

<p style="text-align: center;">Form 5500</p> <p style="text-align: center; font-size: small;">Department of the Treasury Internal Revenue Service</p> <hr/> <p style="text-align: center; font-size: small;">Department of Labor Employee Benefits Security Administration</p> <hr/> <p style="text-align: center; font-size: x-small;">Pension Benefit Guaranty Corporation</p>	<p>Annual Return/Report of Employee Benefit Plan</p> <p style="font-size: small;">This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).</p> <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	<p style="font-size: x-small;">OMB Nos. 1210-0110 1210-0089</p> <hr/> <p style="font-size: large; font-weight: bold; text-align: center;">2024</p> <hr/> <p style="text-align: center; font-weight: bold;">This Form is Open to Public Inspection</p>
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Part I Annual Report Identification Information
 For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

A This return/report is for: a multiemployer plan a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.)

a single-employer plan a DFE (specify) _____

B This return/report is: the first return/report the final return/report

an amended return/report a short plan year return/report (less than 12 months)

C If the plan is a collectively-bargained plan, check here.

D Check box if filing under: Form 5558 automatic extension the DFVC program

special extension (enter description)

E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.

Part II Basic Plan Information—enter all requested information

<p>1a Name of plan <u>COMMUNITY FINANCIAL SYSTEM, INC 401K EMPLOYEE STOCK OWNERSHIP PLAN</u></p>	<p>1b Three-digit plan number (PN) ▶ <u>002</u></p>
<p>2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>COMMUNITY FINANCIAL SYSTEM, INC</u></p> <p><u>5790 WIDEWATERS PARKWAY</u> <u>DEWITT, NY 13214-1883</u></p>	<p>1c Effective date of plan <u>07/01/1978</u></p> <p>2b Employer Identification Number (EIN) <u>16-1213679</u></p> <p>2c Plan Sponsor's telephone number <u>315-991-3692</u></p> <p>2d Business code (see instructions) <u>523900</u></p>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	07/02/2025	LISA BENNETT
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor		3b Administrator's EIN	
		3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name COMMUNITY BANK SYSTEM, INC. c Plan Name COMMUNITY BANK SYSTEM, INC. 401(K) EMPLOYEE STOCK OWNERSHIP PLAN		4b EIN 16-1213679	4d PN 002
5 Total number of participants at the beginning of the plan year	5	3824	
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).			
a(1) Total number of active participants at the beginning of the plan year	6a(1)	2675	
a(2) Total number of active participants at the end of the plan year	6a(2)	2662	
b Retired or separated participants receiving benefits.....	6b	58	
c Other retired or separated participants entitled to future benefits	6c	982	
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d	3702	
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e	27	
f Total. Add lines 6d and 6e	6f	3729	
g(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item)	6g(1)	3588	
g(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g(2)	3479	
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	60	
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7		

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
2E 2F 2H 2J 2K 2O 2R 2S 2T 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply)		9b Plan benefit arrangement (check all that apply)	
(1) <input type="checkbox"/> Insurance	(1) <input type="checkbox"/> Insurance	(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts	(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts
(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts	(3) <input checked="" type="checkbox"/> Trust	(3) <input checked="" type="checkbox"/> Trust	(4) <input type="checkbox"/> General assets of the sponsor
(3) <input checked="" type="checkbox"/> Trust	(4) <input type="checkbox"/> General assets of the sponsor		
(4) <input type="checkbox"/> General assets of the sponsor			

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

- a Pension Schedules**
- (1) **R** (Retirement Plan Information)
 - (2) **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
 - (3) **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary
 - (4) **DCG** (Individual Plan Information) – Number Attached _____
 - (5) **MEP** (Multiple-Employer Retirement Plan Information)

- b General Schedules**
- (1) **H** (Financial Information)
 - (2) **I** (Financial Information – Small Plan)
 - (3) **A** (Insurance Information) – Number Attached 0
 - (4) **C** (Service Provider Information)
 - (5) **D** (DFE/Participating Plan Information)
 - (6) **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) Yes No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) Yes No

11c Enter the Receipt Confirmation Code for the 2024 Form M-1 annual report. If the plan was not required to file the 2024 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2024 This Form is Open to Public Inspection.
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For calendar plan year 2024 or fiscal plan year beginning **01/01/2024** and ending **12/31/2024**

A Name of plan COMMUNITY FINANCIAL SYSTEM, INC 401K EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 COMMUNITY FINANCIAL SYSTEM, INC	D Employer Identification Number (EIN) 16-1213679	

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... Yes No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

BENEFIT PLANS ADMIN SERVICES, INC.

16-1503696

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

FEDERATED HERMES SERVICES COMPANY **1001 LIBERTY AVENUE**
PITTSBURGH, PA 15222

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

GUGGHEIM INVESTMENTS, INC. **9601 BLACKWELL ROAD**
SUITE 500
ROCKVILLE, MD 20850

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

BENEFIT PLANS ADMIN SERVICES, INC.

