

GERMAN VILLAGE SOCIETY

FINANCIAL STATEMENTS

For the Years Ended December 31, 2022 and 2021

GERMAN VILLAGE SOCIETY

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
German Village Society
Columbus, Ohio

Opinion

We have audited the accompanying financial statements of German Village Society (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities and changes in net assets, cash flows, and functional expenses 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 German Village Society as of December 31, 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 German Village Society 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 opinion.

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 German Village Society'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 Responsibility 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

**INDEPENDENT AUDITOR'S REPORT
(Continued)**

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 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 German Village Society'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 German Village Society'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.

Wells, CPA

Wells, CPA LLC
August 14, 2023

GERMAN VILLAGE SOCIETY
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022 AND 2021

	<u>2022</u>			<u>2021</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
ASSETS						
CURRENT ASSETS						
Cash - Operating	\$ 195,690	\$ -	\$ 195,690	\$ 149,956	\$ -	\$ 149,956
Cash - Board Designated	363,687	-	363,687	312,033	-	312,033
Accounts Receivable	14,235	-	14,235	12,317	-	12,317
Investments, Current	467,846	-	467,846	593,343	-	593,343
TOTAL CURRENT ASSETS	<u>1,041,458</u>	<u>-</u>	<u>1,041,458</u>	<u>1,067,649</u>	<u>-</u>	<u>1,067,649</u>
PROPERTY AND EQUIPMENT						
Property and Equipment, Net (Note D)	158,967	-	158,967	155,417	-	155,417
NON-CURRENT ASSETS						
Unconditional Promises to Give, Non-Current	-	-	-	-	-	-
Investments, Non-Current	-	267,802	267,802	-	323,483	323,483
Beneficial Interest in Assets Held by Third Parties	19,113	-	19,113	19,113	-	19,113
TOTAL NON-CURRENT ASSETS	<u>178,080</u>	<u>267,802</u>	<u>445,882</u>	<u>174,530</u>	<u>323,483</u>	<u>498,013</u>
TOTAL ASSETS	<u>\$ 1,219,538</u>	<u>\$ 267,802</u>	<u>\$ 1,487,340</u>	<u>\$ 1,242,179</u>	<u>\$ 323,483</u>	<u>\$ 1,565,662</u>
LIABILITIES AND NET ASSETS						
Current Liabilities						
Accounts Payable	\$ 3,637	\$ -	\$ 3,637	\$ 693	\$ -	\$ 693
Deferred Membership Dues	9,890	-	9,890	10,100	-	10,100
Notes Payable	-	-	-	46,135	-	46,135
TOTAL CURRENT LIABILITIES	<u>13,527</u>	<u>-</u>	<u>13,527</u>	<u>56,928</u>	<u>-</u>	<u>56,928</u>
Long-Term Liabilities						
TOTAL LIABILITIES	<u>13,527</u>	<u>-</u>	<u>13,527</u>	<u>56,928</u>	<u>-</u>	<u>56,928</u>
NET ASSETS						
Net Assets	842,324	267,802	1,110,126	873,218	323,483	1,196,701
Net Assets - Board Designated	363,687	-	363,687	312,033	-	312,033
TOTAL NET ASSETS	<u>1,206,011</u>	<u>267,802</u>	<u>1,473,813</u>	<u>1,185,251</u>	<u>323,483</u>	<u>1,508,734</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,219,538</u>	<u>\$ 267,802</u>	<u>\$ 1,487,340</u>	<u>\$ 1,242,179</u>	<u>\$ 323,483</u>	<u>\$ 1,565,662</u>

