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| --- | --- |
| **To:** | School District Participants |
| **From:** | Barclay Damon LLP and BurgherGray LLP, co-bond counsel |
| **Date:** | March 13, 2024 |
| **Re:** | Dormitory Authority of the State of New York School District Revenue Bond Financing Program - Tax Questionnaire |

Your School District (the “**District**”) has decided to participate in a financing or refinancing of school district capital facilities and/or capital equipment from the Dormitory Authority of the State of New York (“**DASNY**”). In connection with such financing or refinancing, the District will enter into a Financing Agreement (the “**Financing Agreement**”) and DASNY will issue its School District Revenue Bonds to the general public (the “**DASNY Bonds**”) to fund the Financing Agreement. In return, the District will deliver bonds to DASNY to evidence the loan of monies by DASNY to the District (the “**District Bonds**”). Since the interest on the DASNY Bonds is intended to be excluded from gross income for federal income tax purposes, it is necessary to obtain certain information regarding the use of proceeds of the DASNY Bonds. All participants in the pool financing should be aware that each series of the DASNY Bonds will be treated as a single issue for federal tax purposes. Accordingly, the tax-exempt status of the DASNY Bonds may be adversely affected by the actions of the other participating borrowers.

This Tax Questionnaire identifies the tax compliance information that is required from the District at this stage in the due diligence process. Additional information may also be requested. Because this is the beginning of a due diligence process, and the subsequent steps depend on the initial information requested below, the information requested in this Tax Questionnaire must be timely supplied to DASNY’s co-bond counsel **no later than MARCH 22, 2024** in order for the District to proceed with the financing. This information will be the basis for certain representations and warranties of the District in an Arbitrage and Use of Proceeds Certificate delivered to DASNY and co-bond counsel.

The District Bonds will be issued as taxable bonds and no IRS Form 8038-G will be required to be prepared or executed by the District. The District’s bond counsel should be prepared, however, to render the opinion provided as an exhibit to the Financing Agreement regarding the treatment of interest on the District Bonds (and other matters) *assuming* the District Bonds were issued as bonds the interest on which is excluded from gross income for federal income tax purposes.

This Tax Questionnaire is separated into two parts: (1) Refinancing of the District bonds and bond anticipation notes (“**BANs**”) and (2) new money bonds. Please complete only the part(s) of this Tax Questionnaire that applies. If the District is not issuing new money bonds through DASNY, you need not complete Part 2 of this Tax Questionnaire.

**Please provide a copy of the post-issuance tax-exempt bond compliance policy and procedures adopted by the School District.**

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| --- |
| PLEASE SEND YOUR RESPONSES TO THIS TAX QUESTIONNAIRE AND ALL DOCUMENTATION DESCRIBED THEREIN TO [JKILMER@BARCLAYDAMON.COM](mailto:JKILMER@BARCLAYDAMON.COM) FOR POSTING TO THE SHARED SITE SET UP BY BARCLAY DAMON LLP FOR THE DASNY BONDS. BE SURE TO INCLUDE THE NAME OF THE DISTRICT AT THE BEGINNING OF THE TITLE OF THE DOCUMENTS AND IN THE SUBJECT LINE OF THE EMAIL.  PLEASE FEEL FREE TO CONTACT EITHER SHARON L. BROWN ([SLBROWN@BARCLAYDAMON.COM](mailto:SLBROWN@BARCLAYDAMON.COM)) AT BARCLAY DAMON LLP AT PH: (212) 784-5809 OR CHUCK KATZ (CKATZ@BURGHERGRAY[.COM](mailto:.COM)) AT BURGHERGRAY LLP AT PH: (312) 416-8442 WITH ANY QUESTIONS REGARDING THIS TAX QUESTIONNAIRE. |
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|  |

**Name of District**: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Person Completing Tax Questionnaire**: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Telephone Number for follow up:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Email Address for follow up**: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Part 1 – Refinancing of District Bonds and BANS.**

OUTSTANDING BOND/BAN INFORMATION.

