

INCORPORATED VILLAGE OF RUSSELL GARDENS  
GREAT NECK, NEW YORK

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FINANCIAL STATEMENTS

FEBRUARY 29, 2024

DRAFT 8-16-2024

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**SKINNON AND FABER**  
Certified Public Accountants, P.C.

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**INDEPENDENT AUDITORS' REPORT**

Board of Trustees  
Incorporated Village of Russell Gardens  
Great Neck, New York

**Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of the Incorporated Village of Russell Gardens, as of and for the year ended February 29, 2024, and the related notes to the financial statements, which collectively comprise the Incorporated Village of Russell Gardens' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Incorporated Village of Russell Gardens, as of February 29, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Incorporated Village of Russell Gardens and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements of our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**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.



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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 Incorporated Village of Russell Gardens' ability to continue as a going concern for twelve months beyond the financial statements date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Incorporated Village of Russell Gardens' 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 Incorporated Village of Russell Gardens' ability to continue as a going concern for a reasonable period of time.

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

## Required Supplementary Information

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

*Skinnon and Faber, CPAs, P.C.*

SKINNON AND FABER, CPAs, P.C.  
Hauppauge, New York  
August 7, 2024

# INCORPORATED VILLAGE OF RUSSELL GARDENS

## Management's Discussion and Analysis (Unaudited)

The Board of Trustees of the Incorporated Village of Russell Gardens (the "Village"), would like to offer readers of the Village's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended February 29, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our financial statements, which immediately follow this section.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The Statement of Net Position and the Statement of Activities provide information about the activities of the Village as a whole and present a long-term view of the Village's finances. Fund financial statements report how Village activities were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail by providing information about the Village's most significant funds. The financial statements also include notes that provide additional information about the financial statements and the balances reported. The statements are followed by the required supplementary information, which supports the financial statements with a comparison of the Village's General Fund budget for the year, as well as the schedule of the local government's proportionate share of the net pension liability (asset), the schedule of local government contributions, and the schedule of changes in total OPEB liability and related ratios.

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

Net Position

The Village's total net position had an increase of \$1,220,494 from activities for the fiscal year ended February 29, 2024. A condensed summary of the Village's Statement of Net Position for the current year is detailed below.

**Condensed Statement of Net Position – Governmental Activities**

	<u>February 29, 2024</u>	<u>February 28, 2023</u>
Assets		
Current and Other Assets	\$ 3,400,700	\$ 2,509,472
Capital Assets (net)	897,028	604,653
	<hr/>	<hr/>
Total Assets	4,297,728	3,114,125
	<hr/>	<hr/>
Deferred Outflows of Resources	305,770	220,718
	<hr/>	<hr/>
Liabilities		
Other Liabilities	195,569	88,839
Long-Term Liabilities	923,304	623,979
	<hr/>	<hr/>
Total Liabilities	1,118,873	712,818
	<hr/>	<hr/>
Deferred Inflows of Resources	542,615	1,162,560
	<hr/>	<hr/>
Net Position		
Net Investment in Capital Assets	897,028	604,653
Restricted	-	85,467
Unrestricted	2,044,982	769,345
	<hr/>	<hr/>
Total Net Position	\$ 2,942,010	\$ 1,459,465
	<hr/>	<hr/>

Net investment in capital assets is the Village's investment in capital assets, such as buildings and improvements, equipment, infrastructure, and intangibles reduced by accumulated depreciation/amortization and associated debt. This figure also includes land, which is not depreciated. More detailed information can be found in the Notes to the Financial Statements.

## Change in Net Position

The Statement of Activities reports the result of the current year's operations and the effect on net position in the accompanying financial statements. A summary of the change in net position from operating results is shown below.

### **Change in Net Position from Operating Results – Governmental Activities**

	<b>For the Years Ended</b>	
	<b>February 29, 2024</b>	<b>February 28, 2023</b>
Revenues		
Program Revenues:		
Fines, Fees, and Charges for Services	\$ 331,883	\$ 102,066
Operating Grants and Contributions	-	58,283
Capital Grants and Contributions	258,378	50,000
General Revenues:		
Real Property Taxes and Related Tax Items	1,720,272	1,630,904
Non Property Taxes	21,300	26,054
Use of Money and Property	152,260	6,657
Miscellaneous Revenues	1,087	1,037
State and Federal Aid	26,373	43,062
Total Revenues	<u>2,511,553</u>	<u>1,918,063</u>
Expenses		
Governmental Activities:		
General Government Support	458,481	500,151
Public Safety	109,754	76,772
Transportation	407,703	547,589
Culture and Recreation	38,861	38,921
Home and Community Services	276,260	261,161
Total Expenses	<u>1,291,059</u>	<u>1,424,594</u>
Change in Net Position	<u>1,220,494</u>	<u>493,469</u>
Net Position - Beginning of Year	1,459,465	965,996
Beginning Balance Adjustment	262,051	-
Net Position - Beginning of Year, as Restated	<u>1,721,516</u>	<u>965,996</u>
Net Position - End of Year	<u>\$ 2,942,010</u>	<u>\$ 1,459,465</u>



## ANALYSIS OF POSITION AND RESULTS OF OPERATION

During the year, the Village had an excess of revenues over expenses of \$1,220,494 resulting in an ending net position of \$2,942,010. No significant individual economic factor affected the operating results.

The Village had an increase in total revenue from the prior year of \$593,490. Program revenue increased a total of \$379,912 due to a significant increase in building permits as well as the receipt of three State grants to acquire a new snow plow truck and video surveillance system, and install LED street lighting throughout the Village. In addition, general revenue increased \$213,578 as compared to the prior year. Use of Money and Property increased \$145,603 primarily due to the significant increase in interest rates and the Village experiencing the benefits of a full year of interest earnings from the New York Cooperative Liquid Assets Security System (NYCLASS) account opened in the prior year.

## ANALYSIS OF BALANCES AND TRANSACTIONS OF INDIVIDUAL FUNDS

The General Fund balance increased by \$862,864 to an ending fund balance of \$3,167,788. Of this amount, \$19,852 is nonspendable as it relates to prepaid expenses; \$1,200,000 has been assigned in next year's budget for the repair and repaving of Village roadways; \$294,000 has been assigned in next year's budget for the purchase of equipment; \$500,000 has been assigned for future roadwork; \$197,000 has been assigned for equipment; \$239,998 has been assigned for technology; \$250,000 has been assigned for Building Maintenance; and \$466,938 is unassigned. The Board of Trustees is interested in maintaining this level of fund balance through careful budgeting and fiscal policies.

