

Municipal Finance Disclosure and Continuing Disclosure Policies and Procedures

ARTICLE I

General

Section 1.1. Purpose

The purpose of the Chenango Valley Central School District Municipal Finance Disclosure and Continuing Disclosure Policies and Procedures (these “Procedures”) is to establish processes and controls to (i) ensure that the financial disclosures that the Chenango Valley Central School District (the “School District”) makes are accurate and comply with all applicable federal and state securities laws, and (ii) promote best practices regarding disclosures relating to securities issued by the School District.

These Procedures are being adopted by the School District Board of Education as debt issuance disclosure best practices.

The failure of the School District Board of Education to comply with any provision of these Procedures shall not affect the authorization or the validity or enforceability of any bonds, notes or other forms of indebtedness that are otherwise issued by the School District in accordance with law.

Section 1.2. Disclosure Practices Working Group

To better carry out the purposes set forth in Section 1.1 of these Procedures, a Disclosure Practices Working Group (from time to time referred to below as the “DPWG”) is established. Membership of the DPWG shall consist of (1) the School District school business executive (the “business executive”), and (2) the School District treasurer, and (3) the responsible representative of the financial advisory firm of the School District (the “financial advisor”). The president of the Board of Education or a designee thereof may participate at will. The School District attorney, together with the School District’s bond counsel (“bond counsel”), shall be legal advisors to the DPWG. The School District attorney and the School District’s bond counsel shall assist the DPWG by review of School District preliminary and final Official Statements and other Disclosure Documents to advise the DPWG on requirements of the federal securities laws.

Section 1.3. Definitions

Unless otherwise defined in this document, initially capitalized terms used in these Procedures shall have the meanings set forth below:

“*Disclosure Coordinator*” means the School District official designated by the School District Board of Education from time to time to administer these Procedures. The Disclosure Coordinator shall be the School District business executive. The Disclosure Coordinator may designate the School District treasurer to act as deputy Disclosure Coordinator to participate in preparation of Disclosure Documents.

“*Disclosure Documents*” means those documents defined as such in Article II.

“*Disclosure Practice Working Group*” or “*DPWG*” means the Disclosure Practice Working Group as identified under Section 1.2 of these Procedures.

“*LAR*” means the independent auditor’s report of the School District including management’s discussion and analysis.

Section 1.3. Definitions (cont'd)

“MSRB” shall mean the Municipal Securities Rulemaking Board of Education or any other entity designated or authorized by the Securities and Exchange Commission (the “SEC”) to receive filings pursuant to Rule 15c2-12 under the federal Securities Exchange Act of 1934 (“Rule 15c2-12”), as the same may be amended and modified from time to time and includes the Electronic Municipal Market Access System of the MSRB (“EMMA”).

“Official Statement” means those Disclosure Documents described in Section 2.1(A) hereof.

“Preparer” means those persons defined as such in Section 3.3(A).

“Procedures” means these Municipal Finance Disclosure and Continuing Disclosure Policies and Procedures, as the same may be supplemented and amended from time to time.

“School District” means the Chenango Valley Central School District, New York.

“School District Financial Statements” means that portion of the IAR that are the audited Financial Statements.

Section 1.4. Activities of the Disclosure Practices Working Group

The DPWG shall consult as often as necessary to fulfill its obligations for purposes specified in Section 1.1 hereof including its disclosure obligations in connection with the issuance of debt and its continuing disclosure obligations thereafter. A bond or note due diligence session with the business executive, the School District treasurer, the School District attorney, the School District’s bond counsel and financial advisor in attendance at such session or by teleconference or a series of teleconferences or a combination thereof, of all or a portion of the DPWG may serve this purpose as to obligations in connection with the issuance of debt and production of any Official Statement in connection therewith. Post-issuance annual continuing disclosure obligations may be met by similar DPWG meetings or teleconferences. Physical meetings of the DPWG, if any, are intended to be internal meetings of School District staff and shall not be deemed to be public meetings for purposes of the Open Meetings Law of the State of New York.

Members of the DPWG and counsel to the DPWG may attend meetings in person or may participate in meetings by telephone teleconference. The Disclosure Coordinator shall be required to keep a record of such meetings and teleconferences and a brief summary of the matters discussed.

Section 1.5. Required Parties for Release of Official Statements

The participation of the School District business executive, the School District attorney, the bond counsel and the financial advisor is required prior to the time any School District Official Statement is finalized and the business executive acting on behalf of the president of the Board of Education must give final written approval thereof to the financial advisor, retaining a copy thereof before public release thereof.

