

SYRACUSE HOUSING STRATEGIES CORPORATION

**(A DISCRETELY PRESENTED COMPONENT UNIT
OF THE CITY OF SYRACUSE, NEW YORK)**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

December 31, 2025

SYRACUSE HOUSING STRATEGIES CORPORATION
(A Discretely Presented Component Unit of the City of Syracuse, New York)

Table of Contents

Independent Auditor's Report	1 - 3
Required Supplementary Information:	
Management's Discussion and Analysis (Unaudited)	4 - 5
Financial Statements:	
Statement of Net Position - December 31, 2025	6
Statement of Revenues, Expenses and Changes in Net Position - For the Year Ended December 31, 2025	7
Statement of Cash Flows - For the Year Ended December 31, 2025	8
Notes to Financial Statements	9 - 14



grossman st. amour
CERTIFIED PUBLIC ACCOUNTANTS PLLC

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Syracuse Housing Strategies Corporation
Syracuse, New York

Report on the Audit of the Financial Statements

We have audited the financial statements of the Syracuse Housing Strategies Corporation (the Corporation), a component unit of the City of Syracuse, New York (the City), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Corporation'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 financial position of the Corporation, as of December 31, 2025, and the changes in its financial position and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation 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 opinion.

Responsibilities of Management for the Financial Statements

The Corporation's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Corporation's ability to continue as a going concern for twelve months beyond the financial statement issuance date, including any currently known information that may raise substantial doubt shortly thereafter.



Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation'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 Corporation'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 on pages 4-5 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2026, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulation, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.



Syracuse, New York
March 23, 2026

SYRACUSE HOUSING STRATEGIES CORPORATION
(A Discretely Presented Component Unit of the City of Syracuse, New York)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

This section of the annual financial report of the Syracuse Housing Strategies Corporation (the Corporation), a discretely presented component unit of the City of Syracuse, New York (the City), presents our discussion and analysis of the Corporation's financial performance during the year ended December 31, 2025. It should be read in conjunction with the Corporation's financial statements as of December 31, 2025 and for the year then ended, and accompanying notes.

FINANCIAL HIGHLIGHTS

- The Corporation began operations during 2025.
- The Block Challenge Grant Program has been established pursuant to an agreement with the Syracuse Urban Renewal Agency authorizing the Corporation to administer the program utilizing funds appropriated by the City for the purpose of facilitating implementation of the Syracuse Housing Strategy Implementation Urban Development Plan to help address challenges related to urban renewal in neighborhoods within the city, relating to the arrest and prevention of conditions of deterioration or blight. An advance of \$2,500,000 was received during 2025.
- Grants were disbursed during 2025, pursuant to the launch of the Block Challenge Grant Program, totaling \$52,669.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual financial report of the Corporation consists of two parts: Management's Discussion and Analysis (this section) and the financial statements. The Corporation's financial statements are comprised of two components: 1) financial statements and 2) notes to the financial statements.

Financial statements – The financial statements are an enterprise fund which is a proprietary fund that is generally used to account for governmental activities that may be performed by a commercial enterprise. The financial statements are designed to provide readers with a broad overview of the Corporation's finances, in a manner similar to a private-sector business, typically characterized as business-type activities.

The statement of net position presents information on all of the Corporation's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Corporation is improving or deteriorating. The accrual basis of accounting and the flow of economic resources are used to prepare the financial statements.

The statement of revenues, expenses and changes in net position presents information showing how the Corporation's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Notes to the financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 9 through 14 of this report.

SYRACUSE HOUSING STRATEGIES CORPORATION
(A Discretely Presented Component Unit of the City of Syracuse, New York)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

ANALYSIS OF OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

The Corporation is engaged in activities to enable a protected, flexible source of capital to create and preserve safe, affordable, and attractive housing opportunities for current and future City of Syracuse residents. The Corporation received all of its funding to establish the Block Challenge Grant Program (the "BCGP") from the Syracuse Urban Renewal Agency. In the year ended December 31, 2025, the Corporation disbursed grants of \$52,699 through the BCGP.

Indirect administrative costs incurred related to the BCGP totaled \$42,556 during 2025. These costs comprise legal services, insurance, travel, office supplies and an accounting software subscription.

Contacting the Corporation's Financial Management

This financial report is designed to provide Syracuse City citizens and taxpayers, and the borrowers of the Corporation, with a general overview of the Corporation's finances. If you have questions about this report or need additional financial information, contact Michelle Sczpanski, Executive Director, Syracuse Housing Strategies Corporation, 300 South State Street, Suite 700, Syracuse, New York 13202.