16-1503696

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 19 21 25 28 37 59 60 64	SUBSIDIARY	98613	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	0	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 <hr/> 2024 This Form is Open to Public Inspection.
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

A Name of plan <u>COMMUNITY FINANCIAL SYSTEM, INC 401K EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ▶	<u>002</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>COMMUNITY FINANCIAL SYSTEM, INC</u>	D Employer Identification Number (EIN) <u>16-1213679</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: <u>HB&T METLIFE STABLE VALUE FUND R0</u>		
b Name of sponsor of entity listed in (a): <u>HAND BENEFITS & TRUST COMPANY</u>		
c EIN-PN <u>74-2008758-044</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>32408933</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>NEUBERGER BERMAN SMALL CAP GROWTH</u>		
b Name of sponsor of entity listed in (a): <u>GREAT GRAY TRUST COMPANY, LLC</u>		
c EIN-PN <u>38-4139860-637</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>14869236</u>
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2024 This Form is Open to Public Inspection
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024	
A Name of plan COMMUNITY FINANCIAL SYSTEM, INC 401K EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) 002
C Plan sponsor's name as shown on line 2a of Form 5500 COMMUNITY FINANCIAL SYSTEM, INC	D Employer Identification Number (EIN) 16-1213679

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

		(a) Beginning of Year	(b) End of Year
Assets			
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	16281
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	4694086	4746643
(9) Value of interest in common/collective trusts	1c(9)	43321063	47278169
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	284040447	327318655
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other.....	1c(15)	5933066	7073868

		(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:		
(1)	Employer securities.....	77594204	87776467
(2)	Employer real property.....		
e	Buildings and other property used in plan operation.....		
f	Total assets (add all amounts in lines 1a through 1e).....	415582866	474210083
Liabilities			
g	Benefit claims payable.....		
h	Operating payables.....		
i	Acquisition indebtedness.....		
j	Other liabilities.....		
k	Total liabilities (add all amounts in lines 1g through 1j).....	0	0
Net Assets			
l	Net assets (subtract line 1k from line 1f).....	415582866	474210083

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

		(a) Amount	(b) Total
Income			
a	Contributions:		
(1)	Received or receivable in cash from: (A) Employers.....	9782232	
	(B) Participants.....	16165287	
	(C) Others (including rollovers).....	6645216	
(2)	Noncash contributions.....		
(3)	Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)		32592735
b	Earnings on investments:		
(1)	Interest:		
	(A) Interest-bearing cash (including money market accounts and certificates of deposit).....		
	(B) U.S. Government securities.....		
	(C) Corporate debt instruments.....		
	(D) Loans (other than to participants).....		
	(E) Participant loans.....	288187	
	(F) Other.....	68938	
	(G) Total interest. Add lines 2b(1)(A) through (F)		357125
(2)	Dividends: (A) Preferred stock.....		
	(B) Common stock.....	2639309	
	(C) Registered investment company shares (e.g. mutual funds).....	13714234	
	(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)		16353543
(3)	Rents.....		
(4)	Net gain (loss) on sale of assets: (A) Aggregate proceeds.....	23390529	
	(B) Aggregate carrying amount (see instructions).....	22457935	
	(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result.....		932594
(5)	Unrealized appreciation (depreciation) of assets: (A) Real estate.....		
	(B) Other.....	13291642	
	(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)		13291642

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		4299870
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		28789931
c Other income	2c		1436147
d Total income. Add all income amounts in column (b) and enter total	2d		98053587

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	38832428	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		38832428
f Corrective distributions (see instructions)	2f		556
g Certain deemed distributions of participant loans (see instructions)	2g		494773
h Interest expense	2h		
i Administrative expenses:			
(1) Salaries and allowances	2i(1)		
(2) Contract administrator fees	2i(2)	89201	
(3) Recordkeeping fees	2i(3)		
(4) IQPA audit fees	2i(4)		
(5) Investment advisory and investment management fees	2i(5)	1988	
(6) Bank or trust company trustee/custodial fees	2i(6)		
(7) Actuarial fees	2i(7)		
(8) Legal fees	2i(8)		
(9) Valuation/appraisal fees	2i(9)		
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses	2i(11)	7424	
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		98613
j Total expenses. Add all expense amounts in column (b) and enter total	2j		39426370

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		58627217
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) Unmodified (2) Qualified (3) Disclaimer (4) Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) DOL Regulation 2520.103-8 (2) DOL Regulation 2520.103-12(d) (3) neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: **DANNIBLE & MCKEE, LLP**

(2) EIN: **33-0996661**

d The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

(1) This form is filed for a CCT, PSA, DCG or MTIA. (2) It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
e Was this plan covered by a fidelity bond?	X		20000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? Yes No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) Yes No Not determined
 If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2024 This Form is Open to Public Inspection.
--	---	--

For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

A Name of plan <u>COMMUNITY FINANCIAL SYSTEM, INC 401K EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ▶	<u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>COMMUNITY FINANCIAL SYSTEM, INC</u>	D Employer Identification Number (EIN) <u>16-1213679</u>	

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....

1		0
---	--	---

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):
EIN(s): 16-1065416

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....

3	
---	--

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
----------------	---

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? Yes No N/A
If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a	
b Enter the amount contributed by the employer to the plan for this plan year	6b	
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c	

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline?..... Yes No N/A

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? Yes No N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... Increase Decrease Both No

Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? Yes No

11 a Does the ESOP hold any preferred stock? Yes No

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) Yes No

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? Yes No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. Complete as many entries as needed to report all applicable employers.

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

14 Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: <input type="checkbox"/> last contributing employer <input type="checkbox"/> alternative <input type="checkbox"/> reasonable approximation (see instructions for required attachment).....	14a	
b The plan year immediately preceding the current plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....	14b	
c The second preceding plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....	14c	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....	16b	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment

19 If the total number of participants is 1,000 or more, complete lines (a) and (b):

a Enter the percentage of plan assets held as:
 Public Equity: _____% Private Equity: _____% Investment-Grade Debt and Interest Rate Hedging Assets: _____%
 High-Yield Debt: _____% Real Assets: _____% Cash or Cash Equivalents: _____% Other: _____%

b Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets:
 0-5 years 5-10 years 10-15 years 15 years or more

20 PBGC missed contribution reporting requirements. If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? Yes No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:
 Yes.
 No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.
 No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.
 No. Other. Provide explanation: _____

Part VII IRS Compliance Questions

21a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? Yes No

21b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).
 Design-based safe harbor method
 "Prior year" ADP test
 "Current year" ADP test
 N/A

22 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter ___/___/____ (MM/DD/YYYY) and the Opinion Letter serial number _____.

