PRELIMINARY OFFICIAL STATEMENT

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. In the further opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of the federal 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.

$10,025,000

DELAWARE ACADEMY CENTRAL SCHOOL DISTRICT AT DELHI

DELAWARE COUNTY, NEW YORK

GENERAL OBLIGATIONS

$10,025,000 Bond Anticipation Notes, 2022 (Renewals)

(the "Notes")

Dated: July 27, 2022 **Due: June 29, 2023**

The Notes are general obligations of the Monticello Central School District, Sullivan 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(s), the Notes will be issued as registered book-entry-only notes or registered in the name of the purchaser in certificated form. If such Notes are issued as registered in the name of the purchaser, principal of and interest on the Notes will be payable in Federal Funds. In such case, the Notes will be issued as registered in the name of the purchaser in denominations of $5,000 or multiples thereof, as may be determined by such successful bidder(s).

Alternatively, if the Notes are issued as registered book-entry-only notes, the Notes will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as the securities depository for the Notes. Noteholders will not receive certificates representing their ownership interest in the notes purchased if the purchaser(s) elects to register the Notes. Such Notes will be issued in denominations of $5,000 or integral multiples thereof. If the Notes are issued as registered notes, payment of the principal of and interest on the Notes to the Beneficial Owner(s) of the Notes will be made by DTC Direct Participants and Indirect Participants in accordance with standing instructions and customary practices, as is now the case with municipal securities held for the accounts of customers registered in the name of the purchaser or registered in "street name". Payment will be the responsibility of such DTC Direct or Indirect Participants and the District, subject to any statutory and regulatory requirements as may be in effect from time to time. 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 27, 2022.

ELECTRONIC BIDS for the Notes must be submitted on Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com, on July 13, 2022 by no later than 11:00 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.

June 24, 2022

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

2021-2022 BOARD OF EDUCATION

TAMMY NEUMANN
President

SETH HAIGHT
Vice President

SEAN LEDDY
LUCY KELLY
LAUREN RABA
KIMBERLY SHEPHARD
JAMES TUCKER

* * * * * * * * *

KELLY ZIMMERMAN
Superintendent

CAREY SHULTZ
Business Administrator

NANCY HEIN
School District Treasurer

LISA 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

$10,025,000 Bond Anticipation Notes, 2022 (Renewals)

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 $10,025,000 principal amount of Bond Anticipation Notes, 2022 Renewals (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.

This Official Statement should be read with the understanding that the ongoing COVID-19 global pandemic has created prevailing economic conditions (at the global, national, State and local levels) that are highly uncertain, generally negative, and rapidly changing, and these conditions are expected to continue for an indefinite period of time. Accordingly, the District's overall economic situation and outlook (and all of the specific District-related information contained herein) should be carefully reviewed, evaluated and understood in the full light of this unprecedented world-wide event, the effects of which are extremely difficult to predict and quantify. See "STATE AID" and "MARKET AND RISK FACTORS - COVID-19" herein.

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"). 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 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 on the following page:

> "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 27, 2022 and will mature June 29, 2023. 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, 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 July 14, 2021, authorizing the issuance of $1,100,000 serial bonds to finance asbestos abatement, reconstruction and site improvements at the middle school/high school in and for the District at a maximum cost of $1,100,000.

A $1,100,000 portion of the Notes are being issued to renew in full the $1,100,000 bond anticipation notes maturing July 28, 2022.

The Notes are 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 November 26, 2018, authorizing the issuance of $8,968,747 serial bonds to finance the construction of improvements to and reconstruction of various School District facilities at a maximum cost of $8,968,747.

A $8,925,000 portion of the Notes are being issued, along with $43,747 available funds of the District to partially redeem and renew the $8,968,747 bond anticipation notes maturing July 28, 2022.

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. 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 8,523. (Source: 2020 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		
	2000	2006-2010	2016-2020	2000	2006-2010	2016-2020
Towns of:						
Andes	$ 20,650	$ 32,656	$ 38,157	$ 39,474	$ 55,917	$ 92,750
Bovina	19,653	22,803	52,120	46,094	42,273	105,625
Delhi	16,842	24,855	23,223	48,125	64,091	82,153
Franklin	17,477	25,100	31,639	44,519	63,333	52,194
Hamden	19,754	24,296	31,113	43,571	52,266	70,833
Kortright	15,107	20,090	31,859	37,784	50,096	76,250
Meredith	19,715	27,554	31,858	43,102	71,875	73,194
County of:						
Delaware	17,357	22,928	28,139	39,695	53,590	65,755
State of:						
New York	23,389	30,948	40,898	51,691	67,405	87,270

Note: 2017-2021 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau 2000 census, and 2006-2010 and 2016-2020 5-Year American Community Survey data.

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	214 (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.

Note: Unemployment rates for the foreseeable future are expected to increase substantially over prior periods as a result of the COVID-19 pandemic, and the list of larger employers above does not reflect any recent impacts due to COVID-19 on larger employers above.

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

	2015	2016	2017	2018	2019	2020	2021
Delaware County	6.0%	5.5%	5.5%	4.8%	4.5%	7.0%	4.6%
New York State	5.3%	4.9%	4.7%	4.1%	3.8%	9.9%	6.9%

2022 Monthly Figures

	Jan	Feb	Mar	Apr	May	Jun
Delaware County	4.1%	4.3%	4.0%	3.2%	N/A	N/A
New York State	5.3%	5.1%	4.7%	4.2%	N/A	N/A

Note: Unemployment rates for May and June 2022 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, Business Administrator, 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 budget for the 2021-22 was approved by District voters on May 18, 2021 by a vote of 404 to 93. The District's budget for the 2021-22 fiscal year will remain within the Tax Cap imposed by Chapter 97 of the Laws of 2011. The budget called for a total tax levy increase of 1.50%, which is within the District's allowable limit of 1.60%.

The adopted budget for the 2022-2023 fiscal year was approved by qualified voters on May 17, 2022 by a vote of 614 to 139. The proposed budget calls for a total tax levy increase of 1.25%, which is below the District's Tax Cap of 2.80% for the 2022-2023 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, 2021, balance in this account was $5,906,301and payments to beneficiaries in 2020-21 were $103,725

(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, 2021, the balance in this account was $3,473,098 and payments to beneficiaries during the 2020-21 fiscal year were $346,000

(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, 2021, the balance in this account was $6,449,683 and payments to beneficiaries during the 2020-21 fiscal year were $92,000

(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, 2021, the balance in this account was $2,254,587 and payments to beneficiaries during the 2020-21 fiscal year were $39,692

State Aid

The District receives financial assistance from the State. In its adopted budget for the 2022-2023 fiscal year, approximately 47.10% of the revenues of the District are estimated to be received in the form of State aid. If the State should not adopt its budget in a timely manner, in any year, municipalities and school districts in the State, including the District, may be affected by a delay in the payment of State aid.

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 also “MARKET AND RISK FACTORS”).

There can be no assurance that the State appropriation for building aid and other State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. State aid, including building aid appropriated and apportioned to the School 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.

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.

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. 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.

Federal Aid Received by the State

In 2021, President Biden signed into law the American Rescue Plan, a $1.9 trillion COVID-19 relief package that includes $350 billion to state, local and territorial governments to keep their frontline workers employed, distribute the vaccine, increase testing, reopen schools and maintain vital services. The American Rescue Plan also includes an additional $1,400 payment to eligible individuals and families, enhanced unemployment aid, rental and utility assistance to low- and moderate-income households, an increase in food stamp benefits, additional funding for child care and an increase in child care tax credits.

The State receives a substantial amount of federal aid for other 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, including the diversion of federal resources to address the current COVID-19 outbreak. The District expects to receive a total of approximately $2,623,657in funds from the American Rescue Plan and Coronavirus Response and Relief Supplemental Appropriations Act.

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.

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.

Aid on debt service is generally paid in the current fiscal year provided such debt service is reported to the Commissioner of Education by November 15 of that year. Any debt service in excess of amounts reported by November 15 will not be aided until the following fiscal year. The building aid received is equal to the approved building expense, or bond percent, times the building aid ratio that is assigned to the District. 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 2022-2023 preliminary building aid ratios, the District expects to receive State building aid of approximately 73.3% of 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 (2016-2017): The 2016-17 State budget included a school aid increase of $991 million over 2015-16, $863 million of which consisted of traditional operating aid. In addition to full-funding of expense based aids ($408 million), the budget also included a $266 million increase in Foundation Aid and an $189 million restoration to the Gap Elimination Adjustment. The bulk of the remaining increase included $100 million in Community Schools Aid, an aid category, to support school districts that wish to create community schools. The funds may only be used for certain purposes such as providing health, mental health and nutritional services to students and their families. The District is not a part of the Community Schools Grant Initiative (CSGI).

School district fiscal year (2017-2018): The State 2017-2018 Enacted Budget increased State aid to education by $1.1 billion, including a $700 million increase in Foundation Aid, bringing the total amount of State aid to education to $25.8 billion or an increase of 4.4%. Expense-based aids to support school construction, pupil transportation, BOCES and special education were continued in full, as is the State's usual practice. Transportation aid increased by 5.5% and building aid increased by 4.8%. The State 2017-18 Enacted Budget continued to link school aid increases for 2017-2018 and 2018-2019 to teacher and principal evaluation plans approved by September 1 of the current year in compliance with Education Law Section 3012-d. The State 2017-2018 Enacted Budget allowed the Governor to reduce aid to school districts mid-year if receipts from the federal government were less than what was expected. The Legislature then will have 90 days to approve the Governor's plan.

School district fiscal year (2018-2019): The State's 2018-2019 Enacted Budget included nearly $1 billion in additional education funding, representing a 3.9% increase over 2017-2018. Approximately $859 million of that increase was comprised of traditional public school aid, including increased Foundation Aid and full-funding of expense-based aids. Formula-based school aid stood at $26.03 billion statewide, a 3.4% increase over the prior year. The State's 2018-19 Enacted Budget included an increase of $618 million in Foundation Aid for school districts. Foundation Aid totaled nearly $17.8 billion statewide. For the seventh consecutive year, the Foundation Aid increase was distributed using a one year, off formula methodology. The State's 2018-2019 Enacted Budget guaranteed that all school districts receive an increase in Foundation Aid over their 2017-2018 levels. $50 million of the Foundation Aid increase was "set aside" for certain school districts to fund community schools. The State's 2018-2019 Enacted Budget fully funded all expense-based aid for 2018-2019, including building, transportation, BOCES and special education aid. These categories served as State reimbursements for school district expenses made in the prior year, based on school district-specific aid ratios. A total of $240 million was approved for increases in all expense-based aids in 2018-2019. The State 2018-2019 Enacted Budget continued to allow the Governor to reduce aid to school districts mid-year if receipts from the Federal government are less than what was expected.

School district fiscal year (2019-2020): The State's 2019-2020 Enacted Budget includes a total of $27.69 billion for School Aid, a year-to-year funding increase of $956 million or 3.6 percent and will provide additional funding for Foundation Aid of $338.0 million and $409.65 million in reimbursements for expense-based aids. In addition, the 2019-2020 Enacted Budget increases the Community Schools set-aside funding amount by $49.99 million to a total of $250.0 million. This increased funding is targeted to districts with failing schools and/or districts experiencing significant growth in English language learners. The 2019-2020 Enacted Budget increases the minimum community schools funding amount from $75,000 to $100,000. This ensures all high-need districts across the State can apply the funds to a wide-range of activities.

School district fiscal year (2020-2021): Due to the anticipated impact of the COVID-19 pandemic on State revenues, State aid in the State's 2020-2021 Enacted Budget is 3.7 percent lower than in the State's 2019-2020 Enacted Budget but is offset in part with increased Federal support. This reduction in State Operating Funds support will be offset by approximately $1.1 billion in funding provided to the State through the Federal CARES Act, including the Elementary and Secondary School Emergency Education Relief Fund and the Governor's Emergency Education Relief Fund. With these Federal funds, State aid in the school district fiscal year 2020-2021 is expected to total $27.9 billion, an annual increase of approximately $100 million or 0.4 percent. The State's 2020-2021 Enacted Budget continues prior year funding levels for existing programs, including Foundation Aid, Community Schools and Universal Prekindergarten. The 2020-2021 Enacted Budget also provides over $200 million in support for competitive grant programs, including $1 million for development of a new Civics Education curriculum and $10 million for a Student Mental Health program. Funding for expense-based aids, such as Building Aid, Transportation Aid, and Boards of Cooperative Educational Services (BOCES) Aid is continued under existing aid formulas. Out-year growth in School Aid reflects current projections of the ten-year average growth in State personal income. The State's 2020-2021 Enacted Budget authorizes the State's Budget Director to make periodic adjustments to State Aid, in the event that actual State revenues come in below 99% percent of estimates or if actual disbursements exceed 101% of estimates. Pursuant to that provision, in October, 2020, the State announced that, in the absence of Federal funding to offset such lost revenue, the State had begun to take steps to reduce spending, including but not limited to, temporarily holding back 20% of most aid payments to local governments and school districts. However, the 2020-2021 State aid declines were offset, in part, by $1.1 billion of increased federal funding through the Coronavirus Aid, Relief, and Economic Security Act. With these federal funds, State aid totaled $27.9 billion in the State's 2020-2021 Enacted Budget, an annual increase of approximately $100 million or 0.4 percent from the 2019-2020 Enacted Budget. As of February 1, 2021, the State Education Department ("SED") advised school districts that the State Division of the Budget would, at some point, provide approval for SED to make the payments to school districts for State aid and other Pre-K-12 grant programs that had been subject to the above-referenced 20% withholding. Such approval was received and the State is expected to release all of the withheld funds prior to June 30, 2021.