See Accompanying Notes to Financial Statements

GERMAN VILLAGE SOCIETY
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>			<u>2021</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
OPERATING ACTIVITIES						
SUPPORT AND REVENUE						
Event Income	\$ 229,108	\$ -	\$ 229,108	\$ 73,370	\$ -	\$ 73,370
Program Revenue	3,582	-	3,582	995	-	995
Grants	-	-	-	2,859	-	2,859
Contributions	65,759	-	65,759	58,794	-	58,794
Forgiveness of PPP Loan	40,345	-	40,345	39,087	-	39,087
Membership Dues	91,576	-	91,576	105,142	-	105,142
Miscellaneous Income	9,526	-	9,526	4,981	-	4,981
Merchandise	9,560	-	9,560	7,739	-	7,739
In-Kind Gifts	95,696	-	95,696	4,928	-	4,928
Release from Restrictions	8,429	(8,429)	-	5,583	(5,583)	-
TOTAL SUPPORT AND REVENUE	<u>553,581</u>	<u>(8,429)</u>	<u>545,152</u>	<u>303,478</u>	<u>(5,583)</u>	<u>297,895</u>
EXPENSES						
Program Services	232,234	-	232,234	140,939	-	140,939
Fundraising	37,802	-	37,802	63,426	-	63,426
Management and General	175,681	-	175,681	179,039	-	179,039
TOTAL EXPENSES	<u>445,717</u>	<u>-</u>	<u>445,717</u>	<u>383,404</u>	<u>-</u>	<u>383,404</u>
CHANGE IN NET ASSETS FROM OPERATIONS	107,864	(8,429)	99,435	(79,926)	(5,583)	(85,509)
NON-OPERATING ACTIVITIES						
Investment unrealized gain (loss)	(118,476)	(64,498)	(182,974)	41,339	22,617	63,956
Investment income	31,372	17,246	48,618	12,053	6,586	18,639
	<u>(87,104)</u>	<u>(47,252)</u>	<u>(134,356)</u>	<u>53,392</u>	<u>29,203</u>	<u>82,595</u>
CHANGE IN NET ASSETS	20,760	(55,681)	(34,921)	(26,534)	23,620	(2,914)
Net Assets at Beginning of Year	1,185,251	323,483	1,508,734	1,312,977	198,671	1,511,648
Reclassification of Beginning Net Assets (Note M)	-	-	-	(101,192)	101,192	-
Net Assets at End of Year	<u>\$ 1,206,011</u>	<u>\$ 267,802</u>	<u>\$ 1,473,813</u>	<u>\$ 1,185,251</u>	<u>\$ 323,483</u>	<u>\$ 1,508,734</u>

See Accompanying Notes to Financial Statements

**GERMAN VILLAGE SOCIETY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (34,921)	\$ (2,914)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	32,246	33,232
Investment Unrealized Loss (Gain)	182,974	(63,956)
Forgiveness of PPP Loan	(40,345)	(39,087)
 (Increase) Decrease in:		
Accounts Receivable	(1,918)	2,234
Unconditional Promises to Give	-	89,671
 Increase (Decrease) in Liabilities:		
Accounts Payable	2,944	(22,702)
Deferred Membership Dues	(210)	395
Net Cash Provided by (Used In) Operating Activities	140,770	(3,127)
 Cash Flows from Investing Activities		
Purchase of Investments	(1,796)	(95,060)
Purchase of Property and Equipment	(35,796)	(3,949)
Net Cash Used In Investing Activities	(37,592)	(99,009)
 Cash Flows from Financing Activities		
Payments to Notes Payable	(5,790)	-
Proceeds from Notes Payable	-	46,134
Net Cash (Used In) Provided By Financing Activities	(5,790)	46,134
 Net Increase (Decrease) In Cash and Cash Equivalents	97,388	(56,002)
 Cash at Beginning of Year	461,989	517,991
Cash at End of Year (Note K)	\$ 559,377	\$ 461,989

See Accompanying Notes to Financial Statements

GERMAN VILLAGE SOCIETY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Program Services</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Salaries and Benefits	\$ 72,927	\$ 19,628	\$ 40,517	\$ 133,072
In-Kind Expenses	95,461	-	235	95,696
Contract Labor	5,800	595	-	6,395
Miscellaneous Expense	4,509	1,472	3,091	9,072
Depreciation Expense	-	-	32,246	32,246
Advertising Expense	3,008	-	172	3,180
Printing	4,875	856	1,358	7,089
Supplies	15,035	610	5,121	20,766
Professional Fees	4,881	5,248	17,133	27,262
Computer	-	-	21,799	21,799
Catering	7,899	2,715	155	10,769
Utilities	-	-	16,381	16,381
Taxes and Licenses	5,790	2,188	3,176	11,154
Repairs	110	400	3,585	4,095
Cleaning	-	-	10,247	10,247
Bank Charges	2,654	-	8,429	11,083
Transportation	5,620	2,900	-	8,520
Insurance	1,182	-	8,565	9,747
Awards	847	-	-	847
Security	1,636	1,190	1,025	3,851
Payroll Fees	-	-	2,446	2,446
TOTAL EXPENSES	<u>\$ 232,234</u>	<u>\$ 37,802</u>	<u>\$ 175,681</u>	<u>\$ 445,717</u>

