PRELIMINARY OFFICIAL STATEMENT

NEW & RENEWAL ISSUE **BOND ANTICIPATION NOTES**

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"). In the further opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes. See "TAX MATTERS" herein.

The Notes will NOT be designated "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

$16,492,486

DELAWARE ACADEMY CENTRAL SCHOOL DISTRICT AT DELHI

DELAWARE COUNTY, NEW YORK

GENERAL OBLIGATIONS

$16,492,486 Bond Anticipation Notes, 2025

(the "Notes")

Dated: July 22, 2025 **Due: July 22, 2026**

The Notes are general obligations of the Delaware Academy Central School District at Delhi, Delaware County, New York (the "District"), all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

The Notes are not subject to redemption prior to maturity. At the option of the purchaser, the Notes will be issued in (i) registered certificated form registered in the name of the successful bidder(s) or (ii) registered book-entry-only form registered to Cede & Co., as the partnership nominee for The Depository Trust Company, New York, New York ("DTC"). The District will act as Paying Agent for the Notes.

If the Notes are issued as registered in the name of the purchaser, a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on the Notes will be payable in Federal Funds at maturity at such bank(s) or trust company(ies) located and authorized to do business in the State of New York as may be selected by the successful bidder(s).

If the Notes are issued in book-entry-only form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of $5,000, except for one necessary odd denomination which is or includes $7,486. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the District to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The District will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See "BOOK-ENTRY-ONLY SYSTEM" herein).

The Notes are offered when, as and if issued and received by the purchaser and subject to the receipt of the approving legal opinion as to the validity of the Notes of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, New York, New York. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon on with the purchaser, or about July 22, 2025.

ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on July 10, 2025 by no later than 10:30 A.M. ET. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. No phone bids will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the District, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale for the Notes.

July 1, 2025

THE DISTRICT DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (THE "RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER(S), AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. THE DISTRICT WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICE OF CERTAIN MATERIAL EVENTS AS DEFINED IN THE RULE. SEE "APPENDIX C – MATERIAL EVENT NOTICES" HEREIN.

DELAWARE ACADEMY
CENTRAL SCHOOL DISTRICT AT DELHI

SCHOOL DISTRICT OFFICIALS

2024-2025 BOARD OF EDUCATION

TAMMY NEUMANN
President

LAUREN RABA
Vice President

SEAN LEDDY
SETH HAIGHT
LUCY KELLY
KIMBERLY SHEPHARD
RO AVILA

* * * * * * * * *

CAREY SHULTZ
Deputy Superintendent

SARA WERLAU
Business Manager

NANCY HEIN
School District Treasurer

LISA A. KULASKI
School District Clerk

BRUCE J. MCKEEGAN, ESQ.
School District Attorney

FISCAL ADVISORS & MARKETING, INC.
Municipal Advisor

ORRICK, HERRINGTON & SUTCLIFFE LLP
Bond Counsel

No person has been authorized by Delaware Academy Central School District at Delhi to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of Delaware Academy Central School District at Delhi.

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PREPARED WITH THE ASSISTANCE OF

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OFFICIAL STATEMENT

of the

DELAWARE ACADEMY CENTRAL SCHOOL DISTRICT AT DELHI DELAWARE COUNTY, NEW YORK

Relating To

$16,492,486 Bond Anticipation Notes, 2025

This Official Statement, which includes the cover page and appendices, has been prepared by the Delaware Academy Central School District at Delhi, Delaware County, New York (the "School District" or "District", "County", and "State", respectively) in connection with the sale by the District of $16,492,486 principal amount of Bond Anticipation Notes, 2025 (the "Notes").

The factors affecting the District's financial condition and the Notes are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the District tax base, revenues, and expenditures, this Official Statement should be read in its entirety, and no one factor should be considered more or less important than any other by reason of its relative position in this Official Statement.

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the District contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof, and all references to the Notes and the proceedings of the District relating thereto are qualified in their entirety by reference to the definitive forms of the Notes and such proceedings.

NATURE OF OBLIGATION

Each Note when duly issued and paid for will constitute a contract between the District and the holder thereof.

Holders of any series of notes or bonds of the District may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of notes or bonds.

The Notes will be general obligations of the District and will contain a pledge of the faith and credit of the District for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the District has power and statutory authorization to levy ad valorem taxes on all real property within the District subject to such taxation by the District, without limitation as to rate or amount.

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay "interest on or principal of indebtedness theretofore contracted" prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the "Tax Levy Limitation Law" or "Chapter 97"). The Tax Levy Limitation Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

Under the Constitution of the State, the District is required to pledge its faith and credit for the payment of the principal of and interest on the Notes and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the District's power to increase its annual tax levy, with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See "TAX INFORMATION - Tax Levy Limitation Law" herein.

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State's highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), as follows:

> "A pledge of the City's faith and credit is both a commitment to pay and a commitment of the City's revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City's "faith and credit" is secured by a promise both to pay and to use in good faith the City's general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, "faith" and "credit" are used and they are not tautological. That is what the words say and this is what the courts have held they mean… So, too, although the Legislature is given the duty to restrict municipalities in order to

> prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City's power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted… While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded".

In addition, the Court of Appeals in the Flushing National Bank (1976) case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution, which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank (1976) Court noted, the term "faith and credit" in its context is "not qualified in any way". Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, "with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations." According to the Court in Quirk, the State Constitution "requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness."

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

In Quirk v. Municipal Assistance Corp., the Court of Appeals described this as a "first lien" on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

While the courts in New York State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

THE NOTES

Description of the Notes

The Notes are general obligations of the District, and will contain a pledge of its faith and credit for the payment of the principal of and interest on the Notes as required by the Constitution and laws of the State (State Constitution, Art. VIII, Section 2; Local Finance Law, Section 100.00). All the taxable real property within the District is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, without limitation as to rate or amount. See "NATURE OF OBLIGATION" herein and "TAX LEVY LIMITATION LAW" herein.

The Notes will be dated July 22, 2025 and will mature July 22, 2026. The Notes are not subject to redemption prior to maturity. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in denominations of $5,000 each or multiples thereof, except for one necessary odd denomination which is or includes $7,486, in either (i) registered in the name of the purchaser, in certificated form with principal and interest payable in Federal Funds at such bank(s) or trust company(ies) located and authorized to do business in the State as may be selected by such successful bidder(s); or (ii) as registered book-entry-only notes, and, if so issued, registered in the name of Cede & Co. as nominee of DTC, which will act as the securities depository for the Notes. See "BOOK-ENTRY-ONLY SYSTEM" herein.

No Optional Redemption

The Notes are not subject to redemption prior to maturity.

Purpose of Issue

The Notes are being issued pursuant to the Constitution and Status of the State of New York, including the Education Law and the Local Finance Law, pursuant to a bond resolution duly adopted by the Board of Education on October 23, 2023, authorizing the issuance of $9,841,000 serial bonds to finance improvements to and reconstruction of various District buildings and facilities at a maximum cost of $9,841,000. The District has a $3,000,000 portion of $5,000,000 bond anticipation notes outstanding and maturing July 23, 2025 for the aforementioned project. A $9,816,000 portion of the Notes are being issued, along with $25,000 available funds of the District to partially redeem and renew the bond anticipation notes maturing July 23, 2025 provide $6,841,000 new money for the aforementioned project.

The Notes are also being issued pursuant to the Constitution and Status of the State of New York, including the Education Law and the Local Finance Law, pursuant to a bond resolution duly adopted by the Board of Education on May 20, 2024, authorizing the issuance of $3,100,000 serial bonds to finance construction of improvements to and to reconstruct physical education/athletic facilities and fields at the middle school/high school at a maximum cost of $3,100,000. A $3,100,000 portion of the Notes are being issued to provide new money for the aforementioned project.

The Notes are also being issued pursuant to the Constitution and Status of the State of New York, including the Education Law and the Local Finance Law, pursuant to a bond resolution duly adopted by the Board of Education on January 27, 2025, authorizing the issuance of $3,576,486 serial bonds to finance construction and installation of energy efficiency improvements to the District buildings at a maximum cost of $3,576,486. The District has a $2,000,000 portion of $5,000,000 bond anticipation notes outstanding and maturing July 23, 2025 for the aforementioned project. A $3,576,486 portion of the Notes are being issued to renew the bond anticipation notes maturing July 23, 2025 provide $1,576,486 new money for the aforementioned project.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Notes, if so requested. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered note certificate will be issued for each note bearing the same rate of interest and CUSIP number and will be deposited with DTC.

DTC, a limited-purpose trust company organized under the New York Banking Law, is a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption proceeds, distributions, and dividend payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company.

THE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST OR REDEMPTION PREMIUM ON THE NOTES; (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES; OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE DISTRICT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR REDEMPTION PREMIUM ON THE NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE NOTES.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE DISTRICT MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

Certificated Notes

If the book-entry form is initially chosen by the purchaser(s) of the Notes, DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law, or the District may terminate its participation in the system of book-entry-only system transfers through DTC at any time. In the event that such book-entry-only system is utilized by a purchaser(s) of the Notes upon issuance and later discontinued, the following provisions will apply:

The Notes will be issued in registered form in denominations of $5,000 or integral multiples thereof, except for one necessary odd denomination which is or includes $7,486. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State of New York to be named as fiscal agent by the District. The Notes will remain not subject to redemption prior to their stated final maturity date.

THE SCHOOL DISTRICT

General Information

The District, formerly known as the Delhi Central School District, is located in Delaware County, 19 miles southeast of the City of Oneonta. The City of Albany lies 85 miles to the northeast, Binghamton 75 miles southwest and Kingston 80 miles to the east. The District encompasses approximately 196 square miles.

On July 18, 2012, Governor Cuomo signed into law Senate Bill S.6513, relating to changing the name of the School District from Delhi Central School District to the Delaware Academy Central School District at Delhi as Chapter 218 of the Laws of 2012.

Founded in 1820, the District is one of the oldest educational institutions in the State. Originally, a private academy, limited public education began in 1903 with the present Central School District being created by referendum in 1936.

The District is primarily a farming and residential community in nature. Besides farming, residents are engaged in industry, commerce, education and professions in and around the City of Oneonta. Oneonta and surrounding shopping centers accommodate the residents with their retail shopping requirements.

The Village of Delhi is considered the hub of the District, and is part of the western gateway to the historic and picturesque Catskill Mountains. It is the County seat of Delaware County and is located in the winding valley of the Delaware River, at the junction of State Routes #10 and #28.

Various colleges located within and in close proximity to the District are available to the residents. Delhi College is located on a 1,000-acre campus overlooking the Village. It is one of the most modern and best equipped two-year colleges in the State SUNY system. The school can offer its 2,000 students Associate Degrees in Science, Applied Science, Applied Science and Arts. Other schools include Hartwick College and State University College of Oneonta, both located in Oneonta.

In addition, the countryside throughout the District is one of New York State's major year-round recreation areas which attract a substantial amount of tourist trade.

Commercial banking facilities are provided by the Delaware National Bank of Delhi and Wilber National Bank. The area is served by volunteer fire departments and receives police protection from local and State agencies.

Source: District officials.

District Population

The current estimated population of the District is 8,147. (Source: 2023 U.S. Census Bureau estimate)

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Selected Wealth and Income Indicators

Per capita income statistics are not available for the District as such. The figures set below with respect to such Towns and County listed below is included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the Town or the County are necessarily representative of the District, or vice versa.

	Per Capita Income			Median Family Income		
	2006-2010	2016-2020	2019-2023	2006-2010	2016-2020	2019-2023
Towns of**:**						
Andes	$ 32,656	$ 38,157	$ 58,744	$ 55,917	$ 92,750	$ 115,000
Bovina	22,803	52,120	51,841	42,273	105,625	96,429
Delhi	24,855	23,223	30,703	64,091	82,153	77,065
Franklin	25,100	31,639	41,192	63,333	52,194	77,344
Hamden	24,296	31,113	37,418	52,266	70,833	85,357
Kortright	20,090	31,859	37,728	50,096	76,250	96,500
Meredith	27,554	31,858	44,382	71,875	73,194	90,000
County of:						
Delaware	22,928	28,139	35,996	53,590	65,755	76,474
State of:						
New York	30,948	40,898	49,520	67,405	87,270	105,060

Note: 2020-2024 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau, 2006-2010, 2016-2020, and 2019-2023 American Community Survey 5-Year Estimates.

Larger Employers

Below are some of the major employers in Delaware County. Many School District residents find employment with these companies.

Name	Type	Employees
Amphenol Corp.	Manufacturing	1,500
Mead Westvaco	Organizers/Planners	1,100
Tyco Health Care	Pharmaceutical Preparations	750
Granite Capital Holdings	Fuel/Gas Stations	650
SUNY Delhi	State University	500 (1)
Kraft General Foods, Inc.	Dairy Products	220
Delaware Academy Central School District at Delhi	Public Education	170 (1)
Ultra Dairy/Morningstar	Dairy Products	150
Arnan Development	Manufacturing Concrete Blocks	140
Price Chopper	Grocery Store	140 (1)
DMV International	Protein Producer	125 (1)
Norbord International	Fiber Boards	100
Audiosears Corp.	Manufacturing Communication Equipment	65
Northeast Fabricators	Fabricated Metal Products	60
Mallery Lumber Corp.	Saw Mill	60
Burton F. Clark Inc.	General Contracting	55 (1)
Walton Big M	Grocery Store	55
Catskill Craftsmen Inc.	Manufacturing Wood Products	50
Una-Lam (Unadilla Laminated Products)	Laminated Wood Products	50
Breen Lumber Co. Inc.	Sawmill	40
Johnston & Rhodes	Dimension Stone	40

(1) Located within the District.

Source: District officials.

Unemployment Rate Statistics

Per capita income statistics are not available for the District as such. The smallest area for which such statistics are available, which includes the District, are Delaware County. The figures set below with respect to such Counties and the State of New York are included for information only. It should not be inferred from the inclusion of such data in the Official Statement that the Counties or State are necessarily representative of the District, or vice versa.

Annual Averages

	2018	2019	2020	2021	2022	2023	2024
Delaware County	4.8%	4.5%	7.0%	4.6%	3.7%	3.9%	4.0%
New York State	4.1%	3.8%	9.9%	6.9%	4.3%	4.1%	4.3%

2025 Monthly Figures

	Jan	Feb	Mar	Apr	May	Jun
Delaware County	4.9%	5.2%	4.6%	3.4%	N/A	N/A
New York State	4.6	4.3	4.1	3.6	N/A	N/A

Note: Unemployment rates for May and June 2025 are not available as of the date of this Official Statement.

Source: Department of Labor, State of New York. (Note: Figures not seasonally adjusted).

Form of School Government

The Board of Education, which is the policy-making body of the District, consists of seven members with overlapping three-year terms so that as nearly as possible an equal number is elected to the Board each year. Each Board member must be a qualified voter of the District and no Board member may hold certain other district offices or position while serving on the Board of Education. The President and the Vice President are selected by the Board members.

The administrative officers of the District, whose duty it is to implement the policies of the Board of Education and who are appointed by the Board, include the Superintendent of Schools, the Deputy Superintendent, Business Manager, the District Clerk, the District Treasurer and the District Counsel.

Budgetary Procedures and Recent Budget Votes

Pursuant to the Education Law, the Board of Education annually prepares or causes to be prepared, a budget for the ensuing fiscal year. A public hearing on such budget is held not less than seven days and not more than fourteen days prior to the vote. The Board of Education causes notice of such public hearing to be published four times beginning seven weeks prior to the vote. After the public hearing, but not less than six days prior to the budget vote, the District must mail a school budget notice to all qualified voters which contains the total budget amount, the dollar and percentage increase or decrease in the proposed budget (or contingency budget) as compared to the current budget, the percentage increase or decrease in the consumer price index, the estimated property tax levy, the basic STAR exemption impact and the date, time and place of the vote.

After the budget hearing and subsequent notice, a referendum upon the question of the adoption of the budget is held on the third Tuesday in May each year. All qualified District residents are eligible to participate.

Pursuant to Chapter 97 of the Laws of 2011 ("Chapter 97"), beginning with the 2012 – 2013 fiscal year, if the proposed budget requires a tax levy increase that does not exceed the lesser of 2% or the rate of inflation (the "School District Tax Cap"), then a majority vote is required for approval. If the proposed budget requires a tax levy that exceeds the School District Tax Cap, the budget proposition must include special language and a 60% vote is required for approval. Any separate proposition that would cause the School District to exceed the School District Tax Cap must receive at least 60% voter approval.

If the proposed budget is not approved by the required margin, the Board of Education may resubmit the original budget or a revised budget to the voters on the 3rd Tuesday in June, or adopt a contingency budget (which would provide for ordinary contingent expenses, including debt service) that levies a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy).

If the resubmitted and/or revised budget is not approved by the required margin, the Board of Education must adopt a budget that requires a tax levy no greater than that of the prior fiscal year (i.e. a 0% increase in the tax levy). For a complete discussion of Chapter 97, see "TAX LEVY LIMITATION LAW" herein.

Recent Budget Vote Results

The adopted budget for the 2024-2025 fiscal year was approved by qualified voters on May 21, 2024 by a vote of 193 to 48. The adopted budget called for a total tax levy increase of 2.00%, which was below the District's Tax Cap of 2.09% for the 2024-2025 fiscal year.

The adopted budget for the 2025-2026 fiscal year was approved by qualified voters on May 20, 2025 by a vote of 181 to 38. The adopted budget called for a total tax levy increase of 2.00%, which was below the District's Tax Cap of 2.50% for the 2025-2026 fiscal year.

Investment Policy

Pursuant to the statutes of the State of New York, the District is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the District; (6) obligations of a New York public corporation which are made lawful investments by the District pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of District moneys held in certain reserve funds established pursuant to law, obligations issued by the District. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

Consistent with the above statutory limitations, it is the District's current policy to invest in: (1) Savings Accounts, Now Accounts or Money Market Accounts of designated banks, (2) Certificates of Deposit issued by a bank or trust company authorized to do business in New York State, (3) Demand Deposit Accounts in a bank or trust company authorized to do business in New York State, (4) Obligations of New York State, (5) Obligations of the United States Government (U.S. Treasury Bills and Notes) and (6) Repurchase Agreements involving the purchase and sale of direct obligations of the United States. The District does not invest in "reverse repurchase agreements" or other so-called derivatives.

The District has established a separate investment policy with respect to a trust of the estate of Abraham L. Kellogg pursuant to a settlement. These monies are managed by an investment advisor with goals for the realization of growth and investment income. As a result of an agreement, the District was awarded the remainder of a trust of the estate of Abraham L. Kellogg on June 26, 1989. Kellogg, a former State Supreme Court Justice who died in 1946, was a successful investor in IBM and Eastman Kodak stock. As a result of the agreement, approximately $12,350,000 was remitted to the District and held in trust in various sub accounts with specific purposes:

(1) The Kellogg Educational Fund awards its income on an annual basis to graduating students who have been accepted into a college, university, technological or vocational school to further their undergraduate education. As of June 30, 2024, balance in this account was $5,889,375 and payments to beneficiaries in 2023-24 were $472,914.

(2) The Delhi Capital Endowment is for improvements of the existing athletic and educational facilities of the Delhi High School - 100% of the income and up to 10% of the then current principal balance may be used each year for this purpose. As of June 30, 2024, the balance in this account was $6,677,309 and payments to beneficiaries during the 2023-24 fiscal year were $552,992.

(3) The Delhi Supplemental Trust is exclusively for the improvement, augmentation and supplementation of the existing educational improvement programs including the purchase of educational equipment and supplies. Up to 100% of the income may be used each year for this purpose. As of June 30, 2024, the balance in this account was $2,378,617 and payments to beneficiaries during the 2023-24 fiscal year were $548,250.

(4) The Kellogg Supplemental Trust was renamed the Kellogg Memorial Fund during 2013 and is reserved for the benefit of the students of the Kellogg School, for the purchase of educational or athletic equipment and to provide special education experiences through the medium of guest lectures, field trips to educational institutions, special personnel and other similar supplemental programs and activities after funding that was not approved by the school budget. As of June 30, 2024, the balance in this account was $2,809,090 and payments to beneficiaries during the 2023-24 fiscal year were $225,749.

State Aid

The District receives financial assistance from the State in the form of State aid for operating, building and other purposes at various times throughout its fiscal year, pursuant to formulas and payment schedules set forth by statute. In its adopted budget for the 2025-26 fiscal year, approximately 44.29% of the revenues of the District are estimated to be received in the form of State aid. While the State has a constitutional duty to maintain and support a system of free common schools that provides a "sound basic education" to children of the State, there can be no assurance that the State appropriation for State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever.

In addition to the amount of State aid budgeted annually by the District, the State makes payments of STAR aid representing tax savings provided by school districts to their taxpayers under the STAR Program.

The State is not constitutionally obligated to maintain or continue State aid to the District. No assurance can be given that present State aid levels will be maintained in the future. State budgetary restrictions which could eliminate or substantially reduce State aid could have a material adverse effect upon the District, requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures. (See "MARKET AND RISK FACTORS" herein.)

State aid, including building aid appropriated and apportioned to the District, can be paid only if the State has such monies available therefor. The availability of such monies and the timeliness of such payment could be affected by a delay in the adoption of the State budget or their elimination therefrom.

There can be no assurance that the State's financial position will not change materially and adversely from current projections. If this were to occur, the State would be required to take additional gap-closing actions. Such actions may include, but are not limited to: reductions in State agency operations; delays or reductions in payments to local governments or other recipients of State aid including school districts in the State. Reductions in the payment of State aid could adversely affect the financial condition of school districts in the State.

The amount of State aid to school districts can vary from year to year and is dependent in part upon the financial condition of the State. During the 2011 to 2019 fiscal years of the State, State aid to school districts was paid in a timely manner; however, during the State's 2010 and 2020 fiscal years, State budgetary restrictions resulted in delayed payments of State aid to school districts in the State. In addition, the availability of State aid and the timeliness of payment of State aid to school districts could be affected by a delay in the adoption of the State budget, which is due at the start of the State's fiscal year of April 1. With the exception of the State's fiscal year 2025-26 Enacted Budget (which was adopted on May 9, 2025, twenty-eight (28) days after the April 1 deadline, the State's fiscal year 2024-25 Enacted Budget (which was adopted on April 22, 2024, twenty-one (21) days after the April 1 deadline) and the State's fiscal year 2023-24 Enacted Budget (which was adopted on May 2, 2023, thirty-one (31) days after the April 1 deadline), the State's budget has been adopted by April 1 or shortly thereafter for over ten (10) years. No assurance can be given that the State will not experience delays in the adoption of the budget in future fiscal years. Significant delays in the adoption of the State budget could result in delayed payment of State aid to school districts in the State which could adversely affect the financial condition of school districts in the State.

Should the District fail to receive State aid expected from the State in the amounts and at the times expected, occasioned by a delay in the payment of such monies or by a mid-year reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing in anticipation of the receipt of uncollected State aid.

Federal Aid Received by the State

The State receives a substantial amount of Federal aid for health care, education, transportation and other governmental purposes, as well as Federal funding to respond to, and recover from, severe weather events and other disasters. Many of the policies that drive this Federal aid may be subject to change under the Federal administration and Congress. Current Federal aid projections, and the assumptions on which they rely, are subject to revision in the future as a result of changes in federal policy, the general condition of the global and national economies and other circumstances.

Reductions in Federal funding levels could have a materially adverse impact on the State budget. In addition to the potential fiscal impact of policies that may be proposed and adopted by the new administration and Congress, the State budget may be adversely affected by other actions taken by the Federal government, including audits, disallowances, and changes to Federal participation rates or other Medicaid rules.

President Trump signed an executive order that directs the Secretary of Education to take all necessary steps to facilitate the closure of the U.S. Department of Education. The executive order aims to minimize the federal role in education but stops short of completely closing the Department as this would require 60 votes in the U.S. Senate. President Trump also indicated his preference that critical functions, like distributing Individuals with Disabilities Education Act funding, would be the responsibility of other federal agencies. The impact that the executive order will have on the State and school districts in the State is unknown at this time.

Building Aid

A portion of the District's State aid consists of building aid which is related to outstanding indebtedness for capital project purposes. In order to receive building aid, the District must have building plans and specifications approved by the Facilities Planning Unit of the State Education Department. A maximum construction and incidental cost allowance is computed for each building project that takes into account a pupil construction cost allowance and assigned pupil capacity. For each project financed with debt obligations, a bond percentage is computed. The bond percentage is derived from the ratio of total approved cost allowances to the total principal borrowed. Approved cost allowances are estimated until a project final cost report is completed.

Building Aid is paid over fifteen years for reconstruction work, twenty years for building additions, or thirty years for new building construction. Building Aid for a specific building project is eligible to begin eighteen months after State Commissioner of Education approval date, for that project, and is paid over the previously described timeframe, assuming all necessary building aid forms are filed with the State in a timely manner. The building aid received is equal to the assumed debt service for that project, which factors in the bond percent, times the building aid ratio that is assigned to the District, and amortized over the predefined timeframe. The building aid ratio is calculated based on a formula that involves the full valuation per pupil in the District compared to a State-wide average.

