CITY OF OSWEGO

Oswego, New York

FINANCIAL REPORT

For the Year Ended
December 31, 2024

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Certified Public Accountants

CITY OF OSWEGO

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INDEPENDENT AUDITORS' REPORT

Mayor and Members of the Common Council
City of Oswego
Oswego, New York

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oswego (the City), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of a Matter

As described in Note 18 to the financial statements, the City determined during the year ended December 31, 2024 that capital assets previously reported within Governmental Activities should be reported within Business-Type Activities. The City has restated net position in the Governmental Activites, Business-Type Activities, and Net Position in the Enterprise Highdam Fund as of January 1, 2024.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; budgetary comparison information; Schedule of Changes in the City's Total OPEB Liability and Related Ratios; the Schedules of City Contributions - NYSLRS Pension Plans and City's Proportionate Share of the Net Pension (Asset)/Liability - NYSLRS Pension Plans; and related notes be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Combining Non-Major Fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are also not a required part of the basic financial statements. The Financial Data Schedules (FDS), prepared and submitted to the U.S. Department of Housing and Urban Development Real Estate Assessment Center (REAC), are prepared for purposes of additional analysis as required by REAC and are also not a required part of the financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Non-Major Fund financial statements, Schedule of Expenditures of Federal Awards, and FDS are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2025 on our consideration of the City's internal control over financial reporting and 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 the 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 the City's internal control over financial reporting and compliance.

Respectfully submitted,



Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
September 30, 2025

USING THIS ANNUAL REPORT

This annual report consists of a series of basic financial statements. The Statement of Net Position and the Statement of Activities (on pages 6 through 8) provide information about the City as a whole and present a longer-term view of the City's finances. Fund financial statements start on page 9. For Governmental Activities, these statements tell how these services were financed in the short term, as well as what remains for future spending. Fund financial statements also report the City's operations in greater detail than the Government-wide statements by providing information about the City's most significant funds. The Proprietary Fund statements report the operations of those activities for which the City charges customers the full price for the services it provides. Following these statements are notes that provide additional information that is essential to a full understanding of the data provided in the financial statements.

In addition to the basic financial statements, the annual report contains a budgetary comparison for the General Fund and other information in the form of statements for those funds that are not considered Major Funds and, therefore, are not presented individually in the basic financial statements.

Reporting the City as a Whole

Our analysis of the City as a whole begins on page 6 with the Government-wide statements. The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer the question of whether the City, as a whole, is better off or worse off as a result of the year's activities. These statements include *all* assets, liabilities, and deferred inflows and deferred outflows of resources using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the City's net position and changes in it. One can think of the City's net position, the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources, as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. One will need to consider other non-financial factors, however, such as changes in the City's property tax base and the condition of the City's streets, to assess the overall health of the City.

In the Statement of Net Position and the Statement of Activities, all of the City's activities which are governmental in nature are reported in one column, including public safety, transportation, economic assistance and opportunity, home and community services, culture and recreation, and general administration. Property and sales taxes, and state and federal grants finance most of these activities. Certain activities based on charges to customers are reported as Business-type activities.

Reporting the City's Most Significant Funds

Fund Financial Statements
Analysis of the City's Major Governmental Funds begins on page 9. The fund financial statements provide detailed information about the most significant funds - not the City as a whole. Some funds are required to be established by New York State law. However, management establishes many other funds to help it control and manage money for particular purposes or to show it is meeting legal responsibilities for using certain taxes and grants. The City's two kinds of funds - Governmental and Proprietary - use different accounting approaches.

Governmental Funds: Except as described below, all of the City's services are reported in the Governmental Funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called *modified accrual accounting*, which measures cash and all other financial assets that can be readily converted to cash. The Governmental Fund statements provide a detailed short-term view of the City's general governmental operations and the basic services they provide. Governmental Fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The relationship (or differences) between Governmental *Activities* (reported in the Government-wide financial statements) and Governmental *Funds* is explained in a reconciliation following the fund financial statements.

Proprietary Funds: When the City charges customers for the services it provides - whether to outside customers or to other units of the City - these services are generally reported in proprietary funds. Proprietary Funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.

GOVERNMENTAL ACTIVITIES
Net position of the City's governmental activities changed by $7,919,421 from a deficit of $53,026,777 to a deficit of $60,946,198 at December 31, 2024. This is a reflection of a combination of factors including changes in expenses related to pension obligations and other postemployment benefits OPEB, which are based on the requirements of Governmental Accounting Standards Board (GASB) Statements No. 68 and No. 75.

The prior period information presented in the MD&A for the fiscal year 2023 is not consistent with the information presented herein due to the restatement of capital assets described in Note 18 to the financial statements.

Our analysis below focuses on the net position *(Figure 1)*, and changes in net position *(Figure 2)*, of the City's Governmental Activities.

Figure 1
Net Position

Governmental Activities	***2024***	***2023***	***Percent Change***
Current Assets	**$ 41,462,348**	$ 27,644,645	49.98%
Other Noncurrent Assets	**3,050,422**	2,743,952	11.17%
Capital Assets, Net	**75,767,398**	66,968,478	13.14%
Total Assets	**120,280,168**	**97,357,075**	**23.55%**
Deferred Outflows of Resources	**24,727,134**	**31,427,350**	**(21.32)%**
Current Liabilities	**25,021,819**	7,573,012	230.41%
Noncurrent Liabilities	**142,735,950**	141,006,097	1.23%
Total Liabilities	**167,757,769**	**148,579,109**	**12.91%**
Deferred Inflows of Resources	**38,195,731**	**33,232,093**	**14.94%**
Net Investment in Capital Assets	**66,008,393**	61,204,442	7.85%
Restricted	**5,370,602**	4,558,259	17.82%
Unrestricted (Deficit)	**(132,325,193)**	(118,789,478)	(11.39)%
Total Net Position (Deficit)	**$ (60,946,198)**	**$ (53,026,777)**	**(14.93)%**

- Current assets increased $13,817,703 largely due to increased cash balances. Noncurrent assets increased $306,470 mainly as a result of additional loans receivable. Capital Assets, net, increased as there was an increase in capital additions greater than the reduction for depreciation and the net book value of disposals.

- The fluctuations in deferred outflows and deferred inflows of resources related to pensions and OPEB are due to the net difference between projected and actual investment earnings on plan investments and changes in assumptions.

- The City's current liabilities increased mainly due to additional bond anticipation notes (BANs) issued during the year. Noncurrent liabilities increased largely due to an increase in the other postemployment benefit liability and the NYSLRS system liabilities.

The City's total governmental revenues decreased by 3.27%, or $1,868,379, in 2024. The total cost of all governmental programs and services increased by 11.49%, or $5,723,404 with no new programs added during the year. Our analysis in *Figure 2* separately considers the operations of Governmental Activities.

Figure 2
Changes in Net Position

Governmental Activities	*2024*	*2023*	*Percent Change*
REVENUES			
Program Revenues			
Charges for Services	**$ 4,592,225**	$ 4,470,004	2.73%
Operating Grants	**4,208,160**	4,502,033	(6.53)%
Capital Grants	**3,377,367**	4,348,658	(22.34)%
General Revenues			
Property Taxes and Tax Items	**13,705,670**	13,726,230	(0.15)%
Nonproperty Taxes and Tax Items	**23,511,254**	22,237,136	5.73%
State Sources	**3,079,969**	6,126,886	(49.73)%
Federal Sources	**-**	236,577	(100.00)%
Other	**2,723,978**	1,419,478	91.90%
Total Revenues	**$ 55,198,623**	**$ 57,067,002**	**(3.27)%**
PROGRAM EXPENSES			
General Governmental Support	**$ 7,273,471**	$ 5,141,883	41.46%
Public Safety	**26,674,111**	20,899,694	27.63%
Transportation	**6,992,048**	5,070,919	37.89%
Economic Assistance and Opportunity	**107,507**	756,554	(85.79)%
Culture and Recreation	**4,216,829**	4,179,034	0.90%
Home and Community Services	**9,564,602**	13,350,764	(28.36)%
Interest on Long-Term Debt	**715,476**	421,792	69.63%
Total Expenses	**$ 55,544,044**	**$ 49,820,640**	**11.49%**
Net Transfers with Enterprise Fund	**$ (7,574,000)**	**$ 1,620,735**	**(567.32)%**
CHANGE IN NET POSITION	**$ (7,919,421)**	**$ 8,867,097**	**(189.31)%**

- Capital grants decreased due to lower federal emergency disaster funding.
- State sources decreased due to lower community development funding.
- Expenses generally increased due to additional OPEB and pension obligations for GASB Statement No. 68 and 75.

The cost of all Governmental Activities this year was $55,544,044. Some of the cost was paid by those who directly benefited from the programs; $4,592,225, or by other governments and organizations that subsidized certain programs with grants and contributions: $7,585,527. The amount our taxpayers ultimately financed for these activities through City property taxes and other general revenues was $43,366,292. Overall, the City's governmental program revenues, including fees for services and grants were $12,177,752. The City paid for the remaining "public benefit" portion of Governmental Activities with $43,020,871 in taxes and with other revenues, such as interest and general entitlements.

BUSINESS-TYPE ACTIVITIES

The City's sewer and Highdam activities are reported as Business-type activities. The high dam activity was moved to business-type activities as of December 31, 2023 and operations of that activity are reported in business-type activities beginning in 2024. *Figure 3* and *Figure 4* report the net position and changes in net position of the business-type activities.

Figure 3
Net Position

Business-Type Activities	***2024***	***2023***	***Percent Change***
Current Assets	**$ 15,861,401**	$ 15,922,235	(0.38)%
Capital Assets, Net	**67,852,510**	67,261,090	0.88%
Total Assets	**83,713,911**	**83,183,325**	**0.64%**
Deferred Outflows of Resources	**1,517,451**	**2,020,767**	**(24.91)%**
Current Liabilities	**18,133,689**	13,699,313	32.37%
Noncurrent Liabilities	**47,854,541**	49,260,719	(2.85)%
Total Liabilities	**65,988,230**	**62,960,032**	**4.81%**
Deferred Inflows of Resources	**2,830,437**	**2,443,584**	**15.83%**
Net Investment in Capital Assets	**19,386,800**	19,755,114	(1.86)%
Restricted	**1,032,958**	129,566	697.24%
Unrestricted (Deficit)	**(4,007,063)**	(84,204)	4658.76%
Total Net Position	**$ 16,412,695**	**$ 19,800,476**	**(17.11)%**

- Current assets increased due to additional cash balances.
- Capital assets increased as a result of the continued Highdam construction.
- Current liabilities increased as a result of BANs related to the Highdam project.
- Noncurrent liabilities decreased due primarily to payments on debt.

Figure 4
Changes in Net Position

Business-Type Activities	*2024*	*2023*	*Percent Change*
REVENUES			
Program Revenues			
Charges for Services	**$ 7,417,447**	$ 6,465,181	14.73%
Capital Grants	**31,747**	1,465,945	(97.83)%
General Revenues			
Other	**789,537**	98,476	701.76%
Total Revenues	**$ 8,238,731**	**$ 8,029,602**	**2.60%**
EXPENSES			
Depreciation	**$ 2,639,290**	$ 2,253,361	17.13%
General Governmental Support	**323,491**	328,588	(1.55)%
Home and Community Services	**6,148,190**	3,732,816	64.71%
Employee Benefits	**327,684**	-	100.00%
Interest Expense	**1,707,180**	933,418	82.90%
Interfund Transfers, Net	**480,677**	1,620,735	(70.34)%
Total Expenses	**$ 11,626,512**	**$ 8,868,918**	**31.09%**
CHANGE IN NET POSITION	**$ (3,387,781)**	**$ (839,316)**	**(303.64)%**

THE CITY'S GOVERNMENTAL FUNDS

As the City completed the year, its Governmental Funds, as presented in the Balance Sheet on page 9, reported combined fund balances which were $4,222,489 less than the prior year. *Figure 5* shows the changes in fund balances for the year for the City's Governmental Funds.

Figure 5
Governmental Funds
Fund Balances at Year Ended December 31,

City's Governmental Funds	*2024*	*2023*	*Percent Change*
General Fund	**$ 20,231,384**	$ 20,230,610	0.00%
Special Grant Funds	**(4,135,374)**	(4,003,637)	(3.29)%
Capital Projects Fund	**(10,473,844)**	(5,232,510)	(100.17)%
Non-Major Funds	**4,101,963**	2,952,155	38.95%
Totals	**$ 9,724,129**	**$ 13,946,618**	**(30.28)%**

Fund balance of the Capital Projects Funds decreased primarily due to an increase in the BAN liability.

General Fund Budgetary Highlights

Over the course of the year, the Common Council, as well as the management of the City, revised the City budget several times. These budget amendments consisted of (1) budget transfers between functions, which did not increase the overall budget; and (2) additional use of appropriated fund balances, reserves, and unanticipated revenues, which did increase the overall budget. The total budget increased by $6,853,531.

After these adjustments, the actual charges to appropriations (expenditures and encumbrances) were $4,530,828 below the final budgeted amounts. Revenues were above the final budget by $6,253,477.

Significant variances in the revenue areas include $6,332,554 more in nonproperty tax revenue than anticipated and $818,436 less in use of money and property than estimated due to the establishment of the Enterprise Highdam Fund.

