

Article 8 Section 12 of the State Constitution specifically provides as follows:

> "It shall be the duty of the legislature, subject to the provisions of this constitution, to restrict the power of taxation, assessment, borrowing money, contracting indebtedness, and loaning the credit of counties, cities, towns and villages, so as to prevent abuses in taxation and assessments and in contracting of indebtedness by them. Nothing in this article shall be construed to prevent the legislature from further restricting the powers herein specified of any county, city, town, village or school district to contract indebtedness or to levy taxes on real estate. The legislature shall not, however, restrict the power to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted."

On the relationship of the Article 8 Section 2 requirement to pledge the faith and credit and the Article 8 Section 12 protection of the levy of real property taxes to pay debt service on bonds subject to the general obligation pledge, the Court of Appeals in the *Flushing National Bank* case stated:

> "So, too, although the Legislature is given the duty to restrict school districts in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the city's power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted....While phrased in permissive language, these provisions, when read together with the requirement of the pledge of faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded".

In addition, the Court of Appeals in the *Flushing National Bank* case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of municipal corporations.

Therefore, while the Tax Levy Limitation Law may constrict a school district's power to levy real property taxes for the payment of debt service on debt contracted after the effective date of said Tax Levy Limitation Law, it is clear that no statute is able (1) to limit a school district's pledge of its faith and credit to the payment of any of its general obligation indebtedness or (2) to limit a school district's levy of real property taxes to pay debt service on general obligation debt contracted prior to the effective date of the Tax Levy Limitation Law. Whether the Constitution grants a school district authority to treat debt service payments as a constitutional exception to any such statutory tax levy limitation outside of any statutorily determined tax levy amount is not clear.

Tax Collection Procedures

The District has its own tax collector who collects the taxes for the entire District. Taxes are due in two equal installments with the first half payable without penalty by October 15 and the second half payable without penalty by December 15. The State Commissioner of Taxation and Finance will annually determine the rate of interest to be charged for late payments. Early in January, the uncollected portions are returned to the City and County as applicable. Section 1332 of the Real Property Tax Law states that the City and County enforcement officers shall proceed to enforce such unpaid taxes in the same manner as though they were unpaid City and County taxes, with 5% of the principal and interest added thereto. The respective tax enforcement officers will pay to the District all monies realized from the collection of unpaid taxes, including interest, less the amount of 5% added thereto. If the City or county bids in on any property, the District shall receive the amount of unpaid taxes due, plus interest, less the 5% added thereto.

Tax Levy and Collection Record

Years Ending June 30:	2016	2017	2018	2019	2020
General Fund Tax Levy	$110,626,696	$110,626,696	$110,754,396	$110,864,396	$110,864,396
Less STAR Reimbursement	12,928,506	12,617,162	12,203,896	11,607,228	10,389,181
Total Taxes to be Collected	97,697,889	98,009,534	98,581,660	99,257,168	100,475,215
Taxes Collected Prior to Return	91,308,447	91,528,496	92,453,651	93,344,041	94,208,171
Percentage Collected	93.45%	93.39%	93.78%	94.04%	93.76%

Note: The School District receives 100% of its tax levy each year. See "Tax Collection Procedures".

STAR - School Tax Exemption

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 2015-2016 school year (generally, March 1, 2015), 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 2015-2016 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.

The 2019-2020 Enacted State Budget makes several changes to the STAR program, which went into effect immediately. The changes are intended to encourage home owners to switch from the STAR exemption to the STAR credit. The income limit for the exemption has been lowered to $250,000, compared with a $500,000 limit for the credit. The amount of the STAR exemption will remain the same each year, while the amount of the STAR credit can increase up to two percent annually.

Approximately 9.38 % of the District's 2019-2020 school tax levy was exempted by the STAR program and the District has received full reimbursement of such exempt taxes from the State. Approximately 8.52 % of the District's 2020-2021 school tax levy was exempted by the STAR program and the District received full reimbursement of such exempt taxes from the State in January 2021 (See "State Aid" herein).

