



**Village of Quogue, N.Y.**

FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
(WITH INDEPENDENT AUDITORS' REPORT)

Year Ended May 31, 2024

**INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK - STATE OF NEW YORK  
Year Ended May 31, 2024**

---

**TABLE OF CONTENTS**

	<b>Page</b>
<b>Independent Auditors' Report</b>	1-2
<b>Management's Discussion and Analysis (Unaudited)</b>	3-9
<b>Basic Financial Statements:</b>	
Government-wide Financial Statements:	
Statement of Net Position	10
Statement of Activities	11
Fund Financial Statements:	
Governmental Funds Balance Sheets	12
Reconciliation of the Governmental Funds Balance Sheets to the Statement of Net Position	13
Governmental Funds Statements of Revenues, Expenditures, and Changes in Fund Balances	14
Reconciliation of the Governmental Funds Statements of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	15
Statement of Fiduciary Net Position	16
<b>Notes to Financial Statements</b>	17-42
<b>Required Supplementary Information Other Than Management's Discussion and Analysis:</b>	
Schedule of Changes in the Village's Total OPEB Liability and Related Ratios (Unaudited)	43
Budgetary Comparison Schedule – General Fund (Unaudited)	44
Schedule of the Village's Proportionate Share of Net Pension Liability (Asset) New York State and Local Retirement System (Unaudited)	45
Schedule of the Village's Contributions – ERS (Unaudited)	46
Schedule of the Village's Contributions – PFRS (Unaudited)	47
Schedule of Changes in the Village's Total Pension Liability Length of Service Awards Program (Unaudited)	48

## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Board of Trustees  
Incorporated Village of Quogue, New York

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the fiduciary fund of the Incorporated Village of Quogue, New York (the "Village"), as of and for the year ended May 31, 2024, and the related notes to the financial statements, which collectively comprise the Village's 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, each major fund, and the fiduciary fund of the Incorporated Village of Quogue, as of May 31, 2024, and the respective changes in financial position for the year then ended in conformity 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Incorporated Village of Quogue, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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.

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 Quogue's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Incorporated Village of Quogue's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Incorporated Village of Quogue's ability to continue as a going concern for a reasonable period of time.

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

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the Village's total OPEB liability and related ratios, budgetary comparison schedule, schedule of the Village's proportionate share of net pension liability (asset) – New York State and Local Retirement System, schedule of the Village's contributions – ERS, schedule of the Village's contributions – PFRS, and the schedule of changes in the Village's total pension liability – Length of Service Awards Program be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not 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 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.

*Satty, Levine & Ciacco CPAs PC*

Satty, Levine & Ciacco, CPAs, P.C.  
Melville, New York  
December 11, 2024

**INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK – STATE OF NEW YORK  
MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)  
MAY 31, 2024**

---

As management of the Incorporated Village of Quogue (the “Village”), we offer readers of the Village’s financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended May 31, 2024. Please read it in conjunction with the financial statements which follow this section.

**FINANCIAL HIGHLIGHTS**

As reflected in the government-wide financial statements, the liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources of the Village as of May 31, 2024 by \$5,737,780, reflecting a negative net position. There is a deficit balance of \$20,634,756 in the unrestricted amount of net position, which means the Village must meet its ongoing obligations to citizens and creditors from future revenues.

As reflected in the fund financial statements, as of May 31, 2024, the Village’s government funds reported an ending fund balance of \$11,877,233. Of this amount, \$286,815 is nonspendable, \$3,374,338 is restricted, \$1,007,609 is assigned and \$7,208,471 is unassigned.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Village’s basic financial statements. These basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements** - The government-wide financial statements are designed to provide readers with a broad overview of the Village’s finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the Village’s assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The Statement of Activities presents information showing how the government’s net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements distinguish function and programs of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from programs that are intended to recover all or a significant portion of their costs through user fees and charges.

The governmental activities of the Village include general government support, justice court, police protection, fire department, building department, roads and highways, parks and recreation, and sanitation.

The government-wide financial statements can be found on pages 10 and 11 of this report.

**Fund financial statements** - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into two categories: governmental and fiduciary funds.

**Governmental funds** - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements.

**INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK – STATE OF NEW YORK  
MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)  
MAY 31, 2024**

---

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term effect of the government’s near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains three governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Capital Projects Fund and Special Revenue Fund.

The Village adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements and reconciliations can be found on pages 12-15 of this report.

**Fiduciary Funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of these funds are not available to support the Village’s own programs.

The fiduciary fund financial statement can be found on page 16 of this report.

**Notes to the financial statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17-42 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the Village, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$5,737,780 at the close of the most recent fiscal year.

**INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK – STATE OF NEW YORK  
MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)  
MAY 31, 2024**

**VILLAGE’S NET POSITION**

	<b>Governmental Activities</b>		
	<b>2024</b>	<b>2023</b>	<b>Change</b>
Current and other assets	\$ 12,941,554	\$ 12,846,924	\$ 94,630
Capital assets, net	14,690,892	14,554,470	136,422
Other noncurrent assets	3,768,875	3,984,122	(215,247)
Total assets	31,401,321	31,385,516	15,805
Deferred outflows of resources	4,425,432	5,762,064	(1,336,632)
Total assets and deferred outflows of resources	35,826,753	37,147,580	(1,320,827)
Current liabilities	1,033,506	1,930,872	(897,366)
Non-current liabilities	26,297,599	27,229,188	(931,589)
Total liabilities	27,331,105	29,160,060	(1,828,955)
Deferred inflows of resources	14,233,428	15,618,450	(1,385,022)
Total liabilities and deferred inflows of resources	41,564,533	44,778,510	(3,213,977)
Net position:			
Net investment in capital assets	11,815,510	11,051,998	763,512
Restricted	3,081,466	3,281,660	(200,194)
Unrestricted (deficit)	(20,634,756)	(21,964,588)	1,329,832
Total net position (deficit)	\$ (5,737,780)	\$ (7,630,930)	\$ 1,893,150

Currently, the largest portion of the Village’s net position - \$11,815,510 - reflects its net investment in capital assets (e.g., land, buildings, improvements and machinery and equipment). Capital assets are used to provide services to citizens; consequently these assets are not available for future spending. Although the Village’s investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Current and other assets increased by \$94,630, mostly due to an increase in cash, offset mostly by a decrease in receivables.

Capital assets increased by \$136,422, primarily due to various additions, mostly offset by current year depreciation.

Other noncurrent assets decreased by \$215,247, due to the annual amortization of leases receivable.

Deferred outflows of resources decreased by \$1,336,632 primarily from annual amortization of prior year deferred outflows.

Current liabilities decreased by \$897,366 – there was a large balance in the prior year due to the accounts payable for the Scrub Oak & Jessup Avenue reconstruction project.

Non-current liabilities decreased by \$931,589, primarily due to lower balances due to the retirements systems.

**INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK – STATE OF NEW YORK  
MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)  
MAY 31, 2024**

Total deferred inflows of resources decreased by \$1,385,022. This was mainly due to amortization of prior year deferred inflows, partially offset by changes of assumptions and differences between actual and expected experiences for the retirement systems.

A portion of the Village’s net position, \$3,081,466, represents resources that are subject to external restriction on how they may be used. There was a decrease of \$200,194 from the prior year, primarily from spending bond proceeds on capital projects.

The remaining balance of unrestricted net position (deficit) of \$20,634,756 means the Village must meet its ongoing obligations to citizens and creditors from future revenue.

**VILLAGE’S CHANGES IN NET POSITION**

	<b>Governmental Activities</b>		
	<b>2024</b>	<b>2023</b>	<b>Increase (Decrease)</b>
Revenues:			
Program revenues:			
Charges for services	\$ 1,324,666	\$ 1,148,029	\$ 176,637
Operating grants	108,032	53,991	54,041
Capital grants	188,978	248,827	(59,849)
General revenues:			
Property taxes	7,930,912	7,712,522	218,390
Non-property taxes	106,306	92,388	13,918
Unrestricted investment earnings	842,559	403,496	439,063
Rental of village property	217,766	192,389	25,377
State aid	429,551	744,514	(314,963)
(Loss)/gain on capital asset dispositions	(5,304)	(14,479)	9,175
Miscellaneous	89,432	120,794	(31,362)
<b>Total Revenues</b>	<b>11,232,898</b>	<b>10,702,471</b>	<b>530,427</b>
Expenses:			
General government	1,626,437	1,530,603	95,834
Public safety	5,823,651	5,858,504	(34,853)
Transportation	1,251,463	1,233,901	17,562
Culture and recreation	396,947	408,806	(11,859)
Home and community services	137,936	93,863	44,073
Interest on long-term debt	103,314	34,995	68,319
<b>Total Expenses</b>	<b>9,339,748</b>	<b>9,160,672</b>	<b>179,076</b>
Change in Net Position	1,893,150	1,541,799	351,351
Beginning Net Position	(7,630,930)	(9,172,729)	1,541,799
Ending Net Position	<b>\$ (5,737,780)</b>	<b>\$ (7,630,930)</b>	<b>\$ 1,893,150</b>



**INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK – STATE OF NEW YORK  
MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)  
MAY 31, 2024**

---

**Revenue Categories:**

Program Revenues – includes charges for services, which provide a direct benefit to the purchaser, including fees for recreational and community events and building permits. Revenues contributed by external governments that are restricted to supporting these types of programs are also classified as program revenues as either operating or capital grants.

General Revenues – includes revenues that are available to fund the overall government and to provide a benefit to all taxpayers in the Village. This includes real property taxes and miscellaneous funds that may be generated during the course of the year, such as sales on excess equipment and insurance property loss claims received.

The Village’s revenues increased by \$530,427. This increase is due primarily to higher property taxes and an increase in unrestricted investment earnings as interest rates rose significantly throughout the year. This was partially offset by a decrease in state aid.

**Expense Categories:**

The Village’s expenses increased by \$179,076. Decreases in public safety and culture and recreation were offset by increases in all the other functions.

**FINANCIAL ANALYSIS OF THE VILLAGE’S FUNDS**

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds** - The focus of the Village’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Village’s net resources available for spending at the end of the fiscal year.

As of May 31, 2024, the Village's governmental funds reported combined ending balances of \$11,877,233, an increase of \$985,770 in comparison to the prior year. Of this total amount, \$7,208,471 constitutes unassigned fund balance, which is available for spending at the Village’s discretion.

**General Fund** – The General Fund is the chief operating fund of the Village. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$7,208,471, while total fund balance reached \$11,712,737. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total expenditures. Unassigned fund balance represents approximately 73% of total general fund expenditures, while total fund balance represents approximately 119% of general fund expenditures.

The fund balance of the Village’s General fund increased during the current year by \$1,505,844 to \$11,712,737. The key factor was transfers from the Capital Projects Fund and total revenues exceeding total expenditures.

