



AMERICAN COUNCIL ON GERMANY

Audited Financial Statements

December 31, 2023

The American Council on Germany, Inc.

Audited Financial Statements

December 31, 2023

CONTENTS

	Page
Independent Auditor's Report	1-2
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-15

Independent Auditor's Report

To the Board of Directors of
The American Council on Germany, Inc.

Opinion

We have audited the accompanying financial statements of The American Council on Germany, Inc. ("ACG"), which comprise the statement of financial position as of December 31, 2023, the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of ACG as of December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). 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 ACG 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 ACG'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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 ACG'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 ACG'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 Summarized Comparative Information

We have previously audited the ACG's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 22, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Sax CPAs LLP

New York, NY
November 11, 2024

The American Council on Germany, Inc.

Statement of Financial Position

At December 31, 2023

(With comparative totals at December 31, 2022)

	December 31,	
	2023	2022
ASSETS		
Cash and cash equivalents	\$ 578,942	\$ 835,405
Investments	14,503,346	12,847,230
Contributions and grants receivable	106,541	276,334
Prepaid expenses and other assets	68,139	33,922
Property and equipment, net	182,185	4,460
Security deposit	58,944	94,918
Operating lease right-of-use asset	1,921,530	-
TOTAL ASSETS	<u>\$ 17,419,627</u>	<u>\$ 14,092,269</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 156,637	\$ 318,417
Fellowship stipends and travel payable	17,933	28,235
Deferred revenue (Note 7)	267,897	-
Operating lease liability	2,031,016	-
Total liabilities	<u>2,473,483</u>	<u>346,652</u>
NET ASSETS		
Net assets without donor restrictions	14,656,477	13,432,750
Net assets with donor restrictions	289,667	312,867
Total net assets	<u>14,946,144</u>	<u>13,745,617</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 17,419,627</u>	<u>\$ 14,092,269</u>

The attached notes and auditor's report are an integral part of these financial statements.

The American Council on Germany, Inc.

Statement of Activities

For the Year Ended December 31, 2023
(With comparative totals for the year ended December 31, 2022)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 12/31/2023</u>	<u>Total 12/31/2022</u>
REVENUES, GAINS, AND OTHER SUPPORT				
Contributions and grants	\$ 922,390	\$ 25,000	\$ 947,390	\$ 1,218,994
Special events (net of expenses with a direct benefit to donors)	-	-	-	671,322
Membership dues and related contributions	364,760	-	364,760	257,631
Discussion programs, luncheons, and meetings	77,239	-	77,239	90,650
Interest and dividend income	293,140	-	293,140	365,634
Miscellaneous income	2,978	-	2,978	-
Total revenues, gains, and other support	<u>1,660,507</u>	<u>25,000</u>	<u>1,685,507</u>	<u>2,604,231</u>
NET ASSETS RELEASED FROM RESTRICTIONS				
Satisfaction of donor restrictions	48,200	(48,200)	-	-
Net revenues, gains, and other support	<u>1,708,707</u>	<u>(23,200)</u>	<u>1,685,507</u>	<u>2,604,231</u>
FUNCTIONAL EXPENSES				
Program services	1,931,174	-	1,931,174	1,718,151
General and administrative	195,520	-	195,520	208,943
Fundraising	125,814	-	125,814	119,756
Total functional expenses	<u>2,252,508</u>	<u>-</u>	<u>2,252,508</u>	<u>2,046,850</u>
Change in net assets from operating activities	<u>(543,801)</u>	<u>(23,200)</u>	<u>(567,001)</u>	<u>557,381</u>
NON-OPERATING ACTIVITIES				
Net investment return	1,757,552	-	1,757,552	(1,335,964)
Gain (loss) on currency exchange	9,976	-	9,976	(25,476)
Total non-operating activities	<u>1,767,528</u>	<u>-</u>	<u>1,767,528</u>	<u>(1,361,440)</u>
Change in net assets	<u>1,223,727</u>	<u>(23,200)</u>	<u>1,200,527</u>	<u>(804,059)</u>
NET ASSETS, <i>beginning of year</i>	<u>13,432,750</u>	<u>312,867</u>	<u>13,745,617</u>	<u>14,549,676</u>
NET ASSETS, <i>end of year</i>	<u>\$ 14,656,477</u>	<u>\$ 289,667</u>	<u>\$ 14,946,144</u>	<u>\$ 13,745,617</u>

The attached notes and auditor's report are an integral part of these financial statements.