See Accompanying Notes to Financial Statements

GERMAN VILLAGE SOCIETY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Program Services</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Salaries and Benefits	\$ 42,800	\$ 13,797	\$ 31,280	\$ 87,877
In-Kind Expenses	109	400	4,419	4,928
Contract Labor	1,325	1,233	6,330	8,888
Miscellaneous Expense	10,903	19,999	3,089	33,991
Depreciation Expense	-	-	33,232	33,232
Advertising Expense	2,508	250	206	2,964
Printing	4,166	1,502	97	5,765
Supplies	9,869	892	1,962	12,723
Professional Fees	-	1,505	23,417	24,922
Computer	231	-	13,662	13,893
Catering	284	4,154	(344)	4,094
Utilities	-	-	17,553	17,553
Taxes and Licenses	3,515	1,385	2,819	7,719
Fundraising - Programs	2,859	-	2,330	5,189
Repairs	225	-	7,350	7,575
Cleaning	460	-	10,961	11,421
Bank Charges	1,867	-	6,369	8,236
Insurance	-	703	8,298	9,001
Awards	3,057	430	1,300	4,787
Security	-	781	2,505	3,286
Payroll Fees	-	-	2,198	2,198
Bad Debt	56,761	16,395	6	73,162
TOTAL EXPENSES	<u>\$ 140,939</u>	<u>\$ 63,426</u>	<u>\$ 179,039</u>	<u>\$ 383,404</u>

See Accompanying Notes to Financial Statements

GERMAN VILLAGE SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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, 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 (“U.S. 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’s 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.

Cash

The Society considers all cash and highly liquid financial instruments with original maturities of three months or less to be cash.

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 support 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

**GERMAN VILLAGE SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

will not be collected. As of December 31, 2022 and 2021, there is no allowance for doubtful accounts. During the year ended December 31, 2021, the Society recognized \$73,161 of bad debt expense from uncollectable receivables.

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 is met or 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 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 and Changes in Net Assets as net assets reclassified from restrictions.

Revenue Recognition

The Society offers memberships to residents of German Village and to individuals and businesses in the community at large. There are no specific significant performance obligations that exist when a membership is purchased. However, members are able to receive discounts to rent space for personal use. This benefit expires over a one-year period from the time that the membership is purchased. The Society recognizes revenue from members at the time that the membership is paid. The Society does not incur significant rentals to members. Therefore, not associating the opportunity to rent space with the recognition of membership income is consistent with generally accepted accounting principles.

Income Taxes

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

The 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, the 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 the Society, and various

**GERMAN VILLAGE SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2022, there were no material unrecognized tax benefits identified or recorded as liabilities.

The Society files Form 990 in the U.S. federal jurisdiction and the state of Ohio. The Society's federal exempt organization tax returns are subject to examination by the Internal Revenue Service, generally for three years after they are filed. All tax returns for years ending after December 31, 2019 are open for examination.

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 their fair values in the Statements of Financial Position, and changes in fair value are reported as investment unrealized gain (loss) in the Statements of Activities.

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 \$5,144 and \$4,753 of investment fees during 2022 and 2021, respectively.

In-Kind Gifts

The Society records various types of in-kind contributions. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. The amount reflected in the accompanying financial statements as In-Kind Gifts are offset by like amounts included in expenses as In-Kind Expenses. In-Kind Gifts consisted of the following as of December 31:

	2022	2021
Professional Fees	\$37,300	\$2,319
Advertising Services	39,461	-
Goods	18,935	2,609
Total In-Kind Gifts	\$95,696	\$4,928

**GERMAN VILLAGE SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Many individuals volunteer their time and perform a variety of tasks that assist the Society in performing the Society’s mission. The related volunteer hours have not been recorded in the Statements of Activities or the Statements of Functional Expenses as they do not qualify as contributions under accounting principles generally accepted in the United States of America.