1. Identify each currently outstanding bond and BAN issue to be directly refunded with the proceeds of the DASNY Bonds, including the name, issue date of the issue, assets financed, and the amount to be refunded.

|  |  |  |  |
| --- | --- | --- | --- |
| **Name of the Issue** | **Issue Date** | **Assets Financed (the “Project”)** | **Amount to be Refunded** |
| (A) |  |  |  |
| (B) |  |  |  |
| (C) |  |  |  |
| (D) |  |  |  |
| (E) |  |  |  |
| (F) |  |  |  |
| (G) |  |  |  |

2. For each of the bond and BAN issues to be refunded with proceeds of the DASNY Bonds, please provide the following documentation:

(A) the official statement or other offering document (if any);

(B) the arbitrage or tax certificate and related attachments, including the issue price certificate;

(C) the IRS Form 8038-G;

(D) the bond or note determination certificate;

(E) the tax and bond opinion; and

(F) the escrow verification report, if any.

\* FOR BOND AND BAN ISSUES WHICH REFINANCED OTHER BOND OR BAN ISSUES, PROVIDE THE INFORMATION DESCRIBED IN A THROUGH F ABOVE FOR EACH REFUNDED BOND AND/OR BAN OBLIGATION.

For example, assume School District X is seeking to refinance its Bond Anticipation Notes, 2023, and that such Bond Anticipation Notes, 2023 were used to retire School District X’s Bond Anticipation Notes, 2022. Please provide documentation for the Bond Anticipation Notes, 2022 and 2023.

3. With respect to each of the bond and BAN issues described in Question 1, please complete the attached worksheets (“Refunded Assets #1” through “Refunded Assets #4”), so that every asset to be refinanced is included in the worksheets, either individually or together with similar assets. The information requested, including the useful life and placed-in-service dates of each asset, is necessary to determine compliance with federal tax law bond maturity limitations.

4. For each of the bond and BAN issues identified in response to Question 1, are there any unexpended bond or BAN proceeds as of the date hereof?

Yes \_\_\_\_\_ No\_\_\_\_\_\_

If yes,

(A) please identify the bond or BAN issue;

(B) please state the amount of unexpended bond or BAN proceeds;

(C) please state what amount of the unexpended bond or BAN proceeds will be needed to pay remaining costs of the purposes for which the bond or BAN issue was sold; and

(D) please state the amount of “excess proceeds” (i.e., bond or BAN proceeds not expected to be needed for remaining costs of the purposes for which the bond or BAN issue was sold) and the anticipated disposition of those proceeds.

5. Have any of the bonds or BANs listed in response to Question 1 “advance refunded” (directly or indirectly) prior obligations of the issuer?[[1]](#footnote-2)

Yes \_\_\_\_\_ No\_\_\_\_\_\_

If yes, please identify the bond or BAN issue.

6. Has any portion (or do you expect any portion) of the proceeds of a bond or BAN issue described in Question 1 been loaned (to be loaned) to a person other than a state or local governmental entity or agency?

Yes \_\_\_\_\_ No\_\_\_\_\_\_

7. What is the approximate face amount of the District Bonds for the refinancing of bonds or BANs that will be delivered to DASNY (if more than one series of bonds is to be delivered, list by series designation and amount)?

PROJECT USE INFORMATION.

8. (A) Is any portion of the Project owned or used or expected to be owned or used by other than a school district duly created and existing under the laws of the State of New York or a state or local government entity or agency (e.g.: lease to a not-for-profit entity such as the YMCA for an after school program or a charter school for operation of a charter school, lease to a for-profit trade or business)?

Yes \_\_\_\_\_ No\_\_\_\_\_\_

(B) Has any portion of the Project been managed or operated, currently managed or operated by or expected to be managed or operated by another person or entity (e.g., child care business for pre- or post-school day programs, regardless of whether attendees are students of the District, or management of cafeteria by an outside party)?

Yes \_\_\_\_\_ No\_\_\_\_\_

(C) Has any portion of the of the Project been used, currently used or expected to be used on a temporary basis by outside groups for meetings, events, athletic leagues or other activities? For example, in the past, at the present time (or is it expected that) a portion of the Project has or will be used by the Cub Scouts, the Boy Scouts, sport camps, little league or basketball league, civic, volunteer or church groups?

