

THE JUNIOR LEAGUE OF LONG ISLAND, INC.

FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

THE JUNIOR LEAGUE OF LONG ISLAND, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Junior League of Long Island, Inc.
Roslyn, New York

Opinion

We have audited the accompanying financial statements of The Junior League of Long Island, Inc. (a non-profit League), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Junior League of Long Island, Inc. as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Junior League of Long Island, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principle

As described in Note 1, The Junior League of Long Island, Inc. adopted Financial Accounting Standards Board Accounting Standards Update 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Junior League of Long Island, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 judgement 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 Junior League of Long Island, Inc.'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 Junior League of Long Island, Inc.'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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Program Services by Project are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.


COSTAROTHBORT CPAs LLC

Melville, New York
October 24, 2022

THE JUNIOR LEAGUE OF LONG ISLAND, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

ASSETS

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 8,483	\$ 145,034
Investments	1,230,368	1,694,071
Rental income receivable	2,500	2,500
Accrued interest income receivable	154	154
Prepaid expenses and other assets	9,324	15,470
Inventory	108,558	89,509
Property and equipment - net	<u>515,702</u>	<u>267,227</u>
Total Assets	<u>\$ 1,875,089</u>	<u>\$ 2,213,965</u>

LIABILITIES AND NET ASSETS

Accrued expenses	\$ 460	\$ 7,755
Sales taxes payable	1,444	1,985
Deferred revenue	<u>17,519</u>	<u>17,378</u>
Total Liabilities	<u>19,423</u>	<u>27,118</u>
Net Assets:		
Without donor restrictions	<u>1,855,666</u>	<u>2,186,847</u>
Total Liabilities and Net Assets	<u>\$ 1,875,089</u>	<u>\$ 2,213,965</u>

See independent auditors' report and accompanying notes to financial statements.

THE JUNIOR LEAGUE OF LONG ISLAND, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
REVENUES, GAINS, AND OTHER SUPPORT:		
Thrift shop sales:		
Contributions of merchandise	\$ 111,986	\$ 304,240
Sales of donated merchandise	131,460	357,929
Less: Value of merchandise sold	(92,692)	(271,756)
Thrift shop net sales	<u>150,754</u>	<u>390,413</u>
Contributions	10,462	33,893
Membership dues	18,263	20,980
Fundraiser proceeds	769	9,921
Rental income	80,500	73,792
Unrealized/realized (loss) gain on investments	(233,132)	273,068
Interest and dividends	58,011	40,732
Other income	-	27,687
Net loss on disposition of capital improvements	<u>(55,581)</u>	<u>-</u>
Total Revenues, Gains, and Other Support	<u>30,046</u>	<u>870,486</u>
EXPENSES:		
Program services	198,515	192,605
Management and general	162,187	133,325
Fundraising costs	<u>525</u>	<u>2,562</u>
Total Expenses	<u>361,227</u>	<u>328,492</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(331,181)	541,994
NET ASSETS, BEGINNING OF YEAR	<u>2,186,847</u>	<u>1,644,853</u>
NET ASSETS, END OF YEAR	<u><u>\$ 1,855,666</u></u>	<u><u>\$ 2,186,847</u></u>

See independent auditors' report and accompanying notes to financial statements.

**THE JUNIOR LEAGUE OF LONG ISLAND, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022**

	PROGRAM SERVICES		SUBTOTAL	MANAGEMENT AND GENERAL	FUNDRAISING COSTS	TOTAL
	PROJECTS	THRIFT SHOP				
Project expenses	\$ 73,860	\$ -	73,860	\$ -	\$ -	\$ 73,860
Direct labor	-	65,810	65,810	-	-	65,810
Payroll taxes	-	5,898	5,898	-	-	5,898
Payroll service fees	-	6,179	6,179	-	-	6,179
Building maintenance and repairs	-	17,797	17,797	-	-	17,797
Committees expense	-	101	101	41,950	-	42,051
Miscellaneous	-	4,886	4,886	5,538	-	10,424
Rubbish removal	-	3,026	3,026	-	-	3,026
Security	-	5,254	5,254	-	-	5,254
Supplies	-	14,252	14,252	-	-	14,252
Telephone	-	1,452	1,452	4,366	-	5,818
Utilities	-	-	-	8,477	-	8,477
Accounting fees	-	-	-	19,748	-	19,748
Advertising expense	-	-	-	522	-	522
Data processing	-	-	-	5,091	-	5,091
Depreciation expense	-	-	-	4,704	-	4,704
Insurance	-	-	-	19,864	-	19,864
Investment fees	-	-	-	15,582	-	15,582
Office expense	-	-	-	6,462	-	6,462
Office supplies	-	-	-	912	-	912
Real estate taxes	-	-	-	15,146	-	15,146
Repairs and maintenance	-	-	-	13,825	-	13,825
Fundraising expenses	-	-	-	-	525	525
	\$ 73,860	\$ 124,655	\$ 198,515	\$ 162,187	\$ 525	\$ 361,227

See independent auditors' report and accompanying notes to financial statements.