School district fiscal year (2021-2022): The State's 2021-22 Budget included $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. Under the budget, local governments are to receive a full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding, and will receive a full restoration of $10.3 million in proposed Video Lottery Terminal (VLT) aid cuts, where applicable.

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.

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. While foundation aid has generally remained below the initially promised amounts, the State announced, as part of the State’s 2021-22 budget, that the final foundation aid phase in will take place over the next three years State fiscal years.

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 the 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 funding. The litigation, which commenced in 2014, sought to require the 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:

- 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.

There can be no assurance that the State appropriation for building aid and other State aid to school districts will be continued in future years, either pursuant to existing formulas or in any form whatsoever. 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.

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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 new figures comprised of State aid.

Fiscal Year	Total Revenues [1]	Total State Aid	Percentage of Total Revenues Consisting of State Aid
2016-2017	$ 19,408,541	$ 9,544,025	49.17%
2017-2018	19,418,719	9,155,182	47.15
2018-2019	19,412,093	8,950,756	46.11
2019-2020	19,722,021	8,943,374	45.35
2020-2021	20,163,694	9,174,265	45.49
2021-2022 (Budgeted)	19,993,898 [2]	9,182,551	45.93
2022-2023 (Budgeted)	19,919,957 [2]	9,382,780	47.10

[1] Includes transfers from endowments and other funds. See "Investment Policy" herein.
[2] General Fund only.

Source: Audited financial statements for the 2016-17 through 2020-21 fiscal years, and adopted budgets for the 2021-22 and 2022-23 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
2017-2018	767	2022-2023	760
2018-2019	756	2023-2024	760
2019-2020	767	2024-2025	760
2020-2021	762	2025-2026	760
2021-2022	765	2026-2027	760

Source: District officials.

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Employees

The District employs a total of 160 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
85	Delaware Academy Faculty Association	June 30, 2024
30	Delaware Academy Educational Support Staff Association	June 30, 2025
32	CSEA Non-Teaching Association	June 30, 2025
4	Administrators	June 30, 2023
4	Supervisors	June 30, 2022 (1)
5	Employees – Confidential	Updated Yearly (2)

(1) Currently under negotiations

(2) 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 budgeted figures for the 2021-2022 and 2022-2023 fiscal years are as follows:

Fiscal Year	ERS	TRS
2016-2017	$ 321,371	$ 720,553
2017-2018	327,265	554,228
2018-2019	333,591	606,650
2019-2020	332,284	650,560
2020-2021	343,000	647,000
2021-2022 (Budgeted)	360,000	680,000
2022-2023 (Budgeted)	380,000	690,000

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 (2019 to 2023) is shown below:

Year	ERS	TRS
2018-19	14.9%	10.62%
2019-20	14.6	8.86
2020-21	14.6	9.53
2021-22	16.2	9.80
2022-23	11.6	10.29*

* 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 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.

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. For the fiscal year ended June 30, 2018, the District implemented GASB 75. The implementation of this statement requires District's 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 districts could amortize the OPEB liability over a period of years, whereas GASB 75 requires districts to report the entire OPEB liability on the statement of net position.

The District contracted with Armory Associates, LLC, an actuarial firm, to calculate its actuarial valuation under GASB 75. The table on the following page outlines the changes to the Total OPEB Liability during the past two fiscal year, by source.

Beginning Balance at:	July 1, 2019	July 1, 2020
	$ 33,022,894	$ 34,780,208
Changes for the year:		
Service cost	1,269,125	1,243,225
Interest	1,308,510	1,242,384
Differences between expected and actual experience	-	(2,703,278)
Changes in assumptions or other inputs	140,434	7,066,471
Benefit payments	(960,755)	(1,053,464)
Net Changes	$ 1,757,314	$ 5,795,338
Ending Balance at:	**June 30, 2020**	**June 30, 2021**
	$ 34,780,208	**$ 40,575,546**

Note: The above table is not audited. For additional information see "APPENDIX – D" attached hereto.

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, 2021 and is attached hereto as "APPENDIX – D".

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.

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
2021	No Designation	0.0%
2020	No Designation	0.0%
2019	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.

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TAX INFORMATION

Taxable Assessed Valuations

Fiscal Year Ending June 30:	2018	2019	2020	2021	2022
Towns of:					
Andes	$ 29,600	$ 29,600	$ 29,713	$ 29,782	$ 29,781
Bovina	22,027,254	22,326,560	22,388,857	22,671,342	22,982,606
Delhi	187,176,724	189,512,192	189,726,446	190,748,608	191,403,203
Franklin	46,662,329	46,934,158	47,121,687	47,667,031	56,846,825
Hamden	13,314,966	13,413,312	81,188,391 (1)	80,757,779	83,975,498
Kortright	3,237,894	3,420,338	3,667,937	4,026,965	3,694,708
Meredith	120,161,115	120,269,156	120,874,767	121,525,465	122,477,329
Total Assessed Values	$ 392,609,882	$ 395,905,316	$ 464,997,798	$ 467,426,972	$ 481,409,950
State Equalization Rates					
Towns of:					
Andes	100.00%	100.00%	100.00%	100.00%	100.00%
Bovina	23.50%	23.00%	23.00%	22.13%	21.70%
Delhi	60.00%	61.00%	61.00%	55.00%	53.70%
Franklin	99.00%	90.50%	89.00%	87.50%	100.00%
Hamden	18.00%	18.00%	100.00% (1)	100.00%	100.00%
Kortright	100.00%	100.00%	100.00%	100.00%	100.00%
Meredith	100.00%	100.00%	100.00%	100.00%	100.00%
Total Taxable Full Valuation	$ 650,228,510	$ 657,846,167	$ 667,076,341	$ 710,078,439	$ 729,365,313

(1) Significant change from the previous year due to town-wide revaluation.

Tax Rate Per $1,000 (Assessed)

Fiscal Year Ending June 30:	2018	2019	2020	2021	2022
Towns of:					
Andes	$ 14.20	$ 14.21	$ 14.26	$ 13.63	$ 13.47
Bovina	60.44	61.80	62.01	61.60	62.08
Delhi	23.67	23.30	23.83	24.78	25.09
Franklin	14.34	15.70	16.03	15.58	13.47
Hamden	78.90	78.96	14.26 (1)	13.63	13.47
Kortright	14.20	14.21	14.26	13.63	13.47
Meredith	14.20	14.21	14.26	13.63	13.47

(1) Significant change from the previous year due to town-wide revaluation.

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:	2018	2019	2020	2021	2022
Total Tax Levy	$ 9,235,539	$ 9,350,982	$ 9,514,624	$ 9,681,130	$ 9,826,347
Amount Uncollected [(1)]	683,430	802,836	761,170	743,773	727,149
% Uncollected	7.40%	8.59%	8.00%	7.68%	7.40%

[(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
2016-2017	$ 19,901,265	$ 9,196,634	46.21%
2017-2018	19,418,719	9,347,523	48.14
2018-2019	19,412,093	9,537,424	49.13
2019-2020	19,722,021	9,766,227	49.52
2020-2021	20,163,694	9,958,054	49.39
2021-2022 (Budgeted)	19,993,898 [(2)]	10,086,347	50.45
2022-2023 (Budgeted)	19,919,957 [(2)]	9,949,177	49.95

[(1)] Includes transfers from endowments and other funds. See “Investment Policy” herein.
[(2)] General Fund only.

Source: Audited financial statements for the 2016-2017 through and including the 2020-2021 fiscal year, and the adopted budgets of the District for the 2021-2022 and 2022-2023 fiscal years. This table is not audited.

Ten Largest Taxpayers – 2021 Assessment Roll for 2021-22 Tax Roll

Name	Type	Taxable Assessed Valuation
NYS Electric & Gas	Utility	$ 31,922,639
City of New York	Government/Water Protection	15,236,039
NY Transco, LLC	Utility	3,544,040
Delhi Telephone Company	Utility	3,380,402
Burkditz, LLC	Shopping Center	3,300,000
Delaware Co Electric Co Op	Utility	3,108,745
Saputo Dairy Foods USA, LLC	Manufacturing	2,509,350
DMV USA	Manufacturing	1,567,500
Burton F. Clark, Inc.	Manufacturing/Multi-Use	1,556,640
DTC Cable.	Utility	1,058,019

The ten larger taxpayers listed have a total taxable full valuation of $65,526,476, which represents 14.02% of the tax base of the District.

As of the date of this Official Statement, the District currently does not have any pending or outstanding tax certioraris that are known or believed 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.

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 $88,050 or less in 2020-21 and $90,550 or less in 2021-22, increased annually according to a cost of living adjustment, are eligible for a "full value" exemption of the first $68,700 for the 2020-21 school year and $70,700 for the 2021-22 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 State's 2020-21 Enacted Budget withheld STAR benefits to taxpayers who were delinquent in the payment of their school taxes and maintained the income limit for the exemption to $250,000, compared with a $500,000 limit for the credit.

The below table lists the basic and enhanced exemption amounts for the 2020-21 District tax roll for the municipalities applicable to the District:

Towns of:	Enhanced Exemption	Basic Exemption	Date Certified
Andes	$ 74,900	$ 30,000	4/7/2022
Bovina	16,250	6,510	4/7/2022
Delhi	40,220	16,110	4/7/2022
Franklin	74,900	30,000	4/7/2022
Hamden	74,900	30,000	4/7/2022
Kortright	74,900	30,000	4/7/2022
Meredith	74,900	30,000	4/7/2022

$775,000 of the District's $9,826,347 school tax levy for the 2021-2022 fiscal year was exempt by the STAR Program. The District received full reimbursement of such exempt taxes from the State by January, 2022.

A similar amount of the District's school tax levy for 2022-23 is expected to be exempt by the STAR Program. The District expects to receive full reimbursement of such exempt taxes from the State in January 2023.

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; however, it 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, applicable to the Notes.

See "State Aid" for a discussion of the *New Yorkers for Students' Educational Rights v. State of New York* case which included a challenge to the supermajority requirements regarding school district property tax increases.

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 authorized by the Board of Education and utilized, no installment may be 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.

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.

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.

Debt Limit. The District has the power to contract indebtedness for any 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 District and subject to certain enumerated deductions such as State aid for building purposes. The statutory method for determining full valuation is by taking the assessed valuation of taxable real estate for the last completed assessment roll and applying thereto the equalization rate which such assessed valuation bears to the full valuation; such rate is determined by the State Office of Real Property Services. The Legislature prescribes the manner by which such rate shall be determined.

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.

Except on rare occasions the District complies 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.

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.

Debt Outstanding End of Fiscal Year

Fiscal Years Ending June 30:	2017	2018	2019	2020	2021
Bonds	$ 15,875,000	$ 10,150,000	$ 8,920,000	$ 7,635,000	$ 6,295,000
Bond Anticipation Notes	0	0	0	0	3,000,000
Lease Purchase Obligations (buses)	591,026	457,388	320,715	234,000	1,290,752
Total Debt Outstanding	$ 16,466,026	$ 10,607,388	$ 9,240,715	$ 7,869,000	$ 10,585,752

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 June 24, 2022.

Type of Indebtedness	Maturity		Amount
Bonds	2022-2030		$ 4,920,000
Bond Anticipation Notes			
Capital Project	July 28, 2022		8,968,747 (1)
Capital Project	July 28. 2022		1,100,000 (1)
		Total Indebtedness	$ 14,988,747

(1) To be partially redeemed and renewed at maturity with the Notes and $43,747 available funds of the District.

Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of June 24, 2022:

Full Valuation of Taxable Real Property			$ 729,365,313
Debt Limit 10% thereof			72,936,531
Inclusions:			
Bonds	$ 4,920,000		
Bond Anticipation Notes	43,747		
Principal of this Issue	10,025,000		
Total Inclusions		$ 15,213,747	
Exclusions:			
State Building Aid [1]	$ 0		
Total Exclusions		$ 0	
Total Net Indebtedness			$ 15,213,747
Net Debt-Contracting Margin			$ 57,722,784
The percent of debt contracting power exhausted is			20.86%

[1] Based on preliminary 2022-2023 building aid estimates, the District anticipates State Building aid of 73.3% for debt service on State Education Department approved expenditures from July 1, 2004 to the present. The 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 District will receive in relation to the outstanding bonds.

Note: (a) 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.

(b) Table above does not include lease purchase obligations which do not constitute general obligation debt of the District but do count toward the District's debt limit.

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 School District has entered into various non-cancelable lease agreements for certain school buses or other motor vehicles and certain equipment and accessories. Minimum future annual payments for each of the remaining years of the leases areas follows:

Fiscal Year Ending	Amount
2023	$ 378,756
2024	356,105
2025	177,135

Source: District officials.

Capital Project Plans

On October 11, 2018, the qualified voters of the District approved a $8,968,747 capital project for the improvements and reconstruction of various School District facilities. On July 29, 2020, the District issued $3,000,000 bond anticipation notes which provided new money for the capital project. The District issued $8,968,747 bond anticipation notes on July 28, 2021 to renew in full the $3,000,000 bond anticipation notes that matured July 29, 2021 and provided $5,968,747 new money for the aforementioned purpose. A $8,925,000 portion of the Notes are being issued, along with $43,747 available funds of the District to partially redeem and renew the $8,968,747 bond anticipation notes maturing July 28, 2022. Pending market conditions and project completion, the District plans to issue serial bonds in June 2023 to permanently finance this project.

On May 18, 2021, the qualified voters of the District approved an expanded scope for a previously approved $1,100,000 capital project for the improvements and reconstruction of various School District facilities. On August 25, 2021, the District issued $1,100,000 bond anticipation notes which provided new money for the capital improvement project. A $1,100,000 portion of the Notes are being issued to renew in full the $1,100,000 bond anticipation notes maturing July 28, 2022. Pending market conditions and project completion, the District plans to issue serial bonds in June 2023 to permanently finance this project.

The District is in the preliminary stages of planning a capital project estimated to be for approximately $3.25 million. The scope and vote date have not been determined as of the date of this Official Statement.

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	12/31/2020	$ 14,410,000	$ -	$ 14,410,000	12.54%	$ 1,807,014
Town of:						
Andes	12/31/2020	1,547,858	351,216	1,196,642	0.01%	120
Bovina	12/31/2020	81,459	28,125	53,334	62.24%	33,195
Delhi	12/31/2020	-	-	-	99.04%	-
Franklin	12/31/2020	-	-	-	10.22%	-
Hamden	12/31/2020	-	24,488	(24,488)	45.56%	(11,157)
Kortright	12/31/2020	160,417	110,800	49,617	2.01%	997
Meredith	12/31/2020	101,082	-	101,082	83.82%	84,727
Village of:						
Delhi	5/31/2021	-	-	-	100.00%	-
Franklin	5/31/2021	216,009	216,009	-	100.00%	-
					Total:	$ 1,914,896

Notes:

(1) Outstanding bonds and bond anticipation notes. Not adjusted to include subsequent bond or note sales, if any.

(2) Water and sewer debt and / or appropriations. Pursuant to the Local Finance Law, this indebtedness is excluded from the constitutional debt limit.

Source: Most recent available State Comptroller's Special Report on Municipal Affairs for Local Finance for fiscal years ended 2020 for counties and towns and 2021 for villages.

Debt Ratios

The following table sets forth certain ratios relating to the District's indebtedness as of June 24, 2022:

	Amount	Per Capita [a]	Percentage of Full Value [b]
Net Indebtedness [c]	$ 15,213,747	$ 1,785.02	2.09%
Net Indebtedness Plus Net Overlapping Indebtedness [d]	17,128,643	2,009.70	2.35

[a] The 2020 estimated population of the District is 8,523. (See “THE SCHOOL DISTRICT – Population” herein.)
[b] The District's full value of taxable real estate for the 2021-22 tax roll is $729,365,313. (See “TAX INFORMATION – Taxable Assessed Valuations” herein.)
[c] See “Debt Statement Summary” herein.
[d] Estimated net overlapping indebtedness is $1,914,896. (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 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 bonds 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 District and the holder thereof. Under current law, provision is made for contract creditors of the 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 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 District may not be enforced by levy and execution against property owned by the 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 District indebtedness is past due. The 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
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 District as well as the market for the Notes could be affected by a variety of factors, some of which are beyond the 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 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 District relies in part on State aid to fund its operations. 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. State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. The availability of such monies and the timeliness of such payment may also be affected by a delay in the adoption of the State budget, the State's ability to borrow 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 District, in any year, the impact to the State's economy and financial condition due to the novel coronavirus ("COVID-19") outbreak and other circumstances, including State fiscal stress. In several recent years, the 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. In any event, State aid appropriated and apportioned to the District can be paid only if the State has such monies available therefore. Should the District fail to receive State aid expected from the State in the amounts or at the times expected, occasioned by a delay in the payment of such monies or by a reduction in State aid, the District is authorized by the Local Finance Law to provide operating funds by borrowing on account of the uncollected State aid. (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 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.

COVID-19. The outbreak of COVID-19 has affected education, travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide.

The amount of State aid to the District is dependent in part upon the financial condition of the State. With no assurance of direct Federal aid and in awareness that collections from taxes and other receipts are likely to fall materially below the level needed to fund authorized disbursements, the State's current Enacted Budget grants the Budget Director the authority to reduce aid-to-localities appropriations and disbursements by any amount needed to achieve a balanced budget, as estimated by the New York State Division of the Budget. In addition, the Budget Director is authorized to withhold and reduce specific local aid payments during the fiscal year. (See "State Aid" herein.)

There can be no assurance that the State's financial position will not change materially and adversely from prior 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 District is monitoring the situation and will take such proactive measures as may be required to maintain its operations and meet its obligations. (See "State Aid" and "State Aid History" herein).

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 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.

Current and 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 expects to deliver such opinion at the time of issuance of the Notes substantially in the form set forth in "APPENDIX – E" hereto.

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).

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned its underlying rating of "A+" with a stable outlook to the District's outstanding bonds. The rating reflects only the view of S&P and any desired explanation of the significance of such rating should be obtained from S&P, Public Finance Ratings, 55 Water Street, 38th Floor, New York, New York 10041, Phone: (212) 438-2118.

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, Business Manager, 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: June 24, 2022

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

GENERAL FUND

Balance Sheets

Fiscal Years Ending June 30:	2017	2018	2019	2020	2021
ASSETS					
Unrestricted Cash	$ 2,781,365	$ 3,603,994	$ 3,254,038	$ 3,428,857	$ 3,333,710
Restricted Cash	2,220,285	1,946,696	1,836,772	1,863,378	2,993,961
Accounts Receivable	231,129	69,311	685,802	789,914	391,206
Due from Other Governments	-	-	-	-	-
Due from Other Funds	-	173,163	479,069	1,480,030	1,118,167
State and Federal Aid Receivable	344,007	353,519	414,722	436,463	611,588
Prepaid Expenses	-	-	-	-	-
TOTAL ASSETS	$ 5,576,786	$ 6,146,683	$ 6,670,403	$ 7,998,642	$ 8,448,632
LIABILITIES AND FUND EQUITY					
Accounts Payable	$ 86,344	$ 76,252	$ 57,554	$ 37,333	$ 32,966
Accrued Liabilities	90,000	152,263	52,722	34,306	65,933
Due to Other Funds	-	2,695	2,695	1,006,243	-
Due to Other Governments	104	-	-	-	-
Due to Teachers' Retirement System	772,353	684,428	743,537	648,426	716,037
Due to Employees' Retirement System	127,186	126,029	138,510	157,741	122,458
Overpayments & Collections in Advance	202	202	-	-	-
Deferred Revenue	2,448	2,448	2,448	42,726	-
TOTAL LIABILITIES	$ 1,078,637	$ 1,044,317	$ 997,466	$ 1,926,775	$ 937,394
FUND EQUITY					
Nonspendable	$ -	$ -	$ -	$ -	$ -
Restricted:	2,220,285	2,081,691	1,836,772	3,028,373	3,656,400
Assigned	693,336	1,099,585	650,000	1,298,298	1,460,000
Encumbrances	-	9,298	49,961	104,915	96,669
Subsequent year's budget	-	700,000	810,000	850,000	-
Unassigned	1,584,528	1,211,792	2,326,204	790,281	2,298,169
TOTAL FUND EQUITY	4,498,149	5,102,366	5,672,937	6,071,867	7,511,238
TOTAL LIABILITIES and FUND EQUITY	$ 5,576,786	$ 6,146,683	$ 6,670,403	$ 7,998,642	$ 8,448,632

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:	2017	2018	2019	2020	2021
REVENUES					
Real Property Taxes	$ 8,191,613	$ 8,290,584	$ 8,426,213	$ 8,650,885	$ 8,870,746
Other Tax Items	1,005,021	1,056,939	1,111,211	1,115,342	1,087,308
Charges for Services	128,770	75,373	57,172	15,992	186,568
Use of Money & Property	12,860	13,453	65,486	62,043	26,636
Sale of Property and Compensation for Loss	9,772	7,923	125	83,433	57,290
Miscellaneous	487,752	270,892	253,209	370,592	360,369
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	9,544,025	9,155,182	8,950,756	8,943,374	9,174,265
Revenues from Federal Sources	28,728	24,623	42,921	42,360	40,512
Total Revenues	$ 19,408,541	$ 18,894,969	$ 18,907,093	$ 19,284,021	$ 19,803,694
Other Sources:					
Transfer from Endowment Funds	492,724	523,750	505,000	438,000	360,000
Transfers from Other Funds	-	-	-	-	-
Total Revenues and Other Sources	19,901,265	19,418,719	19,412,093	19,722,021	20,163,694
EXPENDITURES					
General Support	$ 2,466,220	$ 2,464,236	$ 2,527,071	$ 2,589,522	$ 2,657,495
Instruction	8,311,798	8,592,583	8,693,926	8,514,806	8,735,259
Pupil Transportation	1,043,971	1,085,646	1,068,971	720,439	742,993
Community Services	-	-	-	-	-
Employee Benefits	4,592,922	4,331,539	4,384,707	4,417,089	4,457,744
Debt Service	2,663,795	2,131,495	1,693,417	2,105,590	2,130,629
Total Expenditures	$ 19,078,706	$ 18,605,499	$ 18,368,092	$ 18,347,446	$ 18,724,120
Other Uses:					
Interfund Transfers	-	100,000	473,430	1,002,250	203
Total Expenditures and Other Uses	19,078,706	18,705,499	18,841,522	19,349,696	18,724,323
Excess (Deficit) Revenues Over Expenditures	822,559	713,220	570,571	372,325	1,439,371
FUND BALANCE					
Fund Balance - Beginning of Year	3,675,590	4,498,149	5,102,366	5,672,937	6,071,867
Prior Period Adjustments (net)	-	(109,003)	-	26,605	-
Fund Balance - End of Year	$ 4,498,149	$ 5,102,366	$ 5,672,937	$ 6,071,867	$ 7,511,238

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:	2021			2022	2023
	Adopted Budget	Modified Budget	Audited Actual	Adopted Budget	Adopted Budget
REVENUES					
Real Property Taxes	$ 9,681,130	$ 9,681,130	$ 8,870,746	$ 9,826,347	$ 9,949,177
Other Tax Items	130,000	130,000	1,087,308	260,000	-
Charges for Services	75,000	75,000	186,568	100,000	-
Use of Money & Property	10,000	10,000	26,636	10,000	-
Sale of Property and Compensation for Loss	-	-	57,290	-	-
Miscellaneous	260,000	260,000	360,369	180,000	588,000
Interfund Revenues	-	-	-	-	-
Revenues from State Sources	8,970,746	8,970,746	9,174,265	9,182,551	9,382,780
Revenues from Federal Sources	10,000	10,000	40,512	10,000	-
Total Revenues	$ 19,136,876	$ 19,136,876	$ 19,803,694	$ 19,568,898	$ 19,919,957
Other Sources:					
Transfer from Kellogg Funds	360,000	360,000	360,000	-	-
Transfers from Other Funds	-	-	-	425,000	838,000
Total Revenues and Other Sources	19,496,876	19,496,876	20,163,694	19,993,898	20,757,957
EXPENDITURES					
General Support	$ 2,685,235	$ 2,855,108	$ 2,657,495	$ 2,791,031	$ 3,026,595
Instruction	9,453,133	9,454,436	8,735,259	9,724,836	9,720,231
Pupil Transportation	843,192	843,791	742,993	1,281,534	1,360,122
Community Services	-	-	-	-	-
Employee Benefits	5,322,570	5,251,824	4,457,744	5,452,667	5,473,007
Debt Service	2,222,746	2,222,746	2,130,629	1,698,550	1,988,467
Total Expenditures	$ 20,526,876	$ 20,627,905	$ 18,724,120	$ 20,948,618	$ 21,568,422
Other Uses:					
Transfers to Other Funds	100,000	100,204	203	100,000	-
Total Expenditures and Other Uses	20,626,876	20,728,109	18,724,323	21,048,618	21,568,422
Excess (Deficit) Revenues Over Expenditures	(1,130,000)	(1,231,233)	1,439,371	(1,054,720)	(810,465)
FUND BALANCE					
Fund Balance - Beginning of Year	1,130,000	1,231,233	6,071,867	1,054,720	810,465
Prior Period Adjustments (net)	-	-	-	-	-
Fund Balance - End of Year	$ -	$ -	$ 7,511,238	$ -	$ -