Pursuant to the provisions of Chapter 760 of the Laws of 1963, the District is eligible to receive a Building Aid Estimate from the New York State Department of Education. Since the gross indebtedness of the District is within the debt limit, the District is not required to apply for a Building Aid Estimate. Based on 2025-2026 preliminary building aid ratios, the District State Building aid of approximately 73.3% for debt service on State Education Department approved expenditures from July 1, 2004 to the present.

The State building aid ratio is calculated each year based upon a formula which reflects Resident Weighted Average Daily Attendance (RWADA) and the full value per pupil compared with the State average. Consequently, the estimated aid will vary over the life of each issue. State building aid is further dependent upon the continued apportionment of funds by the State Legislature.

State Aid History

School district fiscal year (2021-2022): The State's 2021-22 Budget includes $29.5 billion in state aid to school districts, and significantly increased funding for schools and local governments, including a $1.4 billion increase in Foundation Aid and a three-year phase-in of the full restoration to school districts of Foundation Aid that was initially promised in 2007. Additionally, the budget includes the use of $13 billion of federal funds for emergency relief, along with the Governor's Emergency Education Relief, which includes, in part, the allocation of $629 million to school districts as targeted grants in an effort to address learning loss as a result of the loss of enrichment and after-school activities. In addition, $105 million of federal funds are to be allocated to expand full-day kindergarten programs. Under the budget, school districts are to be reimbursed for the cost of delivering school meals and instructional materials in connection with COVID-19-related school closures in spring 2020, along with the costs of keeping transportation employees and contractors on stand-by during the short-term school closures prior to the announcement of the closure of schools for the remainder of the 2019-20 year.

School district fiscal year (2022-2023): The State's 2022-23 Enacted Budget provides $31.5 billion in State funding to school districts for the 2022-23 school year, the highest level of State aid ever. This represents an increase of $2.1 billion or 7.2 percent compared to the 2021-22 school year, and includes a $1.5 billion or 7.7 percent Foundation Aid increase. The State's 2022-23 Enacted Budget also programs $14 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, is designed to assist public schools to reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The State's 2022-23 Enacted Budget allocates $100 million over two years for a new State matching fund for school districts with the highest needs to support efforts to address student well-being and learning loss. In addition, the State's 2022-23 Enacted Budget increases federal funds by $125 million to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2022-23 school year.

School District fiscal year (2023-2024): The State's 2023-24 Enacted Budget included $34.5 billion for school aid, an increase of $3.1 billion or 10%, which was the highest level of State aid to date. The States 2023-24 Budget also provided a $2.6 billion increase in Foundation Aid, fully funding the program for the first time in history. The State's 2023-24 Enacted Budget provided $134 million to increase access to free school meals. An additional $20 million in grant funding established new Early College High School and Pathways in Technology Early College High School Programs. An investment of $10 million over two years in competitive funding for school districts, boards of cooperative educational services, and community colleges was made to promote job readiness. An additional $150 million was used to expand high-quality full-day prekindergarten, resulting in universal prekindergarten to be phased into 95% of the State.

School district fiscal year (2024-2025): The State's 2024-25 Enacted Budget provides $35.9 billion in State funding to school districts for the 2024-25 school year, the highest level of State aid ever. This represents an increase of $1.3 billion compared to the 2023-24 school year and includes a $934 million or 3.89 percent Foundation Aid increase. The State's 2024-25 Enacted Budget maintains the "save harmless" provision, which currently ensures a school district receives at least the same amount of Foundation Aid as it received in the prior year. The State's 2024-25 Enacted Budget also authorizes a comprehensive study by the Rockefeller Institute and the State Department of Education to develop a modernized school funding formula.

School district fiscal year (2025-2026): The State's 2025-26 Budget includes approximately $37 billion in State funding to school districts for the 2025-2026 school year, an estimated year-to-year funding increase of $1.7 billion. The State's 2025-26 Budget provides an estimated $26.3 billion in Foundation Aid, a year over year increase of $1.42 billion and includes a 2% minimum increase in Foundation Aid to all school districts. The State's 2025-26 Budget also makes a number of alterations to the Foundation Aid formula to more accurately reflect low-income student populations and provide additional aid to low-wealth school districts.

Provisions in the State's 2025-26 Enacted Budget grant the State Budget Director the authority to withhold all or some of the amounts appropriated therein, including amounts that are to be paid on specific dates prescribed in law or regulation (such as State Aid) if, on a cash basis of accounting, a "general fund imbalance" has or is expected to occur in fiscal year 2025-26. Specifically, the State's 2025-26 Enacted Budget provides that a "general fund imbalance" has occurred, and the State Budget Director's powers are activated, if any State fiscal year 2025-26 quarterly financial plan update required by Subdivision 4 of Section 23 of the New York State Finance Law reflects, or if at any point during the final quarter of State fiscal year 2025-26 the State Budget Director projects, that estimated general fund receipts and/or estimated general fund disbursements have or will vary from the estimates included in the State's 2025-26 Enacted Budget financial plan required by sections 22 and 23 of the New York State Finance Law results in a cumulative budget imbalance of $2 billion or more. Any significant reductions or delays in the payment of State aid could adversely affect the financial condition of school districts in the State.

State Aid Litigation

In January 2001, the State Supreme Court issued a decision in *Campaign for Fiscal Equity v. New York* mandating that the system of apportionment of State aid to school districts within the State be restructured by the Governor and the State Legislature. On June 25, 2002, the Appellate Division of the State Supreme Court reversed that decision. On June 26, 2003, the State Court of Appeals, the highest court in the State, reversed the Appellate Division, holding that the State must, by July 30, 2004, ascertain the actual cost of providing a sound basic education, enact reforms to the system of school funding and ensure a system of accountability for such reforms. The Court of Appeals further modified the decision of the Appellate Division by deciding against a Statewide remedy and instead limited its ruling solely to the New York City school system.

After further litigation, on appeal in 2006, the Court of Appeals held that $1.93 billion of additional funds for the New York City schools – as initially proposed by the Governor and presented to the Legislature as an amount sufficient to provide a sound basic education – was reasonably determined. State legislative reforms in the wake of The *Campaign for Fiscal Equity* decision included increased accountability for expenditure of State funds and collapsing over 30 categories of school aid for school districts in the State into one classroom operating formula referred to as foundation aid. The stated purpose of foundation aid is to prioritize funding distribution based upon student need. As a result of the Court of Appeals ruling schools were to receive $5.5 billion increase in foundation aid over a four fiscal year phase-in covering 2007 to 2011.

In school district fiscal year 2009-2010, foundation aid funding was frozen by the State Legislature to the prior fiscal year level, and in the fiscal year thereafter foundation aid funding was reduced through a "gap elimination adjustment" as described above, and other aid adjustments.

A case related to the *Campaign for Fiscal Equity, Inc. v. State of New York* was heard on appeal on May 30, 2017 *in New Yorkers for Students' Educational Rights v. State of New York ("NYSER")* and a consolidated case on the right to a sound basic education. The *NYSER* lawsuit asserts that the State has failed to comply with the original decision in the Court of Appeals in the Campaign for Fiscal Equity case, and asks the Court of Appeals to require the State to develop new methodologies, formulas and mechanisms for determining State aid, to fully fund the foundation aid formula, to eliminate the supermajority requirement for voter approval of budgets which increase school district property tax levies above the property tax cap limitation, and related matters. On June 27, 2017, the Court of Appeals held that the plaintiffs' causes of action were properly dismissed by the earlier Appellate Division decision except insofar as two causes of action regarding accountability mechanisms and sufficient State funding for a "sound basic education" as applicable solely to the school districts in New York City and Syracuse. The Court emphasized its previous ruling in the *Campaign for Fiscal Equity* case that absent "gross education inadequacies", claims regarding state funding for a "sound basic education" must be made on a district-by-district basis based on the specific facts therein. On October 14, 2021 Governor Kathy Hochul announced that New York State has reached an agreement to settle and discontinue the *New Yorkers for Students' Educational Rights v. New York State* case, following through on the State's commitment to fully fund the current Foundation Aid formula to New York's school districts over three years and ending the State's prior opposition to providing this much-needed funding to our students. The litigation, which has been ongoing since 2014, sought to require New York State to fully fund the Foundation Aid formula that was put into place following the historic *Campaign for Fiscal Equity* cases, and had been previously opposed by the State. Foundation Aid was created in 2007, and takes school district wealth and student need into account to create an equitable distribution of state funding to schools. However, New York State has never fully funded Foundation Aid. The new settlement requires New York State to phase-in full funding of Foundation Aid by the FY 2024 budget. In the FY 2022 Enacted State Budget approved in April, the Executive and Legislature agreed to fully fund Foundation Aid by the FY 2024 budget and enshrined this commitment into law. A breakdown of currently anticipated Foundation Aid funding is available below:

A breakdown of currently anticipated Foundation Aid funding is available below:

- FY 2022: $19.8 billion, covering 30% of the existing shortfall
- FY 2023: Approximately $21.3 billion, covering 50% of the anticipated shortfall
- FY 2024: Approximately $23.2 billion, eliminating the anticipated shortfall, and funding the full amount of Foundation Aid for all school districts
- FY 2025: Funding the full amount of Foundation Aid for all school districts
- FY 2026: $26.3 billion in Foundation Aid, a year over year increase of $1.42 billion and a 2% minimum increase in Foundation Aid to all school districts

The State's 2025-26 Budget also makes a number of alterations to the Foundation Aid formula to more accurately reflect low-income student populations and provide additional aid to low-wealth school districts.

State Aid Revenues

The following table illustrates the percentage of total General Fund revenues of the District for each of the below completed fiscal years and budgeted figures comprised of State aid.

Fiscal Year	Total Revenues [(1)]	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2019-2020	$ 19,722,021	$ 8,943,374	45.35%
2020-2021	20,163,694	9,174,265	45.49
2021-2022	20,073,280	9,356,491	46.61
2022-2023	21,350,535	10,306,943	48.27
2023-2024	20,696,938	9,494,912	45.88
2024-2025 (Budgeted)	22,511,496	9,830,621	43.67
2025-2026 (Budgeted)	22,193,729	9,829,218	44.29

(1) Includes transfers from endowments and other funds. See "Investment Policy" herein.

Source: Audited financial statements for the 2019-2020 through 2023-2024 fiscal years and the adopted budgets for the 2024-2025 and 2025-2026 fiscal years. This table is not audited.

District Facilities

The District currently operates the following facilities:

Name	Grades	Capacity	Year(s) Built
Delaware Academy CSD at Delhi Elementary School	K-5	338	1962, '75, '84, '90, '93, '04, '09
Delaware Academy CSD at Delhi Middle School	6-8	185	1996, '04, '09
Delaware Academy CSD at Delhi High School	9-12	233	1939, '75, '84, '90, '04, '09

Source: District officials.

Enrollment Trends

School Year	Actual Enrollment	School Year	Projected Enrollment
2020-2021	762	2025-2026	760
2021-2022	765	2026-2027	760
2022-2023	771	2027-2028	760
2023-2024	773	2028-2029	760
2024-2025	763	2029-2030	760

Source: District officials.

Employees

The District employs a total of 168 full-time and 26 part-time employees. The collective bargaining agents, if any, which represent them and the dates of expirations of the various collective bargaining agreements are presented in the table below.

Number of Employees	Bargaining Unit	Contract Expiration Date
87	Delaware Academy Faculty Association	June 30, 2027
33	Delaware Academy Educational Support Staff Association	June 30, 2028
35	CSEA Non-Teaching Association	June 30, 2028
4	Administrators	June 30, 2026
4	Supervisors	June 30, 2028
5	Employees – Confidential	Updated Yearly (1)

(1) The working conditions for the confidential staff are typically reviewed in May of each year by the Board of Education and raises are awarded as needed.

Source: District officials.

Status and Financing of Employee Pension Benefits

Substantially all employees of the District are members of either the New York State and Local Employees' Retirement System ("ERS") (for non-teaching and non-certified administrative employees) or the New York State Teachers' Retirement System ("TRS") (for teachers and certified administrators). (Both Systems are referred to together hereinafter as the "Retirement Systems" where appropriate.) These Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefits to employees are governed by the New York State Retirement and Social Security Law (the "Retirement System Law"). The Retirement Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally vest after ten years of credited service. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems. The Retirement Systems are non-contributory with respect to members hired prior to July 27, 1976. All members working less than ten years must contribute 3% (ERS) or 3.5% (TRS) of gross annual salary towards the cost of retirement programs.

On December 12, 2009, a new Tier V was signed into law. The legislation created a new Tier V pension level, the most significant reform of the State’s pension system in more than a quarter-century. Key components of Tier V include:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62.
- Requiring ERS employees to continue contributing 3% of their salaries and TRS employees to continue contributing 3.5% toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at $15,000 per year, and for police and firefighters at 15% of non-overtime wages.

On March 16, 2012, the Governor signed into law the new Tier VI pension program, effective for new ERS and TRS employees hired after April 1, 2012. The Tier VI legislation provides for increased employee contribution rates of between 3% and 6% and contributions at such rates continue so long as such employee continues to accumulate pension credits, an increase in the retirement age from 62 years to 63 years, a readjustment of the pension multiplier, and a change in the time period for the final average salary calculation from 3 years to 5 years. Tier VI employees will vest in the system after ten years of employment and will continue to make employee contribution throughout employment.

The District is required to contribute at an actuarially determined rate. The actual contributions for the last five years and the budgeted figures for the 2024-2025 and 2025-2026 fiscal years are as follows:

Fiscal Year	ERS	TRS
2019-2020	$ 332,284	$ 650,560
2020-2021	343,000	647,000
2021-2022	335,025	590,952
2022-2023	323,459	645,687
2023-2024	347,414	680,000
2024-2025 (Budgeted)	360,000	374,000
2024-2025 (Unaudited Actual)	347,414	689,238
2025-2026 (Budgeted)	350,000	675,000

Source: District officials.

The annual required pension contribution is due February 1 annually with the ability to pre-pay on December 15 at a discount. The District pre-pays this cost annually.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The District currently does not have early retirement incentive programs for its employees.

Historical Trends and Contribution Rates. Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to 20% of payroll for the employees' and the police and fire retirement systems, respectively. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

A chart of average ERS and TRS rates as a percent of payroll (2021-22 to 2025-26) is shown below:

State Fiscal Year	ERS	TRS
2021-22	16.2%	9.80%
2022-23	11.6	10.29
2023-24	13.1	9.76
2024-25	15.2	10.11
2025-26	16.5	9.59*

*Estimated.

In 2003, Chapter 49 of the Laws of 2003 amended the Retirement and Social Security Law and the Local Finance Law. The amendments empowered the State Comptroller to implement a comprehensive structural reform program for ERS. The reform program established a minimum contribution for any local governmental employer equal to 4.5% of pensionable salaries for bills which were due December 15, 2003 and for all fiscal years thereafter, as a minimum annual contribution where the actual rate would otherwise be 4.5% or less due to the investment performance of the fund. In addition, the reform program instituted a billing system to match the budget cycle of municipalities and school districts that will advise such employers over one year in advance concerning actual pension contribution rates for the next annual billing cycle. Under the previous method, the requisite ERS contributions for a fiscal year could not be determined until after the local budget adoption process was complete. Under the new system, a contribution for a given fiscal year is based on the valuation of the pension fund on the prior April 1 of the calendar year preceding the contribution due date instead of the following April 1 in the year of contribution so that the exact amount may now be included in a budget.

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating employers, if they so elect, to amortize an eligible portion of their annual required contributions to ERS when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a “graded” rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by the State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year’s amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When in any fiscal year, the participating employer’s graded payment eliminates all balances owed on prior amortized amounts, any remaining graded payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

The District is not amortizing any pension payments nor does it intend to do so in the foreseeable future.

Stable Rate Pension Contribution Option: The 2013-14 State Budget included a provision that provides local governments and school districts, including the District, with the option to "lock-in" long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and TRS. The stable rates would be 12% for ERS and 14% for TRS. The pension contribution rates under this program would reduce near-term payments for employers, but will require higher than normal contributions in later years.

The District did not participate in the Stable Rate Pension Contribution Option nor does it intend to do so in the foreseeable future.

The State's 2019-2020 Enacted Budget, which was signed into law as Chapter 59 of the Laws of 2019, includes a provision that will allow school districts in the State to establish a reserve fund for the purpose of funding the cost of TRS contributions, as a sub-fund of retirement contribution reserve funds presently authorized for amounts payable to the ERS by a school district. School districts will be permitted to pay into such reserve fund during any particular fiscal year, an amount not to exceed two percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year; provided that the balance of such fund may not exceed ten percent of the total compensation or salaries of all district-employed teachers who are members of the TRS paid during the immediately preceding fiscal year. The District has established a reserve fund for the purpose of funding the cost of TRS contributions.

The investment of monies, and assumptions underlying same, of the Retirement Systems covering the District's employees is not subject to the direction of the District. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the Retirement Systems ("UAALs"). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the District which could affect other budgetary matters. Concerned investors should contact the Retirement Systems administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

Other Post-Employment Benefits

Healthcare Benefits. It should also be noted that the District provides employment healthcare benefits to various categories of former employees. These costs may be expected to rise substantially in the future. There is now an accounting rule that requires governmental entities, such as the District, to account for employment healthcare benefits as it accounts for vested pension benefits.

School districts and Boards of Cooperative Educational Services, unlike other municipal units of government in the State, have been prohibited from reducing health benefits received by or increasing health care contributions paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

OPEB. OPEB refers to "other post-employment benefits," meaning other than pension benefits, disability benefits and OPEB consist primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Until now, these benefits have generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements.

GASB 75. In 2015, the Governmental Accounting Standards Board ("GASB") released new accounting standards for public Other Post-Employment Benefits ("OPEB") plans and participating employers. These standards, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), have substantially revised the valuation and accounting requirements previously mandated under GASB Statements No. 43 and 45. The implementation of this statement requires school districts to report OPEB liabilities, OPEB expenses, deferred outflow of resources and deferred inflow of resources related to OPEB. GASB Statement No. 75 replaced GASB Statement 45, which also required the District to calculate and report a net OPEB obligation. However, under GASB 45, school districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires school districts to report the entire OPEB liability on the statement of net position. As of the fiscal year ended June 30, 2018, the District was required to, and had implemented GASB 75.

The District contracted with an actuarial firm to calculate its actuarial valuation under GASB 75. The following outlines the changes to the Total OPEB Liability during the 2023 and 2024 fiscal years, by source.

Beginning Balance at:	July 1, 2022	July 1, 2023
	$ 42,708,421	$ 38,015,020
Changes for the year:		
Service cost	1,596,108	1,064,924
Interest	1,547,559	1,403,730
Differences between expected and actual experience	543,657	-
Changes in assumptions or other inputs	(7,194,067)	(1,584,441)
Benefit payments	(1,186,658)	(1,254,427)
Net Changes	$ (4,693,401)	$ (370,214)
Ending Balance at:	**June 30, 2023**	**June 30, 2024**
	$ 38,015,020	**$ 37,644,806**

Source: Audited financial reports of the District. For additional information see "APPENDIX – D" attached hereto. The above table is not audited.

There is no authority in current State law to establish a trust account or reserve fund for this liability. The District has reserved $0 towards its OPEB liability. The District funds this liability on a pay-as-you-go basis.

The District's unfunded actuarial accrued OPEB liability could have a material adverse impact upon the District's finances and could force the District to reduce services, raise taxes or both.

Actuarial valuation will be required every 2 years for OPEB plans with more than 200 members, every 3 years if there are fewer than 200 members.

Other Information

The statutory authority for the power to spend money for the object or purpose, or to accomplish the object or purpose, for which bonds and notes are to be issued is the Education Law and the Local Finance Law.

The District is in compliance with the procedure for the publication of the estoppel notice with respect to the Notes as provided in Title 6 of Article 2 of the Local Finance Law.

No principal or interest upon any obligation of the District is past due.

The fiscal year of the District is July 1 to June 30.

Except for as shown under "STATUS OF INDEBTEDNESS – Estimated Overlapping Indebtedness", this Continuing Disclosure Statement does not include the financial data of any political subdivision having power to levy taxes within the District.

Financial Statements

The District retains independent Certified Public Accountants. The last audit report covers the period ending June 30, 2024 and is attached hereto as "APPENDIX – D". Certain financial information of the District can be found in the appendices to the Preliminary Official Statement.

The District complies with the Uniform System of Accounts as prescribed for school districts in New York State by the State. This system differs from generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants' Industry Audit Guide, "Audits of State and Local Governmental Units", and codified in Government Accounting, Auditing and Financial Reporting (GAAFR), published by the Governmental Accounting Standards Board (GASB).

Beginning with the fiscal year ending June 30, 2003, the District issues its financial statements in accordance with GASB Statement No. 34. This statement includes reporting of all assets including infrastructure and depreciation in the Government Wide Statement of Activities, as well as the Management's Discussion and Analysis.

New York State Comptroller Reports of Examination

The State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the District has complied with the requirements of various State and Federal statutes. These audits can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

The State Comptroller's office released its most recent audit report of the District on August 9, 2024. The purpose of the audit was to determine whether District board and officials properly managed fund balance and reserves for the period July 1, 2020 through November 30, 2023.

Key Findings

The Board and District officials did not properly manage fund balance and reserves. The Board and officials' consistent practice of appropriating fund balance that is not needed and maintaining unreasonable reserve balances circumvents the statutory limit on surplus fund balance and resulted in a real property tax levy that was higher than needed to fund operations. From the 2020-21 through 2022-23 fiscal years, the Board and District officials: .

- Overestimated budgetary appropriations by a total of $5 million (8.6 percent) and developed budgets that appropriated fund balance to address planned budget gaps totaling approximately $2.5 million. However, the District realized operating surpluses totaling approximately $3.2 million and the planned budget gaps were not realized.
- Reported a surplus fund balance that exceeded the statutory limit by $2.2 million, or 10.4 percentage points, as of June 30, 2023.For perspective, the recalculated surplus fund balance as of June 30, 2023 exceeded the limit by $6.3 million or 29.5 percentage points.
- Improperly held $3.25 million in a debt reserve and maintained an unemployment insurance reserve with a reported balance of $267,320 that could fund 22 full-time employees' unemployment expenditures for the maximum benefit.

Key Recommendations

- Adopt realistic budgets and reduce both surplus fund balance to comply with the statutory limit and overfunded reserves in a manner that benefits taxpayers.
  District officials disagreed with certain aspects of hte findings but indicated they will initiate corrective action.

A copy of the complete report and the District's response can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

There are no State Comptrollers audits of the District that are currently in progress or pending release.

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of the accuracy of the information therein, nor incorporation herein by reference.

The State Comptroller's Fiscal Stress Monitoring System

The New York State Comptroller has reported that New York State's school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district's ST-3 report filed with the State Education Department annually, and each municipality's annual report filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "Significant Fiscal Stress", in "Moderate Fiscal Stress," as "Susceptible Fiscal Stress" or "No Designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "No Designation." This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.

The reports of the State Comptroller for the past three fiscal years of the District are as follows:

Fiscal Year Ending In	Stress Designation	Fiscal Score
2024	No Designation	0.0
2023	No Designation	0.0
2022	No Designation	0.0

Source: Website of the Office of the New York State Comptroller. Reference to website implies no warranty of the accuracy of the information therein, nor incorporation herein by reference.

TAX INFORMATION

Taxable Assessed Valuations

Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
Towns of:					
Andes	$ 29,782	$ 29,781	$ 29,781	$ 29,781	$ 35,042
Bovina	22,671,342	22,982,606	23,228,535	23,383,323	23,543,013
Delhi	190,748,608	191,403,203	191,646,082	191,152,864	191,533,203
Franklin	47,667,031	56,846,825	58,597,520	58,844,075	59,118,316
Hamden	80,757,779	83,975,498	91,880,036	92,262,328	95,542,539
Kortright	4,026,965	3,694,708	3,739,835	3,518,475	3,469,594
Meredith	121,525,465	122,477,329	123,331,122	127,511,260	123,152,353
Total Assessed Values	$ 467,426,972	$ 481,409,950	$ 492,452,911	$ 496,702,106	$ 496,394,060
State Equalization Rates					
Towns of:					
Andes	100.00%	100.00%	100.00%	82.75%	75.00%
Bovina	22.13%	21.70%	19.50%	14.40%	14.00%
Delhi	55.00%	53.70%	48.85%	36.00%	33.75%
Franklin	87.50%	100.00%	94.00%	76.00%	71.50%
Hamden	100.00%	100.00%	100.00%	93.50%	83.50%
Kortright	100.00%	100.00%	81.00%	64.60%	60.40%
Meredith	100.00%	100.00%	81.00%	64.60%	60.40%
Total Taxable Full Valuation	$ 710,078,439	$ 729,365,313	$ 822,561,440	$ 1,072,335,463	$ 1,142,461,035

Tax Rate Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
Towns of:					
Andes	$ 13.63	$ 13.47	$ 12.09	$ 11.35	$ 11.99
Bovina	61.60	62.08	62.02	65.23	64.24
Delhi	24.78	25.09	24.76	26.09	26.65
Franklin	15.58	13.47	12.86	12.36	12.58
Hamden	13.63	13.47	12.09	10.04	10.77
Kortright	13.63	13.47	14.93	14.54	14.89
Meredith	13.63	13.47	14.93	14.54	14.89

Tax Collection Procedure

Tax payments are due September 1st. There is no penalty charge for the first thirty days after taxes are due, but a 2% penalty is charged from October 1st to October 31st. On or about November 1st, uncollected taxes are returnable to the County for collection. The District receives this amount of uncollected taxes from said County prior to the end of the District's fiscal year, thereby assuring 100% tax collection annually. Tax sales are held annually by said County.