## BUDGETARY ANALYSIS

There were no significant variations between the original and final budget of the General Fund. The following significant variances exist between the final budget for the fiscal year ended February 29, 2024 and the actual results:

### Revenues and Other Financing Sources:

- Real Property Taxes: Actual revenues were \$35,918 less than budgeted. This is due to the recognition of a payment as a Payment In Lieu Of Taxes rather than Real Property Taxes, which changes the classification from Real Property Taxes to Real Property Tax Items.
- Real Property Tax Items: Actual revenues were \$42,677 more than budgeted. This is mainly due to the reclassification mentioned above.
- Use of Money and Property: Actual revenues were \$121,120 more than budgeted. This is due to the increase in interest rates in addition to the Village experiencing the benefits of a full year of interest earnings at an increased rate from the NYCLASS account.

- Licenses and Permits: Actual revenues were \$211,173 more than budgeted. This is mainly due to a large permit from a commercial property to perform work on an existing building and garage.
- Fines and Forfeitures: Actual revenues were \$53,410 more than budgeted. This is mainly due to the collection of a large unanticipated fine related to the substantial alteration of a tree without a permit.
- State and Federal Aid: Actual revenues were \$41,743 less than budgeted. The Village anticipated the reimbursement for certain expenditures related to a roadwork project that was planned to begin in the current fiscal year but will now begin in the 2024-2025 fiscal year.
- Overall, total revenue and other financing sources were \$372,906 over budget.

#### Expenditures and Other Financing Uses:

- General Government Support: Actual expenditures related to general government support were \$117,393 less than budgeted. Actual expenditures for personnel services were less than budgeted due to the anticipation of hiring a new employee, which did not occur prior to year-end. In addition, actual expenditures for legal services and refunds of real property tax were less than anticipated.
- Transportation: Actual expenditures related to transportation were \$352,564 less than budgeted. The Village expected to begin a roadwork project, however, the project did not commence during the fiscal year. The Village anticipates the project to begin in the 2024-2025 fiscal year. In addition, the Village experienced a change in personnel during the fiscal year resulting in a reduction of the related expenditure.
- Home and Community Services: Actual expenditures related to home and community services were \$32,100 less than budgeted. The Village was able to reduce anticipated expenditures related to street cleaning supplies and shade trees maintenance.
- Employee Benefits: Actual expenditures related to employee benefits were \$98,867 less than budgeted. The Village switched health insurance plans for retirees resulting in a decrease in cost. In addition, there was a change in personnel during the fiscal year resulting in a reduction in anticipated expenditures related to social security, worker's compensation, and hospital and medical.
- Overall, total expenditures and other financing uses were \$614,958 under budget.

These variations from budgeted amounts are not expected to affect future services or liquidity.

A detailed schedule showing the budgeted amounts compared to the Village's actual financial activity for the General Fund is provided in this report as required supplementary information.

## CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

As of February 29, 2024, the Village's investment in capital assets totaled \$897,028 (net of accumulated depreciation). During the year, the Village purchased equipment totaling \$341,103, software of \$7,868, and invested in infrastructure for \$16,389.

As of February 29, 2024, the Village had no long-term indebtedness.

## CURRENTLY KNOWN FACTS, DECISIONS AND CONDITIONS

The current economic conditions mirror those of the rest of the region. The administration has been diligent in containing expenses without sacrificing services to the residents.

## CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide the reader with a general overview of the Village's finances and to demonstrate the Village's accountability for the funds it receives. If you have any questions about this report, or need additional financial information, contact:

Incorporated Village of Russell Gardens  
Danielle Pennise, Village Clerk-Treasurer  
6 Tain Drive  
Great Neck, New York 11021

**INCORPORATED VILLAGE OF RUSSELL GARDENS**

**Statement of Net Position**

**February 29, 2024**

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**ASSETS**

Cash and Cash Equivalents	\$ 3,331,516
Accounts Receivable	4,892
Taxes Receivable	4,362
Due from Other Governments	2,735
Prepaid Expenses	57,195
Capital Assets (net)	897,028
<b>Total Assets</b>	<b><u>4,297,728</u></b>

**DEFERRED OUTFLOWS OF RESOURCES**

Net Pension	201,461
Other Post-Employment Benefits	104,309
<b>Total Deferred Outflows of Resources</b>	<b><u>305,770</u></b>

**LIABILITIES**

Accounts Payable and Accrued Liabilities	6,241
Guaranty and Bid Deposits	189,328
Long-Term Liabilities:	
Due Within One Year:	
Compensated Absences	3,164
Due in More Than One Year:	
Compensated Absences	28,479
Net Pension Liability	247,296
Other Post-Employment Benefits	644,365
<b>Total Liabilities</b>	<b><u>1,118,873</u></b>

**DEFERRED INFLOWS OF RESOURCES**

Net Pension	19,591
Other Post-Employment Benefits	523,024
<b>Total Deferred Inflows of Resources</b>	<b><u>542,615</u></b>

**NET POSITION**

Net Investment in Capital Assets	897,028
Unrestricted	2,044,982
<b>Total Net Position</b>	<b><u>\$ 2,942,010</u></b>

*See Notes to the Financial Statements*

**INCORPORATED VILLAGE OF RUSSELL GARDENS**

**Statement of Activities**

**For the Year Ended February 29, 2024**

Functions/Programs	Expenses	PROGRAM REVENUES			Net (Expense) / Revenue
		Fines, Fees and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General Government Support	\$ 458,481	\$ 261,173	\$ -	\$ 12,132	\$ (185,176)
Public Safety	109,754	63,410	-	-	(46,344)
Transportation	407,703	7,300	-	246,246	(154,157)
Culture and Recreation	38,861	-	-	-	(38,861)
Home and Community Services	276,260	-	-	-	(276,260)
<b>Total Governmental Activities</b>	<b>\$ 1,291,059</b>	<b>\$ 331,883</b>	<b>\$ -</b>	<b>\$ 258,378</b>	<b>(700,798)</b>
<b>GENERAL REVENUES:</b>					
					1,720,272
					21,300
					152,260
					1,087
					26,373
					<u>1,921,292</u>
					Change in Net Position
					<u>1,220,494</u>
					Net Position - Beginning of Year
					1,459,465
					Beginning Balance Adjustment
					262,051
					<u>1,721,516</u>
					Net Position - End of Year
					<u>\$ 2,942,010</u>