Section 1.6. Required Parties for Other Disclosure Documents Review

For all other Disclosure Document review the business executive and the financial advisor are required parties.

ARTICLE II
Disclosure Documents

Section 2.1. Disclosure Documents

For purposes of these Procedures the term “Disclosure Documents” shall mean (i) the School District’s documents and materials prepared or distributed in connection with the School District’s disclosure obligations under applicable federal and state securities laws relating to its securities and (ii) other disclosure that the

DPWG shall determine to review and approve. Disclosure Documents shall include, but not be limited to, the following:

Section 2.1. Disclosure Documents (cont'd)

- (A) preliminary and final Official Statements and preliminary and final private placement memoranda including, but not limited to, any School District financial information included therein relating to the School District's debt securities together with any supplements;
- (B) the School District's financial statements including, but not limited to, the Management's Discussion and Analysis and Notes thereto;
- (C) any filing made by the School District with the MSRB, whether made under a continuing disclosure agreement to which the School District is a party or made voluntarily, including annual financial information and operating data information and material events notices as defined in Rule 15c2-12;

Section 2.2. Other Potential Disclosure Documents

The term "Disclosure Documents" shall also include any other disclosure that the DPWG shall determine is reasonably likely to reach the investors or the securities markets and may be material to investors including, but not limited to press releases, web site postings and other communications required to be reviewed by the business executive as potential representations of the School District's financial condition to investors or the securities markets. See Section 3.1 below.

ARTICLE III
Review Process

Section 3.1. Determination of "Disclosure Document"

Whether a particular document or written, posted or other form of communication is a Disclosure Document shall be determined by the DPWG including, but not limited to, the determination whether a document should be filed voluntarily with the MSRB (as provided in Section 2.1(C) above) or whether a communication is reasonably likely to reach investors or the securities markets and may be material to investors. The business executive may seek the advice of bond counsel to determine whether any document should be treated as a Disclosure Document. For purposes of these Procedures it shall be assumed that each document specifically listed in Section 2.1 hereof is a "Disclosure Document" subject to the review process specified in Section 3.2 hereof.

Section 3.2. Review of Form and Content of Disclosure Documents

The DPWG shall critically review the form and content of each Disclosure Document. The DPWG may request a meeting or teleconference of all persons responsible for the preparation or review of the Disclosure Document.

Each bond resolution, tax anticipation note resolution and revenue anticipation note resolution will include a delegation to the president of the Board of Education as chief fiscal officer to finalize any offering document to, among other things, include the most recent School District financial information or other material information relevant to investors, and to otherwise make corrections and clarifications to ensure that such offering document complies with federal securities laws and such delegation as to the offering document may be further delegated to the School District Disclosure Coordinator in accordance with these Procedures.

- (A) Disclosure Coordinator. The Disclosure Coordinator shall work with the bond financing team (i.e., bond counsel, underwriter(s), underwriter’s counsel, financial advisor and appropriate School District staff) and

Section. 3.2 Review of Form and Content of Disclosure Documents (cont’d)

such other individuals as appropriate given the nature of the financing to ensure that these Procedures are followed with respect to the preparation and/or dissemination of any Disclosure Document.

- (1) The Disclosure Coordinator shall be responsible for soliciting material information from School District personnel as and if needed.
- (2) The Disclosure Coordinator shall contact the individuals as soon as possible to provide adequate time for such individuals to perform a thoughtful and critical review or draft of those portions of the Disclosure Document assigned to them, if any.
- (3) The Disclosure Coordinator shall maintain or cause to be maintained a general log of all individuals or departments that were requested to review or draft in connection with a Disclosure Document, including what sections such individuals or department prepared or reviewed.
- (4) The Disclosure Coordinator shall critically review each section of and all financial and operating information contained in the Disclosure Document to the extent any information provided therein is provided by a party other than the Disclosure Coordinator. To the extent practicable, the Disclosure Coordinator shall endeavor to establish an “audit trail” with respect to the preparation of any Disclosure Document. Of paramount importance is that information concerning the School District’s financial condition is thoroughly and critically compared for accuracy against the School District’s Financial Statements, including the notes of said financial statements and the other financial reports prepared and released by the School District.
- (5) The Disclosure Coordinator shall report any significant disclosure issues and concerns, if any, to the School District attorney and bond counsel. The School District attorney and the bond counsel shall critically review the material submitted and undertake to assist the School District to develop appropriate disclosure.