The American Council on Germany, Inc.

Statement of Functional Expenses

For the Year Ended December 31, 2023
(With comparative totals for the year ended December 31, 2022)

	Program Services	Supporting Services		Total Expenses 12/31/2023	Total Expenses 12/31/2022
		General and Administrative	Fundraising		
Salaries	\$ 850,086	\$ 77,675	\$ 63,925	\$ 991,686	\$ 968,500
Payroll taxes and employee benefits	168,036	15,353	12,637	196,026	202,819
Fellowship awards	32,000	-	-	32,000	19,739
Professional fees	29,334	69,042	20,000	118,376	97,200
Public policy program (including in-kind)	213,674	-	-	213,674	62,772
Communications and information technology	37,696	3,444	2,835	43,975	68,170
Occupancy	205,041	18,735	15,419	239,195	172,789
Travel, events, and accommodations	343,510	5,773	4,718	354,001	564,404
Office supplies and equipment	17,462	1,598	1,312	20,372	16,480
Postage and shipping	1,094	44	1,069	2,207	1,113
Insurance	9,772	893	735	11,400	9,436
Dues and subscriptions	155	834	1,410	2,399	1,152
Miscellaneous	7,240	661	545	8,446	11,287
Depreciation	16,074	1,468	1,209	18,751	2,764
Total expenses	1,931,174	195,520	125,814	2,252,508	2,198,625
Less direct special event expenses netted with revenue	-	-	-	-	(151,775)
Total functional expenses	\$ 1,931,174	\$ 195,520	\$ 125,814	\$ 2,252,508	\$ 2,046,850

The attached notes and auditor's report are an integral part of these financial statements.

The American Council on Germany, Inc.

Statement of Cash Flows

For the Year Ended December 31, 2023
(With comparative totals for the year ended December 31, 2022)

	December 31,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,200,527	\$ (804,059)
Adjustments to reconcile change in net assets to net cash (used for)/provided by operating activities		
Depreciation	18,751	2,764
Realized and unrealized (gain)/loss on investments	(1,836,655)	1,283,601
Operating lease right-of-use asset and liability	109,486	-
Changes in assets and liabilities		
Contributions and grants receivable	169,793	(152,102)
Prepaid expenses and other assets	(34,217)	(30,920)
Security deposit	35,974	(58,944)
Accounts payable and accrued expenses	(161,780)	167,294
Fellowship stipends and travel payable	(10,302)	(46,765)
Deferred revenue	267,897	(24,500)
Net cash (used for)/provided by operating activities	(240,526)	336,369
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(196,476)	(1,268)
Purchase of investments (including reinvestment of investment income)	(3,122,269)	(14,733,317)
Sale of investments	3,302,808	14,614,732
Net cash used for investing activities	(15,937)	(119,853)
Net (decrease) increase in cash and cash equivalents	(256,463)	216,516
CASH AND CASH EQUIVALENTS, <i>beginning of year</i>	835,405	618,889
CASH AND CASH EQUIVALENTS, <i>end of year</i>	\$ 578,942	\$ 835,405
 SUPPLEMENTAL CASH FLOW INFORMATION		
No interest or taxes paid.		

The attached notes and auditor's report are an integral part of these financial statements.

The American Council on Germany, Inc.

Notes to Financial Statements

December 31, 2023

Note 1 - Organization and Nature of Activities

The American Council on Germany, Inc. ("ACG") is a not-for-profit organization that was formed in February 1952 for the purpose of improving understanding between the United States and the Federal Republic of Germany. ACG's primary sources of revenue are corporate, foundation and individual contributions.

ACG has been notified by the Internal Revenue Service that it is a not-for-profit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and has not been determined to be a private foundation.