Community Financial System, Inc.
401(k) Employee Stock
Ownership Plan

Financial Statements and Supplemental Schedule
December 31, 2024 and 2023

Community Financial System, Inc.
401(k) Employee Stock Ownership Plan
Table of Contents

	Page(s)
Independent Auditor's Report	1-3
Financial Statements:	
Statements of Net Assets Available for Benefits	4
Statements of Changes in Net Assets Available for Benefits	5
Notes to Financial Statements	6-15
Supplemental Schedule:	
Schedule of Assets (Held at End of Year) (Schedule H, Part IV, Line 4i)	16

Note: All other schedules are omitted since they are not applicable or are not required based on the disclosure requirements of the Employee Retirement Income Security Act of 1974 and applicable regulations issued by the Department of Labor.

Independent Auditor's Report

June 6, 2025

To the Participants and Administrators of the
Community Financial System, Inc. 401(k) Employee Stock Ownership Plan

Opinion

We have audited the financial statements of the Community Financial System, Inc. 401(k) Employee Stock Ownership Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets available for benefits as of December 31, 2024 and 2023, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2024 and 2023, and the changes in net assets available for benefits for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the **Auditor's Responsibilities for the Audits of the Financial Statements** section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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

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 Plan's ability to continue as a going concern for one year after the date that the financial statements are issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audits 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, 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 audits.
- 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 audits 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 Plan'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 Plan'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Supplemental Schedule Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2024, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. 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 financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, the information in the accompanying schedule is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Dannible & McKee, LLP

Dannible & McKee, LLP
Syracuse, New York

Community Financial System, Inc.
401(k) Employee Stock Ownership Plan
Statements of Net Assets Available for Benefits
December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Investments, at fair value:		
Mutual funds	\$327,318,655	\$284,040,447
Community Financial System, Inc. common stock	87,776,467	77,594,204
Self-directed brokerage	7,073,868	5,933,066
	<u>422,168,990</u>	<u>367,567,717</u>
Investments, at contract value:		
Stable value fund	32,408,933	29,923,458
Investments, at net asset value:		
Collective investment trust	14,869,236	13,397,605
Total investments	<u>469,447,159</u>	<u>410,888,780</u>
Receivables:		
Contributions receivable - employer	16,281	-
Notes receivable from participants, net	4,308,643	4,277,086
	<u>4,324,924</u>	<u>4,277,086</u>
Net assets available for benefits	<u>\$473,772,083</u>	<u>\$415,165,866</u>

The accompanying notes are an integral part of the financial statements.

Community Financial System, Inc.
401(k) Employee Stock Ownership Plan
Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Additions		
Employee contributions	\$22,810,503	\$19,653,989
Employer contributions	9,782,232	9,065,904
Interest and dividend income	18,146,815	12,511,421
Net appreciation in the fair value of investments	47,314,037	22,192,624
Total additions	<u>98,053,587</u>	<u>63,423,938</u>
Deductions		
Benefit payments	38,832,984	26,817,179
Administrative fees	98,613	98,365
Reserve for deemed distributions	515,773	291,034
Total deductions	<u>39,447,370</u>	<u>27,206,578</u>
Net increase in net assets available for benefits	58,606,217	36,217,360
Net assets available for benefits		
Beginning of year	<u>415,165,866</u>	<u>378,948,506</u>
End of year	<u>\$473,772,083</u>	<u>\$415,165,866</u>

The accompanying notes are an integral part of the financial statements.

Community Financial System, Inc.
401(k) Employee Stock Ownership Plan
Notes to Financial Statements
December 31, 2024 and 2023

A. Description of the Plan

The following description of the Community Financial System, Inc. 401(k) Employee Stock Ownership Plan (the “Plan”) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

Plan Amendment

Effective May 15, 2024, the name of the Plan Sponsor changed from Community Bank System, Inc. to Community Financial System, Inc. and the Plan was amended to change the name of the Plan from Community Bank System, Inc. 401(k) Employee Stock Ownership Plan to Community Financial System, Inc. 401(k) Employee Stock Ownership Plan.

General

The Plan is a defined contribution plan covering substantially all employees of Community Financial System, Inc. (the “Company”) who are age 18 or older. Employees are automatically enrolled in the plan after 90 days of service unless participants elect not to participate. Under automatic enrollment, a participant is automatically enrolled to begin making elective contributions of 4% of their annual compensation to the Plan. This deferral percentage is increased automatically by 2% after two years and 2% annually thereafter, up to a maximum of 8%, unless the participant elects a different percentage or expressly elects not to participate in the Plan. The Plan also qualifies as an employee stock ownership plan under the meaning of Section 4975(e)(7) of the Internal Revenue Code. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions

Participants may make elective contributions of up to 90% of their total compensation on a pre-tax or after-tax basis up to a maximum contribution of \$23,000 for 2024 or \$30,500 if an employee is older than 50, to the Plan starting the first day of the month after 90 days of employment. The Company match is the first 3% being eligible for a 100% matching contribution in the form of Company common stock and the next 3% being eligible for a 50% matching contribution in the form of Company common stock. The Company match amounted to \$7,473,781 and \$7,221,158 in 2024 and 2023, respectively. In addition, as defined in the plan document, employees participating in the Community Financial System, Inc. Pension Plan under the Worker Retirement Accumulation Plan (“WRAP”) design received an additional Company contribution to the Plan in 2024 and 2023 equal to the interest credit on service credits earned subsequent to January 1, 2010. The Company contribution for employees participating in the WRAP amounted to \$2,308,451 and \$1,844,746 in 2024 and 2023, respectively.