Yes \_\_\_\_\_ No\_\_\_\_\_

If yes to (A), (B) or (C), please provide the following information and documentation:

I. a description of the arrangement including length and frequency of the use and if there is a fee for the use;

II. the specific portion of the Project used including the square footage of the space and the square footage of the entire facility; and

III. a copy of the lease, contract or other agreement documenting the arrangement.

9. Use directly or indirectly of any portion of the proceeds of the DASNY Bonds or of the Project in a trade or business carried on by a natural person, or in any activity carried on by a person (other than a natural person or state of local government entity or agency) is Private Use. Is (and does the District expect that while the District Bonds are outstanding that) all of the Project used (and will be used) for educational purposes in a manner that will not give rise to Private Use?

Yes \_\_\_\_\_ No\_\_\_\_\_\_

10. Does the District understand that a change in the use of the Project to a use that is not qualified for tax-exempt financing may result in the loss of tax exemption of interest on the DASNY Bonds?

Yes \_\_\_\_\_ No\_\_\_\_\_\_

11. Is the District participating in the Community Schools Grant Initiative (CSGI)? If yes, please describe use by service providers or other third parties of any of the Project under the initiative including length of use, compensation to the service providers or other third party, square foot area used or occupied.

Yes \_\_\_\_\_ No\_\_\_\_\_\_

GENERAL DISTRICT INFORMATION.

12. Does the District own all of the property constituting the Project (buildings, equipment, etc.)? For example, has any portion of the Project been sold or used for another purpose due to underutilization or a downturn in school enrollment? Please explain the details of any sale, disposition or other transfer of any portion of the Project.

Yes \_\_\_\_\_ No\_\_\_\_\_\_

13. For the entire term of the DASNY Bonds, does the District reasonably expect to continue to own all of the property constituting the Project and reasonably expect to continue to operate the Project as a public school facility? For example, are there any studies, discussions, analysis or proposals currently being considered by the District regarding the closing, sale, lease or disposal of all or a portion of the Project. If yes, please explain.

Yes \_\_\_\_\_ No\_\_\_\_\_\_

WORKSHEET: REFUNDED ASSETS #1

**Allocation of Proceeds to Refunded Assets**

NAME OF DISTRICT:

BOND OR BAN ISSUE TO BE REFUNDED:

(1) Par amount at issuance of the bond or BAN issue to be refunded with proceeds of the DASNY Bonds: $\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

(2) Of the par amount of the refunded bond or BAN issue, the amount to be refunded with proceeds of the Bonds: $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.1

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| A | | B | C | D |
| Asset | | Asset Cost | Ratio of Asset Cost (B) to total cost from (1) above | Proceeds Allocable to Asset (C x amount of proceeds from (2) above) |
| 1. | Land2 |  |  |  |
| 2. | Building or Acquisition Costs |  |  |  |
| 3. | Equipment with economic life of 5 years or less |  |  |  |
| 4. | Equipment with economic life of more than 5 years |  |  |  |
| 5. | Land Improvements |  |  |  |
| 6. | Other | N/A | N/A | N/A |
|  | TOTAL |  | 1.000 |  |

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

1 Note that this figure may be the same as the total cost of District’s refunded assets to be refinanced in question (1) above.

2 Pursuant to I.R.C. Section 147(b)(3)(B), land is not taken into account in determining economic life, unless 25% or more of net proceeds is to be used to finance land. If more than 25% of net proceeds will be used to finance land, such land is treated as having an economic life of 30 years.