Expenditure variances reflect continued efforts to contain costs.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2024, the City had invested in a broad range of capital assets, including buildings, infrastructure, machinery, and equipment. The amounts presented in *Figure 6* represent a net increase (including additions, deletions, and depreciation) of $8,798,920 from the prior year for Governmental Activities and a net increase of $2,754,380 for Business-type activities.

Figure 6
Capital Assets, at Historical Cost, Net of Accumulated Depreciation

Governmental Activities	*2024*	*2023*	*Percent Change*
Land and CIP	**$ 49,934,155**	$ 39,943,161	25.01%
Buildings and Improvements, Net	**931,428**	1,074,618	(13.32)%
Equipment, Net	**6,841,566**	7,185,288	(4.78)%
Infrastructure, Net	**18,060,249**	18,765,411	(3.76)%
Totals	**$ 75,767,398**	**$ 66,968,478**	**13.14%**

Business-Type Activities	*2024*	*2023*	*Percent Change*
Land and CIP	**$ 24,530,307**	$ 21,751,541	12.78%
Buildings and Improvements, Net	**3,570,398**	4,216,252	(15.32)%
Equipment, Net	**1,857,192**	1,768,833	5.00%
Infrastructure, Net	**37,894,613**	39,524,464	(4.12)%
Totals	**$ 67,852,510**	**$ 67,261,090**	**0.88%**

Debt Administration

Debt obligations, considered a liability of the City's Governmental Activities, are shown in *Figure 7*. Of the total amount of debt, $32,190,010 was subject to the City's statutory debt limit and represented approximately 46.81% of its statutory debt limit.

Figure 7
Major Outstanding Debt at Year Ended December 31,

Governmental Activities	*2024*	*2023*	*Percent*
Bond Anticipation Notes	**$ 19,201,292**	$ 5,779,000	232.26%
Serial Bonds	**5,140,000**	6,060,000	(15.18)%
Totals	**$ 24,341,292**	**$ 11,839,000**	**105.60%**

Business-Type Activities	*2024*	*2023*	*Percent*
Bond Anticipation Notes	**$ 15,173,218**	$ 3,624,330	318.65%
NYS Revolving Loan Fund	**39,760,479**	41,463,099	(4.11)%
Totals	**$ 54,933,697**	**$ 45,087,429**	**21.84%**

On January 23, 2019, the City's bond rating was upgraded to A1 by Moody's Investor Service. The City retained this rating as of December 31, 2024. More detailed information about the City's liabilities is presented in Notes 7, 8, 9, and 10 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

There is an undeniable renewed confidence in this community, and we've made tremendous progress in recent years. Since 2016, due to an influx of public and private investments, the City has experienced a resurgence in our downtown as new restaurants and small businesses occupy our storefronts, creating a vibrant and lively ambience. Events and venues throughout the year truly make Oswego an interesting place to visit anytime. Our unique assets like Fort Ontario, Safe Haven Museum, Lighthouse Tours, and Richardson-Bates House Museum make our community a regional destination. In addition, our weekly downtown Farmers' Markets, our annual City-Wide celebration known as Harborfest, Independence Day Parade, Halloween Creepy Crawl, Pumpkinfest, and our annual Tree Lighting events all contribute to a fun place to visit or live.

In recent years we have capitalized on our world class Lake Ontario waterfront and our prime location along the Oswego River. Improvements in Breitbeck Park, Wright's Landing Marina, and the construction of the William S. Cahill Pier have created a beautiful and inviting shoreline.

The City of Oswego has a bit of everything to offer as we continue to work to revitalize our historic neighborhoods and enhance the natural assets of our community.

Our 2025 agenda will be as aggressive and comprehensive as ever. We will build on our progress by continuing to do what works, leveraging investment, concentrating resources to better serve our constituents, and capitalizing on natural assets.

Highlights of the 2025 Budget Include:

- 7th consecutive budget with NO tax increase
- No use of fund balance/reserves to balance budget
- No increase in water or sewer fees

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about the report or need any additional financial information, contact the City Chamberlain, at 13 West Oneida Street, Oswego, New York 13126.

CITY OF OSWEGO

STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	$ 25,485,289	$ 20,346,161	$ 45,831,450
Restricted Cash and Cash Equivalents	199,763	129,566	329,329
Taxes Receivable, Net	2,222,837	-	2,222,837
Due From State and Federal Governments	2,277,782	-	2,277,782
Due From Other Governments	3,881,170	-	3,881,170
Due From Other Funds	186,698	(186,698)	-
Internal Balances	5,854,839	(5,854,839)	-
Other Receivables, Net - Current Portion	1,133,067	1,427,211	2,560,278
Loans Receivable - Current Portion	220,903	-	220,903
Total Current Assets	41,462,348	15,861,401	57,323,749
Non-Current Assets			
Restricted Cash and Cash Equivalents	500,000	-	500,000
Other Receivables, Long-Term Portion	390,889	-	390,889
Loans Receivable, Long-Term Portion	2,159,533	-	2,159,533
Land and Construction in Progress	49,934,155	24,530,307	74,464,462
Depreciable Capital Assets, Net	25,833,243	43,322,203	69,155,446
Total Non-Current Assets	78,817,820	67,852,510	146,670,330
Total Assets	120,280,168	83,713,911	203,994,079
Deferred Outflows of Resources			
Other Postemployment Benefits	11,104,989	836,328	11,941,317
Pensions	13,622,145	681,123	14,303,268
Total Deferred Outflows of Resources	24,727,134	1,517,451	26,244,585
LIABILITIES			
Current Liabilities			
Accounts Payable	168,840	550,204	719,044
Accrued Liabilities	990,974	-	990,974
Due to Other Governments	333,016	-	333,016
Due to Employees' Retirement System	2,897,557	143,505	3,041,062
Compensated Absences	239,562	-	239,562
Other Liabilities	168	-	168
Bond Anticipation Notes Payable	19,201,292	15,173,218	34,374,510
Accrued Interest Payable	444,582	609,211	1,053,793
Unearned Revenue	238,788	-	238,788
Current Portion of Long-Term Liabilities:			
Due to Employees' Retirement System	27,040	-	27,040
Bonds Payable	480,000	1,657,551	2,137,551
Total Current Liabilities	25,021,819	18,133,689	43,155,508

See Notes to Financial Statements

STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Non-Current Liabilities			
Bonds Payable	$ 4,660,000	$ 38,102,928	$ 42,762,928
Net Pension Liability	14,505,116	698,358	15,203,474
Compensated Absences	3,359,235	-	3,359,235
Other Postemployment Benefit Liabilities	120,211,599	9,053,255	129,264,854
Total Non-Current Liabilities	142,735,950	47,854,541	190,590,491
Total Liabilities	167,757,769	65,988,230	233,745,999
Deferred Inflows of Resources			
Pensions	6,168,185	418,411	6,586,596
Other Postemployment Benefits	32,027,546	2,412,026	34,439,572
Total Deferred Inflows of Resources	38,195,731	2,830,437	41,026,168
NET POSITION (DEFICIT)			
Net Investment in Capital Assets	66,008,393	19,386,800	85,395,193
Restricted, Expendable for Community Development	3,496,870	-	3,496,870
Restricted, Expendable for Debt	1,873,732	903,392	2,777,124
Restricted, Expendable for Other Purposes	-	129,566	129,566
Unrestricted	(132,325,193)	(4,007,063)	(136,332,256)
Total Net Position (Deficit)	**$ (60,946,198)**	**$ 16,412,695**	**$ (44,533,503)**

See Notes to Financial Statements

CITY OF OSWEGO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Total
Governmental Activities							
General Governmental Support	$ 7,273,471	$ 388,421	$ -	$ -	$ (6,885,050)	$ -	$ (6,885,050)
Public Safety	26,674,111	225,477	320,113	-	(26,128,521)	-	(26,128,521)
Transportation	6,992,048	-	64,193	1,002,341	(5,925,514)	-	(5,925,514)
Economic Assistance and Opportunity	107,507	5,347	-	-	(102,160)	-	(102,160)
Culture and Recreation	4,216,829	518,876	-	1,662,374	(2,035,579)	-	(2,035,579)
Home and Community Services	9,564,602	3,454,104	3,823,854	712,652	(1,573,992)	-	(1,573,992)
Interest on Debt	715,476	-	-	-	(715,476)	-	(715,476)
Total Governmental Activities	**$ 55,544,044**	**$ 4,592,225**	**$ 4,208,160**	**$ 3,377,367**	(43,366,292)	-	(43,366,292)
Business-Type Activities							
Sewer	$ 8,186,909	$ 7,214,725	$ -	$ 31,747	-	(940,437)	(940,437)
Highdam	2,958,926	202,722	-	-	-	(2,756,204)	(2,756,204)
Total Business-Type Activities	11,145,835	7,417,447	-	31,747	-	(3,696,641)	(3,696,641)
Total Primary Government	**$ 66,689,879**	**$ 12,009,672**	**$ 4,208,160**	**$ 3,409,114**	(43,366,292)	(3,696,641)	(47,062,933)
	GENERAL REVENUES						
	Real Property Taxes				13,116,671	-	13,116,671
	Real Property Tax Items				588,999	-	588,999
	Nonproperty Tax Items				23,511,254	-	23,511,254
	Use of Money and Property				1,060,325	186,145	1,246,470
	Sale of Property and Compensation for Loss				137,405	-	137,405
	Miscellaneous Local Sources				1,526,248	603,392	2,129,640
	State Sources				3,079,969	-	3,079,969
	Total General Revenues				43,020,871	789,537	43,810,408
	Transfers-Internal Activities				(7,574,000)	(480,677)	(8,054,677)
	Change in Net Position				(7,919,421)	(3,387,781)	(11,307,202)
	Net Position (Deficit) - Beginning of Year, as originally reported				(50,027,444)	16,801,143	(33,226,301)
	Restatement of beginning Net Position for capital assets				(2,999,333)	2,999,333	-
	Net Position (Deficit) - Beginning of Year, as restated				(53,026,777)	19,800,476	(33,226,301)
	Net Position (Deficit) - End of Year				**$ (60,946,198)**	**$ 16,412,695**	**$ (44,533,503)**

See Notes to Financial Statements

CITY OF OSWEGO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	Major Funds					
		Special Revenue Funds				
		Special Grant Funds				
	General Fund	Community Development	Rental Assistance	Capital Projects Fund	Total Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Assets						
Cash and Cash Equivalents - Unrestricted	$ 11,266,189	$ 816,734	$ 1,420,973	$ 9,711,529	$ 2,124,667	$ 25,340,092
Cash and Cash Equivalents - Restricted	500,000	-	199,763	-	-	699,763
Taxes Receivable, Net	2,222,837	-	-	-	-	2,222,837
Due From Other Funds	9,706,913	-	-	-	1,768,103	11,475,016
Due From State and Federal Governments	653,561	-	-	1,624,221		2,277,782
Due From Other Governments	3,881,170	-	-	-	-	3,881,170
Other Receivables, Net	58,606	410,082	-	-	664,379	1,133,067
Loans Receivable, Net	-	2,380,436	-	-	-	2,380,436
Total Assets	**$ 28,289,276**	**$ 3,607,252**	**$ 1,620,736**	**$ 11,335,750**	**$ 4,557,149**	**$ 49,410,163**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts Payable	$ 83,371	$ 45,426	$ 4,821	$ -	$ 35,222	$ 168,840
Accrued Liabilities	927,528	17,539	44,863	-	1,044	990,974
Due to Other Funds	2,050,989	6,393,178	245,966	2,608,302	328,610	11,627,045
Due to Other Governments	333,016	-	-	-	-	333,016
Due to Employees' Retirement System	2,807,247	-	-	-	90,310	2,897,557
Bond Anticipation Notes Payable	-	-	-	19,201,292	-	19,201,292
Unearned Revenue	-	37,791	200,997	-	-	238,788
Other Liabilities	168	-	-	-	-	168
Total Liabilities	6,202,319	6,493,934	496,647	21,809,594	455,186	35,457,680
Deferred Inflows of Resources						
Unavailable Revenue	1,855,573	2,372,781	-	-	-	4,228,354
Total Deferred Inflows of Resources	1,855,573	2,372,781	-	-	-	4,228,354
Fund Balances						
Nonspendable	7,016,111	-	-	-	35,311	7,051,422
Restricted	500,000	-	1,124,089	-	1,373,732	2,997,821
Assigned	1,343,584	-	-	-	2,692,920	4,036,504
Unassigned	11,371,689	(5,259,463)	-	(10,473,844)	-	(4,361,618)
Total Fund Balances (Deficit)	20,231,384	(5,259,463)	1,124,089	(10,473,844)	4,101,963	9,724,129
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 28,289,276**	**$ 3,607,252**	**$ 1,620,736**	**$ 11,335,750**	**$ 4,557,149**	**$ 49,410,163**