**Special Revenue** – The fund balance in the Special Revenue Fund increased during the current fiscal year by \$2,940 to \$58,028. The key factor was interest earnings on bank accounts.

**Capital Projects Fund** – The fund balance in the Capital Projects Fund decreased during the current fiscal year by \$523,014 to \$106,468. The key factor was transfers to the General Fund and expenditures exceeding revenue.

**INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK – STATE OF NEW YORK  
MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)  
MAY 31, 2024**

---

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The Village’s General Fund adopted budget for the fiscal year ended May 31, 2024 was \$10,805,837. This amount was increased by encumbrances carried forward from the prior year in the amount of \$54,325 for a total budget of \$10,860,162.

The budget was funded through a combination of anticipated revenues. The major funding sources were real property taxes of \$7,900,546, departmental income of \$643,100, use of money and property of \$543,187 and state aid of \$624,600.

The General Fund performed favorably compared to budgeted revenues and expenditures.

Actual revenues of \$11,213,790 compared to the modified budget of \$10,346,134 with a positive variance to budget of \$867,656. This variance consisted primarily of additional interest earnings and departmental income.

Actual expenditures and encumbrances for the year were \$9,967,649 compared to the modified budget of \$10,860,162 with a positive variance to budget of \$838,188. This variance is primarily the result of certain budgeted line items being less than projected. Employee benefits was under budget by \$220,952.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets** - The Village’s investment in capital assets for its governmental activities as of May 31, 2024, amounts to \$14,690,892 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, infrastructure, structures, machinery and equipment, vehicles and equipment, and other building improvements.

**CAPITAL ASSETS**

As of the year ended May 31,	<u>2024</u>	<u>2023</u>
Land	\$ 557,249	\$ 557,249
Construction in progress	10,068	4,553
Land improvements	423,404	447,990
Infrastructure	6,512,658	6,118,620
Structures	5,039,606	5,326,624
Machinery and equipment	520,201	528,286
Vehicles and equipment	1,556,923	1,489,240
Other building improvements	70,783	81,908
Total	<u>\$ 14,690,892</u>	<u>\$ 14,554,470</u>

Additional information on the Village’s capital assets is shown in Note 6 on page 27 of this report.

**INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK – STATE OF NEW YORK  
MANAGEMENT’S DISCUSSION AND ANALYSIS (Unaudited)  
MAY 31, 2024**

---

**DEBT ADMINISTRATION**

The Village may borrow money in order to acquire land or equipment or construct buildings and improvements or infrastructure. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. The Village pledges its full faith and credit for the payment of principal and interest.

As of the year ended May 31,	<u>2024</u>	<u>2023</u>
General obligation bonds	<u>\$ 2,979,722</u>	<u>\$ 3,134,092</u>

Additional information on the Village’s outstanding debt is shown on Note 8 on page 29 of this report.

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES**

The 2024/2025 budget appropriations are \$11,350,090, which is about 5% more than the current year’s adopted budget. Most of the appropriations budget is about equal to the prior year with the exception of employee benefits, which has been increased by \$423,400. Property tax collections are budgeted to increase by \$349,837, about 4.5%.

**REQUEST FOR INFORMATION**

The financial report is designed to provide our citizens, customers, investors and creditors with general overview of the Village’s finances and to show the Village’s accountability for the money it receives. Questions concerning any information provided in this report should be addressed to the Village at 7 Village Lane, P.O. Box 926, Quogue, NY 11959.

INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK - STATE OF NEW YORK  
STATEMENT OF NET POSITION  
MAY 31, 2024

<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>	<u>GOVERNMENTAL ACTIVITIES</u>
<b>CURRENT ASSETS:</b>	
Cash - unrestricted	\$ 9,913,569
Cash - restricted	1,952,305
Accounts receivable	44,424
Leases receivable	215,247
Prepaid expenses	286,815
Due from other governments	187,625
LOSAP investments	341,569
TOTAL CURRENT ASSETS	<u>12,941,554</u>
<b>NON-CURRENT ASSETS:</b>	
Leases receivable - non-current	3,768,875
Non-depreciable capital assets	567,317
Depreciable capital assets, net of depreciation	14,123,575
TOTAL NON-CURRENT ASSETS	<u>18,459,767</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>	
Other post-employment benefits	1,661,241
Pensions - LOSAP	97,337
Pensions - NYS Retirement	2,666,854
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>4,425,432</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 35,826,753</u>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</u></b>	
<b>CURRENT LIABILITIES:</b>	
Accounts payable	\$ 122,697
Accrued liabilities	172,161
Due to retirement systems	164,977
Due to fiduciary fund	25,765
Security deposits	48,509
Accrued interest payable	39,433
Unearned revenue	314,964
Current portion of general obligation bonds payable	145,000
TOTAL CURRENT LIABILITIES	<u>1,033,506</u>
<b>NON-CURRENT LIABILITIES:</b>	
Net pension liability - NYS Retirement - proportionate share	3,424,497
Pension liability - LOSAP	292,872
Compensated absences payable	2,244,780
Post-employment benefits other than pension	17,500,728
General obligation bonds payable	2,834,722
TOTAL NON-CURRENT LIABILITIES	<u>26,297,599</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>	
Leases	3,984,122
Other post-employment benefits	8,910,330
Pensions - LOSAP	85,755
Pensions - NYS Retirement	1,253,221
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>14,233,428</u>
<b>NET POSITION:</b>	
Net investment in capital assets	11,815,510
Restricted	3,081,466
Unrestricted (deficit)	<u>(20,634,756)</u>
TOTAL NET POSITION (DEFICIT)	<u>(5,737,780)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (DEFICIT)	<u>\$ 35,826,753</u>

See accompanying notes to the financial statements.

INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK - STATE OF NEW YORK  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MAY 31, 2024

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION GOVERNMENTAL ACTIVITIES
		CHARGES FOR SERVICES	OPERATING GRANTS	CAPITAL GRANTS	
<b>GOVERNMENTAL ACTIVITIES:</b>					
General government	\$ 1,626,437	\$ 102,084	\$ -	\$ -	\$ (1,524,353)
Public safety	5,823,651	964,959	108,032	-	(4,750,660)
Transportation	1,251,463	1,500	-	188,978	(1,060,985)
Culture and recreation	396,947	234,215	-	-	(162,732)
Home and community services	137,936	21,908	-	-	(116,028)
Interest on long-term debt	103,314	-	-	-	(103,314)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 9,339,748</b>	<b>\$ 1,324,666</b>	<b>\$ 108,032</b>	<b>\$ 188,978</b>	<b>(7,718,072)</b>

**GENERAL REVENUES:**

Property taxes-levied for general purposes	7,930,912
Non-property taxes	106,306
Unrestricted investment earnings	842,559
Rental of village property	217,766
State aid	429,551
Gain (loss) on disposal of capital assets	(5,304)
Miscellaneous	89,432
<b>TOTAL GENERAL REVENUES</b>	<b>9,611,222</b>
<b>CHANGE IN NET POSITION</b>	<b>1,893,150</b>
<b>NET POSITION (DEFICIT) - BEGINNING</b>	<b>(7,630,930)</b>
<b>NET POSITION (DEFICIT) - ENDING</b>	<b>\$ (5,737,780)</b>

See accompanying notes to the financial statements.

INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK - STATE OF NEW YORK  
GOVERNMENTAL FUNDS BALANCE SHEETS  
MAY 31, 2024

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	TOTAL
<b>ASSETS:</b>				
Cash - unrestricted	\$ 9,911,441	\$ -	\$ 2,128	\$ 9,913,569
Cash - restricted	1,869,985	58,028	24,292	1,952,305
Accounts receivable	44,424	-	-	44,424
Leases receivable	3,984,122	-	-	3,984,122
Prepaid expenses	286,815	-	-	286,815
Due from other funds	62,086	-	82,176	144,262
Due from other governments	187,625	-	-	187,625
LOSAP investments	341,569	-	-	341,569
<b>TOTAL ASSETS</b>	<b>\$ 16,688,067</b>	<b>\$ 58,028</b>	<b>\$ 108,596</b>	<b>\$ 16,854,691</b>
<b>LIABILITIES:</b>				
Accounts payable	\$ 120,570	\$ -	\$ 2,128	\$ 122,698
Accrued liabilities	172,161	-	-	172,161
Due to retirement systems	164,977	-	-	164,977
Due to other funds	170,027	-	-	170,027
Security deposits	48,509	-	-	48,509
Unearned revenue	314,964	-	-	314,964
<b>TOTAL LIABILITIES</b>	<b>991,208</b>	<b>-</b>	<b>2,128</b>	<b>993,336</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Leases	3,984,122	-	-	3,984,122
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>4,975,330</b>	<b>-</b>	<b>2,128</b>	<b>4,977,458</b>
<b>FUND BALANCES:</b>				
Nonspendable:				
Prepaid expenses	286,815	-	-	286,815
Restricted:				
Parkland trust	-	58,028	-	58,028
Unspent bond proceeds	-	-	106,468	106,468
Building reserve	229,849	-	-	229,849
Fire department reserve	99,366	-	-	99,366
Highway reserve	223,197	-	-	223,197
Safety admin. reserve	51,673	-	-	51,673
Police department reserve	304,203	-	-	304,203
LOSAP	341,569	-	-	341,569
Employee benefit reserve	1,715,793	-	-	1,715,793
Tifft fund	154,192	-	-	154,192
Other purposes	90,000	-	-	90,000
Assigned fund balances:				
Designated for special purpose	345,424	-	-	345,424
Encumbrances	362,185	-	-	362,185
Appropriated for subsequent year's budget	300,000	-	-	300,000
Unassigned fund balance	7,208,471	-	-	7,208,471
<b>TOTAL FUND BALANCES</b>	<b>11,712,737</b>	<b>58,028</b>	<b>106,468</b>	<b>11,877,233</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 16,688,067</b>	<b>\$ 58,028</b>	<b>\$ 108,596</b>	<b>\$ 16,854,691</b>

See accompanying notes to the financial statements.

**INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK - STATE OF NEW YORK  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEETS TO THE STATEMENT OF NET POSITION  
MAY 31, 2024**

TOTAL GOVERNMENTAL FUND BALANCE		\$ 11,877,233
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.		14,690,892
Interest payable on long-term debt does not require current financial resources. Therefore interest payable is not reported as a liability in the governmental funds balance sheet.		(39,432)
Proportionate share of long-term liability, and 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.		
Deferred outflows of resources	2,666,854	
Deferred inflows of resources	(1,253,221)	
Net pension liability - proportionate share	<u>(3,424,497)</u>	(2,010,864)
Long-term liability, and deferred outflows and inflows associated with participation in the LOSAP retirement plan are not current financial resources or obligations and are not reported in the funds.		
Deferred outflows of resources	97,337	
Deferred inflows of resources	(85,755)	
Pension liability	<u>(292,872)</u>	(281,290)
Long-term liability, and deferred outflows and inflows associated with other post-employment benefits are not current financial resources or obligations and are not reported in the funds.		
Deferred outflows of resources	1,661,241	
Deferred inflows of resources	(8,910,330)	
Other post-employment benefits liability	<u>(17,500,728)</u>	(24,749,817)
Long term liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet.		
Serial bonds payable	(2,979,722)	
Compensated absences payable	<u>(2,244,780)</u>	(5,224,502)
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ (5,737,780)</u>

See accompanying notes to the financial statements.

**INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK - STATE OF NEW YORK  
GOVERNMENTAL FUNDS STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED MAY 31, 2024**

	GOVERNMENTAL FUND TYPES			TOTAL
	GENERAL FUND	SPECIAL REVENUE	CAPITAL PROJECTS	
<b>REVENUES:</b>				
Real property taxes	\$ 7,901,823	\$ -	\$ -	\$ 7,901,823
Other tax items	29,089	-	-	29,089
Non property tax items	106,306	-	-	106,306
Departmental income	1,091,487	-	-	1,091,487
Intergovernmental charges	33,153	-	-	33,153
Use of money and property	818,149	2,940	21,469	842,558
Rental of village property	217,766	-	-	217,766
Licenses and permits	89,355	-	-	89,355
Fines and forfeitures	110,671	-	-	110,671
Sale of property and compensation for loss	19,583	-	-	19,583
Miscellaneous local sources	69,848	-	-	69,848
State aid	726,560	-	-	726,560
<b>TOTAL REVENUES</b>	<b>11,213,790</b>	<b>2,940</b>	<b>21,469</b>	<b>11,238,199</b>
<b>EXPENDITURES:</b>				
General government support	1,255,216	-	-	1,255,216
Public safety	3,705,060	-	-	3,705,060
Transportation	1,123,487	-	366,956	1,490,443
Culture and recreation	246,023	-	-	246,023
Home and community services	137,936	-	-	137,936
Employee benefits	3,158,048	-	-	3,158,048
Debt Service:				
Principal	135,000	-	-	135,000
Interest	124,703	-	-	124,703
<b>TOTAL EXPENDITURES</b>	<b>9,885,473</b>	<b>-</b>	<b>366,956</b>	<b>10,252,429</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>1,328,317</b>	<b>2,940</b>	<b>(345,487)</b>	<b>985,770</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	259,703	-	82,176	341,879
Transfers (out)	(82,176)	-	(259,703)	(341,879)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>177,527</b>	<b>-</b>	<b>(177,527)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>1,505,844</b>	<b>2,940</b>	<b>(523,014)</b>	<b>985,770</b>
<b>FUND BALANCES - BEGINNING</b>	<b>10,206,893</b>	<b>55,088</b>	<b>629,482</b>	<b>10,891,463</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 11,712,737</b>	<b>\$ 58,028</b>	<b>\$ 106,468</b>	<b>\$ 11,877,233</b>

See accompanying notes to the financial statements.



**INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK - STATE OF NEW YORK  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENTS OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MAY 31, 2024**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	985,770
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p> <p>Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense.</p>		
Capital asset additions	1,197,008	
Depreciation expense	<u>(1,055,282)</u>	141,726
Gain (loss) on dispositions		
Gains and losses on disposals of equipment are not reported in the governmental funds, but are included in the Statement of Activities		(5,304)
<p>The issuance of long-term debt provides current financial resources to the governmental funds, while the repayment of long-term debt consumes the current financial resources of governmental funds, neither transaction has any effect on net position</p>		
Repayment of bond principal	135,000	
Amortization of premium on bond payable	<u>19,370</u>	154,370
<p>Accrued interest payable is recognized for governmental activities, but is not due and payable in the current period and therefore is not reported as a liability in the governmental funds. The change in the liability is recognized.</p>		
		2,020
<p>Some expenses in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:</p>		
Change in long-term compensated absences payable		(173,192)
<p>Changes in the Village's liability for other post-employment benefits have no effect on current financial resources and therefore are not reported in the governmental funds. In addition, changes to the Village's deferred outflows and inflows related to other post-employment benefits do not affect current financial resources and are also not reported in the governmental funds.</p>		
Deferred outflows of resources	(1,192,101)	
Deferred inflows of resources	2,254,358	
Other post-employment benefits	<u>132,297</u>	1,194,554
<p>Changes in the Village's pension liabilities under its service award program for firefighters have no effect on current financial resources and therefore are not reported in the governmental funds. In addition, changes to the Village's deferred outflows and inflows related to such pensions do not affect current financial resources and are also not reported in the governmental funds.</p>		
Deferred outflows of resources	10,461	
Deferred inflows of resources	16,747	
Net pension liability - proportionate share	<u>(43,694)</u>	(16,486)
<p>Changes in the Village's proportionate share of pension liabilities have no effect on current financial resources and therefore are not reported in the governmental funds. In addition, changes to the Village's deferred outflows and inflows related to pensions do not affect current financial resources and are also not reported in the governmental funds.</p>		
Deferred outflows of resources	(154,992)	
Deferred inflows of resources	(1,087,124)	
Net pension liability - proportionate share	<u>851,808</u>	(390,308)
Change in net position of governmental activities	<u>\$</u>	<u>1,893,150</u>

See accompanying notes to the financial statements.

**INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK - STATE OF NEW YORK  
STATEMENT OF FIDUCIARY NET POSITION  
MAY 31, 2024**

---

	<b>CUSTODIAL FUNDS</b>
<b>ASSETS:</b>	
Due from governmental funds	<u>\$ 25,765</u>
TOTAL ASSETS	<u>\$ 25,765</u>
<b>LIABILITIES:</b>	
Redeemed tax sale certificates	<u>\$ 25,765</u>
TOTAL LIABILITIES	<u>\$ 25,765</u>

See accompanying notes to the financial statements.

**INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK – STATE OF NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2024**

---

**Note 1. Summary of Significant Accounting Policies**

**A. Organization**

The Incorporated Village of Quogue (the "Village") was incorporated in 1928. The Village operates under a Board of Trustees form of government and provides the following services as authorized by its charter: general government, police, fire protection, justice court, roads and highways, beach, parks and recreation, and building department.

The financial statements of the Village have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the standard-setting body for governmental accounting and financial reporting. The more significant accounting policies established in GAAP and used by the Village are described below.

**B. Financial Reporting Entity**

The Incorporated Village of Quogue is governed by the 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 Treasurer serves as chief fiscal officer.

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

The financial reporting 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 exclusions would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Statement No. 61.

**C. Basis of Presentation**

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the government-wide statements, certain financial transaction are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic resource measurement focus of the statement of activities, compared with the current financial resource measurement focus of the governmental funds.

**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. The effect of interfund activity has been removed from these statements.

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK – STATE OF NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2024**

---

**Note 1. Summary of Significant Accounting Policies** (continued)

**Fund Financial Statements**

The Village segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. These statements present each major fund as a separate column on the fund financial statements.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The Village has presented the following major governmental funds:

1. General fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.
2. Capital fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays including the acquisition or construction of major capital assets.
3. Special Revenue fund – Parkland - is used to account for and report the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The special revenue fund of the Village includes the Parkland Trust, which is used to account for activities related to improvements and land acquisitions for the parks.

Fiduciary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objective is determinations of financial position. All assets and liabilities are included on the statement of fiduciary net position. These activities are not included in the government-wide financial statements because their resources are not available to be used. The Village has presented a single fiduciary fund consisting of monies held by the Village in a purely custodial capacity. Since such funds are custodial in nature (i.e., assets equal liabilities), and there has been no change in balance, only the statement of fiduciary net position has been presented.

**D. Basis of Accounting**

Basis of accounting refers to when revenues and expenditures/expenses and the related assets and liabilities are recognized in the account 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.

Governmental activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e. both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred, except that:

- a. Expenditures for prepaid expenses and inventory-type items are recognized at the time of purchase.
- b. Principal and interest on indebtedness are not recognized as expenditures until due.
- c. Compensated absences, such as vacation and sick leave that vests or accumulates, are charged as an expenditure when paid.

**INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK – STATE OF NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2024**

---

**Note 1. Summary of Significant Accounting Policies** (continued)

**E. Budgetary Data**

Budgets are adopted annually. All budget amounts provided in this report have been modified where necessary. The Village's procedures in establishing the budgetary data reflected in the financial statements are as follows:

- a. On or before March 31<sup>st</sup>, the budget officer prepares estimates for each administrative unit.
- b. No later than March 31<sup>st</sup>, the budget officer submits a tentative budget to the Board of Trustees for the fiscal year commencing the following June 1<sup>st</sup>. This tentative budget includes proposed expenditures and the means of financing for the general fund.
- c. A public hearing is conducted by the Board of Trustees to obtain comments.
- d. No later than May 1<sup>st</sup>, the Board of Trustees adopts the budget of the Incorporated Village of Quogue.

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.)

**F. Cash and Cash Equivalents**

The Village primarily maintains its cash and investments in individual segregated accounts grouped by fund. All investments with an original maturity of three months or less when purchased are considered cash equivalents. Cash on deposit with financial institutions is collateralized in accordance with New York State statutes.

**G. Investments**

Investments are reported at fair value, and consist of assets held for the Village sponsored service award program. See Note 8 and 10 for additional disclosures.

**H. Receivables**

Receivables include amounts due from federal, state and other governments or entities for services provided by the Village. Receivables are recorded and revenues recognized as earned. No allowance for uncollectible accounts has been recorded since it is believed that such allowance would not be material.

**I. Interfund Transactions**

The operations of the Village include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The Village typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditures and revenues to provide financing or other services.

In the government-wide statements, the amounts reported on the statement of net position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to the fiduciary funds.

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables are netted on the accompanying governmental funds balance sheet when it is the Village's practice to settle these amounts at a net balance based upon the right of legal offset.

A detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenues activity is provided subsequently in these notes.

**INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK – STATE OF NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2024**

---

**Note 1. Summary of Significant Accounting Policies (continued)**

**J. Prepaid Items**

Prepaid items in the fund and government-wide statements represent expenses paid that will benefit the subsequent period.

**K. Capital Assets**

Capital assets are reported in the applicable governmental activities columns in the government-wide financial statements. All capital assets purchased or acquired with an original cost of \$500 or more and an estimated useful life in excess of one year are reported at historical cost or estimated historical cost if the actual historical cost is not available. Contributed assets are reported at a fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives.

Land improvements	20 years
Infrastructure	20-75 years
Structures	10-40 years
Vehicles and equipment	8-15 years
Machinery and equipment	5-20 years
Other building improvements	20 years

The Village evaluated prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. The Village's policy is to record an impairment loss in the period when the Village determines that the carrying amount of the asset will not be recoverable. As of May 31, 2024, the Village has not recorded any such impairment losses.