**WORKSHEET: REFUNDED ASSETS #2**

**Adjusted Economic Life**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | A | B | C | D | E |
| Asset | | Economic  Life (in Years) | Basis of Determination (CLADR1, Rev. Proc. 62-212 or Appraisal) | Proceeds Allocable to Asset (Copy from Column D of Worksheet: Refunded Assets #1) | Weighted Cost (Column B x  Column D) |
| 1. | Land3 | N/A | N/A | N/A | N/A |
| 2. | Building or Acquisition Costs | [45] (30 years local finance law PPU) | **Circle One:** CLADR1,  Rev. Proc. 62-212 or Appraisal |  |  |
| 3. | Equipment with economic life of 5 years or less |  | **Circle One:** CLADR1,  Rev. Proc. 62-212 or Appraisal |  |  |
| 4. | Equipment with economic life of more than 5 years |  | **Circle One:** CLADR1,  Rev. Proc. 62-212 or Appraisal |  |  |
| 5. | Land Improvements | [20] (30 years local finance law PPU) | **Circle One:** CLADR1,  Rev. Proc. 62-212 or Appraisal |  |  |
| 6. | Other | N/A | N/A | \_\_\_\_\_\_N/A\_\_\_\_\_\_ | \_\_\_\_\_\_N/A\_\_\_\_\_\_ |
|  | TOTAL |  |  |  |  |

Calculation of Average Economic Life:

Weighted Cost (total of column E) divided by Cost (total of Column D) = \_\_\_\_\_\_\_\_\_\_ years.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1 See I.R.S. Revenue Procedure 87-56, 1987-2 C.B. 674.

2 1962-2 C.B. 418.

3 Pursuant to I.R.C. Section 147(b)(3)(B), land is not taken into account in determining economic life, unless 25% or more of net proceeds is to be used to finance land. If more than 25% of net proceeds will be used to finance land, such land is treated as having an economic life of 30 years.

**WORKSHEET: REFUNDED ASSETS #3**

**Adjustment for Placed in Service Dates**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| A | | B | C | D |
| Asset | | Cost1 | Period of time in years between placed in service date (or expected placed in service date) and date of issue2 | Weighted Cost3 |
| 1. | Land | N/A | N/A | N/A |
| 2. | Building or Acquisition Costs |  |  |  |
| 3. | Equipment with economic life of 5 years or less |  |  |  |
| 4. | Equipment with economic life of more than 5 years |  |  |  |
| 5. | Land Improvements |  |  |  |
| 6. | Other | \_\_\_\_\_\_N/A\_\_\_\_\_\_ | \_\_\_\_N/A\_\_\_\_ | \_\_\_\_N/A\_\_\_\_ |
| TOTAL | |  |  |  |

Computation of Placed in Service Adjustment:

Weighted Cost (total of Column D) divided by Cost (total of Column B) = \_\_\_\_\_\_\_\_\_\_\_\_ years

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1 Copy Column D from Worksheet: Refunded Assets #1.

2 If the placed in service date is earlier, show as a negative number. If the placed in service date is later, show as a positive number. The placed in service date is the date on which, based on all facts and circumstances, (a) the facility has reached a degree of completion that would permit its operation at substantially its design level, and (b) the facility is, in fact, in operation at such level.

3 Cost (Column B) multiplied by time interval (Column C).

**WORKSHEET: REFUNDED ASSETS #4**

**Determining the Maximum Average Maturity Permitted for the DASNY Bonds**

Average Economic Life (from

Worksheet: Refunded Assets #2) = \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Multiply by 120% = \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Add or Deduct: Placed in Service Adjustment

(from Worksheet: Refunded Assets #3) = \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

TOTAL = \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The TOTAL represents the maximum average maturity permitted for the DASNY Bonds.

**Name of District**: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Person Completing Tax Questionnaire**: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Telephone Number for follow up:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Email Address for follow up**: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Part 2 – New Money Bonds.**

**If the District anticipates issuing bonds (“New Money Bonds”) through DASNY to finance NEW CAPITAL PROJECTS, please provide the information requested below.**

NEW MONEY PROJECT DESCRIPTION AND COSTS.

1. Please provide a **description** of the project to be financed by the District with the proceeds of the New Money Bonds (the “**New Money Project**”).

2. Please provide the dates of actual or expected commencement and completion of construction of the New Money Project.

3. What is the approximate face amount of the District Bonds for the New Money Project that will be delivered to DASNY (if more than one series of bonds is to be delivered, list by series designation and amount)?