See Notes to Financial Statements

CITY OF OSWEGO

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION DECEMBER 31, 2024

Total Governmental Fund Balances		**$ 9,724,129**
Amounts reported for Governmental Activities in the Statement of Net Position are different because:		
Capital assets, net of accumulated depreciation, used in Governmental Activities are not financial resources and, therefore, are not reported in the funds.		
Land and Construction in Progress	$ 49,934,155	
Depreciable Capital Assets	197,151,365	
Accumulated Depreciation	(171,318,122)	75,767,398
Construction costs in the Capital Projects Funds which benefit the Enterprise Fund are accounted for as an internal balance; when the project is complete, the balance and associated debt will be transferred from the Enterprise Fund.		5,854,839
The City's proportion of the collective net pension asset is not reported in the funds.		(14,505,116)
Deferred outflows of resources represents a consumption of net position that applies to future periods and, therefore, is not reported in the Governmental Funds. Deferred inflows of resources represents an acquisition of net position that applies to future periods and, therefore, is not reported in the Governmental Funds.		
Deferred Outflows of Resources - Pensions	$ 13,622,145	
Deferred Outflows of Resources - Other Postemployment Benefits	11,104,989	
Deferred Inflows of Resources - Pensions	(6,168,185)	
Deferred Inflows of Resources - Other Postemployment Benefits	(32,027,546)	(13,468,597)
Other long-term assets are deferred or not reported as assets in the Governmental Funds.		
Unavailable Revenue	$ 4,228,354	
Other Receivables, Long-Term	390,889	4,619,243
Internal Service Funds are used by management to charge the costs of certain activities, such as health insurance costs. The assets and liabilities of the Internal Service Funds are included in Governmental Activities in the Statement of Net Position.		483,924
Certain accrued expenses reported in the Statement of Net Position do not require the use of current financial resources and, therefore, are not reported as liabilities in Governmental Funds.		
Accrued Interest Payable	$ (444,582)	
Other Postemployment Benefit Liabilities	(120,211,599)	
Compensated Absences	(3,598,797)	(124,254,978)
Long-term liabilities, including bonds payable, lease obligations payable, and other liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds Payable	$ (5,140,000)	
Employees' Retirement System Amortization	(27,040)	(5,167,040)
Net Position (Deficit) of Governmental Activities		**$ (60,946,198)**

See Notes to Financial Statements

CITY OF OSWEGO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Major Funds					
		Special Revenue Funds				
		Special Grant Funds				
	General Fund	Community Development	Rental Assistance	Capital Projects Fund	Total Non-Major Governmental Funds	Total Governmental Funds
REVENUES						
Real Property Taxes	$ 12,991,790	$ -	$ -	$ -	$ -	$ 12,991,790
Real Property Tax Items	588,999	-	-	-	-	588,999
Nonproperty Tax Items	23,511,254	-	-	-	-	23,511,254
Departmental Income	678,298	7,389	-	-	3,454,156	4,139,843
Intergovernmental Charges	396,247	-	-	-	-	396,247
Use of Money and Property	222,064	53,246	13,253	311,329	438,994	1,038,886
Licenses and Permits	256,048	-	-	-	-	256,048
Fines and Forfeitures	164,724	-	-	-	-	164,724
Sale of Property and Compensation for Loss	152,078	-	-	-	49,483	201,561
Miscellaneous Local Sources	235,846	14,154	12,587	314,428	678,270	1,255,285
State Sources	3,438,432	37,247	-	1,929,561	-	5,405,240
Federal Sources	-	68,000	3,718,607	1,387,416	-	5,174,023
Total Revenues	42,635,780	180,036	3,744,447	3,942,734	4,620,903	55,123,900
EXPENDITURES						
General Governmental Support	4,545,601	-	-	-	96,000	4,641,601
Public Safety	14,448,930	-	-	-	-	14,448,930
Transportation	4,153,861	-	-	-	-	4,153,861
Economic Assistance and Opportunity	107,507	-	-	-	-	107,507
Culture and Recreation	2,443,885	110	-	-	-	2,443,995
Home and Community Services	1,749,321	840,174	3,648,863	-	2,372,723	8,611,081
Employee Benefits	5,260,001	-	110,929	-	213,335	5,584,265
Debt Service:						
Principal	1,034,500	-	-	-	986,000	2,020,500
Interest	131,139	-	-	-	226,587	357,726
Capital Outlay	-	-	-	10,503,423	-	10,503,423
Total Expenditures	33,874,745	840,284	3,759,792	10,503,423	3,894,645	52,872,889
Excess of Revenues (Expenditures)	8,761,035	(660,248)	(15,345)	(6,560,689)	726,258	2,251,011
OTHER FINANCING SOURCES (USES)						
Interfund Transfers In	70,000	401,856	142,000	248,855	1,095,556	1,958,267
Interfund Transfers (Out)	(8,830,261)	-	-	(30,000)	(672,006)	(9,532,267)
BANs Redeemed from Appropriations	-	-	-	1,100,500	-	1,100,500
Total Other Financing Sources (Uses)	(8,760,261)	401,856	142,000	1,319,355	423,550	(6,473,500)
Net Changes in Fund Balances	774	(258,392)	126,655	(5,241,334)	1,149,808	(4,222,489)
Fund Balances (Deficit), Beginning of Year	20,230,610	(5,001,071)	997,434	(5,232,510)	2,952,155	13,946,618
Fund Balances (Deficit), End of Year	**$ 20,231,384**	**$ (5,259,463)**	**$ 1,124,089**	**$ (10,473,844)**	**$ 4,101,963**	**$ 9,724,129**

See Notes to Financial Statements

CITY OF OSWEGO

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2024

Net Change in Fund Balances - Total Governmental Funds		**$ (4,222,489)**
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental Funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital Asset Additions	$ 11,855,678	
Depreciation Expense	(2,992,603)	
Book Value of Disposed Assets	(64,155)	8,798,920
Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of principal is an expenditure in Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		920,000
Capital Projects Funds spending that benefits the Enterprise Fund is added to capital assets in the Enterprise Fund and added to the internal balance between Governmental Activities and Business-Type Activities. Capital grants used to finance expenditures in the Capital Projects Fund are transferred to the Enterprise Fund and reduce the internal balance. This is the amount of additions to capital assets, less any capital grants transferred to the Enterprise Fund.		479,274
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the Governmental Funds.		
Change in Accrued Interest Payable	$ (357,750)	
Change in Compensated Absences	(96,768)	
Amortization of Retirement System Obligations	196,840	(257,678)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the change in deferred property tax revenue and long-term receivables, which is not reported as deferred inflows of resources in the Statement of Net Position.		145,262
Repayments received on revolving loans receivable are revenues in the Governmental Funds, but the repayment reduces loans receivable in the Statement of Net Position. Disbursements of revolving loan funds are expenditures in the Governmental Funds, but increase loans receivable in the Statement of Net Position.		272,559
Internal Service Funds are used by management to charge the costs of certain activities, such as health insurance. The change in net assets of the Internal Service Fund is reported with Governmental Activities.		133,484
Changes in the City's proportionate share of net pension and OPEB liabilities have no effect on current financial resources and, therefore, are not reported in the Governmental Funds. In addition, changes in the City's deferred outflows and deferred inflows of resources related to pensions and OPEB do not affect current financial resources and are also not reported in the Governmental Funds.		
ERS	$ (438,008)	
PFRS	(975,689)	
Other Postemployment Benefits Liability	(12,775,056)	(14,188,753)
Change in Net Position of Governmental Activities		**$ (7,919,421)**

See Notes to Financial Statements

CITY OF OSWEGO

STATEMENT OF PROPRIETARY NET POSITION
DECEMBER 31, 2024

	Business-Type Activities			Governmental Activities
	Enterprise Sewer Fund	Enterprise Highdam Fund	Total Enterprise Funds	Internal Service Fund
ASSETS				
Current Assets				
Cash and Cash Equivalents - Unrestricted	$ 8,475,121	$ 11,871,040	$ 20,346,161	$ 145,197
Cash and Cash Equivalents - Restricted	129,566	-	129,566	-
Accounts Receivable	1,427,211	-	1,427,211	-
Due From Other Funds	1,741,794	-	1,741,794	338,727
Total Current Assets	11,773,692	11,871,040	23,644,732	483,924
Non-Current Assets				
Land and Construction in Progress	20,258,813	4,271,494	24,530,307	-
Depreciable Capital Assets, Net	42,131,378	1,190,825	43,322,203	-
Total Non-Current Assets	62,390,191	5,462,319	67,852,510	-
Total Assets	74,163,883	17,333,359	91,497,242	483,924
Deferred Outflows of Resources				
Pensions	617,854	63,269	681,123	-
Other Postemployment Benefits	747,696	88,632	836,328	-
Total Deferred Outflows of Resources	1,365,550	151,901	1,517,451	-
LIABILITIES				
Current Liabilities				
Accounts Payable	67,460	482,744	550,204	-
Due to Other Funds	925,954	1,002,538	1,928,492	-
Due to Governmental Activities - Internal Balance	5,854,839	-	5,854,839	-
Due to Retirement Systems	143,505	-	143,505	-
Bond Anticipation Notes Payable	-	15,173,218	15,173,218	-
Bonds Payable	1,657,551	-	1,657,551	-
Interest Payable	197,232	411,979	609,211	-
Total Current Liabilities	8,846,541	17,070,479	25,917,020	-
Non-Current Liabilities				
Bonds Payable, Net of Current Portion	38,102,928	-	38,102,928	-
Net Pension Liability	633,488	64,870	698,358	-
Other Postemployment Benefits Payable	8,093,812	959,443	9,053,255	-
Total Non-Current Liabilities	46,830,228	1,024,313	47,854,541	-
Total Liabilities	55,676,769	18,094,792	73,771,561	-
Deferred Inflows of Resources				
Pensions	379,545	38,866	418,411	-
Other Postemployment Benefits	2,156,405	255,621	2,412,026	-
Total Deferred Inflows of Resources	2,535,950	294,487	2,830,437	-
NET POSITION				
Net Investment in Capital Assets	17,226,659	2,160,141	19,386,800	-
Restricted	429,566	603,392	1,032,958	-
Unrestricted (Deficit)	(339,511)	(3,667,552)	(4,007,063)	483,924
Total Net Position	**$ 17,316,714**	**$ (904,019)**	**$ 16,412,695**	**$ 483,924**

See Notes to Financial Statements

CITY OF OSWEGO

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN PROPRIETARY NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2024

	Business-Type Activities			Governmental Activities
	Enterprise Sewer Fund	Enterprise High Dam Fund	Total Enterprise Funds	Internal Service Fund
OPERATING REVENUES				
Departmental Income	$ 7,214,725	$ 202,722	$ 7,417,447	$ -
Interfund Transfers	-	-	-	8,054,677
Other Operating Revenues	-	-	-	-
Total Operating Revenues	7,214,725	202,722	7,417,447	8,054,677
OPERATING EXPENSES				
General Governmental Support	323,491	-	323,491	-
Depreciation Expense	2,162,960	476,330	2,639,290	-
Home and Community Services	4,264,588	1,883,602	6,148,190	-
Employee Benefits	327,684	-	327,684	-
Contractual Services	-	-	-	2,139,562
Hospital and Medical	-	-	-	5,782,689
Total Operating Expenses	7,078,723	2,359,932	9,438,655	7,922,251
Income (Loss) from Operations	136,002	(2,157,210)	(2,021,208)	132,426
NON-OPERATING REVENUES (EXPENSES)				
Interfund Transfers	(480,677)	-	(480,677)	-
Interest Income	186,145	-	186,145	1,058
Interest Expense	(1,108,186)	(598,994)	(1,707,180)	-
Capital Grants	31,747	-	31,747	-
Refund of Prior Year Expenses	-	603,392	603,392	-
Total Non-Operating Revenues (Expenses)	(1,370,971)	4,398	(1,366,573)	1,058
Change in Net Position	(1,234,969)	(2,152,812)	(3,387,781)	133,484
Total Net Position, Beginning of Year as Originally Reported	18,551,683	(1,750,540)	16,801,143	350,440
Restatement of beginning Net Position for Capital Assets	-	2,999,333	2,999,333	-
Total Net Position, Beginning of Year as Restated	18,551,683	1,248,793	19,800,476	350,440
Total Net Position (Deficit), End of Year	**$ 17,316,714**	**$ (904,019)**	**$ 16,412,695**	**$ 483,924**

See Notes to Financial Statements

CITY OF OSWEGO

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Business-Type Activities Enterprise Sewer Fund	Business-Type Activities Enterprise Highdam Fund	Governmental Activities Internal Service Fund
Cash Flows From Operating Activities			
Cash Received From Other Funds	$ -	$ 3,987,044	$ 7,999,757
Cash Received for Services	5,005,072	202,722	-
Cash Received From Other Governments	1,654,110	-	-
Cash Payments - Employees	(1,842,210)	(199,477)	-
Cash Payments - Suppliers	(2,943,463)	(34,482)	(2,139,562)
Cash Payments - Hospital and Medical	-	-	(5,782,689)
Net Cash Provided (Used) by Operating Activities	1,873,509	3,955,807	77,506
Cash Flows From Non-Capital Financing Activities			
Cash Transferred to Governmental Funds	(1,403)	-	-
Net Cash Provided (Used) by Non-Capital Financing Activities	(1,403)	-	-
Cash Flows From Capital and Related Financing Activities			
Cash Payments for Capital Assets	(451,944)	(2,299,492)	-
Cash Received From New Debt	-	9,798,348	-
Cash Received From Capital Grants	31,747	603,392	-
Cash Paid for Principal	(1,702,620)	-	-
Cash Paid for Interest	(1,121,971)	(187,015)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(3,244,788)	7,915,233	-
Cash Flows From Investing Activities			
Interest Income Received	186,145	-	1,058
Net Cash Provided (Used) by Investing Activities	186,145	-	1,058
Net Change in Cash and Cash Equivalents	(1,186,537)	11,871,040	78,564
Cash and Cash Equivalents, Beginning of Year	9,791,224	-	66,633
Cash and Cash Equivalents, End of Year	**$ 8,604,687**	**$ 11,871,040**	**$ 145,197**
Reconciliation of Income From Operations to Net Cash Provided (Used) by Operating Activities			
Income from Operations	$ 136,002	$ (2,157,210)	$ 132,426
Depreciation Expense	2,162,960	476,330	-
(Increase) Decrease in Accounts Receivables	(122,229)	-	-
(Increase) Decrease in Due from Other Governments	45,960	-	-
(Increase) Decrease in Amounts Due from Other Funds	-	2,984,506	(54,920)
(Increase) Decrease in Prepaid Expenses	53,769		
Increase (Decrease) in Accounts Payable	(41,827)	482,744	-
Increase (Decrease) in due to Governmental Activities - Internal Balance	(479,274)	-	-
Increase (Decrease) in Amounts Due to Retirement Systems	143,505	-	-
Increase (Decrease) in Amounts Due to Other Funds	-	1,002,538	-
Increase (Decrease) in Net Pension (Asset)/Liability and Deferred Inflows/Outflows of Resources	85,586	257,222	-
Increase (Decrease) in Other Postemployment Benefits and Deferred Inflows/Outflows of Resources	(110,943)	909,677	-
Net Cash Provided by Operating Activities	**$ 1,873,509**	**$ 3,955,807**	**$ 77,506**

See Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies

The basic financial statements of the City of Oswego (the City) have been prepared in conformity with generally accepted accounting principles in the United States (U.S. GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

Reporting Entity

The City, which was incorporated in 1848, is governed by the Charter of the City, other general laws of New York State, and various local laws and ordinances.