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
2022	$ 1,375,000	$ 263,525	$ 1,638,525
2023	985,000	222,825	1,207,825
2024	485,000	189,325	674,325
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	$ 6,295,000	$ 1,259,125	$ 7,554,125

CURRENT BONDS OUTSTANDING

Fiscal Year Ending June 30th	2015D DASNY - Capital Improvements			2016 Refunding of 2009 Serial Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2022	$ 440,000	$ 234,325	$ 674,325	$ 935,000	$ 29,200	$ 964,200
2023	460,000	212,325	672,325	525,000	10,500	535,500
2024	485,000	189,325	674,325	-	-	-
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	$ 4,835,000	$ 1,219,425	$ 6,054,425	$ 1,460,000	$ 39,700	$ 1,499,700

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, 2021

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

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Cwynar, Farrow & Locke

Certified Public Accountants
A Professional Limited Liability Company

43 South Broad Street
Norwich, New York 13815
(607) 334-3838 voice
www.cwynar.com

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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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.

Auditor's Responsibility

Our responsibility is to express opinions 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 opinions.

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, 2021, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information be presented to supplement the basic financial statements. Such information, 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.

Other 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. The supplementary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary schedules have 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2019, 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, and 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, Farrow & Locke

September 27, 2021
Norwich, New York

Management's Discussion and Analysis

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The Delaware Academy Central School District at Delhi's discussion and analysis of financial performance provides an overall review of the District's financial activities for the fiscal years ended June 30, 2021 and 2020. 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 2020 have been reclassified and restated to conform to the present GASB accounting standards and presentation in the 2021 basic financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – Management's Discussion and Analysis (MD&A), the basic financial statements,required supplementary information, and other supplementary information. The basic financial statements consist of Districtwide 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.

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<tr><td colspan="4">Management's Discussion and Analysis</td></tr>
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The basic financial statements include two kinds of statements that present different views of the School District. The distirct-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.

Major Features of the District-Wide and Fund Financial Statements

		Fund Financial Statements	
	District-Wide	**Governmental Funds**	**Fiduciary Funds**
Scope	Entire District (except fiduciary funds)	The activities of the School District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the School District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenues, expenditures, and changes in fund balances	• Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

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 nonfinancial 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 distirct can be divided into the following two categories: **governmental** funds and **fiduciary** funds.

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.

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)

	Governmental Activities and Total School District 2020	Governmental Activities and Total School District 2021	Total Percentage Change
Assets & Deferred Outflows			
Current and Other Assets	$ 11,518	$ 13,903	
Deferred Outflows	5,401	11,835	
Long-Term Assets, Net	16,585	16,984	
	33,504	42,722	27.5%
Liabilities & Deferred Inflows			
Current Liabilities	2,338	5,460	
Deferred Inflows	8,805	10,417	
Long-Term Liabilities	45,368	48,916	
	56,511	64,793	14.7%
Net Position			
Invested in Capital Assets, Net of Related Debt	10,144	12,249	
Restricted	7,515	8,399	
Unrestricted	(40,666)	(42,719)	
	$ (23,007)	$ (22,071)	-4.1%

Analysis of Net Position

Net Position may serve as a useful indicator of the district's financial position. At the end of fiscal year 2021, 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 $41 million. Net Position also reflects the District's $12 million investment in capital assets. Since the distirct uses capital assets to provide services, they are not available for future spending. Further, the resources required to pay this debt must come from other sources since the capital assets themselves cannot be liquidated to pay that liability.

Long-term bonds payable decreased by $1.3 million. The district has paid off debt without incurring significant additional obligations

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)

	Governmental Activities and Total School District 2020	2021	Change
Expenses			
General Support	3,557	3,631	
Instruction	13,609	14,156	
Pupil Transportation	1,391	1,374	
Debt Service Interest	282	235	
School Lunch Program	705	700	
	19,544	20,096	2.8%
Revenues			
Program Revenues			
Charges for Services	$ 175	$ 240	
Operating Grants	850	928	
General Revenues			
Property Taxes and Tax Items	9,766	9,958	
State Formula Aid	8,943	9,174	
Federal Aid	42	41	
Use of Money and Property	118	35	
Transfer from trust accounts	438	360	
Miscellanous	455	191	
	20,787	20,927	0.7%
Change in Net Position	$ 1,243	$ 831	

Analysis of Changes in Net Position

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

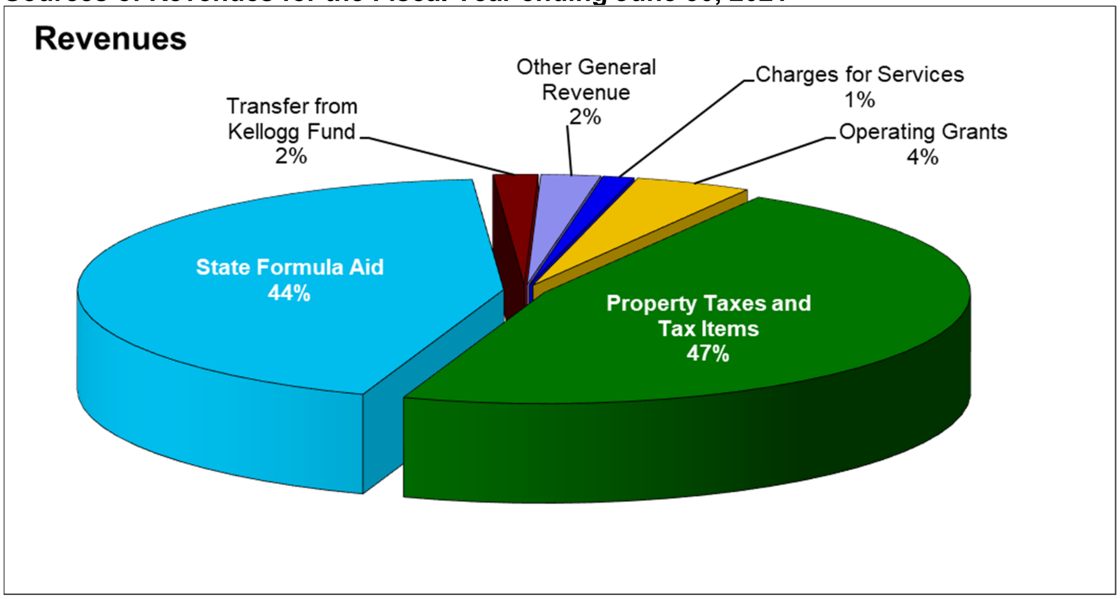
Expenses are presented in functional categories. The school district's primary funtion is education of their students. All revenue and expenses for each fiscal year are compared to the prior year with the percentage change. Program Revenues are specific program charges, grants, revenues and contributions that directly related 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 2021. Proprerty taxes and other tax items increased a modest $192 thousand.

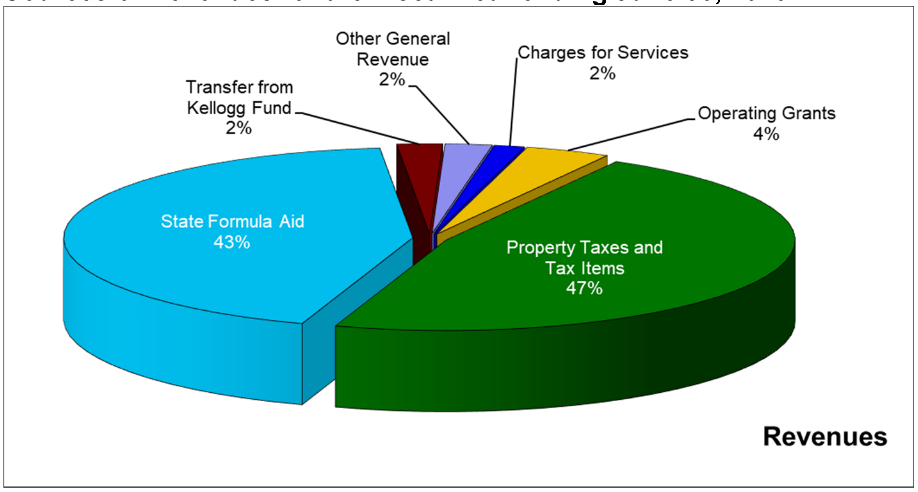
The District's expenses for the year increased by $553 thousand. Ths primarily due to a $615 thousand increase in Other Post Employment Benefits expenses.

A graphic display of the distribution of revenues for the two years as follows:

Sources of Revenues for the Fiscal Year ending June 30, 2021

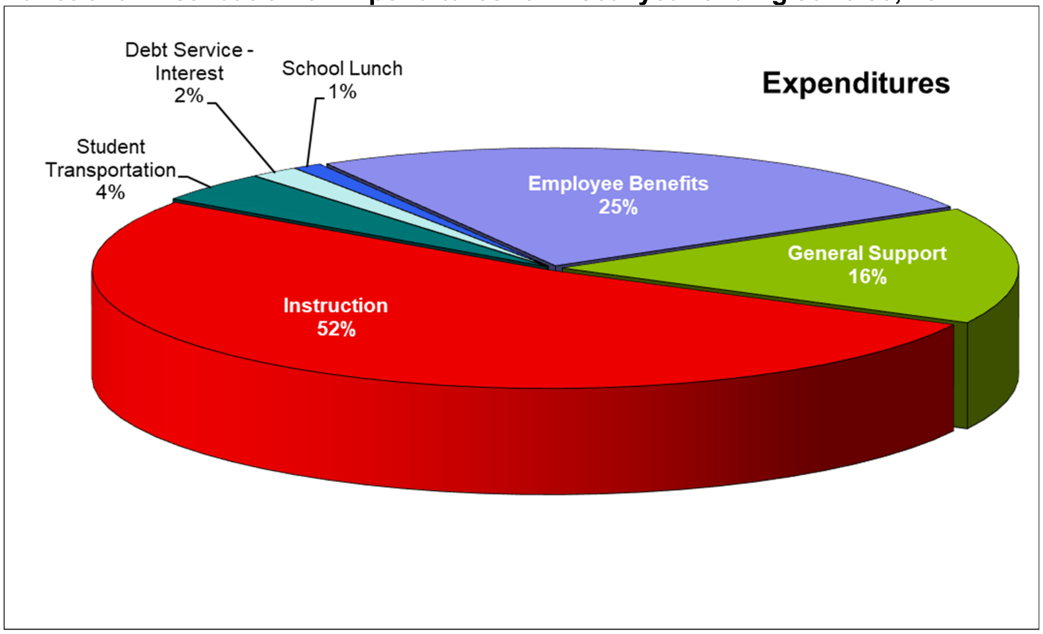


Sources of Revenues for the Fiscal Year ending June 30, 2020

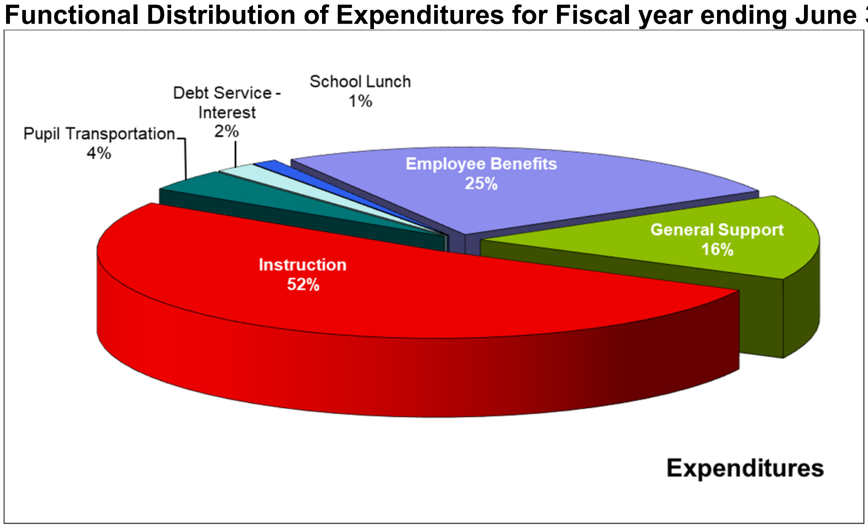


A graphic display of the distribution of expenses for the two years as follows:

Functional Distribution of Expenditures for Fiscal year ending June 30, 2021



Functional Distribution of Expenditures for Fiscal year ending June 30, 2020



FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At June 30, 2021, the District's governmental funds reported a combined fund balance of $9.7 million which is an increase of $68 thousand over the prior year. This increase is due to an excess of revenues over expenditures for the year. A summary of the change in fund balance is as follows:

General Fund	2020	2021	Increase (Decrease)
Restricted for:			
Workers' Compensation	$ 221,425	$ 221,463	$ 38
Unemployment insurance	152,021	252,068	100,047
Retirement Contribution	1,225,624	1,225,842	218
Liability claims and property loss	468,903	996,494	527,591
Employee benefit accrued liability	825,405	825,538	133
Mandatory debt service	134,995	134,995	-
Assigned to:			
Encumbrances	104,915	96,669	(8,246)
Appropriations	1,298,298	1,460,000	161,702
Subsequent year's expenditures	850,000	800,000	(50,000)
Unassigned	790,281	1,498,169	707,888
	6,071,867	7,511,238	1,439,371
Special Aid Fund			
Unassigned	11,784	36,075	24,291
	11,784	36,075	24,291
School Lunch Fund			
Nonspendable:			
Inventory	9,631	10,372	741
Encumbrances	3,629	5,380	1,751
Assigned	59,793	104,258	44,465
	73,053	120,010	46,957
Debt Service Fund			
Restricted for debt service	4,733,962	4,742,309	8,347
	4,733,962	4,742,309	8,347
Capital Projects Fund			
Unassigned	(1,247,033)	2,697,975	3,945,008
	(1,247,033)	(2,697,975)	3,945,008
Total Fund Balance	$ 9,643,633	$ 9,711,657	$ 68,024

Increases to the General Fund restricted fund balance is for additional reservations and interest earnings on existing balances. 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, 2021, was $ 20.6 million. This is an increase of $505 thousand over the prior year's adopted budget. The budget was funded through a combination of revenues and assigned fund balance. Most of this funding source was from real property taxes $9.6 million including STAR, and $9 million from State Aid.

Actual expenses for the year came in under budget by $1.9 million. Special education expenditures were $377 thousand less than anticipated and employee benefits were $794 thousand 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

Adopted Budget	$	20,626,876
Add: Prior year's encumbrances		104,914
Original budget		20,731,790
Budget revision:		
State Aid		(3,681)
Final budget	$	20,728,109

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2021, 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, deletions net of accumulated depreciation. Additional detail information is included in notes to the financial statement.

Capital Assets (Net of Depreciation) (In Thousands)

	Governmental Activities and total School District		
	2020	2021	Change
Land, easements & right of way	$ 1,209	$ 1,209	
Buildings	12,287	11,743	
Improvements other than buildings	333	300	
Equipment	1,260	868	
	$ 15,089	$ 14,120	-6.4%

Debt Administration

The District has outstanding debt in serial bonds. Additional detail information is included in notes to the financial statement.

Outstanding Long-Term Debt (in Thousands)

	2020	2021	Change
General Obligation Bonds…………	$ 7,635	$ 6,295	-17.6%

Total long-term debt includes all bonds and installment loans. The District has paid $1.3 million in principal and $303 thousand in interest on its outstanding bonds.

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. Delaware Academy was able to strengthen its already solid relationship with SUNY Delhi by adding a culinary option for students along with its already established auto mechanic curriculum. This program reduces the travel time to and from the BOCES campus by almost 400 hours per year. The District was also able to add a computer networking/programming elective for students, also reducing travel time for students who were previously enrolled in a similar BOCES program.

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's Capital Project started in 2020. The project will address various items such as, but not limited to paving, Elementary Cafeteria Renovations, 8^{th} grade classroom restructuring, sports field reconstruction, roofing, window replacement and HVAC. The goal of the Delaware Academy Board of Education is to implement this project with a zero tax impact to local taxpayers.

The District's Health Insurance costs remain relatively low when compared to other Municipalities. The District had a near zero increase in premiums for this year 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.

The COVID19 pandemic will have long-lasting effects on the national and state economy as well as the district's financial outlook. The District is well-positioned to mitigate the negative impact of State Aid losses for the current year. All budget lines have been reduced to the extent practicable, and further reductions in State Aid or unexpected costs will most likely result in the reduction of other expenses.

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

DELAWARE ACADEMY CENTRAL SCHOOL DISTRICT AT DELHI

Statement of Net Position
June 30, 2021

ASSETS		
Cash		
Unrestricted	$	4,339,306
Restricted		7,847,351
Receivables		
Accounts receivable		391,220
State and federal aid receivable		955,018
Inventories		10,371
Capital assets, net		16,983,803
		30,887,069
DEFERRED OUTFLOW OF RESOURCES		
Defeasance loss		68,387
Pensions		4,693,716
Retiree health benefits		7,072,674
		11,834,777
LIABILITIES		
Payables		
Accounts payable		96,350
Accrued expenses		65,933
Student deposits		117,244
Due To		
Other Governments		255
Teachers' Retirement System		716,037
Employees' Retirement System		122,458
Bond interest and matured bonds		10,800
Unearned Credits		
Overpayments and collections in advance		8,510
Unearned Revenue		64,822
Long-term liabilities		
Due and payable within one year		
Bonds payable		1,375,000
Due and payable after one year		
Bonds payable		4,920,000
Serial Bond Premium		650,057
Compensated absences payable		1,817,952
Other postemployment benefits payable		40,575,546
Net pension liability, proportionate share		951,774
		54,492,738
DEFERRED INFLOW OF RESOURCES		
Retiree health benefits		7,852,489
Pensions		2,564,707
		10,417,196
NET POSITION		
Investment in capital assets, net of related debt		11,317,915
Restricted		8,398,709
Unrestricted (deficit)		(41,904,712)
	$	(22,188,088)

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

DELAWARE ACADEMY CENTRAL SCHOOL DISTRICT AT DELHI

Statement of Net Activities and Changes in Net Position
For the year ended June 30, 2021

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Net (Expense) Revenue and Changes in Net Position
FUNCTIONS/PROGRAMS				
General support	$ 3,630,584	$ -	$ -	$ (3,630,584)
Instruction	14,156,005	186,834	560,071	(13,409,100)
Pupil transportation	1,373,918	-	-	(1,373,918)
Debt service interest	235,318	-	-	(235,318)
Foodservice	700,373	53,654	368,277	(278,442)
	$ 20,096,198	$ 240,488	$ 928,348	(18,927,362)
GENERAL REVENUES				
Real property taxes				8,870,746
Other tax items				1,087,308
Use of money and property				34,983
Disposition of property net of compensation for loss				(175,099)
Transfers from Endowment Funds				360,000
Miscellaneous				365,709
State sources				9,174,265
Federal sources				40,512
				19,758,424
Change in Net Position				831,062
Total Net Position - Beginning of year				(23,007,366)
Other changes in net position				(11,784)
Total Net Position - Beginning of year (restated)				(23,019,150)
Total Net Position - End of year				$ (22,188,088)

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, 2021

	General	School Lunch	Special Aid	Capital Projects	Debt Service	Total Governmental Funds
ASSETS						
Cash						
Unrestricted	$ 3,333,710	$ 34,385	$ 74,714	$ 896,497	$ -	$ 4,339,306
Restricted	2,993,961	-	117,244	-	4,736,146	7,847,351
Receivables						
Accounts receivable	391,206	14	-	-	-	391,220
Due from other funds	1,118,167	-	-	-	6,163	1,124,330
State and federal aid receivable	611,588	84,444	258,986	-	-	955,018
Inventories	-	10,371	-	-	-	10,371
	8,448,632	129,214	450,944	896,497	4,742,309	14,667,596
LIABILITIES						
Payables						
Accounts payable	32,966	439	-	62,945	-	96,350
Accrued liabilities	65,933	-	-	-	-	65,933
Student deposits	-	-	117,244	-	-	117,244
Due to:						
Due to other funds	-	-	232,803	531,527	-	764,330
Due to other governments	-	255	-	-	-	255
Due to Teachers' Retirement System	716,037	-	-	-	-	716,037
Due to Employees' Retirement System	122,458	-	-	-	-	122,458
Overpayments and Collections in Advance	-	8,510	-	-	-	8,510
Deferred revenues	-	-	64,822	-	-	64,822
	937,394	9,204	414,869	3,594,472	-	4,955,939
FUND BALANCES						
Nonspendable	-	10,372	-	-	-	10,372
Restricted						
Workers' compensation	221,463	-	-	-	-	221,463
Unemployment insurance	252,068	-	-	-	-	252,068
Retirement contributions	1,225,842	-	-	-	-	1,225,842
Liability claims and property loss	996,494	-	-	-	-	996,494
Employee benefit accrued liability	825,538	-	-	-	-	825,538
Manditory debt service	134,995	-	-	-	-	134,995
Debt service	-	-	-	-	4,742,309	4,742,309
Assigned	1,460,000	-	-	-	-	1,460,000
Encumbrances	96,669	5,380	-	-	-	102,049
Unassigned	2,298,169	104,258	36,075	(2,697,975)	-	(259,473)
	7,511,238	120,010	36,075	(2,697,975)	4,742,309	9,711,657
Total Liabilities and Fund Balance	$ 8,448,632	$ 129,214	$ 450,944	$ 896,497	$ 4,742,309	$ 14,667,596

DELAWARE ACADEMY CENTRAL SCHOOL DISTRICT AT DELHI

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
For the year ended June 30, 2021

	General	School Lunch	Special Aid	Capital Projects	Debt Service	Total Governmental Funds
REVENUES						
Real property taxes	$ 8,870,746	$ -	$ -	$ -	$ -	$ 8,870,746
Other tax items	1,087,308	-	-	-	-	1,087,308
Charges for services	186,568	-	-	-	-	186,568
Use of money and property	26,636	-	-	-	8,347	34,983
Sale of property and compensation for loss	57,290	-	-	-	-	57,290
Miscellaneous	349,384	-	-	-	-	349,384
Local sources	10,985	257	-	-	-	11,242
Sales - school lunch	-	53,654	-	-	-	53,654
State sources	9,174,265	-	48,608	-	-	9,222,873
Federal sources	40,512	368,277	531,799	-	-	940,588
	19,803,694	422,188	580,407	-	8,347	20,814,636
EXPENDITURES						
General support	2,657,495	191,418	-	-	-	2,848,913
Instruction	8,735,259	-	542,207	-	-	9,277,466
Pupil transportation	742,993	-	-	-	-	742,993
Employee benefits	4,457,744	-	2,125	-	-	4,459,869
Debt service						
Principal	1,340,000	-	-	-	-	1,340,000
Interest	302,925	-	-	-	-	302,925
Cost of sales	-	184,016	-	-	-	184,016
Capital outlay	487,704	-	-	1,488,516	-	1,976,220
	18,724,120	375,434	544,332	1,488,516	-	21,132,402
Excess (Deficiency) fo Revenues over Expenditures	1,079,574	46,754	36,075	(1,488,516)	8,347	(317,766)
OTHER FINANCING SOURCES AND (USES)						
Transfers from Endowment funds	360,000	-	-	-	-	360,000
Premium on obligations	-	-	-	37,574	-	37,574
Operating transfers in	-	203	-	-	-	203
Operating transfers (out)	(203)	-	-	-	-	(203)
	359,797	203	-	37,574	-	397,574
Net Change in Fund Balances	1,439,371	46,957	36,075	(1,450,942)	8,347	79,808
Fund Balances - Beginning of year (restated)	6,071,867	73,053	11,784	(1,247,033)	4,733,962	9,643,633
Other Changes in fund balance	-	-	(11,784)	-	-	(11,784)
Fund Balances - End of year	$ 7,511,238	$ 120,010	$ 36,075	$ (2,697,975)	$ 4,742,309	$ 9,711,657

DELAWARE ACADEMY CENTRAL SCHOOL DISTRICT AT DELHI

Reconciliation of Governmental Funds Balance Sheet
To the Statement of Net Position
June 30, 2021

Amounts reported for governmental activities in the statement of net position are different due to the following:

Total fund balances - governmental funds	$	9,711,657
Capital assets are 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		16,983,803
Defeasance losses from refunding of debt are recorded as an expenditure in governmental activities, but a deferred outflow of resources and amortized over the life of the refunding bond in the statement of net position.		
This is the remaining balance on those losses		68,387
Premium payments received from refunding or issuacne 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		(650,057)
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		(951,774)
Deferred outflows		4,693,716
Deferred inflows		(2,564,707)
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		(40,575,546)
Deferred outflows		7,072,674
Deferred inflows		(7,852,489)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds:		
Compensated Absences		(1,817,952)
Serial Bonds		(6,295,000)
Accrued Interest on Long Term Debt		(10,800)
Net Position of Governmental Activities	$	(22,188,088)

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, 2021

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

Net Changes in Fund Balance - Total Governmental Funds	$	79,808
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 expense		(1,075,661)
Capital outlays		1,701,409
Proceeds from the sale of assets are recorded as revenue in the governmental funds, while only the net gain or loss on the sale is reported in the statement of activities.		
Net gain or loss on sale of fixed assets		(227,040)
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		65,992
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		(846,908)
Employees' retirement system		138,714
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 Principal		1,340,000
Proceeds from Debt		(37,574)
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		(69,985)
Change in Other Post Employment Benefits Payable		(239,308)
Change in accrued Interest		1,615
Change in Net Position - Governmental Activities	$	831,062

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, 2021

		Private Purpose Trusts
ASSETS		
Cash and cash equivalents	$	211,656
Investments at market value		18,083,600
		18,295,256
LIABILITIES		
Due to other governments		360,000
		360,000
NET POSITION		
Reserved for grants & scholarships	$	17,935,256

Statement of Changes in Fiduciary Net Position
For the year ended June 30, 2021

		Private Purpose Trusts
ADDITIONS		
Investment earnings	$	303,947
Unrealized gain (loss) on marketable securites		3,562,512
		3,866,459
DEDUCTIONS		
Investment fees		142,989
Transfer to government funds		360,000
Memorial fund grants to businesses		31,900
Scholarships and awards		103,726
		638,615
Change in Net Position		3,227,844
Net Position - Beginning of year		14,707,412
Net Position - End of Year	$	17,935,256

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 apply 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.

Extraclassroom Activity Funds

The Extraclassroom 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 Extraclassroom 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 Extraclassroom 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.

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 $2,240,309 for BOCES administrative and program costs. The District's share of BOCES aid amounted to $516,744. 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

i) 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.

ii) Fund financial statements:

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.

iii) *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.

- *Agency 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 extraclassroom 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. Nonexchange 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 ninety 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 postemployment 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 postemployment 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

The 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 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 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 with 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, with the exception of 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 postemployment 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 postemployment 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 statements. 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 postemployment 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.

U) 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.

V) Equity Classifications

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.

Fund statements:

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

1) **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.

2) **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 for:	
Workers' compensation	$ 221,463
Unemployment insurance	252,068
Retirement contributions	1,225,842
Liability claims and property loss	996,494
Employee benefit accrued liability	825,538
Manditory debt service	134,995
	$ 3,656,400

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 sixty 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, 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 sixty 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, must be used for financing retirement contributions. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board.

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. 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.

3) **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.

4) **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.

5) **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. Nonspendable 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

W) New Accounting Pronouncement

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2021, the District has implemented the following new standards issued by GASB:

GASB has issued Statement No. 84, *Fiduciary Activities*
GASB has issued Statement No. 87, *Leases*

GASB has issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*

X) Future Changes in Accounting Standards

GASB has issued Statement No. 91, *Conduit Debt Obligations*	Effective for the year ending June 30, 2022

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 on 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 STEWARDSHIP AND COMPLIANCE

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:

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.

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.

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.

Encumbrances

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 4 CASH AND CASH EQUIVALENTS

A) Custodial Credit Risk

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, 2021, the School District's cash balances of $12,072,045 were fully collateralized by FDIC insurance of $750,000 and securities held by an agent of the pledging financial institution in the School District's name.

B) Restricted Cash and Cash Equivalents

The Governmental and Fiduciary Funds restricted cash is as follows:

Restricted Cash and Cash Equivalents of $4,736,146 in the Debt Service Fund represents funds restricted for debt service of outstanding deficit financing bonds. General fund restricted cash of $2,993,961 represents amounts held for legal reserves.

Restricted Cash and Cash Equivalents of $348,231 in the Private Purpose Trusts represent various expendable and nonexpendable endowments.

Note 5 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, 2021, 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 education 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 ten percent 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 during 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, 2021, is summarized in the following schedule:

Cash	$	208,656
Investments at Fair Value		
Kellogg Scholarship Fund		5,906,031
Abraham Kellogg Memorial Fund		2,254,588
Delhi Capital Fund		3,473,098
Delhi Supplemental Trust Fund		6,449,883
		18,083,600
		18,292,256
Due to governmental fund		(360,000)
	$	17,932,256

Revenues		
Interest & dividend earnings		
Kellogg Scholarship Fund	$	98,601
Abraham Kellogg Memorial Fund		37,484
Delhi Capital Fund		59,894
Delhi Supplemental Trust Fund		107,968
		303,947
Realized and Unrealized Capital Gains		
Kellogg Scholarship Fund		1,211,957
Abraham Kellogg Memorial Fund		429,119
Delhi Capital Fund		679,023
Delhi Supplemental Trust Fund		1,242,413
		3,562,512
		3,866,459
Expenditures		
Scholarships		103,726
Awards to businesses		31,900
Investment management fees		142,989
Transfer to governmental fund		360,000
		638,615
		3,227,844
Beginning Fund Balance		14,704,412
Ending Fund Balance	$	17,932,256

The trust funds' investments are held by the counterparty's trust department in an account in the trust fund name. The assets held in these accounts at June 30, 2021, were comprised of the following:

	Fair Value	Cost	Unrealized Gain
Cash & Equivalents	$ 449,508	$ 449,508	$ -
Exchange Traded & Closed End Funds	9,426,225	7,164,355	2,261,870
Corporate Fixed Income	1,774,581	1,711,887	62,694
US Government Securities	2,492,910	2,449,593	43,317
Common Stock	4,149,032	1,703,889	2,445,143
	$ 18,292,256	$ 13,479,234	$ 4,813,024

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 five percent of the total value of portfolio. At June 30, 2021, more than 5% of the portfolio value was invested in the Federal Home Loan Mortgage Corporation.

Note 6 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, 2021 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	1,375,395	1,488,516	-	2,863,911
	2,583,895	1,488,516	-	4,072,411
Capital assets being depreciated:				
Buildings and Improvements	27,652,559	92,746	(14,683)	27,730,622
Outdoor improvements	1,331,067	13,295	-	1,344,362
Furniture, Equipment, and Vehicles	7,559,756		(121,611)	7,438,145
	36,543,382	106,041	(136,294)	36,513,129
Accumulated depreciation	(22,542,182)	1,075,661	16,106	(23,601,737)
	14,001,200			12,911,392
Net Cost of Capital Assets	$ 16,585,095			$ 16,983,803

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

Depreciation expense for the year was as follows:

General Support	$ 516,317
Instruction	473,291
Pupil Transportation	64,540
School Lunch	21,513
	$ 1,075,661

Note 7 SHORT-TERM DEBT

The District may issue Revenue Anticipation Notes and Tax Anticipation Notes, 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, 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.

The District had no outstanding short-term debt at year-end and had no short-term debt activity during the year.

Note 8 NONCURRENT LIABILITIES

Noncurrent liability balances and activity are as follows for the year ended June 30, 2021:

Description	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year
Bonds Payable					
Serial Bonds	$ 7,635,000	$ -	$ 1,340,000	$ 6,295,000	$ -
Serial Bond Premium	712,670	-	100,187	612,483	100,187
	8,347,670	-	1,440,187	6,907,483	100,187
Other Liabilities					
Other Postemployment Benefits	34,780,208	6,848,802	1,053,464	40,575,546	-
Net pension liability	943,844	1,479,170	1,471,240	951,774	-
Compensated Absences	1,747,967	69,985	-	1,817,952	-
Total Noncurrent Liabilities	$ 45,819,689	$ 8,397,957	$ 3,964,891	$ 50,252,755	$ 100,187

The General Fund has typically been used to liquidate noncurrent liabilities through budget appropriations.

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
2016 Serial Refunding Bond…………	6/28/2016	$ 4,160,000	6/15/2023	2.27%	$ 1,460,000
2015 Serial Bond Series D………….	6/10/2015	6,780,000	6/15/2030	4.87%	4,835,000
					$ 6,295,000

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

For the Year Ending June 30,	Serial Bonds Principal	Interest	Total
2022	$ 1,375,000	$ 263,525	$ 1,638,525
2023	985,000	222,825	1,207,825
2024	485,000	189,325	674,325
2025	505,000	165,075	670,075
2026	535,000	139,825	674,825
2027 - 2030	2,410,000	278,550	2,688,550
	$ 6,295,000	$ 1,259,125	$ 7,554,125

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

Interest Paid…………………………………………………………	$ 302,925
Less: Interest Accrued in the Prior Year………………………	(12,415)
Plus: Interest Accrued in the Current Year…………………….	10,800
Amortization of Bond Premiums……………………………….	(100,187)
Amortization of Deferred Outflows…………………………….	34,195
	$ 235,318

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 consist 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 also is 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.

Compensated Absences

Compensated absences of $1,817,952 represents sick time that has been earned by the School District employees but not used as of June 30, 2021.

Note 9 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.

1) *Provisions and administration:*

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.

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 with regard to 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.

2) *Funding policies*: The Systems are noncontributory except for employees who joined after July 27,1976, who contribute 3 percent 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 percent 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.

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
2021	$ 313,542	$ 575,913
2020	351,515	514,664
2019	333,592	606,652

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

3) Pension Liabilities, Pension Expense (Credit), and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

At June 30, 2021, 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, 2021 for ERS and June 30, 2020 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................	3/31/2021	6/30/2020
Net pension liability(asset)...........	$ 6,995	$ 944,779
District's portion of the Plan's total		

For the year ended June 30, 2021, the District's recognized pension expense of $313,542 for ERS and the actuarial value $575,913 for TRS. At June 30, 2021 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of		Deferred Inflows of	
	ERS	TRS	ERS	TRS
Differences between expected and actual experience..............................	$ 85,434	$ 827,815	$ -	$ 48,418
Changes of assumptions................................	1,286,241	1,194,925	24,259	425,928
Net difference between projected and actual earnings on pension plan investments..........	-	617,023	2,009,511	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions.............	123,749	44,363	10,637	45,954
District's contributions subsequent to the measurement date.............................	-	-	-	-
	$ 1,495,424	$ 2,684,126	$ 2,044,407	$ 520,300

4) 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, 2021. 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:		
2021	$ (79,264)	$ 365,051
2022	(11,703)	739,963
2023	(85,241)	608,395
2024	(372,775)	383,891
2025	-	22,001
Thereafter	-	44,525

5) 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 update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

	ERS	TRS
Measurement date	3/31/2021	6/30/2020
Actuarial valuation date	4/1/2020	6/30/2019
Inflation	2.5%	2.2%
Salary increases	4.5%	4.72 - 1.9%
Investment rate of return	6.8%	7.1%
Cost-of-living adjustments	1.3%	1.3%
Decrement tables	April 1, 2015 - March 31, 2020	July 1, 2009 - June 30, 2014

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System's experience with adjustments for mortality improvements based on MP-2020. For TRS, annuitant mortality rates are based on July 1, 2009 – June 30, 2014 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2019.

For ERS, the actuarial assumptions used in the April 1, 2011 valuation are based on the results of an actuarial experience study for the period April 1, 2005 – March 31, 2010. For TRS, the actuarial assumptions used in the June 30, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

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	3/31/2021		6/30/2020	
Asset Class:	Target allocation	long-term expected real rate of return	Target allocation	long-term expected real rate of return
Domestic equities	32%	4.1%	33%	7.1%
International equities	15%	6.3%	16%	7.7%
Global equities	-	-	4%	7.4%
Private equity	10%	6.8%	8%	10.4%
Real estate	9%	5.0%	11%	6.8%
Opportunistic portfolio	3%	4.5%	-	-
Credit	4%	3.6%		
Real assets	3%	6.0%	-	-
Fixed income	23%	0.0%	16%	1.8%
Private debt	-	-	1%	5.2%
Global bond income	-	-	2%	1.0%
Real estate mortgages	-	-	7%	3.6%
High-yield bond income	-	-	1%	3.9%
Cash	1%	0.5%	1%	0.7%
	100%		100%	

Discount Rate

The discount rate used to calculate the total pension liability was 5.9% for ERS and 7.1% for TRS.

The projection of cash flows used to determine the discount rate assumes that contributions form 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.

