INCORPORATED VILLAGE OF RUSSELL GARDENS

GREAT NECK, NEW YORK

FINANCIAL STATEMENTS

FEBRUARY 28, 2021

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of governmental activities and each major fund of the Incorporated Village of Russell Gardens as of and for the year ended February 28, 2021, and the related notes to the financial statements, which collectedly comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Incorporated Village of Russell Gardens, as of February 28, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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

Skinnon and Faber, CPAs, P.C.

SKINNON AND FABER, CPAs, P.C.
Islandia, New York
July 12, 2021

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 28, 2021. 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, the schedule of local government contributions, the schedule of changes in net OPEB liability and related ratios, and the schedule of employer contributions.

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

Net Position

The Village's total net position increased by $256,825 from activities for the fiscal year ended February 28, 2021. 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

	February 28, 2021	February 29, 2020
Assets		
Current and Other Assets	$ 1,588,042	$ 1,223,143
Capital Assets (net)	298,824	297,895
Total Assets	1,886,866	1,521,038
Deferred Outflows of Resources	276,354	74,258
Liabilities		
Other Liabilities	16,442	29,684
Guaranty and Bid Deposits	67,829	-
Long-Term Liabilities	1,660,943	1,414,106
Total Liabilities	1,745,214	1,443,790
Deferred Inflows of Resources	42,600	32,925
Net Position		
Net Investment in Capital Assets	298,824	297,895
Unrestricted	76,582	(179,314)
Total Net Position	$ 375,406	$ 118,581

Net investment in capital assets is the Village's investment in capital assets, such as buildings and improvements, equipment and infrastructure, reduced by accumulated depreciation 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.

Changes 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 changes in net position from operating results is shown below.

Changes in Net Position from Operating Results – Governmental Activities

	For the Years Ended	
	February 28, 2021	**February 29, 2020**
Revenues		
Program Revenues:		
Fines, Fees, and Charges for Services	$ 106,461	$ 105,424
General Revenues and Special Items:		
Real Property Taxes and Related Tax Items	1,557,480	1,212,692
Non Property Taxes	19,932	18,758
Use of Money and Property	12,620	25,185
State and Federal Aid	55,207	96,827
Total Revenues	1,751,700	1,458,886
Expenses		
Governmental Activities:		
General Government Support	586,612	591,225
Public Safety	58,107	82,396
Transportation	558,794	605,918
Culture and Recreation	33,529	11,584
Home and Community Services	257,833	214,296
Total Expenses	1,494,875	1,505,419
Change in Net Position	256,825	(46,533)
Net Position - Beginning of Year	118,581	165,114
Net Position - End of Year	$ 375,406	$ 118,581

ANALYSIS OF POSITION AND RESULTS OF OPERATION

During the year, the Village had an excess of revenues over expenses of $256,825. This excess caused an increase in net position of the Village. No significant individual economic factor affected the operating results.

The Village had an increase in total revenue of $292,814 as compared to the prior year. This was mainly caused by an increase in real property tax revenue.

ANALYSIS OF BALANCES AND TRANSACTIONS OF INDIVIDUAL FUNDS

The General Fund balance increased by $308,013 to an ending fund balance of $1,453,638. The Board of Trustees is interested in maintaining this level of fund balance through careful budgeting and fiscal policies.

BUDGETARY ANALYSIS

There were multiple budget adjustments between the original adopted budget and final budget amounts. The following significant variances exist between the final budget for the fiscal year ended February 28, 2021 and the actual results:

Revenues:

- State Aid: Actual revenues were $353,293 lower than budgeted. The Village budget included plans to upgrade the lights to more efficient LED lighting, repair roads, and build a shed for the Department of Public Works. The Village anticipated receiving State Aid for these projects, however, during the fiscal year these projects did not commence.
- Licenses and Permits: Actual revenues were $47,847 higher than budgeted. The Village received a greater number of license and building permit applications than anticipated.
- Overall, total revenue was $304,391 under budget.