The governing body of the City consists of a Mayor and City Aldermen who make up the Common Council. The Mayor is the Chief Executive Officer who provides for the enforcement of all general and local laws and rules and regulations of the Common Council. The City Chamberlain is the Chief Fiscal Officer and is responsible for the receiving, disbursing, and holding of all City monies and the books of account of the City. In addition, the City Chamberlain is responsible for auditing and approval of the payment of all lawful claims against the City and oversees the general administration of the City.

The financial reporting entity consists of the following, as defined by GASB Statement No. 14, "The Financial Reporting Entity," as amended.

- The primary government, which is the City;
- 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 basic financial statements to be misleading or incomplete.

The decision to include a potential component unit in the reporting entity is based on the criteria set forth in GASB Statement No. 14, as amended including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief review of a certain entity considered in determining the City's reporting entity.

Excluded from the Reporting Entity

The Simeon DeWitt Authority (Authority) was created by the New York State Legislature. The governing board of the Authority is appointed by New York State. The City provides no subsidy to the Authority, nor is it responsible for debt or operating deficits of the Authority. The Authority's debt is essentially supported by operating revenues of the Authority and is not guaranteed by the City. The City does not appoint management of the Authority, nor does it approve the Authority's budget, contracts, or hiring of staff. The City has no oversight responsibility for funds of the Authority. Based on the criteria mentioned above, the Authority is not part of the reporting entity.

Note 1 **Summary of Significant Accounting Policies - Continued**

Basic Financial Statements
The City's basic financial statements include both Government-wide (reporting the City as a whole) and fund level financial statements (reporting the City's Major Funds.) Both the Government-wide and fund financial statements categorize primary activities as either Governmental or Business-type. The City's general governmental support, education, public safety, health, transportation, highways and streets, economic assistance and opportunity, culture and recreation, and home and community services are classified as Governmental Activities. The City's sewer service is classified as a Business-type Activity.

During 2023, assets and liabilities related to the High Dam were also transferred to Business-Type Activities and operations were transferred in 2024.

Government-Wide Financial Statements
The Government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of activities for the primary government. This Government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

In the Government-wide Statement of Net Position, the Governmental Activities column is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts - net investment in capital assets, restricted, and unrestricted. The City first utilizes restricted resources to finance qualifying activities.

The Statement of Activities reports both the gross and net cost for each of the City's functions or programs. Gross expenses are direct expenses, including depreciation, specifically associated with a service, program, or department and, therefore, are clearly identifiable to a particular function. Indirect expenses relate to administration and support of the City's programs, including personnel, overall administration, and finance. Employee benefits are allocated to functional expenses as a percentage of payroll expenses. These expenses are offset by program revenues - charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the program or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the City, with certain limited exceptions. The net cost represents the extent to which each function or program is self-financing or draws from the general revenues of the City.

Fund Financial Statements
Financial transactions of the City are reported in individual funds in the Governmental Fund and Proprietary Fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows of resources, reserves, fund equity, revenues, and expenditures or expenses. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Note 1 **Summary of Significant Accounting Policies - Continued**

Fund Financial Statements - Continued

Governmental Funds
Governmental Funds are those through which most governmental functions are financed. The acquisition, use, and balances of expendable financial resources, and the related liabilities are accounted for through Governmental Funds. The measurement focus of the Governmental Funds is based upon determination of financial position and changes in financial position. The following are the City's Governmental Funds.

Major Funds

- General Fund - Primary operating fund used to account for revenues (such as general, tax, and other from state, federal, and local sources) not required by law or other provision to be accounted for in other funds and which finance the basic governmental functions provided by the City.

- Special Revenue Funds

    - Special Grant Funds - Account for monies distributed by state and federal governments and expended pursuant to rules and regulations as set forth by the Department of Housing and Urban Development and other state and federal agencies. Separate funds are reported for Community Development and Rental Assistance programs.

- Capital Projects Funds

    - Accounts for capital improvements related to the City support financed from current monies transferred from other funds, federal and State grants, and proceeds of obligations.

Non-Major Funds

- Debt Service Fund - Accounts for the accumulation of resources for, and the payments of, general long-term debt principle, interest, and related costs.

- Special Revenue Fund

    - Water Fund - Accounts for revenues derived from charges for water consumption, benefit assessments, and the application of such revenues toward related operating expenses and debt retirement.

Note 1 **Summary of Significant Accounting Policies - Continued**

Proprietary Funds
Account for ongoing organizations or activities similar to those often found in the private sector. The measurement focus is based upon determination of net income, financial position, and changes in financial position. The following Proprietary Funds are utilized:

- Internal Service Fund - Governmental activities funds which account for special activities or services provided by one department to other departments or other governments on a cost-reimbursement basis. Included are the following:
  - Self-Insurance - Established by the City to accumulate funds for certain claims, judgments, and losses in lieu of purchasing insurance coverage.
  - Health Insurance - Established by the City to accumulate funds for health insurance claims.
- Enterprise Funds - Business-type activities fund which accounts for services provided to residents where the charges are expected to cover all costs of operations. Included is the following:
  - Sewer Fund - Accounts for revenues derived from charges for sewer usage, benefit assessments, and the application of such revenues toward related operating expenses and debt retirement.
  - High Dam Fund - Accounts for revenues derived from the High Dam Hydroelectric Facility which provides the City with 10 megawatts of clean renewable energy produced from the Oswego River. The High Dam Fund was created in 2023, with assets and liabilities moved from Governmental Activities. Operations of the High Dam Fund were moved in 2024.

Basis of Accounting/Measurement Focus
Basis of accounting refers to <u>when</u> revenues and expenditures and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus. Measurement focus is the determination of <u>what</u> is measured, such as expenditures or expenses.

- Accrual Basis - The Government-wide financial statements and Proprietary Funds financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

Note 1 **Summary of Significant Accounting Policies - Continued**

Basis of Accounting/Measurement Focus - Continued

- Modified Accrual Basis - Governmental fund financial statements are presented on the modified accrual basis of accounting. Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Material revenues accrued include real property taxes, state and federal aid, sales tax, and certain user charges. The City considers property tax receivables collected within 60 days after year end to be available and recognizes them as revenues of the current year.

  All other revenues deemed collectible within one year after year end are recognized as revenues in the current year. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when the expenditure is made. Expenditures are recorded when incurred. The cost of capital assets is recognized as an expenditure when received. Exceptions to this general rule are that 1) principal and interest on indebtedness are not recognized as an expenditure until due, and 2) compensated absences, such as vacation and sick leave, which vest or accumulate, are charged as an expenditure when paid.

Unearned Revenues
The City reports unearned revenues on its Statement of Net Position and its Balance Sheet - Governmental Funds. On the Statement of Net Position, unearned revenues arise when resources are received by the City before it has legal claim to them, as when grant monies are received prior to incurrence of qualifying expenditures. In subsequent periods, when the City has legal claim to the resources, the liability for deferred revenue is removed and revenue is recognized.

Deferred Outflows of Resources and Deferred 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 represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows of resources related to pensions and OPEB in the Statement of Net Position, as described in Notes 7 and 8, respectively.

In addition to liabilities, the Statement of Net Position and the Balance Sheet - Governmental Funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Note 1 **Summary of Significant Accounting Policies - Continued**

Deferred Outflows of Resources and Deferred Inflows of Resources - Continued
The governmental funds report deferred inflows of resources which arise only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, unavailable revenue is reported only in the Balance Sheet - Governmental Funds. The governmental funds report unavailable revenues from loans receivable and taxes receivable that remain uncollected collected after 60 days after year end. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, the City reports deferred inflows of resources related to pensions and OPEB in the Statement of Net Position, as described in Notes 7 and 8, respectively.

Property Tax
The authority for levying taxes for the support of City government, the collection of Oswego County (County) taxes levied in the City, and the enforcement of unpaid City School District taxes, has been delegated by the State Legislature to the governing board of the City through provisions of the Real Property Tax Law and the City Charter.

For purposes of both City and County taxes, the value of real property is listed and established by the City for each parcel of real property therein. Amounts to be raised by tax are determined from the balanced budgets of the City and the County and levied on or before December 31 of each year. Tax rates are established by the ratio of taxes to be levied to real property value. In the instance of County taxes levied within the City, property values are equalized by the County Board of Legislators through establishment of the ratio that assessed value of the real property in the City and towns of the County bears to the full value therein.

County taxes thus apportioned to the City are certified by the County Board of Legislators to the City but levied on County tax rolls. The charter provides that these taxes, except such as are by law or court order stayed from collection, are payable to the County only for collected amounts; the City thus acquires no rights, title, and interest in any unpaid taxes. City School District taxes are levied by the Board of Education upon separate tax rolls.

City and County taxes are billed separately. City taxes may be paid in installments, one-half in April and one-half in June, with a 1% collection fee charged on the unpaid balance. A late fee of 1% per month thereafter is assessed. County taxes may be paid in full during the month of January without a fee. In April, the City returns unpaid County taxes to the County. School taxes are billed by the City School District and unpaid taxes are remitted to the City for collection in March with a late fee attached. A 1% per month fee plus a 5% collection fee is added by the City. In January, after the tax listing, the City remits the remaining unpaid balance to the City School District.

Unpaid City taxes of the prior year, and unpaid school taxes returned in the current year, along with accrued interest, are enforced through annual public sale held in September, pursuant to Title XII of the Charter. Tax sale certificates, whether held by third parties or by the City, bear interest at the rate of 10% per annum.

Note 1 **Summary of Significant Accounting Policies - Continued**

Insurance
The City assumes the liability for most risk including, but not limited to, property damage and personal injury liability.

Unemployment Insurance
As of January 1, 1978, City employees are covered by unemployment insurance. The City has chosen to discharge its liability to the New York State Unemployment Insurance Fund by means of the benefit reimbursement method. This is a dollar-for-dollar reimbursement to the Unemployment Insurance Fund for the benefits paid to former employees and charged to the City's account. The City is exempt from federal unemployment insurance tax.

Compensated Absences
A compensated absence is leave for which employees may receive one or more (a) cash payments when the leave is used for time off, (b) other cash payments, such as payment for unused leave upon termination of employment, or (c) noncash settlements, such as conversion to defined benefit postemployment benefits. The payment or settlement could occur during employment or upon termination of employment. Examples of compensated absences include vacation leave, sick leave, and other paid time off. The rate at which different leave types are earned, the maximum amount of those leave types allowed to be accumulated, and the eligibility to earn the leave types are generally specified in negotiated labor contracts or are outlined in individual employment contracts. Consistent with GASB Statement No. 101, "Compensated Absences," a liability is recognized when the leave is attributed to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability for compensated absences is measured using the pay rates in effect as of the financial statement date and includes salary-related payments, where applicable.

Cash and Cash Equivalents
For financial statement purposes, all highly liquid investments with an initial maturity of three months or less are considered cash equivalents.

Capital Assets
All capital assets are valued at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives of the assets. Capital assets purchased or acquired having a useful life of greater than one year are capitalized. The estimated capitalization threshold and useful lives for capital assets are as follows:

Asset Class	Threshold	Useful Lives
Buildings and Improvements	$ 5,000	10 - 30 Years
Infrastructure	25,000	10 - 50 Years
Machinery and Equipment	1,000	3 - 20 Years

No interest on construction in progress has been capitalized.

Note 1 **Summary of Significant Accounting Policies - Continued**

Use of Estimates
Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Equity Classifications - Government-Wide Financial Statements
Equity is classified as net position and displayed in three components:

- Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- Restricted - Consists of resources with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.