*See Notes to the Financial Statements*

INCORPORATED VILLAGE OF RUSSELL GARDENS

Balance Sheet

February 29, 2024

	<u>General Fund</u>
<b><u>ASSETS</u></b>	
Cash and Cash Equivalents	\$ 3,331,516
Accounts Receivable	4,892
Taxes Receivable	4,362
Due from Other Governments	2,735
Prepaid Expenses	19,852
<b>Total Assets</b>	<b><u><u>\$ 3,363,357</u></u></b>
<b><u>LIABILITIES AND FUND BALANCE</u></b>	
Liabilities:	
Accounts Payable and Accrued Liabilities	\$ 6,241
Guaranty and Bid Deposits	189,328
<b>Total Liabilities</b>	<b><u>195,569</u></b>
Fund Balance:	
Nonspendable	19,852
Assigned	2,680,998
Unassigned	466,938
<b>Total Fund Balance</b>	<b><u>3,167,788</u></b>
<b>Total Liabilities and Fund Balance</b>	<b><u><u>\$ 3,363,357</u></u></b>

**INCORPORATED VILLAGE OF RUSSELL GARDENS**  
**Reconciliation of the Governmental Fund Balance Sheet**  
**to the Statement of Net Position**  
**As of February 29, 2024**

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Total Fund Balance - Governmental Fund \$ 3,167,788

This amount differs from the amount of net position in the Statement of Net Position due to the following:

Certain additional prepaid items are added to the government-wide financial statements as assets. 37,343

Capital assets are included as assets in the government-wide financial statements and are added, net of accumulated depreciation. 897,028

Deferred outflows of resources related to the following are not reported in the governmental fund:

Net Pension	201,461
Other Post-Employment Benefits	104,309

Long-term liabilities are not due and payable in the current period and, accordingly, are not reported in the governmental fund. However, these liabilities are included in the government-wide financial statements and are deducted:

Compensated Absences	(31,643)
Net Pension Liability	(247,296)
Other Post-Employment Benefits	(644,365)

Deferred inflows of resources related to the following are not reported in the governmental fund:

Net Pension	(19,591)
Other Post-Employment Benefits	<u>(523,024)</u>

Total Net Position \$ 2,942,010

**INCORPORATED VILLAGE OF RUSSELL GARDENS**  
**Statement of Revenues, Expenditures and Change in Fund Balance**  
**For the Year Ended February 29, 2024**

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	<b>General Fund</b>
<b>Revenues:</b>	
Real Property Taxes	\$ 1,671,595
Real Property Tax Items	48,677
Non Property Tax Items	21,300
Use of Money and Property	152,260
Licenses and Permits	261,173
Fines and Forfeitures	63,410
Miscellaneous Local Sources	1,087
State and Federal Aid	284,751
Total Revenues	2,504,253
<b>Expenditures:</b>	
General Government Support	426,386
Public Safety	103,800
Transportation	584,944
Culture and Recreation	26,666
Home and Community Services	276,260
Employee Benefits	237,133
Total Expenditures	1,655,189
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	849,064
<b>Other Financing Sources:</b>	
Proceeds from Sale of Asset	6,500
Insurance Recoveries	7,300
Total Other Financing Sources	13,800
<b>Net Change in Fund Balance</b>	862,864
<b>Fund Balance - Beginning of Year</b>	2,304,924
<b>Fund Balance - End of Year</b>	\$ 3,167,788

*See Notes to the Financial Statements*



**INCORPORATED VILLAGE OF RUSSELL GARDENS**  
**Reconciliation of the Statement of Revenues, Expenditures and Change in Fund**  
**Balance of the Governmental Fund to the Statement of Activities**  
**For the Year Ended February 29, 2024**

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Net Change in Fund Balance for the Governmental Fund \$ 862,864

This amount differs from the change in net position in the Statement of Activities due to the following:

Capital outlays for acquisition of capital assets are recorded in the governmental fund as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization

Capital Expenditures	365,360
Depreciation/Amortization Expense	(72,985)

Change in deferred outflows of resources related to the following not reported in the funds:

Net Position	(19,257)
Other Post-Employment Benefits	(12,046)

Expenditures for certain insurance premiums are recorded in the governmental funds when the payments are due. In the Statement of Activities, these costs are allocated over the policy period they pertain to. 7,101

Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental fund.

Compensated Absences	(4,568)
Net Pension Liability	(332,763)
Other Post-Employment Benefits	(47,461)

Change in deferred inflows of resources related to the following not reported in the funds:

Net Pension	287,382
Other Post-Employment Benefits	<u>186,867</u>

Change in Net Position of Governmental Activities in the Statement of Activities \$1,220,494

# INCORPORATED VILLAGE OF RUSSELL GARDENS

## Notes to the Financial Statements For the Year Ended February 29, 2024

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### A. FINANCIAL REPORTING ENTITY

The Incorporated Village of Russell Gardens, which was established in 1931, is governed by Village law, general laws of the State of New York, and various local laws. The Board of Trustees is the legislative body responsible for overall operations. The Mayor serves as Chief Executive Officer and the Clerk-Treasurer serves as Chief Fiscal Officer.

The following basic services are provided: general government, street maintenance, trees and lighting, snow removal, refuse removal, and planning and zoning.

All governmental activities and functions/programs performed for the Village are its direct responsibility. No other governmental organizations have been included or excluded from the reporting entity.

The financial reporting entity consists of (a) the primary government, which is the Village, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Statement Numbers 14, 39 and 61.

The decision to include a potential component unit in the Village's reporting entity is based on several criteria set forth in GASB Statement Numbers 14, 39 and 61 including legal standing, fiscal dependency, and financial accountability. No other entities have been included or excluded from the reporting entity.

