

GERMAN VILLAGE SOCIETY

FINANCIAL STATEMENTS

For Years Ended December 31, 2019 and 2018

GERMAN VILLAGE SOCIETY

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
German Village Society
Columbus, Ohio

We have audited the accompanying financial statements of German Village Society, which comprise the statements of financial position as of December 31, 2019, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of German Village Society as of December 31, 2019, and the activities and changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The financial statements for the year ended December 31, 2018 were audited by other auditors. Their opinion was dated March 30, 2019 and was unmodified.

Wells, CPA

Wells, CPA LLC
February 9, 2021

GERMAN VILLAGE SOCIETY
Statements of Financial Position
As of December 31, 2019 and 2018

	2019		2018	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
	Total		Total	
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 548,179	\$ -	\$ 548,179	\$ -
Accounts Receivable	41,618	-	41,618	-
Unconditional promises to give, current	53,274	-	53,274	-
Prepaid Expenses	-	-	-	580
Inventory	-	-	-	3,415
TOTAL CURRENT ASSETS	<u>643,071</u>	<u>-</u>	<u>643,071</u>	<u>3,415</u>
			<u>590,428</u>	<u>590,428</u>
PROPERTY AND EQUIPMENT				
Property and Equipment, Net (Note 4)	221,591	-	221,591	-
			<u>252,287</u>	<u>252,287</u>
NON-CURRENT ASSETS				
Unconditional promises to give	45,943	-	45,943	-
Donor restricted investments	-	198,671	198,671	198,671
Investments	484,952	-	484,952	-
TOTAL NON-CURRENT ASSETS	<u>752,486</u>	<u>198,671</u>	<u>951,157</u>	<u>198,671</u>
			<u>1,405,369</u>	<u>1,405,369</u>
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts Payable	\$ 16,993	\$ -	\$ 16,993	\$ -
Deferred membership dues	17,524	-	17,524	-
TOTAL CURRENT LIABILITIES	<u>34,517</u>	<u>-</u>	<u>34,517</u>	<u>-</u>
			<u>14,768</u>	<u>18,140</u>
			<u>32,908</u>	<u>32,908</u>
NET ASSETS				
Without Donor Restrictions	1,361,040	-	1,361,040	-
With Donor Restrictions	-	198,671	198,671	198,671
TOTAL NET ASSETS	<u>1,361,040</u>	<u>198,671</u>	<u>1,559,711</u>	<u>198,671</u>
			<u>1,571,132</u>	<u>1,769,803</u>

GERMAN VILLAGE SOCIETY
Statements of Activities
For the Years Ended December 31, 2019 and 2018

	2019			2018		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
OPERATING ACTIVITIES						
SUPPORT AND REVENUE						
Event Income	\$ 243,759	-	\$ 243,759	\$ 364,118	-	\$ 364,118
Program Revenue	2,706	-	2,706	2,880	-	2,880
Grants	25,520	-	25,520	7,287	-	7,287
Contributions	28,260	-	28,260	151,816	5,848	157,664
Membership Dues	112,513	-	112,513	132,218	-	132,218
Miscellaneous Income	18,488	-	18,488	28,453	-	28,453
Merchandise	6,364	-	6,364	17,243	-	17,243
In-Kind Gifts	60,577	-	60,577	171,841	-	171,841
TOTAL SUPPORT AND REVENUE	<u>498,187</u>	<u>-</u>	<u>498,187</u>	<u>875,856</u>	<u>5,848</u>	<u>881,704</u>
EXPENSES						
Program Services	195,829	-	195,829	324,629	-	324,629
Fundraising	134,072	-	134,072	245,467	-	245,467
Management and General	250,201	-	250,201	251,824	-	251,824
TOTAL EXPENSES	<u>580,102</u>	<u>-</u>	<u>580,102</u>	<u>821,920</u>	<u>-</u>	<u>821,920</u>
CHANGE IN NET ASSETS FROM OPERATIONS	(81,915)	-	(81,915)	53,936	5,848	59,784
NON-OPERATING ACTIVITIES						
Investment unrealized gain (loss)	89,897	-	89,897	(45,651)	-	(45,651)
Investment income	21,772	-	21,772	15,822	-	15,822
Unusual Item (Note L)	(41,175)	-	(41,175)	-	-	-
CHANGE IN NET ASSETS	(11,421)	-	(11,421)	24,107	5,848	29,955
Net Assets at Beginning of Year	1,372,461	198,671	1,571,132	1,348,354	192,823	1,541,177
Net Assets at End of Year	<u>\$ 1,361,040</u>	<u>\$ 198,671</u>	<u>\$ 1,559,711</u>	<u>\$ 1,372,461</u>	<u>\$ 198,671</u>	<u>\$ 1,571,132</u>