SYRACUSE HOUSING STRATEGIES CORPORATION
(A Discretely Presented Component Unit of the City of Syracuse, New York)

Statement of Net Position

December 31, 2025

ASSETS	
Cash and cash equivalents	\$ 2,323,626
Prepaid grant administration expenditures	<u>81,149</u>
Total assets	<u>\$ 2,404,775</u>
 LIABILITIES AND NET POSITION	
Deferred revenue	<u>\$ 2,404,775</u>
Total liabilities	<u>2,404,775</u>
Unrestricted net position	<u>-</u>
	<u>\$ 2,404,775</u>

The accompanying notes are an integral part of these financial statements

SYRACUSE HOUSING STRATEGIES CORPORATION
(A Discretely Presented Component Unit of the City of Syracuse, New York)

Statement of Revenues, Expenses and Changes in Net Position

For the Year Ended December 31, 2025

REVENUE	
Block Challenge Grant Program:	
Agency revenue	\$ 52,669
Indirect administrative costs reimbursement	42,556
Total revenues	<u>95,225</u>
EXPENSES	
Block Challenge Grant Program - grants awarded	52,669
Block Challenge Grant Program - indirect administrative costs:	
Professional fees	27,336
Program administration fees	5,017
Insurance	4,591
Travel	5,000
Office supplies and software	612
Total expenses	<u>95,225</u>
Change in net position	-
Net position - beginning of the year	<u>-</u>
Net position - end of year	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

SYRACUSE HOUSING STRATEGIES CORPORATION
(A Discretely Presented Component Unit of the City of Syracuse, New York)

Statement of Cash Flows

For the Year Ended December 31, 2025

Cash flows from operating activities

Inflows:

Funding to establish Block Challenge Grant Program \$ 2,500,000

Outflows:

Advance for grant administration (136,335)

Grants awarded (2,500)

Professional fees (27,336)

Other administrative costs (10,203)

Net cash provided by operating activities 2,323,626

Cash and cash equivalents - beginning of year -

Cash and cash equivalents - end of year \$ 2,323,626

Reconciliation of change in net position to net cash provided by operating activities

Change in net position \$ -

Adjustments to reconcile change in net position to net cash provided by (used in) operating activities:

Changes in operating assets and liabilities:

Prepaid grant administration expenditures (81,149)

Deferred revenue 2,404,775

Net cash provided by operating activities \$ 2,323,626

The accompanying notes are an integral part of these financial statements

SYRACUSE HOUSING STRATEGIES CORPORATION
(A Discretely Presented Component Unit of the City of Syracuse, New York)

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Nature of the Organization

The Syracuse Housing Strategies Corporation (the Corporation) is a not-for-profit local development corporation established in 2024 to enable a protected, flexible source of capital to create and preserve safe, affordable, and attractive housing opportunities for current and future City of Syracuse residents. The Corporation operates as a special-purpose government accounted for as a proprietary fund.

The Corporation is managed by a Board of Directors consisting of five to nine Directors. In accordance with the bylaws of the corporation, the Board of Directors shall comprise the following:

- i. the Mayor of the City of Syracuse or the Mayor's designee,
- ii. the President of the Common Council of the City of Syracuse or the President's designee,
- iii. one Common Councilor of the City of Syracuse appointed by the Common Council of the City of Syracuse or such Director's designee,
- iv. one Common Councilor – At Large of the City of Syracuse appointed by the Common Council of the City of Syracuse or such Director's designee,
- v. one Director appointed jointly by the President of the Common Council of the City of Syracuse and the Mayor of the City of Syracuse,
- vi. the Executive Director of the Greater Syracuse Land Bank or their designee,
- vii. an executive director, officer, or their designee representing a non-profit affordable housing developer and Community Development Financial Institution (CDFI) serving the City of Syracuse and shall be jointly appointed by the Mayor of the City of Syracuse and the Common Council President, and
- viii. two Directors shall be appointed by the Mayor of the City of Syracuse.

The City has the ability to impose its will on the Corporation based on the potential to significantly influence the programs of, or the level of services provided by, the Corporation. Accordingly, the Corporation is considered a discretely presented component unit of the City based on the criteria set forth by the Governmental Accounting Standards Board (GASB).

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as applied to government units and are presented on the accrual basis of accounting utilizing an "economic resources" measurement focus. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

All of the Corporation funds are proprietary funds, and, therefore, include only business-type activities. There are no material differences between a) net position and fund balances, and b) changes in net position and changes in fund balances, and, therefore, no reconciliation schedules of these items are included in this report.