6) 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 7.1% 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-percentagepoint higher than the current rate:

ERS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension liability (asset)	$ 1,941,672	$ 6,995	$ (1,777,229)

TRS	1% Decrease (6.1%)	Current Assumption (7.1%)	1% Increase (8.1%)
Employer's proportionate share of the net pension liability (asset)	$ 5,967,841	$ 944,779	$ (3,270,844)

7) 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	3/31/2021	6/30/2020	
Employers' total pension liability	$ 220,680,157	$ 123,242,776	$ 343,922,933
Fiduciary net position	220,580,583	120,479,505	341,060,088
Employers' net pension liability	$ 99,574	$ 2,763,271	$ 2,862,845
Ratio of plan net position to the Employers' total pension liability	99.95%	97.76%	99.17%

8) 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, 2021 is $174,828 for ERS and $1,422,821 for TRS.

Note 10 OTHER 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.

1) 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, 2021, the following employees were covered by the benefit terms:

All Members except active Teachers:

Active Members………………………………………………………………………………..	78
Retired Members………………………………………………………………………….....	107
Eligibility:	Employees must reach an age of fifty-five (55) years with a minimum of twelve (12) years of service
Contributions:	Thirty-five (35) percent of plan Premium plus and additional Thirty-five (35) percent for spousal coverage.

Active Teachers:

Active Members…………………………………………………………………………………	81
Eligibility	Teachers must reach an age of fifty-five (55) years with a minimum of twelve (12) years of service
Contributions:	Varies with contract Thirty-five (35) percent to Fifty (50) percent. Including additional percentages for spousal coverage

2) Total OPEB Liability

The District's total OPEB liability of $40,575,546 was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020.

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, 2021 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……………………………………………………	2.5%
Salary Scale………………………………………………	3.5%
Discount rate……………………………………………..	2.21%

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 short term (the first four years) trend rates were based on the following:

Rate of inflation……………………………………………………………………	2.5%
Rate of Growth in Real Income / GDP per capita…………………………………..	1.5%
Extra Trend due to Technology and other factors…………………………………..	1.1%
Health Share of GDP Resistance Point………………………………………………...	25.0%

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 2021 decreasing to an ultimate rate of 4.04% by 2091
Medicare	6.5% for 2021 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.

3) Changes in the Total OPEB Liability

		6/30/2021
Total OPEB Liability at Beginning of Year	$	34,780,208
Changes for the year:		
Service Cost		1,243,225
Interest		1,242,384
Difference between expected and actual experience		(2,703,278)
Changes in assumptions or other inputs		7,066,471
Benefit payments		(1,053,464)
		5,795,338
Balance at the End of the year	$	40,575,546

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – 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 a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	Discount Rate		
	1% Decrease	Baseline Rate 2.2%	1% Increase
Total OPEB Liability	$ 47,726,128	$ 40,575,546	$ 34,830,898

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:

	Healthcare Cost Trend Rates		
	1% Decrease	Baseline Rate Rate 5.4%	1% Increase
Total OPEB Liability	$ 33,996,283	$ 40,575,546	$ 49,122,503

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

For the year ended June 30, 2021, the District recognized OPEB expense of $239,308. At June 30, 2021, 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
Benefit payments after valuation date……………………………………	$ 1,053,653	$ -
Differences Between expeted and actual experience……………………	-	5,210,387
Changes of assumption or other inputs……………………………………	6,019,021	2,642,102
	$ 7,072,674	$ 7,852,489

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,	2021……….	$ (138,995)
	2022……….	(1,192,648)
	2023……….	(662,789)
	2024……….	374,406
	2025……….	713,126
Thereafter………………		127,085
		$ (779,815)

Note 11 INTERFUND TRANSACTIONS

Fund	Interfund Receivables	Interfund Payables	Interfund Revenues	Interfund Expenditures
Governmental Funds				
General	$ 1,118,167	$ -	360,000	$ 203
Special Aid	-	232,803	-	-
School Lunch	-	-	203	-
Debt Service	6,163	-	-	-
Capital	-	531,527	-	-
Fiduciary Funds				
Private Purpose Trusts	-	360,000	-	360,000
	$ 1,124,330	$ 1,124,330	$ 360,203	$ 360,203

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 12 FUND BALANCES

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

A) The following is a summary of the change in General Fund restricted reserve funds during the year:

	2020	Increases	Decreases	2021
General Fund				
Workers' Compensation	$ 221,425	$ 38	-	$ 221,463
Unemployment insurance	152,021	100,047	-	252,068
Retirement Contribution	1,225,624	218	-	1,225,842
Liability claims and property loss	468,903	527,591	-	996,494
Employee benefit accrued liability	825,405	133	-	825,538
Mandatory debt service	134,995	-	-	134,995
Debt Service Fund				
Restricted for debt service	4,733,962	8,347	-	4,742,309
	$ 7,762,335	$ 636,374	$ -	$ 8,398,709

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

	2020	2021	Increase (Decrease)
General Fund			
Restricted for:			
Workers' Compensation	$ 221,425	$ 221,463	$ 38
Unemployment insurance	152,021	252,068	100,047
Retirement Contribution	1,225,624	1,225,842	218
Liability claims and property loss	468,903	996,494	527,591
Employee benefit accrued liability	825,405	825,538	133
Mandatory debt service	134,995	134,995	-
Assigned to:			
Encumbrances	104,915	96,669	(8,246)
Appropriations	1,298,298	1,460,000	161,702
Subsequent year's expenditures	850,000	800,000	(50,000)
Unassigned	790,281	1,498,169	707,888
	6,071,867	7,511,238	1,439,371
Special Aid Fund			
Unassigned	11,784	36,075	24,291
	11,784	36,075	24,291
School Lunch Fund			
Nonspendable:			
Inventory	9,631	10,372	741
Encumbrances	3,629	5,380	1,751
Assigned	59,793	104,258	44,465
	73,053	120,010	46,957
Debt Service Fund			
Restricted for debt service	4,733,962	4,742,309	8,347
	4,733,962	4,742,309	8,347
Capital Projects Fund			
Unassigned	(1,247,033)	2,697,975	3,945,008
	(1,247,033)	(2,697,975)	3,945,008
Total Fund Balance	$ 9,643,633	$ 9,711,657	$ 68,024

Note 13 RISK MANAGEMENT

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.

Risk Financing and Related Insurance

A) 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, 2021, the School District incurred premiums or contribution expenditures totaling $2,737,301.

B) 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, 2021, the School District incurred premiums or contribution expenditure of $79,608. 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 14 COMMITMENTS AND CONTINGENCIES

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.

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 15 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 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 16 LEASE OBLIGATIONS (OPERATING LEASES)

The School District entered into a non-cancelable operating lease agreement for certain school buses or other motor vehicles and certain equipment and accessories. Rental expense for the year was $378,756.

Minimum future annual rentals for each of the remaining fiscal years of the lease are:

	Amount
June 30, 2022.............................	$ 199,787
2023.............................	199,787
2024.............................	177,136
2025.............................	177,136
2026.............................	-
	$ 753,846

Note 17 SUBSEQUENT EVENTS

The District has evaluated subsequent events through the issuance date of the financial statements. On March 11, 2020 the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. As of the date of this filing, the District has implemented reopening plans for the school year which includes elements of in-person and remote learning. We cannot reasonably estimate the length or severity of this pandemic, or the extent to which the disruption may materially impact financial position and results of operations on a long-term basis. The District is working to implement budget cuts and use of reserves to fund unforeseen expenses in the upcoming school year.

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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, 2021

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance With Budgetary Actual
REVENUES				
Local Sources				
Real property taxes	$ 9,681,130	$ 9,681,130	$ 8,870,746	$ (810,384)
Other tax items	130,000	130,000	1,087,308	957,308
Charges for services	75,000	75,000	186,568	111,568
Use of money and property	10,000	10,000	26,636	16,636
Sale of property and compensation for loss	-	-	57,290	57,290
Miscellaneous	80,000	80,000	349,384	269,384
	9,976,130	9,976,130	10,577,932	601,802
Local Sources	180,000	180,000	10,985	(169,015)
State Sources	8,970,746	8,970,746	9,174,265	203,519
Federal Sources	10,000	10,000	40,512	30,512
Total Revenues	19,136,876	19,136,876	19,803,694	666,818
OTHER FINANCING SOURCES				
Transfers from Kellog Fund	360,000	360,000	360,000	
Appropriated fund balance	1,130,000	1,231,233	-	
	1,490,000	1,591,233	360,000	
Total Revenues & Other Financing Sources	$ 20,626,876	$ 20,728,109	$ 20,163,694	

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-end Encumbrances	Final Budget Variance With Budgetary Actual and Encumbrances
EXPENDITURES					
General Support					
Board of education	$ 48,834	$ 48,834	$ 38,433	$ -	$ 10,401
Central administration	223,823	223,823	197,830	-	25,993
Finance	347,777	388,129	369,871	-	18,258
Staff	94,900	200,907	167,413	-	33,494
Central services	1,438,468	1,448,667	1,346,301	82,185	20,181
Special items	531,433	544,748	537,647	-	7,101
	2,685,235	2,855,108	2,657,495	82,185	115,428
Instruction					
Administration	334,950	402,481	396,131	-	6,350
Teaching	4,507,773	4,347,438	4,155,215	640	191,583
Students with disabilities	2,632,090	2,651,061	2,273,090	110	377,861
Special schools education	175,595	207,071	203,043	-	4,028
Instructional media	705,211	751,242	781,933	-	(30,691)
Pupil services	1,097,514	1,095,143	925,847	12,117	157,179
	9,453,133	9,454,436	8,735,259	12,867	706,310
Pupil Transportation	843,192	843,791	742,993	1,617	99,181
Employee Benefits	5,322,570	5,251,824	4,457,744	-	794,080
Debt Service - principal	1,340,000	1,340,000	1,340,000	-	-
Debt Service - interest	302,926	302,926	302,925	-	1
Capital outlay	579,820	579,820	487,704	-	92,116
	20,526,876	20,627,905	18,724,120	96,669	1,807,116
OTHER FINANCING USES					
Transfers to other funds	100,000	100,204	203	-	100,001
	$20,626,876	$20,728,109	$ 18,724,323	$ 96,669	$ 1,907,117
Net change in fund balances			1,439,371		
Fund balance - beginning			6,071,867		
Fund balance - ending			$ 7,511,238		

Schedule of Funding Progress - Other Post-Employment Benefits
For the year ended June 30, 2021

Schedule of OPEB Funding Progress

Total OPEB Liability Beginning of Year	$	34,780,208
Changes in totl OPEB Liablity:		
Service Cost		1,243,225
Interest		1,242,384
Changes in benefit terms		-
Differences between expected and actual experience		(2,703,278)
Changes in assumptions or other inputs		7,066,471
Benefit payments		(1,053,464)
Differences between expected and actual experience		-
Total OPEB Liability atEnd of Year (a)	$	40,575,546
Plan Fiduciary Net Position		-
Contributions - employer		-
Net investment income		-
Benefit payments		-
Net change in fiduciary net position		-
Plan Fiduciary Net Position Beginning of Year		-
Plan Fiduciary Net Position End of Year (b)		-
Sponsor's Net OPEB Liability End of Year (a)-(b)	$	40,575,546
Plan Fiduciary Net Position as a percentage of the total OPEB Liabilty		0.0%
Covered Payroll	$	8,188,480
Net OPEB Liability as a percentage of Covered Payroll		495.5%

Schedule of Employer OPEB Contributions

Actuarially Determined Contribution	$	1,292,971
Contributions in relation to the Actuarially Determined Contributions		1,053,653
Contributions Deficiency (Excess)	$	239,318
Covered Payroll	$	8,188,480
Contributions as a percentage of Covered Payroll		12.9%

Significant Methods and Assumptions used in Calculating the Actuarially Determined Contributions:

Actuarial Cost Method

The Actuarial Cost Method used to determine the Total OPEB Liability and the Annual Required Contribution is the Entry Age Normal (EAN) method as prescribed by GASB No. 75. This method is in the family of future benefit cost methods, which requires an estimate of the projected benefit payable at retirement to determine costs and liabilities.

The Normal Cost (or Service Cost) is the annual allocation required for each participant from entry date to the assumed retirement date so that the accumulated allocation at retirement is equal to the liability for the projected benefit. The projected benefits are based on estimates of future years of service and projected health benefit costs. The normal cost is developed as a level percent of compensation as prescribed by GASB No. 75.

The Present Value of Future Benefits is equal to the value of the projected benefit payable at retirement discounted back to the participant's current age. Discounts include such items as interest and mortality. The present value of future normal cost allocations is equal to the discounted value of the normal costs allocated from the member's current age to retirement age.

The difference between the Present Value of Future Benefits and the present value of future normal cost allocations represents the Total OPEB Liability at the participant's current age.