Approximately 3.5% of the taxable full valuation of the District is comprised of State-owned forest lands. State tax payments on such lands generally are received after the current collection period, but always in the same year as the year of levy.

Tax Levy and Tax Collection Record

Fiscal Year Ending June 30:	2021	2022	2023	2024	2025
Total Tax Levy	$ 9,681,130	$ 9,826,347	$ 9,949,177	$ 10,073,540	$ 10,275,010
Amount Uncollected (1)	743,773	727,149	796,919	694,214	720,622
% Uncollected	7.68%	7.40%	8.01%	6.89%	7.01%

(1) The District receives 100% of its tax levy each year. See "Tax Collection Procedures" herein.

Source: School District officials.

Real Property Tax Revenues

The following table illustrates the percentage of total revenues of the District for each of the below completed fiscal years and budgeted figures comprised of Real Property Taxes.

Fiscal Year	Total Revenues [1]	Total Real Property Taxes & Tax Items	Percentage of Total Revenues Consisting of Real Property Tax
2019-2020	$ 19,722,021	$ 9,766,227	49.52%
2020-2021	20,163,694	9,958,054	49.39
2021-2022	20,073,280	10,101,051	50.32
2022-2023	21,350,535	10,232,064	47.92
2023-2024	20,696,938	10,347,951	50.00
2024-2025 (Budgeted)	22,511,496	12,030,875	53.44
2025-2026 (Budgeted)	22,193,729	11,568,511	52.13

(1) Includes transfers from endowments and other funds. See "Investment Policy" herein.

Source: Audited financial statements for the 2019-2020 through 2023-2024 fiscal years and the adopted budgets for the 2024-2025 and 2025-2026 fiscal years. This table is not audited.

Ten Largest Taxpayers – 2024 Assessment Roll for 2024-25 School District Tax Roll

Name	Type	Taxable Valuation
NYS Electric & Gas	Utility	$ 32,829,018
City of New York	Government/Water Protection	15,575,006
Delhi Telephone Company	Utility	4,218,115
Delaware Co Electric Co.	Utility	3,216,199
Burkditz, LLC	Shopping Center	3,212,816
NY Transco, LLC	Utility	2,800,000
Saputo Dairy Foods USA, LLC	Manufacturing	2,509,350
Burton F. Clark, Inc.	Manufacturing/Multi-Use	1,604,640
Leisure Village II, LLC	Housing Complex	1,194,174
DMV USA	Manufacturing	1,100,000

The ten larger taxpayers listed above have a total taxable assessed valuation of $68,259,318, which represents 13.75% of the tax base of the District for the 2024-25 fiscal year.

As of the date of this Official Statement, the District currently does not have any pending or outstanding tax certioraris that are known or expected to have a material impact on the District.

Source: District officials.

STAR – School Tax Exemption

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. School districts are reimbursed by the State for real property taxes exempted pursuant to the STAR Program.

The STAR (School Tax Relief) program provides State-funded exemptions from school property taxes to homeowners for their primary residences. School districts are reimbursed by the State for real property taxes exempted pursuant to the STAR Program. Homeowners over 65 years of age with household adjusted gross incomes, less the taxable amount of total distributions from individual retirement accounts and individual retirement annuities ("STAR Adjusted Gross Income") of $93,200 or less in 2023-2024 and $98,700 or less in 2024-2025, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $81,400 of the full value of a home for the 2023-2024 school year and the first $84,000 of the full value of a home for the 2024-2025 school year (adjusted annually). Other homeowners with household STAR Adjusted Gross income not in excess of $250,000 ($500,000 in the case of a STAR credit, as discussed below) are eligible for a $30,000 "full value" exemption on their primary residence.

The 2022-23 Enacted State Budget provided $2.2 billion in State funding for a new property tax relief credit, the Homeowner Tax Rebate Credit, for eligible low- and middle-income households, as well as eligible senior households. Under this program, basic STAR exemption and credit beneficiaries with incomes below $250,000 and Enhanced STAR recipients are eligible for the property tax rebate where the benefit is a percentage of the homeowners' existing STAR benefit.

The below table lists the basic and enhanced exemption amounts for the 2025-26 District tax roll for the municipalities applicable to the District:

Towns of:	Enhanced Exemption	Basic Exemption	Date Certified
Andes	$ 64,580	$ 23,940	4/10/2025
Bovina	12,570	4,640	4/10/2025
Delhi	31,500	11,610	4/10/2025
Franklin	61,560	22,340	4/10/2025
Hamden	86,100	30,000	4/10/2025
Kortright	52,800	21,150	4/10/2025
Meredith	52,800	21,150	4/10/2025

$656,845 of the District's $10,275,011 school tax levy for 2024-25 was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2025.

A similar amount of the District's $10,480,511 school tax levy for 2025-26 was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State in January 2026.

Additional Tax Information

Real property located in the District is assessed by the Towns.

Senior citizens' exemptions are offered to those who qualify.

Total assessed valuation of the District is estimated to be categorized as follows: Residential-90%, Vacant-5%, Commercial-2% and Other-3%.

The estimated total annual property tax bill of a $75,000 market value residential property located in the District is approximately $1,850 including County, Town, Village, School District and Fire District taxes.

TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor ("Chapter 97" or the "Tax Levy Limitation Law"). The Tax Levy Limitation Law applies to all local governments, including school districts (with the exception of New York City, and the counties comprising New York City and school districts in New York City, Buffalo, Rochester, Syracuse, and Yonkers, the latter four of which are indirectly affected by applicability to their respective City.)

Prior to the enactment of the Tax Levy Limitation Law, there was no statutory limitation on the amount of real property taxes that a school district could levy as part of its budget if its budget had been approved by a simple majority of its voters. In the event the budget had been defeated by the voters, the school district was required to adopt a contingency budget. Under a contingency budget, school budget increases were limited to the lesser of four percent (4%) of the prior year's budget or one hundred twenty percent (120%) of the consumer price index ("CPI").

Chapter 97 requires that a school district submit its proposed tax levy to the voters each year beginning with the 2012-2013 fiscal year.

Chapter 97 restricts, among other things, the amount of real property taxes that may be levied by or on behalf of a school district in a particular year. It was set to expire on June 15, 2020 unless extended; and has since been made permanent . Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the CPI, over the amount of the prior year's tax levy. Certain adjustments are permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A school district can exceed the tax levy limitation for the coming fiscal year only if the voters of such school district first approve a tax levy by at least 60% affirmative vote of those voting to override such limitation for such coming fiscal year only. Tax levies that do not exceed the limitation will only require approval by at least 50% of those voting. In the event that the voters reject a tax levy and the district does not go out for a second vote, or if a second vote is likewise defeated, Chapter 97 provides that the tax levy for the new fiscal year may not exceed the tax levy for the prior fiscal year.

A school district's calculation of each fiscal year's tax levy limit is subject to review by the Commissioner of Education and the Commissioner of Taxation and Finance prior to adoption of each fiscal year budget.

There are exceptions for school districts to the tax levy limitation provided in Chapter 97, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System and the Teachers' Retirement System. School districts are also permitted to carry forward a certain portion of their unused levy limitation from a prior year.

There is also an exception for school districts for "Capital Local Expenditures" subject to voter approval where required by law. This term is defined in a manner that does not include certain items for which a school district may issue debt, including the payment of judgments or settled claims, including tax certiorari payments, and cashflow borrowings, including tax anticipation notes, revenue anticipation notes, budget notes and deficiency notes. "Capital Local Expenditures", are defined as "the taxes associated with budgeted expenditures resulting from the financing, refinancing, acquisition, design, construction, reconstruction, rehabilitation, improvement, furnishing and equipping of or otherwise providing for school district capital facilities or school district capital equipment, including debt service and lease expenditures, and transportation capital debt service, subject to the approval of the qualified voters where required by law". The portion of the tax levy necessary to support "Capital Local Expenditures" is defined as the "Capital Tax Levy", and is an exclusion from the tax levy limitation, and is applicable to the Notes.

On February 20, 2013, the New York State United Teachers ("NYSUT") and several individuals filed a lawsuit in State Supreme Court in Albany County seeking a declaratory judgment and a preliminary injunction that the Tax Levy Limitation Law is unconstitutional as it applies to public school districts. On September 23, 2014, a justice of the New York State Supreme Court dismissed each of NYSUT's causes of action but granted NYSUT's motion to amend the complaint. NYSUT subsequently served a second amended complaint seeking a preliminary injunction and challenging the Tax Levy Limitation Law as violative of the Education Article of the New York State Constitution, the Equal Protection and Due Process clauses and the First Amendment. On March 16, 2015 a New York State Supreme Court Justice denied NYSUT's motion for a preliminary injunction and dismissed all causes of action contained in NYSUT's second amended complaint. NYSUT appealed the decision to continue its challenge to the constitutionality of the Tax Levy Limitation Law. On May 5, 2016 the Appellate Division upheld the lower court dismissal, noting that while the State is required to provide the opportunity of a sound basic education, the Constitution "does not require that equal educational offerings be provided to every student", and further noted "the legitimate government interest of restraining crippling property tax increases". An appeal by NYSUT was dismissed on October 20, 2016 by the Court of Appeals, New York's highest court, on the ground that no substantial constitutional question was directly involved and thereafter leave to appeal was denied on January 14, 2017 by the Court of Appeals.

Certain additional restrictions on the amount of the personal income tax credit are set forth in Chapter 59 in order for the tax cap to qualify as one which will provide the tax credit benefit to such real property taxpayers. The refundable personal income tax credit amount is increased in the second year if compliance occurs in both taxable years.

For the second taxable year of the program, the refundable personal income tax credit for real property taxpayers is additionally contingent upon adoption by the school district or municipal unit of a state approved "government efficiency plan" which demonstrates "three year savings and efficiencies of at least one per cent per year from shared services, cooperation agreements and/or mergers or efficiencies".

Municipalities, school districts and independent special districts must provide certification of compliance with the requirements of the new provisions to certain state officials in order to render their real property taxpayers eligible for the personal income tax credit.

While the provisions of Chapter 59 do not directly further restrict the taxing power of the affected municipalities, school districts and special districts, they do provide an incentive for such tax levies to remain within the tax cap limits established by the Tax Levy Limitation Law. The implications of this for future tax levies and for operations and services of the District are uncertain at this time.

An additional real property tax rebate program applicable solely to school districts was enacted by Chapter 20 of the Laws of 2015, and was signed into law by the Governor on June 26, 2015. The program began in 2016, and was fully phased in 2019.

See "THE SCHOOL DISTRICT – Budgetary Procedures" herein for additional information regarding the District's Tax Levy.

STATUS OF INDEBTEDNESS

Constitutional Requirements

The New York State Constitution limits the power of the District (and other municipalities and certain school districts of the State) to issue obligations and to contract indebtedness. Such constitutional limitations in summary form and as generally applicable to the District include the following:

Purpose and Pledge. The District shall not give or loan any money or property to or in aid of any individual or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The District may contract indebtedness only for a District purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

Payment and Maturity. Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute; unless substantially level or declining annual debt service is utilized, no installment maybe more than fifty percent in excess of the smallest prior installment. The District is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

General. The District is further subject to constitutional limitation by the general constitutionally imposed duty of the State Legislature to restrict the power of taxation and contracting indebtedness to prevent abuses in the exercise of such power; however, as has been noted under "NATURE OF THE OBLIGATION," the State Legislature is prohibited by a specific constitutional provision from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted.

There is no constitutional limitation on the amount that may be raised by the District by tax on real estate in any fiscal year to pay principal of and interest on all indebtedness. However, Chapter 97 of the Laws of 2011 imposes a statutory limitation on the power of the District to increase its annual tax levy. The amount of such increases is limited by the formulas set forth in such law. See "TAX LEVY LIMITATION LAW" herein.

Statutory Procedure

In general, the State Legislature has, by the enactment of the Local Finance Law, authorized the powers and procedure for the District to borrow and incur indebtedness subject, of course, to the constitutional provisions set forth above. The power to spend money, however, generally derives from other law, including the Education Law.

Debt Limit. The School District has the power to contract indebtedness for any School District purpose authorized by the Legislature of the State provided the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the School District and subject to certain enumerated deductions such as State aid for building purposes. The statutory method for determining full valuation is by taking assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Office of Real Property Services. The Legislature prescribes the manner by which such ratio shall be determined.

The District is generally required by such laws to submit propositions for the expenditure of money for capital purposes to the qualified electors of the District. Upon approval thereby, the Board of Education may adopt a bond resolution authorizing the issuance of bonds, and notes in anticipation of the bonds. No down payment is required in connection with the issuance of District obligations.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto.

The Local Finance Law also provides that where a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

(1) Such obligations are authorized for a purpose for which the District is not authorized to expend money, or

(2) There has not been substantial compliance with the provisions of law which should have been complied within the authorization of such obligations and an action contesting such validity, is commenced within twenty days after the date of such publication or,

(3) Such obligations are authorized in violation of the provisions of the Constitution.

The District complied with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

The Board of Education, as the finance board of the District, has the power to enact bond resolutions. In addition, such finance board has the power to authorize the sale and issuance of obligations. However, such finance board may delegate the power to sell the obligations to the President of the Board of Education, the chief fiscal officer of the District, pursuant to the Local Finance Law.

Statutory Law in New York permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first of such notes and provided that such renewals do not exceed five years beyond the original date of borrowing. (See "Payment and Maturity" under "Constitutional Requirements" herein, and "Details of Outstanding Indebtedness" herein).

The District is further subject to constitutional limitation by the general constitutionally imposed duty on the State Legislature to restrict the power of taxation and contracting indebtedness; however, the State Legislature is prohibited by a specific constitutional provision from restricting the power of the District to levy taxes on real estate for the payment of interest on or principal of indebtedness theretofore contracted. See "NATURE OF OBLIGATION" and "TAX INFORMATION - Tax Levy Limitation Law" herein.

In general, the Local Finance Law contains provisions providing the District with power to issue certain other short-term general obligation indebtedness including revenue and tax anticipation notes and budget notes (see "Details of Outstanding Indebtedness" herein).

Debt Outstanding End of Fiscal Year

Fiscal Years Ending June 30:	2021	2022	2023	2024	2025
Bonds	$ 6,295,000	$ 4,920,000	$ 9,770,000	$ 9,065,000	$ 8,245,000
Bond Anticipation Notes	3,000,000	10,068,747	0	0	5,000,000
Lease Purchase Obligations (1)	1,290,752	753,846	502,584	171,081	0
Total Debt Outstanding	$ 10,585,752	$ 15,742,593	$ 10,272,584	$ 9,236,081	$ 13,245,000

(1) Represents bus leases. See "Lease Obligations" herein.

Note: Lease purchase obligations do not constitute general obligation debt of the District, but do not count toward the debt limit of the District.

Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the District evidenced by bonds and notes as of July 1, 2025.

Type of Indebtedness	Maturity		Amount
Bonds	2025-2037		$ 8,245,000
Bond Anticipation Notes			
Capital project & EPC	July 23, 2025		5,000,000 (1)
		Total Indebtedness	$ 13,245,000

(1) To be partially redeemed and renewed at maturity with the proceeds of the Notes and $25,000 available funds of the District.

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Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of July 1, 2025:

Full Valuation of Taxable Real Property			$ 1,142,461,035
Debt Limit 10% thereof			114,246,103
Inclusions:			
Bonds	$ 8,245,000		
Bond Anticipation Notes (BANs):	5,000,000		
Total Inclusions prior to issuance of the Notes	13,245,000		
Less: BANs being redeemed from appropriations	(25,000)		
Add: New money proceeds of the Notes	11,517,486		
Total Net Inclusions after issuance of the Notes		$ 24,737,486	
Exclusions:			
State Building Aid [1]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness after issuance of the Notes			$ 24,737,486
Net Debt-Contracting Margin			$ 89,508,617
The percent of debt contracting power exhausted is			21.65%

[1] Pursuant to the Provisions of Chapter 760 of the Laws of New York State of 1963, the School District receives aid on existing bonded debt. Since the gross indebtedness of the School District is within the debt limit, the School District is not required to apply for a Building aid Estimate. Over the years the building aid ratio has been adjusted based on State legislative changes with an effective date tied to voter authorization dates. Based on preliminary 2025-26 Building Aid Ratios, the School District anticipates State Building aid of 73.3% for debt service on SED approved expenditures from July 1, 2004 to the present. The School District has no reason to believe that it will not ultimately receive all of the Building aid it anticipates, however, no assurance can be given as to when and how much Building aid the School District will receive in relation to its capital project indebtedness.

Note: The State Constitution does not provide for the inclusion of tax anticipation or revenue anticipation notes in the computation of the net indebtedness of the District.

Note: Lease purchase obligations do not constitute general obligation debt of the District, but do not count toward the debt limit of the District, however are not included above. With the inclusion of such debt the District is still within its debt limit. See "Lease Purchase Obligations" herein.

Bonded Debt Service

A schedule of bonded debt service may be found in "APPENDIX – B" to this Official Statement.

Cash Flow Borrowings

The District has no revenue anticipation notes or tax anticipation notes outstanding and has not issued any in recent years, nor does it reasonably expect to issue such notes or budget or deficiency notes in the foreseeable future.

Lease Purchase Obligations

The District leases instructional and other equipment under non-cancelable operating leases. These leases generally fall under two lease models: 1) Single purchase lease with five-year amortization, 2) asset(s) purchases through installment purchase agreement (IPA) with five-year amortization. As of June 30, 2024 the principal outstanding for these leases was $171,081. Annual payments for the remaining years of the leases are as follows:

Fiscal Year Ending	Principal	Interest
2025	$ 171,081	$ 7,916

Note: Lease purchase obligations do not constitute general obligation debt of the District, but do not count toward the debt limit of the District.

Source: District officials.

Capital Project Plans

On October 11, 2023 the District voters approved a $9,841,000 capital project to finance improvements to and reconstruction of various District buildings and facilities including updates to the infrastructure and facilities in the elementary, middle/high school, transportation building, and grounds throughout the campus. The District has a $3,000,000 portion of $5,000,000 bond anticipation notes outstanding and maturing July 23, 2025 for the aforementioned project. A $9,816,000 portion of the Notes are being issued, along with $25,000 available funds of the District to partially redeem and renew the bond anticipation notes maturing July 23, 2025 provide $6,841,000 new money for the aforementioned project.

On April 16, 2024 the District voters approved a $3,100,000 project to finance construction of improvements to and to reconstruct physical education/athletic facilities and fields at the middle school/high school. A $3,100,000 portion of the Notes are being issued to provide new money for the aforementioned project.

On December 17, 2024 the District voters approved a $3,576,486 project to finance construction and installation of energy efficiency improvements to the District buildings and facilities. The District has a $2,000,000 portion of $5,000,000 bond anticipation notes outstanding and maturing July 23, 2025 for the aforementioned project. A $3,576,486 portion of the Notes are being issued to renew the bond anticipation notes maturing July 23, 2025 provide $1,576,486 new money for the aforementioned project.

Estimated Overlapping Indebtedness

In addition to the District, the following political subdivisions have the power to issue obligations and to levy taxes or cause taxes to be levied on taxable real property in the District. Estimated bonds and bond anticipation notes are listed as of the respective municipalities.

Municipality	Status of Debt as of	Gross Indebtedness [1]	Exclusions [2]	Net Indebtedness	District Share	Net Overlapping Indebtedness
County of:						
Delaware	6/28/2024	$ 3,485,000 [3]	$ -	$ 3,485,000	12.54%	$ 437,019
Town of:						
Andes	12/31/2022	1,390,619 [4]	- [5]	1,390,619	0.01%	139
Bovina	12/31/2023	133,334 [4]	- [5]	133,334	62.24%	82,987
Delhi	12/31/2023	202,102 [4]	- [5]	202,102	99.04%	200,162
Franklin	12/31/2023	- [4]	- [5]	-	10.22%	-
Hamden	12/31/2023	- [4]	- [5]	-	45.56%	-
Kortright	12/31/2023	77,560 [4]	- [5]	77,560	2.01%	1,559
Meredith	12/31/2023	- [4]	- [5]	-	83.82%	-
Village of:						
Delhi	5/31/2023	- [4]	- [5]	-	100.00%	-
Franklin	5/31/2023	189,756 [4]	- [5]	189,756	100.00%	189,756
					Total:	$ 911,622

(1) Outstanding bonds and bond anticipation notes of the respective municipality. Not adjusted to include subsequent issuances, if any, from the date of the status of indebtedness stated in the table above for each respective municipality.

(2) Water debt, sewer debt and budgeted appropriations as applicable to the respective municipality. Water Indebtedness excluded pursuant to Article VIII, Section 5B of the New York State Constitution. Sewer Indebtedness excluded pursuant to Article VIII, Section 5E of the New York State Constitution, as further prescribed under section 124.10 of the Local Finance Law. Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law.

(3) Gross indebtedness, exclusions, and net-indebtedness sourced from available annual financial information & operating data filings and/or official statements of the respective municipality.

(4) Gross indebtedness sourced from local government data provided by the State Comptroller's office for the most recent fiscal year such data is available for the respective municipality.

(5) Information regarding excludable debt not available.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of July 1, 2025:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 24,737,486	$ 3,036.39	2.17%
Net Indebtedness Plus Net Overlapping Indebtedness [d]	25,649,108	3,148.29	2.25

(a) The 2023 estimated population of the District is 8,147. (See "THE SCHOOL DISTRICT – District Population" herein.)
(b) The District's full value of taxable real estate for the 2024-25 fiscal year is $1,142,461,035. (See "TAX INFORMATION – Taxable Assessed Valuations" herein.)
(c) See "Debt Statement Summary" for the calculation of Net Indebtedness, herein.
(d) The District's applicable share of Net Overlapping Indebtedness is estimated to be $911,622. (See "Estimated Overlapping Indebtedness" herein.)

Note: The above ratios do not take into account State building aid the District will receive for past and current construction building projects.

SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

State Aid Intercept for School Districts. In the event of a default in the payment of the principal of and/or interest on the Notes, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, state aid and assistance to the School District and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Notes. The covenant between the State of New York and the purchasers and the holders and owners from time to time of the notes and bonds issued by the school districts in the State for school purposes provides that it will not repeal, revoke or rescind the provisions of Section 99-b, or amend or modify the same so as to limit, impair or impede the rights and remedies granted thereby.

Said section provides that in the event a holder or owner of any bond issued by a school district for school purposes shall file with the State Comptroller a verified statement describing such bond and alleging default in the payment thereof or the interest thereon or both, it shall be the duty of the State Comptroller to immediately investigate the circumstances of the alleged default and prepare and file in his office a certificate setting forth his determinations with respect thereto and to serve a copy thereof by registered mail upon the chief fiscal officer of the school district which issued the bond. Such investigation by the State Comptroller shall cover the current status with respect to the payment of principal of and interest on all outstanding bonds of such school district issued for school purposes and the statement prepared and filed by the State Comptroller shall set forth a description of all such bonds of the school district found to be in default and the amount of principal and interest thereon past due.

Upon the filing of such a certificate in the office of the State Comptroller, he shall thereafter deduct and withhold from the next succeeding allotment, apportionment or payment of such State aid or assistance due to such school district such amount thereof as may be required to pay (a) the school district's contribution to the State teachers retirement system, and (b) the principal of and interest on such bonds of such school district then in default. In the event such State aid or assistance initially so withheld shall be insufficient to pay said amounts in full, the State Comptroller shall similarly deduct and withhold from each succeeding allotment, apportionment or payment of such State aid or assistance due such school district such amount or amounts thereof as may be required to cure such default. Allotments, apportionments and payments of such State aid so deducted or withheld by the State Comptroller for the payment of principal and interest on bonds shall be forwarded promptly to the paying agent or agents for the bonds in default of such school district for the sole purpose of the payment of defaulted principal of and interest on such bonds. If any of such successive allotments, apportionments or payments of such State Aid so deducted or withheld shall be less than the amount of all principal and interest on the Notes in default with respect to which the same was so deducted or withheld, then the State Comptroller shall promptly forward to each paying agent an amount in the proportion that the amount of such bonds in default payable to such paying agent bears to the total amount of the principal and interest then in default on such bonds of such school district. The State Comptroller shall promptly notify the chief fiscal officer of such school district of any payment or payments made to any paying agent or agents of defaulted bonds pursuant to said Section 99-b.

General Municipal Law Contract Creditors' Provision. Each Note when duly issued and paid for will constitute a contract between the School District and the holder thereof. Under current law, provision is made for contract creditors of the School District to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the School District upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Notes in the event of a default in the payment of the principal of and interest on the Notes.

