The American German Shepherd Dog Charitable Foundation, Inc.

Financial Statements – Modified Cash Basis

December 31, 2023 and 2022

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Independent Auditor's Report

Board of Directors
The American German Shepherd Dog Charitable Foundation, Inc.
Mahomet, IL

Opinion

We have audited the accompanying financial statements of The American German Shepherd Dog Charitable Foundation, Inc. which comprise the statements of assets and net assets – modified cash basis as of December 31, 2023 and 2022, and the related statements of support, revenue and expenses and changes in net assets – modified cash basis 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 assets and net assets of The American German Shepherd Dog Charitable Foundation, Inc. as of December 31, 2023 and 2022, and its support, revenue and expenses and change in net assets for the years then ended on the basis of accounting described in Note 1.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of The American German Shepherd Dog Charitable Foundation, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

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 The American German Shepherd Dog Charitable Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The American German Shepherd Dog Charitable Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Forvis Mazars, LLP

Memphis, TN
May 14, 2025

The American German Shepherd Dog Charitable Foundation, Inc.
Statements of Assets and Net Assets – Modified Cash Basis
December 31, 2023 and 2022

	2023	2022
ASSETS		
Current Assets		
Cash in checking account	$ 15,019	$ 10,303
Money market accounts	24,635	16,406
Investments, at cost	1,035,007	1,013,347
Total Assets	$ 1,074,661	$ 1,040,056
NET ASSETS		
Without Donor Restrictions		
Board designated	$ 77,921	$ 75,246
Undesignated	996,740	964,810
Total Net Assets	$ 1,074,661	$ 1,040,056

The American German Shepherd Dog Charitable Foundation, Inc.
Statements of Support, Revenue and Expenses and
Changes in Net Assets – Modified Cash Basis
Years Ended December 31, 2023 and 2022

	2023	2022
Support and Revenue without Donor Restrictions		
Contributions		
General public	$ 18,451	$ 144,301
Investment income, net	29,976	22,463
Total support and revenue without donor restrictions	48,427	166,764
Program Expenses		
Contributions-research	-	46,000
Administrative and General Expenses		
Officers and directors insurance	1,411	1,411
Legal and professional	10,305	11,179
Website fees	1,266	1,136
Other	840	841
Total expenses	13,822	60,567
Change in Net Assets	34,605	106,197
Net Assets, Beginning of Year	1,040,056	933,859
Net Assets, End of Year	$ 1,074,661	$ 1,040,056

Note 1. Summary of Significant Accounting Policies

Organization

The American German Shepherd Dog Charitable Foundation, Inc. (the "Foundation") was formed in 1984 as a nonstock corporation, charitable foundation. The Foundation was organized to receive contributions and distribute funds to those charitable organizations which further the human use, knowledge, and skill involved in adapting the German Shepherd Dog to charitable, scientific and educational uses. On September 16, 1988, the Foundation received formal approval to be treated as an exempt organization under Section 501(c)(3) of the Internal Revenue Code ("IRC").

Basis of Accounting

The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America ("GAAP"). That basis differs from GAAP in that revenues are recorded when received rather than when earned and expenses are recorded when paid rather than when an obligation is incurred. Modifications to the cash basis of accounting include recording investments as an asset. Investments are recorded at cost and the fair value of investments is disclosed in Note 3.

The Foundation reports its financial position and activities according to the following net asset classifications:

Net Assets without Donor Restrictions
Net assets in which no payer or donor-imposed restrictions were stipulated beyond the general stated purposes of the Foundation. At the discretion of the Foundation's management and Board of Directors, these net assets may be expended for any purpose in performing the primary objectives of the organization.

Net Assets with Donor Restrictions
Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation pursuant to those stipulations, or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds to 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 support, revenue and expenses and changes in net assets – modified cash basis.

Support and Revenue

The Foundation receives support and revenue from a variety of sources, including private 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 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 revenues and expenses and changes in net assets – modified cash basis as net assets released from restrictions.

During 2022 the Foundation received one donation representing 91% of revenue, and during 2023 the Foundation received two donations representing 56% of revenue.

Investments

Investments are recorded at cost, while the fair value of investments is disclosed in Note 3. Fair value as defined under GAAP is an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Foundation utilizes market data or assumptions that market participants would use in pricing the asset or liability under a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs about which little or no market data exists, therefore requiring an entity to develop its own assumptions.

There were no changes during the years ended of December 31, 2023 and 2022, to the Foundation's valuation techniques used to measure fair values on a recurring basis.

Income Taxes

The Foundation is exempt from federal income taxes as defined in Section 501(c)(3) of the IRC and has been determined to be an organization which is not a private foundation. As a qualified tax-exempt organization, the Foundation must operate in conformity with the IRC to maintain its tax-exempt status. The Foundation has determined that it does not have any uncertain tax positions as of December 31, 2023 and 2022.

Functional Expenses

The costs of providing the various programs and activities of the Foundation have been summarized on a functional basis in the accompanying statements of revenue and expenses and changes in net Assets – modified cash basis. Allocation of costs to the various programs are made when necessary. There were no allocations in 2023 or 2022.

Subsequent Events

The Foundation has evaluated the effect subsequent events would have on the financial statements through May 14, 2025, the date the financial statements were available to be issued. No subsequent events have been identified as of this date.

Note 2. Availability of Financial Assets

The Foundation's financial assets as of December 31, 2023 and 2022, consist of cash in a checking account, money market accounts and investments, as presented in the statements of assets and net assets – modified cash basis. All financial assets are available to be used to meet general expenditures over the next twelve months. There were no donor restricted funds as of December 31, 2023 or 2022.

As part of the Foundation's liquidity management plan, investments are allocated to short-term investments and money market funds to be readily available for operational costs throughout the course of the year.

Note 3. Investments

Investments at December 31, 2023 and 2022, are as follows:

	2023		2022	
	Cost	Fair Value	Cost	Fair Value
Equity securities and mutual funds	$ 527,878	$ 809,275	$ 523,312	$ 695,463
Fixed income securities	507,129	495,282	490,035	460,744
	$ 1,035,007	$ 1,304,557	$ 1,013,347	$ 1,156,207

	2023			
		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity securities and mutual funds	$ 809,275	$ 809,275	$ -	$ -
Government agency securities	137,665	137,665	-	-
Corporate bonds	124,182	-	124,182	-
Fixed income mutual funds	233,435	-	233,435	-
Total assets in the fair value hierarchy	$ 1,304,557	$ 946,940	$ 357,617	$ -

	2022			
		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity securities and mutual funds	$ 695,463	$ 695,463	$ -	$ -
Government agency	153,551	153,551	-	-
Corporate bonds	140,661	-	140,661	-
Fixed income mutual funds	166,532	-	166,532	-
Total assets in the fair value hierarchy	$ 1,156,207	$ 849,014	$ 307,193	$ -

A summary of investment income for the years ended December 31, 2023 and 2022, is as follows:

	2023	2022
Interest and dividends	$ 38,753	$ 29,342
Realized gains	1,882	3,665
Less: investment fees	(10,659)	(10,544)
	$ 29,976	$ 22,463

Note 4. Net Assets

There were no net assets with donor restrictions as of December 31, 2023 or 2022.

Board designated net assets represent unrestricted investment earnings from the original $300,000 contribution from the Virginia Lyn Tarquinio estate to be used for research on medical issues affecting the German Shepherd Dog. Details of the Tarquinio funds at December 31, 2023 and 2022, are as follows:

	2023	2022
Board designated	$ 77,921	$ 75,246
Total fair value (for information purposes)	$ 100,088	$ 87,665