Functional Expenses

All expenses are directly charged to the function they pertain to, other than Salaries and Benefits. Salaries and Benefits are allocated to the appropriate function (program services, fundraising, and management and general) based upon time estimates for each employee.

Concentration of Credit Risk

The Society maintains its cash balances in one financial institution in Columbus, Ohio. The balances at the financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at each financial institution. 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 \$293,282 and \$210,413 on December 31, 2022 and 2021, respectively.

Subsequent Events

Management evaluated all activity of the Society through August 14, 2023, 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.

NOTE C – AVAILABILITY AND LIQUIDITY

Financial assets available for general expenditure within one year of the Statement of Financial Position date consists of the following:

	<u>2022</u>	<u>2021</u>
Financial Assets at year-end:		
Cash – Operating and Board-Designated	\$ 559,377	\$ 461,989
Accounts receivable	14,235	12,317
Investments, Current and Non-Current	735,648	916,826
Total financial assets	1,309,260	1,391,132
Less amounts not available to be used within one year		
Net Assets with donor restrictions	267,802	323,483
Financial assets available to meet general expenditures over the next twelve months	\$ 1,041,458	\$ 1,067,649

The Society has certain board-designated investments which are available for general expenditure within one year in the normal course of operations. Accordingly, these assets have been included in the quantitative information above. The Society has other assets limited as to use for donor-restricted purposes. These assets are not available for general expenditure within the next year and

**GERMAN VILLAGE SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE C – AVAILABILITY AND LIQUIDITY (continued)

are not reflected in the amounts above.

NOTE D – PROPERTY AND EQUIPMENT

Property and equipment consist of the following on December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Buildings	\$ 828,794	\$ 799,991
Leasehold improvements	207,916	200,923
Website design	33,150	33,150
Office equipment	<u>245,688</u>	<u>245,688</u>
	1,315,548	1,279,752
Accumulated depreciation	<u>(1,156,581)</u>	<u>(1,124,335)</u>
	<u>\$ 158,967</u>	<u>\$ 155,417</u>

Depreciation expense of \$32,246 and \$33,232 was recorded for the years ended December 31, 2022 and 2021, respectively.

NOTE E – INVESTMENTS

The following is a summary of investments on December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Cash Equivalents	\$ 78,529	\$ 89,609
Equities	408,824	596,211
Fixed Income	<u>248,295</u>	<u>231,006</u>
Total Investments, Current and Non-Current	<u>\$735,648</u>	<u>\$916,826</u>

GERMAN VILLAGE SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE F – FAIR VALUE MEASUREMENTS

Fair values of assets measured as of December 31, 2022 were as follows:

Recurring fair value measurements

Description	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Cash Equivalents	\$ 78,529	\$ 78,529	\$ -	\$ -
Equity securities	408,824	408,824	-	-
Fixed income securities	248,295	248,295	-	-
Beneficial interest in third party assets	19,113	-	-	19,113
Total recurring fair value measurements	\$ 754,761	\$ 735,648	\$ -	\$ 19,113

Fair values of assets measured as of December 31, 2021 were as follows:

Recurring fair value measurements

Description	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Cash Equivalents	\$ 89,609	\$ 89,609	\$ -	\$ -
Equity securities	596,211	596,211	-	-
Fixed income securities	231,006	231,006	-	-
Beneficial interest in third party assets	19,113	-	-	19,113
Total recurring fair value measurements	\$ 935,939	\$ 916,826	\$ -	\$ 19,113

**GERMAN VILLAGE SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE F – FAIR VALUE MEASUREMENTS (continued)

Fair value measurements using significant unobservable inputs (Level 3):

Description	Beneficial interest in third party assets	
	2022	2021
Opening Balance – December 31,	\$ 19,113	\$ 17,347
Contributions	2,000	2,050
Total gains for the period included in change in net assets	<u>(2,000)</u>	<u>(284)</u>
Total Level 3 as of December 31,	<u>\$ 19,113</u>	<u>\$ 19,113</u>

All assets have been valued using the market approach, except for Level 3 assets. The valuation technique used for Level 3 is a proportionate share of The Columbus Jewish Foundation's total holdings in Level 1 investments that the Society has a beneficial interest in.