Execution/Attachment of Municipal Property. As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the School District may not be enforced by levy and execution against property owned by the School District.

Authority to File for Municipal Bankruptcy. The Federal Bankruptcy Code allows public bodies, such as municipalities, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness. While this Local Finance Law provision does not apply to school districts, there can be no assurance that it will not be made so applicable in the future.

Constitutional Non-Appropriation Provision. There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See "General Municipal Law Contract Creditors' Provision" herein.

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

Default Litigation. In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events including financial crises as they may occur in the State and in political subdivisions of the State require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service.

No Past Due Debt. No principal of or interest on School District indebtedness is past due. The School District has never defaulted in the payment of the principal of and interest on any indebtedness.

MARKET AND RISK FACTORS

There are various forms of risk associated with investing in the Notes. The following is a discussion of certain events that could affect the risk of investing in the Notes. In addition to the events cited herein, there are other potential risk factors that an investor must consider. In order to make an informed investment decision, an investor should be thoroughly familiar with the entire Official Statement, including its appendices, as well as all areas of potential risk.

The financial condition of the School District as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the School District's control. There can be no assurance that adverse events in the State or in other jurisdictions in the country, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Notes. If a significant default or other financial crisis should occur in the affairs of the State or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the School District to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

The School District is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the School District, in any year, the School District may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the School District. In several recent years, the School District has received delayed payments of State aid which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. (See also "THE SCHOOL DISTRICT – State Aid").

The enactment of the Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the School District could have an impact upon the market price of the Notes. See "TAX LEVY LIMITATION LAW" herein.

Future legislative proposals, if enacted into law, or clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent the beneficial owners of the Notes from realizing the full current benefit of the tax status of such interest. No assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of the Notes, or the tax status of interest on the Notes. See "TAX MATTERS" herein.

Cybersecurity

The District, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the District will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attacks could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant.

Federal Policy Risk. Federal policies on trade, immigration, and other topics can shift dramatically from one administration to another. From time to time, such shifts can result in reductions to the State's level of federal funding for a variety of social services, health care, public safety, transportation, public health, and other federally funded programs. There can be no prediction of future changes in federal policy or the potential impact on any related federal funding that the State may or may not receive in the future.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). Bond Counsel is of the further opinion that interest on the Notes is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Notes included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in "APPENDIX – E".

To the extent the issue price of any maturity of the Notes is less than the amount to be paid at maturity of such Notes (excluding amounts stated to be interest and payable at least annually over the term of such Notes), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Notes which is excluded from gross income for federal income tax purposes and exempt from State of New York personal income taxes. For this purpose, the issue price of a particular maturity of the Notes is the first price at which a substantial amount of such maturity of the Notes is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Notes accrues daily over the term to maturity of such Notes on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Notes to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Notes. Owners of the Notes should consult their own tax advisors with respect to the tax consequences of ownership of Notes with original issue discount, including the treatment of owners who do not purchase such Notes in the original offering to the public at the first price at which a substantial amount of such Notes is sold to the public.

Notes purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Notes") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Notes, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and an owner's basis in a Premium Note, will be reduced by the amount of amortizable bond premium properly allocable to such owner. Owners of Premium Notes should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Bond Counsel is of the further opinion that the amount treated as interest on the Notes and excluded from gross income will depend upon the taxpayer's election under Internal Revenue Notice 94-84. Notice 94-84, 1994-2 C.B. 559, states that the Internal Revenue Service (the "IRS") is studying whether the amount of the stated interest payable at maturity on short-term debt obligations (i.e., debt obligations with a stated fixed rate of interest which mature not more than one year from the date of issue) that is excluded from gross income for federal income tax purposes should be treated (i) as qualified stated interest or (ii) as part of the stated redemption price at maturity of the short-term debt obligation, resulting in treatment as accrued original issue discount (the "original issue discount"). The Notes will be issued as short-term debt obligations. Until the IRS provides further guidance with respect to tax-exempt short-term debt obligations, taxpayers may treat the stated interest payable at maturity either as qualified stated interest or as includable in the stated redemption price at maturity, resulting in original issue discount as interest that is excluded from gross income for federal income tax purposes. However, taxpayers must treat the amount to be paid at maturity on all tax-exempt short-term debt obligations in a consistent manner. Taxpayers should consult their own tax advisors with respect to the tax consequences of ownership of Notes if the taxpayer elects original issue discount treatment.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. The District has covenanted to comply with certain restrictions designed to ensure that interest on the Notes will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Notes being included in gross income for federal income tax purposes possibly from the date of original issuance of the Notes. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Notes may adversely affect the value of, or the tax status of interest on, the Notes. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Notes.

Certain requirements and procedures contained or referred to in the Arbitrage Certificate, and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Notes) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Notes or the interest thereon if any such change occurs or action is taken or omitted.

Although Bond Counsel is of the opinion that interest on the Notes is excluded from gross income for federal income tax purposes and is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York), the ownership or disposition of, or the amount, accrual or receipt of interest on, the Notes may otherwise affect an owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner or the owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Notes to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Notes for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Notes ends with the issuance of the Notes, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the owners regarding the tax-exempt status of the Notes in the event of an audit examination by the IRS. Under current procedures, owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Notes for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Notes, and may cause the District or the owners to incur significant expense.

Payments on the Notes generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate owner of Notes may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Notes and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Notes. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against an owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Bond Counsel's opinion will be in substantially the form attached hereto as "APPENDIX – E".

LITIGATION

The District is subject to a number of lawsuits in the ordinary conduct of its affairs. The District does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the District.

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the District, threatened against or affecting the District to restrain or enjoin the issuance, sale or delivery of the Notes or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of the Notes or any proceedings or authority of the District taken with respect to the authorization, issuance or sale of the Notes or contesting the corporate existence or boundaries of the District.

CONTINUING DISCLOSURE

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the District will enter into an Undertaking to provide Material Event Notices, the form of which is attached hereto as "APPENDIX – C".

Historical Continuing Disclosure Compliance

The District is in compliance, in all material respects, within the last five years with all previous undertakings made pursuant to the Rule 15c2-12.

MUNICIPAL ADVISOR

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor") is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the District on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the District and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the District or the information set forth in this Official Statement or any other information available to the District warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the District to Fiscal Advisors are partially contingent on the successful closing of the Notes.

CUSIP IDENTIFICATION NUMBERS

It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes will be paid for by the District provided, however; the District assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

RATINGS

The Notes are NOT rated. The purchaser(s) of the Notes may choose to have a rating completed after the sale pending the approval of the District and at the expense of the purchaser(s), including any fees to be incurred by the District, as such rating action will result in a material event notification to be posted to EMMA which is required by the District's Continuing Disclosure Undertakings and may require supplementation of the Official Statement. (See "APPENDIX – C", attached hereto).

The District does not currently have any general obligation serial bonds directly rated by Moody's Investors Service, Inc or Standard & Poor's Credit Market Services.

Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of the rating of the outstanding bonds may have an adverse effect on the market price of the Notes.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Notes.

Statements in this official statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the District management's beliefs as well as assumptions made by, and information currently available to, the District's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the District's files with the repositories. When used in District documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

To the extent any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holder of the Notes.

Orrick, Herrington & Sutcliffe LLP, New York, New York, Bond Counsel to the District, expresses no opinions as to the accuracy or completeness of information in any documents prepared by or on behalf of the District for use in connection with the offer and sale of the Notes, including but not limited to, the financial or statistical information in this Official Statement.

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Notes, the District will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to a limitation as to information in the Official Statement obtained from sources other than the District.

The Official Statement is submitted only in connection with the sale of the Notes by the District and may not be reproduced or used in whole or in part for any other purpose.

The District hereby disclaims any obligation to update developments of the various risk factors or to announce publicly any revision to any of the forward-looking statements contained herein or to make corrections to reflect future events or developments except to the extent required by Rule 15c2-12 promulgated by the Securities and Exchange Commission.

Fiscal Advisors & Marketing, Inc. may place a copy of this Official Statement on its website at www.fiscaladvisors.com. Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. Fiscal Advisors & Marketing, Inc. has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the District nor Fiscal Advisors & Marketing, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Fiscal Advisors & Marketing, Inc. and the District disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. Fiscal Advisors & Marketing, Inc. and the District also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

The District's contact information is as follows: Mr. Carey Shultz, Deputy Superintendent, Delaware Academy CSD at Delhi, District Offices, 2 Sheldon Drive, Delhi, New York 13753 telephone (607) 746-1304, fax (607) 746-6028, email: cshultz@delhischools.org

Additional copies of the Notice of Sale and the Official Statement may be obtained upon request from the offices of Fiscal Advisors & Marketing, Inc., telephone number (315) 752-0051, or at www.fiscaladvisors.com

DELAWARE ACADEMY CENTRAL SCHOOL DISTRICT AT DELHI

Dated: July 1, 2025

TAMMY NEUMANN
PRESIDENT OF THE BOARD OF EDUCATION AND
CHIEF FISCAL OFFICER

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2020	2021	2022	2023	2024
ASSETS					
Unrestricted Cash	$ 3,428,857	$ 3,333,710	$ 4,723,251	$ 3,276,177	$ 3,797,997
Restricted Cash	1,863,378	2,993,961	2,998,187	3,350,483	3,381,460
Accounts Receivable	789,914	391,206	95,819	105,143	63,189
Due from Other Governments	-	-	-	-	-
Due from Other Funds	1,480,030	1,118,167	1,184,197	864,135	1,276,633
State and Federal Aid Receivable	436,463	611,588	491,389	1,649,164	559,842
Prepaid Expenses	-	-	-	-	-
TOTAL ASSETS	$ 7,998,642	$ 8,448,632	$ 9,492,843	$ 9,245,102	$ 9,079,121
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 37,333	$ 32,966	$ 71,859	$ 66,884	$ -
Accrued Liabilities	34,306	65,933	115,632	168,967	145,096
Due to Other Funds	1,006,243	-	12,169	6,837	(43,527)
Due to Other Governments	-	-	-	-	-
Due to Teachers' Retirement System	648,426	716,037	726,394	780,784	783,381
Due to Employees' Retirement System	157,741	122,458	83,529	143,244	102,226
Overpayments & Collections in Advance	-	-	-	-	-
Deferred Revenue	42,726	-	-	15,903	15,903
TOTAL LIABILITIES	$ 1,926,775	$ 937,394	$ 1,009,583	$ 1,182,619	$ 1,003,079
FUND EQUITY					
Nonspendable	$ -	$ -	$ -	$ -	$ -
Restricted:	3,028,373	3,656,400	3,660,625	3,350,483	3,591,757
Assigned	1,298,298	1,460,000	1,460,000	1,620,000	934,365
Encumbrances	104,915	96,669	186,362	-	-
Subsequent year's budget	850,000	-	-	-	-
Unassigned	790,281	2,298,169	3,176,273	3,092,000	3,549,920
TOTAL FUND EQUITY	6,071,867	7,511,238	8,483,260	8,062,483	8,076,042
TOTAL LIABILITIES and FUND EQUITY	$ 7,998,642	$ 8,448,632	$ 9,492,843	$ 9,245,102	$ 9,079,121

Source: Audited financial reports of the School District. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance

Fiscal Years Ending June 30:	2019	2020	2021	2022	2023
REVENUES					
Real Property Taxes	$ 8,426,213	$ 8,650,885	$ 8,870,746	$ 9,033,151	$ 9,214,271
Other Tax Items	1,111,211	1,115,342	1,087,308	1,067,900	1,017,795
Charges for Services	57,172	15,992	186,568	40,395	59,900
Use of Money & Property	65,486	62,043	26,636	17,797	151,536
Sale of Property and Compensation for Loss	125	83,433	57,290	225,960	20,805
Miscellaneous	253,209	370,592	360,369	181,709	179,301
Interfund Revenues	-	-	-	-	-
Local Sources	-	-	-	196	-
Revenues from State Sources	8,950,756	8,943,374	9,174,265	9,356,491	10,306,943
Revenues from Federal Sources	42,921	42,360	40,512	49,681	39,585
Total Revenues	$ 18,907,093	$ 19,284,021	$ 19,803,694	$ 19,973,280	$ 20,990,136
Other Sources:					
Transfer from Endowment Funds	505,000	438,000	360,000	100,000	-
Transfers from Other Funds	-	-	-	-	360,399
Total Revenues and Other Sources	19,412,093	19,722,021	20,163,694	20,073,280	21,350,535
EXPENDITURES					
General Support	$ 2,527,071	$ 2,589,522	$ 2,657,495	$ 2,804,052	$ 3,832,292
Instruction	8,693,926	8,514,806	8,735,259	8,686,385	9,028,333
Pupil Transportation	1,068,971	720,439	742,993	782,052	950,766
Community Services	-	-	-	-	-
Employee Benefits	4,384,707	4,417,089	4,457,744	4,500,075	4,610,191
Debt Service	1,693,417	2,105,590	2,130,629	1,698,525	2,147,736
Capital Outlay	-	-	-	530,169	-
Total Expenditures	$ 18,368,092	$ 18,347,446	$ 18,724,120	$ 19,001,258	$ 20,569,318
Other Uses:					
Interfund Transfers	473,430	1,002,250	203	100,000	1,994
Total Expenditures and Other Uses	18,841,522	19,349,696	18,724,323	19,101,258	20,571,312
Excess (Deficit) Revenues Over Expenditures	570,571	372,325	1,439,371	972,022	779,223
FUND BALANCE					
Fund Balance - Beginning of Year	5,102,366	5,672,937	6,071,867	7,511,238	7,283,260
Prior Period Adjustments (net)	-	26,605	-	-	-
Fund Balance - End of Year	$ 5,672,937	$ 6,071,867	$ 7,511,238	$ 8,483,260	$ 8,062,483

Source: Audited financial reports of the School District. This Appendix is not itself audited.

GENERAL FUND

Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Fiscal Years Ending June 30:	2024			2025	2026
	Adopted Budget	Modified Budget	Audited Actual	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes	$ 10,073,540	$ 10,073,540	$ 9,330,609	$ 10,275,010	$ 10,480,511
Other Tax Items	1,080,000	280,000	1,017,342	1,755,865	-
Charges for Services	100,000	350,000	9,146	100,000	-
Use of Money & Property	30,000	-	514,473	30,000	-
Sale of Property and Compensation for Loss	-	-	1,338	-	-
Miscellaneous	220,000	-	113,196	220,000	796,000
Interfund Revenues	-	-	-	-	-
Local Sources	-	-	-	-	-
Revenues from State Sources	9,260,508	9,260,508	9,494,912	9,830,621	9,829,218
Revenues from Federal Sources	17,500	17,500	25,922	-	-
Total Revenues	$ 20,781,548	$ 19,981,548	$ 20,506,938	$ 22,211,496	$ 21,105,729
Other Sources:					
Transfer from Kellogg Funds	300,000	300,000	190,000	-	-
Appropriated Reserves and Fund Balance	-	1,295,991	-	-	900,000
Transfers from Other Funds	466,000		-	300,000	1,088,000
Total Revenues and Other Sources	21,547,548	21,577,539	20,696,938	22,511,496	23,093,729
EXPENDITURES					
General Support	$ 3,096,195	$ 3,286,537	$ 3,229,178	$ 3,060,164	$ 3,410,908
Instruction	10,279,787	10,366,779	9,586,507	11,280,880	11,033,620
Pupil Transportation	1,326,567	1,342,605	950,424	1,490,981	1,731,067
Community Services	-	-	-	-	-
Employee Benefits	5,443,261	5,179,880	4,718,562	5,413,645	5,548,308
Debt Service	1,301,738	1,301,738	1,629,945	1,165,826	1,319,826
Capital Outlay	-	-	1,152	-	-
Total Expenditures	$ 21,447,548	$ 21,477,539	$ 20,115,768	$ 22,411,496	$ 23,043,729
Other Uses:					
Transfers to Other Funds	100,000	100,000	-	100,000	50,000
Total Expenditures and Other Uses	21,547,548	21,577,539	20,115,768	22,511,496	23,093,729
Excess (Deficit) Revenues Over Expenditures	-	-	581,170	-	-
FUND BALANCE					
Fund Balance - Beginning of Year	-	-	8,062,483	-	-
Prior Period Adjustments (net)	-	-	(567,611)	-	-
Fund Balance - End of Year	$ -	$ -	$ 8,076,042	$ -	$ -

Source: Audited financial report and budgets of the School District. This Appendix is not itself audited.

BONDED DEBT SERVICE

Fiscal Year Ending June 30th	Principal	Interest	Total
2025	$ 820,000	$ 445,825	$ 1,265,825
2026	870,000	404,825	1,274,825
2027	910,000	361,325	1,271,325
2028	955,000	315,825	1,270,825
2029	1,000,000	268,075	1,268,075
2030	1,050,000	218,075	1,268,075
2031	425,000	173,000	598,000
2032	445,000	151,750	596,750
2033	470,000	129,500	599,500
2034	490,000	106,000	596,000
2035	515,000	81,500	596,500
2036	545,000	55,750	600,750
2037	570,000	28,500	598,500
TOTALS	$ 9,065,000	$ 2,739,950	$ 11,804,950

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2015 DASNY 2015D - Capital Improvements		
	Principal	Interest	Total
2025	$ 505,000	$ 165,075	$ 670,075
2026	535,000	139,825	674,825
2027	560,000	113,075	673,075
2028	590,000	85,075	675,075
2029	615,000	55,575	670,575
2030	645,000	24,825	669,825
TOTALS	$ 3,450,000	$ 583,450	$ 4,033,450

Fiscal Year Ending June 30th	2023 DASNY 2023A - Capital Improvements		
	Principal	Interest	Total
2025	$ 315,000	$ 280,750	$ 595,750
2026	335,000	265,000	600,000
2027	350,000	248,250	598,250
2028	365,000	230,750	595,750
2029	385,000	212,500	597,500
2030	405,000	193,250	598,250
2031	425,000	173,000	598,000
2032	445,000	151,750	596,750
2033	470,000	129,500	599,500
2034	490,000	106,000	596,000
2035	515,000	81,500	596,500
2036	545,000	55,750	600,750
2037	570,000	28,500	598,500
TOTALS	$ 5,615,000	$ 2,156,500	$ 7,771,500

MATERIAL EVENT NOTICES

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Commission pursuant to the Securities Exchange Act of 1934, the District has agreed to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, during the period in which the Notes are outstanding, to the EMMA system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Notes:

(a) principal and interest payment delinquencies

(b) non-payment related defaults, if material

(c) unscheduled draws on debt service reserves reflecting financial difficulties

(d) in the case of credit enhancement, if any, provided in connection with the issuance of the Notes, unscheduled draws on credit enhancements reflecting financial difficulties

(e) substitution of credit or liquidity providers, or their failure to perform

(f) 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 Note, or other material events affecting the tax status of the Notes

(g) modifications to rights of Note holders, if material

(h) note calls, if material and tender offers

(i) defeasances

(j) release, substitution, or sale of property securing repayment of the Note

(k) rating changes

(l) bankruptcy, insolvency, receivership or similar event of the District

(m) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, 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

(n) appointment of a successor or additional trustee or the change of name of a trustee, if material

(o) incurrence of a "financial obligation" (as defined in the rule) of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect noteholders, if material; and

(p) 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 difficulties.

Event (c) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (c) is not applicable, since no "debt service reserves" will be established for the Notes.

With respect to event (d) the District does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Notes.

For the purposes of the event identified in paragraph (l) of this section, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

With respect to events (o) and (p), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

The District may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if the District determines that any such other event is material with respect to the Notes; but the District does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

The School District has agreed to provide, or cause to be provided, during the period in which the Notes are outstanding in a timely manner, to EMMA or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule, notice of its failure to provide the aforedescribed material event notices, if any, on or before the date specified.

The District reserves the right to terminate its obligation to provide the aforedescribed notices of material events, as set forth above, if and when the District no longer remains an obligated person with respect to the Notes within the meaning of the Rule. The District acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Notes (including holders of beneficial interests in the Notes). The right of holders of the Notes to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the District’s obligations under its material event notices undertaking and any failure by the District to comply with the provisions of the undertaking will neither be a default with respect to the Notes nor entitle any holder of the Notes to recover monetary damages.

The District reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the District; provided that the District agrees that any such modification will be done in a manner consistent with the Rule.

An "Undertaking to Provide Notice of Material Events" to this effect shall be provided to the purchaser(s) at closing.

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DELAWARE ACADEMY CENTRAL SCHOOL DISTRICT AT DELHI
DELAWARE COUNTY, NEW YORK

AUDITED FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2024

Such Financial Report and opinions were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.

DELAWARE ACADEMY
CENTRAL SCHOOL DISTRICT
AT DELHI

FINANCIAL STATEMENTS

June 30, 2024

DELAWARE ACADEMY CENTRAL SCHOOL DISTRICT AT DELHI

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Cwynar & Company
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Independent Auditors' Report

To the Board of Education

Delaware Academy Central School District at Delhi
Delhi, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Delaware Academy Central School District at Delhi, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Delaware Academy Central School District at Delhi, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Delaware Academy Central School District at Delhi and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Management's Responsibility for the Financial Statements

Delaware Academy Central School District at Delhi's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Delaware Academy Central School District at Delhi's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Delaware Academy Central School District at Delhi’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Delaware Academy Central School District at Delhi’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the following items be presented to supplement the basic financial statements: management’s discussion and analysis, and budgetary comparison information, schedule of change in total OPEB liability and related ratios, and schedule of District’s proportionate share of net pension liability and District’s contributions. Such information listed on the table of contents, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Delaware Academy Central School District at Delhi’s basic financial statements. Schedules of changes from adopted budget to final budget and the real property tax limit, schedule of capital projects fund expenditures and resources, invested in capital assets, net of related debt, and schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules of changes from adopted budget to final budget and the real property tax limit, schedule of capital projects fund expenditures and resources, invested in capital assets, net of related debt was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2024, on our consideration of the Delaware Academy Central School District at Delhi’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Delaware Academy Central School District at Delhi’s internal control over financial reporting and compliance.

Cwynar & Company

Norwich, NY
December 23, 2024

Management’s Discussion and Analysis

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The Delaware Academy Central School District at Delhii's discussion and analysis of financial performance provides an overall review of the District's financial activities for the fiscal years ended June 30, 2024 and 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole. This should be read in conjunction with the financial statements, which immediately follow this section. Certain amounts presented as 2023 have been reclassified and restated to conform to the present GASB accounting standards and presentation in the 2024 basic financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – Management's Discussion and Analysis (MD&A) (this section), the basic financial statements, required supplementary information, and other supplementary information. The basic financial statements consist of district-wide financial statements, fund financial statements, and notes to the financial statements. These various elements of the Annual Financial Report are related as shown in the graphic below.

<table>
<tr><td colspan="4">Management's Discussion and Analysis</td></tr>
<tr><td rowspan="6">Basic Financial Statements</td><td>District-Wide Financial Statements</td><td colspan="2">Fund Financial Statements</td></tr>
<tr><td rowspan="3">Statement of Net Position</td><td>Governmental Funds</td><td>Fiduciary Funds</td></tr>
<tr><td>Balance Sheet</td><td rowspan="3">Statement of Fiduciary Net Position</td></tr>
<tr><td rowspan="2">Statement of Revenues, Expenditures, and Changes in Fund Balance</td></tr>
<tr><td>Statement of Activities</td></tr>
<tr><td colspan="3">Notes to the Financial Statements</td></tr>
<tr><td colspan="4">Required Supplementary Information</td></tr>
<tr><td colspan="4">Supplementary Information</td></tr>
</table>

The basic financial statements include two kinds of statements that present different views of the School District. The district-wide financial statements that provide both short-term and long-term information about the School District's overall financial status.The remaining statements are fund financial statements that focus on individual parts of the School District, reporting the School District's operations in more detail than the district-wide statements. The fund financial statements concentrate on the School District's most significant funds with all other non-major funds listed in total in one column. The governmental funds statements tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending. Fiduciary funds statements provide information about the financial relationships in which the School District acts solely as a trustee or agent for the benefit of others. The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School District's budget for the year.

The table summarizes the major features of the School District's financial statements, including the portion of the School District's activities they cover and the types of information they contain. The remainder of this overview section of MD&A highlights the structure and contents of each of the statements.

District-Wide Financial Statements

The district-wide statements report information about the School District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the School District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the School District's net position and how they have changed. Net position – the difference between the School District's assets and liabilities – is one way to measure the School District's financial health or position. Over time, increases or decreases in the School District's net position are an indicator of whether its financial position is improving or deteriorating, respectively. To assess the School District's overall health, you need to consider additional non-financial factors such as changes in the School District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements, the School District's activities are shown as governmental activities: Most of the School District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state formula aid finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the School District's funds, focusing on its most significant or "major" funds – not the School District as a whole. Funds are accounting devices the School District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by state law or by bond covenants. The School District establishes other funds to control and to manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as federal grants). All of the funds of the District can be divided into the following two categories: governmental funds and fiduciary funds.