**THE JUNIOR LEAGUE OF LONG ISLAND, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021**

	PROGRAM SERVICES		SUBTOTAL	MANAGEMENT AND GENERAL	FUNDRAISING COSTS	TOTAL
	PROJECTS	THRIFT SHOP				
Project expenses	\$ 20,015	\$ -	20,015	\$ -	\$ -	20,015
Direct labor	-	122,921	122,921	-	-	122,921
Payroll taxes	-	10,903	10,903	-	-	10,903
Payroll service fees	-	8,484	8,484	-	-	8,484
Building maintenance and repairs	-	5,621	5,621	-	-	5,621
Committees expense	-	1,969	1,969	18,134	-	20,103
Miscellaneous	-	4,078	4,078	10,789	-	14,867
Rubbish removal	-	2,652	2,652	-	-	2,652
Security	-	1,215	1,215	-	-	1,215
Supplies	-	8,009	8,009	-	-	8,009
Telephone	-	1,341	1,341	4,120	-	5,461
Utilities	-	5,397	5,397	9,654	-	15,051
Accounting fees	-	-	-	17,645	-	17,645
Advertising expense	-	-	-	95	-	95
Bank charges	-	-	-	338	-	338
Data processing	-	-	-	2,912	-	2,912
Depreciation expense	-	-	-	7,235	-	7,235
Insurance	-	-	-	18,706	-	18,706
Investment fees	-	-	-	14,159	-	14,159
Office expense	-	-	-	9,001	-	9,001
Office supplies	-	-	-	1,363	-	1,363
Real estate taxes	-	-	-	18,649	-	18,649
Repairs and maintenance	-	-	-	525	-	525
Fundraising expenses	-	-	-	-	2,562	2,562
	\$ 20,015	\$ 172,590	\$ 192,605	\$ 133,325	\$ 2,562	\$ 328,492

See independent auditors' report and accompanying notes to financial statements.

THE JUNIOR LEAGUE OF LONG ISLAND, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net cash received from fundraising	\$ 244	\$ 7,359
Cash received from thrift shop sales	131,460	357,929
Cash received from membership dues	18,404	19,868
Cash received from rental income	80,500	73,792
Interest and dividends received	58,011	40,732
Cash Provided by Operating Activities	288,619	499,680
Cash paid for thrift shop supplies and employees	(113,948)	(138,697)
Cash paid for program services	(73,860)	(20,015)
Cash paid for management and general costs	(159,173)	(125,509)
Cash Disbursed for Operating Activities	(346,981)	(284,221)
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(58,362)	215,459
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds on sale of investments	271,418	86,991
Insurance proceeds from disposition of capital improvements	25,000	-
Cash Provided by Investing Activities	296,418	86,991
Purchase of property and equipment	(333,760)	(24,150)
Purchase of investments	(40,847)	(254,982)
Cash Disbursed for Investing Activities	(374,607)	(279,132)
NET CASH USED IN INVESTING ACTIVITIES	(78,189)	(192,141)
 CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Paycheck Protection Program loan payable	-	27,687
NET CASH PROVIDED BY FINANCING ACTIVITIES	-	27,687
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(136,551)	51,005
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	145,034	94,029
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 8,483	\$ 145,034

See independent auditors' report and accompanying notes to financial statements.

THE JUNIOR LEAGUE OF LONG ISLAND, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>RECONCILIATION OF CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS TO NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES:</u>		
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	\$ (331,181)	\$ 541,994
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS TO NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES:		
Realized gains on sale of securities	(64,888)	(27,304)
Net loss on disposition of capital improvements	55,581	-
Non-Cash Adjustments:		
Depreciation expense	4,704	7,235
Unrealized loss (gain) on sale of securities	298,020	(245,764)
Gain upon debt extinguishment	-	(27,687)
Changes in Operating Assets (Increase) Decrease:		
Prepaid expenses and other assets	6,146	(3,210)
Inventory	(19,049)	(32,484)
Changes in Operating Liabilities Increase (Decrease):		
Sales taxes payable	(7,836)	3,791
Deferred revenue	141	(1,112)
Total Adjustments	<u>272,819</u>	<u>(326,535)</u>
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	<u>\$ (58,362)</u>	<u>\$ 215,459</u>

See independent auditors' report and accompanying notes to financial statements.

