**DORMITORY AUTHORITY OF THE STATE OF NEW YORK**

**SCHOOL DISTRICTS REVENUE BOND FINANCING PROGRAM REVENUE BONDS
(THE “BONDS”), 2023 SPRING ISSUE**

# DUE DILIGENCE QUESTIONNAIRE

The Dormitory Authority of the State of New York (the “Authority”) expects to issue Bonds to finance loans (the “Loans”) to various school districts participating in the next pool (the “School Districts”). Each School District will apply the Loan proceeds to finance certain capital projects or to refinance certain outstanding indebtedness of the School District. Each School District will deliver its school district bonds (the “School District Bonds”) to the Authority to evidence the Loan the School District will receive. It is necessary in connection with the issuance of the Bonds by the Authority to obtain certain information regarding the School Districts. The attached Due Diligence Questionnaire is designed to assist in obtaining such information. It is requested that each School District complete or arrange for the completion of the attached Questionnaire. A School District may want to seek the assistance of its Financial Advisor and Bond Counsel in completing the Questionnaire.

After review of the completed Questionnaire, it may be necessary to obtain clarification or additional information from a School District. Information supplied by a School District may be used to the extent necessary in the Preliminary and Final Official Statements of the Authority.

Completed responses to the Questionnaire should be sent to David Ostrander, Assistant Director – Public Finance & Portfolio Monitoring at the Authority, at dostrand@dasny.org. Each School District’s completed Questionnaire will be furnished by the Authority to counsel to the Underwriters of the Bonds.

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| **DORMITORY AUTHORITY OF THE STATE OF NEW YORK****SCHOOL DISTRICTS FINANCING REVENUE BONDS(THE “BONDS”), 2023 SPRING ISSUE****DUE DILIGENCE QUESTIONNAIRE** |
| NAME OF SCHOOL DISTRICT |
| **Instructions:** Answer all questions and provide all information and documents requested. Begin typing in the space which will enlarge to accommodate the information that is typed. |
| 1. With respect to any existing undertaking of the School District to provide continuing disclosure, please provide copies of: (a) all filings made by the School District with the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board (“EMMA”) with respect to the School District’s most recently completed fiscal year (including any filings made with respect to continuing disclosure obligations for DASNY School District Financing Revenue Bonds), and (b) all filings made after such date, if any. Please also provide copies of all filings made after the date of this Questionnaire to and including the closing date of the Bonds, if any.
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| 1. Does the School District utilize a dissemination agent or other outside consultant with respect to ongoing compliance with continuing disclosure obligations? If so, please state the name of such dissemination agent or consultant.
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| 1. Please describe the policies and procedures that the School District has implemented in order to comply with its continuing disclosure requirements including notice of: (1) the 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 (2) a 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.

Please note: Financial Obligation is defined in Question 7 below. |
| 1. In the past five years has the School District failed to make timely filings of annual financial information and operating data with EMMA, as required by any of the School District's undertakings to provide continuing disclosure?

[ ]  Yes [ ]  NoIf the answer is yes, please provide details.  |
| 1. In the past five years has the School District filed a “material event notice” with EMMA, as required by any of the School District's undertakings to provide continuing disclosure?

[ ]  Yes [ ]  NoIf the answer is yes, please provide copies of any material event filings made by the School District within the past five years. |
| 1. In the past five has the School District failed to timely file a “material event notice” with EMMA, as required by any of the School District’s undertakings to provide continuing disclosure?

[ ]  Yes [ ]  NoIf the answer is yes, please provide copies of any late material event notice filings made by the School District within the past five years. |
| 1. In the past five years, has the School 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?

[ ]  Yes [ ]  NoIf the answer is yes, please provide details. |
| 1. In the past five years, has the School 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?

[ ]  Yes [ ]  NoIf the answer is yes, please provide details. |
| 1. 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 School District, any of which reflect financial difficulty?

[ ]  Yes [ ]  NoIf the answer is yes, please provide details. |
| 1. What is the current status of the School District’s budget variances for the current fiscal year? What is the forecast for year-end budget variances for the current fiscal year? Is the School District aware of any potential variances which may arise during the current fiscal year? If the School District budget is subject to voter approval, have school district voters rejected any budget within the past five (5) years?

 Please provide details regarding the above. |
| 1. Please provide an explanation of the major changes between the School District’s prior fiscal year budget, current fiscal year budget, and proposed 2024 fiscal year budget, including changes in revenues and expenses, staffing and programs. A change of more than 5% is considered major.