SYRACUSE HOUSING STRATEGIES CORPORATION
(A Discretely Presented Component Unit of the City of Syracuse, New York)

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

Annual Budgets

The Corporation is required to provide to the New York State Authorities Budget Office an annual budget on operations, setting forth the estimated receipts and expenditures for the next fiscal year and the current fiscal year. This budget is submitted to the authority's budget office and can be found on the Corporation's website at <https://www.syr.gov/Boards-and-Commissions/Municipal-Boards/SHSC>.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Income Tax Status

The Corporation believes it is exempt from taxation under Section 115 (Income of States, Municipalities, Etc.) of the Internal Revenue Code (IRC). The IRC provides that gross income does not include income accruing to a state or territory, or any political subdivision thereof, or the District of Columbia, which is derived from the exercise of any essential governmental function or from any public utility. The Corporation also believes that none of its activities are subject to unrelated business income tax; therefore no provision for such income tax has been made in the financial statements for the year ended December 31, 2025.

Grant Program

The Corporation considers its grant program, described in Note 2, as operating activities for purposes of the Statement of Cash Flows. The Corporation considers itself to be a single-function entity, with all of its expenses incurred for grant program activities. Management and general and fundraising expenses are immaterial and are not segregated in the accompanying financial statements.

Cash and Cash Equivalents

The Corporation's cash and cash equivalents consists of cash held in a checking account.

Revenue Recognition

Agency revenues are recognized as grant funds are awarded. Indirect administrative costs reimbursements are deemed to be earned and reported as revenue when the Corporation has incurred administrative expenditures attributable to the grant program.

SYRACUSE HOUSING STRATEGIES CORPORATION
(A Discretely Presented Component Unit of the City of Syracuse, New York)

Notes to Financial Statements

1. Summary of Significant Accounting Policies (continued)

Net Position

GASB requires the classification of net position into three components. These classifications are displayed in three components below:

- a. Net investment in capital assets - 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.
- b. Restricted net position - net position with constraints placed on their use either by (1) external groups such as creditors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - all other assets that do not meet the definition of net investment in capital assets or restricted net position.

It is the Corporation's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

2. Block Challenge Grant Program

The City of Syracuse, through its Common Council, adopted the Syracuse Housing Strategy (the "Housing Plan") in 2024, after preparation and analysis of a housing study in 2023. In adopting the Housing Plan, the Common Council determined that certain neighborhoods were "blighted, deteriorated or deteriorating area, or an area which has a blighting influence on the surrounding area" and appropriate for reconstruction, rehabilitation, and concentrated code enforcement, or a combination of these and other methods. The Housing Plan sets forth a number of interventions to address the housing challenges identified in the study including a cluster approach to incentivize property owners to upgrade, stabilize and/or rehabilitate their properties by undertaking property improvement and rehabilitation projects in "middle" areas and "distressed" areas of the City.

In 2025, Syracuse Urban Renewal Agency (SURA), a public benefit corporation, approved the Syracuse Housing Strategy Implementation Urban Renewal Plan (the "Urban Renewal Plan") to implement certain interventions described in the Housing Plan. The Urban Renewal Plan was approved by the Common Council in accordance with Section 505 of the Act by Ordinance No. 585 of 2025, which was adopted by the Common Council and approved by the Mayor of the City.

Subsequently, the City appropriated \$2,500,000 to SURA to contract directly with the Corporation to launch the implementation of the Syracuse Housing Strategy Block Challenge Grant Program (the "BCGP") in certain neighborhoods pursuant to Ordinance No. 549 of 2025, which was adopted by the Common Council and approved by the Mayor of the City in 2025.

SYRACUSE HOUSING STRATEGIES CORPORATION
(A Discretely Presented Component Unit of the City of Syracuse, New York)

Notes to Financial Statements

2. Block Challenge Grant Program (continued)

The Corporation entered into an agency agreement with SURA during 2025 for the purpose of administering the BCGP in accordance with the Urban Renewal Plan as approved by SURA and the Common Council. In accordance with the agency agreement, the corporation launched implementation of the BCGP in certain neighborhoods within the City by providing funding to advance targeted revitalization efforts in these neighborhoods. The Corporation received funding for the BCGP of \$2,500,000 from SURA in August 2025.

The BCGP provides 1:1 matching grants of up to \$2,500 per property, available to teams of five or more City residents who complete projects that increase curb appeal in accordance with the BCGP eligibility and program requirements approved by the Corporation.

In October 2025, the Corporation entered into a memorandum of understanding with Home Headquarters, Inc. (HHQ), a certified Community Development Financial Institution (the "MOU"), to contract with HHQ to administer funding of the BCGP. The MOU term ends upon expenditure of all Corporation BCGP funds are expended, up to \$123,965. In accordance with the MOU, HHQ performs the execution of grant agreements between HHQ and property owners formalizing proof of reimbursement, processes reimbursement checks for program participants approved by the Corporation, maintains accounting of grant disbursements for eligible reimbursement requests as approved by the Corporation, and provides the Corporation with invoices for disbursement amounts plus the designated administrative fee equal to 10% of the grants issued to property owners, for a total not to exceed \$12,370.