**L. Unearned Revenues**

Unearned revenues represent a liability for fees which pertain to services that will be provided by the Village in the next fiscal year, and for grant revenues collected in advance of eligible grant expenditures.

**M. Leases**

Lessor

With the exception of short-term leases, when the Village is a lessor in noncancellable lease arrangements the Village recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the Village initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources is initially measured at the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments related to leases include how the Village determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The Village uses its incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The Village monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK – STATE OF NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2024**

---

**Note 1. Summary of Significant Accounting Policies** (continued)

**N. Deferred Inflows and Deferred Outflows of Resources**

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Village reports two types of items that qualify for reporting in this category. They are related to pensions and other post-employment transactions reported in the government-wide statement of net position. They represent the difference between expected and actual experience, and the changes in proportion and differences between employer contributions and proportionate share of contributions.

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Village reports four items that qualify for reporting in this category. Two of which are related to pensions and one related to other post-employment transactions reported in the government-wide statement of net position. They represent the difference between expected and actual experience, changes of assumptions, the net difference between projected and actual investment earnings, changes in proportion and differences between employer contributions and proportionate share of contributions, and the Village's contributions to the pension system subsequent to the measurement date. The Village also reports deferred inflows related to leases in the governmental funds balance sheet, as well as the statement of financial position. Deferred amounts related to leases represent future inflows of resources which will be recognized as revenue over the life of the lease term.

**O. Compensated Absences**

Compensated absences of the Village consists of vacation and sick leave to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the Village and the employee.

**P. Accrued Liabilities and Long-Term Obligations**

Payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, and compensated absences that will be paid from governmental funds, are reported as a liability in the funds financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due. Long-term liabilities are liquidated through future budgetary appropriations of the general fund.

Long-term obligations represent the Village's future obligations or future economic outflows. The liabilities are reported as due within one year or due in more than one year in the statement of net position.

**Q. Use of Estimates**

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

**INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK – STATE OF NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2024**

---

**Note 1. Summary of Significant Accounting Policies** (continued)

**R. Other Benefits**

Eligible Village employees participate in the New York State Employees' Retirement System and the New York State and Local Police and Fire Retirement System.

In addition to providing pension benefits, the Village provides post-employment health insurance coverage for retired employees. The Village accounts for these postemployment benefits in accordance with GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*. In the government-wide statements, postemployment costs are measured and disclosed using the accrual basis of accounting. The cost of providing these benefits is recorded as an expenditure in the governmental funds in the year paid.

**S. Restricted Length of Service Award Program Investments**

Investments of the Length of Service Award Program for firefighters are held by Article 11-A of the General Municipal Law of the State of New York in a grantor/rabbi trust account in the Village's name. These assets are primarily invested in mutual funds and corporate bonds. These assets are reported at fair value as discussed in Note 10, and the details of the benefits offered and pension liability associated with the program are discussed in Note 8.

**T. Reclassifications**

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

**U. Insurance**

The Village insures against 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.

**V. Equity Classifications**

**Government-wide Statements**

In the government-wide statements there are three classes of net position.

Net investment in capital assets – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets.

Restricted net position – reports net position when constraints placed on the assets are either externally imposed by creditors (such as through debt covenants), grantors, contributions, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – reports all other net position that do not meet the definition of “restricted” or “net investment in capital assets”, and are deemed to be available for general use by the Village.

**Governmental Fund Statements**

In the fund statements, governmental fund equity is classified as fund balance and may consist of five classifications under GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The Village only utilizes the following four:

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.



**INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK – STATE OF NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2024**

---

**Note 1. Summary of Significant Accounting Policies (continued)**

**Governmental Fund Statements (continued)**

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. Restricted fund balances, including reserves in accordance with New York State law, are created to satisfy legal restrictions, plan for future expenditures or relate to resources not available for general use or appropriation. These reserve funds are established through Board action or voter approval and a separate identity must be maintained for each reserve. Earnings on the invested resources become part of the respective reserve funds; however, separate bank accounts are not necessary for each reserve fund. Restricted balances currently reported by the Village include the following:

Parkland Trust – the reserve for parkland trust reports funds which are restricted by Village Law Section 7-730 for capital expenditures related to parks, playgrounds and recreational designated areas.

Unspent Bond Proceeds – unspent long-term bond proceeds are recorded as restricted fund balance because they are subject to external constraints contained in the debt agreement. These restricted funds are accounted for in the capital projects fund.

Capital Reserves – the capital reserve funds include the Building, Fire Department, Highway, Police Department and Safety Admin. Reserves. These reserves accumulate monies for repairs of capital improvements, or equipment, which repairs are of a type not recurring annually or at shorter intervals. These reserves were established pursuant to General Municipal Law Section 6-d.

Employee Benefit Accrued Liability Reserve – this reserve reports funds which are restricted for the payment of accrued employee benefits due an employee upon termination of the employee's service. This reserve was established pursuant to General Municipal Law Section 6-p.

Length of Service Award Program – The Village sponsors a length of service award program for the fire department, as described in Note 8. Those assets, in accordance with GASB Statement No. 73, are to be recorded within the governmental funds of the Village and are restricted by General Municipal Law Article 11-A.

Tift Fund – The Village received a contribution that stipulated it was to be used for the equal benefit of the Quogue police department and for the replacement or improvement of the equipment or premises of the Quogue fire department.

Assigned – Consists of amounts that are subject to a purpose constraint that represents an intended use established by the Village's Board of Trustees. 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. Assigned fund balance may include an amount appropriated to partially fund the subsequent year's budget and may also include encumbrances not classified as restricted at the end of the year. The assigned fund balance also includes the Jobson Fund, which is available to support Village programs and the earnings of the Tift Fund, which are to be used for the equal benefit of the police and fire departments.

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

**INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK – STATE OF NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2024**

---

**Note 1. Summary of Significant Accounting Policies** (continued)

**Governmental Fund Statements** (continued)

The Board of Trustees shall delegate the authority to assign fund balance, for encumbrance purposes, to the person(s) to whom it has delegated the authority to sign purchase orders.

In circumstances where an expenditure is incurred for a purpose for which amounts are available for 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 assigned fund balance.

The Village segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. These statements present each major fund as a separate column on the fund financial statements.

**Note 2. Cash and Investments**

The Village's investment policies are governed by state statutes. In addition, the Village has its own written investment policy. Village monies must be deposited in FDIC-insured commercial banks or trust companies located within the state. The Village 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 at 100% 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 100% of the cost of the repurchasing agreement.

Custodial credit risk for deposits exists when, in the event of the failure of a depository financial institution, a government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party.

Governmental Accounting Standards Board Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either:

- Uncollateralized,
- Collateralized with securities held by the pledging financial institution, or
- Collateralized with securities held by the pledging financial institution's trust department or agent but not in the Village's name.

**INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK – STATE OF NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2024**

---

**Note 2. Cash and Investments** (continued)

Deposits

Bank balances for the Village’s cash at May 31, 2024 consisted of:

Checking - interest bearing	\$ 1,774
Checking - non-interest bearing	<u>8,268,982</u>
Total balances	<u>\$ 8,270,756</u>
Amount FDIC insured	\$ 251,774
Collateral held by Village's custodial banks	<u>8,018,982</u>
	<u>\$ 8,270,756</u>

At May 31, 2024 the cash in banks were entirely collateralized by the FDIC insurance, FHLB/LOC or securities held by the bank, in trust or third party, in the name of the Village.

Investments

The Village participates in a multi-municipal cooperation investment pool agreement pursuant to New York State General Municipal Law Article 5-G, Section 119-0, whereby it holds a portion of the investments in cooperation with other participants. These investments are highly liquid and considered to be cash equivalents. The pool is authorized to invest in various securities issued by the United States and its agencies. The Village’s share of investment at May 31, 2024 was \$3,867,727. This amount represents the cost of the investment pool shares and is considered to approximate market value. These investments are not subject to risk categorization and are not subject to fair market measurement disclosures as they meet the criteria for an external investment pool.

Total investments of the cooperative as of June 30, 2023 were \$8,471,668,129, which consisted of \$2,530,081,947 in repurchase agreements and \$4,872,964,329 in U.S. Government Treasury Securities. The cooperative also had \$1,068,621,853 in collateralized bank deposits. The New York Cooperative Liquid Asset Securities System (NYCLASS) is rated AAAM by Standard and Poor’s Rating Agency. Additional information concerning NYCLASS is presented in the annual report of 2023, available at: <https://www.newyorkclass.org/>

**Note 3. Budget Basis of Accounting**

Budgets

The Mayor prepares a proposed budget for approval by the Board of Trustees for the General Fund, the only fund with a legally adopted budget. Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Appropriations authorized in the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists, which was not determined at the time the budget was adopted. No additional appropriations occurred during the year.

Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year. Budgets are established and used for individual Capital Project Fund expenditures as approved by the Board. The maximum project amount authorized is based primarily upon the cost of the project, plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

**INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK – STATE OF NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2024**

---

**Note 3. Budget Basis of Accounting** (continued)

**Encumbrances**

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts, and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year end are presented as part of assigned fund balance, unless classified as restricted, and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred or the commitment is paid.

**Note 4. Real Property Taxes**

Real property taxes are levied annually no later than May 15<sup>th</sup> and become a lien on the first day of the levy year. Taxes are collected during the period June 1<sup>st</sup> to July 1<sup>st</sup> without penalty or interest. Thereafter, penalty and interest are imposed pursuant to the Real Property Tax Law.

After the return of the tax warrant and certification to the Board of Trustees of the uncollected tax items, an annual sale of the tax liens is held pursuant to the provisions of the Real Property Tax Law.

**Note 5. Interfund Receivables, Payables and Transfers**

Interfund receivables and payables - At May 31, 2024, the statements of the Village include a net of balances due to/from other funds in the amount of \$25,765 as detailed below. Receivables in the custodial fund represent monies received by the general fund that are due back to the custodial fund, and are short term in nature.

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
Custodial fund	General fund	<u>\$ 25,765</u>
Total - fund financial statements		<u>\$ 25,765</u>
Less: fund eliminations		<u>-</u>
Total net interfund balances - government-wide statement of net position		<u>\$ 25,765</u>

The Village typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund balances are expected to be repaid in one year.