4. Please provide a cost budget for the New Money Project.

5. Has the District paid any costs of the New Money Project prior to issuance of the DASNY Bonds for which the District will seek to be reimbursed?

Yes \_\_\_\_ No\_\_\_\_\_\_

(a) If yes, please provide the amount paid, the payee, the purpose for the payment, the date the expenditure was made and the source of the funds for the payment (e.g., revenues, federal or state grants, etc.).

(b) If yes, please provide a copy of the reimbursement resolution or other official action including, for example, a bond resolution relating to the District’s intent to finance the expenditures described above with a loan from DASNY or other indebtedness. Such resolution may be included as a paragraph in the District’s authorizing resolution for the District Bonds.

6. Are there or will there be any sources of funds (including grants or gifts) other than the proceeds of the New Money Bonds used to pay costs of the New Money Project?

Yes \_\_\_\_\_ No\_\_\_\_\_\_

If yes, please describe (include the amount of the source and when it was or is expected to be received).

7. Will any portion of the DASNY Bonds be used to finance working capital expenditures? For example, will any portion of the DASNY Bonds be used to finance operating expenses of the District.

Yes \_\_\_\_\_ No\_\_\_\_\_\_

If yes, please describe nature of working capital expenditures.

8. Will any portion of the New Money Bonds be loaned to a person other than a state or local government entity or agency? If yes, please provide details of the arrangement.

Yes \_\_\_\_\_ No\_\_\_\_\_\_

NEW MONEY PROJECT USE INFORMATION.

9. (A) Will any portion of the New Money Project be owned or used or expected to be owned or used by other than a school district duly created and existing under the laws of the State of New York or a state or local government entity or agency (e.g.: lease to a not-for-profit entity such as the YMCA for an after school program or a charter school for operation of a charter school, lease to a for-profit trade or business)?

Yes \_\_\_\_\_ No\_\_\_\_\_\_

(B) Will any portion of the New Money Project be managed or operated, or expected to be managed or operated by another person or entity (e.g., child care business for pre- or post-school day programs, regardless of whether attendees are students of the District, or management of cafeteria by an outside party)?

Yes \_\_\_\_\_ No\_\_\_\_\_

(C) Will any portion of the of the New Money Project be used, or expected to be used on a temporary basis by outside groups for meetings, events, athletic leagues or other activities? For example, is it expected that a portion of the New Money Project will be used by the Cub Scouts, the Boy Scouts, sport camps, little league or basketball league, civic, volunteer or church groups?

Yes \_\_\_\_\_ No\_\_\_\_\_

If yes to (A), (B) or (C), please provide the following information and documentation:

I. a description of the arrangement including length and frequency of the use and if there is a fee for the use;

II. the specific portion of the New Money Project used including the square footage of the space and the square footage of the entire facility; and

III. a copy of the lease, contract or other agreement documenting the arrangement.

10. Use directly or indirectly of any portion of the proceeds of the DASNY Bonds or of the New Money Project in a trade or business carried on by a natural person, or in any activity carried on by a person (other than a natural person or state of local government entity or agency) is Private Use. Will (and does the District expect that while the New Money Bonds are outstanding that) all of the New Money Project be used for educational purposes in a manner that will not give rise to Private Use?

Yes \_\_\_\_\_ No\_\_\_\_\_\_

11. Does the District understand that a change in the use of the New Money Project to a use that is not qualified for tax-exempt financing may result in the loss of tax exemption of interest on the DASNY Bonds?

Yes \_\_\_\_\_ No\_\_\_\_\_\_

12. Is the District participating in the Community Schools Grant Initiative (CSGI)? If yes, please describe use by service providers or other third parties of the New Money Project under the initiative including length of use, compensation to the service providers or other third party, square foot area used or occupied.

Yes \_\_\_\_\_ No\_\_\_\_\_\_

13. Will at least eighty-five percent (85%) of the proceeds of the New Money Bonds be used for such purpose within the 3-year period beginning on the date that the New Money Bonds are issued?