- Unrestricted - Consists of all other resources that do not meet the definition of "restricted" or "net investment in capital assets."

Equity Classifications - Governmental Fund Financial Statements
The City classifies fund balance to reflect spending constraints on resources, rather than availability for appropriation. This approach is intended to provide users more consistent and understandable information about a fund's net resources.

Constraints are broken into five classifications: nonspendable, restricted, committed, assigned, and unassigned. These classifications serve to inform readers of the financial statements of the extent to which the government is bound to honor any constraints on specific purposes for which resources in a fund can be spent.

- Nonspendable - Consists of assets inherently nonspendable in the current period either because of their form or because they must be maintained intact; including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and endowments principal.

- Restricted - Consists of amounts subject to legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and enforced externally; or through constitutional provisions or enabling legislation. Most of the City's legally adopted reserves are reported here.

- Committed - Consists of amounts subject to a purpose constraint imposed by formal action of the government's highest level of decision-making authority prior to the end of the fiscal year and requires the same level of formal action to remove said constraint.

Note 1 **Summary of Significant Accounting Policies - Continued**

Equity Classifications - Governmental Fund Financial Statements - Continued

- Assigned - Consists of amounts subject to a purpose constraint representing an intended use established by the government's highest level of decision-making authority, or their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund. In funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

- Unassigned - Represents the residual classification of the government's General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should only be used to report a deficit balance resulting from overspending amounts restricted, committed, or assigned for specific purposes.

The City has not adopted any resolutions to commit fund balance. The City's policy is to apply expenditures against restricted fund balance, assigned fund balance, then unassigned fund balance.

Interfund Activity
Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

The net effect of capital activity conducted for the benefit of the Enterprise Funds, less long-term debt transferred to the Enterprise Funds, is reported as an internal balance.

New Accounting Standard
The City adopted and implemented the provisions of GASB Statement No. 101, "Compensated Absences". The City adopted the provisions as of January 1, 2024, but did not restate the beginning net position as the adjustment was not material.

Note 2 **Stewardship, Compliance, and Accountability**

Deficit Net Position
At December 31, 2024, the Government-wide Statement of Net Position reported an unrestricted deficit net position of $132,325,193 for governmental activities. This is primarily the result of the requirement to record other postemployment benefits liability with no requirement or mechanism to fund this liability. The deficit is not expected to be eliminated during the normal course of operations.

Note 2 **Stewardship, Compliance, and Accountability - Continued**

Deficit Fund Balances
At December 31, 2024, the Capital Projects Fund had a deficit fund balance of $10,473,844, and the Community Development Special Grant Fund had a deficit fund balance of $5,259,463. These deficits will be eliminated as short-term financing is converted to long-term bonds or when other revenues, including grants and transfers from the General Fund, are realized.

Note 3 **Cash and Investments**
The City's available cash is deposited and invested in accordance with the provisions of applicable State statutes. The City also has its own written investment guidelines which have been established by the Common Council.

The City deposits cash into a number of bank accounts. Monies must be deposited in demand or time accounts at, or certificates of deposit issued by, FDIC-insured commercial banks or trust companies located within the state. Some of the City's accounts are mandated by various statutes and borrowing restrictions for specific funds, while the remainder are used for City operating cash and for investment purposes. The City's bank accounts are maintained in separate demand accounts with the respective offset to various fund equities in pooled cash, investments, and restricted cash. Interest income from the pooled accounts is allocated based on the funds' respective share of the pool.

Permissible investments include obligations of the U.S. Treasury and U.S. agencies, contractual repurchase agreements, and obligations of New York State. Per existing policies, the underlying securities for repurchase transactions must be only federal obligations.

Collateral is required for deposits and certificates of deposit in an amount equal to or greater than the amount of all deposits not covered by federal deposit insurance. Banks satisfy collateral requirements by pledging eligible securities as specified in §10 of New York State General Municipal Law (GML).

Deposits and investments are valued at cost, or cost plus interest. Total financial institution (bank) balances at December 31, 2024, per the banks, were $18,125,586 and $9,426,877 in the Governmental Funds and Proprietary Funds respectively. These deposits were fully insured and collateralized by securities held by the pledging financial institution's trust department or agent in the City's name. The carrying value of all City deposits was $27,406,978 at year end.

The City does not typically purchase investments, is not exposed to material interest rate risk, does not typically purchase investments denominated in a foreign currency, and is not exposed to foreign currency risk.

Restricted cash includes $500,000 restricted for debt in the General Fund, $199,763 restricted for particular purposes in the Special Grant Funds, and $129,566 for debt in the Enterprise Fund.

Note 4 **Property Taxes**

At December 31, 2024, the City had total real property tax assets of $2,222,837. In the Governmental Fund financial statements, the tax assets are offset by deferred inflows of resources of $1,855,573 and represent an estimate of the tax liens which will not be collected within the first 60 days of the subsequent year.

Note 5 **Tax Abatements**

During the year ended December 31, 2024, certain properties in the City were subject to property tax abatements negotiated by the County of Oswego Industrial Development Agency (the IDA) to encourage economic development.

The IDA entered into Payment in Lieu of Tax (PILOT) agreements with local businesses under Chapter 535 of the 1971 Laws of New York State. Under the Act, localities may grant property tax abatements of up to 100% of a business' real property tax bill for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within, or promising to relocate to, the locality.

Information related to property tax abatements for the year ended December 31, 2024 follows:

Total Assessed Value	Normal 2024 City Tax	PILOTs Received	Property Taxes Abated
$ 76,897,100	$ 1,175,683	$ 386,755	$ 788,928

Note 6 Capital Assets

As described in Note 18, the City restated its December 31, 2023 balances to account for capital assets that were transferred to the Enterprise Highdam Fund. Balances as of December 31, 2023 below have been adjusted.

A summary of changes in capital assets at December 31, 2024 follows:

Governmental Activities	Balance at December 31, 2023	Additions	Retirements/ Reclassifications	Balance at December 31, 2024
Non-Depreciable Capital Assets				
Land	$ 6,392,814	$ -	$ -	$ 6,392,814
Construction in Progress	33,550,347	9,990,994	-	43,541,341
Total Non-Depreciable Capital Assets	39,943,161	9,990,994	-	49,934,155
Depreciable Capital Assets				
Buildings and Improvements	18,880,582	-	-	18,880,582
Infrastructure	155,909,264	985,375	-	156,894,639
Machinery and Equipment	21,220,605	879,309	(723,770)	21,376,144
Total Depreciable Capital Assets	196,010,451	1,864,684	(723,770)	197,151,365
Total Historical Cost	235,953,612	11,855,678	(723,770)	247,085,520
Less: Accumulated Depreciation				
Buildings and Improvements	(17,805,964)	(143,190)	-	(17,949,154)
Infrastructure	(137,143,853)	(1,690,537)	-	(138,834,390)
Machinery and Equipment	(14,035,317)	(1,158,876)	659,615	(14,534,578)
Total Accumulated Depreciation	(168,985,134)	(2,992,603)	659,615	(171,318,122)
Governmental Activities Capital Assets, Net	**$ 66,968,478**	**$ 8,863,075**	**$ (64,155)**	**$ 75,767,398**

Note 6 **Capital Assets - Continued**

Depreciation expense was charged to governmental activities as follows:

Governmental Activities	
General Governmental Support	$ 112,012
Public Safety	251,993
Transportation	1,228,659
Culture and Recreation	326,235
Home and Community Services	1,073,704
Total	**$ 2,992,603**

A summary of changes in capital assets of business-type activities at December 31, 2024 follows:

Business-Type Activities	Balance at December 31, 2023	Additions	Retirements/ Reclassifications	Balance at December 31, 2024
Non-Depreciable Capital Assets				
Land	$ 178,196	$ -	$ -	$ 178,196
Construction in Progress	21,573,345	2,778,766	-	24,352,111
Total Non-Depreciable Capital Assets	21,751,541	2,778,766	-	24,530,307
Depreciable Capital Assets				
Buildings and Improvements	27,421,402	-	-	27,421,402
Infrastructure	70,644,718	-	-	70,644,718
Machinery and Equipment	3,636,465	451,944	-	4,088,409
Total Depreciable Capital Assets	101,702,585	451,944	-	102,154,529
Total Historical Cost	123,454,126	3,230,710	-	126,684,836
Less: Accumulated Depreciation				
Buildings and Improvements	(23,205,150)	(645,854)	-	(23,851,004)
Infrastructure	(31,120,254)	(3,355,608)	-	(34,475,862)
Machinery and Equipment	(1,867,632)	1,362,172	-	(505,460)
Total Accumulated Depreciation	(56,193,036)	(2,639,290)	-	(58,832,326)
Business-Type Activities Capital Assets, Net	**$ 67,261,090**	**$ 591,420**	**$ -**	**$ 67,852,510**

Note 7 **Pension Obligations - New York State and Local Retirement System**

The City complies with GASB Statement No. 68 "Accounting and Financial Reporting for Pensions - Amendment to GASB Statement No. 27" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date," which require the City to report as an asset and/or liability its portion of the collective net pension (asset)/liability in the New York State and Local Retirement System. The Statements also require the City to report deferred outflows of resources and/or deferred inflows of resources. The information presented here reflects amounts for the City as whole. In the Statement of Net Assets and the Statement of Activities allocations have been made to Governmental Activities and Business-type Activities based on proportionate shares of covered payroll.

Plan Descriptions and Benefits Provided

The City participates in the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS), which are collectively referred to as the New York State and Local Retirement System (the System). The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all assets and record changes in fiduciary net position allocated to the System. Participating employers are required under the New York State Retirement and Social Security Law (RSSL) to contribute to the System at an actuarially determined rate adopted annually by the Comptroller.

The Comptroller of New York State serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the RSSL. 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.

ERS and PFRS are cost-sharing, multiple-employer defined benefit pension plans. The System is included in the state's financial report as a pension trust fund. The Public Employees' Group Life Insurance Plan (GLIP) provides death benefits in the form of life insurance. In these statements, GLIP amounts are apportioned to and included in ERS and PFRS.

Separately issued financial statements for the System can be accessed on the Comptroller's website 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, New York 12244.

Members who joined the System prior to January 1, 2010 require five years of service to be 100% vested. Members who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS) require 10 years of service credit to be 100% vested.

Note 7 **Pension Obligations - New York State and Local Retirement System - Continued**

Plan Descriptions and Benefits Provided - Continued
Generally, Tier 1 and 2 members are not required to contribute to the System; Tier 3, 4, and 5 members must contribute 3% of their salary to the System. As a result of Article 19 of the RSSL, eligible Tier 3 and 4 employees, with a membership date on or after July 27, 1976, who have ten or more years of membership or credited service with the System, are not required to contribute.

Members cannot be required to begin making contributions or to make increased contributions beyond what was required when membership began. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service.

Summary of Significant Accounting Policies
The System's financial statements from which the System's fiduciary net position is determined are prepared using the accrual basis of accounting. Plan member contributions are recognized when due and the employer has a legal requirement to provide the contributions.

Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Plan investments are reported at fair value. For detailed information on how investments are valued, please refer to the System's annual report.

Contributions
Participating employers are required under the RSSL to contribute to the System at an actuarially determined rate adopted annually by the Comptroller. The City's contributions for the current year and two preceding Plan years were equal to 100% of the contributions required, and were as follows:

	2024	2023	2022
ERS	**$ 978,091**	$ 780,046	$ 1,094,543
PFRS	**2,210,717**	1,867,448	1,799,817

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
At December 31, 2024, the City reported the following liability for its proportionate share of the net pension (asset)/liability for the System. The net pension (asset)/liability was measured as of March 31, 2024. The total pension liability used to calculate the net pension (asset)/liability was determined by an actuarial valuation. The City's proportionate share of the net pension (asset)/liability was based on a projection of the City's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was derived from a report provided to the City by the System.

Note 7 **Pension Obligations - New York State and Local Retirement System - Continued**

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued

	ERS	PFRS
Actuarial Valuation Date	April 1, 2023	April 1, 2023
Net Pension (Asset)/Liability	$ 14,724,050,185	$ 4,742,822,088
City's Proportionate Share of the Plan's Total Net Pension (Asset)/Liability	4,473,785	10,729,689
City's Share of the Plan's Total Net Pension (Asset)/Liability	0.0303842%	0.2262299%

For the year ended December 31, 2024, the City recognized pension expense of $991,297 for ERS and PFRS in the financial statements. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to the pensions from the following sources:

	ERS	PFRS
Deferred Outflows of Resources		
Differences Between Expected And Actual Experience	$ 1,441,003	$ 3,305,674
Changes of Assumptions	1,691,438	4,047,248
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	-
Changes in Proportion and Differences Between the City's Contributions and Proportionate Share of Contributions	217,414	544,712
City's Contributions Subsequent to the Measurement Date	1,013,526	2,042,253
Total	**$ 4,363,381**	**$ 9,939,887**
Deferred Inflows of Resources		
Differences Between Expected and Actual Experience	$ 121,988	$ -
Changes of Assumptions	-	-
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	2,185,420	2,912,593
Changes in Proportion and Differences Between the City's Contributions and Proportionate Share of Contributions	372,994	993,601
Total	**$ 2,680,402**	**$ 3,906,194**

Note 7 **Pension Obligations - New York State and Local Retirement System - Continued**

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued

City contributions subsequent to the measurement date, reported as deferred outflows of resources, will be recognized as a reduction of the net pension (asset)/liability in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending	ERS	PFRS
2025	$ (863,364)	$ (931,298)
2026	803,594	3,070,925
2027	1,235,502	1,710,498
2028	(506,279)	(321,093)
2029	-	462,408
Thereafter	-	-

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	PFRS
Measurement Date	March 31, 2024	March 31, 2024
Actuarial Valuation Date	April 1, 2023	April 1, 2023
Investment Rate of Return	5.9%	5.9%
Salary Increases	4.4%	6.2%
Inflation Rate	1.5%	1.5%
Cost of Living Adjustments	2.9%	2.9%

Annuitant mortality rates are based on April 1, 2015 - March 31, 2020 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021.