Expenditures:

- General Government Support: Actual expenditures related to general government support were $82,212 less than budgeted. Actual expenditures for legal counsel and personnel services that were less than the Village anticipated. Building maintenance expenditures were also less than anticipated due to the reduced use of Village Hall during the COVID-19 pandemic.
- Transportation: Actual expenditures related to transportation were $469,410 less than budgeted. The Village anticipated street repair and LED light conversion projects which did not take place in the fiscal year. The Village anticipates beginning these projects in the subsequent fiscal year.
- Overall, total expenditures were $612,404 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 28, 2021, the Village's investment in capital assets totaled $298,824 (net of accumulated depreciation). During the year, the Village purchased equipment, infrastructure and building and improvements with a cost totaling $29,938.

As of February 28, 2021, the Village had no long-term indebtedness.

INFRASTRUCTURE ASSETS

There were no significant changes in the assessed condition of eligible infrastructure assets.

CURRENTLY KNOWN FACTS, DECISIONS AND CONDITIONS

The current economic conditions mirror those of the rest of the region. The Village faces increasing costs and shrinking revenues from non property tax revenue. The administration has been diligent in containing expenses without sacraficing 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 28, 2021

ASSETS		
Cash and Cash Equivalents	$	1,509,067
Accounts Receivable		28,842
Prepaid Expenses		50,133
Capital Assets (net)		298,824
Total Assets		1,886,866
DEFERRED OUTFLOWS OF RESOURCES		276,354
LIABILITIES		
Accounts Payable		16,442
Guaranty and Bid Deposits		67,829
Long-Term Liabilities:		
Compensated Absences:		
Due Within One Year		47,017
Due in More Than One Year		63,318
Other Post-Employment Benefits:		
Due Within One Year		-
Due in More Than One Year		1,279,609
Net Pension Liability:		
Due Within One Year		-
Due in More Than One Year		270,999
Total Liabilities		1,745,214
DEFERRED INFLOWS OF RESOURCES		42,600
NET POSITION		
Net Investment in Capital Assets		298,824
Unrestricted		76,582
Total Net Position	$	375,406

See Notes to the Financial Statements

INCORPORATED VILLAGE OF RUSSELL GARDENS
Statement of Activities
For the Year Ended February 28, 2021

Functions/Programs	Expenses	Program Revenues: Fines, Fees and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) / Revenue
Governmental Activities:					
General Government Support	$ 586,612	$ 87,847	$ -	$ -	$ (498,765)
Public Safety	58,107	18,614	-	-	(39,493)
Transportation	558,794	-	-	-	(558,794)
Culture and Recreation	33,529	-	-	-	(33,529)
Home and Community Services	257,833	-	-	-	(257,833)
Total Governmental Activities	$ 1,494,875	$ 106,461	$ -	$ -	(1,388,414)

GENERAL REVENUES:	
Real Property Taxes and Related Tax Items	1,557,480
Non Property Tax Items	19,932
Use of Money and Property	12,620
State and Federal Aid	55,207
Total General Revenues	1,645,239
Change in Net Position	256,825
Net Position - Beginning of Year	118,581
Net Position - End of Year	$ 375,406

See Notes to the Financial Statements

INCORPORATED VILLAGE OF RUSSELL GARDENS
Balance Sheet
February 28, 2021

	General Fund
ASSETS	
Cash and Cash Equivalents	$ 1,509,067
Accounts Receivable	28,842
Total Assets	**$ 1,537,909**
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts Payable	$ 16,442
Guaranty and Bid Deposits	67,829
Total Liabilities	84,271
Fund Balance:	
Assigned Appropriated	134,785
Assigned Unappropriated	575,000
Unassigned	743,853
Total Fund Balance	1,453,638
Total Liabilities and Fund Balance	**$ 1,537,909**

See Notes to the Financial Statements

INCORPORATED VILLAGE OF RUSSELL GARDENS
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position
As of February 28, 2021

Total Fund Balance - Total Governmental Fund	$ 1,453,638
This amount differs from the amount of net position shown in the Statement of Net Position due to the following:	
Certain additional prepaid expenses are added to the government-wide financial statements as assets.	50,133
Capital assets are included as assets in the government-wide financial statements and are added, net of accumulated depreciation.	298,824
Proportionate share of long-term liability, deferred outflows and inflows associated with participation in the State retirement system are not current financial resources or obligations and are not reported in the funds.	233,754
Other long-term liabilities are not due and payable in the current period and, accordingly, are not reported in the governmental funds. However, these liabilities are included as liabilities in the government-wide financial statements.	
Compensated Absences	(110,335)
Other Post-Employment Benefits	(1,279,609)
Net Pension Liability	(270,999)
Total Net Position	$ 375,406