THE JUNIOR LEAGUE OF LONG ISLAND, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

Note 1 - Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

The Junior League of Long Island, Inc. (“The League”) is a private, not-for-profit league solely composed of women committed to promoting voluntarism, developing the potential of women and improving communities through the effective action and leadership of trained volunteers. The League is a member of the Association of Junior Leagues, Inc., and its purpose is exclusively educational and charitable.

Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of The League have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit leagues to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of The League. These net assets may be used at the discretion of The League’s management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of The League or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Measure of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to The League’s ongoing grants and contributions received. Nonoperating activities are limited to other activities considered to be of a more unusual or nonrecurring nature.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

See independent auditors’ report.

THE JUNIOR LEAGUE OF LONG ISLAND, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

Note 1 - Nature of Activities and Summary of Significant Accounting Policies (cont'd.)

Summary of Significant Accounting Policies (cont'd.)

Contributions

The League records contributions received as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires in the reporting period the contribution is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Contributions of assets other than cash are recorded at their estimated fair value.

Cash and Cash Equivalents

For financial reporting purposes, The League considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents, with the exception of cash and short-term investments that are designated to be part of The League's long-term investment portfolio.

Concentration of Credit Risk

The League's cash is deposited with one financial institution. Cash accounts at banks are insured by the Federal Deposit Insurance Corporation ("FDIC") for up to \$250,000. There were no amounts in excess of FDIC limits at June 30, 2022.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values, based on quoted prices in active markets, in the statements of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by the passage of time or by use) in the reporting period in which the income and gains are recognized.

Inventory

The League's thrift shop inventory is valued at the lower of the fair market value at the date of contribution or the statement of financial position date.

See independent auditors' report.

THE JUNIOR LEAGUE OF LONG ISLAND, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

Note 1 - Nature of Activities and Summary of Significant Accounting Policies (cont'd.)

Summary of Significant Accounting Policies (cont'd.)

Property and Equipment

Property and equipment is stated at cost. The costs of additions and betterments are capitalized and expenditures for repairs and maintenance are expensed in the period incurred.

When items of property and equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts, and any gain or loss is included in income.

Depreciation of property and equipment is provided utilizing the straight-line method over the estimated useful life of the respective assets, as follows:

Building and improvements	39 years
Furniture and fixtures	5 years
Office equipment	5 years
Computer software	3 years

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as increases in restricted net assets with donor restrictions.

Impairment of Long-Lived Assets

The League reviews long-lived assets for impairment whenever events or circumstances indicate that the carrying value of such assets may not be fully recoverable. Impairment is present when the sum of estimated undiscounted future cash flows expected to result from the use of the assets is less than their carrying value. If impairment is present, the carrying value of the impaired asset is reduced to its fair value. Fair value is determined based on discounted cash flows or appraised values, depending on the nature of the assets. During the years ended June 30, 2022 and 2021, there were no impairment losses recognized for long-lived assets.

Deferred Revenue

Amounts received for the years ended June 30, 2022 and 2021 that were related to membership dues collected for the following year have been reported in the accompanying financial statements as deferred revenue.

See independent auditors' report.

THE JUNIOR LEAGUE OF LONG ISLAND, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

Note 1 - Nature of Activities and Summary of Significant Accounting Policies (cont'd.)

Summary of Significant Accounting Policies (cont'd.)

Designated Funds

The bylaws of The League provide that funds held by the General Fund can only be used for support-type functions and in programs that directly benefit the community as a whole. The General Fund receives its revenues from the membership dues, various League-sponsored fundraising activities, rents, investment income and thrift shop sales, and can also receive support from the general public.

Income Taxes

The League is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. In accordance with generally accepted accounting principles, The League's management is required to evaluate tax positions taken and recognize a tax liability (or asset) if The League has taken an uncertain tax position that more likely than not would not be sustained upon examination. The League's management has analyzed the tax positions taken by The League and has concluded that, as of June 30, 2022, there are no uncertain positions taken, or expected to be taken, that would require the recognition of a liability (or asset) or disclosure in the financial statements. The League is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examinations for years prior to 2017.