Note 2 - Summary of Significant Accounting Policies

a. Basis of Accounting

The financial statements of ACG have been prepared on the accrual basis of accounting, which is the process of recognizing revenue and expenses when earned or incurred rather than when received or paid.

b. Recently Adopted Accounting Standards

On January 1, 2023, ACG adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2016-13, *Financial Instruments - Credit Losses* ("Topic 326"). This requires ACG to record expected losses to an allowance for credit losses valuation account that is net against the corresponding asset to present the net amount expected to be collected on the financial asset. The credit loss allowance is determined through analysis of the financial assets and assessments of risk that are based on historical trends and evaluation of the impact of current and projected economic conditions. Contribution as well as government grant revenue recognized under the FASB's Accounting Standards Codification ("ASC") 958-605 are not included in this standard. Based on the analysis performed, all open receivables as of December 31, 2023 are related to contributed revenue, as such the impact of the adoption was not material to the financial statements.

c. Financial Statement Presentation

The financial statements are presented in accordance with the provisions of the FASB ASC 958 - *Presentation of Financial Statement of Not-For-Profit Entities*. FASB ASC 958 requires ACG to report information regarding its financial position and activities according to the following specific classes of net assets:

- Net Assets Without Donor Restrictions - Represents those resources for which there are no restrictions by donors as to their use. The board of directors has restricted ACG's investments for long-term purposes, which totaled \$14,503,346 and \$12,847,230 as of December 31, 2023 and 2022, respectively. Withdrawals from the investments for operations for the years ended December 31, 2023 and 2022, totaled \$400,000 and \$200,000, respectively.
- Net Assets with Donor Restrictions - Represents those resources, the uses of which have been restricted by donors to specific purposes or the passage of time and/or must remain intact, in perpetuity. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor (Note 6).

The American Council on Germany, Inc.

Notes to Financial Statements

December 31, 2023

Note 2 - Summary of Significant Accounting Policies - Continued

d. Revenue Recognition

ACG follows FASB's ASC 606 for recognizing revenue from contracts with customers. ACG has the following types of revenue that fall under ASC 606: membership dues, discussion programs, luncheons, and meetings. Each different source of revenue is analyzed to determine that it has a contract with the customer that identifies both the performance obligation and the transaction price. Revenue is recognized when the performance obligation is complete, which is when the services are provided to the members, or the event takes place.

ACG follows FASB ASC 958-605 for recording contributions, which are recognized at the time they become unconditional in nature. Contributions are recorded in the net asset classes referred to in Note 2c depending on the existence and/or nature of any donor-imposed restriction. When a restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. If donor restricted contributions are satisfied in the same period they were received, they are classified as without donor restrictions.

Conditional promises to give may be subject to conditions which are defined as both a barrier to entitlement and a right of return of payments or release from obligations and are recognized when the conditions on which they depend are substantially met. Total pledges not recorded because they contain conditions for the years ended December 31, 2023 and 2022 totaled \$335,000 and \$476,000, respectively. These pledges will be recognized once the conditions have been substantially met.

Contributions and grants are recognized as revenue at net realizable value if expected to be collected within one year. All contributions and grants receivable at December 31, 2023 are expected to be received within 12 months. Management assesses receivable balances for collectability. Based on a review of several factors, including the credit worthiness of the donor and historical experience, management deems these receivables to be fully collectable and has not established any reserves.

e. Cash and Cash Equivalents

ACG considers cash and liquid investments with an initial maturity of three months or less to be cash and cash equivalents, except for cash held with an investment custodian for long-term purposes.

f. Concentration of Credit Risk

Financial instruments which potentially subject ACG to concentration of credit risk consist of cash accounts and investment securities, which are placed with financial institutions that management deems to be creditworthy. The market value of investments is subject to fluctuation; however, management believes that the investment policy is prudent for the long-term welfare of ACG. At year end and times throughout the year, balances may exceed federally insured limits. ACG has not experienced any losses due to the failure of a financial institution.

g. Investments

Investments are recorded at fair value, which refers to the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Realized and unrealized gains and losses are recognized in the statement of activities.

The American Council on Germany, Inc.

Notes to Financial Statements

December 31, 2023

Note 2 - Summary of Significant Accounting Policies - Continued

h. Property and equipment

Equipment, furniture and fixtures that have a useful life of more than one year and exceed \$1,000 are capitalized at cost or at fair value, if donated. Depreciation is charged on a straight-line basis over the estimated useful lives of the assets.

i. Leases

ACG determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use ("ROU") assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. Due to materiality, ACG elected not to recognize ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that ACG will exercise that option.

j. Contributed Goods and Services

Donated goods and services that create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided in-kind. Board members and other volunteers have donated a significant amount of time, but these services have not been recorded because they do not meet the criteria outlined above.

k. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The following costs are allocated using time and effort as the basis for allocation:

- Salaries
- Payroll taxes and employee benefits
- Communications and information technology
- Occupancy
- Office supplies and equipment
- Insurance
- Miscellaneous
- Depreciation

All other expenses have been charged directly to the applicable program or supporting services.