See Notes to the Financial Statements

INCORPORATED VILLAGE OF RUSSELL GARDENS
Statement of Revenues, Expenditures and Change in Fund Balance
For the Year Ended February 28, 2021

		General Fund
Revenues:		
Real Property Taxes	$	1,543,755
Real Property Tax Items		13,725
Non Property Tax Items		19,932
Use of Money and Property		12,620
Licenses and Permits		87,847
Fines and Forfeitures		18,614
State and Federal Aid		55,207
Total Revenues		1,751,700
Expenditures:		
General Government Support		465,103
Public Safety		55,862
Transportation		359,896
Culture and Recreation		26,805
Home and Community Services		257,833
Employee Benefits		278,188
Total Expenditures		1,443,687
Net Change in Fund Balance		308,013
Fund Balance at Beginning of Year		1,145,625
Fund Balance at End of Year	$	1,453,638

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 28, 2021

Net Change in Fund Balance Shown for Total Governmental Fund	$ 308,013
This amount differs from the change in net position shown in the Statement of Activities because of 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	
Capital Expenditures	29,938
Depreciation Expense	(29,009)
Net change in deferred outflows of resources not reported in the funds:	
Pension Related Amounts	72,510
Other Post-Employment Benefits	129,586
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.	(244,538)
Net change in deferred inflows of resources not reported in the funds:	
Pension Related Amounts	17,123
Other Post-Employment Benefits	(26,798)
Change in Net Pension of Governmental Activities Shown in the Statement of Activities	$ 256,825

See Notes to the Financial Statements

INCORPORATED VILLAGE OF RUSSELL GARDENS
Notes to the Financial Statements
For the Year Ended February 28, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The fund 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 more significant of the government's accounting policies are described below.

A. FINANCIAL REPORTING ENTITY

The Incorporated Village of Russell Gardens, (the "Village") was established in 1931. The Village is governed by Village law and other 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 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 Incorporated Village of Russell Gardens, (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 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 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 (the statement of Net Position and the Statement of Activities) report information on all of the activities of the Village. 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 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.

2. Fund Financial Statements:

The accounts of the Village are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for within a separate set of self-balancing accounts that compromise its assets, liabilities, fund balance, revenues and expenditures, which are segregated for the purpose of carrying out specific activities. The various funds are exhibited by type in the financial statements. The following fund types are used:

Fund Categories

a. 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 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.

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

c. Unrestricted net position - All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Fund Financial Statements

Fund balance is classified and displayed in five components:

a. 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.

b. 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.

c. 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.

d. 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.

e. 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.

C. MEASUREMENT FOCUS / BASIS OF ACCOUNTING

Measurement focus is the determination of what is measured, i.e. expenditures or expenses. 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.

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 on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position.

Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and 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, sales 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. Principal and interest on indebtedness are recognized as expenditures when payment is due.

c. Compensated absences, such as vacation and sick leave which vests or accumulates, are charged as expenditures when payment is due.

d. Other post-employment benefits are charged as expenditures when payment is due.

e. Pension costs are recognized as an expenditure when billed by the State.

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.

E. 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 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 percent 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.

F. BUDGETARY POLICIES

Budget Policies – The budget policies are as follows:

a. 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.

b. After public hearings are conducted to obtain comments, no later than February 1, the Board of Trustees adopts the budget.

c. All modifications of the budget must be approved by the Board of Trustees. However, the Treasurer is authorized to transfer certain budget amounts within departments.

d. Budgets are adopted annually on a basis consistent with generally accepted accounting principles.

e. Appropriations in all budgeted funds lapse at the end of the fiscal year, except that outstanding encumbrances are re-apportioned in the subsequent year.

G. CAPITAL ASSETS

Capital assets, which include buildings and improvements, equipment, infrastructure and land, are reported in the government-wide financial statements. Capital assets are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Depreciation has been recorded using the straight-line method over 20-50 years for buildings and improvements, 20-30 years for infrastructure and 5-7 years for equipment. 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.