Participant Accounts

Each participant's account is credited with the participant's contribution, the Company's matching contribution, the Company's WRAP interest credit, an allocation of Plan earnings, and charged with an allocation of administrative expenses. Allocation of Plan earnings and administrative expenses are based on participant earnings or account balances, as defined. Participants are entitled to the benefit that can be provided from their vested account balance. Forfeited accounts in the current Plan year are allocated annually in the following Plan year to eligible participant accounts based on the ratio of each eligible participant's compensation to total eligible participant compensation. Forfeited accounts allocated to eligible participants amounted to \$87,216 and \$15,170 for the years ended December 31, 2024 and 2023, respectively.

Community Financial System, Inc.
401(k) Employee Stock Ownership Plan
Notes to Financial Statements
December 31, 2024 and 2023

Vesting

Participants are immediately vested in their contributions. Vesting in the Company's matching contribution portion plus actual earnings thereon is based on years of continuous service. A participant's matching contribution is 100 percent vested after two years of service. Vesting in the employer contributions related to the WRAP design is based on years of continuous service. A participant is 100 percent vested after three years of service.

Notes Receivable from Participants

Participants may borrow from the Plan a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50 percent of their vested account balance. Notes receivable from participants are reported at their unpaid principal balances plus any accrued but unpaid interest. For loans issued prior to January 1, 2016, interest accrues at the prime rate in effect at the inception of the loan plus 1% for residential loans and prime rate plus 2.9% for Reserve Plus loans. For loans issued subsequent to January 1, 2016, interest accrues at the prime rate in effect on the last business day of the calendar month prior to when the loan was initiated. Interest rates on participant loans generally range from 3.25% to 9.25%. All notes that are in default as defined by the plan document are reported as deemed distributions. Deemed distributions represent the amount of unpaid principal on loans from participants who are actively participating in the Plan and have not continued to make payments on the outstanding balance as required by the Plan document, which are included in benefit payments in the accompanying Statements of Changes in Net Assets Available for Benefits.

Payment of Benefits

Normal retirement date for participants under the Plan is the later of age 65 or the completion of 5 years of service. Upon termination of service due to death, disability or retirement, the participant will receive either a lump sum amount or installment payments equal to the value of the participant's vested interest in his or her account. If some or all of a participant's account balance is allocated to the employee stock ownership feature of the Plan, that portion of the Plan benefit may be paid in the form of Company stock. Upon termination of employment, if the account balance is less than \$7,000, the participant will receive a single lump sum amount equal to the value of his or her account, otherwise, the participant may elect to defer payment up to age 65. Hardship withdrawals of up to 100% of employee contributions are available if Internal Revenue Service guidelines are met.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue contributions at any time and terminate the Plan subject to the provisions set forth under ERISA. In the event the Plan terminates, the net assets of the Plan are to be set aside for participating employees based upon balances then credited to individual accounts. Participants shall be vested 100% in the assets so allocated to their accounts.

B. Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on an accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Community Financial System, Inc.
401(k) Employee Stock Ownership Plan
Notes to Financial Statements
December 31, 2024 and 2023

Valuation of Investments

Investments are stated at aggregate fair value, except for the HB&T Metlife Stable Value Fund, which is stated at contract value and the Neuberger Berman Small Cap Growth Trust Fund, which is stated at Net Asset Value (NAV). Securities that are traded on a national securities exchange are valued at the last reported sales price on the last business day of the Plan year. Shares of mutual funds are valued at the closing price of shares held by the Plan at year-end.

The Plan presents in the Statements of Changes in Net Assets Available for Benefits the net appreciation in the fair value of its investments, which consists of realized gains or losses as well as unrealized appreciation or depreciation on those investments.

Purchases and sales of securities are recorded on the trade date. Gains or losses on sales of securities are based on average cost. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

The HB&T Metlife Stable Value Fund is stated at contract value in accordance with the guidance on Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Audit Guide and Defined-Contribution and Health and Welfare Benefit Plans, which states that contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. Investments measured at contract value are not required to be classified in the fair value hierarchy.

The accompanying Statements of Changes in Net Assets Available for Benefits is prepared on a contract value basis. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investments at contract value. There are no reserves against contract value for credit risk of the contract issuer or otherwise. If an event occurs that may impair the ability of the contract issuer to perform in accordance with the contract terms, fair value may be less than contract value. The total return for the HB&T Metlife Stable Value Fund for the years ended December 31, 2024 and 2023 were 3.17% and 4.53%, respectively. The crediting interest rates to the HB&T Metlife Stable Value Fund were 2.77% and 2.79% for the years ended December 31, 2024 and 2023, respectively.

The Neuberger Berman Small Cap Growth Trust Fund is a common collective trust that is made up of various investment and security backed contracts, which are mainly publicly traded securities. Common collective trusts are valued at NAV per share, which serves as a practical expedient to estimate its fair value. The NAV of the common collective trust is not publicly quoted in the active markets and is based on the fair value of the underlying investments held by the trust, less its liabilities. This practical expedient is not used when it is determined to be probable that the trust will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily. Were the Plan to initiate a full redemption of the trust, the investment adviser reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner. There were no redemption restrictions or unfunded commitments as of December 31, 2024. Investments measured at net asset value are not required to be classified in the fair value hierarchy (See Note D).