Interfund transfers – A schedule of interfund transfers for the year ended May 31, 2024, is as follows:

<u>Receiving fund</u>	<u>Paying fund</u>	<u>Amount</u>
General fund	Capital Projects fund	<u>\$ 259,703</u>
Capital Projects fund	General fund	<u>82,176</u>
Total - fund financial statements		<u>\$ 341,879</u>

**INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK – STATE OF NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2024**

**Note 6. Changes in Capital Assets**

A summary of capital assets transactions for the year ended May 31, 2024 is as follows:

	<u>Beginning Balance</u>	<u>Additions/ Transfers</u>	<u>Retirements/ Transfers</u>	<u>Ending Balance</u>
<b>Non-Depreciable Capital Assets:</b>				
Land	\$ 557,249	\$ -	\$ -	\$ 557,249
Construction in progress	4,553	10,068	(4,553)	10,068
Total Non-Depreciable Capital Assets	<u>561,802</u>	<u>10,068</u>	<u>(4,553)</u>	<u>567,317</u>
<b>Depreciable Capital Assets:</b>				
Land improvements	1,045,982	8,456	(3,635)	1,050,803
Infrastructure	15,279,143	796,726	-	16,075,869
Structures	10,648,847	50,870	-	10,699,717
Machinery and equipment	1,670,680	67,211	(14,068)	1,723,823
Vehicles and equipment	3,549,266	268,230	(91,632)	3,725,864
Other building improvements	222,496	-	-	222,496
Total Depreciable Capital Assets	<u>32,416,414</u>	<u>1,191,493</u>	<u>(109,335)</u>	<u>33,498,572</u>
<b>Accumulated Depreciation:</b>				
Land improvements	597,992	33,042	(3,635)	627,399
Infrastructure	9,160,523	402,688	-	9,563,211
Structures	5,322,223	337,888	-	5,660,111
Machinery and equipment	1,142,394	75,296	(14,068)	1,203,622
Vehicles and equipment	2,060,026	195,243	(86,328)	2,168,941
Other building improvements	140,588	11,125	-	151,713
Total Accumulated Depreciation	<u>18,423,746</u>	<u>\$ 1,055,282</u>	<u>\$ (104,031)</u>	<u>19,374,997</u>
Depreciable Capital Assets Net of Accumulated Depreciation	<u>13,992,668</u>			<u>14,123,575</u>
Total Net Capital Assets	<u>\$ 14,554,470</u>			<u>\$ 14,690,892</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 134,463
Public safety	350,243
Transportation	467,967
Culture and recreation	<u>102,609</u>
Total governmental activities depreciation expense	<u>\$ 1,055,282</u>

**INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK – STATE OF NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2024**

---

**Note 7. Leases**

**Lessor**

The Village entered into an amended lease agreement to lease space for the placement of communication equipment to T-Mobile Northeast LLC, beginning March 1, 2019 and terminating on February 28, 2024. At the expiration of the agreement, the lease was automatically extended for two additional and successive five year terms. Under the terms of the lease, the Village receives a monthly base fee of \$4,350 with an annual increase of 3% per year. At June 1, 2022, the Village recorded a lease receivable and deferred inflows of resources of \$632,039 related to this agreement. During the fiscal year ended May 31, 2024, the Village recorded \$46,486 in lease revenue and \$12,706 in interest income for this agreement. The Village used an incremental discount rate of 2.24%, based on its estimated incremental borrowing rate at the time the lease was recorded.

The Village entered into an amended lease agreement to lease space for the placement of communication equipment to CCTM2 (a successor in interest in the lease to T-Mobile Northeast LLC) beginning July 3, 2018 and terminating on August 31, 2040, which includes all renewal terms. Under the terms of the lease, the Village receives a monthly base fee of \$5,397 with an annual increase of 3% per year. At June 1, 2022, the Village recorded a lease receivable and deferred inflows of resources of \$1,266,206 related to this agreement. During the fiscal year ended May 31, 2024, the Village recorded \$36,865 in lease revenue and \$35,503 in interest income for this agreement. The Village used an incremental discount rate of 2.92%, based on its estimated incremental borrowing rate at the time the lease was recorded.

The Village entered into an amended lease agreement to lease space for the placement of communication equipment to New York SMSA LP d/b/a Verizon Wireless, beginning July 1, 2016, with a five year extension commencing on September 1, 2018 and terminating on August 31, 2023. At the expiration of the agreement, the lease was automatically extended for two additional and successive five year terms. Under the terms of the lease, the Village receives a monthly base fee of \$3,750 with an annual increase of 3% per year. At June 1, 2022, the Village recorded a lease receivable and deferred inflows of resources of \$598,789 related to this agreement. During the fiscal year ended May 31, 2024, the Village recorded \$40,226 in lease revenue and \$14,716 in interest income for this agreement. The Village used an incremental discount rate of 2.71%, based on its estimated incremental borrowing rate at the time the lease was recorded.

The Village entered into an amended lease agreement to lease space for the placement of communication equipment to New Cingular Wireless PCS, beginning July 1, 2021 and terminating on June 30, 2026. At the expiration of the agreement, the lease will be automatically extended for two additional and successive five year terms, unless the lessee elects not to renew. Under the terms of the lease, the Village receives a monthly base fee of \$4,727 with an annual increase of 3% per year. At June 1, 2022, the Village recorded a lease receivable and deferred inflows of resources of \$916,300 related to this agreement. During the fiscal year ended May 31, 2024, the Village recorded \$49,789 in lease revenue and \$10,238 in interest income for this agreement. The Village used an incremental discount rate of 1.21%, based on its estimated incremental borrowing rate at the time the lease was recorded.

The Village entered into a lease agreement to lease space for the placement of communication equipment to DISH Wireless, LLC, beginning November 1, 2022 and terminating on October 31, 2027. At the expiration of the agreement, the lease will be automatically extended for two additional and successive five year terms, unless the lessee elects not to renew. Under the terms of the lease, the Village receives a monthly base fee of \$5,000 with an annual increase of 3% per year. At November 1, 2022, the Village recorded a lease receivable and deferred inflows of resources of \$952,292 related to this agreement. During the fiscal year ended May 31, 2024, the Village recorded \$27,675 in lease revenue and \$33,375 in interest income for this agreement. The Village used an incremental discount rate of 3.62%, based on its estimated incremental borrowing rate at the time the lease was recorded.

**INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK – STATE OF NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2024**

**Note 7. Leases (continued)**

Leases Receivable	Beginning Balance	Increases	Reductions	Ending Balance
Site lease agreements	\$ 4,185,163	\$ -	\$ (201,041)	\$ 3,984,122

Remaining amounts to be received associated with these leases are as follows:

Fiscal Year Ending May 31,	Lease Revenue	Interest	Total
2025	215,247	101,559	316,806
2026	230,108	96,203	326,311
2027	245,648	90,452	336,100
2028	261,895	84,288	346,183
2029	278,878	77,691	356,569
2030-2034	1,520,114	274,676	1,794,790
2035-2039	1,049,903	106,425	1,156,328
2040-2041	182,329	3,164	185,493
Total	<u>\$ 3,984,122</u>	<u>\$ 834,458</u>	<u>\$ 4,818,580</u>

**Note 8. Long Term Liabilities**

The following is a summary of changes in long-term liabilities for the year ended May 31, 2024.

	Beginning Balance	Increases	Reductions	Ending Balance	Due in one year
<b>Bonds:</b>					
General obligation bonds	\$ 2,850,000	\$ -	\$ 135,000	\$ 2,715,000	\$ 145,000
Premium on issuance	284,092	-	19,370	264,722	-
Total bonds	<u>\$ 3,134,092</u>	<u>\$ -</u>	<u>\$ 154,370</u>	<u>\$ 2,979,722</u>	<u>\$ 145,000</u>
<b>Other Liabilities:</b>					
Net pension liability - NYSLRS	\$ 4,276,305	\$ 2,660,019	\$ 3,511,827	\$ 3,424,497	\$ -
Pension liability - LOSAP	249,178	94,176	50,482	292,872	-
Compensated absences	2,071,588	173,192	-	2,244,780	-
Other post-employment benefits	17,633,025	1,231,554	1,363,851	17,500,728	-
Total other liabilities	<u>24,230,096</u>	<u>4,158,941</u>	<u>4,926,160</u>	<u>23,462,877</u>	<u>-</u>
Total long-term liabilities	<u>\$ 27,364,188</u>	<u>\$ 4,158,941</u>	<u>\$ 5,080,530</u>	<u>\$ 26,442,599</u>	<u>\$ 145,000</u>

Increases and decreases to compensated absences are shown net since it is impractical to determine these items separately.

The general fund has typically been used to liquidate long-term liabilities.

**INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK – STATE OF NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2024**

**Note 8. Long Term Liabilities**

General Obligation Bonds - The Village borrows money in order to acquire land, equipment, to construct roads and other improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of these capital assets. These long-term liabilities are full faith and credit debt of the Village. The provision to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

The following is a summary of general obligation bonds:

<u>Description of Issue</u>	<u>Original Issue</u>	<u>Issued Date</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Balance Outstanding</u>
Public improvements	<u>\$ 2,850,000</u>	2/2/2023	2/1/2038	4.00%-5.00%	<u>\$ 2,715,000</u>

Future principal and interest payments to maturity are as follows:

<u>Years ending May 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 145,000	\$ 118,300	\$ 263,300
2026	150,000	111,050	261,050
2027	155,000	103,550	258,550
2028	165,000	95,800	260,800
2029	175,000	87,550	262,550
2030-2034	990,000	311,000	1,301,000
2035-2038	<u>935,000</u>	<u>94,800</u>	<u>1,029,800</u>
Total	<u>\$ 2,715,000</u>	<u>\$ 922,050</u>	<u>\$ 3,637,050</u>

**Other Long-term Liabilities**

In addition to the above long-term debt, the Village has the following non-current liabilities:

Net pension liability - NYSLRS – The Village reports as an asset/liability its proportionate share of the collective net pension asset and/or liability in the New York State & Local Retirement System. Additional information can be found subsequently in these notes.

Pension liability – Length of Service Award Program (LOSAP) – The Village reports as a liability its actuarially determined total pension liability for service award program benefits. Additional information can be found subsequently in these notes.

Compensated Absences – Village employees are granted vacation and sick leave and earn compensatory absences in varying amounts based primarily on length of service and service position. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation and sick leave and unused compensatory absences at various rates subject to certain maximum limitations. As of May 31, 2024, \$2,244,780 of such benefits have been earned and vested. Of this amount, \$1,715,793 has already been funded and is reported in the general fund as employee benefit reserve.

Other Post-employment Benefits – In addition to providing retirement benefits, the Village provides post-employment health insurance coverage for retired employees. Additional information can be found subsequently in these notes.



**INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK – STATE OF NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2024**

---

**Note 9. Pension Plans**

**State Wide Local Government Retirement System**

**Plan Description**

The Village participates in the New York State and Local Employees' Retirement System (ERS), the New York State and Local Police and Fire Retirement System (PFRS), and the Public Employees' Group Life Insurance plan collectively known as NYSLRS. These are cost-sharing multiple-employer retirement systems. The NYSLRS provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (the "Comptroller") serves as sole trustee and administrative head of the NYSLRS. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the NYSLRS and for the custody and control of its funds. The NYSLRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be found at [www.osc.ny.us/retire/publications/index.php](http://www.osc.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

**Funding Policy**

The NYSLRS is noncontributory for employees who joined the New York State and Local Employees' Retirement System before July 27, 1976. Those joining after July 27, 1976 and before January 1, 2010 with less than ten years of membership are required to contribute 3% of their annual salary. Those joining on or after January 1, 2010 (ERS) and January 9, 2010 (PFRS) and before April 1, 2012 are required to contribute 3% of their salary throughout their active membership. Those joining on or after April 1, 2012 (both ERS and PFRS) are required to contribute between 3% and 6%, depending upon their salary, throughout their active membership. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund.