H. 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.

I. 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 these other post-employment benefits payable is recorded as a long-term debt in the government-wide financial statements. The debt is estimated based on the most recent actuarial valuation in accordance with the parameters of GASB Statement No. 75.

J. 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.

K. USE OF ESTIMATES

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

L. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial 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 so will not be recognized as an outflow of resources (expenditure/expense) until that time.

In addition to liabilities, the statement of financial 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 so will not be recognized as an inflow of resources until that time.

M. ADOPTION OF ACOUNTING STANDARD

For the year ended February 28, 2021, the Village implemented GASB Statement No. 84, *"Fiduciary Activities"*. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on 1) whether a government is controlling the assets of the fiduciary activity and 2) the beneficiaries with whom a fiduciary relationship exists. As a result of the adoption of this standard, certain transactions previously reported within governmental funds are now reflected within the Fiduciary Fund, while other transactions previously reported in the Fiduciary Fund are now reflected within governmental funds.

N. RECLASSIFICATION OF PRIOR YEAR PRESENTATION

Certain prior year amounts have been reclassified to conform with the current year presentation with respect to the implementation of the provisions of GASB Statement No. 84. These reclassifications had no effect on previously reported fund balance amounts.

II. DETAIL NOTES ON ALL FUNDS

A. ASSETS

1. Cash and Investments:

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, and obligations of New York State or its localities.

Collateral is required for demand deposits and certificates of deposit as provided for by law of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

The written investment policy requires repurchase agreements to be purchased from banks located within the State and that underlying securities must be obligations of the federal government. Underlying securities must have a market value of at least a percentage provided for by law of the cost of the repurchase agreement.

For purposes of reporting cash flow, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and near their maturity.

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 28, 2021 totaled $1,562,111 and are covered by federal deposit insurance or third-party collateral as follow

Amount FDIC Insured	$ 250,000
Amount Collateralized by the Village's Custodial Banks	1,312,111
Total Amounts	$ 1,562,111

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

2. Changes in Capital Assets:

A summary of changes in capital assets follows:

INCORPORATED VILLAGE OF RUSSELL GARDENS
Notes to the Financial Statements
For the Year Ended February 28, 2021

	Balances Feb. 29, 2020	Additions	Reductions	Balances Feb. 28, 2021
Capital Assets That Are Not Depreciated:				
Land	$ 7,709	$ -	$ -	$ 7,709
Total Nondepreciable Cost	7,709	-	-	7,709
Capital Assets That Are Depreciated:				
Buildings and Improvements	272,828	15,620	-	288,448
Equipment	707,799	5,338	-	713,137
Infrastructure	18,150	8,980	-	27,130
Total Depreciable Cost	998,777	29,938	-	1,028,715
Less:				
Accumulated Depreciation:				
Buildings and Improvements	(92,098)	(9,659)	-	(101,757)
Equipment	(616,190)	(18,520)	-	(634,710)
Infrastructure	(303)	(830)	-	(1,133)
Total Accumulated Depreciated	(708,591)	(29,009)	-	(737,600)
Net Capital Assets That Are Depreciated	290,186	929	-	291,115
Grand Total	$ 297,895	$ 929	$ -	$ 298,824

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

Governmental Activities	
General Government Support	$ 2,648
Transportation	16,952
Culture and Recreation	9,409
Total Depreciation Expense – Governmental Activities	$ 29,009

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, 2018, he was elected for a new term commencing January 1, 2019.

The external advisory committees appointed by the Comptroller meet periodically throughout the year and provide independent, expert assistance in guiding the Fund. These committees include: the Advisory Council for the Retirement System; the Investment Advisory Committee; the Real Estate Advisory Committee; the Actuarial Advisory Committee; and the Audit Advisory Committee.

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.

Membership Tiers

Pension legislation enacted in 1973, 1976, 1983, 2009 and 2012 established distinct classes of membership. For convenience, the System uses a tier concept to distinguish these groups generally:

ERS

Tier 1	Those persons who last became members before July 1, 1973.
Tier 2	Those persons who last became members on or after July 1, 1973, but before July 27, 1976.
Tier 3	Generally, those persons who are State correction officers who last became members on or after July 27, 1976, but before January 1, 2010, and all others who last became members on or after July 27, 1976, but before September 1, 1983.
Tier 4	Generally, except for correction officers, those persons who last became members on or after September 1, 1983, but before January 1, 2010.
Tier 5	Those persons who last became members on or after January 1, 2010, but before April 1, 2012.
Tier 6	Those persons who first became members on or after April 1, 2012.