1. Governmental funds: Most of the School District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.

2. Fiduciary funds: Fiduciary funds are used to account for assets held by the District in its capacity as agent or trustee. All of the District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. The fiduciary activities have been excluded from the District's district-wide financial statements because the District cannot use these assets to finance its operations.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the District's adopted budget and progress on capital projects. Budgetary comparison statements have been provided for the General and Capital Project Funds to demonstrate compliance with the adopted budgets.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Condensed Statement of Net Position (in thousands of dollars)

	Governmental Activities and Total School District 2023	2024	Total Percentage Change
Assets & Deferred Outflows			
Current & Other Assets	$ 13,210	$ 12,149	
Deferred Outflows	9,095	6,727	
Long-Term Assets, Net	23,018	22,428	
	45,323	41,304	-8.9%
Liabilities & Deferred Inflows			
Current Liabilities	2,808	1,153	
Deferred Inflows	9,529	8,240	
Long-Term Liabilities	52,665	51,126	
	65,002	60,519	-6.9%
Net Position			
Invested in Capital Assets,			
Net of Related Debt	11,526	14,298	
Restricted	8,532	8,532	
Unrestricted	(39,737)	(42,045)	
	$ (19,679)	$ (19,215)	-2.4%

Analysis of Net Position

Net position may serve as a useful indicator of the District's financial position. At the end of fiscal year 2024, the District's total assets and deferred outflows were less than total liabilities and deferred inflows.

The largest portion of the negative net position is a result of recognition of Other Post-Employment Benefit Liability for retiree health care benefits of $37,644,806. Net position also reflects the District's $14,297,910 investment in capital assets. Since the District uses capital assets to provide services, they are not available for future spending. Further, the resources required to pay this debt and related long-term bonds of $10,096,422 must come from other sources since the capital assets themselves cannot be liquidated to pay that liability.

Additional details are available in the main financial statement section. The Statement of Net Position differs from the governmental funds financial statements because a reservation of fund balance in the governmental funds does not necessarily mean they are shown as retricted on the Statement of Net Position. Only those reservations of fund balance are classified as restricted when constraints placed on net asset use are either externally imposed or imposed by law.

Condensed Changes in Net Position from Operating Results (in thousands of dollars)

	Governmental Activities and Total School District		
	2023	**2024**	**Change**
Expenses			
General Support	4,836	3,995	
Instruction	16,137	15,117	
Pupil Transportation	1,695	1,576	
Debt Service Interest	671	397	
School Lunch Program	856	842	
	24,195	21,927	-9.4%
Revenues			
Program Revenues			
Charges for Services	$ 314	$ 198	
Operating Grants	1,915	1,216	
General Revenues			
Property Taxes & Tax Items	10,232	10,348	
State Formula Aid	10,307	9,495	
Federal Aid	40	504	
Use of Money & Property	317	706	
Transfer from Trust Accounts	329	190	
Miscellaneous	527	302	
	23,981	22,959	-4.3%
Change in Net Position	$ (214)	$ 1,032	

Analysis of Changes in Net Position

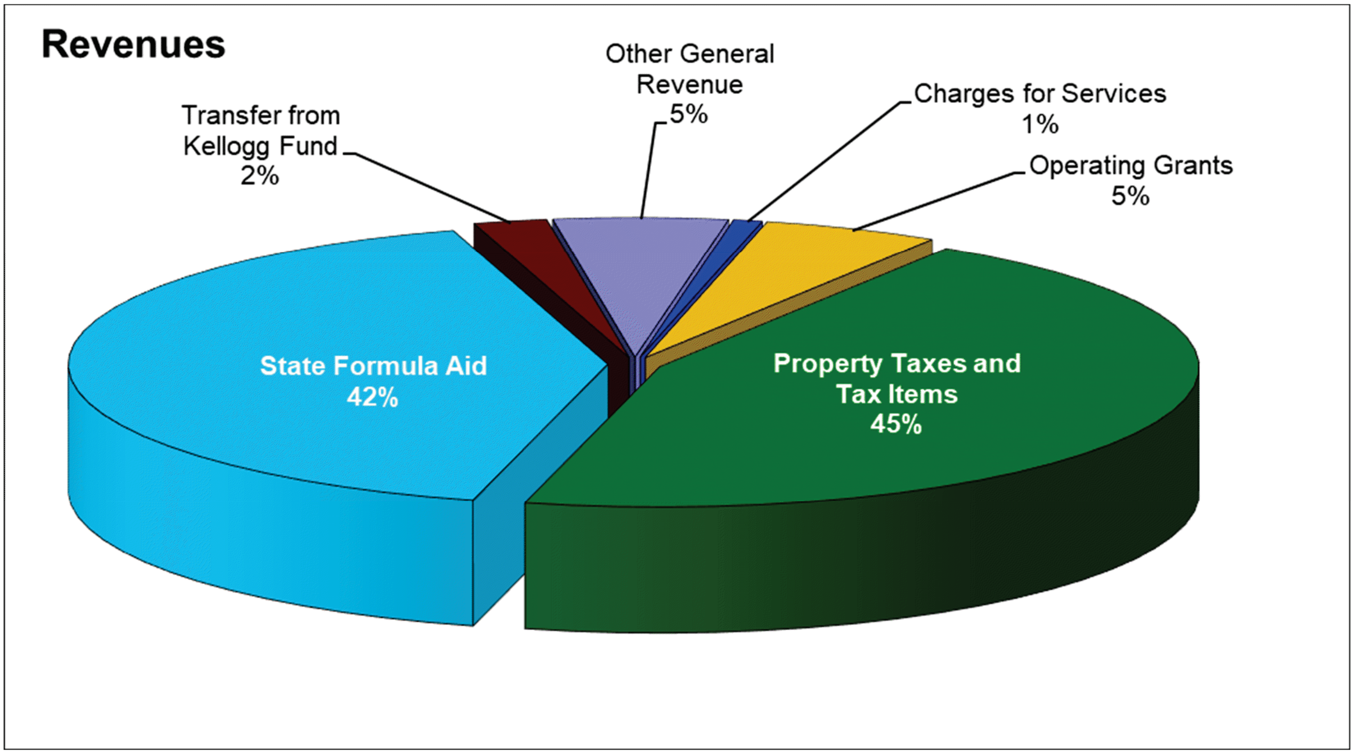
The schedule takes the information from the Statement of Activities and rearranges it slightly, so you can compare the current year to the prior.

Expenses are presented in functional categories. The School District's primary function is education of their students. All revenue and expenses for each fiscal year are compared to the prior year with the percentage change. Program Revenues are specific program charges, grants, revenues, and contributions that directly relate to a specific expense. Generally, if the specific expense was not incurred the program revenue would not be received. General Revenues are not related to a specific expense but to the operation of the District. The two largest general revenues are the State Formula Aid provided by the State of New York, and the local property taxes assessed to community taxpayers.

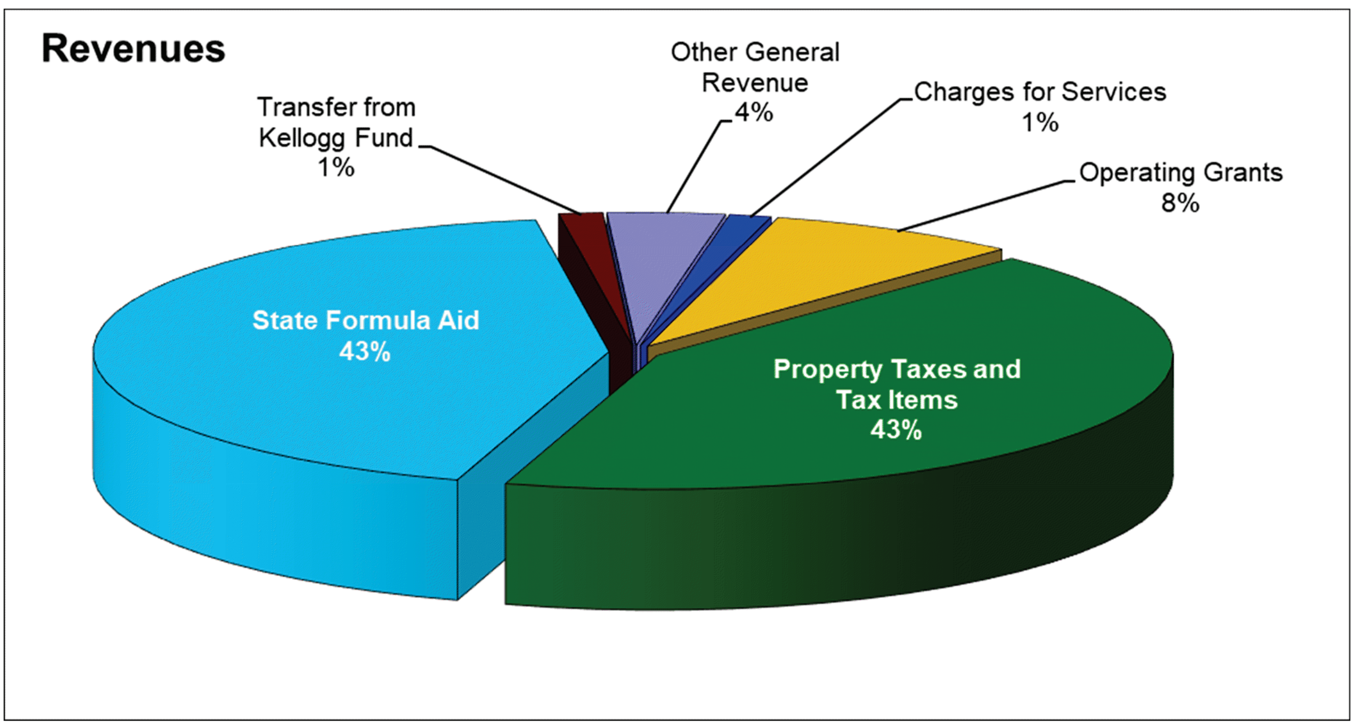
The District's revenues remained steady in 2024. Proprerty taxes and other tax items increased a modest 1.13%.

The District's expenses for the year decreased by 9.37%. This partially due to net pension liability and other post employment benefits decreasing from the prior year.

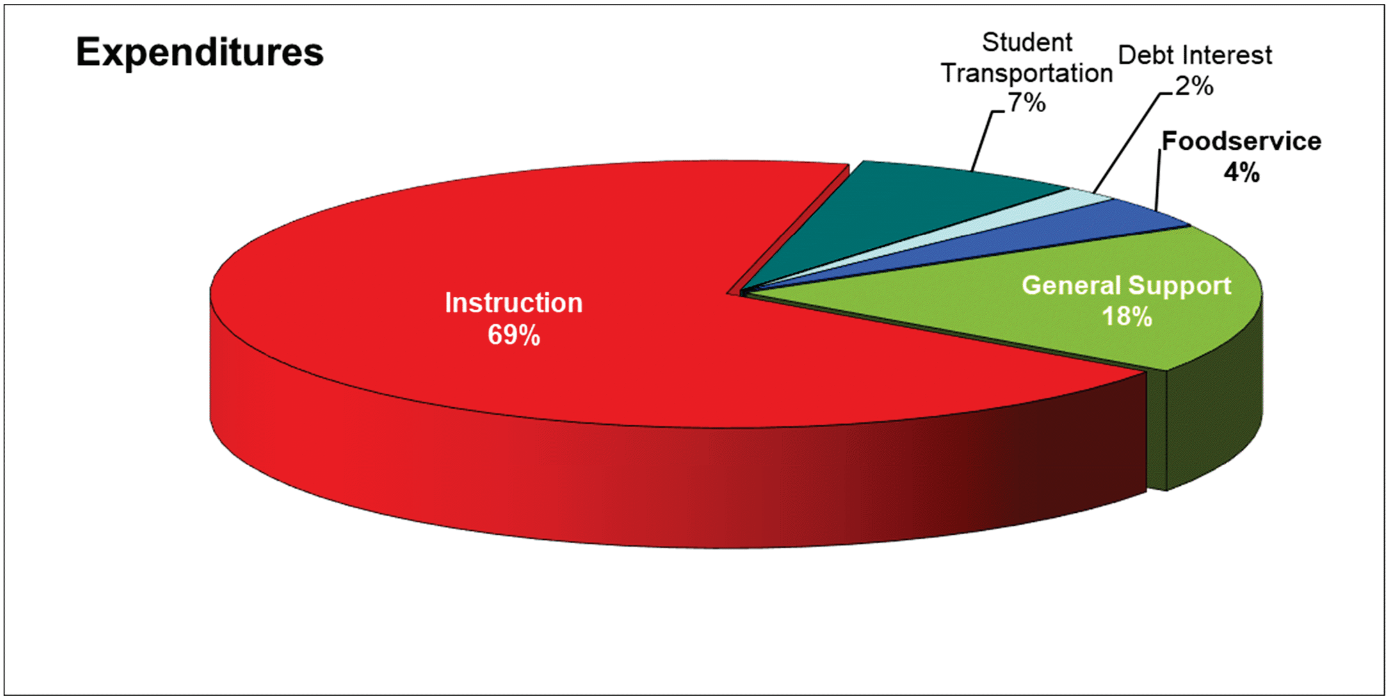
Sources of Revenues for the Fiscal Year Ending June 30, 2024



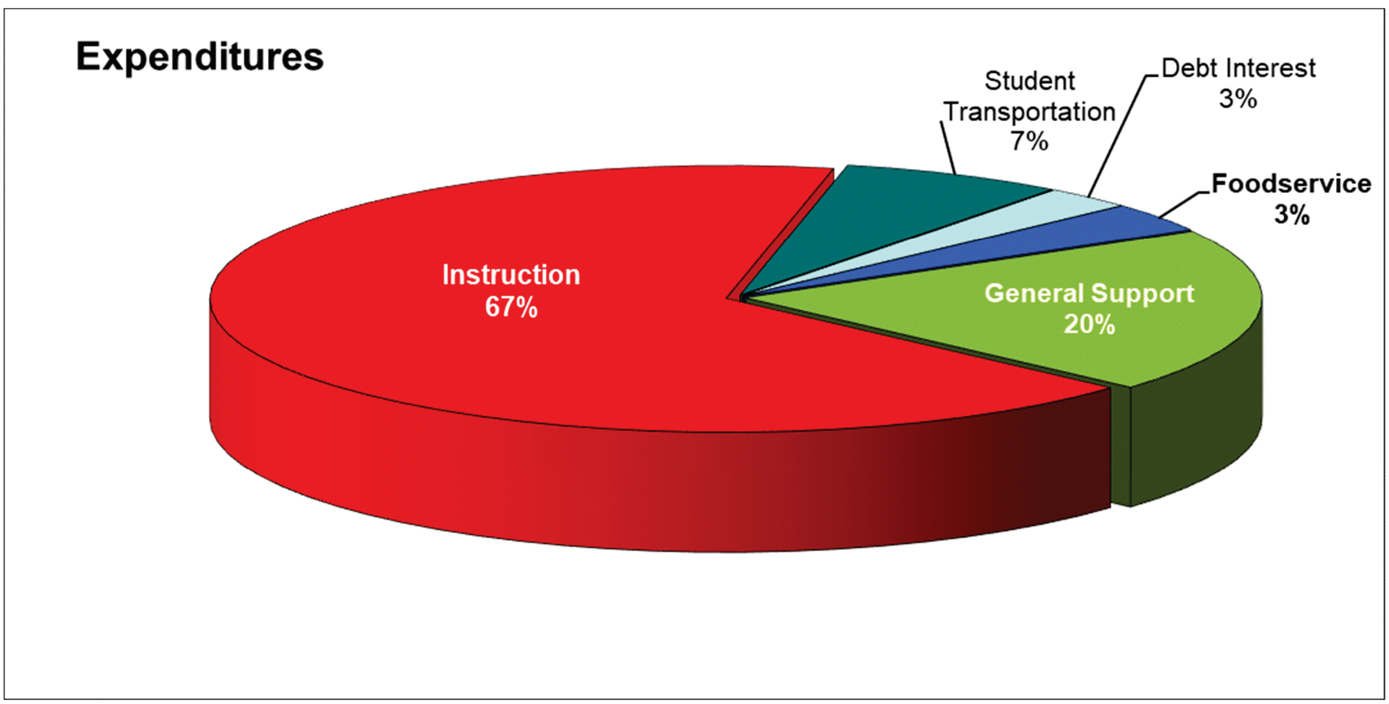
Sources of Revenues for the Fiscal Year Ending June 30, 2023



Functional Distribution of Expenditures for Fiscal Year Ending June 30, 2024



Functional Distribution of Expenditures for Fiscal Year Ending June 30, 2023



FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At June 30, 2024, the District's governmental funds reported a combined fund balance of $11.4 million which is an increase of $6.8 million over the prior year. This increase is due to proceeds received from long-term debt. A summary of the change in fund balance is as follows:

	2023	2024	Increase (Decrease)
General Fund			
Restricted for:			
Workers' compensation	$ 221,976	$ 229,747	$ 7,771
Unemployment insurance	252,625	261,542	8,917
Retirement contribution ERS	1,228,536	1,271,813	43,277
Retirement contribution TRS	250,000	250,000	-
Liability claims & property loss	469,749	487,304	17,555
Employee benefit accrued liability	827,497	856,356	28,859
Capital	-	-	-
Repairs	100,000	100,000	-
Mandatory debt service	134,995	134,995	-
Assigned to:			
Appropriations and encumbrances	800,000	770,854	(29,146)
Subsequent year's expenditures	820,000	163,511	(656,489)
Unassigned	2,957,105	3,549,920	592,815
	8,062,483	8,076,042	13,559
Special Aid Fund			
Assigned	68,402	-	(68,402)
Unassigned	-	(272,310)	(272,310)
	68,402	(272,310)	(68,402)
Miscellaneous Special Revenue Fund			
Restricted for extraclassroom	126,085	154,711	28,626
	126,085	154,711	28,626
School Lunch Fund			
Non-spendable:			
Inventory	8,775	26,978	18,203
Assigned	134,062	133,894	(168)
Unassigned	-	33,892	33,892
	142,837	194,764	51,927
Debt Service Fund			
Restricted for debt service			
Unassigned	3,191,174	3,382,717	191,543
	3,191,174	3,382,717	191,543
Capital Projects Fund			
Unassigned	(126,544)	(463,848)	(337,304)
	(126,544)	(463,848)	(337,304)
Total Fund Balance	$ 11,464,437	$ 11,072,076	$ (392,361)

Decreases to the General Fund restricted fund balance is for appropriated reserves. Changes in unassigned fund balance are the result of revenues exceeding expenditures for the year. Capital projects have begun spending and are awaiting revenue sources to come in future years, creating a negative fund balance in the current year.

General Fund Budgetary Highlights

The District tries to balance the needs of our students with that of taxpayers. The District's General Fund adopted budget for the year ended June 30, 2024 was $21,547,548. The budget was funded through a combination of revenues and assigned fund balance. Most of this funding source was $9,330,609 from real property taxes, including STAR, and $9,494,912 from state aid.

Actual expenditures for the year came in under budget by $1,197,117. Instructional expenditures were $288,526 less than anticipated, and employee benefits were $461,318 less than expected.

During the fiscal year, the Board of Education authorizes revisions to the original budget to accommodate differences from the original budget to the actual expenditures of the District. All adjustments are again confirmed at the time the annual audit is accepted, which is after the end of the fiscal year, which is not prohibited by state law. A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is provided below:

Change from Adopted Budget to Revised Budget

Change from Adopted Budget to Revised Budget

Original budget	$	21,547,548
Add: Prior year's encumbrances		29,991
Adopted budget		21,577,539
Budget Revision:		
None		-
Final budget	$	21,577,539

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2024, the District invested in a broad range of capital assets, including land, land improvements, buildings, furniture, equipment, and vehicles. Depreciation expense for the year is expensed in the district-wide statement of net activity. The following schedule is the net value of these assets, which includes additions and deletions net of accumulated depreciation. Additional detailed information is included in Notes to the Financial Statement.

Capital Assets (Net of Depreciation) (in thousands of dollars)

	Governmental Activities and total School District		
	2023	2024	Change
Land, easements & right of way	$ 1,209	$ 1,209	
Construction in progress	10,262	10,726	
Buildings	44,963	45,585	
Improvements other than buildings	2,518	2,577	
Equipment	14,589	14,780	
Intangible lease asset - equipment	2,926	3,247	
	$ 76,467	$ 78,124	2.2%

Debt Administration

The District has outstanding debt in serial bonds. Additional detailed information is included in Notes to the Financial Statement.

Outstanding Long-Term Debt (in thousands of dollars)

	2023	2024	Change
General Obligation Bonds	$ 9,770	$ 9,065	-7.2%

Total long-term debt is Serial Bonds, see the notes to the financial statement for additional details.

FACTORS BEARING ON THE DISTRICT'S FUTURE

The District continues to be the leader in academics for the area and is highly ranked within the Southern Tier Region. The continued success is largely due to the continued growth of new initiatives and the constant fine tuning of previously established programs.

The District's tax base looks to remain stable over the next few years along with student enrollment. The District is currently investigating the option of establishing an open-enrollment policy but have yet to make a final decision. These factors are and will be considered when formulating future budgets.

The District recently passed a $9.8 million project that will address such items as, a new technology wing, paving, sidewalk replacement, bus garage repairs, and new boilers. The District was able to structure the project so that there will be zero tax impact to local taxpayers.

The District's health insurance costs remain relatively low when compared to other municipalities. The District has had minimal premium increases over the past few years, while other districts saw significant increases. It is expected that health insurance premium increases will increase 3-5% per year, over the next few years.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Delaware Academy Central School District at Delhi's citizens, taxpayers, customers, investors, and creditors with a general overview of the Delhi Central School District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact:

Business Manager
Delaware Academy Central School District at Delhi

2 Sheldon Drive
Delhi, New York 13753

Basic Financial Statements

ASSETS		
Cash		
Unrestricted	$	4,340,265
Restricted		6,893,583
Receivables		
Accounts receivable		65,431
State & federal aid receivable		837,519
Inventories		12,418
Capital assets:		
Capital assets, net of accumulated depreciation		22,264,190
Intangible lease assets, net of accumulated amortization		163,578
		34,576,984
DEFERRED OUTFLOW OF RESOURCES		
Pensions		3,602,523
Retiree health benefits		3,124,165
		6,726,688
LIABILITIES		
Payables		
Accounts payable		16,103
Accrued expenses		145,096
Due To		
Other governments		438
Teachers' Retirement System		783,381
Employees' Retirement System		102,226
Bond interest & matured bonds		18,576
Unearned Credits		
Overpayments & collections in advance		6,803
Unearned revenue		80,724
Long-Term Liabilities		
Due and payable within one year		
Bonds payable		820,000
Lease liabilities		171,081
Due and payable after one year		
Serial Bonds payable		8,245,000
Serial Bonds premium		1,031,422
Compensated absences payable		1,644,334
Other Post-Employment Benefits payable		37,644,806
Net pension liability, proportionate share		1,569,479
		52,279,469
DEFERRED INFLOW OF RESOURCES		
Retiree health benefits		7,399,821
Pensions		839,833
		8,239,654
NET POSITION		
Investment in capital assets, net of related debt		14,297,910
Restricted		6,974,474
Unrestricted (deficit)		(40,487,835)
	$	(19,215,451)

Delaware Academy Central School District at Delhi
Statement of Net Activities and Changes in Net Position
For the Year Ended June 30, 2024

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS				
General support	$ 3,996,035	$ -	$ -	$ (3,996,035)
Instruction	15,116,982	9,146	710,157	(14,397,679)
Pupil transportation	1,576,183	-	-	(1,576,183)
Debt service interest	396,533	-	-	(396,533)
Foodservice	841,909	188,583	506,307	(147,019)
	21,927,642	197,729	1,216,464	(20,513,449)
GENERAL REVENUES				
Real property taxes				9,330,609
Other tax items				1,017,342
Use of money and property				706,016
Disposition of property net of compensation for loss				1,338
Transfers from Endowment Funds				190,000
Miscellaneous				301,433
State sources				9,494,912
Federal sources				503,560
				21,545,210
Change in Net Position				1,031,761
Total Net Position - Beginning of year				(19,679,601)
Other changes in net position				(567,611)
Total Net Position - Beginning of year (restated)				(20,247,212)
Total Net Position - End of year				$ (19,215,451)

See Independent Auditor's Report
See Accompanying Notes to the Financial Statements

Delaware Academy Central School District at Delhi
Balance Sheet – Governmental Funds
June 30, 2024