Ten of the Largest Taxpayers

2019-20 Tax Year

Name	Property Use	Assessed Valuation(1)	% of Total AV
Central Hudson Gas & Electric	Utility	$67,098,392	3.15%
Central Hudson	Utility	16,881,332	0.79%
Newburgh Mall Realty, LLC	Commercial	8,985,000	0.42%
Mid Valley Improvement Owner	Shopping Center	7,801,475	0.37%
BHC Big V LLC	Shopping Center	4,442,000	0.21%
Northeast Business Center	Distribution	9,103,924	0.43%
Newburgh Plaza LLC	Shopping Center	7,441,700	0.35%
Global Companies LLC	Retail	3,443,566	0.16%
DRA Fidelco Newburgh, LLC	Commercial	7,062,400	0.33%
Wal-Mart Real Estate	Retail	7,029,200	0.33%
Total		$139,288,989	6.53%

(1) The District's total assessed valuation for the 2020-21 fiscal year is $2,131,632,251.00
Source: School District.

DISTRICT INDEBTEDNESS

Constitutional Requirements

The New York State Constitution and Local Finance Law limit the power of the District (and other municipalities and school districts of the State) to issue obligations and to contract indebtedness. Such constitutional and statutory limitations include the following, in summary form, and are generally applicable to the District and the Bonds:

Purpose and Pledge. The District shall not give or loan any money or property to or in aid of any individual, or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation. The 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 within three fiscal year periods, 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 periods of probable usefulness of the objects or purposes determined by statute or the weighted average period of probable usefulness thereof; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the District has authorized the issuance of indebtedness having 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, bond anticipation notes and capital notes.

General. The District is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such power; however, the State Legislature is prohibited by a specific constitutional provision from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. There is no constitutional limitation on the amount that may be raised by the District by tax on real estate in any fiscal year to pay principal of and interest on all indebtedness. However, the Tax Levy Limitation Law imposes a statutory limitation on the power of the District to increase its annual tax levy. The law also provides a procedural method to override that limitation. (See "Tax Levy Limitation Law" herein).

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 five per centum of the average full valuation of taxable real estate of the District and subject to certain enumerated exclusions set forth in the Local Finance Law. The constitutional method for determining average full valuation consists of taking the assessed valuation of taxable real estate for the last five completed assessment rolls 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. Average full valuation is determined by taking the sum of the full valuation of such last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

Statutory Procedure

In general, the State Legislature has, by the enactment of the Local Finance Law, authorized the powers and procedure for the District to borrow and incur indebtedness subject, of course, to the constitutional 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 who vote upon approval of a bond resolution.

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, estops 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 Notes. However, such finance board may delegate the power to sell bonds and notes to the President of the Board of Education, the chief fiscal officer of the District, pursuant to the Local Finance Law.

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Statutory Debt Limit and Net Indebtedness

Computation of Debt Limit
Based on Special Equalization Rates
As of March 23, 2021

Fiscal Year Ending:	Full Valuation [1]
2017	$3,910,178,181
2018	3,724,490,327
2019	3,992,191,296
2020	4,463,185,023
2021	5,087,898,522
Total Five-Year Valuation	$21,177,943,349
Average Five-Year Full Valuation	4,235,588,669
Debt Limit - 5% of Average Full Valuation	$211,779,433

(1) The amounts shown as full valuation have been computed with the use of Special Equalization Ratios. Chapter 280 of the Laws of 1978 provides for the determination of special equalization ratios for city school districts which normally has the effect of increasing the tax base of a city school district for the purpose of computing debt limits of such city school districts. Regular state equalization rates are also established by the State Office of Real Property Services and are used for all other purposes.

Statutory Debt Limit and Net Indebtedness
As of March 23, 2021

	Amount	Percentage
Debt Contracting Limitation:	$211,779,433	100.00%
Gross Indebtedness:		
Serial Bonds	37,725,000	17.81
Bond Anticipation Notes	0	0.00
Gross Indebtedness	37,725,000	18.74
Exclusions and Deductions (1)	0	0.00
Net Indebtedness	37,725,000	18.74
Net Debt Contracting Margin	$174,054,433	82.19%

(1) The District estimates that it will receive approximately $43.5 million in State aid to pay the principal portion of all debt issued for school building improvements. Such estimates have not been certified by the State Education Department and, therefore, no deduction has been taken to determine the District's debt limit. The District has no reason to believe that it will not ultimately receive all of the school building aid it anticipates, however, no assurance can be given as to when and how much building aid the District will receive in relation to outstanding bonds and bond anticipation notes.

Source: District Officials.

Bond Anticipation Notes

The District has not found it necessary to issue bond anticipation notes in recent years.