GERMAN VILLAGE SOCIETY
Statements of Cash Flows
For the Years Ended December 31, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (11,421)	\$ 29,955
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities:		
Depreciation	42,169	48,523
Net (appreciation) depreciation on investments	(89,897)	29,829
 (Increase) Decrease in:		
Accounts Receivable	(27,773)	9,983
Unconditional promises to give	86,070	(63,617)
Prepaid Expenses	580	(405)
Inventory	3,415	13,006
 Increase (Decrease) in Liabilities:		
Accounts Payable	2,225	(6,646)
Deferred membership dues	(616)	(6,030)
Net Cash (Used in) Provided by Operating Activities	4,752	54,598
 Cash Flows from Investing Activities		
Purchase of Investments	(21,772)	(190,033)
Investment sale proceeds	71,384	196,750
Purchase of property and equipment	(11,473)	(28,700)
Net Cash Provided by (Used in) Investing Activities	38,139	(21,983)
 Cash Flows from Financing Activities		
Net Cash Used in Financing Activities	-	-
 Net Increase In Cash and Cash Equivalents	42,891	32,615
 Cash and Cash Equivalents at Beginning of Year	505,288	472,673
 Cash and Cash Equivalents at End of Year	\$ 548,179	\$ 505,288

See Accompanying Notes to Financial Statements

GERMAN VILLAGE SOCIETY
Statement of Functional Expenses
For the Year Ended December 31, 2019

	<u>Program Services</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Salaries & Benefits	\$ 104,758	\$ 36,581	\$ 59,602	\$ 200,941
In-Kind Expenses	13,866	45,710	1,000	60,576
Contract Labor	18,772	7,760	5,233	31,765
Miscellaneous Expense	-	-	7,004	7,004
Depreciation Expense	-	-	42,169	42,169
Advertising Expense	6,996	9,581	1,062	17,639
Printing	10,672	6,921	3,717	21,310
Supplies	11,320	3,606	2,574	17,500
Professional Fees	-	-	29,075	29,075
Computer	20	-	16,089	16,109
Catering	3,010	2,182	2,212	7,404
Equipment Rental	7	14,970	5,645	20,622
Utilities	-	-	17,421	17,421
Taxes & Licenses	810	890	560	2,260
Fundraising - Programs	17,250	-	6,570	23,820
Repairs	4,357	-	13,564	17,921
Cleaning	255	1,500	11,914	13,669
Bank Charges	354	(1,759)	10,910	9,505
Transportation	9	1,388	56	1,453
Insurance	1,781	-	8,504	10,285
Postage	-	-	1,943	1,943
Awards	1,592	913	355	2,860
Security	-	3,829	572	4,401
Payroll Fees	-	-	2,450	2,450
TOTAL EXPENSES	<u>\$ 195,829</u>	<u>\$ 134,072</u>	<u>\$ 250,201</u>	<u>\$ 580,102</u>

See Accompanying Notes to Financial Statements

GERMAN VILLAGE SOCIETY
Statement of Functional Expenses
For the Year Ended December 31, 2018

