**Dormitory Authority of the State of New York
School Districts Revenue Bond Financing Program Revenue Bonds
2024 Spring Issue**

 **Underwriters’ Due Diligence Call Questions**

1. **Verification of the Due Diligence Survey**
2. Please describe the policies and procedures the District has implemented to ensure compliance with its Rule 15c2-12 continuing disclosure obligations. If there is no change from your response to question 3 of the Initial Due Diligence Survey, feel free to respond “no change”.
3. In the past five years, has the District incurred any material Financial Obligations? As defined in Rule 15c2-12, a Financial Obligation is a) a debt obligation (for example, a direct purchase of municipal securities by an investor, or a direct loan by a bank); b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or c) a guarantee of either such a debt obligation or derivative instrument. If there is no change from your response to question 7 of the Initial Due Diligence Survey, feel free to respond “no change”.
4. In the past five years, has the District agreed to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation, any of which affect bondholders or noteholders, if material? If there is no change from your response to question 8 of the Initial Due Diligence Survey, feel free to respond “no change”.
5. In the past five years, has there occurred a 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 difficulty? If there is no change from your response to question 9 of the Initial Due Diligence Survey, feel free to respond “no change”.
6. Please generally describe any ongoing financial or operational effects on the District, if any, of the COVID-19 outbreak. If there is no change from your response to question 15 of the Initial Due Diligence Survey, feel free to respond “no change”.
7. Has there been any material adverse change in the financial affairs of the District since its last audit report? If there is no change from your response to question 17 of the Initial Due Diligence Survey, feel free to respond “no change”.
8. What designation did the District receive in the Comptroller’s Fiscal Stress Monitoring System for the fiscal year ended 6/30/23? (Significant Stress, Moderate Stress, Susceptible to Stress, No Designations). If other than, “no designation”, what action(s) (if any) is the School District taking in response to this designation? If there is no change from your response to question 18 of the Initial Due Diligence Survey, feel free to respond “no change”.
9. Please describe any ongoing labor contract negotiations for the District and any major labor contracts up for renewal in FYE 6/30/24 or FYE 6/30/25. If there is no change from your response to question 23 of the Initial Due Diligence Survey, feel free to respond “no change”.
10. Is there any ongoing dispute or controversy between the District and the State Education Department with respect to past or current allocations of State Education Aid to the District? If there is no change from your response to question 25 of the Initial Due Diligence Survey, feel free to respond “no change”.
11. What policies and procedures does the District have in place in terms of protecting against cyber security incidents? Has the District been the subject of any cyber security incidents within the past two years? If there is no change from your response to question 28 of the Initial Due Diligence Survey, feel free to respond “no change”.
12. Does the District carry insurance against cyber security incidents? What is the coverage provided? If there is no change from your response to question 29 of the Initial Due Diligence Survey, feel free to respond “no change”.
13. Is the School District aware of any environmental risks that might adversely impact its financial position? Have any environmental impacts been discovered as part of a SEQR or other environmental review with respect to any project to be financed with the Bonds? Has the School District adopted any polices to mitigate such environmental risks, if any? If there is no change from your response to question 31 of the Initial Due Diligence Survey, feel free to respond “no change”.
14. Is the School District aware of any governance issues that might adversely impact its operations or financial position? If there is no change from your response to question 32 of the Initial Due Diligence Survey, feel free to respond “no change”.
15. **Additional Questions**
16. Does the District anticipate that its financial position will adversely change over the next three Fiscal Years due to: (i) declines in tax revenues, (ii) State Aid (iii) increases in unfunded pension liability, (iv) loss of federal deduction for state and local income taxes, or (v) other factors?
17. Please describe any material variances between the District’s FYE 6/30/23 budget and actual results. To date, are there any material variances between the FYE 6/30/24 budget and actual results? Does the District anticipate material variances between the FYE 6/30/24 budget and year-end results?
18. Have any budgets of the District been rejected by District voters within the past 5 years? Has the District ever sought approval to exceed its tax cap and does the District anticipate seeking approval for the next budget cycle?
19. Did the District receive its FYE 6/30/23 allocation of State Aid in full?
20. To date, what percentage of total State Aid due to the District for FYE 6/30/24 has been received? (Is that amount consistent with last year’s percentage at this time?). Does the District anticipate that the aggregate amount of State Aid to be received for FYE 6/30/24 will be similar to what it received in FYE 6/30/23? Do you anticipate that the percentage of Total Revenues that are comprised of State Aid for FYE 6/30/24 will be consistent with historical percentages?
21. Does the District anticipate a decline in State Aid in Fiscal Year 2025?
22. Have there been any recent changes regarding the information relating to the District’s five largest employers or taxpayers which are not already described in your Appendix C information?
23. Have there been any significant declines in District enrollment over the past 5 years and do you anticipate significant declines over the next 2 Fiscal Years?
24. Please describe any existing or planned capital improvement programs that are not already described in your Appendix C information.
25. Other than the current borrowing to be undertaken through DASNY, please describe any borrowing to be undertaken by the District for the remainder of the FYE 6/30/24 and for FYE 6/30/25.
26. Is there any material litigation pending or threatened against the District? Please describe any Child Victims Act litigation pending or threatened against the District.
27. Within the past three years has the District received any accountant management letter which has been critical of your accounting procedures or practices?
28. Is the District or its senior management, as applicable, currently under audit, report or investigation by the IRS, the State Comptroller, the New York Attorney General, the State Education Department or any other regulatory body, or has the District or its senior management, been the subject of an IRS, State Comptroller, New York Attorney General, State Education Department or other regulatory body audit, report or investigation in the past three Fiscal Years? If so, please describe.
29. Are there any published or unpublished reports that are critical of the District’s financial practices?
30. Has the District complied with its existing continuing disclosure obligations under SEC Rule 15c2-12 over the past five years including any existing continuing disclosure obligations with DASNY? Has the District made all required annual operating information filings with the MSRB in a timely manner? Has the District made all required notice event filings with EMMA in a timely manner? (For reference, please see the list of “events” that require “event notice” filings, attached hereto as Exhibit A.) If not, please describe.
31. Has the District been notified by the SEC that it is the subject of a review or investigation by the SEC?
32. Has the District reviewed its Appendix C disclosure contained in the current draft of the POS relating to the DASNY Bonds? Is the information set forth in its Appendix C disclosure complete and accurate in all material respects? Does it contain any material omissions?
33. Please describe any other information relating to the District of which the Underwriters of the DASNY Bonds should be aware.

**EXHIBIT A**

Following is a list of “events” that require an “event notice” to be filed on EMMA within ten business days after the occurrence of such event, pursuant to Rule 15c2-12:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701–TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
7. Modifications to rights of security holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the obligated person;
13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.