Donated Merchandise

All merchandise is donated to The League by various individuals and other organizations and is reflected in the accompanying statements of activities. At the date of donation, their value is determined by the Salvation Army Donation Value Guide.

Contributed Services

During the years ended June 30, 2022 and 2021, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. Additionally, many individuals volunteer their time and perform a variety of tasks that assist The League in its activities, but these services do not meet the criteria for recognition as contributed services.

Functional Expenses

The primary functional classifications are program services, management and general, and fundraising costs. The functional classification of expenses requires the allocation of natural expenses to the proper functions.

See independent auditors' report.

THE JUNIOR LEAGUE OF LONG ISLAND, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

Note 1 - Nature of Activities and Summary of Significant Accounting Policies (cont'd.)

Summary of Significant Accounting Policies (cont'd.)

Advertising

Advertising costs are expensed as incurred and included in advertising expense in the statements of functional expenses. Total advertising costs for the years ended June 30, 2022 and 2021 were \$522 and \$95, respectively.

Investment Income Recognition

Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Reclassifications

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

Subsequent Events

The League has evaluated events and transactions occurring after June 30, 2022 through October 24, 2022, the date the financial statements were available to be issued.

Liquidity

The League has \$1,238,851 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures, which consists of cash and cash equivalents and investments. No financial assets are subject to donor restrictions. The League has a goal to maintain financial assets on hand to meet 60 days of normal operating expenses, which are, on average, approximately \$28,000. The League has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

Adoption of New Accounting Principles

In June 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standard Update ("ASU") 2018-08, *Not-for-Profit Entities (Topic 958) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The update clarifies and improves guidance for contributions received and contributions made and provides guidance to leagues on how to account for certain exchange transactions. This has been applied retrospectively to all periods presented.

See independent auditors' report.

THE JUNIOR LEAGUE OF LONG ISLAND, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

Note 1 - Nature of Activities and Summary of Significant Accounting Policies (cont'd.)

Summary of Significant Accounting Policies (cont'd.)

Adoption of New Accounting Principles (cont'd.)

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958) – Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The update requires a separate line item for contributed nonfinancial assets on the statement of activities, apart from contributed cash and other financial assets. This ASU has been applied on a retrospective basis and is effective for annual reporting periods beginning after June 15, 2021. The League reviewed the guidance in the current fiscal year and adjusted the presentation of these financial statements and notes accordingly. See Note 5 for the newly required disclosure of disaggregated amounts of contributed nonfinancial assets recognized within the income statements of activities by category.

Note 2 - Investments

The League's investments are held by Merrill Lynch in a brokerage account. The following table presents a summary of those investments, as well as their cost and fair value:

	<u>2022</u>		<u>2021</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Cash and short-term investments	\$ 154,266	\$ 154,266	\$ 202,450	\$ 202,450
Mutual funds	<u>1,008,115</u>	<u>1,076,102</u>	<u>1,125,623</u>	<u>1,491,621</u>
	<u>\$ 1,162,381</u>	<u>\$ 1,230,368</u>	<u>\$ 1,328,073</u>	<u>\$ 1,694,071</u>

See independent auditors' report.

THE JUNIOR LEAGUE OF LONG ISLAND, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

Note 2 - Investments (cont'd.)

During the years ended June 30, 2022 and 2021, The League's investments bought and sold, as well as held, (depreciated) appreciated in value by (\$233,132) and \$273,068, respectively, as follows:

	2022		
	Unrealized Loss	Realized Gain	Total Depreciation
Mutual funds	\$ (298,020)	\$ 64,888	\$ (233,132)
	\$ (298,020)	\$ 64,888	\$ (233,132)
	2021		
	Unrealized Gain	Realized Gain	Total Appreciation
Mutual funds	\$ 245,764	\$ 27,304	\$ 273,068
	\$ 245,764	\$ 27,304	\$ 273,068

Note 3 - Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are described as follows:

Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that The League has the ability to access.

Level 2 inputs to the valuation methodology include:

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

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

See independent auditors' report.

THE JUNIOR LEAGUE OF LONG ISLAND, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

Note 3 - Fair Value Measurements (cont'd.)

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

The asset's or liability's 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 methodology used for assets measured at fair value. There have been no changes in the methodology used at June 30, 2022.

Mutual funds: Valued at the daily closing price as reported by The League. Mutual funds held by The League are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by The League are deemed to be actively traded.