	<u>Program Services</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Salaries & Benefits	\$ 125,758	\$ 70,997	\$ 59,627	\$ 256,382
In-Kind Expenses	56,167	110,166	5,508	171,841
Contract Labor	31,241	5,688	4,583	41,512
Miscellaneous Expense	3,648	3,318	3,428	10,394
Productions	13,005	-	-	13,005
Depreciation Expense	-	-	48,522	48,522
Advertising Expense	23,798	3,116	375	27,289
Printing	20,921	7,395	614	28,930
Supplies	12,345	1,873	4,174	18,392
Professional Fees	-	-	25,480	25,480
Computer	3,313	-	18,067	21,380
Catering	2,926	6,670	4,039	13,635
Equipment Rental	1,244	18,747	4,075	24,066
Utilities	-	-	14,897	14,897
Taxes & Licenses	11,603	7,890	6,823	26,316
Fundraising - Programs	6,550	-	-	6,550
Repairs	5,475	-	10,975	16,450
Cleaning	-	-	10,148	10,148
Bank Charges	1,757	-	13,670	15,427
Transportation	41	1,869	473	2,383
Insurance	-	1,845	10,312	12,157
Postage	107	360	2,658	3,125
Awards	3,445	1,413	2,855	7,713
Security	192	3,504	-	3,696
Payroll Fees	1,092	616	518	2,226
TOTAL EXPENSES	<u>\$ 324,628</u>	<u>\$ 245,467</u>	<u>\$ 251,821</u>	<u>\$ 821,916</u>

See Accompanying Notes to Financial Statements

GERMAN VILLAGE SOCIETY
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE A – ORGANIZATION AND PURPOSE

German Village Society (the Society) is an Ohio nonprofit corporation, which was formed for the purpose of promoting the historic preservation, reconstruction, improvement, and redevelopment of the South Side of Columbus known as German Village. Programs and events include tours, maintaining various gardens and parks, art festival, business community events, Haus and Garten Tour, various holiday events, and entertainment. Expenses of the Society are separated and reported based on the functionality of the expenditure incurred. Program expenses are directly related to the purpose of the Society, event expenses are incurred to raise funds to be used to further the programs of the Society, and administrative expenses are costs incurred to run and oversee the Society functions not directly related to Society programs and events.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies followed in the preparation of these financial statements. These policies conform to accounting principles generally accepted in the United States of America and have been applied on a consistent basis.

Method of Accounting

The accounting records are maintained on the accrual basis.

Basis of Presentation

The financial statements of the Society have been prepared in accordance with U.S. generally accepted accounting principles (“US GAAP”), which require the Society 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 Society. These net assets may be used at the discretion of the Society management and board.

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 Society 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 and changes in net assets. See Note H for discussion of the donor restrictions.

Cash and Cash Equivalents

The Society considers all cash and highly liquid financial instruments with original maturities of

GERMAN VILLAGE SOCIETY
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
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three months or less to be cash and cash equivalents.

Promises to Give and Receivables

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met.

As of December 31, 2019, the Society contributions receivable consisted of unconditional promises to give in the amount of \$99,217, of which \$53,274 are expected to be collected within one year. As of December 31, 2018, the Society contributions receivable consisted of unconditional promises to give in the amount of \$185,287, of which \$67,300 are expected to be collected within one year.

Accounts Receivable

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Society provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of customers and supports to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is the Society's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. As of December 31, 2019, there is no allowance for doubtful accounts nor amounts charged off as uncollectable.

Inventory

Inventories consist of books and are stated at the lower of cost or net realizable value.

Property and Equipment

Property and equipment are stated at cost and depreciated over their estimated useful lives ranging from five to thirty-nine years using the straight-line method. The Society follows the practice of capitalizing all expenditures for these assets of \$3,000 or greater. The cost of additions and improvements and renewals, which substantially extend the useful life of a particular asset, are capitalized. Repair and maintenance expenditures are charged to operations in the period incurred.

Contributions

Contributions received are recorded 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 an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized.

All other donor restricted contributions are reported as an increase in net assets with donor

GERMAN VILLAGE SOCIETY
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
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restrictions, depending on the nature of 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 and changes in net assets as net assets reclassified from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Income Taxes

German Village Society is exempt from Federal income taxes under Section 501 (c)(3) of the Internal Revenue Code.

German Village Society follows FASB guidance on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, German Village Society may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of German Village Society, and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods. On December 31, 2019, there were no material unrecognized tax benefits identified or recorded as liabilities.

German Village Society files Form 990 in the U.S. federal jurisdiction and the state of Ohio. The German Village Society's federal exempt organization tax returns are subject to examination by the Internal Revenue Service, generally for three years after they are filed.

Use of Estimates

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

Investments

Investments are reported at cost, if purchased or at fair value, if donated. Thereafter, investments are reported at their fair values in the statements of financial position, and changes in fair value

GERMAN VILLAGE SOCIETY
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
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are reported as investment return in the statements of activities and changes in net assets.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statements of activities and changes in net assets in the period in which the securities are sold. Interest is recorded when earned. The Society incurred \$3,314 of interest fees during 2019. The Society incurred \$3,763 of interest fees during 2018.