Vesting

Members who joined the System prior to January 1, 2010 need five years of service to be 100% vested. Members who joined on or after January 1, 2010 require ten years of service credit to be 100% vested.

Benefits

Tiers 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

Benefit Calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2% of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the three highest consecutive years of employment. For Tier 1 members who joined on or after June 17, 1971, each year used in the final average salary calculation is limited to no more than 20% greater than the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20% greater than the average of the previous two years.

Tier 3, 4, and 5

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4, and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2% of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5% of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with ten or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the three highest consecutive years of employment. For Tier 3, 4, and 5 members, each year of final average salary calculation is limited to no more than 10% greater than the average of the previous two years.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63.

Benefit Calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75% of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2% of final average salary is applied for each year of service over 20 years. Tier 6 members with ten or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10% greater than the average of the previous four years.

Disability Retirement Benefits

Disability retirement benefits are available to members unable to perform their job duties because of permanent physical or mental incapacity. There are three general types of disability benefits: ordinary, performance of duty, and accidental disability benefits. Eligibility, benefit amounts, and other rules such as any offsets or other benefits depend on a members' tier, years of service, and plan.

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first $50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for ten years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years; and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. The cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed $18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50% of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1% or exceed 3%.

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, 2020 was approximately 14.6% of 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, 2020, the applicable interest rate was 7%.

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.

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

2020-2021	$	66,320
2019-2020		66,029
2018-2019		67,993

<u>Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions</u>

At February 28, 2021, the Village reported a liability of $270,999 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2020, 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 Incorporated Village of Russell Gardens' long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At February 28, 2021, the Village's proportion was 0.0010234%. There was no significant change in the Village's proportionate share from March 31, 2019 (0.0011663%) to March 31, 2020 (0.0010234%).

For the year ended February 28, 2021, the Village recognized pension expense of $107,952. At February 28, 2021, 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	$ 15,949	$ -
Changes of Assumptions	5,457	4,712
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	138,927	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	43,511	11,090
	$ 203,844	$ 15,802

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:	
2021	$ 37,740
2022	49,048
2023	57,440
2024	43,814
2025	-
	$ 188,042

Actuarial Assumptions

The total pension liability at March 31, 2020 was determined by using an actuarial valuation as of April 1, 2019, with update procedures used to roll forward the total pension liability to March 31, 2020. The actuarial valuation used the following actuarial assumptions:

	ERS
Inflation	2.5%
Salary Increases	4.2%
Investment Rate of Return (Net of Investment Expense Including Inflation)	6.8%
Cost of Living Adjustments	1.3%

Annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System experience with adjustments for mortality improvements based on the Society of Actuaries Scale MP-2018. The previous actuarial valuation as of April 1, 2018 used the Society of Actuaries' Scale MP-2014.

The actuarial assumptions used in the April 1, 2019 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

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. The previous actuarial valuation as of April 1, 2018 used a long-term expected rate of return of 7%.

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	36 %	4.05 %
International equity	14	6.15
Private equity	10	6.75
Real estate	10	4.95
Absolute return strategies (1)	2	3.25
Opportunistic portfolio	3	4.65
Real assets	3	5.95
Bonds and mortgages	17	0.75
Cash	1	0.00
Inflation-indexed bonds	4	0.50
	100 %	

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

(1) Excludes equity-oriented and long-only funds. For investment management purposes, these funds are included in domestic equity and international equity.

<u>Discount Rate</u>

The discount rate used to measure the total pension liability was 6.8%. 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.