Revenue Anticipation Notes

The District has not found it necessary to issue revenue anticipation notes in recent years.

Tax Anticipation Notes

The District has not found it necessary to issue tax anticipation notes in recent years.

Trend of Capital Indebtedness

The following table sets forth the amount of bonded indebtedness outstanding at the end of the last five completed fiscal years.

Fiscal Year Ended June 30:

	2016	2017	2018	2019	2020
Bonds	$76,820,000	$67,550,000	$57,930,000	$47,900,000	$37,725,000
Bond Anticipation Notes	0	0	0	0	0
Total Outstanding Indebtedness	$76,820,000	$67,550,000	$57,930,000	$47,900,000	$37,725,000

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 values.

The following table represents the amount of overlapping and underlying debt and the District's share of this debt. Authorized but unissued debt has not been included.

Statement of Direct and Overlapping Indebtedness
As of March 23, 2021

Gross Direct Indebtedness	$37,725,000
Exclusions and Deductions	0
Net Direct Indebtedness	$37,725,000

Overlapping Units	Date of Report	Net Indebtedness	Percent Applicable	Applicable Net Indebtedness
Orange County:	06-26-20	$276,472,000	13.15%	$36,256,068
City of Newburgh	07-14-20	42,292,504	100.00	42,292,504
Towns:				
Cornwall	06-15-20	6,675,000	0.06	4,005
Newburgh	06-01-20	5,229,069	46.22	2,416,876
New Windsor	06-01-20	4,243,750	58.54	2,484,291
Total				$83,453,744

Debt Ratios

The following table presents certain debt ratios relating to the District's direct and overlapping indebtedness.

	Debt Per Amount	Debt Per Capita [(a)]	Debt to Full Value [(b)]
Net Direct Debt	$37,725,000	$593.42	0.74%
Net Direct and Overlapping Debt	$121,178,744	1,906.17	2.38

(a) The District's population is 63,572 according to 2019 estimated census information.
(b) The District's full value of taxable real property bases on special equalization rates for 2020-21 is $5,087,898,522.

Authorized and Unissued Debt

Voters of the District approved capital projects for construction and renovation at an estimated cost of $257 million on May 18, 2019.

Debt Service Schedule

The following table presents the debt service requirements to maturity on the District's outstanding general obligation bonded indebtedness.

Schedule of Debt Service Requirements

Year Ending June 30:	Outstanding Indebtedness Principal Payments	Interest Payments	Total Debt Service	Cumulative Principal Paid
2021	$9,365,000	$1,576,943	$10,941,943	24.82%
2022	6,595,000	1,196,908	7,791,908	42.31
2023	6,900,000	878,610	7,778,610	60.60
2024	7,075,000	541,955	7,616,955	79.35
2025	4,690,000	271,938	4,961,938	91.78
2026	3,100,000	109,438	3,209,438	100.00
Totals	$37,725,000	$4,575,792	$42,300,792	

Energy Performance Contract

The District originally entered into a $26,135,748 energy performance contract with an interest rate of 2.935% and matures in April 2034. On February 13, 2020, the Contract was amended in the amount of $1,998.178, the rate on this portion is 2.271%., The following table shows the debt service requirements to maturity on the District's outstanding energy performance contracts.

Energy Performance Contract
Principal and Interest Maturity Table

Fiscal Year Ending June 30	Principal	Interest	Outstanding Balance
2021	$1,554,818	$790,824	$26,978,983
2022	1,688,557	744,603	25,290,427
2023	1,737,599	695,361	23,552,828
2024	1,788,072	644,888	21,764,756
2025	1,840,016	592,944	19,924,741
2026	1,893,474	539,485	18,031,266
2027	1,948,492	484,468	16,082,774
2028	2,005,115	427,845	14,077,660
2029	2,063,388	369,571	12,014,271
2030	2,123,342	309,597	9,890,929
2031	2,185,086	247,874	7,705,843
2032	2,248,610	184,350	5,457,234
2033	2,313,988	118,972	3,143,246
2034	2,381,273	51,678	761,973
Total	$27,771,828	$6,202,469	

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ECONOMIC AND DEMOGRAPHIC DATA

Population

The estimated population of the District is 63,572 according to the US Census Bureau estimate in 2019. The following table includes population trends for the City, which is contiguous with the District, the County and the State, based upon census data.