Section 3.3. Review of Disclosure Documents Other Than Official Statements and Continuing Disclosure Filings

The following Procedures shall apply to those Disclosure Documents that are not addressed in Section 2.1:

- (B) Determination of Disclosure Document. Any School District employee preparing (the “Preparer”) any information for release to the public that could be considered a Disclosure Document shall notify the business executive of such information. The business executive shall timely make a determination whether such information is a Disclosure Document under Section 2.1 with the assistance of the School District attorney and bond counsel.
- (C) Notify Business Executive. If the business executive determines that a document is a Disclosure Document, the Preparer shall inform the business executive of the (i) expected completion date of the Disclosure Document and (ii) the expected dissemination date of the Disclosure Document to the business executive. The business executive shall be provided with a reasonable opportunity to review such Disclosure Document.

(D) Involvement of School District Attorney. The School District attorney, in consultation with bond counsel, shall assist the Preparer to:

- (1) identify material information that should be disclosed;

Section 3.3 Review of Disclosure Documents Other Than Official Statements and Continuing Disclosure Filings (cont'd)

- (2) identify other persons that may have material information or knowledge of any information omitted from such Disclosure Document; and
- (3) determine when the Disclosure Document is final and ready for release by the business executive.

(E) Prepare Source List. The Preparer shall keep a list of individuals or groups that have contributed to the preparation of the Disclosure Document and a list of sources from which the information summarized or updated in the Disclosure Document was derived. These lists shall be submitted to the business executive along with the Disclosure Document.

ARTICLE IV
Training Policy

Section 4.1. Training

- (F) School District officials or employees with responsibility for collecting or analyzing information that may be material to the preparation of a Disclosure Document as designated under paragraph (B) below shall attend regular disclosure training sessions or educational forums necessary to stay up to date with federal municipal bond disclosure requirements. Such training shall include information on the School District's disclosure obligations under applicable federal and state securities laws and such individual's responsibilities and potential liability regarding such obligations.
- (G) The determination as to whether an employee shall receive such training shall be made by the business executive in consultation (if necessary) with the School District attorney or bond counsel.
- (H) The School District business executive will consult with bond counsel as to new developments under federal securities laws or otherwise to ensure that the School District maintains the best practices regarding its disclosure obligations.
- (I) At the request of the business executive, the bond counsel shall conduct separate training sessions for the School District business executive and the members of the School District Board of Education.

ARTICLE V
Document Retention Policies

Section 5.1. Official Statements

(J) Materials Retained. For a Disclosure Document that is an Official Statement or placement memorandum as referenced in Section 2.1(A), the School District Board of Education shall maintain a central depository with the following materials for a period of five years from the date of delivery of the securities referenced in such Disclosure Document.

- (1) the printed copy of the preliminary and final Official Statement (or preliminary and final offering memoranda);

- (2) the “deemed final” certification provided by a School District official to the underwriter of the securities in accordance with paragraph (b)(1) of Rule 15c2-12;
- (3) any executed copies of the letters, requests and certifications prepared and/or delivered in connection the offering;
- (4) the information and related sources referenced in the materials described in (3) above;
- (5) the bond purchase agreement or official notice of sale, as applicable; and

Section 5.1. Official Statements (cont'd)

- (6) any written certification or opinions executed by a School District official relating to disclosure matters, delivered at the time of delivery of the related securities.

(K) Materials Not Retained. These Procedures shall not require the DPWG to retain after the date of delivery of the related securities the drafts of any of the materials referenced in subsection (A) above.

Section 5.2. Disclosure Documents other than Official Statements

For Disclosure Documents other than those described in Section 5.1(A) above, the business executive shall maintain a central depository for a period of five years from the date the respective Disclosure Document is published, posted or otherwise made publicly available:

- (1) the final version of the Disclosure Document,
- (2) final versions of all transmittal letters, requests and certifications relating to information in the Disclosure Document,
- (3) the information and related sources referenced in the materials described in (2) above.

The business executive shall not retain the drafts of any such materials.

ARTICLE VI
Annual Review

Section 6.1. Annual Review

The business executive shall conduct an annual review and evaluation of these Disclosure Policies and Procedures with bond counsel. As appropriate, the Board of Education shall amend these Disclosure Policies and Procedures to be consistent with changes in the federal and state securities laws, pronouncements of the Securities and Exchange Commission and such other matters as the business executive deems necessary or desirable, upon advice of the School District attorney and bond counsel.