#### B. BASIS OF PRESENTATION

##### 1. Government-wide Financial Statements:

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements present summaries of the activities of the Village. Any fiduciary activities of the Village are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Village's assets and liabilities, including capital and infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under

# INCORPORATED VILLAGE OF RUSSELL GARDENS

## Notes to the Financial Statements For the Year Ended February 29, 2024

the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The types of transactions reported as program revenues for the Village are reported in three categories: 1) fines, fees and charges for services, 2) operating grants and contributions and 3) capital grants and contributions.

Certain eliminations have been made as prescribed by GASB Statement Number 34 in regards to interfund activities, payables, and receivables. All interfund balances in the Statement of Net Position, if any, have been eliminated except those representing balances between governmental activities and custodial activities.

### 2. Fund Financial Statements:

The Village uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

The Village records its transactions in the fund types described below.

#### Fund Categories

**GOVERNMENTAL FUNDS** – Governmental funds are those through which most governmental functions are financed. The acquisition, use, and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus of the governmental funds is upon determination of financial position and changes in financial position (the sources, uses, and balances of current financial resources). The following is the Village's governmental fund type.

General Fund – the principal operating fund and includes all operations not accounted for and reported in another fund.

### 3. Equity Classifications:

#### Government-wide Financial Statements

Equity is classified as net position and displayed in three components:

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

# INCORPORATED VILLAGE OF RUSSELL GARDENS

## Notes to the Financial Statements For the Year Ended February 29, 2024

- b. *Restricted net position* consists of net position with constraints placed on their use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or law through constitutional provisions or enabling legislation.
- c. *Unrestricted net position* consists of all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

### Fund Financial Statements

GASB Statement Number 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, breaks fund balance out into five different classifications: Nonspendable, restricted, committed, assigned, and unassigned.

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

*Restricted* consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.

*Committed* consists of amounts that are subject to a purpose constraint imposed by a formal action of the government’s highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint. The Board is the decision-making authority that can, by resolution prior to the end of the fiscal year, commit fund balance.

*Assigned* consists of amounts that are subject to a purpose constraint that represents an intended use established by the government’s highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance.

*Unassigned* represents the residual classification for the government’s general fund, and could report a surplus or deficit. In funds other than the general fund, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When resources are available from multiple classifications, the Village spends the funds in the following order: restricted, committed, assigned, unassigned.

# INCORPORATED VILLAGE OF RUSSELL GARDENS

## Notes to the Financial Statements For the Year Ended February 29, 2024

### C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS

Basis of accounting refers to when revenues and expenditures/expenses and the related assets, deferred outflows, liabilities, and deferred inflows are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus. Measurement focus is the determination of what is measured, i.e. expenditures or expenses.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities are included in the Statement of Net Position and the operating statements present increases (revenues) and decreases (expenses) in net position. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized at the time the liability is incurred.

*Modified Accrual Basis* – All governmental funds are accounted for using the modified accrual basis of accounting.

Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues are considered available if collected within 60 days of the end of the current fiscal year.

Material revenues that are accrued include real property taxes, State and Federal Aid, mortgage tax, and certain user charges. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made, all other grant requirements have been met, and the resources are available.

Expenditures are recorded when a liability is incurred except that:

- a. Expenditures for prepaid expenses and inventory-type items are generally recognized at the time of purchase.
- b. Compensated absences, such as vacation and sick leave which vests or accumulates, are charged as expenditures when payment is due.
- c. Pension costs are recognized as an expenditure when billed by the State.
- d. Other Post-Employment Benefits are charged as expenditures when payment is due.

### D. CASH AND CASH EQUIVALENTS

The Village considers all highly liquid instruments with a maturity of three months or less at the date of purchase to be cash equivalents.

# INCORPORATED VILLAGE OF RUSSELL GARDENS

## Notes to the Financial Statements For the Year Ended February 29, 2024

### E. INVESTMENTS

An investment is a security or other asset that a government holds primarily for the purpose of income or profit and with present service capacity that is based solely on its ability to generate cash or to be sold to generate cash. Capital assets held for resale are excluded from being classified as investments.

Investments are generally reported at fair value. There are, however, two exceptions: certificates of deposit, which are reported at cost; and external investment pools, which may elect to measure all investments at amortized cost if certain criteria (as outlined in GASB No. 79) is met.

### F. PROPERTY TAXES

Real property taxes are levied annually no later than February 15 and become a lien on the first day of the levy year. Taxes are collected during the period March 1 to April 1 without penalty or interest. Penalty and interest charges are levied and collected after April 1 in accordance with Real Property Tax Law.

General Municipal Law Section 3-c established a tax levy limit for local governments in New York State effective June 24, 2011. This law generally limits the amount by which local governments can increase property tax levies to 2% or the rate of inflation, whichever is less. The law does provide exclusions for certain specific costs and allows the governing board to override the tax levy limit with a supermajority vote.

### G. ACCOUNTS RECEIVABLE

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

### H. BUDGETARY DATA

#### 1. Budget Policies – The budget policies are as follows:

- No later than December 20, the budget officer submits a tentative budget to the Board of Trustees for the fiscal year commencing the following March 1. The tentative budget includes proposed expenditures and the proposed means of financing for the General Fund.
- After public hearings are conducted by the Board of Trustees to obtain taxpayer comments; no later than February 1, the Board of Trustees adopts the budget.
- All modifications to the budget must be approved by the Board of Trustees. (However, the Clerk-Treasurer is authorized to transfer certain budget amounts within departments).

# INCORPORATED VILLAGE OF RUSSELL GARDENS

## Notes to the Financial Statements For the Year Ended February 29, 2024

### 2. Budget Basis of Accounting:

- Budgets are adopted annually on a basis consistent with generally accepted accounting principles applicable to municipalities.
- Appropriations in all budgeted funds lapse at the end of the fiscal year, except that outstanding encumbrances are re-apportioned in the subsequent year.

### I. CAPITAL ASSETS

Capital assets, which include buildings and improvements, equipment, infrastructure, intangibles, and land, are reported in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets and assets acquired in a service concession arrangement are recorded at acquisition value. Depreciation/amortization has been recorded using the straight-line method over 20-50 years for buildings and improvements, 5-7 years for equipment, 20-30 years for infrastructure, and 10 years for intangibles. Land is not depreciated. General infrastructure assets constructed prior to March 1, 2005 are not reported in the financial statements.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures in governmental funds. Capital assets are not shown on the governmental fund balance sheet.