The Village is required to contribute at an actuarially determined rate. The required contributions for the current year and two preceding years were equal to 100% of the contributions required and were as follows:

	ERS	PFRS
2024	\$ 171,829	\$ 656,870
2023	\$ 133,579	\$ 628,999
2022	\$ 181,862	\$ 651,626

**Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources Related to Pensions**

At May 31, 2024, the Village reported a net liability of \$3,424,497 for its proportionate share of the net pension liability for both of the NYSLRS plans. The net pension liability was measured as of March 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2023. 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 plans relative to the projected contributions of all participating members, actuarially determined. This information was derived from reports provided by the NYSLRS to the Village:

	ERS	PFRS
Actuarial valuation date	April 1, 2023	April 1, 2023
Net pension liability (asset)	\$ 478,947	\$ 2,945,550
Village's portion of the Plan's total net pension expense	0.0032528%	0.0621054%

**INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK – STATE OF NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2024**

**Note 9. Pension Plans (continued)**

For the year ended May 31, 2024 the Village recognized pension expense of \$217,914 for ERS and \$1,027,351 for PFRS. At May 31, 2024, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows		Deferred Inflows	
	ERS	PFRS	ERS	PFRS
Differences between expected and actual experience	\$ 154,268	\$ 907,484	\$ 13,060	\$ -
Changes of assumptions	181,079	1,111,064	-	-
Net differences between projected and actual investment earnings on pension plan investments	-	-	233,963	799,575
Changes in proportion and differences between employer contributions and proportionate share of contributions	68,716	79,266	23,066	183,607
Village's contributions subsequent to the measurement date	34,192	130,785	-	-
<b>Total</b>	<b>\$ 438,255</b>	<b>\$ 2,228,599</b>	<b>\$ 270,089</b>	<b>\$ 983,182</b>

The Village's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending May 31, 2025. Other amounts reported as the net balance of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ended:	ERS	PFRS
2025	\$ (75,155)	\$ (224,197)
2026	107,653	848,686
2027	146,555	468,381
2028	(45,079)	(90,423)
2029	-	112,185
Thereafter	-	-
	<b>\$ 133,974</b>	<b>\$ 1,114,632</b>

**Actuarial Assumptions**

The total pension liability at March 31, 2024 was determined by using an actuarial valuation as of April 1, 2023, with update procedures used to roll forward the total pension liability to March 31, 2024. The actuarial valuation used the following actuarial assumptions.

	ERS	PFRS
Investment rate of return	5.9%	5.9%
COLA	1.5%	1.5%
Salary scale	4.4%	6.2%
Decrement tables	April 1, 2015-March 31, 2020 System's Experience	April 1, 2015-March 31, 2020 System's Experience
Inflation rate	2.9%	2.9%

**INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK – STATE OF NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2024**

---

**Note 9. Pension Plans** (continued)

Demographic assumptions used in the April 1, 2022 actuarial valuation are based on the results of an actuarial experience study completed April 1, 2020. Demographic assumptions are primarily based on System experience over the period April 1, 2015 – March 31, 2020. Annuitant mortality rates are adjusted to incorporate mortality improvements based on the Society of Actuaries’ Scale MP-2021.

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 returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2024 (for both ERS and PFRS) are summarized below:

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic equity	32.00%	4.00%
International equity	15.00%	6.65%
Private equity	10.00%	7.25%
Real estate	9.00%	4.60%
Opportunistic/Absolute return strategies	3.00%	5.25%
Credit	4.00%	5.40%
Real assets	3.00%	5.79%
Fixed income	23.00%	1.50%
Cash	1.00%	0.25%
	100.00%	

The real rate of return is net of the long-term inflation assumption of 2.50%.

**Discount Rate**

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon 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 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 1% point lower (4.9%) or 1% point higher (6.9%) than the current rate:

**INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK – STATE OF NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2024**

**Note 9. Pension Plans** (continued)

	1% Decrease (4.9%)	Assumptions (5.9%)	1% Increase (6.9%)
<u>ERS</u>			
Village's proportionate share of the net pension liability/(asset)	\$ 1,505,859	\$ 478,947	\$ (378,737)
<u>PFRS</u>			
Village's proportionate share of the net pension liability/(asset)	\$ 6,884,441	\$ 2,945,550	\$ (308,550)

**Pension Plan Fiduciary Net Position**

The components of the current-year net pension liability of the employers as of March 31, 2024, were as follows:

	ERS <i>(Dollars in Thousands)</i>	PFRS <i>(Dollars in Thousands)</i>	Total <i>(Dollars in Thousands)</i>
Employers' total pension liability	\$ 240,696,851	\$ 46,137,717	\$ 286,834,568
Plan net position	225,972,801	41,394,895	267,367,696
Employers' net pension assets/(liability)	\$ (14,724,050)	\$ (4,742,822)	\$ (19,466,872)
Ratio of plan net position to the employers' total pension liability	93.88%	89.72%	93.21%

ERS and PFRS employer contributions are paid annually based on the System's fiscal year which ends on March 31<sup>st</sup>. Contributions as of May 31, 2024 represent the projected employer contribution for the period of April 1, 2023 through March 31, 2024 based on estimated ERS and PFRS wages, multiplied by the employer's contribution rate, by tier.

**Length of Service Award Program for Firefighters**

The Village's financial statements are for the fiscal year ended May 31, 2024. The information contained in this note is based on information for the Village of Quogue Length of Service Award Program for such Program's year ending on December 31, 2023, which is the most recent information available.

The Village established a defined benefit Length of Service Award Program under Section 457(e)(11) of the Internal Revenue Code (the "Program") effective January 1, 2015 for the active volunteer firefighter members of the Village of Quogue Fire Department. The Program was established pursuant to Article 11-A of the New York State General Municipal Law. The Program provides municipally funded deferred compensation to volunteer firefighters to facilitate the recruitment and retention of active volunteer firefighters. The Village is the Sponsor of the Program and the Program administrator but engages outside advisors to assist in the process.

**Program Description**

**Participating, Vesting and Service Credit**

A firefighter at least 18 years old earns one year of service credit under the program for each calendar year in which he or she earns 50 or more points. A maximum of 40 years of service credit may be earned under the program. Points are granted for the performance of certain activities in accordance with a system established by the Board of Trustees on the basis of a statutory list of activities and point values contained in Article 11-A of the General Municipal Law.

**INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK – STATE OF NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2024**

---

**Note 9. Pension Plans** (continued)

Firefighters become 100% vested after earning 5 years of service credit, attaining age 60 while being an active firefighter, or becoming totally and permanently disabled or dying while an active member of the Fire Department. For vesting purposes only, credit is given to individuals for years of qualifying service under a prior, now terminated, defined contribution program.

**Benefits**

The program provides for a benefit paid as a 10-year certain only monthly annuity, commencing on January 1st after a participant reaches age 60. The amount payable each month is \$20 per month for each year of service credit earned by the firefighter. Benefits are paid monthly over 10 years, or, at the election of the participant, a discounted amount may be paid in a lump sum. Individuals who continue to be active firefighters after age 60 and earn the requisite 50 points in a year receive a benefit of \$2,129 for such year, in addition to any unpaid benefit accrued prior to age 60.

**Fiduciary Investment and Control**

Service credit for firefighters is determined by the Board of Trustees of the Village based on information certified to it by the Fire Department. The Fire Department must maintain all required records on forms prescribed by the Board of Trustees.

Program assets are required to be held in trust by Article 11-A of the General Municipal Law for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operation and administration of the program. The Village has created a trust for the program, and the Board of Trustees acts as trustee. Authority to invest program assets is vested in the Board of Trustees in compliance with Section 217(k) of Article 11-A of the General Municipal Law. Program assets are invested in accordance with a statutory “prudent person” rule. As provided in the trust agreement, the Board of Trustees has appointed East End Financial Group as investment manager for amounts contributed to the program and its independent custodian (Pershing LLC) as the custodian of the program assets.

The sponsor is required to retain an actuary to determine the amount of the sponsor’s contributions to the plan. Portions of the following information are derived from a report prepared by the actuary in June 2024.

**Participants Covered by the Benefit Terms**

Current membership in the Program is comprised of the following as of the measurement date:

Inactive participants currently receiving benefit payments	22
Inactive participants entitled to but not yet receiving benefit payments	2
Active participants	<u>27</u>
	<u>51</u>

*Contributions* – New York State General Municipal Law Section 219(d) requires the Village to contribute an actuarially determined contribution on an annual basis. The actuarially determined contribution shall be appropriated and contributed annually by the Village.

*Trust Assets* – Although assets have been accumulated in an irrevocable trust such that the assets are dedicated to providing pensions to plan members in accordance with benefit terms, the trust assets are not legally protected from creditors of the Village. As such, the trust assets do not meet the criteria in paragraph 4 of GASB Statement No. 73. Accordingly, the Village’s total pension liability is not reduced by any assets accumulated in a trust that meets the criteria, and the Village must report its total pension liability.

**INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK – STATE OF NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2024**

**Note 9. Pension Plans** (continued)

The total pension liability at the December 31, 2023 measurement date was determined using an actuarial valuation as of that date. The significant assumptions used were as follows:

Actuarial Cost Method:	Entry Age Normal
Inflation:	None assumed
Salary Scale:	None assumed
Mortality rates:	RP-2014 Male without projection for mortality improvement

Discount Rate – The discount rate used to measure the total pension liability was 4.00%, compared to the prior year rate of 4.31%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2023. In describing this index, S&P Dow Jones Indices notes that the index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years and with a rating of at least Aa2 by Moody’s Investors Service’s, AA by Fitch, or AA by Standard & Poor’s Rating Services.

**Changes in the Total Pension Liability**

Balance as of the 12/31/22 measurement date	\$ 249,178
Service cost	70,987
Interest	12,817
Changes of assumptions or other inputs	10,372
Differences between expected and actual experience	(4,542)
Benefit payments	<u>(45,940)</u>
Net changes	<u>43,694</u>
Balance as of the 12/31/23 measurement date	<u>\$ 292,872</u>

**Sensitivity of the Total Pension Liability to Changes in the Discount Rate**

The following presents the total pension liability of the Village as of the December 31, 2023 measurement date, calculated using the discount rate of 4.00%, as well as what the Village’s total pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.00%) or 1-percentage point higher (5.00%) than the current rate:

	1% Decrease (3.00%)	Current Discount Rate (4.00%)	1% Increase (5.00%)
Total pension liability	\$ 329,500	\$ 292,872	\$ 260,952

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended May 31, 2024, the Village recognized pension expense of \$82,351.