	General	School Food Service	Misc Special Revenue	Special Aid	Capital Projects	Debt Service	Total Governmental Funds
ASSETS							
Cash							
Unrestricted	$ 3,797,997	$ 196,899	$ 155,222	$ 29,707	$ 315,662	$ -	$ 4,495,487
Restricted	3,381,460	-	-	-	-	3,356,901	6,738,361
Receivables							
Accounts receivable	63,189	2,242	-	-	-	-	65,431
Due from other funds	1,276,633	-	-	6,837	-	25,816	1,309,286
State & federal aid receivable	559,842	39,510	-	238,167	-	-	837,519
Inventories	-	12,418	-	-	-	-	12,418
	9,079,121	251,069	155,222	274,711	315,662	3,382,717	13,458,502
LIABILITIES							
Payables							
Accounts payable	-	-	-	-	16,103	-	16,103
Accrued liabilities	145,096	-	-	-	-	-	145,096
Student deposits	-	-	-	-	-	-	-
Due to:							
Due to other funds	(43,527)	49,064	-	413,798	889,951	-	1,309,286
Due to other governments	-	438	511	-	-	-	949
Due to Teachers' Retirement System	783,381	-	-	-	-	-	783,381
Due to Employees' Retirement System	102,226	-	-	-	-	-	102,226
Short-Term Notes Payable							
Bond Anticipation Note	-	-	-	-	-	-	-
Overpayments & Collections in Advance	-	6,803	-	-	-	-	6,803
Deferred revenues	15,903	-	-	64,821	-	-	80,724
	1,003,079	56,305	511	478,619	906,054	-	2,444,568
FUND BALANCES							
Non-spendable	-	26,978	-	-	-	-	26,978
Restricted							
Workers' compensation	229,747	-	-	-	-	-	229,747
Unemployment insurance	261,542	-	-	-	-	-	261,542
Retirement contributions	1,521,813	-	-	-	-	-	1,521,813
Liability claims & property loss	487,304	-	-	-	-	-	487,304
Employee benefit accrued liability	856,356	-	-	-	-	-	856,356
Repairs	100,000	-	-	-	-	-	100,000
Mandatory debt service	134,995	-	-	-	-	-	134,995
Debt service	-	-	-	-	-	3,382,717	3,382,717
Assigned							
Appropriated	770,854	-	-	-	-	-	770,854
Unappropriated	163,511	133,894	-	(203,908)	-	-	93,497
Unassigned	3,549,920	33,892	154,711	-	(590,392)	-	3,148,131
	8,076,042	194,764	154,711	(203,908)	(590,392)	3,382,717	11,013,934
Total Liabilities & Fund Balance	$ 9,079,121	$ 251,069	$ 155,222	$ 274,711	$ 315,662	$ 3,382,717	$ 13,458,502

Delaware Academy Central School District at Delhi
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
For the Year Ended June 30, 2024

	General	School Food Service	Misc Special Revenue	Special Aid	Capital Projects	Debt Service	Total Governmental Funds
REVENUES							
Real property taxes	$ 9,330,609	$ -	$ -	$ -	$ -	$ -	$ 9,330,609
Other tax items	1,017,342	-	-	-	-	-	1,017,342
Charges for services	9,146	-	-	-	-	-	9,146
Use of money & property	514,473	-	-	-	-	191,543	706,016
Sale of property & compensation for loss	1,338	-	-	-	-	-	1,338
Miscellaneous	113,196	24,694	150,667	2,153	-	-	290,710
Sales - school lunch	-	188,583	-	-	-	-	188,583
State sources	9,494,912	164,716	-	-	-	-	9,659,628
Federal sources	25,922	341,591	-	1,185,642	-	-	1,553,155
	20,506,938	719,584	150,667	1,187,795	-	191,543	22,756,527
EXPENDITURES							
General support	3,229,178	226,790	-	-	-	-	3,455,968
Instruction	9,586,507	-	122,038	1,447,606	-	-	11,156,151
Pupil transportation	950,424	-	-	-	-	-	950,424
Employee benefits	4,718,562	58,851	-	11,208	-	-	4,788,621
Debt service							
Principal	1,036,503	-	-	1,290	-	-	1,037,793
Interest	593,442	-	-	-	-	-	593,442
Cost of sales	-	382,017	-	-	-	-	382,017
Capital outlay	1,152	-	-	-	463,848	-	465,000
	20,115,768	667,658	122,038	1,460,104	463,848	-	22,829,416
Excess (Deficiency) fo Revenues over Expenditures	391,170	51,926	28,629	(272,309)	(463,848)	191,543	(72,889)
OTHER FINANCING SOURCES AND (USES)							
Transfers from endowment funds	190,000	-	-	-	-	-	190,000
Operating transfers in	-	-	-	-	-	-	-
Operating transfers (out)	-	-	-	-	-	-	-
	190,000	-	-	-	-	-	190,000
Net Change in Fund Balances	581,170	51,926	28,629	(272,309)	(463,848)	191,543	117,111
Fund Balances - Beginning of year	8,062,483	142,838	126,082	68,401	(126,544)	3,191,174	11,464,434
Other Changes in fund balance	(567,611)	-	-	-	-	-	(567,611)
Fund Balances - Beginning of year (restated)	7,494,872	142,838	126,082	68,401	(126,544)	3,191,174	10,896,823
Fund Balances - End of year	$ 8,076,042	$ 194,764	$ 154,711	$ (203,908)	$ (590,392)	$ 3,382,717	$ 11,013,934

Delaware Academy Central School District at Delhi
Reconciliation of Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2024

Amounts reported for governmental activities in the Statement of Net Position are different due to the following:

Total Fund Balances - Governmental Funds	$	11,013,934
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds:		
Net capital assets recorded in statement of net position		22,264,190
Intangible lease assets recorded in statement of net position		163,578
Premium payments received from refunding or issuance of debt are recorded as revenue in governmental activities, but a deferred inflow of resources and amortized over the life of the refunding bond in the statement of net position:		
This is the remaining balance on those premiums		(1,031,422)
Proportionate share of long-term asset and liability associated with participation in state retirement systems are not current fiancial resources or obligations and are not reported in governmental funds:		
Net pension liability		(1,569,479)
Deferred outflows		3,602,523
Deferred inflows		(839,833)
Other Post-Employment Liabilities associated with contractual obligations to retired employees are not current financial resources or obligations and are not reported in the government funds:		
Other Post-Empoyment Benefits		(37,644,806)
Deferred outflows		3,124,165
Deferred inflows		(7,399,821)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds:		
Compensated absences		(1,644,334)
Serial bonds		(9,065,000)
Lease liabilities		(171,081)
Accrued interest on long-term debt		(18,576)
Net Position of Governmental Activities	$	(19,215,962)

See Independent Auditor’s Report
See Accompanying Notes to the Financial Statements

Delaware Academy Central School District at Delhi
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities
For the Year Ended June 30, 2024

Amounts reported for governmental activities in the Statement of Activities are different due to the following:

Net Changes in Fund Balance - Total Governmental Funds	$	117,111
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown as assets in the statement of net position and depreciation is allocated over their useful lives.		
Depreciation and amortization expense		(1,123,711)
Capital outlays		533,175
Proceeds of debt refunding (including bond premiums), and payments to escrow agents as part of debt refunding are reported as other financing sources (uses) in the governmental funds. However, the difference between the amount of the proceeds and the defeasance of the old debt is deferred in the statement of net position and amortized as a component of interest expense over the remaining life of the new debt.		
Net amortized interest expense		188,282
Changes in proportionate share of net pension asset/liability reported in the statement of activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the government funds.		
Teachers' retirement system		(408,604)
Employees' retirement system		(249,983)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which repayments exceed proceeds.		
Repayment of bond and lease principal		1,036,503
Certain expenses in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in compensated absences		160,694
Change in Other-Post Employment Benefits payable		769,667
Change in accrued interest		8,627
Change in Net Position - Governmental Activities	$	1,031,761

See Independent Auditor's Report
See Accompanying Notes to the Financial Statements

Delaware Academy Central School District at Delhi
Statement of Fiduciary Net Position
June 30, 2024

	Private Purpose Trusts
ASSETS	
Cash & cash equivalents	$ 208,268
Investments at market value	17,754,391
	17,962,659
NET POSITION	
Reserved for grants & scholarships	$ 17,962,659

Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2024

	Private Purpose Trusts
ADDITIONS	
Investment earnings	$ 335,946
Unrealized gain (loss) on marketable securites	1,799,905
	2,135,851
DEDUCTIONS	
Investment fees	46,832
Memorial fund grants to businesses	22,428
Scholarships & awards	107,375
	371,525
Change in Net Position	1,764,326
Net Position - Beginning of Year	16,198,333
Net Position - End of Year	$ 17,962,659

See Independent Auditor's Report
See Accompanying Notes to the Financial Statements

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Delaware Academy Central School District at Delhi (the "District") have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. Those principles are prescribed by the Governmental Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Certain significant accounting principles and policies utilized by the District are described below:

A) Reporting Entity

The Delaware Academy Central School District at Delhi is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of five members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls, all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The reporting entity of the School District is based upon criteria set forth by GASB. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the District and other organizational entities determined to be includable in the District's financial reporting entity. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief description of certain entities included in the District's reporting entity.

1) Extra Classroom Activity Funds:

The Extra Classroom Activity Funds of the District represent cash funds of the students of the District. The Board of Education exercises general oversight of these cash funds. The Extra Classroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extra Classroom Activity Funds are included with this report. The District accounts for cash assets held as an agent for various student organizations in an agency fund.

2) Scholarship Funds:

The Scholarship Funds of the District represent funds of donors. The Board of Education exercises general oversight of these funds. These funds are independent of the District with respect to its financial transactions. Separate audited fiduciary schedules of the Scholarship Funds are included with this report. The District accounts for assets held as an agent for various student organizations in a trust fund.

B) Joint Venture

The District is one of several component school districts in the Delaware Chenango Madison Otsego Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that share planning, services, and programs which provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

BOCES are organized under §1950 of the New York State Education Law. A BOCES Board is considered a corporate body. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of §1950 of the New York State Education Law. All BOCES property is held by the BOCES Board as a corporation (§1950(6)). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §119-n(a) of the New York State General Municipal Law.

A BOCES' budget is comprised of separate budgets for administrative, program, and capital costs. Each component district's share of administrative and capital cost is determined by resident public school district enrollment, as defined in the New York State Education Law, §1950(4)(b)(7). In addition, component districts pay tuition or a service fee for programs in which its students participate.

During the year, the District was billed $2,650,007 for BOCES administrative and program costs. The District's share of BOCES aid amounted to $724,509. Financial statements for BOCES are available from the BOCES administrative office.

C) Insurance Consortiums

The Delaware Academy Central School District at Delhi is a participating member of the Otsego-Northern Catskill BOCES Health Benefit Plan Consortium and the Otsego-Northern Catskill Workers' Compensation Plan. Both Consortiums are municipal corporations operating in the Otsego-Northern Catskill area to provide cooperative programs for health benefits and workers' compensation benefits, respectively, to municipal employees by entering into intermunicipal agreements pursuant to Article 5-G of the General Municipal Law.

Separate audited financial statements of the Otsego-Northern Catskill BOCES Health Consortium and the Otsego-Northern Catskill Workers' Compensation Plan can be found at the BOCES' business office at 159 West Main Street, Stamford, New York 12167.

D) Basis of Presentation

1) District-Wide Statements:

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenues, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

2) <u>Fund Financial Statements:</u>

The fund statements provide information about the School District's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All funds of the School District are displayed as major funds. The District reports the following major governmental funds:

General Fund - This is the District's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.

Special Revenue Funds - These funds account for the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes, school lunch operations, and other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

Special Aid Fund - This fund accounts for and reports the proceeds of specific revenue sources, such as federal and state grants, that are legally restricted to expenditures for specified purposes.

School Lunch Fund - This fund is used to account for and report transactions of the School District's food service operations.

Capital Projects Funds - These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities. For these funds, each capital project is assessed to determine whether it is a major or non-major fund. Those capital projects that are determined to be major are reported in separate columns in the financial statements. Those that are determined to be non-major are reported in the supplemental schedules either separately or in the aggregate.

Debt Service Fund - This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities.

Fiduciary Funds - Fiduciary activities are those in which the District acts as trustee or agent for resources that belong to others. These activities are not included in the district-wide financial statements, because their resources do not belong to the District, and are not available to be used. There are two classes of fiduciary funds:

- *Private purpose trust funds*: These funds are used to account for trust arrangements in which principal and income benefits annual third-party awards and scholarships for students. Established criteria govern the use of the funds and members of the District or representatives of the donors may serve on committees to determine who benefits.

- *Custodial funds*: These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the District as agent for various student groups or extra classroom activity funds and for payroll or employee withholding.

E) Measurement Focus and Basis of Accounting

The district-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the School District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, Other Post-Employment Benefits, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

F) Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, Other Post-Employment Benefits, potential contingent liabilities, and useful lives of long-lived assets.

G) Cash (and cash equivalents)/Investments

The School District’s cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the School District’s investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the state. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and districts.

H) Investments – Private Purpose Trusts

Investments in securities are carried at fair value and are categorized as investments held by the School District. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair values of securities traded on a national securities exchange are based on the last reported sales price on the last business day of the year; bonds, notes, and government securities for which no sale was reported on that date are valued at the last reported bid price.

The net change in the unrealized gain or loss is recognized as investment income.

I) Property Taxes

Real property taxes are levied annually by the Board of Education and become a lien on September 1. Taxes are collected during the period from September 1 to October 31. The County of Delaware subsequently enforces uncollected real property taxes. The county pays an amount representing uncollected real property taxes transmitted to the county for enforcement to the School District no later than the following April 1.

J) Receivables

Receivables are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such an allowance would not be material.

K) Interfund Transactions

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The District typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditure and revenues to provide financing or other services.

In the district-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, except for those due from or to the fiduciary funds.

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the accompanying governmental funds balance sheet when it is the District's practice to settle these amounts at a net balance based upon the right of legal offset.

L) Inventories

The inventories of food and/or supplies in the School Lunch Fund are recorded at cost on a first-in, first-out basis or, in the case of surplus food donated by the U.S. Department of Agriculture, at the government's assigned value, which approximates market. Purchases of inventory items in other funds are recorded as expenditures at the time of purchase and are considered immaterial in amount.

A portion of the fund balance in the amount of these non-liquid assets has been identified as not available for other subsequent expenditures.

M) Capital Assets

Capital assets are reported at actual cost for acquisitions subsequent to 2003. For assets acquired prior to 2003, estimated historical cost, based on appraisals conducted by independent third-party professionals, were used. Donated assets are reported at estimated fair market value at the time received. The School District uses a capitalization threshold of $1,000 (the dollar value above which asset acquisitions are added to the capital asset accounts). Depreciation methods and estimated useful lives of capital assets reported in the district-wide statements are as follows:

Classes of Capital Assets	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land Improvements	$10,000	Straight Line	20 Years
Buildings and Improvements	$10,000	Straight Line	20 – 50 Years
Furniture, Equipment, and Vehicles	$1,000	Straight Line	5 – 20 Years

N) Other Assets/Restricted Assets

Certain proceeds from serial bonds and bond anticipation notes, as well as resources set aside for their repayment, are classified as restricted assets in the district-wide financial statements and their use is limited by applicable bond covenants.

O) Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School District has two items that qualify for reporting in this category. First is the is the defeasance loss on refunding of debt reported in the District-Wide Statement of Net Position. A defeasance loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the District-Wide Statement of Net Position. This represents the effect of the net change in the School District's proportion of the collective net pension asset or liability and difference during the measurement period between the School District's contributions and its proportion share of total contributions to the pension systems not included in pension expense. This also includes the School District contributions to the pension systems (TRS and ERS Systems) subsequent to the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. It is related to pensions reported in the district-wide Statement of Net Position. It represents the effect of the net change in the District's proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense.

P) Vested Employee Benefits

Compensated absences consist of unpaid accumulated sick leave and vacation time.

The School District employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods. Sick leave eligibility and accumulation is specified in negotiated labor contracts and in individual employment contracts. Upon retirement, resignation, or death, employees may receive a payment based on unused accumulated sick leave, based on contractual provisions.

Consistent with GASB, the liability has been calculated using the vesting/termination method and an accrual for that liability is included in the District-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year end.

In the fund statements, only the amount of matured liabilities is accrued within the General Fund based upon expendable and available financial resources.

Q) **Other Benefits**

Eligible School District employees participate in the New York State Employees' Retirement System and the New York State Teachers' Retirement System.

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits for retired employees and their survivors. Collective bargaining agreements determine if District employees are eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing post-employment benefits is shared between the District and the retired employee. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure. Other Post-Employment Benefit costs are measured and disclosed using the accrual basis of accounting.

R) **Unearned Revenue**

Unearned revenues arise when resources are received by the School District before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the School District has legal claim to the resources, the liability for unearned revenues is removed and revenues are recorded.

S) **Short-Term Debt**

The District may issue Bond Anticipation Notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date.

T) **Accrued Liabilities and Long-Term Obligations**

Payables, accrued liabilities, and long-term obligations are reported in the district-wide financial statement. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, Other Post-Employment Benefits payable, and compensated absences that will be paid from governmental funds, are reported as a liability in the funds financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Long-term obligations represent the District's future obligations or future economic outflows. The liabilities are reported as due within one year or due in more than one year in the Statement of Net Position.

U) Equity Classifications

1) District-Wide Statements

In the District-wide statements there are three classes of net position:

- *Invested in Capital Assets, Net of Related Debt* – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions, or improvements of those assets.

- *Restricted Net Position* – reports net position when constraints placed on the assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

- *Unrestricted Net Position* – reports all other net position that do not meet the definition of the above two classifications and are deemed to be available for general use by the District.

2) Fund Statements:

In the fund basis statements there are five classifications of fund balance:

- *Non-Spendable Fund Balance* - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the School Lunch Fund of $9,631.

- *Restricted Fund Balance* - Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the General Fund are classified as restricted fund balance.

Restricted fund balance includes the following:

General Fund	
Restrcted fund balance for:	
Workers' compensation	$ 229,747
Unemployment insurance	261,542
Retirement contributions	1,521,813
Liability claims & property loss	487,304
Employee benefit accrued liability	856,356
Capital	-
Repairs	100,000
Manditory reserve for debt	134,995
	$ 3,591,757

The School District has established the following restricted fund balances:

I. Reserve for Workers' Compensation
Workers' Compensation Reserve (GML §6-j) is used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law and for payment of

expenses of administering this self-insurance program. The reserve may be established by Board action, and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within 60 days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. The reserve is accounted for in the General Fund.

II. *Unemployment Insurance*
According to General Municipal Law §6-m, these must be used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within 60 days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the School District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund.

III. *Retirement Contributions*
According to General Municipal Law §6-r, all expenditures made from the retirement contributions reserve fund must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. This reserve is established by Board resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. The reserve must be accounted for separately and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. This reserve is accounted for in the General Fund. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r.

IV. *Employee Benefit Accrued Liability*
According to General Municipal Law §6-p, must be used for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated.

V. *Liability Claims*
Liability reserve (Education Law §1709(8-c)) is used to pay for liability claims incurred. The total amount accumulated in the reserve may not exceed 3% of the total annual budget. The reserve is accounted for in the General Fund.

VI. *Repair Reserve Fund*
According to General Municipal Law §6-d, this balance must be used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The Board of Education without voter approval may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund this reserve (Opinion of the New York State Comptroller 81-401). Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years.

VII. *Reserve for Endowments and Scholarships*
This reserve is used to account for various endowment and scholarship awards. This reserve is accounted for in a fiduciary fund.

- *Committed Fund Balance* - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the school districts highest level of decision making authority, i.e., the Board of Education.

- *Assigned Fund Balance* - Includes amounts that are constrained by the School District's intent to be used for specific purposes but are neither restricted nor committed. All encumbrances of the General Fund are classified as Assigned Fund Balance in the General Fund.

- *Unassigned Fund Balance* - Includes all other General Fund Net Position that do not meet the definition of the above four classifications and are deemed to be available for general use by the School District.

NYS Real Property Tax Law 1318 limits the amount of unexpended surplus funds a school district can retain to no more than 4% of the school district's budget for the General Fund for the ensuing fiscal year. The non-spendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year and encumbrances are also excluded from the 4% limitation.

Spending Prioritization:

Unless the determination to use restricted, committed, or assigned fund balance is made by the District prior to spending amounts on an expenditure incurred, the spending prioritization policy of the District shall be followed.
In the case that expenditures are incurred for purposes for which both restricted an unrestricted fund balance is available; the District considers unrestricted amounts to have been spent. In the case that expenditures are incurred for which committed, assigned, and unassigned fund balance is available, the District considers unassigned amounts to have been spent. The specific fund balance spending prioritization of the District is as follows:

1. Unassigned
2. Assigned
3. Committed
4. Restricted

V) New Accounting Pronouncement

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2024, the District implemented the following new standard issued by GASB:

- GASB has issued Statement No. 96 - *Subscription-Based Information Technology Arrangements*, effective for the year ending June 30, 2023.
- GASB has issued Statement 100, Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62, effective for the year ending June 30, 2024.

W) Future Changes in Accounting Standards

- GASB has issued Statement 101, Compensated Absences, effective for the year ending June 30, 2025.

The School District will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

Note 2 EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources focus of the governmental funds.

A) Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities:

Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheets.

B) Statement of Revenues, Expenditures, and Changes in Fund Balance vs. Statement of Activities:

Differences between the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balance and the Statement of Activities fall into one of three broad categories. The amounts shown below represent:

1) Long-Term Revenue Differences:

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available," whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used in the Statement of Activities.

2) Capital-Related Differences:

Capital-related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities.

3) Long-Term Debt Transaction Differences:

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

4) Pension Differences:

Pension differences occur as a result of changes in the District's proportion of the collective net pension asset/liability and differences between the District's contributions and its proportionate share of the total contributions to the pension systems.

5) Other Post-Employment Benefit differences:

OPEB differences occur as a result of changes in the District's total OPEB liability and differences between the District's contributions and OPEB expense.

Note 3 IMPLEMENTATION OF NEW ACCOUNTING STANDARD

In 2023, the district implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription-Based IT Arrangements (SBITA) accounting standard. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain SBITA assets and liabilities for leases that previously were classified as operating expenses and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for SBITA accounting based on the foundational principle that SBITAs are financing of the right to use an underlying asset. Implementation of the new standard did not require a restatement of beginning net position.

Note 4 STEWARDSHIP AND COMPLIANCE

A) Budgets

The District administration prepares a proposed budget for approval by the Board of Education for the following governmental funds for which legal (appropriated) budgets are adopted:

1) General Fund

The voters of the District approved the proposed appropriation budget for the general fund. Appropriations are adopted at the program line-item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. No supplemental appropriations occurred during the year.

Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year.

2) Capital Project

Budgets are established and used for individual capital project funds expenditures as approved by a special referendum of the District's voters. The maximum project amount authorized is based primarily upon the cost of the project, plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

3) Special Aid Funds

Budgets are established by grantors and used for individual program fund expenditures. The maximum program amount authorized is based upon the grantor contracts and agreements, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the program.

B) <u>Encumbrances</u>

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts, and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as reservations of fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

The District's unassigned fund balance was in excess of the New York State Real Property Tax Law §1318 limit, which restricts it to an amount not greater than 4% of the District's budget for the upcoming school year.

Note 5 CASH AND CASH EQUIVALENTS

A) <u>Custodial Credit Risk</u>

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. While the School District does not have a specific policy for custodial credit risk, New York State statutes govern the School District's investment policies, as discussed previously in these notes.

As of June 30, 2024, the School District's cash balances of $5,320,447 were fully collateralized by FDIC insurance of $588,521 and securities held by an agent of the pledging financial institution in the School District's name.

B) <u>Restricted Cash and Cash Equivalents</u>

The Governmental and Fiduciary Funds restricted cash is as follows:

Restricted Cash and Cash Equivalents of $3,176,309 in the Debt Service Fund represents funds restricted for debt service of outstanding deficit financing bonds. General fund restricted cash of $3,208,970 represents amounts held for legal reserves.

Restricted Cash and Cash Equivalents of $45,189 in the Private Purpose Trusts represent various expendable and non-expendable endowments.

Note 6 INVESTMENTS – PRIVATE PURPOSE TRUSTS

The School District's securities are recorded as endowments in the Private Purpose Trust Fund. The endowments are described on June 30, 2024, as follows:

- The Kellogg Educational Fund awards its income on an annual basis to graduating students who have been accepted into a college, university, technological, or vocational school to further their undergraduate education or training. The original endowment agreement restricts the use of the fund's assets to the annual income.

- The Delhi Capital Endowment is used exclusively for any capital improvements to the existing athletic and educational facilities at any of the Delaware Academy Central School District at Delhi buildings or any direct replacement thereof. The endowment permits the School District to use the fund's annual income plus 10% of the principal balance each year for the previously stated purposes.

- The Delhi Supplemental Trust is reserved for the improvement, augmentation, and supplementation of any existing educational programs in the Delaware Academy Central School District at Delhi. This sub-account is also to be used for the purchase of educational equipment, supplies, and similar items not obtainable after reasonable effort from the approved school budget of the Delaware Academy Central School District at Delhi. The School District is permitted to spend the fund's income, but not the original principal, in accordance with the fund's stated purpose.

- The Kellogg Memorial Fund was established in 2013. The purpose of the fund is to provide solely for awards or prizes at the School District's annual graduation ceremony to graduates residing in the geographic limits of the former Kellogg Central School District, or to provide students of the District with extraordinary experiences or programs in Treadwell, New York. The School District is permitted to spend the fund's income, but not the original principal, in accordance with the fund's stated purpose.