### J. COMPENSATED ABSENCES

Retirement Stipend – employees who have at least twenty-five years of continuous employment with the Village upon retirement are entitled to receive three weeks salary; thirty years continuous employment shall receive four weeks salary; and, thirty-five years of continuous employment shall receive a sum equal to five weeks salary.

Vested Sick Leave - upon termination with the Village, employees will be paid fifty percent (50%) of a day's pay for each sick day accrued, up to a maximum of fifty (50) sick days.

### K. OTHER POST-EMPLOYMENT BENEFITS

In addition to providing pension benefits, the Village provides health insurance coverage for retired employees.

The Village recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure in the governmental funds in the year paid. The liability for the other post-employment benefits payable is recorded as a long-term liability in the government-wide financial statements. The liability is estimated based on the most recent actuarial valuation in accordance with the parameters of GASB Statement Number 75.

# INCORPORATED VILLAGE OF RUSSELL GARDENS

## Notes to the Financial Statements For the Year Ended February 29, 2024

### L. INSURANCE

The Village assumes the liability for most risk including, but not limited to, property damage and personal injury liability. Judgments and claims are recorded when it is probable that an asset has been impaired, or a liability has been incurred and the amount of loss can be reasonably estimated. The Village carries various insurance policies to mitigate any loss that might occur.

### M. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results may differ from those estimates. Estimates and assumptions are made in a variety of areas, including other post-employment benefits, net pension liability (asset) amounts, and useful lives of capital assets.

### N. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenditure/expense) until that time.

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

### O. CHANGE IN ACCOUNTING PRINCIPLE

During the fiscal year ended February 29, 2024, the Village adopted the provisions of GASB Statement Number 96, *Subscription-Based Information Technology Arrangements*. This standard improves consistency in accounting and financial reporting by establishing a definition for subscription-based information technology arrangements and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. The provisions of this adoption had no material effect on the Village's financial statements.



# INCORPORATED VILLAGE OF RUSSELL GARDENS

## Notes to the Financial Statements For the Year Ended February 29, 2024

### II. DETAIL NOTES ON ALL FUNDS

#### A. ASSETS

##### 1. Cash and Investments:

The Village's cash and cash equivalents consist of cash on hand, bank deposits, and investments with original maturity dates of three months or less from the date of acquisition. The Village investment policies are governed by State statutes. In addition, the Village has its own written investment policy. Village monies must be deposited in specified FDIC-insured commercial banks located in New York State. The Village Clerk-Treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include: obligations of the U.S. Treasury and U.S. agencies, repurchase agreements, obligations of New York State or its localities, and a CLASS investment account with the Municipal Investors Service Corp., which has a collateral arrangement with a third-party custodial bank.

Collateral is required for demand deposits and certificates of deposit as provided for by law for all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are the same as the permissible investments mentioned above.

Deposits and investments at year-end were entirely covered by federal depository insurance or by collateral held by the Village's custodial bank in the Village's name.

They consisted of:

Deposits: All deposits, including certificates of deposit, are carried at cost plus accrued interest.

Bank balances for the Village's deposits with financial institutions as of February 29, 2024 totaled \$1,479,209 and are covered by federal deposit insurance or third-party collateral as follows:

Amount FDIC Insured	\$ 250,000
Amount Collateralized by the Village's Custodial Banks	1,229,209
Total Amounts	<u>\$ 1,479,209</u>

Investments: All investments are stated at cost plus accrued interest.

Investment Pool: The Village participates in a multi-municipal cooperative investment pool arrangement pursuant to New York State General Municipal Law Article 3A and 5-G, whereby it holds investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents.

The Village's investments of \$1,882,253 have been recorded as cash equivalents in the general fund. This amount represents the cost of the investment pool shares and is considered approximate to market value. The investment pool is categorically exempt from the New

**INCORPORATED VILLAGE OF RUSSELL GARDENS**

**Notes to the Financial Statements  
For the Year Ended February 29, 2024**

York State collateral requirements. Additional information concerning the cooperative is presented in the annual report of the New York Cooperative Liquid Asset Securities System (NYCLASS), which may be obtained from NYCLASS, 717 17<sup>th</sup> Street, Suite 1850, Denver, CO 80202.

2. Property Taxes:

Taxes receivable of \$4,362 represents an estimate of tax liens which were collected within the first 60 days of the subsequent year.

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**INCORPORATED VILLAGE OF RUSSELL GARDENS**  
**Notes to the Financial Statements**  
**For the Year Ended February 29, 2024**

3. Changes in Capital Assets:

A summary of changes in capital assets follows:

	Balances Feb. 28, 2023	Additions	Reductions	Balances Feb. 29, 2024
Capital Assets That Are Not Depreciated:				
Land	\$ 7,709	\$ -	\$ -	\$ 7,709
Total Nondepreciable Cost	<u>7,709</u>	<u>-</u>	<u>-</u>	<u>7,709</u>
Capital Assets That Are Depreciated and Amortized:				
Buildings and Improvements	294,236	-	-	294,236
Infrastructure	62,263	16,389	-	78,652
Equipment	961,042	341,103	(73,045)	1,229,100
Intangibles	-	7,868	-	7,868
Total Depreciable and Amortizable Cost	<u>1,317,541</u>	<u>365,360</u>	<u>(73,045)</u>	<u>1,609,856</u>
Less: Accumulated Depreciation and Amortization:				
Buildings and Improvements	(122,290)	(10,339)	-	(132,629)
Infrastructure	(5,124)	(3,220)	-	(8,344)
Equipment	(593,183)	(59,033)	73,045	(579,171)
Intangibles	-	(393)	-	(393)
Total Accumulated Depreciation and Amortization	<u>(720,597)</u>	<u>(72,985)</u>	<u>73,045</u>	<u>(720,537)</u>
Net Capital Assets That Are Depreciated and Amortized	<u>596,944</u>	<u>292,375</u>	<u>-</u>	<u>889,319</u>
Grand Total	<u>\$ 604,653</u>	<u>\$ 292,375</u>	<u>\$ -</u>	<u>\$ 897,028</u>

Depreciation and Amortization expense was charged as a direct expense to programs of the primary government as follows:

*Governmental Activities*

General Government Support	\$ 7,218
Transportation	56,218
Culture and Recreation	9,549
Total Depreciation Expense – Governmental Activities	<u>\$ 72,985</u>

# INCORPORATED VILLAGE OF RUSSELL GARDENS

## Notes to the Financial Statements For the Year Ended February 29, 2024

### B. LIABILITIES

#### 1. Pension Plan:

##### Description of Plan

The Village participates in the New York State and Local Employees' Retirement System (ERS or the System). The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all assets and record changes in fiduciary net position allocated to the System.