The actuarial assumptions used in the April 1, 2023 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020.

Note 7 **Pension Obligations - New York State and Local Retirement System - Continued**

Actuarial Assumptions - Continued

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 return, 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 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 and PFRS
Measurement Date	March 31, 2024
Asset Type	
Domestic Equities	4.0%
International Equities	6.7%
Private Equities	7.3%
Real Estate	4.6%
Opportunistic Portfolio/ARC Portfolio	5.3%
Credit	5.4%
Real Assets	5.8%
Fixed Income	1.5%
Cash	0.3%

Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and contributions from employers will be made at statutorily required rates, actuarially. Based on these assumptions, the System's 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.

Note 7 **Pension Obligations - New York State and Local Retirement System - Continued**

Sensitivity of the Proportionate Share of the Net Pension (Asset)/Liability to the Discount Rate Assumption

The following presents the City's proportionate share of the net pension (asset)/liability calculated using the discount rate of 5.9%, as well as what the City'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 higher than the current rate:

ERS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
City's Proportionate Share of the Net Pension (Asset)/Liability	$ 14,066,037	$ 4,473,785	$ (3,537,735)

PFRS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
City's Proportionate Share of the Net Pension (Asset)/Liability	$ 25,077,801	$ 10,729,689	$ (1,123,947)

Pension Plan Fiduciary Net Position

The components of the current-year net pension (asset)/liability of the employers as of the respective March 31, 2024 measurement date were as follows:

	Dollars in Thousands ERS	Dollars in Thousands PFRS
Measurement Date	March 31, 2024	March 31, 2024
Employers' Total Pension Liability	$ 240,696,851	$ 46,137,717
Plan Net Position	(225,972,801)	(41,394,895)
Employers' Net Pension (Asset)/ Liability	**$ 14,724,050**	**$ 4,742,822**
Ratio of Plan Net Position to the Employers' Total Pension Liability	93.9%	89.7%

Payables to the Pension Plan

For ERS and PFRS, employer contributions are paid annually based on the System's fiscal year which ends on March 31. Accrued retirement contributions as of December 31, 2024 represent the projected employer contribution for the period of April 1, 2024 through December 31, 2024, based on estimated wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of December 31, 2024 were $3,041,062.

Note 7 **Pension Obligations - New York State and Local Retirement System - Continued**

Summary
Changes in the net pension (asset)/liability and deferred outflows of resources and deferred inflows of resources for the year ended December 31, 2024 resulted in the following:

ERS	Beginning Balance	Change	Ending Balance
Net Pension (Asset)/Liability	$ 6,312,450	$ (1,838,665)	$ 4,473,785
Deferred Outflows of Resources	(4,620,700)	257,319	(4,363,381)
Deferred Inflows of Resources	534,995	2,145,407	2,680,402
Total	**$ 2,226,745**	**$ 564,061**	**$ 2,790,806**

PFRS	Beginning Balance	Change	Ending Balance
Net Pension (Asset)/Liability	$ 11,723,192	$ (993,503)	$ 10,729,689
Deferred Outflows of Resources	(8,913,113)	(1,026,774)	(9,939,887)
Deferred Inflows of Resources	910,228	2,995,966	3,906,194
Total	**$ 3,720,307**	**$ 975,689**	**$ 4,695,996**

Note 8 **Postemployment Benefits Other Than Pensions (OPEB)**
The City complies with GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions." The information presented here reflects amounts for the City as whole. In the Statement of Net Assets and the Statement of Activities allocations have been made to Governmental Activities and Business-type Activities based on proportionate shares of covered payroll.

General Information About the OPEB Plan

Plan Description
The City provides postemployment (health insurance, etc.) coverage to retired employees in accordance with the provisions of various employment contracts. The City's plan is a single-employer postemployment benefit plan (the Plan). No assets are accumulated in a trust meeting the criteria in paragraph 4 of GASB Statement No. 75. The Plan does not issue separate financial statements because there are no assets legally segregated for the sole purpose of paying benefits under the plan.

Benefits Provided
The City provides healthcare benefits for eligible retirees and their spouses. Benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the City offices and are available upon request.

Contribution requirements of Plan members, employers, and other entities are established by action of the City pursuant to applicable collective bargaining agreements. Required contribution rates of the employer and the members vary depending on the applicable agreement.

Note 8 **Postemployment Benefits Other Than Pensions (OPEB) - Continued**

General Information About the OPEB Plan - Continued
The City currently contributes enough money to the Plan to satisfy current obligations on a pay as you go basis. The expected employer contribution costs of administering the Plan are paid by the City.

Employees Covered by Benefit Terms
At December 31, 2024, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries	
Currently Receiving Benefit Payments	305
Active Employees Fully Eligible for Benefits	256
Total	**561**

Total OPEB Liability
The City's total OPEB liability of $123,656,414 was measured as of December 31, 2024 and was determined by a full valuation as of January 1, 2024.

Actuarial Assumptions and Other Inputs
The total OPEB liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Single Discount Rate	4.16%
Rate of Compensation Increase	3.50%
Inflation Rate (CPI)	2.50%
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage
Amortization Period	6.81 years

The long-term bond rate is based on the Fidelity General Obligation 20-Year AA Municipal Bond Index rate as of the measurement date (or the nearest business day thereto).

The salary scale was based on the City's review of historical experience as well as future expectations.

Mortality rates were based on headcount-weighted Pub-2010 Public Retirement Plans Mortality Tables for employees and healthy retirees, adjusted for mortality improvements with Scale MP-2020 to Scale MP-2021 mortality improvement scale on a generational basis.

Note 8 **Postemployment Benefits Other Than Pensions (OPEB) - Continued**

Actuarial Assumptions and Other Inputs - Continued
Turnover rates are based on experience under the New York State Employees' Retirement System (ERS) and the New York State Policy and Fire Retirement System (PRFS).

Healthcare Cost Trend Rates were based on a review of published national trend survey data in relation to the retiree health plan offerings and updated long-term rates based on the Society of Actuaries Long Term Healthcare Cost Trends Model v2020_f4 (the Getzen model).

The actuarial assumptions used in the January 1, 2024 valuation were consistent with the requirements of GASB Statement No. 75 and Actuarial Standards of Practice (ASOPs).

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2023	$ 123,656,414
Changes for the Year	
Service Cost	3,374,325
Interest Cost	4,398,148
Changes of Benefit Terms	15,405,183
Differences Between Expected and Actual Experience	(8,339,406)
Changes in Assumptions or Other Inputs	(4,525,248)
Benefit Payments	(4,704,562)
Net Change	5,608,440
Balance at December 31, 2024	**$ 129,264,854**

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

	1% Decrease	Discount Rate	1% Increase
Total OPEB Liability	$ 150,325,790	$ 129,264,854	$ 112,455,002

Note 8 **Postemployment Benefits Other Than Pensions (OPEB) - Continued**

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

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	$ 110,140,232	$ 129,264,854	$ 153,944,542

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
For the year ended December 31, 2024, the City recognized OPEB expense of $2,541,453.

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 2,403,558	$ 9,518,889
Changes in Assumptions or Other Inputs	9,537,759	24,920,683
Total	**$ 11,941,317**	**$ 34,439,572**

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

Fiscal Year Ending December 31,	Amount
2025	$ (3,750,816)
2026	(6,712,361)
2027	(6,384,172)
2028	(2,690,900)
2029	(1,429,850)
Thereafter	(1,530,156)

Note 8 **Postemployment Benefits Other Than Pensions (OPEB) - Continued**

Summary
Changes in the OPEB and deferred outflows and deferred inflows of resources for the year ended December 31, 2024 are summarized as follows:

	Beginning Balance	Change	Ending Balance
Other Postemployment Benefits Liability	$ 123,656,414	$ 5,608,440	$ 129,264,854
Deferred Outflows of Resources	(19,914,304)	7,972,987	(11,941,317)
Deferred Inflows of Resources	34,230,454	209,118	34,439,572
Total	**$ 137,972,564**	**$ 13,790,545**	**$ 151,763,109**

Note 9 **Short-Term Debt**
The City may issue revenue anticipation notes (RANs) and tax anticipation notes (TANs), in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. RANs and TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund. There were no TANs or RANs issued during the year or outstanding at December 31, 2024.

Liabilities for bond anticipation notes (BANs) are generally accounted for in the Capital Projects Fund. Principal payments on BANs must be made annually. The notes or renewal thereof may not extend more than two years beyond the original date of issue unless a portion is redeemed within two years and within each 12-month period thereafter. State law requires BANs issued for capital purposes be converted to long-term obligations within five years after original issue date. However, BANs issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided stipulated annual reductions of principal are made.

The City accounts for BANs as current obligations and records them in the fund to which they apply. The following is an analysis of short-term debt outstanding at December 31, 2024:

	Amount	Dated	Interest Rate	Maturity Date
BAN - Fire Vehicle	$ 615,000	11/22/2024	5.29%	11/21/2025
BAN - High Dam Renovations	3,624,330	09/18/2024	5.16%	09/18/2025
BAN - Various Purposes	829,500	12/13/2024	5.29%	12/12/2025
EFC - Short Term Financing, Wastewater Treatment Plants	3,769,500	Various	0.00%	N/A
BAN - Property Acquisition	1,190,000	01/22/2024	5.16%	01/22/2025
BAN - Building Renovations	1,641,180	08/26/2024	4.99%	08/26/2025
BAN - Energy Projects	22,705,000	04/17/2024	0.00%	04/17/2025
Total	**$ 34,374,510**			

Note 9 **Short-Term Debt - Continued**

Changes in short-term debt outstanding are as follows:

	Balance at December 31, 2023	Issued	Redeemed	Balance at December 31, 2024
BANs	$ 6,103,330	$ 25,536,180	$ (1,034,500)	$ 30,605,010
EFC	3,300,000	535,500	(66,000)	3,769,500
Total	**$ 9,403,330**	**$ 26,071,680**	**$ (1,100,500)**	**$ 34,374,510**

Interest expense on short-term debt is calculated as follows:

Interest Paid - Governmental Activities	$ 182,170
Interest Paid - Business-Type Activities	187,015
Less: Interest Accrued at December 31, 2023	(60,472)
Interest Accrued at December 31, 2024 - Governmental Activities	420,712
Interest Accrued at December 31, 2024 - Business-Type Activities	411,979
Total	**$ 1,141,404**

Note 10 **Long-Term Debt and Other Long-Term Liabilities**

Statutory Debt Limit

At December 31, 2024, the total outstanding bonded indebtedness of the City aggregated $79,274,989. Of this amount, $32,190,010 was subject to the City's statutory debt limit, and represented approximately 46.81% of its debt limit.

Serial Bonds and New York State Revolving Loan Fund (NYSRLF) Bonds

The City borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by present and future taxpayers receiving the benefit of the capital assets.

Lease Obligations Payable

During the year ended December 31, 2006, the City entered into installment purchase agreements for energy conservation renovations and equipment related to water treatment improvements.

Note 10 Long-Term Debt and Other Long-Term Liabilities - Continued

Other Long-Term Liabilities

In addition to the above long-term debt, the City had the following non-current liabilities:

- Due to Employees' Retirement Systems - amounts amortized by the City in accordance with Chapter 57 of the Laws of 2010. The General, Water, Enterprise, and Special Grant Funds liquidate this liability.

- Compensated absences represent the value of the earned and unused portion of the liability for compensated absences. This liability is liquidated in the General, Water, and Enterprise Funds.

Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the period ended December 31, 2024:

Governmental Activities	Balance at December 31, 2023	Additions	Deletions	Balance at December 31, 2024	Amount Due in One Year
Serial Bonds	$ 6,060,000	$ -	$ (920,000)	$ 5,140,000	$ 480,000
Employees' Retirement System	223,880	-	(196,840)	27,040	27,040
Compensated Absences	3,502,029	96,768	-	3,598,797	239,562
Total	**$ 9,785,909**	**$ 96,768**	**$ (1,116,840)**	**$ 8,765,837**	**$ 746,602**
Business-Type Activities					
NYS Revolving Loan Fund	$ 41,463,099	$ -	$ (1,702,620)	$ 39,760,479	$ 1,657,551
Total	**$ 41,463,099**	**$ -**	**$ (1,702,620)**	**$ 39,760,479**	**$ 1,657,551**

Additions and deletions to compensated absences are shown net, as it is impractical to determine these amounts separately.