Community Financial System, Inc.
401(k) Employee Stock Ownership Plan
Notes to Financial Statements
December 31, 2024 and 2023

Payment of Benefits

Benefits are recorded when paid.

Administrative Expenses

The Plan's expenses are paid either by the Plan or the Company, as provided by the plan document. Expenses that are paid directly by the Company are excluded from these financial statements. These amounted to approximately \$1,585,000 and \$1,408,000, including approximately \$1,453,000 and \$1,308,000 paid to Benefit Plans Administrative Services, Inc. ("BPAS"), in 2024 and 2023, respectively, (See Note E). Certain expenses incurred in connection with the general administration of the Plan that are paid by the Plan are recorded as deductions in the accompanying Statements of Changes in Net Assets Available for Benefits. In addition, certain investment related expenses are included in net appreciation (depreciation) in the fair value of investments presented in the accompanying Statements of Changes in Net Assets Available for Benefits.

Inactive Accounts

Account balances of individuals who have withdrawn from participation in the Plan had an accumulated basis of \$152,394,110 and \$129,540,314 at December 31, 2024 and 2023, respectively.

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 amount of assets and liabilities and disclosures 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 those estimates.

Risks and Uncertainties

The Plan provides for various investment options in mutual funds, collective investment funds and Company stock. Investment securities are exposed to various risks, such as interest rate, credit and overall market risk. Market risks include global events which could impact the value of investment securities, such as international conflicts. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and the Statements of Changes in Net Assets Available for Benefits.

Plan Provisions

The Plan has implemented the required provisions and other optional provisions of Setting Every Community Up for Retirement Enhancement Act 2.0 of 2022 (the SECURE 2.0 Act) and the Setting Every Community Up for Retirement Enhancement Act of 2019 (the SECURE Act). The optional features within these acts are currently being assessed but have not been implemented to date.

Valuation Allowance

The carrying amount of notes receivable from participants is reduced by a valuation allowance that reflects management's best estimate of the amounts that will not be collected. Management determines the valuation allowance by applying an average of historical deemed distributions to the aggregate remaining notes receivable from participants to estimate a valuation allowance. The valuation allowance is \$438,000 and \$417,000 at December 31, 2024 and 2023, respectively.

Community Financial System, Inc.
401(k) Employee Stock Ownership Plan
Notes to Financial Statements
December 31, 2024 and 2023

Subsequent Events

The Company has evaluated subsequent events through June 6, 2025, the date the financial statements were available for issue.

C. Investments

Investments are held within various common funds maintained by the Nottingham Trust division of Community Bank, N.A. Participants, at their discretion, may allocate contributions and account balances between various investment options offered by the Plan. A brief description of these investment options, as provided by the plan administrator, are as follows:

Community Financial System, Inc. Common Stock – common stock of the Plan sponsor, which is traded on the New York Stock Exchange under the symbol “CBU.”

Amercent Small Cap Value – a mutual fund that invests primarily in common stocks of small-capitalization companies with a total market capitalization within the market capitalization range of the Russell 2000 Value Index.

American Funds EuroPacific Growth Fund – a mutual fund that invests in stocks of issuers located in Europe and the Pacific Basin.

DFA Emerging Markets Core Equity 2 I – a mutual fund that invests in a mix of stocks, including small-cap and value stocks, with a focus on companies with strong fundamental metrics like book-to-market value, price-to-flow, and price-to-earnings ratios.

DFA Real Estate Securities I – a mutual fund that purchases readily marketable equity securities of companies whose principal activities include ownership, management, development, construction, or sale of residential, commercial, or industrial real estate.

Federated Total Return Bond Fund – a mutual fund seeking to provide total return by investing primarily in a diversified portfolio of investment grade fixed income securities.

Guggenheim Macro Opportunities Fund – a mutual fund that invests in a wide range of fixed-income and other debt and equity securities. The fund seeks to provide capital appreciation and current income.

HB&T Metlife Stable Value Fund R0 – a stable value fund that invests in fixed income securities such as U.S. governmental agencies and treasuries, mortgages, asset backed securities, corporate debt and cash equivalents. Investments in the HB&T Metlife Stable Value Fund are reported at contract value.

JP Morgan Large Cap Growth Fund – a mutual fund that invests primarily in stocks of U.S. companies.

Neuberger Berman Small Cap Growth Trust Fund – a collective investment trust that seeks growth of capital by investing primarily in equities of small cap companies. Investments in Neuberger Berman Small Cap Growth Trust Fund are valued at NAV.

Community Financial System, Inc.
401(k) Employee Stock Ownership Plan
Notes to Financial Statements
December 31, 2024 and 2023

T. Rowe Price Inflation Protected Bond Fund I – a mutual fund that invests primarily in inflation-protected bonds issued by the U.S. Treasury.

T. Rowe Price Mid-Cap Growth Fund I – a mutual fund that invests primarily in a diversified portfolio of common stocks and mid-cap companies.

T. Rowe Price Mid-Cap Value Fund I – a mutual fund that invests primarily in U.S. common stocks of mid-size companies that appear to be undervalued. The fund may invest in other securities, including foreign stocks, and use futures and options.