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| 1. Please provide details on any reliance by the School District on non-recurring budget items (*i.e.,* “one-shots” such as property sale and reserve balance draw-downs) to balance the prior fiscal year budget, the current fiscal year budget, or proposed 2024 fiscal year budget.

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| 1. What is the current and projected status of the School District’s budget for capital items for the prior fiscal year, the current fiscal year, and the proposed 2024 fiscal year budget? Are there any significant variances between planned and actual capital expenses?

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| 1. Has there been any material adverse change in the financial affairs of the School District since the date of the School District’s last audited financial statements?

[ ]  Yes [ ]  NoIf the answer is yes, please provide details.  |
| 1. Please generally describe any ongoing financial or operational effects on the School District of the COVID-19 pandemic.
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| 1. Is the School District’s financial situation stable?

[ ]  Yes [ ]  NoIf the answer is no, please provide details.  |
| 1. Does the School District anticipate that it may experience material adverse changes to its financial affairs in the next three fiscal years including material reductions in real property tax revenues or material reductions in State Education Aid?

[ ]  Yes [ ]  NoIf the answer is yes, please provide details.  |
| 1. Has the School District received a designation under the New York State Comptroller’s Fiscal Stress Monitoring System for the fiscal year ended 6/30/22 and if so, what are the two most recent designations the School District has received from the Comptroller?
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| 1. Are there any Charter Schools located in the School District? If so, please describe such Charter Schools. Are there any current plans to open a Charter School in the School District? What is the total enrollment for Charter Schools in the School District?

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| 1. Has the School District changed its auditor within the last five years?

[ ]  Yes [ ]  NoIf the answer is yes, please provide details.  |
| 1. Does the School District have any off-balance sheet liabilities or leases, installment purchase agreements or similar arrangements? Are any such liabilities or arrangements planned or contemplated for the future?

[ ]  Yes [ ]  NoIf the answer is yes, please provide details.  |
| 1. Please provide a discussion of any unfunded pension fund liabilities of the School District.

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| 1. What is the status of negotiations regarding any collective bargaining agreements which have expired or are anticipated to expire in the School District’s current or next fiscal year?
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| 1. Is the School District currently under audit by the Internal Revenue Service or the New York State Comptroller’s Office or been the subject of such an audit in the prior three fiscal years?

[ ]  Yes [ ]  NoIf the answer is yes, please provide details. |
| 1. Is there any ongoing dispute or controversy between the School District and the State Education Department including any ongoing dispute or controversy with respect to past or current allocations of Education Aid (including Building Aid) to the School District?

[ ]  Yes [ ]  NoIf the answer is yes, please provide details. |
| 1. Is there any controversy, litigation, claim or administrative proceeding of any nature now pending or threatened by or against the School District, the Board of Education of the School District or senior administration of the School District, which, if determined adversely, could have a material adverse impact on the financial condition or operations of the School District or adversely affect the power of the School District to levy, collect and enforce the collection of taxes or other revenues for the payment of its obligations?

[ ]  Yes [ ]  NoIf the answer is yes, please provide details.  |
| 1. What policies and procedures does the School District have in place in terms of protecting against cyber security incidents? Has the School District been the subject of any cyber security incidents within the past five years? If yes, please provide details of such incident. A cyber security incident is an occurrence that actually or potentially results in adverse consequences to an information system or information the system processes, stores or transmits and that may require a response action to mitigate the consequences, e.g. theft or hacking of data and ransom events.

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| 1. Does the School District carry insurance against cyber security incidents?

[ ]  Yes [ ]  NoIf the answer is yes, please provide details of the insurance coverage provided. |
| 1. Is the School District currently evaluating or is it currently undertaking a merger with another school district?

[ ]  Yes [ ]  NoIf the answer is yes, please provide details.  |
| 1. 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?

[ ]  Yes [ ]  NoIf the answer is yes, please provide details. |
| 1. Is the School District aware of any governance issues that might adversely impact its operations or financial position?

[ ]  Yes [ ]  NoIf the answer is yes, please provide details. |

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| **ACKNOWLEDGEMENT AND SIGNATURE** |
| 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 Due Diligence Questionnaire. I certify 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. |
| **SCHOOL DISTRICT:**  |
| **AUTHORIZED SIGNATURE** | **PRINT NAME AND TITLE** | **DATE** |

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| **E-MAIL COMPLETED QUESTIONNAIRE TO:**David Ostrander of the Dormitory Authoritydostrand@dasny.orgEach School District’s completed Questionnaire will be furnished by the Authority to counsel to the Underwritersof the Bonds |