Yes \_\_\_\_\_ No\_\_\_\_\_\_

14. Will at least one hundred percent (100%) of the proceeds of the New Money Bonds be used for such purpose within the 3-year period beginning on the date that the New Money Bonds are issued?

Yes \_\_\_\_\_ No\_\_\_\_\_\_

15. Will more than fifty percent (50%) of the proceeds of the New Money Bonds be invested in other investments (i.e., investments other than the New Money Project) having a substantially guaranteed yield for four (4) years or more?

Yes \_\_\_\_\_ No\_\_\_\_\_\_

16. Has the District received all approvals and undertaken all necessary steps to effectuate the issuance of the District Bonds?

Yes \_\_\_\_\_ No\_\_\_\_\_\_

17. Will the District incur within six (6) months of the date of issue of the DASNY Bonds a substantial binding obligation to a third party to expend at least five percent (5%) of the sale proceeds of the New Money Bonds on the New Money Project? (Note that an obligation is not binding if it is subject to contingencies within the District’s control.)

Yes \_\_\_\_\_ No\_\_\_\_\_\_

GENERAL DISTRICT INFORMATION.

18. Does (or will) the District own all of the property constituting the New Money Project (buildings, equipment, etc.)? If no, please explain.

Yes \_\_\_\_\_ No\_\_\_\_\_\_

19. For the entire term of the DASNY Bonds, does the District reasonably expect to continue to own all of the property constituting the New Money Project and reasonably expect to continue to operate the New Money Project as a public school facility? For example, are there any studies, discussions, analysis or proposals currently being considered by the District regarding the closing, sale, lease or disposal of all or a portion of the New Money Project. If yes, please explain.

Yes \_\_\_\_\_ No\_\_\_\_\_\_

20. Is all of the property constituting the New Money Project open and operating as a public school facility? If no, please explain.

Yes \_\_\_\_\_ No\_\_\_\_\_\_

21. Please complete the attached worksheets for the New Money Project so that every asset to be financed is included in the worksheets, either individually or together with similar assets. The information requested, including the useful life and placed-in-service dates of each asset, is necessary to determine compliance with federal tax law bond maturity limitations.

**NAME OF DISTRICT:**

WORKSHEET: New money ASSETS #1

**Allocation of Proceeds to New Money Assets**

(1) Total Cost of New Money Project: $\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

(2) Amount to be financed with District Bonds: $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.1

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| A | | B | C | D |
| Asset | | Asset Cost | Ratio of Asset Cost (B) to total cost from (1) above | Proceeds Allocable to Asset (C x amount of proceeds from (2) above) |
| 1. | Land2 |  |  |  |
| 2. | Building or Acquisition Costs |  |  |  |
| 3. | Equipment with economic life of 5 years or less |  |  |  |
| 4. | Equipment with economic life of more than 5 years |  |  |  |
| 5. | Land Improvements |  |  |  |
| 6. | Other | N/A | N/A | N/A |
|  | TOTAL |  | 1.000 |  |

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1 Note that this figure may be the same as the total cost of New Money Project in question (1) above.

2 Pursuant to I.R.C. Section 147(b)(3)(B), land is not taken into account in determining economic life, unless 25% or more of net proceeds is to be used to finance land. If more than 25% of net proceeds will be used to finance land, such land is treated as having an economic life of 30 years.

**WORKSHEET: NEW MONEY ASSETS #2**

**Adjusted Economic Life**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | A | B | C | D | E |
| Asset | | Economic  Life (in Years) | Basis of Determination (CLADR1, Rev. Proc. 62-212 or Appraisal) | Proceeds Allocable to Asset (Copy from Column D of Worksheet: Refunded Assets #1) | Weighted Cost (Column B x  Column D) |
| 1. | Land3 | N/A | N/A | N/A | N/A |
| 2. | Building or Acquisition Costs | [45] (30 years local finance law PPU) | **Circle One:** CLADR1,  Rev. Proc. 62-212 or Appraisal |  |  |
| 3. | Equipment with economic life of 5 years or less |  | **Circle One:** CLADR1,  Rev. Proc. 62-212 or Appraisal |  |  |
| 4. | Equipment with economic life of more than 5 years |  | **Circle One:** CLADR1,  Rev. Proc. 62-212 or Appraisal |  |  |
| 5. | Land Improvements | [20] (30 years local finance law PPU) | **Circle One:** CLADR1,  Rev. Proc. 62-212 or Appraisal |  |  |
| 6. | Other | \_\_\_\_\_N/A\_\_\_\_\_ | \_\_\_\_N/A\_\_\_\_\_ | \_\_\_\_N/A\_\_\_\_\_ | \_\_\_\_N/A\_\_\_\_ |
|  | TOTAL |  |  |  |  |