**Components of Pension Expense:**

Service Cost	\$ 70,987
Interest on total pension liability	12,819
Changes of assumptions or other inputs	(1,430)
Differences between expected and actual experience	(5,800)
Pension plan administrative expenses	<u>5,775</u>
Total pension expense	<u>\$ 82,351</u>

**INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK – STATE OF NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2024**

---

**Note 9. Pension Plans** (continued)

At May 31, 2024, the Village reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 8,510	\$ 25,993
Changes of assumptions or other inputs	26,301	59,762
Benefit payments and administrative expenses subsequent to the measurement	<u>56,754</u>	<u>-</u>
Total	<u>\$ 91,565</u>	<u>\$ 85,755</u>

The \$56,754 reported as deferred outflows of resources related to pensions resulting from Village transactions subsequent to the measurement date will be recognized as a reduction of the total pension liability in the year ending May 31, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended May 31,	
2025	\$ (7,257)
2026	(7,315)
2027	(12,085)
2028	(14,613)
2029	(8,665)
Thereafter	<u>(1,009)</u>
	<u>\$ (50,944)</u>

**Note 10. Other Post-Employment Benefits - (OPEB)**

**Plan Description**

The Village sponsors a single employer healthcare plan that provides postemployment 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.

**Benefits and Contributions**

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. For current retirees the Village pays 100% of the Empire premium and reimburses 100% of the Medicare Part B premium for all retirees and their spouses. These benefits remain in effect for surviving spouses.

**INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK – STATE OF NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2024**

---

**Note 10. Other Post-Employment Benefits - (OPEB) (continued)**

Except as described below, upon retirement of currently active employees, the Village will pay 100% of the Empire premium and will reimburse 100% of the Medicare Part B premium. Upon retirement of currently active police employees hired on or before May 31, 2015, the Village will pay 100% of the Empire premium and will reimburse 100% of the Medicare Part B premium. Upon retirement of currently active police employees hired after May 31, 2015, the Village will pay 85% of the Empire premium and will reimburse 100% of the Medicare Part B premium. Upon retirement of currently active non-police employees hired before June 1, 2018, the Village will pay 100% of the Empire premium and will reimburse 100% of the Medicare Part B premium. Upon retirement of currently active non-police employees hired on or after June 1, 2018, the Village will pay 85% of the Empire premium and will reimburse 100% of the Medicare Part B premium. Surviving spouses are assumed to continue benefits at the same level (percentage of premium) that the retiree was receiving while alive.

At this time there is no New York statute providing local governments with the authority for establishing a postemployment 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 May 31, 2024, the Village recognized a general fund expenditure of \$523,977 for currently enrolled retirees.

**Employees Covered by Benefit Terms**

At May 31, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	32
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	33
Total	65

**Total OPEB Liability and Actuarial Assumptions**

The Village’s total OPEB liability of \$17,500,728 was measured as of May 31, 2024, and was determined by an actuarial valuation report dated September 1, 2021. Calculation of the total OPEB liability was performed using the entry age normal, as a level percentage of salary actuarial cost method. The following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	4.2% as of May 31, 2024 3.9% as of June 1, 2023
Projected salary increases	2.5%
Healthcare cost trend rates	5.0% – 10.0% in the first year gradually decreasing per year, to an ultimate rate of 4.5%

The discount rate was based on the 20 Year AA Municipal General Obligation Bond Rate Index.

Mortality rates are in accordance with the SOA RP-2014 Total Dataset. Mortality improvements are projected using SOA Scale MP-2021.



**INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK – STATE OF NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2024**

**Note 10. Other Post-Employment Benefits - (OPEB) (continued)**

**Changes in the Total OPEB Liability**

Balance at June 1, 2023	\$ 17,633,025
Changes for the year:	
Service cost	554,375
Interest	677,179
Differences between actual and expected experience	-
Changes in assumptions	(824,918)
Benefit payments	<u>(538,933)</u>
Net changes	<u>(132,297)</u>
Balance at May 31, 2024	<u>\$ 17,500,728</u>

**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% lower (2.9%) or 1% higher (4.9%) than the current discount rate:

	<u>1% Decrease (3.2%)</u>	<u>Current Discount Rate (4.2%)</u>	<u>1% Increase (5.2%)</u>
Total OPEB liability	<u>\$ 20,503,324</u>	<u>\$ 17,500,728</u>	<u>\$ 15,135,945</u>

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend**

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 healthcare cost trend rates that are 1% lower or 1% higher than the baseline rates (year one) discussed in the earlier table:

	<u>1% Decrease</u>	<u>Current Medical Inflation Rate</u>	<u>1% Increase</u>
Total OPEB liability	<u>\$ 14,708,947</u>	<u>\$ 17,500,728</u>	<u>\$ 21,109,223</u>

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

The total OPEB expense for the year ended May 31, 2024 was \$655,621. At May 31, 2024, the Village reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 772,865	\$ 2,481,526
Changes of assumptions	<u>888,376</u>	<u>6,428,804</u>
	<u>\$ 1,661,241</u>	<u>\$ 8,910,330</u>

**INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK – STATE OF NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2024**

---

**Note 10. Other Post-Employment Benefits - (OPEB) (continued)**

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

For the years ending May 31,		
2025	\$	(2,248,654)
2026		(2,248,659)
2027		(2,586,794)
2028		(164,982)
2029		-
	<u>\$</u>	<u>(7,249,089)</u>

**Note 11. Fair Value Measurements**

The Village categorizes its fair value measurements into the fair value hierarchy established by GASB Statement No. 72. The three levels of inputs used to measure fair value are as follows:

**Level 1** – Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Village has the ability to access.

**Level 2** – Inputs to the valuation methodology include:

- Quoted prices for similar assets in active markets;
- Quoted prices for identical or similar assets in inactive markets;
- Inputs other than quoted prices that are observable for the asset;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset.

**Level 3** – Inputs to the valuation methodology are unobservable inputs and significant to the fair value measurement.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used for assets measured at fair value:

**Cash and Money Market:** The carrying amount approximates fair value because of the short maturity of the instruments.

**Equities, Bonds, Exchange Traded Funds and Mutual Funds:** Reported at current quoted fair values.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurement at the reporting date.

**INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK – STATE OF NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2024**

---

**Note 11. Fair Value Measurements** (continued)

The following table summarizes as of May 31, 2024, the investments held for the Village’s service award program for firefighters, and categorization with the fair value measurement hierarchy:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and money market	\$ 10,034	\$ -	\$ -	\$ 10,034
Fixed income	331,535	-	-	331,535
	<u>\$ 341,569</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 341,569</u>

**Note 12. Commitments and Contingencies**

**Federal and State Grants**

The Village is a recipient of a number of federal and 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 result in 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 regulation of the respective agency for each grant.

**Tax Certiorari**

There are presently pending against the Incorporated Village of Quogue a number of real property tax review proceedings requesting reductions in assessed valuations of various properties for both past and current years. The financial exposures in these cases are indeterminable at this time.

**Other**

The Village is subject to litigation in the ordinary conduct of its affairs. Management does not believe however, that such litigation, individually or in the aggregate, is likely to have a material effect on the financial statements.

**Joint Tenancy**

The Village, as a joint tenant with the Town of Southampton, purchased a house on Dune Road, Quogue to be used as a beach pavilion by the Village residents.

**Note 13. Subsequent Events**

The Village has evaluated events and transactions that occurred through December 11, 2024, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK – STATE OF NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2024

---

**Note 14. New Accounting Standards**

The GASB has issued the following Statements which will be effective in future years:

- Statement No. 99, *Omnibus 2022*
- Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*
- Statement No. 101, *Compensated Absences*
- Statement No. 102, *Certain Risk Disclosures*
- Statement No. 103, *Financial Reporting Model Improvements*
- Statement No. 104, *Disclosure of Certain Capital Assets*

The Village is currently evaluating the impact of these statements on the financial statements and will implement them as applicable and when material.

**INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK - STATE OF NEW YORK  
SCHEDULE OF CHANGES IN THE VILLAGE'S TOTAL OPEB LIABILITY AND RELATED RATIOS (Unaudited)  
FOR THE YEAR ENDED MAY 31, 2024**

	2024	2023	2022	2021	2020	2019
<b>Total OPEB Liability</b>						
Service cost	\$ 554,375	\$ 611,771	\$ 1,259,166	\$ 1,026,382	\$ 730,052	\$ 730,052
Interest	677,179	777,910	569,859	632,959	775,588	759,204
Differences between expected and actual experience	-	(4,135,876)	-	2,318,601	-	-
Changes of assumptions or other inputs	(824,918)	(2,221,814)	(6,901,622)	(289,778)	-	2,168,884
Benefit payments	(538,933)	(557,353)	(523,977)	(503,096)	(449,352)	(467,087)
<b>Net Change In Total OPEB Liability</b>	<b>(132,297)</b>	<b>(5,525,362)</b>	<b>(5,596,574)</b>	<b>3,185,068</b>	<b>1,056,288</b>	<b>3,191,053</b>
<b>Total OPEB Liability - Beginning</b>	<b>17,633,025</b>	<b>23,158,387</b>	<b>28,754,961</b>	<b>25,569,893</b>	<b>24,513,605</b>	<b>21,322,552</b>
<b>Total OPEB liability - Ending (a)</b>	<b>17,500,728</b>	<b>17,633,025</b>	<b>23,158,387</b>	<b>28,754,961</b>	<b>25,569,893</b>	<b>24,513,605</b>
<b>Plan Fiduciary Net Position (b)</b>	<b>*N/A</b>	<b>*N/A</b>	<b>*N/A</b>	<b>*N/A</b>	<b>*N/A</b>	<b>*N/A</b>
<b>Village's Net OPEB Liability - Ending (a) - (b)</b>	<b>\$ 17,500,728</b>	<b>\$ 17,633,025</b>	<b>\$ 23,158,387</b>	<b>\$ 28,754,961</b>	<b>\$ 25,569,893</b>	<b>\$ 24,513,605</b>
<b>Plans Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
<b>Covered-employee Payroll</b>	<b>\$ 3,136,441</b>	<b>\$ 3,136,441</b>	<b>\$ 2,660,588</b>	<b>\$ 2,660,588</b>	<b>\$ 2,626,210</b>	<b>\$ 2,626,210</b>
<b>Village's Net OPEB Liability as a Percentage of Covered-employee Payroll</b>	<b>557.98%</b>	<b>562.20%</b>	<b>870.42%</b>	<b>1080.77%</b>	<b>973.64%</b>	<b>933.42%</b>

\*N/A - Current regulations do not permit the Village to fund the OPEB obligation, it is a "pay-as-you-go" and no assets accumulate

**Notes to Schedule:**

Changes of assumptions:

- Based on changing discount rate from 3.6% (initial) to 3.1% (based on 20-year AA Municipal General Obligation Bond Rate Index, as of 5/31/19)
- Based on changing discount rate to 2.0% (based on 20-year AA Municipal General Obligation Bond Rate Index, as of 5/31/21)
- Based on changing discount rate to 3.4% (based on 20-year AA Municipal General Obligation Bond Rate Index, as of 5/31/22)
- Based on changing discount rate to 3.9% (based on 20-year AA Municipal General Obligation Bond Rate Index, as of 5/31/23)
- Based on changing discount rate to 4.2% (based on 20-year AA Municipal General Obligation Bond Rate Index, as of 5/31/24)

Plan Assets:

No assets are accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4, to pay related benefits

This schedule is shown on a prospective basis from the year GASB Statement No. 75 is adopted until 10 years of information is presented.