The Corporation advanced HHQ a total of \$136,335 in October 2025, comprising BCGP funds and the administrative fee in whole. As of December 31, 2025 and for the year then ended, BCGP funds of \$50,169 have been disbursed by HHQ and administrative fees of \$5,017 have been incurred by the Corporation. An additional \$2,500 grant was disbursed by the Corporation during 2025, for a total of \$52,669 BCGP grants awarded. The unspent balance of the advance to HHQ is included as a prepaid expenditure on the statement of net position.

The agency agreement with SURA provides that up to 10% of the funding provided to SURA, and subsequently the Corporation, by the City may be used for indirect administrative costs, such that administrative costs shall not exceed \$250,000 and that no portion of the funding will be used to create any new positions. During the year ended December 31, 2025, indirect administrative costs of \$42,556 were incurred by the Corporation.

The balance of the \$2,500,000 funds received to establish the BCGP, not disbursed to program participants as grants or utilized for indirect administrative costs of the BCGP, is included as deferred revenue on the statement of net position.

SYRACUSE HOUSING STRATEGIES CORPORATION
(A Discretely Presented Component Unit of the City of Syracuse, New York)

Notes to Financial Statements

3. Deposits with Financial Institutions and Investments

The Corporation follows an investment policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conform with all applicable federal, state and other legal requirements; provide sufficient liquidity of invested funds in order to meet operating requirements; and obtain a reasonable rate of return. Oversight of investment activity is the responsibility of the Treasurer of the Corporation.

The banks and trust companies authorized as depositories for the deposit of monies are designated through resolution by the Corporation Board. All financial institutions with which the Corporation conducts business must be creditworthy. Banks and depository institutions shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the Corporation. Security dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers. The Corporation Treasurer or Chief Financial Officer is responsible for evaluating the financial position and maintaining a listing of proposed depositories, trading partners and custodians.

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. It is the policy of the Corporation to diversify its deposits and investments by financial institution and firm, by type of investment, and by maturity consistent with the limitations in New York General Municipal Law Section 10 and 11, as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The Corporation's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The Corporation's investment policy authorizes the Treasurer to invest monies not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

- a. Special time deposit accounts in, or certificates of deposit issued by any commercial bank or trust company that is located in and authorized to do business in New York State, provided that such deposit account or certificate of deposit is either insured in the full amount by the Federal Deposit Insurance Corporation or secured in the same manner as provided in Section 8 of this policy and is payable within such time as the proceeds shall be needed to meet expenditures for which the funds were obtained;
- b. Obligations of the United States of America;
- c. Obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America; and
- d. Obligations of the State of New York; and
- e. Such other obligations as may be permitted under Section 11 of the General Municipal Law.

SYRACUSE HOUSING STRATEGIES CORPORATION
(A Discretely Presented Component Unit of the City of Syracuse, New York)

Notes to Financial Statements

3. Deposits with Financial Institutions and Investments (continued)

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the Corporation's investment policy, and in accordance with the provisions of General Municipal Law Sections 10 and 11, all deposits of the Corporation, including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured:

- a. By a pledge of "eligible securities" with an aggregate "market value" equal to the aggregate amount of deposits.
- b. By an eligible "irrevocable letter of credit" issued by a qualified bank other than the bank with the deposits in favor of the Corporation for a term not to exceed 90 days with an aggregate value equal to 140% of the aggregate amount of deposits and the agreed upon interest, if any. A qualified bank is one whose commercial paper and other unsecured short-term debt obligations are rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization or by a bank that is in compliance with applicable federal minimum risk-based capital requirements.
- c. By an eligible surety bond payable to the Corporation for an amount at least equal to 100% of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations.
- d. By a pledge of a pro rata portion of a pool of eligible securities, having in the aggregate a market value at least equal to the amount of deposits from all such officers within the State at such bank or trust company, together with a security agreement from the bank or trust company.
- e. By an irrevocable letter of credit issued in favor of the Corporation by a federal home loan bank whose commercial paper and other unsecured short-term debt obligations are rated in the highest rating category by at least one nationally recognized statistical rating organization, as security for the payment of 100% of the aggregate amount of the deposits and the agreed upon interest, if any.

Eligible securities used for collateralizing deposits shall be held by a third party subject to security and custodial agreements.

The Corporation maintained a cash balance of \$2,323,626 in cash and cash equivalents at December 31, 2025, with a financial institution insured by the Federal Deposit Insurance Corporation up to \$250,000. The remaining balance was collateralized by a third party in accordance with the Corporation's investment policy.

4. Subsequent Events

In preparing the financial statements, management of the Corporation has evaluated events and transactions for potential recognition or disclosure through March 23, 2026, the date the financial statements were available to be issued. There were no additional events or transactions that were discovered during the evaluation that required further disclosure.