Summary of Serial Bonds

As of December 31, 2024, Serial Bonds, including issue and maturity dates and interest rates, consisted of the following:

Description of Issue	Month of Issue	Final Maturity	Interest Rate	Payable to Maturity
Serial Bonds	October 2014	October 2034	2.00-3.25%	$ 3,555,000
Refunding Serial Bonds (Series B)	May 2017	June 2032	1.75-3.50%	1,585,000
Total				**$ 5,140,000**

Note 10 **Long-Term Debt and Other Long-Term Liabilities - Continued**

Summary of New York State Revolving Loan Fund (NYSRLF) Bonds
As of December 31, 2024, the NYSRLF Bonds, including issue and maturity dates and interest rates, consisted of the following:

Description of Issue	Month of Issue	Final Maturity	Interest Rate	Payable to Maturity
Sewer Rehabilitation - Phase 3	July 2001	May 2031	2.62%	$ 875,000
Capital Projects	March 2004	April 2032	1.03-4.9%	940,000
Eastside Wastewater Treatment Plant	July 2007	December 2036	3.63-4.66%	1,230,000
Westside Wastewater Treatment Plant/ Catch Basins	July 2011	July 2041	.23-4.75%	565,000
Refinancing Bond - 2014B	September 2024	May 2044	.15-4.29%	11,970,000
Westside Sewer Expansion and Related	June 2014	March 2045	.15-4.29%	6,395,000
Clean Water Statutory Installment Bond	January 2022	July 2051	-0-	4,178,181
Clean Water Statutory Installment Bond	January 2023	July 2052	-0-	6,940,318
Sewer System Improvements Bond	December 2023	September 2053	3.78-4.97%	6,666,980
Total				**$ 39,760,479**

Future Debt Service Requirements
The following tables summarize the City's future debt service requirements as of December 31, 2024:

Year Ending December 31,	Governmental Activities Serial Bonds		Business-Type Activities NYS Revolving Loan Fund/High Dam Tracking		
	Principal	Interest	Principal	Interest	Total
2025	$ 480,000	$ 156,550	$ 1,657,551	$ 1,162,275	$ 3,456,376
2026	495,000	142,294	1,684,600	1,119,480	3,441,374
2027	520,000	127,294	1,712,620	1,074,082	3,433,996
2028	535,000	111,375	1,732,620	1,025,481	3,404,476
2029	550,000	94,756	1,747,620	974,795	3,367,171
2030-2034	2,560,000	216,788	8,478,100	4,087,889	15,342,777
2035-2039	-	-	8,308,100	2,829,079	11,137,179
2040-2044	-	-	8,458,100	1,456,931	9,915,031
2045-2049	-	-	3,738,100	506,271	4,244,371
2050-2053	-	-	2,243,068	150,184	2,393,252
Total	**$ 5,140,000**	**$ 849,057**	**$ 39,760,479**	**$ 14,386,467**	**$ 60,136,003**

Note 10 **Long-Term Debt and Other Long-Term Liabilities - Continued**

Installment Purchase Debt

During the year ended December 31, 2006, the City entered into installment purchase agreements for an energy management system upgrade and replacement of equipment at the City's Water Treatment Facility. Total improvements and equipment under these leases amounted to $2,423,918. Depreciation expense of $183,442 was recorded during the year ended December 31, 2024. Final payment on the lease, including 4.09% interest, was made from the Water Fund.

Interest on Long-Term Debt

Interest on long-term debt is as follows:

Governmental Activities		
Interest Paid:		
Serial Bonds	$	175,556
Less: Interest Accrued at December 31, 2023		(26,360)
Interest Accrued at December 31, 2024		23,870
Total	**$**	**173,066**

Business-Type Activities		
Interest Paid	$	483,860
Subsidized Interest		638,111
Less: Interest Accrued at December 31, 2023		(211,017)
Interest Accrued at December 31, 2024		197,232
Total	**$**	**1,108,186**

Note 11 **Interfund Activity**

Interfund activity balances as of December 31, 2024 were as follows:

	Interfund Receivable	Interfund Payable	Interfund Revenue	Interfund Expenditure
General Fund	$ 9,706,913	$ 2,050,989	$ 70,000	$ 8,830,261
Special Grant Funds	-	6,639,144	543,856	-
Capital Projects Fund	-	2,608,302	248,855	30,000
Non-Major Funds	1,768,103	328,610	1,095,556	672,006
Enterprise Funds	1,741,794	1,928,492	-	480,677
Internal Service Fund	338,727	-	8,054,677	-
Totals	**$13,555,537**	**$ 13,555,537**	**$ 10,012,944**	**$ 10,012,944**

Interfund receivables and payables exist largely to offset transient cash flow issues and are expected to be resolved within one year. Interfund revenues and expenditures reflect the transfers approved in the City budget, transfers from the General Fund to the Internal Service Fund for self-insurance, and transfers from operating funds to the debt service fund for debt payments.

At December 31, 2024, the internal balance between the governmental activities and business-type activities is as follows:

	Internal Balance Receivable	Internal Balance Payable
Governmental Activities	$ 5,854,839	$ -
Business-Type Activities	-	5,854,839

Note 12 **Sales Tax and Collection Thereof**

The City levies a 4% sales tax under the general authority of Article 29 of the Tax Law. The City-imposed tax is administered and collected by the state tax commission in the same manner as the state imposed 4% sales and compensating use tax. Net collections, meaning monies collected after deducting expenses of administration, collections, and amounts refunded or to be refunded, but inclusive of any applicable penalties and interest, are paid by the State directly to the City.

Note 13 **Deferred Compensation Plan**

On March 9, 1987, after the appropriate public hearings were held, the City Common Council approved the establishment of a Deferred Compensation Plan for the City employees. The current plan provider is Mass Mutual Life Insurance Company.

Note 14 **Judgments and Claims**

The City and/or its agencies are named in several lawsuits, some of which are for substantial amounts. These claims are either adequately covered by insurance through the City's Internal Service Fund or, in the opinion of City officials, will not result in material judgments against the City or will not be pursued and, therefore, are not expected to have a material effect on the financial statements. In the past three years, no settlements exceeded insurance coverage.

Note 15 **Summary of Significant Commitments and Contingencies**

State and Federally Assisted Programs

The City receives many different state and federal grants to be used for specific purposes. These grants are generally conditioned on compliance with certain statutory, regulatory, and/or contractual requirements. The City makes every effort to comply with all applicable requirements. However, because these grants are audited from time to time, it is possible the City will be required, upon audit, to repay portions of the grant monies received and recorded as revenue in a prior year. City officials do not anticipate material grant-in-aid disallowances, and no provision, therefore, is reflected in the basic financial statements.

Tax Certiorari Claims

The City is a defendant in several tax certiorari claims. These claims could result in substantial refunds of taxes or reductions of future taxes. However, any potential settlement for these claims is unable to be reasonably estimated at December 31, 2024.

Note 16 **Other Disclosures**

Significant Taxpayers

During 2024, Oswego Harbor Power and National Grid paid real property taxes of $1,590,056 and $730,816, respectively. These amounts represent approximately 18% of the City's tax roll.

Note 17 **Subsequent Events**

During 2025, the City issued the following obligations:

	Amount	Dated	Interest Rate	Maturity Date
State Touring Route - Callable Bond	$ 8,000,000	April 07, 2025	4.59%	February 7, 2026 or After
Serial Bond - Conversion of $22,705,000 BAN	25,747,925	April 16, 2025	4.00-4.125%	April 15, 2047

Note 18 **Restatements**

During the year ended December 31, 2023, the City created an Enterprise Highdam Fund to account for the operations of its hydroelectric facility. The City reported a portion of the capital assets of the facility in its December 31, 2023 financial statements. During the year ended December 31, 2024 the City determined that an additional $2,999,333 in capital assets that had been accounted for in Governmental Activites should be accounted for in the Enterprise Highdam Fund. The City restated its beginning net position as of December 31, 2023 to decrease net position in Governmental Activities, and increase net position in Business-Type Activities and the Enterprise Highdam Fund, by $2,999,333.

CITY OF OSWEGO

BUDGETARY COMPARISON SCHEDULE
NON-U.S. GAAP BUDGET BASED - GENERAL FUND
FOR YEAR ENDED DECEMBER 31, 2024

	Original Budget	Final Budget	Actual	Encumbrances	Variance Fav. (Unfav.)
REVENUES					
Real Property Taxes	$ 13,045,487	$ 13,045,487	$ 12,991,790	$ -	$ (53,697)
Real Property Tax Items	566,480	566,480	588,999	-	22,519
Nonproperty Tax Items	17,178,700	17,178,700	23,511,254	-	6,332,554
Departmental Income	826,000	826,000	678,298	-	(147,702)
Intergovernmental Charges	153,388	153,388	396,247	-	242,859
Use of Money and Property	1,040,500	1,040,500	222,064	-	(818,436)
Licenses and Permits	340,050	340,050	256,048	-	(84,002)
Fines and Forfeitures	280,000	280,000	164,724	-	(115,276)
Sale of Property and Compensation for Loss	195,000	195,000	152,078	-	(42,922)
Miscellaneous Local Sources	75,000	75,000	235,846	-	160,846
State Sources	2,681,698	2,681,698	3,438,432	-	756,734
Total Revenues	36,382,303	36,382,303	42,635,780	-	6,253,477
EXPENDITURES					
General Governmental Support	4,406,924	5,321,266	4,545,601	-	775,665
Public Safety	13,528,834	15,396,895	14,448,930	-	947,965
Transportation	3,895,409	4,620,135	4,153,861	-	466,274
Economic Assistance and Opportunity	473,619	914,181	107,507	-	806,674
Culture and Recreation	2,031,818	2,783,199	2,443,885	-	339,314
Home and Community Services	1,629,426	1,917,235	1,749,321	-	167,914
Employee Benefits	4,731,722	5,260,001	5,260,001	-	-
Debt Service					
Principal	2,005,645	1,759,366	1,034,500	-	724,866
Interest	-	433,295	131,139	-	302,156
Total Expenditures	32,703,397	38,405,573	33,874,745	-	4,530,828
Excess of Revenues/(Expenditures)	3,678,906	(2,023,270)	8,761,035	-	10,784,305
OTHER FINANCING SOURCES (USES)					
Interfund Transfers In	-	-	70,000	-	70,000
Interfund Transfers (Out)	(7,678,906)	(8,830,261)	(8,830,261)	-	-
Total Other Financing Sources (Uses)	(7,678,906)	(8,830,261)	(8,760,261)	-	70,000
Excess of Revenues and Other Financing Sources Over (Expenditures) and Other (Uses)	(4,000,000)	(10,853,531)	774	**$ -**	**$ 10,854,305**
Appropriated Fund Balance	4,000,000	10,853,531			
Net Change in Fund Balance	**$ -**	**$ -**	774		
Fund Balance, Beginning of Year			20,230,610		
Fund Balance, End of Year			**$ 20,231,384**		

See Notes to Required Supplementary Information

CITY OF OSWEGO

SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS FOR THE LAST 10 FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Service Cost	**$ 3,374,325**	$ 3,063,015	$ 5,122,663	$ 4,501,173	$ 3,570,187	$ 3,257,632	$ 3,741,893	$ *	$ *	$ *
Interest Cost	**4,398,148**	4,597,937	2,808,658	2,983,353	3,426,318	4,741,303	4,570,128	*	*	*
Changes of Benefit Terms	**15,405,183**	-	-	-	5,574,580	-	427,012	*	*	*
Differences Between Expected and Actual Experience	**(8,339,406)**	-	3,161,594	(8,027,605)	4,592,662	(29,302,289)	-	*	*	*
Changes in Assumptions or Other Inputs	**(4,525,248)**	8,113,097	(39,863,453)	5,388,256	14,795,486	18,930,882	(14,396,000)	*	*	*
Benefit Payments	**(4,704,562)**	(5,167,842)	(5,078,919)	(5,224,010)	(4,710,066)	(4,276,965)	(3,985,418)	*	*	*
	5,608,440	10,606,207	(33,849,457)	(378,833)	27,249,167	(6,649,437)	(9,642,385)	*	*	*
Total OPEB Liability - Beginning of Year	**123,656,414**	113,050,207	146,899,664	147,278,497	120,029,330	126,678,767	136,321,152	*	*	*
Total OPEB Liability - End of Year	**$ 129,264,854**	$ 123,656,414	$ 113,050,207	$ 146,899,664	$ 147,278,497	$ 120,029,330	$ 126,678,767	$ 136,321,152	$ *	$ *
Covered Employee Payroll	**$ 23,300,985**	$ 21,591,530	$ 18,439,140	$ 16,909,724	$ 17,987,889	$ 16,158,672	$ 15,221,297	$ *	$ *	$ *
Total OPEB Liability as a Percentage of Covered Employee Payroll	**554.76%**	572.71%	613.10%	868.73%	818.76%	742.82%	832.25%	*	*	*
The Following is a Summary of Changes in Assumptions:										
Discount Rate	**4.16%**	3.77%	4.05%	1.84%	2.00%	2.75%	3.71%	*	*	*
Salary Increases	**3.50%**	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%			
Inflation Rate	**2.50%**	2.50%	2.25%	2.25%	2.25%	2.25%	2.25%			
Actuarial Cost Method	**Entry Age Normal**	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal			
Amortization Method	**Level Percentage**	Level Percentage	Level Percentage	Level Percentage	Level Percentage	Level Percentage	Level Percentage			
Amortization Period	**6.81 years**	6.36 years	6.36 years	5.710 years	5.950 years	5.590 years	5.610 years			