- Private Purpose Trust is a group of individual cash savings accounts. The purpose of the fund is to provide solely for awards or prizes at the School District's annual graduation ceremony to graduates. The School District is generally permitted to spend the fund's income, and may spend the original principal, in accordance with the donor's stipulation.

The balances and activity of the Private Purpose Trust Funds for the year ended June 30, 2024 is summarized in the following schedule:

Schedule of Assets and Liabilities

Cash	$ 182,268
Cash in Cerificates of Deposit	26,000
	208,268
Investments at Fair Value	
Kellogg Scholarship Fund	5,889,375
Abraham Kellogg Memorial Fund	2,809,090
Delhi Capital Fund	6,677,309
Delhi Supplemental Trust Fund	2,378,617
	17,754,391
Due to governmental fund	-
	$ 17,962,659

Schedule of Revenues, Expenditures and Fund Balance

Revenues		
Interest & dividend earnings		
Kellogg Scholarship Fund	$	113,517
Abraham Kellogg Memorial Fund		52,129
Delhi Capital Fund		53,038
Delhi Supplemental Trust Fund		116,080
		334,764
Realized and Unrealized Capital Gains		
Kellogg Scholarship Fund		472,914
Abraham Kellogg Memorial Fund		225,749
Delhi Capital Fund		552,992
Delhi Supplemental Trust Fund		548,250
		1,799,905
Expenditures		
Scholarships		107,375
Awards to businesses		22,428
Investment management fees		46,831
Transfer to governmental fund		194,890
		371,524
Beginning Fund Balance		16,199,514
Ending Fund Balance	$	17,962,659

The Trust Funds' investments are held by the counterparty's trust department in an account in the Trust Fund's name. The assets held in these accounts at June 30, 2024 were comprised of the following:

	Fair Value	Cost	Unrealized Gain
Cash & Equivalents	$ 328,258	$ 328,258	$ -
Exchange Traded	1,017,461	942,069	75,392
Mutual Funds	1,147,648	1,259,900	(112,252)
	$ 17,754,391	$ 16,183,803	$ (36,860)

The Trust Fund invests in various types of investment securities which are exposed to various risks, such as interest rate, concentration, credit, and consolidated credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the Statements of Fiduciary Net Position.

- *Interest Rate Risk* - The Trust manages its exposure to declines in fair value of debt securities by staggering the maturity of its investments.

- *Credit Risk* - The Trust limits its credit risk on debt investments by purchasing only highly-rated issues.

- *Custodial Credit Risk* - The Fund does not have a formal policy for custodial credit risk.

- *Concentrations of Credit Risk* - Investment concentrations represent securities (excluding those guaranteed by the United States Government) that comprise more than 5% of the total value of portfolio. At June 30, 2024, more than 5% of the portfolio value was invested in the Federal Home Loan Mortgage Corporation.

Note 7 CAPITAL ASSETS

General fixed assets are carried at estimated historical cost. The value of these assets, including any donated assets, are measured at the most recent cash or cash equivalent price of the asset as established by an independent appraiser, Industrial Appraisal Company, Inc. The most recent appraisal date was January 21, 2016. Maintenance, repairs, and renewals that neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred. Any costs related to the asset that are incurred after the appraisal date such as additions, improvements, or replacements are added to the value of the asset if they provide future service potential; otherwise, they are expended in the period of occurrence. Proceeds from dispositions of property are included in income.

Capital asset balances and activity for the year ended June 30, 2024 were as follows:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	$ 1,208,500	$ -	$ -	$ 1,208,500
Construction in progress	10,262,401	463,848	-	10,726,249
	11,470,901	463,848	-	11,934,749
Capital assets being depreciated:				
Buildings & Improvements	27,730,782	-	-	27,730,782
Outdoor improvements	1,356,789	-	-	1,356,789
Intangible lease assets	1,705,524	-	-	1,705,524
Furniture, equipment, & vehicles	7,478,722	69,327	-	7,548,049
	38,271,817	69,327	-	38,341,144
Accumulated depreciation	(26,724,414)	1,123,711	-	(27,848,125)
	11,547,403			10,493,019
Net Cost of Capital Assets	$ 23,018,304			$ 22,427,768

Depreciation expense for the year was as follows:

General Support	$ 352,799
Instruction	384,872
Pupil Transportation	370,004
School Lunch	16,036
	$ 1,123,711

The District does not have infrastructure assets as defined by GASB publications.

Note 8 SHORT-TERM DEBT

The District may issue Revenue Anticipation Notes (RANs) and Tax Anticipation Notes (TANs), in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The RANs and TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund.

The District may issue budget notes up to an amount not to exceed 5% of the amount of the annual budget during any fiscal year for expenditures for which an insufficient or no provision is made in the annual budget. The budget note must be repaid no later than the close of the second fiscal year succeeding the year in which the note was issued.

The District may issue Bond Anticipation Notes (BANs), in anticipation of proceeds from the subsequent sale of bonds. These notes, if any, are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date.

Note 9 NON-CURRENT LIABILITIES

Non-current liability balances and activity are as follows for the year ended June 30, 2024:

Description	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year
Bonds Payable					
Serial Bonds	$ 9,770,000	$ -	$ 705,000	$ 9,065,000	$ 820,000
Serial Bond Premium	1,219,704	-	188,282	1,031,422	157,401
	10,989,704	-	893,282	10,096,422	977,401
Other Liabilities					
Other Post-Employment Benefits	38,015,020	2,729,876	3,100,090	37,644,806	3,565,104
Lease liabilities	502,584	-	331,503	171,081	171,081
Net pension liability(asset)	2,390,015	53,326	873,862	1,569,479	282,506
Compensated Absences	1,805,028	434,965	595,659	1,644,334	542,630
Total Non-current Liabilities	$ 53,702,351	$ 3,218,167	$ 5,794,396	$ 51,126,122	$ 5,538,722

The General Fund has typically been used to liquidate non-current liabilities through budget appropriations.

A) Serial Bonds

The School District borrows money in order to acquire land or equipment, construct buildings, or make improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are a full faith and credit debt of the local government.

The following is a statement of serial bonds with corresponding maturity schedules:

Description of issue	Date of Original Issue	Original Amount	Date of Final Maturity	Interest Rate (%)	Outstanding Amount
2023 Serial Bond	6/15/2023	$ 5,835,000	6/15/2037	5.000%	$ 5,615,000
2015 Serial Bond	6/10/2015	6,780,000	6/15/2030	3.000 - 5.000%	3,450,000
					$ 9,065,000

Principal and interest payments due on serial bonds are as follows:

For the Year Ending June 30,	Serial Bonds Principal	Interest	Total
2025	$ 820,000	$ 566,979	$ 1,386,979
2026	870,000	445,825	1,315,825
2027	910,000	404,825	1,314,825
2028	955,000	361,325	1,316,325
2029	1,000,000	315,825	1,315,825
2030 - 2034	2,880,000	940,400	3,820,400
Thereafter	1,630,000	271,750	1,901,750
	$ 9,065,000	$ 3,306,929	$ 12,371,929

Interest expense on the district-wide financial statements is calculated as follows:

Interest Paid	$ 566,980
Less: Interest Accrued in the Prior Year	(27,203)
Plus: Interest Accrued in the Current Year	18,576
Amortization of Bond Premiums	(188,282)
	$ 370,071

B) **Debt Limit**

Pursuant to the Local Finance Law, the School District has the power to contract indebtedness for any School District purpose authorized by the legislature of the State of New York, provided the aggregate principal amount thereof shall not exceed ten per centum of the full valuation of the taxable real estate of the School District and subject to certain enumerated deductions such as state aid for building purposes. The constitutional and statutory method for determining full valuation consists of taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the ratio (equalization rate) which such assessed valuation bears to the full valuation; such ratio is determined by the State Board of Real Property Services. The Legislature is also required to prescribe the manner by which such ratio shall be determined by such authority. The District is in compliance with its constitutional debt limit at year-end.

C) **Compensated Absences**

Compensated absences of $1,805,028 represents sick time that has been earned by the School District employees but not used as of June 30, 2024.

D) Leases

The District leases instructional and other equipment under non-cancelable operating leases. These leases generally fall under two lease models: 1) Single purchase lease with five-year amortization, 2) asset(s) purchased through installment purchase agreement (IPA) with five-year amortization. Payments under these leases totaled $331,503 in 2024.

Below is a schedule of lease liability activity during the year:

	Beginning Balance	Addition/ Issued	Deletion/ Redeemed	Ending Balance	Amounts Due Within One Year
Government activities:					
Lease liability:					
Ontario Investments Inc	$ 334,596	$ -	$ 163,515	$ 171,081	$ 171,081
Santander Leasing LLC	167,988	-	167,988	-	-
Total	$ 502,584	-	331,503	171,081	$ 171,081

Below is a description of lease liabilities by contract:

Description of Lease	Lease Start	Lease End	Interest Rate	Outstanding at June 30, 2024
Ontario Investments Inc	7/2/20	7/15/24	4.63%	171,081
				$ 171,081

Below is a schedule of maturities of lease liabilities:

Fiscal Year Ending June 30,	Principal	Interest
2025	171,081	7,916
Total	$ 171,081	$ 7,916

Interest expense on lease liabilities in 2023 totaled:

Interest paid	$ 26,463
Total interest expense	$ 26,463

Note 10 PENSION PLANS

The District participates in the New York State Teachers' Retirement System (TRS) and the New York State and Local Employees' Retirement System (ERS). These are cost-sharing, multiple-employer, public employee retirement systems. The Systems offer a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death, and disability.

A) Provisions and Administration:

1. *Teachers' Retirement System (TRS)* - The District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing, multiple-employer retirement system. The System provides retirement benefits, as well as death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10-member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors, and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a Statute. The New York State TRS issues a publicly available financial report that contains financial statements and required supplementary information for the System. The report and additional information may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSTRS Comprehensive Annual Financial report which can be found on the System's website at www.nystrs.org.

2. *Employees' Retirement System (ERS)* - The District participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing, multiple-employer retirement system. The System provides retirement benefits, as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (NYSRSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a state statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the state's financial report as a pension trust fund. That report, including information regarding benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

B) Funding Policies

The Systems are non-contributory except for employees who joined after July 27,1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education law.

1. The District's share of the required contributions, based on covered payroll paid for the District's year ended June 30, was:

Contributions	ERS	TRS
2024	$ 302,607	$ 645,688
2023	263,744	591,104
2022	373,961	575,913

2. The District contributions made to the Systems were equal to 100% of the contributions required for each year. ERS has provided additional disclosures through entities that elected to participate in Chapter 260, 57, and 105.

C) <u>Pension Liabilities, Pension Expense (Credit), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions</u>

1. At June 30, 2024, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2024 for ERS and June 30, 2023 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	ERS	TRS
Actuarial valuation date.................	4/1/2023	6/30/2023
Net pension liability (asset)...........	1,180,945	388,534
District's portion of the Plan's total net pension liability (asset)..........	0.0080205%	0.033975%

2. For the year ended June 30, 2024, the District's recognized pension expense of $241,118 for ERS and the actuarial value $632,744 for TRS. At June 30, 2024 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience...........................	$ 380,381	$ 942,092	$ 32,201	$ 2,328
Changes of assumptions..........................	446,489	836,502	-	182,311
Net difference between projected and actual earnings on pension plan investments......	-	198,611	576,885	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions.........	68,453	84,307	16,645	29,463
District's contributions subsequent to the measurement date.........................	-	-	-	-
	$ 895,323	$ 2,061,512	$ 625,731	$ 214,102

3. District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	ERS	TRS
Year ended:		
2024	$ (185,875)	$ 173,213
2025	241,833	(186,402)
2026	344,685	1,572,223
2027	(131,053)	127,660
2028	-	102,231
Thereafter	-	58,485

4. Actuarial Assumptions
The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with updated procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions are as follows:

	ERS	TRS
Measurement date	3/31/2023	6/30/2023
Actuarial valuation date	4/1/2022	6/30/2022
Inflation	2.9%	2.4%
Salary increases	1.5 - 4.4%	1.95 - 5.18%
Investment rate of return	5.9%	6.95%
Decrement tables	MP2021	MP2021

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System's experience with adjustments for mortality improvements. For TRS, annuitant mortality rates are based on July 1, 2015 – June 30, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale AA.

For ERS, the actuarial assumptions used in the April 1, 2021 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020. For TRS, the actuarial assumptions used in the June 30, 2020 valuation are based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020.

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

The long-term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by each the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

	ERS		TRS	
Measurement date	3/31/2023		6/30/2023	
Asset Class	Target allocation	long-term expected real rate of return	Target allocation	long-term expected real rate of return
Domestic equities	32%	4.3%	33%	6.8%
International equities	15%	6.9%	15%	7.6%
Global equities	-	-	4%	7.2%
Private equity	10%	7.5%	9%	10.1%
Real estate	9%	4.6%	11%	6.3%
Opportunistic portfolio	3%	5.4%	-	-
Credit	4%	5.4%		
Real assets	3%	5.8%	-	-
Fixed income	23%	1.5%	16%	2.2%
Private debt	-	-	2%	6.0%
Global fixed income	-	-	2%	1.6%
Real estate mortgages	-	-	6%	3.2%
High-yield bond income	-	-	1%	4.4%
Cash	1%	0.0%	1%	0.3%
	100%		100%	

Discount Rate - The discount rate used to calculate the total pension liability was 5.9% for ERS and 6.95% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

D) Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 5.9% for ERS and 6.95% for TRS, as well as what the District's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

ERS	1% Decrease	Current Assumption (5.9%)	1% Increase
Employer's proportionate share of the net pension liability (asset)	$ 3,713,012	$ 1,180,945	$ 4,646,868

TRS	1% Decrease	Current Assumption (6.95%)	1% Increase
Employer's proportionate share of the net pension liability (asset)	$ 5,917,572	$ 388,534	$ (4,261,626)

E) Pension Plan Fiduciary Net Position

The components of the current-year net pension asset/(liability) of the employers as of the respective valuation dates were as follows:

	(Dollars in Thousands)		
	ERS	TRS	Total
Valuation date	4/1/2022	6/30/2023	
Employers' total pension liability	$ 232,627,259	$ 138,365,122	$ 370,992,381
Fiduciary net position	211,183,223	137,221,537	348,404,760
Employers' net pension liability	$ 21,444,036	$ 1,143,585	$ 22,587,621
Ratio of plan net position to the Employers' total pension liability	90.78%	99.17%	93.91%

F) Other Items

Changes of assumptions about future economic or demographic factors or other inputs are amortized over a closed period equal to the average of the expected service lives of all employees that are provided with pension benefits.

Collective pension expense includes certain current period changes in the collective net pension asset/(liability), projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The collective pension expense for the year ended June 30, 2024 is $241,118 for ERS and $632,744 for TRS.

Note 11 POST-EMPLOYMENT BENEFITS

The District provides post-employment coverage to retired employees in accordance with the provisions of various employment contracts. The benefit levels, employee contributions, and employer contributions are governed by the District's contractual agreements.

A) General Information about the OPEB Plan

Plan Description - The District's defined benefit OPEB plan provides OPEB for all permanent, full-time general and public safety employees of the District. The plan is a single-employer defined benefit OPEB plan administered by the District. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the District Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

The OPEB plan offers eligible actives, retirees, and dependents a self-insured indemnity medical plan administered by Catskill Area Schools Employee Benefit Plan (CASEBP) and dental coverage through Blue Cross Blue Shield. The Plan provides for continuation of medical insurance benefits for certain retirees and their spouses and can be amended by action of the School District subject to applicable collective bargaining and employment agreements.

Medical coverage is summarized as follows:

Deductible………………………….	$200/$600	
Coinsurance……………………….	20% up to $2,000 then 100% coverage	
Inpatient Hospitalization………….	$200 copay	
Outpatient services……………….	Paid in full	
Office visits………………………..	Subject to deductible & coinsurance	
Emergency Room ……………….	Paid in Full.	
Prescription Drugs……………….	$10/$15/$30	
Monthly Premiums for Retiree Individual Medical Pre-65……………..		$ 797
Monthly Premiums for Retiree Individual Medical Post-65……………		$ 697
Monthly Supplemental Hartford Monthly Premium Medical Post-65…		$ 228

Benefits Provided - The School District provides medical, dental, and vision benefits to its retired employees and their spouses. Employees are eligible for these benefits upon retirement at age 55 or over with at least 10 years of service. The benefits provided to employees are based on the provisions of various contracts that the district has in place.

Employees Covered by Benefit Terms – At June 30, 2024, the following employees were covered by the benefit terms:

All Members:

Active Members………………………………………………………………………..	114
Retired Members……………………………………………………………………....	107
Spouses of Retirees…………………………………………………………………	48
Beneficiaries………………………………………………………………………………	2

Eligibility: Employees must reach an age of 55 years with a minimum of twelve (12) years of service.

Contributions: 35% of plan Premium plus an additional 35% for spousal coverage.

B) Total OPEB Liability

The District's total OPEB liability of $38,015,020 was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023.

Actuarial Assumptions and Other Inputs - The actuarial assumptions used to value the post-retirement medical liabilities can be categorized into three groups: economic assumptions, healthcare assumptions, and demographic assumptions. The total OPEB liability in the June 30, 2024 actuarial valuation applied to all periods included in the measurement.

Economic Assumptions - The two economic assumptions used in the valuation are the discount rate and the health care cost trend rates. The economic assumptions are used to account for changes in the cost of benefits over time and to discount future benefit payments for the time value of money.

Inflation……………………………………………………	2.4%
Salary Scale………………………………………………	2.4%
Discount Rate……………………………………………	3.93%

Since the OPEB plan is not funded, the selection of the discount rate is the *Bond Buyer Weekly 20-Bond GO Index* which is consistent with the GASB 75 standards discounting unfunded liabilities based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

The assumption is consistent with the Social Security administration's current best estimate of the ultimate long-term (75-year horizon) annual percentage increase in CPI, as published in the 2016 OASDI Trustees Report.

Healthcare Assumptions Medical Cost Trends - Medical costs have historically increased more rapidly than the rate of inflation. In estimating future retiree benefits, future increases in medical costs must be taken into consideration. The medical cost trend assumptions are based on the Society of Actuaries' Long-Run Medical Cost Trend Model. The long-term trend rates are based on econometric analysis of historical US medical expenditures and the judgement of experts in the field. Future increases in rates will be constrained by the proportion of the nation's Gross Domestic Product (GDP) which is represented by the healthcare industry. Therefore, in the long run, the annual rate of increase will have to decrease.

Pre-Medicare	6.5% for 2024 decreasing to an ultimate rate of 4.04% by 2091
Medicare	6.5% for 2024 decreasing to an ultimate rate of 4.04% by 2091

Health care trend rates reflect both the current and long-term outlook for increases in health care costs. The short-term rates are based on recent industry surveys, plan experience, and near-term expectations. The long-term trend rate is based on our general inflation assumption plus an adjustment to reflect expectations for long-term medical inflation.

Demographic Assumptions - The mortality rates used in this valuation were developed by the Office of the Actuary of the New York Teachers Retirement System (TRS) and the Office of the Actuary for the New York State Employees Retirement System (ERS), for the valuation of their respective pension liabilities.

C) <u>Changes in the Total OPEB Liability</u>

		June 30, 2024
Total OPEB Liability beginning of year	$	38,015,020
Changes in total OPEB Liability:		
Service Cost		1,064,924
Interest		1,403,730
Change in Benefit terms		-
Difference between expected and actual experience		-
Changes in assumptions or other inputs		(1,584,441)
Benefit payments		(1,254,427)
		(370,214)
Total OPEB Liability at end of year	$	37,644,806

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate –The following presents the total OPEB liability of the District, Calculated using the discount rate of 3.93%, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
Total OPEB Liability	$ 43,780,015	$ 37,644,806	$ 32,698,188

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability	$ 31,762,667	$ 37,644,806	$ 45,158,757

D) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the District recognized OPEB expense of $-. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience................	$ 362,437	$ 1,237,394
Changes of assumption or other inputs....................................	2,761,728	6,162,427
Employer contributions subsequent to the measurement date.....	1,254,427	-
	$ 4,378,592	$ 7,399,821

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

		Amount
Year ending June 30,	2025	$ 307,728
	2026	(607,979)
	2027	(1,194,020)
	2028	(1,382,917)
	2029	(144,041)
	Thereafter	-
		$ (3,021,229)

Note 12 INTERFUND TRANSACTIONS

Fund	Interfund Receivables	Interfund Payables	Interfund Revenues	Interfund Expenditures
Governmental Funds				
General	$ 1,276,633	$ (43,527)	$ -	$ -
Special Aid	-	49,064	-	-
Misc Special Aid	-	-	-	-
School Lunch	6,837	413,798	-	-
Debt Service	25,816	-	-	-
Capital	-	889,951	-	-
	$ 1,309,286	$ 1,309,286	$ -	$ -

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the Statement of Net Position. The School District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables and receivables are expected to be repaid within one year. The School District receives an investment transfer from the Private Purpose Trust Fund to the General Fund representing Kellogg monies. These transfers are not considered interfund transactions for the Statement of Activities and Net Position.

Note 13 FUND BALANCES

Portions of fund balances are reserved and not available for current expenses or expenditures, as reported in the Governmental Funds Balance Sheet.

The following is a summary of the change in restricted reserve funds during the year:

	2023	Increases	Decreases	2024
General Fund				
Restricted for:				
Workers' compensation	221,976	$ 7,771	-	229,747
Unemployment insurance	252,625	8,917	-	261,542
Retirement contribution ERS	1,228,536	43,277	-	1,271,813
Retirement contribution TRS	250,000			250,000
Liability claims & property loss	469,749	17,555	-	487,304
Employee benefit accrued liability	827,497	28,859	-	856,356
Capital	0			0
Repairs	100,000	-	-	100,000
Mandatory debt service	134,995	-	-	134,995
Debt Service Fund				
Restricted for debt service	3,174,049	17,125	-	3,191,174
	$ 6,659,427	$ 123,504	$ -	$ 6,782,931

The following is a schedule comparing fund balance to the prior year:

General Fund	2023	2024	Increase (Decrease)
Restricted for:			
Workers' compensation	$ 221,976	$ 229,747	$ 7,771
Unemployment insurance	252,625	261,542	8,917
Retirement contribution ERS	1,228,536	1,271,813	43,277
Retirement contribution TRS	250,000	250,000	-
Liability claims & property loss	469,749	487,304	17,555
Employee benefit accrued liability	827,497	856,356	28,859
Capital	-	-	-
Repairs	100,000	100,000	-
Mandatory debt service	134,995	134,995	-
Assigned to:			
Appropriations and encumbrances	800,000	770,854	(29,146)
Subsequent year's expenditures	820,000	163,511	(656,489)
Unassigned	2,957,105	3,549,920	592,815
	8,062,483	8,076,042	13,559
Special Aid Fund			
Assigned	68,402	-	(68,402)
Unassigned	-	(272,310)	(272,310)
	68,402	(272,310)	(68,402)
Miscellaneous Special Revenue Fund			
Restricted for extraclassroom	126,085	154,711	28,626
	126,085	154,711	28,626
School Lunch Fund			
Non-spendable:			
Inventory	8,775	26,978	18,203
Assigned	134,062	133,894	(168)
Unassigned	-	33,892	33,892
	142,837	194,764	51,927
Debt Service Fund			
Restricted for debt service	3,191,174	3,382,717	191,543
Unassigned	-	-	-
	3,191,174	3,382,717	-
Capital Projects Fund			
Unassigned	(126,544)	(463,848)	(337,304)
	(126,544)	(463,848)	(337,304)
Total Fund Balance	$ 11,464,437	$ 11,072,076	$ (392,361)

Note 14 RESTATEMENT OF FUND BALANCE AND NET POSITION

During the year ended June 30, 2024, the District identified prior period adjustments that were reported as restated opening fund balance and net position. The restatements were as follows:

- Decrease in general fund for State Aid that was not received $567,611

Note 15 RISK MANAGEMENT

A) General Information

The School District is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters, and other risks. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

B) Risk Financing and Related Insurance

1. Health Insurance Plan

The Delaware Academy Central School District at Delhi participates in a public entity risk pool for employee health insurance sponsored by the Otsego-Northern Catskill BOCES Health Consortium. The Plan's objectives are to formulate, develop, and administer a program of insurance to obtain lower costs for that coverage, and to develop a comprehensive loss-control program. Plan members are subject to a supplemental assessment in the event of deficiencies. If the Plan's assets were to be exhausted, members would be responsible for the Plan's liabilities. The Plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the Plan as direct insurer of the risks reinsured. The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim-adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made. During the year ended June 30, 2024, the School District incurred premiums or contribution expenditures totaling $3,026,433.

2. Workers' Compensation Insurance Plan

The School District participates in a worker's compensation insurance public entity risk pool sponsored by the Otsego-Northern Catskill BOCES. During the year ended June 30, 2024, the School District incurred premiums or contribution expenditure of $67,717. Plan members are subject to a supplemental assessment in the event of deficiencies. If the Plan's assets were to be exhausted, members would be responsible for the Plan's liabilities. The Plan uses a reinsurance agreement to reduce its exposure to large losses on insured events. Reinsurance permits recovery of a portion of losses from the reinsurer, although it does not discharge the liability of the Plan as direct insurer of the risks reinsured. The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim-adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

Note 16 COMMITMENTS AND CONTINGENCIES

1. Potential Grantor Liability

   Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School District expects such amounts, if any, to be immaterial.