Calculation of Average Economic Life:

Weighted Cost (total of column E) divided by Cost (total of Column D) = \_\_\_\_\_\_\_\_\_\_ years.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1 See I.R.S. Revenue Procedure 87-56, 1987-2 C.B. 674.

2 1962-2 C.B. 418.

3 Pursuant to I.R.C. Section 147(b)(3)(B), land is not taken into account in determining economic life, unless 25% or more of net proceeds is to be used to finance land. If more than 25% of net proceeds will be used to finance land, such land is treated as having an economic life of 30 years.

**WORKSHEET: NEW MONEY ASSETS #3**

**Adjustment for Placed in Service Dates**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| A | | B | C | D |
| Asset | | Cost1 | Period of time in years between placed in service date (or expected placed in service date) and date of issue2 | Weighted Cost3 |
| 1. | Land | N/A | N/A | N/A |
| 2. | Building or Acquisition Costs |  |  |  |
| 3. | Equipment with economic life of 5 years or less |  |  |  |
| 4. | Equipment with economic life of more than 5 years |  |  |  |
| 5. | Land Improvements |  |  |  |
| 6. | Other | \_\_\_\_\_N/A\_\_\_\_\_ | \_\_\_\_\_N/A\_\_\_\_\_ | \_\_\_\_N/A\_\_\_\_ |
| TOTAL | |  |  |  |

Computation of Placed in Service Adjustment:

Weighted Cost (total of Column D) divided by Cost (total of Column B) = \_\_\_\_\_\_\_\_\_\_\_\_ years

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1 Copy Column D from Worksheet: New Money Assets #1.

2 If the placed in service date is earlier, show as a negative number. If the placed in service date is later, show as a positive number. The placed in service date is the date on which, based on all facts and circumstances, (a) the facility has reached a degree of completion that would permit its operation at substantially its design level, and (b) the facility is, in fact, in operation at such level.

3 Cost (Column B) multiplied by time interval (Column C).

**WORKSHEET: NEW MONEY ASSETS #4**

**Determining the Maximum Average Maturity Permitted for the DASNY Bonds**

Average Economic Life (from

Worksheet: New Money Assets #2) = \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Multiply by 120% = \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Add or Deduct: Placed in Service Adjustment

(from Worksheet: New Money Assets #3) = \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

TOTAL = \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The TOTAL represents the maximum average maturity permitted for the DASNY Bonds.

**CERTIFICATION**

I hereby certify that I am an authorized representative of the School District, and that I am authorized by the School District to execute this Tax Questionnaire. I am charged with the responsibility to perform such acts as are necessary and proper for the financing, construction, acquisition and/or improvement of the School District, and am acting for and on behalf of the School District in executing this Tax Questionnaire. I certify that I am familiar with the financing and that all information contained herein is true, correct and complete to the best of my knowledge. I am not aware of any facts or circumstances that would cause me to question the accuracy or reasonableness of any information contained in these responses or attached documentation. I understand that the foregoing information and attached documentation will be relied upon by the Dormitory Authority of the State of New York (“**DASNY**”), Barclay Damon LLP and BurgherGray LLP, co-bond counsel to DASNY.

Date:

Name:

Title:

1. An advance refunding is a refinancing technique in which the proceeds of the refunding bonds or BANs are used to retire outstanding bonds or BANs more than 90 days from the issue date of the refunding bonds or BANs. [↑](#footnote-ref-2)