T. Rowe Price Spectrum Conservative Allocation Fund I – a mutual fund with a primary emphasis on income and a secondary emphasis on capital growth. The fund invests primarily in a diversified portfolio of common stocks, bonds, money market securities, and cash reserves.

T. Rowe Price Spectrum Moderate Growth Allocation Fund I – a mutual fund that invests primarily in common stocks. The fund may invest in other securities, including bonds, money market securities, and cash reserves.

T. Rowe Price Spectrum Moderate Allocation Fund I – a mutual fund with an emphasis on both capital growth and income. The fund invests primarily in a diversified portfolio of common stocks, bonds, money market securities, and cash reserves.

Vanguard Equity Income Admiral – a mutual fund that invests mainly in common stocks of mid-size and large companies whose stocks typically pay above-average levels of dividend income and are undervalued relative to other such stock; under normal circumstances it will invest 80% of its assets in equity securities.

Vanguard Institutional Index I – a mutual fund that invests substantially all of its assets in the stocks that make up the Standard & Poor's 500 Index, holding each stock in approximately the same proportion as its weighting in the index.

Vanguard Mid-Cap Index I – a mutual fund that attempts to track the performance of the Center for Research in Security Prices U.S. Mid-Cap Index, a broadly diversified index of stocks of mid-size U.S. companies.

Vanguard Small-Cap Index Fund I – a mutual fund that attempts to track the performance of the Center for Research in Security Prices U.S. Small-Cap Index, a broadly diversified index of stocks of smaller U.S. companies. The fund invests all, or substantially all, of its assets in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

Vanguard Target Retirement 2020 – a mutual fund that seeks to provide capital appreciation and current income consistent with its current asset allocation; designed for investors planning to retire and leave the workforce in or within a few years of 2020 (the target year).

Community Financial System, Inc.
401(k) Employee Stock Ownership Plan
Notes to Financial Statements
December 31, 2024 and 2023

Vanguard Target Retirement 2025 – a mutual fund that seeks to provide capital appreciation and current income consistent with its current asset allocation; designed for investors planning to retire and leave the workforce in or within a few years of 2025 (the target year).

Vanguard Target Retirement 2030 – a mutual fund that seeks to provide capital appreciation and current income consistent with its current asset allocation; designed for investors planning to retire and leave the workforce in or within a few years of 2030 (the target year).

Vanguard Target Retirement 2035 – a mutual fund that seeks to provide capital appreciation and current income consistent with its current asset allocation; designed for investors planning to retire and leave the workforce in or within a few years of 2035 (the target year).

Vanguard Target Retirement 2040 – a mutual fund that seeks to provide capital appreciation and current income consistent with its current asset allocation; designed for investors planning to retire and leave the workforce in or within a few years of 2040 (the target year).

Vanguard Target Retirement 2045 – a mutual fund that seeks to provide capital appreciation and current income consistent with its current asset allocation; designed for investors planning to retire and leave the workforce in or within a few years of 2045 (the target year).

Vanguard Target Retirement 2050 – a mutual fund that seeks to provide capital appreciation and current income consistent with its current asset allocation; designed for investors planning to retire and leave the workforce in or within a few years of 2050 (the target year).

Vanguard Target Retirement 2055 – a mutual fund that seeks to provide capital appreciation and current income consistent with its current asset allocation; designed for investors planning to retire and leave the workforce in or within a few years of 2055 (the target year).

Vanguard Target Retirement 2060 – a mutual fund that seeks to provide capital appreciation and current income consistent with its current asset allocation; designed for investors planning to retire and leave the workforce in or within a few years of 2060 (the target year).

Vanguard Target Retirement Income – a mutual fund that seeks to provide current income and some capital appreciation; designed for investors currently in retirement.

Vanguard Total Bond Index Admiral – a mutual fund that attempts to track the performance of the Barclays U.S. Capital Aggregate Float Adjusted Index, which represents a wide spectrum of public, investment grade, taxable, fixed-income securities in the U.S.

Charles Schwab IDA Account – participants select the individual investment securities, including equity securities, mutual funds and bonds.

Community Financial System, Inc.
401(k) Employee Stock Ownership Plan
Notes to Financial Statements
December 31, 2024 and 2023

D. Fair Value Measurements

Accounting standards establishes a framework for measuring fair value and require disclosures about such fair value instruments. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). Inputs used to measure fair value are classified into the following hierarchy:

- Level 1 – Quoted prices in active markets for identical assets or liabilities.
- Level 2 – Quoted prices in active markets for similar assets or liabilities, or quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.
- Level 3 – Significant valuation assumptions not readily observable in a market.

A financial instrument’s categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The following tables set forth the Plan’s financial assets that were accounted for at fair value on a recurring basis:

As of December 31, 2024

	Level 1	Level 2	Level 3	Total Fair Value
Mutual funds	\$327,318,655	\$ -	\$ -	\$327,318,655
Common stock of plan sponsor	87,776,467	-	-	87,776,467
Self-directed brokerage	7,073,868	-	-	7,073,868
Total assets at fair value	<u>\$422,168,990</u>	<u>\$ -</u>	<u>\$ -</u>	422,168,990
Investments valued using Net Asset Value (a)				<u>14,869,236</u>
				<u>\$437,038,226</u>

As of December 31, 2023

	Level 1	Level 2	Level 3	Total Fair Value
Mutual funds	\$284,040,447	\$ -	\$ -	\$284,040,447
Common stock of plan sponsor	77,594,204	-	-	77,594,204
Self-directed brokerage	5,933,066	-	-	5,933,066
Total assets at fair value	<u>\$367,567,717</u>	<u>\$ -</u>	<u>\$ -</u>	367,567,717
Investments valued using Net Asset Value (a)				<u>13,397,605</u>
				<u>\$380,965,322</u>

- (a) In accordance with ASC Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalents) as a practical expedient have not been classified in the fair value hierarchy.