Fair Value Measurements

The Society defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining fair value measurements for assets and liabilities, which are required to be recorded at fair value, the Society considers the principal or most advantageous market in which the Society would transact and the market-based risk measurement or assumptions that market participants would use in pricing the asset or liability, such as inherent risk, transfer restrictions and credit risk.

The Society applies the following fair value hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

Level 1 – Observable inputs such as quoted prices in active markets for identical investments that the Society has the ability to access.

Level 2 - Inputs 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 in active markets, that are observable either directly or indirectly.
- Inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

Level 3 – Unobservable inputs in which there is little or no market activity for the asset or liability, which require the reporting entity to develop its own estimates and assumptions relating to the pricing of the asset or liability including assumptions regarding risk.

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. The valuation techniques are used to maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

**GERMAN VILLAGE SOCIETY
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018**

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
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In-kind Donations

The Society received donated professional services and other advertising services of \$60,577 for the year ended December 31, 2019. The Society received donated professional services and other advertising services of \$171,841 for the year ended December 31, 2018. Such amounts, which are based upon information provided by the Society, are recorded at their estimated fair value determined on the date of contribution and are reported as contributions in-kind and supporting services on the accompanying statements of activities and changes in net assets and statements of functional expenses.

Several volunteers have made significant contributions of their time to furtherance of the Society’s mission. These services were not reflected in the accompanying statements of activities and changes in net assets because they do not meet the necessary criteria for recognition under U.S. GAAP.

Functional Expenses

The cost of providing program and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain cost has been allocated among program services, fundraising, and management and general. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries, wages, and benefits	Time and effort
Payroll fees	Time and effort

Concentration of Credit Risk

The Society will have amounts in their bank accounts more than the federally insured limit at various times throughout the year. Any amounts more than the insured amount may not be recovered should the institution fail. The amounts more than the insured limits were \$221,387 and \$388,636 on December 31, 2019 and 2018, respectively.

Subsequent Events

Management evaluated all activity of the Society through February 9, 2021, the date the financial statements were available to be issued and concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements or notes.

GERMAN VILLAGE SOCIETY
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE C – AVAILABILITY AND LIQUIDITY
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	<u>2019</u>	<u>2018</u>
Financial Assets at year-end:		
Cash and Cash equivalents	\$ 548,179	\$ 505,288
Accounts receivable	41,618	13,845
Investments	683,623	643,338
Unconditional promises to give	<u>99,217</u>	<u>185,287</u>
Total financial assets	<u>1,372,637</u>	<u>1,347,758</u>
Less amounts not available to be used within one year		
Net Assets with donor restrictions	198,671	198,671
Unconditional promises to give	<u>45,943</u>	<u>117,987</u>
	<u>244,614</u>	<u>316,658</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$1,128,023</u>	<u>\$1,031,100</u>

NOTE D – PROMISES TO GIVE

Unconditional promises to give consists of the following on December 31:

	<u>2019</u>	<u>2018</u>
Amounts due in:		
Less than one year	\$53,274	\$ 67,300
One to five years	<u>47,975</u>	<u>127,950</u>
Gross unconditional promises to give	101,249	195,250
Unamortized discount	<u>(2,032)</u>	<u>(9,963)</u>
Total	<u>\$99,217</u>	<u>\$185,287</u>

Unconditional promises to give due in more than one year are recognized at fair value, using present value techniques and a discount of the 12-month LIBOR rate, when the donor makes an unconditional promise to give to the Society.

GERMAN VILLAGE SOCIETY
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE E – PROPERTY AND EQUIPMENT

Property and equipment consist of the following on December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Buildings	\$ 799,991	\$ 799,991
Leasehold improvements	200,923	191,949
Website design	29,200	29,200
Office equipment	<u>244,437</u>	<u>241,938</u>
	1,274,551	1,263,078
Accumulated depreciation	<u>(1,052,960)</u>	<u>(1,010,791)</u>
	<u>\$ 221,591</u>	<u>\$ 252,287</u>

Depreciation expense of \$42,169 and \$48,523 was recorded for the years ended December 31, 2019 and 2018, respectively.