<u>Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption</u>

The following presents the Village's proportionate share of the current period net pension liability calculated using the discount rate of 6.8%, 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 (5.8%) or 1-percentage-point higher (7.8%) than the current rate:

	1% Decrease (5.8%)	Current Assumption (6.8%)	1% Increase (7.8%)
Village's proportionate share of the net pension liability	$ 497,360	$ 207,999	$ 62,520

Pension Plan Fiduciary Net Position

The components of the collective net pension liability of participating employers as of March 31, 2020, were as follows:

	Employees' Retirement System (in 000's)
Employers' total pension liability	$ 194,596,261
Plan net position	(168,115,682)
Employers' net pension liability	$ 26,480,579
Ratio of fiduciary net position to the employers' total pension liability	86.39%

2. Long-Term Debt:

a. Other Long-Term Debt – 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.

- Other Post-Employment Benefits – Represents the estimated liability of future health care benefits.

- Net Pension Liability – 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.

b. Summary of Long-Term Debt – The following is a summary of long-term liabilities by fund as of February 28, 2021:

	General
Compensated Absences	$ 110,335
Other Post-Employment Benefits	1,279,609
Net Pension Liability	270,999
Total Long-Term Debt	$ 1,660,943

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

	Compensated Absences	Other Post - Employment Benefits	Net Pension Liability
Payable at beginning of fiscal year	$ 126,659	$ 1,204,814	$ 82,633
Additions	-	74,795	188,366
Reductions	(16,324)	-	-
Payable at end of fiscal year	$ 110,335	$ 1,279,609	$ 270,999

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.

As of February 28, 2021 $134,785 of the Village's total fund balance was assigned appropriated in the budget for next year, $575,000 was assigned unappropriated for roads, heavy equipment, technology, and building maintenance, and $743,853 was unassigned.

D. POST-EMPLOYMENT HEALTHCARE PLAN

Plan Description. The Village of Russell Gardens 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 100% of the cost of current-year premiums for eligible retired plan members and their spouses. 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 28, 2021, the Village did not make a contribution.

Benefits Provided. As of March 1, 2021 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	3
Total	8

Total OPEB Liability. The Village's total OPEB liability of $1,279,609 was measured using the Entry Age Normal Cost Method as of March 1, 2021.

Actuarial Assumptions and Other Inputs

Interest Rate	3.22%
2021 Healthcare Trends Rate (Pre-65/Post-65)	6.00%
2022 Healthcare Trends Rate (Pre-65/Post-65)	6.00%

Mortality rates were based on the IRC 417(e) 2021 Applicable Mortality Table.

Change in the Total OPEB Liability

Balance at February 28, 2019	$ 1,204,814
Changes:	
Service cost	129,826
Interest	132,661
Changes in benefit terms	-
Difference between expected and actual experience	(60,924)
Benefit Payments	(126,768)
Net changes	74,795
Balance at February 28, 2021	$ 1,279,609

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 (2.22%) or 1 percentage point higher (4.22%) than the current discount rate:

	1% Decrease (2.22%)	Discount Rate (3.22%)	1% Increase (4.22%)
Total OPEB Liability	$ 1,436,079	$ 1,279,609	$ 1,148,621

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 (5%) or 1 percentage point higher (7%) than the healthcare cost trend rates:

	1% Decrease (5%)	Healthcare Cost Trend Rate (6%)	1% Increase (7%)
Total OPEB Liability	$ 1,150,660	$ 1,279,609	$ 1,430,050

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

For the year ended February 28, 2021, the Village recognized OPEB expense of $29,083. At February 28, 2021, 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	$ -	$ 26,798
Changes of assumptions	72,510	-
Net difference between projected and actual earnings on OPEB plan investments	-	-
Total	$ 72,510	$ 26,798

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 March 31:	
2021	$ (9,142)
2022	(9,142)
2023	(9,142)
2024	(9,142)
2025	(9,144)
Total	$ (45,712)

E. CONCENTRATIONS OF RISK

The Village maintains all cash and cash equivalents in one depository. 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.

F. COMMITMENTS AND CONTINGENCIES

Grants – The Village is a recipient of a number of State grants. These grants are administered by various agencies. These grants are subject to various compliance and financial audits by the respective agencies administering the grants, which could lead to certain disallowances. The Board believes that they have substantially complied with the rules and regulations as specified under the various grant agreements as well as rules and regulations of the respective agency for each grant.

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 28, 2021, 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.

G. SUBSEQUENT EVENTS

The Village has evaluated subsequent events through July 12, 2021, the date that the financial statements are considered available to be issued. In March 2021, a long-time Village employee retired. During fiscal year ending February 28, 2022 a payment of compensated absences will occur, for a retiring employee.