Population

	2000	2010	2019	% Change 2000-10	% Change 2010-19
City	28,259	28,866	28,177	2.1%	(2.4)%
County	341,367	372,813	384,940	9.2	3.3
State	18,976,457	19,378,102	19,453,561	2.1	0.4

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

Employment

The following tables provide information concerning employment and unemployment in the County and the State and are not necessarily representative of the District.

Average Employed Civilian Labor Force
2000-2019

	2000	2010	2019	% Change 2000-2010	% Change 2010-2019
County	155,800	166,800	185,000	7.1%	10.9%
State	8,718,700	8,769,700	9,514,400	0.6	8.5

Source: New York State Department of Labor.

Average Unemployment Rates

Year	County	State	United States
2014	5.5%	6.3%	6.2%
2015	4.7	5.3	5.3
2016	4.3	4.8	4.9
2017	4.6	4.7	3.9
2018:	3.9	4.1	3.9
2019	3.8	4.0	3.7
2020(1)			
Jan	4.1	4.1	3.6
Feb	4.1	3.9	3.5
Mar	4.1	4.2	4.4
Apr	15.7	15.1	14.7
May	11.9	14.2	13.3
Jun	12.6	15.5	11.1
Jul	13.7	16.0	10.2
Aug	10.4	12.5	8.4
Sep	6.3	9.3	7.8
Oct	6.3	9.0	6.9
Nov	5.4	8.1	6.7
Dec	5.9	8.1	6.7

(1) Monthly rates.
Source: New York State Department of Labor and U.S. Bureau of Labor Statistics.

END OF APPENDIX A

APPENDIX B

UNAUDITED SUMMARY OF FINANCIAL STATEMENTS AND BUDGETS

NEWBURGH ENLARGED CITY SCHOOL DISTRICT
GENERAL FUND
BALANCE SHEET
UNAUDITED PRESENTATION

	YEAR ENDING JUNE 30TH				
	2016	2017	2018	2019	2020
ASSETS					
Cash - Unrestricted	$ 29,538,036	$ 29,829,303	$ 22,683,072	$ 31,318,609	$ 28,410,243
Cash- Restricted	27,122,193	27,380,307	32,366,354	39,685,113	41,227,883
Taxes Receivable	3,631,490	3,357,735	3,278,563	2,863,130	5,785,565
State and Federal Aid Receivable	3,692,687	4,153,714	7,318,487	10,816,237	15,265,160
Due From Other Funds	2,515,379	8,240,061	17,608,278	10,698,104	5,787,711
Due From Fiduciary Funds	-	-	-	-	-
Accounts Receivables	929,757	768,451	1,066,741	672,554	882,634
Prepaid Expenditures	250,000	250,000	250,000	250,000	250,000
Total Assets	67,679,542	73,979,571	84,571,495	96,303,747	97,609,196
LIABILITIES					
Accounts Payable and Accrued Expenses	$ 5,310,938	$ 6,682,578	$ 6,882,398	$ 7,057,671	$ 16,528,995
Accrued Liabilities	2,779,142	-	-	-	-
Due to Other Governments	-	-	-	-	-
Due to Other Funds	-	10,593,547	10,772,220	10,588,815	-
Due to Teachers Retirement System	14,401,015	13,332,590	11,717,947	13,213,251	11,535,387
Due to Employees' Retirement System	815,743	800,650	798,866	754,478	849,034
Unearned Revenues	-	-	-	-	-
Total Liabilities	23,306,838	31,409,365	30,171,431	31,614,215	28,913,416
DEFERRED INFLOWS OF RESOURCES:					
Deferred Taxes	$ 2,911,603	$ 2,815,864	$ 4,813,547	$ 9,333,742	$ 3,342,280
Deferred State Aud	-	-	-	-	704,667
Deferred Revenue	-	-	-	-	7,164,436
Total Deferred Inflows of Resources	2,911,603	2,815,864	4,813,547	9,333,742	11,211,383
FUND BALANCES					
Non-Spendable	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000
Restricted	27,122,193	27,380,307	32,366,354	39,685,113	41,227,883
Assigned	4,938,025	1,425,055	6,004,251	4,220,675	4,509,510
Unassigned	9,150,883	10,698,980	10,965,912	11,200,002	11,497,304
Total Fund Balance	41,461,101	39,754,342	49,586,517	55,355,790	57,484,697
Total Liabilities and Fund Balances	$ 67,679,542	$ 73,979,571	$ 84,571,495	$ 96,303,747	97,609,496

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.