The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November 2022 he was elected for a new term commencing January 1, 2023.

System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Generally, members of the System are employees of the State and its municipalities, other than New York City.

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

Separately issued financial statements can be viewed on the Comptroller's website at: [www.osc.state.ny.us/retire/about\\_us/financial\\_statements\\_index.php](http://www.osc.state.ny.us/retire/about_us/financial_statements_index.php).

##### Employer Contributions

Participating employers are required under the RSSL to contribute to the System at an actuarially determined rate adopted annually by the Comptroller. The average contribution rate for ERS for the fiscal year ended March 31, 2023 was approximately 11.6% of covered employee payroll. Delinquent annual bills for employer contributions accrue interest at the actuarial interest rate applicable during the year. For the fiscal year ended March 31, 2023, the applicable interest rate was 5.9%.

# INCORPORATED VILLAGE OF RUSSELL GARDENS

## Notes to the Financial Statements For the Year Ended February 29, 2024

Contributions for the current year and two preceding years were equal to 100% of the contributions required, and were as follows:

2023-2024	\$	43,085
2022-2023		75,010
2021-2022		66,320

### Member Contributions

Generally, Tier 3, 4, and 5 members must contribute 3% of their salary to the System. As a result of Article 19 of the RSSL, eligible Tier 3 and 4 employees, with a membership date on or after July 27, 1976, who have ten or more years of membership or credited service with the System, are not required to contribute. Members cannot be required to begin making contributions or to make increased contributions beyond what was required when membership began. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service.

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

At February 29, 2024, the Village reported a liability of \$247,296 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Village's proportion of the net pension liability was based on a projection of the Village's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At February 29, 2024, the Village's proportion was 0.0011532%, which was an increase of .0001077% from its proportion measured at March 31, 2022.

For the year ended February 29, 2024, the Village recognized pension expense of \$107,723.

At February 29, 2024, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 26,339	\$ 6,945
Changes of Assumptions	120,103	1,327
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	1,453
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	55,019	9,866
	\$ 201,461	\$ 19,591

# INCORPORATED VILLAGE OF RUSSELL GARDENS

## Notes to the Financial Statements For the Year Ended February 29, 2024

There were no amounts reported as deferred outflows of resources related to pensions resulting from the Village contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended March 31:

2024	\$ 49,667
2025	728
2026	62,028
2027	69,447
2028	-
	<u>\$ 181,870</u>

### Actuarial Assumptions

The total pension liability at March 31, 2023 was determined by using an actuarial valuation as of April 1, 2022, with update procedures used to roll forward the total pension liability to March 31, 2023. The actuarial valuation used the following actuarial assumptions:

	<u>ERS</u>
Inflation	2.9%
Salary increases	4.4%
Investment rate of return (net of investment expense including inflation)	5.9%
Cost-of-living adjustments	1.5%

Annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2021. The previous actuarial valuation as of April 1, 2020 used the same assumptions to measure the total pension liability.

The actuarial assumptions used in the April 1, 2022 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – April 1, 2020.

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

# INCORPORATED VILLAGE OF RUSSELL GARDENS

## Notes to the Financial Statements For the Year Ended February 29, 2024

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	32 %	4.30 %
International equity	15	6.85
Private equity	10	7.50
Real estate	9	4.60
Opportunistic/ARS Portfolio	3	5.38
Credit	4	5.43
Real assets	3	5.84
Fixed Income	23	1.50
Cash	1	0.00
	100 %	

The real rate of return is net of the long-term inflation assumption of 2.5%.

### Discount Rate

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

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

The following presents the Village's proportionate share of the current period net pension liability calculated using the discount rate of 5.9%, as well as what the Village's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.9%) or 1-percentage-point higher (6.9%) than the current rate:

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Village's proportionate share of the net pension liability (asset)	\$ 597,608	\$ 247,296	\$ (45,431)

**INCORPORATED VILLAGE OF RUSSELL GARDENS**  
**Notes to the Financial Statements**  
**For the Year Ended February 29, 2024**

Pension Plan Fiduciary Net Position

The components of the collective net pension liability of participating employers as of March 31, 2023, were as follows:

	Employees' Retirement System (Dollars in Thousands)
Employers' total pension liability	\$ 232,627,259
Plan net position	(211,183,223)
Employers' net pension liability	\$ 21,444,036
Ratio of fiduciary net position to the employers' total pension liability	90.78%

2. Post-Employment Healthcare Plan:

*Plan Description.* The Village sponsors a single-employer healthcare plan that provides post-employment medical benefits for eligible retirees and their spouses through the New York State Health Insurance Plan (NYSHIP) (the “Plan”). Substantially all of the Village’s employees may become eligible for these benefits if they reach normal retirement age while working for the Village. The Village does not issue a publicly available financial report for the plan; however, the financial activities of NYSHIP are included with the financial statements of the State of New York.

*Funding Policy.* The Plan provides a specified percentage of the retiree health premiums (and, if applicable, the retiree’s spouse’s premium) charged by the insurance carrier is paid by the Village. The Village contributes 50% of the cost of current-year premiums for eligible retired plan members and 35% for their spouse. The Village recognizes the cost of providing benefits by recording its share of insurance premiums as expenditures in the year paid.

At this time there is no New York statute providing local governments with the authority for establishing a post-employment benefits trust. Since the Village cannot fund the OPEB liability at this time, the required contribution is based on a projected pay-as-you-go financing requirement. The contribution requirements of Plan members and the Village are established by the Board of Trustees. For the year ended February 29, 2024, the Village did not make a contribution.