The Total OPEB Liability for participants currently receiving payments is calculated as the actuarial present value of future benefits expected to be paid. No normal cost is allocated for these participants.

Financial and Census Data

The School District provided the participant data, financial information and plan descriptions used in this valuation. The actuary has checked the data for reasonableness but has not independently audited the data. The actuary has no reason to believe the data is not complete and accurate and knows of no further information that is essential to the preparation of the actuarial valuation.

Plan Fiduciary Net Position

Market value of assets as of the measurement date is zero because the plan is funded on a pay-as-you-go basis.

Assumptions

1. **Valuation Date:** July 1, 2020

2. **Measurement Date:** July 1, 2020

3. **Reporting Date:** June 30, 2021

4. **Actuarial Cost Method:** Entry Age Normal – Level percent of Pay

5. **Plan Type:** Single Employer Defined Benefit Plan

6. **Discount Rate:** An interest rate of 2.21% was used. The discount rate was based on the Bond Buyer General Obligation 20-year Municipal Bond Index.

7. **Salary Scale:** 3.5%

8. **Inflation:** 2.5% per year**.**

9. **Retirement Rates:** Employees who meet the service requirement may typically retire from the District at age 55 or later. The valuation considers the fact that employees may elect to retire at different ages. The retirement rates used in this valuation were developed by the Office of the Actuary of TRS and the Office of the Actuary for ERS, for the valuation of their respective pension liabilities.

10. **Retiree Option Election Rates:** If retirees have a choice between multiple options, election rates for each option must be selected. The valuation assumes that all current retirees are, and future retirees will be, covered by health insurance
    a. Retiree: 99%
    b. Retiree Spouse: 90%
    c. Surviving Spouse: 5%

11. **Proportion Electing Spousal Coverage:** The valuation must consider the proportion of retiring employees who elect spousal coverage upon their retirement. The following proportions are assumed, based on current retiree experience: 70%.

12. **Mortality:** 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.

    a. **Mortality for Actives -** The RPH-2014 Mortality Table for employees, sex distinct, with generational mortality adjusted to 2006 using scale MP-2014 and projected forward with scale MP-2020.

    b. **Mortality for Retirees -** The RPH-2014 Mortality Table for Healthy Annuitants, sex distinct, with generational mortality adjusted to 2006 using scale MP-2014 and projected forward with scale MP-2020.

13. **Health Care Cost Trend:** 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, based on the Society of Actuaries' Models, reflect the view that future increases 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. The assumptions are summarized as follows:
    a. Pre- 65: 6.5% for 2022 decreasing to an ultimate rate of 4.04% by 2091
    b. Post-65**:** 6.5% for 2022 decreasing to an ultimate rate of 4.04% by 2091
    c. Rate of inflation:2.5%
    d. Rate Growth in Real Income/GDP per capita: 1.5%
    e. Extra Trend due to Technology and other factors: 1.1%
    f. Health share of GDP resistance point: 25.0%

14. **Per Capita Claim Costs:** For the medical plans, we analyzed retiree premiums provided by the district in effect as of July 01, 2020. The data implicitly reflects the deductibles and/or copays in effect during the period, as well as the significant differences in coverage between before Medicare eligibility and after. Per capita claim costs were first determined on an overall basis, and then were distributed to the age bands using an assumed set of age-band relativities.

15. **Patient Protection and Affordable Care Act (PPACA)**
    High Cost Plan Excise Tax ("Cadillac Tax") was repealed in 2019.

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, 2021

ERS PENSION PLAN

	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
District's proportion of the net pension liability (asset)………	0.007025%	0.006921%	0.007085%	0.007293%	0.007233%	0.007258%	0.007180%
District's proportionate share of the net pension liability (asset)………	$ 6,995	$ 1,832,767	$ 501,965	$ 235,390	$ 679,626	$ 1,165,000	$ 242,568
District's covered-employee payroll………	$ 2,385,252	$ 2,303,712	$ 2,208,453	$ 2,153,344	$ 1,962,684	$ 1,992,183	$ 2,002,572
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll………	0.3%	79.6%	22.7%	10.9%	34.6%	58.5%	12.1%
Plan fiduciary net position as a percentage of total pension liability………	86.4%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%

TRS PENSION PLAN

	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
District's proportion of the net pension liability (asset)………	0.034191%	0.034216%	0.034737%	0.034770%	0.033506%	0.033184%	0.034348%
District's proportionate share of the net pension liability (asset)………	$ 944,779	$ (888,923)	$ (628,133)	$ (264,284)	$ 358,858	$ (3,446,745)	$ (3,826,189)
District's covered-employee payroll………	$ 5,803,228	$ 5,711,136	$ 5,570,057	$ 5,658,233	$ 5,509,845	$ 4,969,907	$ 4,939,301
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll………	16.3%	-15.6%	-11.3%	-4.7%	6.5%	-69.4%	-77.5%
Plan fiduciary net position as a percentage of total pension liability………	102.2%	102.2%	101.5%	100.7%	99.0%	110.5%	111.5%

DELAWARE ACADEMY CENTRAL SCHOOL DISTRICT AT DELHI

Schedule of District's Contributions
For the year ended June 30, 2021

ERS PENSION PLAN

	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Contractually required contribution..................	$ 348,875	$ 332,284	$ 321,111	$ 328,422	$ 321,371	$ 383,761	$ 327,081
Contributions in relation to the contractually required contribution................	$ 348,875	$ 332,284	$ 321,111	$ 328,422	$ 321,371	$ 383,761	$ 327,081
Contribution deficiency (excess).....................	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll..................	$ 2,385,252	$ 2,303,712	$ 2,208,453	$ 2,153,344	$ 1,962,684	$ 1,992,183	$ 2,002,572
Contributions as a percentage of covered-employee payroll...........................	14.6%	14.4%	14.5%	15.3%	16.4%	19.3%	16.3%

TRS PENSION PLAN

	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Contractually required contribution..................	$ 514,166	$ 606,523	$ 554,507	$ 645,754	$ 685,573	$ 873,812	$ 861,872
Contributions in relation to the contractually required contribution................	$ 514,166	$ 606,523	$ 554,507	$ 645,754	$ 685,573	$ 873,812	$ 861,872
Contribution deficiency (excess).....................	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll..................	$ 5,803,228	$ 5,711,136	$ 5,570,057	$ 5,658,233	$ 5,509,845	$ 4,969,907	$ 4,939,301
Contributions as a percentage of covered-employee payroll...........................	8.9%	10.6%	10.0%	11.4%	12.4%	17.6%	17.4%

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Supplementary Information

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, 2021

Change from Adopted Budget to Revised Budget

Adopted Budget	$	20,626,876
Add: Prior year's encumbrances		104,914
Original budget		20,731,790
Budget revision:		
State Aid		(3,681)
Final budget	$	20,728,109
Next year's budget is a voter approved budget	$	20,626,876

Section 1318 of Real Property Tax Law Limit Calculation

Subsequent year's voter-approved budget	$	21,048,618
Maximium allowed percentage		4%
Limit of unexpended surplus funds	$	841,945
General fund balance		
Restricted	$	3,656,400
Assigned		1,556,669
Unassigned		2,298,169
	$	7,511,238
Less:		
Restricted not subject to the law		(3,656,400)
Appropriated for subsequent year's budget in assigned		(1,460,000)
Encumbrances included in assigned		(96,669)
		(5,213,069)
General fund balance subject to limit	$	2,298,169
Calculated actual percentage		10.918%

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, 2021

			Expenditures			
PROJECT TITLE	Original Appropriation	Revised Appropriation	Prior Years	Current Year	Total	Unexpended Balance
Building Project	$ 10,400,000	8,968,747	1,342,304	1,488,516	2,830,820	$ 6,137,927
	$ 10,400,000	8,968,747	1,342,304	1,488,516	2,830,820	$ 6,137,927

	Methods of Financing				Fund
PROJECT TITLE	Proceeds of Obligations	Federal and State Aid	Local Sources	Total	Balance 6/30/2021
Building Project	$ -	-	132,845	132,845	$ (2,697,975)
	$ -	-	132,845	132,845	$ (2,697,975)

Invested in Capital Assets, Net of Related Debt
June 30, 2021

Capital assets, net		$ 16,983,803
Add:		
Unamortized defeasance loss	$ 68,387	
Cash reserved for debt service	4,736,146	
Internal balance for debt service	6,163	4,810,696
Deduct:		
Serial bonds	6,295,000	
Unamortized premium on bond	650,057	
Bond Anticipation Note	3,000,000	
Internal balance payable in capital fund	531,527	(10,476,584)
Investment in capital assets, net of related debt		$ 11,317,915

Governmental Audit Reports

Cwynar, Farrow & Locke

Certified Public Accountants
A Professional Limited Liability Company

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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, 2021, which collectively comprise the School District's basic financial statements and have issued our report thereon dated September 27, 2021.

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, noncompliance 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 noncompliance 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, Farrow, & Locke

September 27, 2021
Norwich, New York

Extra Classroom Activity Funds

Cwynar, Farrow & Locke

Certified Public Accountants
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Independent Auditors' Report

BOARD OF EDUCATION
Extraclassroom Activity Funds of
Delaware Academy Central School District at Delhi

We have audited the accompanying financial statements of the Extraclassroom 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, 2021 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balance of the Extraclassroom Activity Funds of Delaware Academy Central School District at Delhi as of June 30, 2021, 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, Farrow & Locke

Norwich, New York
September 27, 2021

Extra Classroom Activity Funds
Statement of Assets, Liabilities, and Fund Balance – Cash Basis
June 30, 2021

Assets		
Cash	$	117,244
		117,244
Liabilities & Fund Balance		
Sales taxes payable		440
Fund Balance		116,804
	$	117,244

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, 2021

Activity	Cash Balance 7/1/2020	Receipts	Disbursements	Cash Balance 6/30/2021
Art Club	$ 592	$ 100	$ 50	$ 642
DA Cross Country	3,581	250	400	3,431
Book Fair	3,744	-	-	3,744
Creative Writing	999	-	100	899
Elementary Activity Club	14,219	40	25	14,234
FCCLA	16,447	5,155	7,846	13,756
FFA	6,278	5,619	5,919	5,978
German Club	3,345	-	50	3,295
Honor Society	196	-	78	118
Kalends	7,546	11,800	8,172	11,174
Marching Band	2,039	-	-	2,039
SADD	5,399	-	-	5,399
Science Club	1,589	-	-	1,589
Speech & Debate	52	-	-	52
Spring Musical	4,843	1,322	2,502	3,663
HS Student Senate	4,176	57	578	3,655
MS Student Senate	2,687	57	129	2,615
Varsity Club	1,080	4,610	4,345	1,345
Film Club	161	-	-	161
Delaware Academy FC	10,404	665	1,582	9,487
Junior Honor Society	2,350	262	1,367	1,245
Spanish Club	23,890	5,000	23,797	5,093
Ukulele Club	-	1,000	-	1,000
Sales tax	108	439	107	440
HS Student Sen clothing	4,310	-	-	4,310
Class of 2020	1,648	-	1,648	-
Class of 2021	12,943	988	12,422	1,509
Class of 2022	5,010	1,700	448	6,262
Class of 2023	2,480	4,949	2,500	4,929
Class of 2024	2,918	2,262	-	5,180
Totals	$ 145,034	$ 46,275	$ 74,065	$ 117,244

Note 1 ACCOUNTING POLICY

The transactions of the Extraclassroom 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 Extraclassroom 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.

APPENDIX – E

FORM OF BOND COUNSEL'S OPINION

July 27, 2022

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
$10,025,000 Bond Anticipation Notes, 2022 (Renewals)

Ladies and Gentlemen:

We have been requested to render our opinion as to the validity of an issue of $10,025,000 Bond Anticipation Notes, 2022 (Renewals) (the "Obligations"), of the Delaware Academy Central School District at Delhi, County of Delaware, State of New York (the "Obligor"), dated July 27, 2022 in the denomination of $_________, bearing interest at the rate of ___________% per annum, payable at maturity, and maturing June 29, 2023.

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 Obligation that the Obligor will, among other things, (i) take all actions on its part necessary to cause interest on the Obligation 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 Obligation 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 Obligation 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 Obligation 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 Obligation, including the form of the Obligation. 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 Obligation 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 obligation of the Obligor, all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Obligation and interest thereon, without limitation as to rate or amount; provided, however, that the enforceability (but not the validity) of the Obligation: (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 Obligation; 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 Obligation 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 Obligation is not a specific preference item for purposes of the federal 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 Obligation.

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 Obligation) 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 Obligation has concluded with their issuance, and we disclaim any obligation 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 Obligation to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Obligation 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 Obligation 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 Obligation as the same respectively become due and payable. Reference should be made to the Official Statement prepared by the Obligor in relation to the Obligation 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 Obligation, 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