NEWBURGH ENLARGED CITY SCHOOL DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
UNAUDITED PRESENTATION

	YEAR ENDING JUNE 30TH				
	2016	2017	2018	2019	2020
Revenues:					
Real Property Taxes	$ $98,188,091	$ $97,783,374	$ $98,589,111	$ $100,138,955	$ $99,270,604
Other Tax Items	17,116,910	16,768,152	17,502,473	16,502,259	15,769,172
Non Property Taxes	0	0	0	0	0
Charges for Services	581,770	506,365	453,330	534,553	478,131
Use of Money & Property	186,269	274,755	566,882	1,189,040	798,644
Sale of Property and Compensation for Loss	293,961	258,771	161,293	189,113	154,060
Miscellaneous	1,995,769	2,096,030	1,444,865	2,293,988	1,925,951
State Sources	138,901,279	144,126,782	152,548,308	156,295,246	161,618,202
Interfund Revenue	77,653	0	0	0	0
Medcaid Reimbursement	308,169	390,593	569,119	498,393	555,598
Federal Sources	65,354	67,545	68,937	214,889	73,367
Total Revenues	257,715,225	262,272,367	271,904,318	277,856,436	280,643,729
Expeditures:					
General Support	17,685,331	21,320,597	22,549,639	20,250,579	26,603,190
Instruction	130,680,524	138,885,558	143,158,253	150,438,936	148,402,576
Pupil Transportation	12,259,127	12,629,733	13,593,629	13,758,734	13,387,676
Employee Benefits	64,706,429	69,133,189	70,447,759	73,965,795	75,617,343
Debt Service	0	0	0	0	
Total Expenditures	225,331,411	241,969,077	249,749,280	258,414,044	264,010,785
Excess of Revenues over Expenditures	32,383,814	20,303,290	22,155,038	19,442,392	16,632,944
Other Uses:					
Interfund Transfers In	328,426	465,821	2,994,768	465,496	622,017
Operating Transfers Out	(13,862,674)	(22,475,870)	(15,317,632)	(14,138,615)	(15,126,054)
Total Other Uses:	(13,534,248)	(22,010,049)	(12,322,864)	(13,673,119)	(14,504,037)
Excess of Revenues over Expenses and Other Financing Uses	18,849,566	(1,706,759)	9,832,174	5,769,273	2,128,907
Fund Balance - Beg. of Year	22,611,535	41,461,101	39,754,342	49,586,516	55,355,789
Fund Balance - End of Year	$ $41,461,101	$ $39,754,342	$ $49,586,516	$ $55,355,789	$ $57,484,696

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NEWBURGH ENLARGED CITY SCHOOL DISTRICT
GENERAL FUND
STATEMENT OF ESTIMATED REVENUES AND APPROPRIATIONS

	Adopted Budget 2019-20	Adopted Budget 2020-21
Estimated Revenues:		
Real Property Tax	$ 99,257,168	$ 100,475,215
Real Property Tax Items	14,243,741	13,085,024
Non Property Tax Items	2,219,090	2,159,761
Departmental Income	50,000	50,000
Intergovernmental Charges	350,000	350,000
Use of Money and Property	850,000	1,250,000
Fines and Forfeitures	250,000	250,000
Miscellaneous	1,230,000	1,300,000
Interfund Revenues	449,274	620,000
State Aid	163,145,568	165,494,422
Federal Aid	400,000	400,000
Total Estimated Revenues	282,444,841	285,434,422
Appropriated Fund Balance/Reserves	-	1,998,177
Total Estimated Revenues and Fund Balance	$ 282,444,841	$ 287,432,599
Appropriations:		
General Support	$ 25,889,533	$ 24,797,094
Instruction	149,759,813	148,619,392
Public Transportation	14,331,895	16,362,043
Employee Benefits	78,584,464	82,278,043
Interfund Transfers	13,879,136	15,376,031
Debt Service		
Total Appropriations	$ 282,444,841	$ 287,432,603

Source: School District Officials

APPENDIX C

AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020*

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/P21508814.pdf

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

*** Such Financial Statements and opinion are intended to be representative only as of the date thereof. Bonadio & Co., 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.**