**INCORPORATED VILLAGE OF RUSSELL GARDENS**  
**Notes to the Financial Statements**  
**For the Year Ended February 29, 2024**

*Benefits Provided.* As of February 29, 2024 the following employees were covered by the benefit terms:

Active Employees	5
Inactive employees entitled to but not yet receiving benefit payments	-
Inactive employees or beneficiaries currently receiving benefit payments	5
Total	10

*Total OPEB Liability.* The Village's total OPEB liability of \$644,365 was measured using the Entry Age Normal Cost Method as of February 29, 2024.

*Actuarial Assumptions and Other Inputs*

Interest Rate	4.15%
2024 Healthcare Trends Rate (Pre-65/Post-65)	7.00%
2025 Healthcare Trends Rate (Pre-65/Post-65)	7.00%
Post-2025 Healthcare Trends Rate (Pre-65/Post-65)	7.00%

Mortality rates were based on the IRC 417(e) 2023 Applicable Mortality Table.

*Change in the Total OPEB Liability*

Balance at February 28, 2023	\$ 596,904
Changes:	
Service cost	11,938
Interest	24,473
Change in benefit terms	-
Difference between expected and actual experience	27,944
Changes in assumptions	13,249
Benefit Payments	(30,143)
Net changes	47,461
Balance at February 29, 2024	\$ 644,365

**INCORPORATED VILLAGE OF RUSSELL GARDENS**

**Notes to the Financial Statements  
For the Year Ended February 29, 2024**

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability of the Village, as well as what the Village’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.15%) or 1-percentage point higher (5.15%) than the current discount rate:

	1% Decrease (3.15%)	Discount Rate (4.15%)	1% Increase (5.15%)
Total OPEB Liability	\$ 721,361	\$ 644,365	\$ 579,978

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following presents the total OPEB liability of the Village, as well as what the Village’s total OPEB liability would be if it were calculated using the healthcare cost trend rates that is 1-percentage point lower (6.0%) or 1-percentage point higher (8.0%) than the healthcare cost trend rates:

	1% Decrease (6.0%)	Healthcare Cost Trend Rate (7.0%)	1% Increase (8.0%)
Total OPEB Liability	\$ 580,968	\$ 644,365	\$ 718,401

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.* For the year ended February 29, 2024, the Village recognized OPEB expense of \$77,604. At February 29, 2024, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 63,933	\$ 8,794
Changes of assumptions	40,376	58,740
Change in benefit terms	-	455,490
Total	\$ 104,309	\$ 523,024

**INCORPORATED VILLAGE OF RUSSELL GARDENS**

**Notes to the Financial Statements  
For the Year Ended February 29, 2024**

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

Year Ended February 28:	
2025	\$ (128,968)
2026	(135,108)
2027	(162,878)
2028	8,239
2029	-
Total	<u>\$ (418,715)</u>

3. Long-Term Liabilities:

a. Other Long-Term Liabilities – The local government had the following non-current liabilities:

- Compensated Absences – Represents the value of earned and unused portions of the liability for compensated absences.
- Net Pension Liability – Proportionate Share – Represents the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributable to those employees’ past periods of service.
- Other Post-Employment Benefits – Represents the non-current portion of the post-employment medical insurance benefits to current eligible employees and retirees.

b. The following is a summary of changes in long-term liabilities:

	<u>Compensated Absences</u>	<u>Other Post - Employment Benefits</u>	<u>Net Pension Liability</u>
Payable at beginning of fiscal year	\$ 27,075	\$ 596,904	\$ -
Additions	4,568	77,604	247,296
Reductions	-	(30,143)	-
Payable at end of fiscal year	<u>\$ 31,643</u>	<u>\$ 644,365</u>	<u>\$ 247,296</u>

**INCORPORATED VILLAGE OF RUSSELL GARDENS**  
**Notes to the Financial Statements**  
**For the Year Ended February 29, 2024**

**C. FUND BALANCE**

The government’s fund balance classification policies and procedures are as follows:

1. For committed fund balances:
  - a. The government’s highest level of decision-making authority resides with the Board of Trustees.
  - b. The formal action that is required to be taken to establish (and modify or rescind) a fund balance commitment is through formal resolution by the Board.
2. For assigned fund balances:
  - a. The body or official authorized to assign amounts to specific purpose is the Board of Trustees.
  - b. The policy established by the governing body pursuant to which the authorization to assign amounts to a specific purpose is given to the Board of Trustees.

In circumstances where an expenditure is incurred for a purpose for which amounts are available in multiple fund balance classifications (that is restricted, assigned or unassigned), the expenditure is to be spent first from the restricted fund balance to the extent appropriated by either budget vote or board approved budget revision and then from the assigned fund balance to the extent that there is an assignment and then from the unassigned fund balance.

The Village’s fund balance consisted of the following as of February 29, 2024:

	General
Nonspendable Fund Balance:	
Prepaid Items	\$ 19,852
Total Nonspendable Fund Balance	\$ 19,852
Assigned Fund Balance:	
Subsequent Year's Budget	\$ 1,494,000
Roads	500,000
Equipment	197,000
Technology	239,998
Building Maintenance	250,000
Total Assigned Fund Balance	\$ 2,680,998

**D. CONCENTRATIONS OF RISK**

The Village maintains all cash and cash equivalents in two depositories. FDIC insurance covers all government accounts up to \$250,000 (per official custodian) for demand accounts and time and savings accounts. All deposits in excess of the FDIC limit are fully collateralized.

# INCORPORATED VILLAGE OF RUSSELL GARDENS

## Notes to the Financial Statements For the Year Ended February 29, 2024

### E. COMMITMENTS AND CONTINGENCIES

Grants – The Village has received grants which are subject to audit by agencies of the State and Federal governments. Such audits may result in disallowances and a request for a return of funds. Based on past audits, the Village believes disallowances, if any, will be immaterial.

Certiorari Proceedings – From time to time, the Village is involved in certiorari proceedings under which taxpayers seek reduction in the assessed value of property upon which taxes are measured. A reduction in assessed valuation may result in a refund of real property taxes previously paid by the claimant. It is not possible to estimate the amount of refunds, if any, that the Village may be required to make for taxes collected through February 29, 2024, which could affect future operating budgets of the Village.

Litigation – The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; natural disasters, etc. These risks are covered by commercial insurance purchased through independent third parties.

There are no other contingencies that the Village is aware of that would have a material impact on the financial statements.

