§ 486. Reserve funds, appropriations and other funds and accounts. 1. (a) The fund shall create and establish a special fund (herein referred to as capital reserve fund), and shall pay into such capital reserve fund (1) any monies appropriated and made available by the state or the city of Yonkers for the purposes of such fund, (2) any proceeds of sale of notes or bonds to the extent provided in the resolution of the fund authorizing the issuance thereof, and (3) any other monies which may be made available to the fund for the purpose of such capital reserve fund from any other source or sources. All monies held in the capital reserve fund, except as hereinafter provided, shall be used solely for the payment of the principal of bonds of the fund as the same mature, the purchase of bonds of the fund, the payment of interest on such bonds of the fund or the payment of any redemption premium required to be paid when such bonds are redeemed prior to maturity; provided, however, that moneys in such capital reserve fund shall not be withdrawn therefrom at any time in such amount as would reduce the amount of such fund to less than the maximum amount of principal and interest maturing and becoming due in any succeeding fiscal year on all bonds of the fund then outstanding, except for the purpose of paying principal of and interest on such bonds of the fund maturing and becoming due and for the payment of which other monies of the fund are not available. Any income or interest earned by, or increment to, the capital reserve fund due to the investment thereof may be transferred to other funds or accounts to the extent it does not reduce the amount of the capital reserve fund below the maximum amount of principal and interest maturing and becoming due in any succeeding calendar year on all bonds of the fund then outstanding.

(b) The fund shall not issue bonds at any time if the maximum amount of principal and interest maturing and becoming due in a succeeding fiscal year on such bonds then to be issued and on all other bonds of the fund then outstanding will exceed the amount of the capital reserve fund at the time of issuance unless the fund, at the time of issuance of such bonds, shall deposit in the capital reserve fund from the proceeds of the bonds so to be issued, or otherwise, an amount which, together with the amount then in such fund, will be not less than the maximum amount of principal and interest maturing and becoming due in any succeeding fiscal year on such bonds then to be issued and on all other

bonds of the fund then outstanding.

(c) To assure the continued operation and solvency of the fund for the carrying out of the public purposes of this article, provision is made in paragraph (a) of this subdivision for the accumulation in the capital reserve fund of an amount equal to the maximum amount of principal and interest maturing and becoming due in any succeeding fiscal year on all bonds of the fund then outstanding. In order further to assure such maintenance of the capital reserve fund, the board of education shall annually request from the city of Yonkers and pay over to the fund, for deposit in the capital reserve fund, such sum, if any, as shall be certified by the chairman of the fund to the board, the mayor and the director of the budget of the city of Yonkers as necessary to restore the capital reserve fund to an amount equal to the maximum amount of principal and interest maturing and becoming due in the next succeeding fiscal year on the bonds of the fund then outstanding; provided, however, that such sum shall have been first appropriated by the city to the board or shall otherwise have been made lawfully available to the board for such purpose. The chairman of the fund shall annually, not later than the fifteenth day of February in each year, make and deliver to the board and the mayor his certificate stating the amount, if any, required to restore the capital reserve fund to the amount aforesaid and the amount so stated, if any, shall be paid to the fund by the board during the then current fiscal year of the fund. In the event of the failure or inability of the board to pay over the stated amount to the fund on or before August first of the same year, the chairman of the fund shall forthwith make and deliver to the mayor a further certificate restating the amount so required and such amount shall be paid over to the fund by the commissioner of finance out of the next payment of state aid apportioned to the city of Yonkers on behalf of the city school district of the city of Yonkers for the support of common schools. Any amount so paid over to the fund shall be deducted from the corresponding apportionment of state aid otherwise credited to the board of education for its purposes and shall not obligate the state to make or entitle the city or the board of education to receive any additional or increased apportionment or payment of state aid for school purposes.

(d) In computing the amount of the capital reserve fund for the purposes of this section, securities in which all or a portion of such

fund shall be invested shall be valued at par, or if purchased at less than par, at their cost to the fund.

2. The fund may create and establish with the commissioner of finance or with a trustee one or more additional funds or accounts and, subject to agreements with bondholders and noteholders, may pay into such funds or accounts (i) fees and charges collected by the fund, (ii) monies which shall be transferred from the capital reserve fund pursuant to the provisions of paragraph (a) of subdivision one of this section, and (iii) any other monies which may be made available to the fund from any other source or sources. The monies held in or credited to any such reserve fund or account may, in the discretion of the fund but subject to agreements with bondholders and noteholders, be used by the fund (a) for the repayment of advances from the city of Yonkers, (b) to reimburse the board of education of the city of Yonkers the reasonable costs of services performed by the board for the fund pursuant to section four hundred seventy-nine of this article, (c) to pay all costs, expenses and charges of financing, including fees and expenses of trustees and paying agents, (d) for transfers to the capital reserve fund, (e) for the payment of principal of and interest on bonds or notes issued by the fund when the same shall become due, whether at maturity or on call for redemption, and for the payment of any redemption premium required to be paid where such bonds or notes are redeemed prior to their stated maturities, and to purchase bonds or notes issued by the fund, (f) for such other corporate purposes as the fund in its discretion shall determine and provide, or (g) for payment to the board of education for school purposes.