Community Financial System, Inc.
401(k) Employee Stock Ownership Plan
Notes to Financial Statements
December 31, 2024 and 2023

The valuation techniques used to measure fair value for the items in the table above are as follows:

Mutual funds: Valued at the closing price of the shares held by the Plan at year end reported on the active market.

Common stock and self-directed brokerage: Valued at the closing price reported on the active market on which the individual securities are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the valuation methodologies used as of December 31, 2024 and 2023.

E. Transactions with Parties-in-Interest

The assets of the Plan are administered by BPAS, a wholly-owned subsidiary of Community Financial System, Inc. The Company paid BPAS approximately \$1,453,000 and \$1,308,000 for record keeping, trustee, and other services in 2024 and 2023, respectively.

The Plan held 1,423,094 and 1,489,046 shares of the Plan sponsor's common stock at December 31, 2024 and 2023, respectively. The cost of these shares at December 31, 2024 and 2023 is \$67,617,950 and \$69,934,642, respectively, and their fair value at December 31, 2024 and 2023 is \$87,776,467 and \$77,594,204, respectively. Dividends received on the investment in Community Financial System, Inc. common stock amounted to \$2,639,309 and \$2,478,841 in 2024 and 2023, respectively. The Plan sold 432,059 and 325,131 shares of Community Financial System, Inc. common stock during 2024 and 2023, respectively, and purchased 366,107 and 459,354 shares of Community Financial System, Inc. common stock during 2024 and 2023, respectively.

The Company has investments in the HB&T Metlife Stable Value Fund R0 administered by Hand Benefits and Trust Company. Hand Benefits and Trust Company is a wholly-owned subsidiary of BPAS. The contract value at December 31, 2024 and 2023 is \$32,408,933 and \$29,923,458, respectively.

F. Income Tax Status

The Plan obtained its most recent determination letter in January 2016, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with Section 401(a) of the Internal Revenue Code. The Plan has been amended since receiving the determination letter, however, the Plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the accompanying financial statements.

Community Financial System, Inc.
401(k) Employee Stock Ownership Plan
Notes to Financial Statements
December 31, 2024 and 2023

As discussed above, the Plan is a tax-exempt entity. The Plan has reviewed its operations for uncertain tax positions and believes there are no significant exposures. The Plan will include interest on income tax liabilities in other expenses if such amounts arise. The Plan did not incur any penalties and interest for the years ended December 31, 2024 and 2023. The Plan is no longer subject to Federal or New York state examinations by tax authorities for the closed tax years before 2021.

G. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500 as of December 31:

	<u>2024</u>	<u>2023</u>
Net assets available for benefits per financial statements	\$473,772,083	\$415,165,866
Allowance for notes receivable from participants	<u>438,000</u>	<u>417,000</u>
Net assets available for benefits per Form 5500	<u><u>\$474,210,083</u></u>	<u><u>\$415,582,866</u></u>

The following is a reconciliation of the net increase in net assets available for benefits per the financial statements to Form 5500 for the year ended December 31:

	<u>2024</u>	<u>2023</u>
Net increase in net assets available for benefits per financial statements	\$58,606,217	\$36,217,360
Allowance utilized for deemed distributions	(494,773)	(376,034)
Reserve for deemed distributions	<u>515,773</u>	<u>291,034</u>
Net increase in net assets available for benefits per Form 5500	<u><u>\$58,627,217</u></u>	<u><u>\$36,132,360</u></u>

H. Economic Dependency and Concentration of Credit Risk

At December 31, 2024 and 2023, approximately 19% of the Plan's investments are invested in Company stock, respectively, and 44% are invested in Vanguard mutual funds, respectively. At December 31, 2024, approximately 10% of the Plan's investments are invested in JP Morgan mutual funds.

Community Financial System, Inc.
401(k) Employee Stock Ownership Plan
Schedule of Assets (Held at End of Year)
(Schedule H, Part IV, Line 4i)
December 31, 2024