2. Litigation and Claims

   The School District is a defendant in various pending lawsuits and a tax assessment suit. The ultimate disposition of these suits is uncertain; however, the School District intends to vigorously defend its position against each claim made. The School District expects that any potential settlements for liability will be covered by insurance.

Note 17 TAX ABATEMENTS

The County of Delaware Industrial Development Agency and the Burton F. Clark, Inc (Clark Companies) entered into a Payment in Lieu of Tax (PILOT) agreement and a property tax exemption on March 27, 2018. Under the terms of the agreement the company would not pay property taxes on an addition to their existing facilities. The projected expiration of the agreement is December 31, 2034.

Note 18 SUBSEQUENT EVENTS

The district has evaluated events through the date which the financial statements were available to be issued. The financial statements include all events or transactions, including estimates, required to be recognized in accordance with generally accepted accounting principles. Management has determined that there are no non-recognized subsequent events that require additional disclosure.

Required Supplementary Information

Delaware Academy Central School District at Delhi
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (non-GAAP basis) and Actual – General Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance With Budgetary Actual
REVENUES				
Local Sources				
Real property taxes	$ 10,073,540	$ 10,073,540	9,330,609	(742,931)
Other tax items	280,000	280,000	1,017,342	737,342
Charges for services	350,000	350,000	9,146	(340,854)
Use of money & property	-	-	301,920	301,920
Sale of property & compensation for loss	-	-	1,338	1,338
Miscellaneous	-	-	113,196	113,196
	10,703,540	10,703,540	10,773,551	70,011
State Sources	9,260,508	9,260,508	9,713,339	452,831
Federal Sources	17,500	17,500	25,922	8,422
	9,278,008	9,278,008	9,739,261	461,253
Total Revenues	19,981,548	19,981,548	20,512,812	531,264
OTHER FINANCING SOURCES				
Transfers from fiduciary funds	300,000	300,000	190,000	(110,000)
Appropriated reserves	800,000	800,000	-	(800,000)
Appropriated fund balance	466,000	495,991	-	(495,991)
	1,566,000	1,595,991	190,000	(1,405,991)
Total Revenues & Other Financing Sources	$ 21,547,548	$ 21,577,539	$ 20,702,812	$ (874,727)

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-End Encumbrances	Final Budget Variance With Budgetary Actual and Encumbrances
EXPENDITURES					
General Support					
Board of Education	$ 54,180	$ 54,197	$ 50,458	$ 341	$ 3,398
Central administration	208,881	208,881	200,608	520	7,753
Finance	398,594	415,392	394,255	573	20,564
Staff	199,045	263,133	238,845	2,733	21,555
Central services	1,665,991	1,763,923	1,764,611	39,669	(40,357)
Special items	577,866	581,011	580,398	10	603
	3,104,557	3,286,537	3,229,178	43,846	13,516
Instruction					
Administration	421,889	476,047	394,476	15,319	66,252
Teaching	5,023,115	5,213,437	4,922,185	2,726	288,526
Students with disabilities	2,780,318	2,519,807	2,360,861	10,967	147,979
Special schools education	126,893	129,053	98,672	6,280	24,101
Instructional media	825,990	942,885	864,881	36,609	41,395
Pupil services	1,093,220	1,085,550	946,578	1,047	137,925
	10,271,425	10,366,779	9,586,507	72,948	706,178
Pupil transportation	1,326,567	1,342,605	1,308,390	46,717	(12,502)
Employee benefits	5,443,261	5,179,880	4,718,562	-	461,318
Debt service - principal	835,000	734,758	705,000	-	29,758
Debt service - interest	466,738	566,980	566,979	-	1
Capital outlay	-	-	1,152	-	(1,152)
	8,071,566	7,824,223	7,300,083	46,717	477,423
	21,447,548	21,477,539	20,115,768	163,511	1,197,117
OTHER FINANCING USES					
Transfers to other funds	100,000	100,000	-	-	100,000
	$ 21,547,548	$ 21,577,539	$ 20,115,768	$ 163,511	$ 1,297,117
Net change in fund balances			587,044		
Fund balance - beginning			7,488,998		
Fund balance - ending			8,076,042		

Delaware Academy Central School District at Delhi
Schedule of Funding Progress - Other Post-Employment Benefits
For the Year Ended June 30, 2024

	2024	2023	2022	2021	2020	2019
Total OPEB Liability						
Service Cost	$ 1,064,924	$ 1,596,108	$ 1,795,937	$ 1,243,225	$ 1,269,125	$ 1,409,574
Interest	1,403,730	1,547,559	924,767	1,242,384	1,308,510	1,404,213
Changes in benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	543,657	-	(2,703,278)	-	(5,605,254)
Changes in assumptions or other inputs	(1,584,441)	(7,194,067)	465,824	7,066,471	140,434	(1,382,923)
Benefit payments	(1,254,427)	(1,186,658)	(1,053,653)	(1,053,464)	(960,755)	(798,064)
Net change	(370,214)	(4,693,401)	2,132,875	5,795,338	1,757,314	(4,972,454)
Total OPEB Liability Beginning	38,015,020	42,708,421	40,575,546	34,780,208	33,022,894	37,995,348
Total OPEB Liability Ending	$ 37,644,806	$ 38,015,020	$ 42,708,421	$ 40,575,546	$ 34,780,208	$ 33,022,894
Covered Payroll	$ 6,085,173	$ 6,085,173	$ 8,360,082	$ 8,188,480	$ 8,014,848	$ 7,778,510
Net OPEB Liability as a percentage of Covered Payroll	619%	625%	511%	496%	434%	425%
Measurement Date	July 1, 2023	July 1, 2022	July 1, 2021	July 1, 2020	July 1, 2019	July 1, 2018

Note:
The District does not have assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions to pay OPEB benefits. The District currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis.

Ten years of historical information will not be available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available.

Delaware Academy Central School District at Delhi
Schedule of District's Proportionate Share of the Net Pension Liability (Asset)
For the Year Ended June 30, 2024

NYSLRS PENSION PLAN

	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability (asset)................................	0.00646%	0.00585%	0.00667%	0.00638%	0.00600%	0.00668%	0.00739%	0.00713%	0.00698%
District's proportionate share of the net pension liability (asset).....................	########	########	$ (597,191)	$ 6,995	########	$ 501,965	$ 235,390	$ 679,626	########
District's covered-employee payroll........	########	########	########	########	########	########	########	########	########
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll..............	51.12%	76.38%	-25.78%	0.29%	79.56%	22.73%	10.93%	34.63%	58.48%
Plan fiduciary net position as a percentage of total pension liability.....................	90.78%	103.65%	99.95%	86.39%	96.30%	98.24%	94.70%	90.70%	90.70%

TRS PENSION PLAN

	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability (asset)................................	0.04130%	0.04291%	0.04313%	0.04356%	0.04326%	0.04329%	0.04351%	0.04263%	0.04263%
District's proportionate share of the net pension liability (asset).....................	$ (388,534)	$ (653,341)	########	$ (944,779)	$ 888,923	$ 628,133	$ 264,284	$ (358,858)	########
District's covered-employee payroll........	########	########	########	########	########	########	########	########	########
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll..............	10.83%	-102.10%	16.36%	-15.30%	-10.76%	-4.59%	6.94%	-67.29%	-67.29%
Plan fiduciary net position as a percentage of total pension liability.....................	98.57%	113.20%	97.80%	102.17%	101.50%	100.66%	99.01%	110.46%	110.46%

Delaware Academy Central School District at Delhi
Schedule of District's Contributions
For the Year Ended June 30, 2024

NYSLRS PENSION PLAN

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contributior	302,607	263,744	373,961	348,875	332,284	321,111	328,422	321,371	363,761
Contributions in relation to the contractually required contributic	302,607	263,744	373,961	348,875	332,284	321,111	328,422	321,371	363,761
Contribution deficiency (excess)..	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payro	2,309,977	2,273,655	2,316,924	2,385,252	2,303,712	2,208,453	2,153,344	1,962,684	1,992,183
Contributions as a percentage of covered-employee payroll………	13.10%	11.60%	16.14%	14.63%	14.42%	14.54%	15.25%	16.37%	18.26%

TRS PENSION PLAN

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contributior	645,688	591,104	575,913	514,166	606,523	554,507	645,754	685,573	873,812
Contributions in relation to the contractually required contributic	$645,688	$591,104	$575,913	$514,166	$606,523	$554,507	$645,754	$685,573	$873,812
Contribution deficiency (excess)..	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payro	6,615,656	5,744,451	6,043,158	5,803,228	5,711,136	5,570,057	5,658,233	5,509,845	4,969,907
Contributions as a percentage of covered-employee payroll………	9.80%	9.53%	8.86%	10.44%	9.50%	11.21%	13.26%	38.00%	38.00%

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Supplementary Information

Delaware Academy Central School District at Delhi
Schedule of Change from Original Budget to Revised Budget
And Section 1318 of Real Property Tax Law Limit Calculation
For the Year Ended June 30, 2024

Change from Adopted Budget to Revised Budget

Original budget	$	21,547,548
Add: Prior year's encumbrances		29,991
Adopted budget		21,577,539
Budget Revision:		
None		-
Final budget	$	21,577,539
Next year's budget is a voter approved budget	$	22,511,496

Section 1318 of Real Property Tax Law Limit Calculation

Subsequent year's voter-approved budget	$	22,511,496
Maximium allowed percentage		4%
Limit of unexpended surplus funds	$	900,460
General fund balance		
Restricted		3,591,757
Assigned		934,365
Unassigned		3,549,920
		8,076,042
Less:		
Restricted not subject to the law		(3,591,757)
Appropriated for subsequent year's budget in assigned		(770,854)
Encumbrances included in assigned		(163,511)
		(4,526,122)
General fund balance subject to limit		3,549,920
Calculated actual percentage		15.769%

The portion of General Fund balance subject to Section 1318 of the Real Property Tax Law is: unrestricted fund balance (i.e., the total of the committed, assigned, and unassigned classifications), minus appropriated fund balance, amounts reserved for insurance recovery, amounts reserved for tax reduction, and encumbrances included in committed and assigned fund balance. Restricted fund balance is not subject to the law.

Delaware Academy Central School District at Delhi
Schedule of Project Expenditures-
Capital Projects Fund
For the Year Ended June 30, 2024

	Original Appropriation	Revised Appropriation	Expenditures: Prior Years	Expenditures: Current Year	Expenditures: Total	Unexpended Balance
PROJECT TITLE						
2019 Building Project	$ 10,400,000	10,400,000	10,320,864	-	10,320,864	$ 79,136
2024 Building Project	40,885	9,800,000	40,885	463,848	504,733	9,295,267
Emergency Stair Project	55,549	55,549	55,549	-	55,549	-
Abatement	685,000	685,000	95,989	-	95,989	589,011
Capital Outlay Project	29,182	29,182	362	-	362	28,820
	$ 11,210,616	20,969,731	10,513,649	463,848	10,977,497	$ 9,992,234

	Methods of Financing: Proceeds of Obligations	Methods of Financing: Federal and State Aid	Methods of Financing: Local Sources	Methods of Financing: Total	Fund Balance 06/30/24
PROJECT TITLE					
2019 Building Project	$ 10,002,766	-	100,000	10,102,766	$ (218,098)
2024 Building Project	-	-	-	-	(504,733)
Emergency Stair Project	-	-	-	-	(55,549)
Abatement	-	-	275,839	275,839	179,850
Capital Outlay Project	-	-	8,500	8,500	8,138
	$ 10,002,766	-	384,339	10,387,105	(590,392)

Delaware Academy Central School District at Delhi

Invested in Capital Assets, Net of Related Debt
June 30, 2024

Capital assets, net		$ 22,264,190
Add:		
Cash reserved for debt service		3,191,174
Deduct:		
Serial bonds	9,065,000	
Unamortized premium on bond	1,031,422	
Bond anticipation note	-	
Lease liabilities	171,081	
Internal balance payable in capital fund	889,951	(11,157,454)
Investment in capital assets, net of related debt		$ 14,297,910

Supplementary Information
See Independent Auditors' Report

Governmental Audit Reports

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Education
Delaware Academy Central School District at Delhi
Delhi, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Delaware Academy Central School District at Delhi, New York State as of and for the year ended June 30, 2024, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 23, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Delaware Academy Central School District at Delhi's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Delaware Academy Central School District at Delhi's internal control. Accordingly, we do not express an opinion on the effectiveness of Delaware Academy Central School District at Delhi's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Delaware Academy Central School District at Delhi's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cwynar & Company

Norwich, New York
December 23, 2024

Report on Compliance for Each Major Program and on Internal Controls Over Compliance Required by the Uniform Guidance

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Education
Delaware Academy Central School District at Delhi
Delhi, New York

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Delaware Academy Central School District at Delhi's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Delaware Academy Central School District at Delhi's major federal programs for the year ended June 30, 2024. Delaware Academy Central School District at Delhi's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Delaware Academy Central School District at Delhi complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Delaware Academy Central School District at Delhi and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Delaware Academy Central School District at Delhi's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Delaware Academy Central School District at Delhi's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Delaware Academy Central School District at Delhi's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material non-compliance when it exists.

The risk of not detecting material non-compliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Delaware Academy Central School District at Delhi's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material non-compliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Delaware Academy Central School District at Delhi's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Delaware Academy Central School District at Delhi's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Delaware Academy Central School District at Delhi's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified. Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Cwynar & Company

Norwich, New York
December 23, 2024

Delaware Academy Central School District at Delhi
Schedule of Expenditures of Federal Awards
For the Year Ended
June 30, 2024

Federal Grantor/Pass-through Grantor Program Title	Assistance Listing	Agency or Pass-through Number	Total Federal Expenditure
United States Department of Agriculture			
Passed through New York State Education Department			
Child Nutrition Cluster:			
Cash Assistance			
National School Lunch Program	10.555		$ 260,701
National School Breakfast Program	10.553		76,794
Cash Assistance subtotal			337,495
Noncash Assistance			
National School Lunch Program (food distribution)	10.555		23,895
Total Passed through New York State Education Department			361,390
Total Child Nutrition Cluster			361,390
Total U.S. Department of Agriculture			$ 361,390
United States Department of Education			
Passed through New York State Education Department			
Special Education Cluster:			
Special Education–Grants to States (IDEA, Part B)	84.027	0032-23-0160	228,155
Total Special Education Cluster			228,155
Education Stabilization Funds:			
ESF Section 1 - Elementary and Secondary Education:			
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP-ESSER)	84.425U	5880-21-0595	766,991
Total ESF Section 1 - Elementary and Secondary Education			766,991
Total Education Stabilization Funds			766,991
Title I Grants to Local Educational Agencies (LEAs)	84.010	0021-24-0595	197,902
Total Passed through New York State Education Department			1,193,048
Total U.S. Department of Education			$ 1,193,048
Total Expenditures of Federal Awards			$ 1,554,438

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Delaware Academy Central School District at Delhi
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended
June 30, 2024

Note 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of federal award programs administered by the District, which is described in Note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the District's financial statements. Federal awards that are included in the Schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies.

The information presented in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

Note 2 SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system. The federal expenditures are recognized under the Uniform Guidance.

Note 3 SCOPE OF AUDIT

The District is an independent municipal corporation. All federal grant operations of the District are included in the scope of the single audit.

Note 4 NON-CASH ASSISTANCE

Non-monetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. For the year ended June 30, 2024, the District received food commodities totaling $23,078.

Note 5 INDIRECT COST RATE

The District did not elect to use the 10% de minimis cost rate. Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. The District's policy is not to charge federal award programs with indirect costs.

Note 6 OTHER DISCLOSURES

No insurance is carried specifically to cover equipment purchased with federal funds. Equipment purchased with federal funds is covered by the District's casualty insurance policies. There were no loans or loan guarantees outstanding at year-end.

Delaware Academy Central School District at Delhi
Schedule of Findings and Questioned Costs
For the Year Ended
June 30, 2024

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued……………………………………………………………. Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?.. No
- Significant deficiency(ies) identified?.. No

Non-compliance material to financial statements noted…………………………………………………………………………………………... No

Federal Awards:

Internal Control over major programs:

- Material weakness(es) identified?.. No
- Significant deficiency(ies) identified?.. No

Type of auditor's report issued on compliance for major programs……..………………. Unmodified

Any audit findings relative to major federal award programs in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Controls Over Compliance in Accordance with Section 2 CFR-200.516(a)? .... No

The threshold for distinguishing Types A and B programs was $750,000.

Delaware Academy Central School District at Delhi qualifies as a low-risk auditee.

Identification of Major Programs:	**CFDA Number**
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP-ESSER)………………………………………………………………………………………	84.425U

Section II – Financial Statement Findings

There were no compliance findings relating to the financial statements audit required to be reported in the schedule of findings and responses.

Section III – Federal Award Findings and Questioned Costs

There were no findings relating to the major federal awards as required to be reported in accordance with Section 2 CFR-200.516(9).

Section IV – Summary Schedule of Prior Audit Findings

There were no prior findings relating to the major federal awards as required to be reported in accordance with Section 2 CFR-200.516(9).

Extra Classroom Activity Funds

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Independent Auditors' Report

Board of Education
Extra Classroom Activity Funds of
Delaware Academy Central School District at Delhi

We have audited the accompanying financial statements of the Extra Classroom Activity Funds of Delaware Academy Central School District at Delhi (a New York State School District), which comprise the statement of assets, liabilities, and fund balance—cash basis as of June 30, 2024 and the related statement of cash receipts and disbursements—cash basis for the year then ended, and the related note to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting as described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

Due to the fact that accounting controls generally are not exercised by students over cash receipts at the point of collection to the time of submission to the central treasurer, it was impracticable to extend our audit of such receipts beyond amounts recorded.

Qualified Opinion

In our opinion, except for the effects of any adjustments which might have resulted had the cash collections referred to above been susceptible to satisfactory audit tests, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of the Extra Classroom Activity Funds of Delaware Academy Central School District at Delhi as of June 30, 2024, and its support, revenue, and expenses for the year then ended in accordance with the cash basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Cwynar & Company

Norwich, New York
December 23, 2024

Delaware Academy Central School District at Delhi
Extra Classroom Activity Funds
Statement of Assets, Liabilities, and Fund Balance – Cash Basis
June 30, 2024

Assets		
Cash	$	155,222
	$	155,222
Liabilities & Fund Balance		
Sales taxes payable	$	511
Fund balance		154,711
	$	155,222

See Independent Auditor's Report
See Accompanying Note to the Financial Statements

Delaware Academy Central School District at Delhi
Extra Classroom Activity Funds
Statement of Cash Receipts and Disbursements
For the Year Ended June 30, 2024

Activity	Cash Balance 7/1/2023	Receipts	Disbursements	Cash Balance 6/30/2024
Class of 2023	$ 2,199	$ -	$ 2,000	$ 199
Class of 2024	10,957	10,224	11,239	9,942
Class of 2025	11,351	9,064	4,605	15,810
Class of 2026	3,318	11,849	451	14,716
Class of 2027	-	9,180	406	8,774
Art Club	492		83	409
Book Fair	3,744	890	890	3,744
Creative Writing	652		-	652
Elementary Activity Club	12,114	11,577	18,757	4,934
FCCLA	9,197	20,293	17,504	11,986
FFA	14,772	28,223	20,460	22,535
Track		1,096		1,096
German Club	4,386	-	50	4,336
DA Cross Country	10,493	11,000	9,006	12,487
Honor Society	59	2,022	1,882	199
Kalends	758	9,904	9,944	718
Marching Band	1,504	878	410	1,972
SADD	5,664	1,801	2,385	5,080
Science Club	1,539		-	1,539
Speech and Debare	80	61	-	141
Spring Musical	5,580	4,840	4,982	5,438
HS Student Senate	4,024	605	878	3,751
Varsity Club	1,793	20,673	21,960	506
MS Student Senare	3,600	244	-	3,844
Film Club	162			162
Delaware Academy FC	9,888	6,869	5,325	11,432
Junior Honor Society	1,082	-	8	1,074
Spanish Club	2,715	-	-	2,715
Ukulele Club	164	1,706	750	1,120
High School Student Senate A.D.	3,798	602	1,000	3,400
Sales tax	964	2,172	2,625	511
Totals	$ 127,049	$ 165,773	$ 137,600	$ 155,222

See Independent Auditor's Report
See Accompanying Note to the Financial Statements

Note 1 ACCOUNTING POLICY

The transactions of the Extra Classroom Activity Funds are not considered part of the reporting entity of the Delaware Academy Central School District at Delhi. Consequently, such transactions are not included in the financial statements of the School District.

The accounts of the Extra Classroom Activity Fund of the Delaware Academy Central School District at Delhi are maintained on a cash basis, and the statement of cash receipts, disbursements, and transfers reflects only cash received, disbursed, and transferred between funds. Therefore, receivables and payables, inventories, long-lived assets, and accrued income and expenses, which would be recognized under generally accepted accounting principles, and which may be material in amount, are not recognized in the accompanying financial statement.

FORM OF BOND COUNSEL'S OPINION

July 22, 2025

Delaware Academy Central School District at Delhi,
County of Delaware,
State of New York

Re: Delaware Academy Central School District at Delhi, Delaware County, New York
$16,492,486 Bond Anticipation Notes, 2025

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of $16,492,486 Bond Anticipation Notes, 2025 (the "Obligations"), of the Delaware Academy Central School District at Delhi, County of Delaware, State of New York (the "Obligor"), dated July 22, 2025 in the denomination of $_________, bearing interest at the rate of ________% per annum, payable at maturity, and maturing July 22, 2026.

We have examined:

(1) the Constitution and statutes of the State of New York;

(2) the Internal Revenue Code of 1986, including particularly Sections 103 and 141 through 150 thereof, and the applicable regulations of the United States Treasury Department promulgated thereunder (collectively, the "Code");

(3) an arbitrage certificate executed on behalf of the Obligor which includes, among other things, covenants, relating to compliance with the Code, with the owners of the Obligations that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligations not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Obligations and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Obligations to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Obligations and investment earnings thereon on certain specified purposes (the "Arbitrage Certificate"); and

(4) a certificate executed on behalf of the Obligor which includes, among other things, a statement that compliance with such covenants is not prohibited by, or violative of, any provision of local or special law, regulation or resolution applicable to the Obligor.

We also have examined a certified copy of proceedings of the finance board of the Obligor and other proofs authorizing and relating to the issuance of the Obligations, including the form of the Obligations. In rendering the opinions expressed herein we have assumed (i) the accuracy and truthfulness of all public records, documents and proceedings, including factual information, expectations and statements contained therein, examined by us which have been executed or certified by public officials acting within the scope of their official capacities, and have not verified the accuracy or truthfulness thereof, and (ii) compliance by the Obligor with the covenants contained in the Arbitrage Certificate. We also have assumed the genuineness of the signatures appearing upon such public records, documents and proceedings and the certifications thereof.

In our opinion:

(a) The Obligations has been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitutes a valid and legally binding general obligations of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligations and interest thereon, without limitation as to rate or amount; provided, however, that the enforceability (but not the validity) of the Obligations: (i) may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights, and (ii) may be subject to the exercise of judicial discretion in appropriate cases.

(b) The Obligor has the power to comply with its covenants with respect to compliance with the Code as such covenants relate to the Obligations; provided, however, that the enforceability (but not the validity) of such covenants may be limited by any applicable bankruptcy, insolvency or other law now existing or hereafter enacted by said State or the Federal government affecting the enforcement of creditors' rights.

(c) Interest on the Obligations is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, and is exempt from personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York). Interest on the Obligations is not a specific preference item for purposes of the federal individual alternative minimum tax. Interest on the Obligations included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Obligations.

Certain agreements, requirements and procedures contained or referred to in the Arbitrage Certificate and other relevant documents may be changed and certain actions (including, without limitation, economic defeasance of the Obligations) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. Accordingly, this opinion is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Obligations has concluded with their issuance, and we disclaim any obligations to update this opinion. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents. Furthermore, we have assumed compliance with all covenants and agreements contained in the Arbitrage Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Obligations to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligations and the Arbitrage Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against municipal corporations such as the Obligor in the State of New York. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, or waiver provisions contained in the foregoing documents.

The scope of our engagement in relation to the issuance of the Obligations has extended solely to the examination of the facts and law incident to rendering the opinions expressed herein. Such opinions are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Obligor, together with other legally available sources of revenue, if any, will be sufficient to enable the Obligor to pay the principal of or interest on the Obligations as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligations for factual information which, in the judgment of the Obligor, could materially affect the ability of the Obligor to pay such principal and interest. While we have participated in the preparation of such Official Statement, we have not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, we express no opinion as to whether the Obligor, in connection with the sale of the Obligations, has made any untrue statement of a material fact or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

Very truly yours,

/s/ ORRICK, HERRINGTON & SUTCLIFFE LLP