** Information for periods prior to implementation of GASB Statement No. 75 is unavailable.*

See Notes to Required Supplementary Information

CITY OF OSWEGO

SCHEDULE OF CITY CONTRIBUTIONS
NYSLRS PENSION PLANS
FOR THE LAST 10 FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employees' Retirement System										
Contractually Required Contribution	**$ 978,091**	$ 780,046	$ 1,094,543	$ 1,016,689	$ 1,002,375	$ 1,197,020	$ 1,223,814	$ 1,218,703	$ 1,251,344	$ 1,523,437
Contributions in Relation to the Contractually Required Contribution	**(978,091)**	(780,046)	(1,094,543)	(1,016,689)	(1,002,375)	(1,197,020)	(1,223,814)	(1,218,703)	(1,251,344)	(1,058,575)
Contribution Deficiency (Excess)	**-**	-	-	-	-	-	-	-	-	464,862
City's Covered Employee Payroll	**9,494,882**	8,339,605	8,054,460	7,954,728	7,777,921	7,585,663	7,168,292	7,070,758	6,709,195	6,921,446
Contributions as a Percentage of Covered Employee Payroll	**10.3%**	9.4%	13.6%	12.8%	12.9%	15.8%	17.1%	17.2%	18.7%	22.0%
Police and Fire Retirement System										
Contractually Required Contribution	**2,210,717**	1,867,448	1,799,817	1,512,164	1,433,156	1,493,536	1,673,027	1,857,967	1,663,128	1,830,214
Contributions in Relation to the Contractually Required Contribution	**(2,210,717)**	(1,867,448)	(1,799,817)	(1,512,164)	(1,433,156)	(1,493,536)	(1,673,027)	(1,857,967)	(1,663,128)	(1,601,313)
Contribution Deficiency (Excess)	**-**	-	-	-	-	-	-	-	-	228,901
City's Covered Employee Payroll	**8,726,142**	9,187,190	7,402,979	6,695,834	6,600,123	6,516,396	6,421,392	7,013,467	7,370,490	7,502,389
Contributions as a Percentage of Covered Employee Payroll	**25.3%**	20.3%	24.3%	22.6%	21.7%	22.9%	26.1%	26.5%	22.6%	24.4%

See Notes to Required Supplementary Information

CITY OF OSWEGO

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET)/LIABILITY NYSLRS PENSION PLANS FOR THE YEARS ENDED DECEMBER 31,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employees' Retirement System										
City's Proportion of the Net Pension (Asset)/Liability	**0.0303842%**	0.0294369%	0.0287414%	0.0260104%	0.0251981%	0.0240960%	0.0233847%	0.0216637%	0.0227330%	0.0244997%
City's Proportionate Share of the Net Pension (Asset)/Liability	**$ 4,473,785**	$ 6,312,450	$ (2,349,491)	$ 25,900	$ 6,672,603	$ 1,707,272	$ 754,729	$ 2,035,566	$ 3,648,709	$ 827,659
City's Covered Employee Payroll During the Measurement Period	**8,997,299**	8,120,373	8,032,489	7,928,807	7,727,625	7,159,778	7,193,835	6,701,525	6,732,206	7,489,167
City's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered Employee Payroll	**49.72%**	77.74%	29.25%	0.33%	86.35%	23.85%	10.49%	30.37%	54.20%	11.05%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**93.9%**	90.8%	103.7%	99.9%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%
The following is a Summary of Changes in Assumptions:										
Inflation	**2.90%**	2.90%	2.70%	2.70%	2.50%	2.50%	2.50%	2.50%	2.50%	2.70%
Salary Increases	**4.40%**	4.40%	4.40%	4.40%	4.20%	4.20%	3.80%	3.80%	3.80%	4.90%
Cost of Living Adjustments	**1.50%**	1.50%	1.40%	1.40%	1.30%	1.30%	1.30%	1.30%	1.30%	1.40%
Investment Rate of Return	**5.90%**	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%
Discount Rate	**5.90%**	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%
Society of Actuaries' Mortality Scale	**MP-2021**	MP-2021	MP-2020	MP-2020	MP-2018	MP-2018	MP-2014	MP-2014	MP-2014	MP-2014
Police and Fire Retirement System										
City's Proportion of the Net Pension (Asset)/Liability	**0.2262299%**	0.2127439%	0.1987783%	0.1868050%	0.1901607%	0.1873741%	0.1923518%	0.2301754%	0.2445740%	0.2514747%
City's Proportionate Share of the Net Pension (Asset)/Liability	**$ 10,729,689**	$ 11,723,192	$ 1,129,150	$ 3,243,451	$ 10,163,971	$ 3,142,381	$ 1,944,209	$ 4,770,735	$ 7,241,315	$ 692,208
City's Covered Employee Payroll During the Measurement Period	**8,541,699**	9,402,354	6,736,521	6,682,271	6,600,123	6,265,214	6,889,924	7,384,097	7,329,668	8,020,553
City's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered Employee Payroll	**125.62%**	124.68%	16.76%	48.54%	154.00%	50.16%	28.22%	64.61%	98.79%	8.63%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**89.7%**	87.4%	98.7%	95.8%	84.9%	95.1%	96.9%	93.5%	90.2%	99.0%
The following is a Summary of Changes in Assumptions:										
Inflation	**2.90%**	2.70%	2.70%	2.70%	2.50%	2.50%	2.50%	2.50%	2.50%	2.70%
Salary Increases	**6.20%**	6.20%	6.20%	6.20%	5.00%	5.00%	4.50%	4.50%	4.50%	6.00%
Cost of Living Adjustments	**1.50%**	1.50%	1.40%	1.40%	1.30%	1.30%	1.30%	1.30%	1.30%	1.40%
Investment Rate of Return	**5.90%**	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%
Discount Rate	**5.90%**	5.90%	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%	7.00%	7.50%
Society of Actuaries' Mortality Scale	**MP-2021**	MP-2021	MP-2020	MP-2020	MP-2018	MP-2018	MP-2014	MP-2014	MP-2014	MP-2014

See Notes to Required Supplementary Information

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024

Note 1 **Budgetary Data**

Budget Policies - The budget policies are as follows:

- No later than August 1, the budget officer submits a tentative budget to the Common Council for the fiscal year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing for the general and special revenue funds, except for the Special Grant Fund. If the tax rate is 5% or greater than the previous year, a public referendum will be held.

- After public hearings are conducted to obtain taxpayer comments, no later than August 31, the Common Council adopts the budget.

- All modifications of the budget must be approved by the Common Council.

- Budgetary controls are established for the Capital Projects and Special Grant Funds through resolutions authorizing individual projects, which remain in effect for the life of the project.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in the Governmental Funds. Encumbrances are reported as reservations of fund balances, as they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

Budget Basis of Accounting

Budgets are adopted annually on a basis consistent with accounting principles generally accepted in the United States (U.S. GAAP). Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

CITY OF OSWEGO

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	Debt Service Fund	Special Revenue Fund: Water Fund	Total Non-Major Governmental Funds
ASSETS			
Cash and Cash Equivalents - Unrestricted	$ -	$ 2,124,667	$ 2,124,667
Due From Other Funds	1,373,732	394,371	1,768,103
Other Receivables, Net	-	664,379	664,379
Total Assets	**$ 1,373,732**	**$ 3,183,417**	**$ 4,557,149**
LIABILITIES AND FUND BALANCES			
Accounts Payable	$ -	$ 35,222	$ 35,222
Accrued Liabilities	-	1,044	1,044
Due to Other Funds	-	328,610	328,610
Due to Employees' Retirement System	-	90,310	90,310
Total Liabilities	-	455,186	455,186
Fund Balances			
Nonspendable	-	35,311	35,311
Restricted	1,373,732	-	1,373,732
Assigned	-	2,692,920	2,692,920
Total Fund Balances (Deficit)	1,373,732	2,728,231	4,101,963
Total Liabilities and Fund Balances	**$ 1,373,732**	**$ 3,183,417**	**$ 4,557,149**

CITY OF OSWEGO

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NON-MAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2024

	Debt Service Fund	Special Revenue Fund: Water Fund	Total Non-Major Governmental Funds
REVENUES			
Departmental Income	$ -	$ 3,454,156	$ 3,454,156
Use of Money and Property	413,129	25,865	438,994
Sale of Property and Compensation for Loss	-	49,483	49,483
Miscellaneous Local Sources	-	678,270	678,270
Total Revenues	413,129	4,207,774	4,620,903
EXPENDITURES			
General Governmental Support	-	96,000	96,000
Home and Community Services	-	2,372,723	2,372,723
Employee Benefits	-	213,335	213,335
Debt Service			
Principal	920,000	66,000	986,000
Interest	175,556	51,031	226,587
Total Expenditures	1,095,556	2,799,089	3,894,645
Excess of Revenues (Expenditures)	(682,427)	1,408,685	726,258
OTHER FINANCING SOURCES (USES)			
Interfund Transfers In	1,095,556	-	1,095,556
Interfund Transfers (Out)	-	(672,006)	(672,006)
Total Other Financing Sources (Uses)	1,095,556	(672,006)	423,550
Net Changes in Fund Balance	413,129	736,679	1,149,808
Fund Balances, Beginning of Year	960,603	1,991,552	2,952,155
Fund Balances, End of Year	**$ 1,373,732**	**$ 2,728,231**	**$ 4,101,963**

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Certified Public Accountants

INDEPENDENT AUDITORS' 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*

Mayor and Members of the Common Council
City of Oswego
Oswego, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oswego (the City) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated September 30, 2025.

Report on Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing 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 the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 City'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 preceding paragraph 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.

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the City's financial statements are free from 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 financial statements. 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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
September 30, 2025

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Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

Mayor and Members of the Common Council
City of Oswego
Oswego, New York

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Oswego's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2024. The City's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Management's Responsibility

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance
Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditors' Responsibilities for the Audit of Compliance
Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Respectfully submitted,



Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
September 30, 2025

CITY OF OSWEGO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2024

Federal Grantor/Pass - Through Grantor Program Title	Federal ALN#	Pass - Through Grantor #	Passed Through To Subrecipients	Expenditures
U.S. Department of Housing and Urban Development				
Direct:				
Housing Voucher Cluster:				
Section 8 Housing Choice Vouchers	14.871	N/A	$ -	$ 3,524,092
Total Housing Voucher Cluster			-	3,524,092
Family Self-Sufficiency Program	14.896	N/A	-	56,700
Total U.S. Department of Housing and Urban Development			-	3,580,792
U.S. Department of Justice				
Direct:				
Bulletproof Vest Partnership Program	16.607	N/A	-	3,610
Total U.S. Department of Justice			-	3,610
U.S. Department of the Treasury				
Direct:				
COVID-19 State and Local Fiscal Recovery Funds - ARP	21.027	N/A	-	261,577
Total U.S. Department of the Treasury			-	261,577
Total Expenditures of Federal Awards			**$ -**	**$ 3,845,979**

N/A - Indicates Direct Award

CITY OF OSWEGO

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2024

Note 1 **Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs administered by the City, an entity as defined in Note 1 to the City's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through from other government agencies, are included on the Schedule of Expenditures of Federal Awards.

Note 2 **Basis of Accounting**

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program.

The amounts reported as federal expenditures generally were obtained from the appropriate federal financial reports for the applicable program and periods. The amounts reported in these federal financial reports are prepared from records maintained for each program. These records are periodically reconciled to the general ledger which is the source of the basic financial statements.

Note 3 **Expenditures of Federal Revenue**

The City operates a revolving loan program utilizing federal financial assistance received under prior Community Development Block Grants (CDBG) and current Rural Business Enterprise Grants (RBEG). Loans outstanding at December 31, 2024 under these programs, as reported in the City's basic financial statements, are as follows:

Loans Receivable - CDBG	$	2,044,270
Loans Receivable - RBEG		55,951
Total Loans Receivable	$	2,100,221

The City disbursed new loans in the amount of $249,000 from Community Development Block Grant program income and $-0- from the Rural Business Enterprise Grant program income. The City received program income from the repayment of loan principal in the amount of $193,177 during the year.

Note 4 **Indirect Cost Rates**

The City did not elect to use the 10% de minimis indirect cost rate.

CITY OF OSWEGO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2024

Section I Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	____ yes __√__ no
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	____ yes __√__ none reported
Noncompliance material to financial statements noted?	____ yes __√__ no

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	____ yes __√__ no
Reportable condition(s) identified that are not considered to be material weakness(es)?	____ yes __√__ none reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with §200.516(a) of Uniform Guidance?	____ yes __√__ no

Identification of major programs:

ALN Numbers	**Name of Federal Program or Cluster**
14.871	Section 8 Housing Choice Vouchers

Dollar threshold used to distinguish between type A and type B programs:	$750,000
Auditee qualified as low-risk auditee?	___ yes __√__ no

Section II Financial Statement Findings

None

CITY OF OSWEGO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Section III Federal Award Findings and Questioned Costs

None

CITY OF OSWEGO

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2024

2023-001 Noncompliance with Uniform Guidance Late Filing

Resolved

CITY OF OSWEGO

CORRECTIVE ACTION PLAN
DECEMBER 31, 2024

None