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(e) Current value
	Mutual Funds		
	Amercent Small Cap Value	Mutual fund – 328,233 shares	\$3,466,143
	American Funds EuroPacific Growth Fund	Mutual fund – 254,597 shares	13,676,953
	DFA Emerging Markets Core Equity 2 I	Mutual fund – 180,245 shares	4,196,112
	DFA Real Estate Securities I	Mutual fund – 38,848 shares	1,562,468
	Federated Total Return Bond Fund	Mutual fund – 1,241,376 shares	11,606,862
	Guggenheim Macro Opportunities Fund	Mutual fund – 128,225 shares	3,163,313
	JPMorgan Large Cap Growth Fund	Mutual fund – 572,557 shares	47,945,956
	T. Rowe Price Infl Protected Bond Fund I	Mutual fund – 227,431 shares	2,306,154
	T. Rowe Price Mid-Cap Growth Fund I	Mutual fund – 118,287 shares	11,833,412
	T. Rowe Price Mid-Cap Value Fund I	Mutual fund – 311,643 shares	9,922,699
	T. Rowe Price Spectrum Conserv Alloc Fund I	Mutual fund – 161,741 shares	3,171,742
	T. Rowe Price Spectrum Mod Growth Alloc Fund I	Mutual fund – 67,259 shares	2,613,013
	T. Rowe Price Spectrum Moderate Alloc Fund I	Mutual fund – 170,752 shares	4,055,356
	Vanguard Equity Income Admiral	Mutual fund – 244,905 shares	21,593,290
	Vanguard Institutional Index I	Mutual fund – 74,357 shares	35,609,890
	Vanguard Mid-Cap Index I	Mutual fund – 165,067 shares	11,919,474
	Vanguard Small-Cap Index Fund I	Mutual fund – 96,839 shares	11,151,004
	Vanguard Target Retirement 2020	Mutual fund – 298,343 shares	7,900,131
	Vanguard Target Retirement 2025	Mutual fund – 765,905 shares	14,314,760
	Vanguard Target Retirement 2030	Mutual fund – 811,665 shares	30,745,879
	Vanguard Target Retirement 2035	Mutual fund – 761,871 shares	18,269,658
	Vanguard Target Retirement 2040	Mutual fund – 347,717 shares	15,028,312
	Vanguard Target Retirement 2045	Mutual fund – 277,619 shares	8,236,966
	Vanguard Target Retirement 2050	Mutual fund – 216,567 shares	10,793,702
	Vanguard Target Retirement 2055	Mutual fund – 90,012 shares	5,005,555
	Vanguard Target Retirement 2060	Mutual fund – 80,797 shares	4,140,856
	Vanguard Target Retirement Income	Mutual fund – 673,207 shares	8,819,009
	Vanguard Total Bond Index Admiral	Mutual fund – 450,420 shares	4,269,986
			<u>327,318,655</u>
***	Collective Investment Trust		
	Neuberger Berman Small Cap Growth Trust Fund	Mutual fund – 1,495,899 shares	14,869,236
	Common Stock of Plan Sponsor		
*	Community Financial System, Inc.	Common stock – 1,423,094 shares	87,776,467
**	Stable Value Fund		
*	HB&T Metlife Stable Value Fund R0	Stable value fund – 2,323,221 shares	32,408,933
	Loan Fund		
*	Participants	Participant loans, 3.25% – 9.25%	4,746,643
	Self-Directed Brokerage		
*	Charles Schwab IDA Account	Self-directed brokerage	7,073,868
	Total investments		<u>\$ 474,193,802</u>
*	– Denotes party-in-interest as defined by ERISA.		
**	– Investment stated at Contract Value.		
***	– Investment stated at Net Asset Value.		

Schedule H, Line 4i
Schedule of Assets (Held At End of Year)

Name of Plan:

► Community Financial System, Inc 401k Employee Stock Ownership Plan

Employer Identification Number: ► 16-1213679

For plan year (beginning/ending): ► 01/01/2024 - 12/31/2024

Plan number: ►

002

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
	AMERCENT SMALL CAP VALUE	value of registered investment companies		3,466,143
	AMERICAN FUNDS EUROPACIFIC	value of registered investment companies		13,676,953
	CFSI ESOP	Common Stock		87,776,467
	DFA EMERGING MKTS CORE EQUITY	value of registered investment companies		4,196,112
	DFA REAL ESTATE SECURITIES	value of registered investment companies		1,562,468
	EMPLOYEE LOANS	Participant loans		136,441
	FEDERATED HERMES TOTAL RETURN BOND	value of registered investment companies		11,606,862
	GUGGENHEIM MACRO OPPORTUN	value of registered investment companies		3,163,313
	HB&T METLIFE STABLE VALUE	Common/Collective Trust		32,408,933
	INDIVIDUAL DIRECTED ACCOUNT	Other		7,073,868
	JPMORGAN LRG CAP GROWTH	value of registered investment companies		47,945,956
	MPL TRADITIONAL LOANS	Participant loans		4,610,202
	NB SMALL CAP GROWTH TR FNDRS	Common/Collective Trust		14,869,236
	T. ROWE PRICE INFL PROT BOND	value of registered investment companies		2,306,154
	T. ROWE PRICE MID-CAP GROWTH	value of registered investment companies		11,833,412
	T. ROWE PRICE MID-CAP VALUE	value of registered investment companies		9,922,699
	TRP SPECTRUM CONSERV	value of registered investment companies		3,171,742
	TRP SPECTRUM MOD GRTH	value of registered investment companies		2,613,013
	TRP SPECTRUM MODERATE	value of registered investment companies		4,055,356
	VANGUARD EQUITY INCOME	value of registered investment companies		21,593,290
	VANGUARD INST'L INDEX	value of registered investment companies		35,609,890
	VANGUARD MID-CAP INDEX	value of registered investment companies		11,919,474
	VANGUARD SMALL-CAP INDEX	value of registered investment companies		11,151,004
	VANGUARD TARGET RETIREM'T 2020	value of registered investment companies		7,900,131
	VANGUARD TARGET RETIREM'T 2025	value of registered investment companies		14,314,760
	VANGUARD TARGET RETIREM'T 2030	value of registered investment companies		30,745,879
	VANGUARD TARGET RETIREM'T 2035	value of registered investment companies		18,269,658
	VANGUARD TARGET RETIREM'T 2040	value of registered investment companies		15,028,312
	VANGUARD TARGET RETIREM'T 2045	value of registered investment companies		8,236,966
	VANGUARD TARGET RETIREM'T 2050	value of registered investment companies		10,793,702
	VANGUARD TARGET RETIREM'T 2055	value of registered investment companies		5,005,555
	VANGUARD TARGET RETIREM'T 2060	value of registered investment companies		4,140,856
	VANGUARD TGT RETIREMENT INCOME	value of registered investment companies		8,819,009
	VANGUARD TTL BD MKT INDEX	value of registered investment companies		4,269,986