NOTE F - INVESTMENTS

The following is a summary of investments on December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Equities	\$ 456,938	\$ 577,800
Fixed income	<u>226,685</u>	<u>65,538</u>
Total	<u>\$ 683,623</u>	<u>\$ 643,338</u>

As of December 31, 2019, and 2018, all investments were considered Level 1 investments.

NOTE G – OPERATING LICENSE

The Society leases a copier under an operating lease that expires in May 2021. The future minimum payments are as follows:

2020	\$ 2,220
2021	<u>925</u>
	<u>\$ 5,365</u>

Rent expense for all operating leases including equipment used at events was \$20,622 and \$24,066 for the years ended December 31, 2019 and 2018, respectively.

GERMAN VILLAGE SOCIETY
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE H – NET ASSETS

Net assets with donor restrictions on December 31:

	<u>2019</u>	<u>2018</u>
Specific Purpose		
Huntington Garden Endowment	\$ <u>198,671</u>	\$ <u>198,671</u>

Net assets without donor restrictions and those the Society’s Board of directors has chosen to place limitations on December 31:

	<u>2019</u>	<u>2018</u>
Specific Purpose		
Meeting Haus maintenance	\$ 252,777	\$ 215,354
Warner maintenance	216,490	184,817
Village singers	20,592	20,462
Huntington Garden	38,368	34,329
Council of Historic Neighborhoods	1,539	1,539
For the Good of the Neighborhood	105,830	129,180
Frank Fetch Park maintenance	50	50
Historic Preservation	155,265	124,944
German Village Business Community	80,087	92,201
Highfield Garden maintenance	-	1,731
Schiller Park Bloomin	-	2,255
Friends of Schiller Park	-	24,803
Schiller Park Enhancements	-	4,423
Schiller Park Arboretum	-	3,683
Schiller Park bench and trash can	-	3,094
Southside Stay	3,980	3,172
Undesignated	<u>486,062</u>	<u>526,424</u>
	<u>\$ 1,361,040</u>	<u>\$ 1,372,461</u>

There were no net assets released from restriction during the years ended December 31, 2019 and 2018.

NOTE I – RETIREMENT PLAN

The Society has established a retirement plan pursuant to Section 401(k) of the IRC covering full-time employees who earn at least \$5,000 annually, whereby participants may contribute a percentage of compensation, but not in the excess of the maximum allowed under the IRC. The plan provides for a contribution by the Society of 100% up to a limit of 3% of total compensation for the calendar year. The Society made contributions of \$2,396 and \$3,998 for the years December 31, 2019 and 2018, respectively.

GERMAN VILLAGE SOCIETY
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE J – ADMINISTRATIVE FEES

The Society has implemented an annual administrative fee on donations for purposes other than operations. The administrative fees are ten percent on donations up to \$2,500; five percent on donations of \$2,501 to \$5,000; and three percent on donations over \$5,000.

NOTE K – MEASURE OF OPERATIONS

In its statement of activities and changes in net assets, the Society reflects investment income as non-operating activities. Operating activities are those activities that are an integral part of its programs and supporting activities. Investment income, including net realized and unrealized gains and losses, are recognized as nonoperating activities.

NOTE L – UNUSUAL ITEM

During the year ended December 31, 2019, the Friends of Schiller committee, a long-standing board designated fund included within the Statement of Position, legally separated from the Society, and was recognized by the Internal Revenue Service as an independent nonprofit charitable entity. The board designated funds for this committee were disbursed to the new nonprofit entity. The Society chose to report this transaction as a nonoperational unusual time based on the nature of the transaction.

NOTE M - SUBSEQUENT EVENTS

On March 11, 2020, the World Health Organization declared the outbreak of coronavirus (COVID-19) a pandemic. As a result, economic uncertainties have arisen which are likely to negatively impact the Society's net change in net assets. Other financial impact could occur though such potential impact is unknown at this time.

In May 2020, the Society received a Paycheck Protection Program loan through the Small Business Administration in the amount of \$39,087. The Society plans to seek forgiveness of this loan in accordance with the forgiveness program developed by the Small Business Administration.

In October 2020, the board voted to eliminate the positions of Executive Director and Event Manager as a result of the economic impact of the COVID-19 pandemic on the organization's fundraising revenue.