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| --- | --- |
| **To:** | School District Participants |
| **From:** | Barclay Damon LLP and BurgherGray LLP |
| **Date:** | February 25, 2021 |
| **Re:** | Dormitory Authority of the State of New York School District Revenue Bond Financing Program - Tax Questionnaire |
|  | |

You have applied for 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, your school district will enter into a Financing Agreement (the “Agreement”) and DASNY will issue its School District Revenue Bonds to the general public (the “DASNY Bonds”) to fund the Agreement. In return, your school district will deliver bonds to DASNY to evidence the loan of monies by DASNY to your district (the “School District Bonds”). Because the DASNY Bonds are intended to satisfy the requirements for interest on the bonds to be excluded from federal gross income, it is necessary to obtain certain information regarding the use of proceeds of DASNY’s Bonds. All participants in the pool financing should be aware that 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 school districts.

This Tax Questionnaire identifies the tax compliance information that is required from each pool participant 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 26th** in order for a participant to proceed with the financing. This information will be the basis for certain representations and warranties of your district in an Arbitrage and Use of Proceeds Certificate delivered to DASNY and its co-bond counsel.

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

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| --- |
| **PLEASE SEND YOUR RESPONSES TO THIS QUESTIONNAIRE AND ALL DOCUMENTATION DESCRIBED BELOW TO JKILMER@BARCLAYDAMON.COM FOR POSTING TO THE SHARED SITE (BOX) SET UP BY BARCLAY DAMON LLP FOR THE DASNY BONDS. BE SURE TO INCLUDE THE NAME OF THE SCHOOL 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) AT BARCLAY DAMON LLP AT PH: (212) 784-5809 OR CHUCK KATZ (CKATZ@BURGHERGRAY.COM) AT BURGHERGRAY LLP AT (312) 416-8442 with any Questions regarding this Tax questionnaire.** |

**Instructions.**

This Tax Questionnaire is separated into two parts: (1) Refinancing of School District Bonds and Bond Anticipation Notes and (2) new money bonds. Please complete only the part(s) of this Tax Questionnaire that applies. If the School 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.

**Part 1 – Refinancing of School District Bonds and Bond Anticipation Notes.**

If the School District is seeking to refund any School District Bond issues or bond anticipation note issues (“BANs”), please supply the documentation and information requested below.

Documentation Requests.

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

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

2. the arbitrage or tax certificate and related attachments;

3. the IRS Form 8038-G;

4. the bond or note determination certificate;

5. the tax and bond opinion; and

6. the escrow verification report, if any.

**\* FOR BOND AND BAN ISSUES WHICH REFINANCED OTHER BOND OR BAN ISSUES, PROVIDE THE INFORMATION DESCRIBED IN 1 THROUGH 5 ABOVE FOR EACH REFUNDED BOND AND/OR BAN OBLIGATION.**

**For example, assume School District X is seeking to refinance its Bond Anticipation Notes, 2020, and that such Bond Anticipation Notes, 2020 were used to retire School District X’s Bond Anticipation Notes, 2019. Please provide documentation for the Bond Anticipation Notes, 2019 and 2020.**

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

Information Requests.

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, and the amount to be refunded.

|  |  |  |
| --- | --- | --- |
| **Name of the Issue** | **Issue Date** | **Amount to be Refunded** |
| 1. |  |  |
| 2. |  |  |
| 3. |  |  |
| 4. |  |  |
| 5. |  |  |
| 6. |  |  |
| 7. |  |  |

2. 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.

3. 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 so,

(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.

4. 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-1)

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

If so, please identify the bond or BAN issue.

5. (a) Is any portion of the assets financed with the proceeds of a bond or BAN issue described in Question 1 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?

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

(b) For example, has any portion of the assets been leased to or do you expect while the School District Bonds are outstanding to lease any portion of the assets to a not-for-profit entity (e.g., YMCA for after school program or a charter school for operation of a charter school) or for-profit trade or business?

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

(c) For example, is or has any portion of the assets been managed or operated by or do you expect while the School District Bonds are outstanding that any portion of the assets will 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 School District, or management of cafeteria by an outside party)?

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

If yes to (a), (b) or (c), please provide a brief description of the arrangement and include a copy of the lease, contract or other arrangement.

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 government entity or agency?

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

If so, please provide details of the arrangement.

7. Use directly or indirectly of any portion of the proceeds of the DASNY Bonds or the assets financed with the DASNY Bonds 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. Are (and does the School District expect that while the School District Bonds are outstanding that) all of the assets that are refinanced by the School District Bonds used (and will be used) for educational purposes in a manner that will not give rise to Private Use?

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

Does the School District understand that a change in the use of the assets financed with the School District Bonds 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\_\_\_\_\_\_

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

9. Has the School District adopted (or is the School District considering) any plans to close schools or other buildings?