The following tables set forth, by level within the fair value hierarchy, The League's assets at fair value as of June 30, 2022 and 2021:

	Fair Value Measurements at June 30, 2022 Using			
	(Level 1)	(Level 2)	(Level 3)	Total
Cash and short-term investments	\$ 154,266	\$ -	\$ -	\$ 154,266
Mutual funds	1,076,102	-	-	1,076,102
Investments at fair value	\$ 1,230,368	\$ -	\$ -	\$ 1,230,368
	Fair Value Measurements at June 30, 2021 Using			
	(Level 1)	(Level 2)	(Level 3)	Total
Cash and short-term investments	\$ 202,450	\$ -	\$ -	\$ 202,450
Mutual funds	1,491,621	-	-	1,491,621
Investments at fair value	\$ 1,694,071	\$ -	\$ -	\$ 1,694,071

See independent auditors' report.

THE JUNIOR LEAGUE OF LONG ISLAND, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

Note 4 - Property and Equipment

Property and equipment is summarized as follows:

	<u>2022</u>	<u>2021</u>
Land	\$ 74,275	\$ 74,275
Building and improvements	793,246	585,500
Furniture and fixtures	54,165	54,165
Office equipment	3,154	3,154
Computer software	21,570	21,570
	<u>946,410</u>	<u>738,664</u>
Less: Accumulated depreciation	<u>430,708</u>	<u>471,437</u>
Property and equipment, net	<u>\$ 515,702</u>	<u>\$ 267,227</u>

Depreciation expense related to property and equipment amounted to \$4,704 and \$7,235 for the years ended June 30, 2022 and 2021, respectively.

On September 1, 2021, The League's historic building, located at 1395 Old Northern Boulevard in Roslyn Village, New York, was severely damaged as a result of Tropical Storm Ida and an emergency closure ensued. There was a surge of water over eight feet that destroyed the lower and main levels of the thrift shop. Over 75% of the store's inventory was damaged, and The League's administrative offices and meeting spaces were also impacted.

On April 29, 2022, The League re-opened the thrift shop after working with the team of professionals and volunteers on extensive reparations and repairs and a complete renovation.

As a result of the damage, The League received an insurance recovery for claims in the amount of \$25,000. Repairs and renovations were done to the building to restore it to its original function. As a result of the new improvements, the remaining lives of prior building improvements were written off as a loss on capital improvements. The loss on capital improvements, net of the gain from insurance proceeds, amounted to \$55,581 and is reflected in the statement of activities for the year ended June 30, 2022.

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THE JUNIOR LEAGUE OF LONG ISLAND, INC.
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JUNE 30, 2022 AND 2021

Note 5 - Contributed Nonfinancial Assets

For the years ended June 30, 2022 and 2021, contributed nonfinancial assets recognized within the statements of activities included:

	<u>2022</u>	<u>2021</u>
Merchandise:		
Clothing/household items	\$ 111,986	\$ 304,240

Fair Value Techniques

Contributed merchandise is valued at its estimated fair value on the basis that would be received for selling similar products in the United States, per the Salvation Army Donation Value Guide.

Donor Restrictions and Use

The merchandise is inventoried for sale at The League's thrift shop. No in-kind contributions are restricted.

Note 6 - Leasing Agreement

The League leases a parking lot to the United States Postal Service. The lease is for a 10-year term that expires on September 30, 2028 and requires an annual base rent of \$80,500, which is paid in equal monthly installments of \$6,708.

The following is a schedule of future minimum lease payments:

<u>Years Ending June 30:</u>		
2023	\$	80,500
2024		80,500
2025		80,500
2026		80,500
2027		80,500
Thereafter		<u>107,332</u>
	\$	<u>509,832</u>

Note 7 - Risks and Uncertainties

The League invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and such changes could materially affect account balances and the amounts reported in the statements of financial position.

See independent auditors' report.

SUPPLEMENTARY INFORMATION

THE JUNIOR LEAGUE OF LONG ISLAND, INC.
SUPPLEMENTARY INFORMATION
SCHEDULES OF PROGRAM SERVICES BY PROJECT
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
AJLI Dues	\$ 7,790	\$ 8,177
Community Service Fund	26,129	7,943
Done in a Day	11,369	1,810
Playground	25,000	-
Positively Me	-	750
Training and Education	3,572	162
Wedding Dresses	<u>-</u>	<u>1,173</u>
	<u>\$ 73,860</u>	<u>\$ 20,015</u>

See independent auditors' report on supplementary information.