The American Council on Germany, Inc.

Notes to Financial Statements

December 31, 2023

Note 2 - Summary of Significant Accounting Policies - Continued

l. Advertising Costs

Advertising costs are expensed as incurred.

m. Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to ACG's ongoing services. Non-operating activity is limited to investment return and foreign currency exchange gain or loss.

n. 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.

o. Prior Year Comparative Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with ACG's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

p. Accounting for Uncertainty of Income Taxes

ACG does not believe its financial statements include any material, uncertain tax positions. Tax filings for periods ending December 31, 2020 and later are subject to examination by applicable taxing authorities.

Note 3 - Investments

Accounting standards have established a fair value hierarchy, giving the highest priority to quoted market prices in active markets and the lowest priority to unobservable data. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted, quoted prices in active markets for identical assets or liabilities that ACG has the ability to access.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are not observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The American Council on Germany, Inc.

Notes to Financial Statements

December 31, 2023

Note 3 - Investments - Continued

Level 1 securities are valued at the closing price reported on the active market that they are traded on. Level 2 securities are valued using the values of securities with similar risk parameters. ACG's investments carried at NAV included a partnership of funds that contains real estate investment trusts as of December 31, 2023 and 2022.

Those methods produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements.

The following summarizes the composition of investments:

	December 31,	
	2023	2022
Level 1 securities		
Cash and cash equivalents	\$ 365,703	\$ 545,907
Mutual funds		
U.S. fixed income	3,371,939	2,148,841
International equities	3,445,376	2,952,926
U.S. exchange traded funds - indexed equity funds	1,336,429	998,142
U.S. equity securities	3,893,808	4,231,698
	<u>12,413,255</u>	<u>10,877,514</u>
Level 2 securities		
U.S. corporate bonds	800,607	730,583
	<u>800,607</u>	<u>730,583</u>
Investments measured at net asset value		
Limited partnership - real estate investment trust	1,289,484	1,239,133
	<u>1,289,484</u>	<u>1,239,133</u>
Total	<u>\$ 14,503,346</u>	<u>\$ 12,847,230</u>

The following summarizes net investment return:

	December 31,	
	2023	2022
Realized gain on sale of investments	\$ 214,975	\$ 123,010
Unrealized gain (loss) on investments	1,621,680	(1,406,611)
Investment fees	(79,103)	(52,363)
Total	<u>\$ 1,757,552</u>	<u>\$ (1,335,964)</u>

The American Council on Germany, Inc.

Notes to Financial Statements

December 31, 2023

Note 3 - Investments - Continued

ACG has foreign bank accounts which are adjusted to market based on the exchange rate. ACG had a gain/(loss) on currency exchange of \$9,976 and (\$25,476) during the years ended December 31, 2023 and 2022, respectively.

Note 4 - Property and equipment

Property and equipment consist of the following:

	December 31,	
	2023	2022
Computers and equipment (3-7 years)	\$ 137,339	\$ 128,597
Leasehold improvements (life of lease)	81,169	140,725
	<u>218,508</u>	<u>269,322</u>
Less accumulated depreciation	(36,323)	(264,862)
Total property and equipment, net	<u>\$ 182,185</u>	<u>\$ 4,460</u>

Note 5 - Operating Lease Right-of-Use Asset and Operating Lease Liability

ACG evaluated current contracts to determine which met the criteria of a lease. ACG leases office space under an agreement that runs through October 31, 2033, which was determined to be an operating lease.

The ROU assets represent ACG's right to use underlying assets for the lease term, and the lease liabilities represent ACG's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities were calculated based on the present value of future lease payments over the lease terms. The ACG has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. As of December 31, 2023, the weighted average discount rate was 3.72% to calculate lease liabilities and the weighted average lease term for ACG's operating lease was 118 months.

For the year ended December 31, 2023, total operating lease cost was \$239,195. Cash paid for operating leases for the year ended December 31, 2023 was \$79,520. There were no noncash investing and financing transactions related to leasing. The lease term does not include an extension clause.