### F. BEGINNING BALANCE ADJUSTMENT

At February 29, 2024, the Village had an adjustment of \$262,051 to beginning net position. This adjustment was to record previously unrecorded valuations of deferred outflows of resources and deferred inflows of resources as it pertains to Other Post-Employment Benefits.

### G. SUBSEQUENT EVENTS

There were no events subsequent to February 29, 2024 and the date that these financial statements were available to be issued, August 7, 2024, that would have a material impact on these financial statements.

**INCORPORATED VILLAGE OF RUSSELL GARDENS**  
**Required Supplementary Information**  
**For the Year Ended February 29, 2024**  
**(Unaudited)**

**Statement of Revenues, Expenditures and Change in Fund Balance**  
**Budget and Actual - General Fund**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<b>Revenues:</b>			
Real Property Taxes	\$ 1,707,513	\$ 1,707,513	\$ 1,671,595
Real Property Tax Items	6,000	6,000	48,677
Non Property Tax Items	23,000	23,000	21,300
Use of Money and Property	31,140	31,140	152,260
Licenses and Permits	40,000	40,000	261,173
Fines and Forfeitures	10,000	10,000	63,410
Miscellaneous Local Sources	1,000	1,000	1,087
State and Federal Aid	326,494	326,494	284,751
Total Revenues	<u>2,145,147</u>	<u>2,145,147</u>	<u>2,504,253</u>
<b>Expenditures:</b>			
General Government Support	546,779	543,779	426,386
Public Safety	102,000	109,000	103,800
Transportation	921,508	937,508	584,944
Culture and Recreation	55,500	35,500	26,666
Home and Community Services	308,360	308,360	276,260
Employee Benefits	336,000	336,000	237,133
Total Expenditures	<u>2,270,147</u>	<u>2,270,147</u>	<u>1,655,189</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(125,000)</u>	<u>(125,000)</u>	<u>849,064</u>
<b>Other Financing Sources:</b>			
Proceeds from Sale of Asset	-	-	6,500
Insurance Recoveries	-	-	7,300
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>13,800</u>
<b>Net Change in Fund Balance</b>	<u>\$ (125,000)</u>	<u>\$ (125,000)</u>	862,864
<b>Fund Balance at Beginning of Year</b>			<u>2,304,924</u>
<b>Fund Balance at End of Year</b>			<u>\$ 3,167,788</u>

*See Notes to the Financial Statements*

**INCORPORATED VILLAGE OF RUSSELL GARDENS**  
**Required Supplementary Information**  
**For the Year Ended February 29, 2024**  
**(Unaudited)**

**Schedule of the Local Government's Proportionate Share of the Net Pension Liability (Asset)**

**NYSLRS Pension Plan**  
**For the Fiscal Year Ended February 29, \*\***

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Village's proportion of the net pension liability (asset)	0.0011532%	0.0010455%	0.0008439%	0.0010234%	0.0011663%	0.0012228%	0.0012770%	0.0013947%
Village's proportionate share of the net pension liability (asset)	\$ 247,296	\$ (85,467)	\$ 840	\$ 270,999	\$ 82,633	\$ 39,464	\$ 119,987	\$ 223,848
Village's covered payroll	\$ 347,848	\$ 301,202	\$ 486,452	\$ 492,511	\$ 469,353	\$ 465,316	\$ 481,287	\$ 430,919
Village's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	71.09%	(24.11%)	0.17%	55.02%	17.61%	8.48%	24.93%	51.95%
Plan fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%

**Notes to Schedule:**

Additional years will be presented as they become available for a full 10-year trend.

\*\* The amounts presented for the fiscal year were determined as of the March 31, 2023 measurement date.

**INCORPORATED VILLAGE OF RUSSELL GARDENS**  
**Required Supplementary Information**  
**For the Year Ended February 29, 2024**  
**(Unaudited)**

**Schedule of Local Government Contributions**

**NYSLRS Pension Plan**  
**For the Fiscal Year Ended February 29,**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 43,085	\$ 75,010	\$ 66,320	\$ 66,029	\$ 67,993	\$ 64,885	\$ 63,252	\$ 77,870
Contributions in relation to the contractually required contribution	<u>43,085</u>	<u>75,010</u>	<u>66,320</u>	<u>66,029</u>	<u>67,993</u>	<u>64,885</u>	<u>63,252</u>	<u>77,870</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered-employee payroll	\$ 347,848	\$ 301,202	\$ 486,452	\$ 492,511	\$ 469,353	\$ 465,316	\$ 481,287	\$ 430,919
Contributions as a percentage of covered-employee payroll	12.39%	24.90%	13.63%	13.41%	14.49%	13.94%	13.14%	18.07%

**Note to Schedule:**

Additional years will be presented as they become available for a full 10-year trend.



**INCORPORATED VILLAGE OF RUSSELL GARDENS**  
**Required Supplementary Information**  
**For the Year Ended February 29, 2024**  
**(Unaudited)**

**Schedule of Changes in Total OPEB Liability and Related Ratios**

**Total OPEB Liability**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Service cost	\$ 11,938	\$ 8,369	\$ 20,903	\$ 129,826
Interest	24,473	49,624	41,203	132,661
Changes of benefit terms	-	(752,998)	-	-
Difference between expected and actual experience	27,944	(5,608)	101,839	(60,924)
Changes in assumptions	13,249	(96,981)	37,011	-
Net benefits payments	(30,143)	(39,716)	(46,351)	(126,768)
Net change in total OPEB liability	47,461	(837,310)	154,605	74,795
Total OPEB liability - beginning of year	596,904	1,434,214	1,279,609	1,204,814
Total OPEB liability - end of year	<u>\$ 644,365</u>	<u>\$ 596,904</u>	<u>\$ 1,434,214</u>	<u>\$ 1,279,609</u>
Plan fiduciary net position as percentage of the total OPEB liability	0%	0%	0%	0%
Covered-employee payroll	347,848	301,202	236,698	N/A
Village's total OPEB liability as a percentage of covered-employee payroll	185%	198%	606%	N/A

**Notes to Schedule:**

Additional years will be presented as they become available for a full 10-year trend.

No assets accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75 to pay other post-employment benefits.

*Assumption Changes:*

Discount Rate	4.16%	4.10%	3.46%	3.22%
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*Plan Changes:*

	None	None	None	None
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*See Notes to the Financial Statements*