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

If so, please identify the schools or other buildings to be closed and actual or expected dates for closing and explain plans to sell or lease any closed schools or other buildings.

10. Are all of the schools, buildings or facilities being refinanced with the School District Bonds open and operating?

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

11. Is the School District participating in the **Community Schools Grant Initiative (CSGI)**?

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

If yes, please describe use by service providers or other third parties of any of the schools, buildings or facilities being refinanced with the School District Bonds under the initiative including length of use, compensation to the service providers or other third party, square foot area used or occupied.

WORKSHEET: REFUNDED ASSETS #1

**Allocation of Proceeds to Refunded Assets**

NAME OF SCHOOL 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 |  |  |  |
|  | TOTAL |  | 1.000 |  |

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

1 Note that this figure may be the same as the total cost of School 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 |  | **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 |  | **Circle One:** CLADR1,  Rev. Proc. 62-212 or Appraisal |  |  |
| 6. | Other |  |  | \_\_\_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_\_\_\_\_ |
|  | 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 | \_\_\_\_\_\_\_\_\_\_\_\_ |  | \_\_\_\_\_\_\_\_ |
| 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 School District**: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Part 2 – New Money Bonds.**

If the School District anticipates issuing bonds (“New Money Bonds”) through DASNY to finance new capital projects, please provide the information requested below.

1. Please provide a **detailed general description** of the project to be financed by the School 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. Has the School District paid any costs of the New Money Project prior to issuance of the DASNY Bonds for which the School District will seek to be reimbursed?

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

If so, please provide the amount paid, 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.).

4. If you answered “yes” to Question #3 above, has the School District adopted a reimbursement resolution or other official action including, for example, a bond resolution relating to the School 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 School District’s authorizing resolution for the School District Bonds).

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

If so, please provide a copy of this resolution or other such document.

5. Will any portion of the DASNY Bonds be used to pay design, architect, administrative or engineering costs related to the construction of the New Money Project?

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

If so, please provide the amount of proceeds to be used to pay such costs and a description of the purpose for the expenditure(s).

6. 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 School District.

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

If so, please describe nature of working capital expenditures.

7. Are there or will there be any sources of funds (other than proceeds of the DASNY Bonds and gifts or grants described in Question 17) used to pay costs of the New Money Project?

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

If so, please describe.

8. (a) Will any portion of the New Money Project be owned and 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?

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

(b) For example, do you expect that while the School District Bonds are outstanding to lease, any portion of the New Money Project to a not-for-profit entity or for-profit trade or business (e.g., YMCA for after school program or a charter school for operation of a charter school)?

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

(c) For example, do you expect that while the School District Bonds are outstanding, any portion of the New Money Project will 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 School District, or management of cafeteria by an outside party)?

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

If yes to (a), (b) or (c), please provide a brief description of the arrangement and include a copy of the lease, contract or other arrangement.

9. Will any portion of the New Money Bonds be loaned to a person other than a state or local government entity or agency?

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

If so, please provide details of the arrangement.

10. Use, directly or indirectly, of any portion of the Proceeds of the DASNY Bonds or the assets financed with the DASNY Bonds 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. Does the School District expect that while the New Money Bonds are outstanding that all of the New Money Project will be used for educational purposes in a manner that will not give rise to Private Use?

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

Does the School District understand that a change in the use of the assets financed with the New Money Bonds 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. 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 Bonds are issued?

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

12. 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 Bonds are issued?

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

13. 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\_\_\_\_\_\_

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

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

15. Will the School 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 School District’s control.)

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

16. Has the School District received, or does it expect to receive, any grants or gifts required to be applied to the costs of the New Money Project?

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

If so, please describe including the amount of amount of the grant or gift and when it was or is expected to be received.

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

18. What is the approximate face amount of the School 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)?

19. Has the School District adopted (or is the School District considering) any plans to close schools or other buildings?

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

If so, please identify the schools or other buildings to be closed and actual or expected dates for closing and explain plans to sell or lease any closed schools or other buildings.

20. Are all of the schools, buildings or facilities being financed with the School District Bonds open and operating?

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

21. Is the School District participating in the **Community Schools Grant Initiative (CSGI)**?

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

If yes, please describe use by service providers or other third parties of any of the schools, buildings or facilities being financed with the School District Bonds under the initiative including length of use, compensation to the service providers or other third party, square foot area used or occupied.

22. 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 SCHOOL 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 School 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 |  |  |  |
|  | 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 |  | **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 |  | **Circle One:** CLADR1,  Rev. Proc. 62-212 or Appraisal |  |  |
| 6. | Other |  |  | \_\_\_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_\_\_\_\_ |
|  | 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 | \_\_\_\_\_\_\_\_\_\_\_\_ | |  | | \_\_\_\_\_\_\_\_ | |
| 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-1)