Future minimum annual lease payments are as follows:

Year ending:		
12/31/2024	\$	235,778
12/31/2025		235,778
12/31/2026		235,778
12/31/2027		235,778
12/31/2028		239,520
Thereafter		<u>1,248,122</u>
		2,430,754
Less present value discount		(399,738)
Total lease obligation	\$	<u>2,031,016</u>

The American Council on Germany, Inc.

Notes to Financial Statements

December 31, 2023

Note 6 - Net Assets with Donor Restrictions

The following summarizes the activity of net assets with donor restrictions:

	December 31, 2023			
	Balance 1/1/2023	Restricted Contributions	Released from Restrictions	Balance 12/31/2023
Program restrictions				
Other fellowships	\$ 25,000	\$ 25,000	\$ (25,000)	\$ 25,000
Conferences & speaker programs	287,867	-	(23,200)	264,667
Total program restrictions	312,867	25,000	(48,200)	289,667
Time	-	-	-	-
Total	\$ 312,867	\$ 25,000	\$ (48,200)	\$ 289,667

	December 31, 2022			
	Balance 1/1/2022	Restricted Contributions	Released from Restrictions	Balance 12/31/2022
Program restrictions				
Other fellowships	\$ 85,599	\$ -	\$ (60,599)	\$ 25,000
Conferences & speaker programs	250,000	66,320	(28,453)	287,867
Total program restrictions	335,599	66,320	(89,052)	312,867
Time	10,000	-	(10,000)	-
Total	\$ 345,599	\$ 66,320	\$ (99,052)	\$ 312,867

Note 7 - Special Events

ACG holds the annual McCloy Awards Dinner fundraising event. The 2023 awards dinner was rescheduled to January 2024 and \$267,897 of these contributions will be recognized in 2024 at the date the event takes place. Revenue received for this event during 2023 was considered to be a conditional contribution and has been reflected as deferred revenue at December 31, 2023.

Special event proceeds for the year ended December 31, 2022 are summarized as follows:

	2022
Event income	\$ 823,097
Less expenses with a direct benefit to donors	(151,775)
	671,322
Less other event expenses	(13,336)
Total	\$ 657,986

The American Council on Germany, Inc.

Notes to Financial Statements

December 31, 2023

Note 8 - Available Funds and Liquidity

The following reflects ACG's financial assets at December 31, 2023 that are available to meet cash needs for general expenditures within one year:

Financial assets at year end	
Cash and cash equivalents	\$ 578,942
Investments	14,503,346
Contributions and grants receivable	106,541
Total financial assets	<u>15,188,829</u>
Less amounts not currently available for general expenditures	
Funds not currently authorized by board to support operations	(14,503,346)
Donor restricted support	(289,667)
Total amounts not currently available for general expenditures	<u>(14,793,013)</u>
Authorized by the board of directors to support operations	<u>689,000</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,084,816</u>

ACG's investments are board designated and held for long-term purposes to sustain the organization's operations. As part of its approval of the annual budget, the board approves an amount that may be withdrawn from the investments to cover projected operating deficits, which is \$19,000 for the year ended December 31, 2024. However, the board permits the President to withdraw up to 5% of the average of the total assets of the investments as of December 31 for each of the prior three years to cover actual operating deficits, which are \$689,000, for the year ended December 31, 2024. Board approval is required for the President to withdraw amounts in excess of 5%.

Note 9 - Retirement Plan

ACG offers all employees the option of participating in a 401(k)-retirement plan after 2 months of service and who are at least 21 years old. All eligible employees may elect to defer a portion of their salary and contribute to this plan up to statutory amounts. ACG can make a discretionary safe harbor contribution to the plan which gets allocated based on the employee's position. In order to be eligible to receive the employer contribution, the employee must work at least 1,000 hours in the calendar year. ACG contributed \$38,776 and \$34,330 to the 401(k) plan during the years ended December 31, 2023 and 2022, respectively.

The following vesting periods apply:

<u>Completed Years of Service</u>	<u>Vesting Percentage</u>
1 year	0%
2 years	20%
3 years	40%
4 years	60%
5 years	80%
6 years or more	100%

The American Council on Germany, Inc.

Notes to Financial Statements

December 31, 2023

Note 10 - Subsequent Events

Subsequent events have been evaluated through November 11, 2024, the date the financial statements were available to be issued. There were no material events that have occurred that require adjustment to or disclosure to the financial statements.