See independent auditors' report

INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK - STATE OF NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE (Unaudited)  
GENERAL FUND  
FOR THE YEAR ENDED MAY 31, 2024

	Original Budget	Modified Budget	Actual	Encumbrances	Variance Favorable (Unfavorable)
<b>REVENUES:</b>					
Real property taxes	\$ 7,900,546	\$ 7,900,546	\$ 7,901,823		\$ 1,277
Other tax items	27,000	27,000	29,089		2,089
Non property tax items	165,000	165,000	106,306		(58,694)
Departmental income	643,100	643,100	1,091,487		448,387
Intergovernmental charges	32,000	32,000	33,153		1,153
Use of money and property	543,187	543,187	818,149		274,962
Rental of village property	254,451	254,451	217,766		(36,685)
Licenses and permits	41,000	41,000	89,355		48,355
Fines and forfeitures	76,000	76,000	110,671		34,671
Sale of property and compensation for loss	14,750	14,750	19,583		4,833
Miscellaneous local sources	24,500	24,500	69,848		45,348
State aid	624,600	624,600	726,560		101,960
<b>TOTAL REVENUES</b>	<b>10,346,134</b>	<b>10,346,134</b>	<b>\$ 11,213,790</b>		<b>\$ 867,656</b>
<b>OTHER FINANCING SOURCES</b>					
Appropriated fund balance	200,000	200,000			
Transfer from Capital fund	259,703	259,703			
Prior year encumbrances	54,325	54,325			
<b>TOTAL REVENUE AND OTHER FINANCING SOURCES</b>	<b>\$ 10,860,162</b>	<b>\$ 10,860,162</b>			
<b>EXPENDITURES:</b>					
General government support	\$ 1,553,300	\$ 1,453,300	\$ 1,255,216	\$ -	\$ 198,084
Public safety	3,882,004	3,882,004	3,705,060	46,970	129,974
Transportation	1,076,801	1,176,801	1,123,487	3,801	49,513
Culture and recreation	259,804	259,804	246,023	1,054	12,727
Home and community services	146,550	146,550	137,936	2,500	6,114
Employee benefits	3,379,000	3,379,000	3,158,048	-	220,952
Debt Service					
Principal	135,000	135,000	135,000	-	-
Interest	124,703	124,703	124,703	-	-
<b>TOTAL EXPENDITURES</b>	<b>10,557,162</b>	<b>10,557,162</b>	<b>9,885,473</b>	<b>54,325</b>	<b>617,364</b>
<b>OTHER FINANCING USES:</b>					
Transfer to reserve funds	303,000	303,000	82,176	-	220,824
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>\$ 10,860,162</b>	<b>\$ 10,860,162</b>	<b>\$ 9,967,649</b>	<b>\$ 54,325</b>	<b>\$ 838,188</b>

See independent auditors' report.

**INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK - STATE OF NEW YORK  
SCHEDULE OF THE VILLAGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)  
NEW YORK STATE AND LOCAL RETIREMENT SYSTEM (Unaudited)  
FOR THE YEARS ENDED MAY 31,**

<u>NYSLRS Pension Plan</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Village's proportion of the net pension liability									
ERS	0.0032528%	0.0033756%	0.0036164%	0.0033615%	0.0036229%	0.0037949%	0.0041336%	0.0039633%	0.0038074%
PFRS	0.0621054%	0.0644670%	0.0591697%	0.0606174%	0.0604995%	0.0507637%	0.0536854%	0.0502861%	0.0559362%
Village's proportionate share of the net pension liability (asset)									
ERS	\$ 478,947	\$ 723,869	\$ (295,627)	\$ 3,348	\$ 959,355	\$ 268,882	\$ 133,411	\$ 372,404	\$ 611,101
PFRS	2,945,550	3,552,436	336,110	1,052,485	3,233,660	851,339	542,628	1,042,254	1,656,151
	<u>\$ 3,424,497</u>	<u>\$ 4,276,305</u>	<u>\$ 40,483</u>	<u>\$ 1,055,833</u>	<u>\$ 4,193,015</u>	<u>\$ 1,120,221</u>	<u>\$ 676,039</u>	<u>\$ 1,414,658</u>	<u>\$ 2,267,252</u>
Village's covered-employee payroll									
ERS	\$ 1,295,736	\$ 1,151,513	\$ 1,146,003	\$ 1,054,629	\$ 1,007,844	\$ 989,940	\$ 997,945	\$ 976,720	\$ 926,133
PFRS	2,431,624	2,395,058	2,324,998	2,202,772	2,255,293	2,075,755	2,041,635	2,047,017	2,097,352
	<u>\$ 3,727,360</u>	<u>\$ 3,546,571</u>	<u>\$ 3,471,001</u>	<u>\$ 3,257,401</u>	<u>\$ 3,263,137</u>	<u>\$ 3,065,695</u>	<u>\$ 3,039,580</u>	<u>\$ 3,023,737</u>	<u>\$ 3,023,485</u>
Village's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll									
ERS	36.96%	62.86%	-25.80%	0.32%	95.19%	27.16%	13.37%	38.13%	65.98%
PFRS	121.14%	148.32%	14.46%	47.78%	143.38%	41.01%	26.58%	50.92%	78.96%
Plan fiduciary net position as a percentage of the total pension liability									
ERS	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%
PFRS	89.72%	87.43%	98.66%	95.79%	84.86%	95.09%	96.93%	93.50%	90.24%

See independent auditors' report

**INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK - STATE OF NEW YORK  
SCHEDULE OF THE VILLAGE'S CONTRIBUTIONS - ERS (Unaudited)  
FOR THE YEARS ENDED MAY 31,**

<u>NYSLRS Pension Plan</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 171,829	\$ 133,579	\$ 181,862	\$ 149,807	\$ 141,111	\$ 143,247	\$ 149,298	\$ 147,711	\$ 158,822	\$ 186,245
Contributions in relation to the contractually required contribution	<u>171,829</u>	<u>133,579</u>	<u>181,862</u>	<u>149,807</u>	<u>141,111</u>	<u>143,247</u>	<u>149,298</u>	<u>147,711</u>	<u>158,822</u>	<u>186,245</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Village's covered-employee payroll	\$ 1,295,736	\$ 1,151,513	\$ 1,146,003	\$ 1,054,629	\$ 1,007,844	\$ 989,940	\$ 997,945	\$ 976,720	\$ 926,133	\$ 969,477
Contributions as a percentage of covered-employee payroll	13.3%	11.6%	15.9%	14.2%	14.0%	14.5%	15.0%	15.1%	17.1%	19.2%

See independent auditors' report.



**INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK - STATE OF NEW YORK  
SCHEDULE OF THE VILLAGE'S CONTRIBUTIONS - PFRS (Unaudited)  
FOR THE YEARS ENDED MAY 31,**

<u>NYSLRS Pension Plan</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 656,870	\$ 628,999	\$ 651,626	\$ 523,444	\$ 486,049	\$ 475,103	\$ 482,846	\$ 481,381	\$ 527,251	\$ 539,608
Contributions in relation to the contractually required contribution	656,870	628,999	651,626	523,444	486,049	475,103	482,846	481,381	527,251	539,608
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Village's covered-employee payroll	\$ 2,431,624	\$ 2,395,058	\$ 2,324,998	\$ 2,202,772	\$ 2,255,293	\$ 2,075,755	\$ 2,041,635	\$ 2,047,017	\$ 2,097,352	\$ 2,047,829
Contributions as a percentage of covered-employee payroll	27.0%	26.3%	28.0%	23.8%	21.6%	22.9%	23.6%	23.5%	25.1%	26.4%

See independent auditors' report.

**INCORPORATED VILLAGE OF QUOGUE  
COUNTY OF SUFFOLK - STATE OF NEW YORK  
SCHEDULE OF CHANGES IN THE VILLAGE'S TOTAL PENSION LIABILITY  
LENGTH OF SERVICE AWARDS PROGRAM (Unaudited)  
FOR THE YEARS ENDED MAY 31,**

	2024	2023	2022	2021	2020	2019	2018
Total Pension Liability							
Service Cost	\$ 70,987	\$ 83,290	\$ 88,667	\$ 79,732	\$ 75,419	\$ 90,062	\$ 32,457
Interest	12,817	7,652	6,408	8,028	7,651	5,126	3,256
Changes of assumptions or other inputs	10,372	(69,933)	(11,320)	42,386	14,392	(9,235)	3,138
Differences between expected and actual experience	(4,542)	(5,065)	(26,305)	(3,517)	(13,915)	-	25,058
Benefit payments	(45,940)	(46,869)	(41,171)	(58,203)	(45,429)	(31,935)	(31,935)
Net change in total pension liability	43,694	(30,925)	16,279	68,426	38,118	54,018	31,974
<b>Total Pension Liability - Beginning</b>	<b>249,178</b>	<b>280,103</b>	<b>263,824</b>	<b>195,398</b>	<b>157,280</b>	<b>103,262</b>	<b>71,288</b>
<b>Total Pension Liability - Ending</b>	<b>\$ 292,872</b>	<b>\$ 249,178</b>	<b>\$ 280,103</b>	<b>\$ 263,824</b>	<b>\$ 195,398</b>	<b>\$ 157,280</b>	<b>\$ 103,262</b>
Covered - employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available*

**Notes to Required Supplementary Information**

*Changes of assumptions or other inputs:*

The discount rate used to measure the total pension liability was based on the yield to maturity of the S&P municipal Bond 20 Year High Grade Rate Index and was as follows:

- December 31, 2017: 3.16%
- December 31, 2018: 3.64%
- December 31, 2019: 3.26%
- December 31, 2020: 1.93%
- December 31, 2021: 2.25%
- December 31, 2022: 4.31%
- December 31, 2023: 4.00%

*Trust Assets:*

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 73 to pay related benefits.

*Covered payroll:*

There is no covered payroll due to the fact this plan covers the volunteer fire department. Benefits are determined based off service credits earned.

See independent auditors' report.