NOTE G – NET ASSETS

Net assets with donor restrictions on December 31:

	<u>2022</u>	<u>2021</u>
Specific Purpose		
Huntington Garden Endowment	<u>\$267,802</u>	<u>\$323,483</u>

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

	<u>2022</u>	<u>2021</u>
Unrestricted	\$ 842,324	\$ 873,218
Board-Designated:		
Frank Fetch Park Maintenance	50	50
Council of Historic Neighborhoods	1,539	1,539
German Village Business Community	81,505	77,503
For the Good of the Neighborhood	86,455	71,455
Funds for Historical Preservation	179,429	146,332
Huntington Garden Maintenance	36	1,481
Southside Stay	12,164	9,164
Village Singers	2,509	4,509
Total Board-Designated	<u>363,687</u>	<u>312,033</u>
Total Net Assets Without Donor Restrictions	<u>\$ 1,206,011</u>	<u>\$ 1,185,251</u>

**GERMAN VILLAGE SOCIETY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE H – 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 discretionary contribution by the Society of 100% up to a limit of 3% of total compensation for the calendar year. The Society made no contributions for the years ended December 31, 2022 and 2021.

NOTE I – PAYCHECK PROTECTION PROGRAM

In May 2020, the Society applied for and received a loan under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was implemented by the United States Small Business Administration (SBA) with support from the United States Department of the Treasury in the amount of \$39,087. In July 2021, the loan was forgiven based on the eligible costs incurred. Forgiveness is recognized in the Statements of Activities as of December 31, 2021.

In April 2021, the Society was provided with a second PPP loan in the amount of \$46,135. In July 2022, the loan was forgiven in the amount of \$40,345. This amount is recognized as forgiveness in the Statements of Activities as of December 31, 2022. The remaining balance of \$5,790 was repaid by the Society.

NOTE J – ADMINISTRATIVE FEES

The Society has implemented an annual administrative fee on donations for purposes other than operations. The administrative fees are 10% on donations up to \$2,500; 5% on donations of \$2,501 to \$5,000; and 3% on donations over \$5,000.

NOTE K – CASH – OPERATING AND CASH – BOARD-DESIGNATED

For purposes of the Statements of Financial Position and the Statements of Cash Flows, cash is considered to be cash and other highly liquid resources, such as investments in certificates of deposit and money market funds, with an original maturity of three months or less when purchased. Assets designated by the Board are reported as board-designated on the Statements of Financial Position. The following table provides a reconciliation of Cash – Operating, and Cash – Board-Designated within the Statements of Financial Position that sum to the totals of the same amounts in the Statements of Cash Flows.

**GERMAN VILLAGE SOCIETY
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FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE K – CASH – OPERATING AND CASH – BOARD-DESIGNATED (continued)

	<u>2022</u>	<u>2021</u>
Cash – Operating	\$ 195,690	\$ 149,956
Cash – Board-Designated:		
Frank Fetch Park Maintenance	50	50
Council of Historic Neighborhoods	1,539	1,539
German Village Business Community	81,505	77,503
For the Good of the Neighborhood	86,455	71,455
Funds for Historical Preservation	179,429	146,332
Huntington Garden Maintenance	36	1,481
Southside Stay	12,164	9,164
Village Singers	2,509	4,509
Total Cash – Board-Designated	363,687	312,033
Total Cash	\$559,377	\$461,989

NOTE L – MEASURE OF OPERATIONS

In its Statements 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 non-operating activities.

NOTE M – CHANGE IN NET ASSETS AT BEGINNING OF YEAR

The balance of Net Assets with Donor Restrictions at December 31, 2020 included only the principal balance of the Huntington Garden Endowment. To align with the Society’s understanding of the donor restrictions being both the principal and any changes to the value of the Huntington Garden Endowment, a reclassification of \$101,192 from Net Assets Without Donor Restriction to Net Assets with Donor Restriction was considered necessary to properly reflect the Net Assets with Donor Restrictions as of December 31, 2020. The cumulative effect is a net zero change to total net assets.