INCORPORATED VILLAGE OF RUSSELL GARDENS
Required Supplementary Information
For the Year Ended February 28, 2021
(Unaudited)

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

	Original Budget	Final Budget	Actual
Revenues:			
Real Property Taxes	$ 1,547,881	$ 1,547,881	$ 1,543,755
Real Property Tax Items	5,800	5,800	13,725
Non Property Tax Items	18,610	18,610	19,932
Use of Money and Property	20,300	20,300	12,620
Licenses and Permits	40,000	40,000	87,847
Fines and Forfeitures	15,000	15,000	18,614
State and Federal Aid	408,500	408,500	55,207
Total Revenues	2,056,091	2,056,091	1,751,700
Expenditures:			
General Government Support	525,240	547,315	465,103
Public Safety	75,000	67,925	55,862
Health	10	10	-
Transportation	845,045	829,306	359,896
Culture and Recreation	45,000	33,892	26,805
Home and Community Services	265,544	276,204	257,833
Employee Benefits	300,252	301,439	278,188
Total Expenditures	2,056,091	2,056,091	1,443,687
Net Change in Fund Balance	$ -	$ -	308,013
Fund Balance at Beginning of Year			1,145,625
Fund Balance at End of Year			$ 1,453,638

See Notes to the Financial Statements

INCORPORATED VILLAGE OF RUSSELL GARDENS
Required Supplementary Information
For the Year Ended February 28, 2021
(Unaudited)

Schedule of the Local Government's Proportionate Share of the Net Pension Liability

NYSLRS Pension Plan
For the 2021 Fiscal Year

	2021	2020	2019	2018	2017
Village's proportion of the net pension liability (asset)	0.0010234%	0.0011663%	0.0012228%	0.0012770%	0.0013947%
Village's proportionate share of the net pension liability (asset)	$ 270,999	$ 82,633	$ 39,464	$ 119,987	$ 223,848
Village's covered payroll	$ 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	55.02%	17.61%	8.48%	24.93%	51.95%
Plan fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	94.70%	90.70%

INCORPORATED VILLAGE OF RUSSELL GARDENS
Required Supplementary Information
For the Year Ended February 28, 2021
(Unaudited)

Schedule of Local Government Contributions

NYSLRS Pension Plan
For the 2021 Fiscal Year

	2021	2020	2019	2018	2017
Contractually required contribution	$ 66,029	$ 67,993	$ 64,885	$ 63,252	$ 77,870
Contributions in relation to the contractually required contribution	66,029	67,993	64,885	63,252	77,870
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Village's covered-employee payroll	$ 492,511	$ 469,353	$ 465,316	$ 481,287	$ 430,919
Contributions as a percentage of covered-employee payroll	13.41%	14.49%	13.94%	13.14%	18.07%

See Notes to the Financial Statements

INCORPORATED VILLAGE OF RUSSELL GARDENS
Required Supplementary Information
For the Year Ended February 28, 2021
(Unaudited)

Schedule of Changes in Net OPEB Liability and Related Ratios

Total OPEB Liability

	2021
Service cost	$ 129,826
Interest	132,661
Changes of benefit terms	-
Difference between expected and actual experience	(60,924)
Changes in assumptions	-
Net benefits payments	(126,768)
Net change in total OPEB liability	74,795
Total OPEB liability - beginning of year	1,204,814
Total OPEB liability - end of year	$ 1,279,609
Plan fiduciary net position as percentage of the total OPEB liability	0%

The information in this schedule is intended to show 10 years.
However, as of February 28, 2021 only one year is available.

INCORPORATED VILLAGE OF RUSSELL GARDENS
Required Supplementary Information
For the Year Ended February 28, 2021
(Unaudited)

Schedule of Other Post-Employment Benefit Contributions

Year Ended	Actuarially Determined Contribution (ADC)	Contributions Related to ADC	Contribution (Deficiency) Excess
February 28, 2021	$ 114,705	$ -	$ (114,705)
February 29, 2020	125,869	-	(125,869)
February 28, 2019	125,869	-	(125,869)

The information in this schedule is intended to show 10 years.
However, as of February 28, 2021 only three years are available.