The American Institute for Contemporary German Studies at The Johns Hopkins University, Inc.
d.b.a. The American-German Institute

Financial Statements and Independent Auditor's Report

June 30, 2023 and 2022

The American Institute for Contemporary German Studies
at The Johns Hopkins University, Inc.
d.b.a. The American-German Institute

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William A. Russ, CPA, PC

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The American Institute for Contemporary German Studies
at The Johns Hopkins University, Inc.
d.b.a. The American-German Institute
Washington, DC

Opinion

I have audited the accompanying financial statements of The American Institute for Contemporary German Studies at the Johns Hopkins University, Inc. d.b.a. The American-German Institute (a nonprofit organization), which comprise the statement of financial position as of 30 June 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The American Institute for Contemporary German Studies at the Johns Hopkins University, Inc. as of 30 June 2023, and the 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.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of The American Institute for Contemporary German Studies at the Johns Hopkins University, Inc. and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 The American Institute for Contemporary German Studies at the Johns Hopkins University, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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- 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 Institute for Contemporary German Studies at the Johns Hopkins University, 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The American Institute for Contemporary German Studies at the Johns Hopkins University, Inc.'s ability to continue as a going concern for a reasonable period of time.

I am 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.

Other Matters

The prior year summarized comparative information has been derived from The American Institute for Contemporary German Studies at The Johns Hopkins University, Inc. 2022 financial statements and, in my report dated 11 January 2023, I expressed an unqualified opinion on those financial statements.

Supplementary Information

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

William A Russ

William A. Russ, CPA, PC

Gwynn Oak, Maryland

24 October 2023

The American Institute for Contemporary German Studies
at The Johns Hopkins University
d.b.a. The American-German Institute
Washington, D.C.

Statements of Financial Position
June 30, 2023 and 2022

	2023	2022
Assets		
Current		
Cash and cash equivalents		
Undesignated	$ 92,524	$ 370,341
Board designated	75,264	74,000
Total cash and cash equivalents	167,788	444,341
Unrestricted pledges, less allowance for doubtful accounts of $20,000 in both 2023 and 2022	434,843	172,000
Restricted grants and pledge receivables	105,709	97,990
Restricted grants receivable	-	-
Prepaid expenses and other assets	34,746	8,472
Total current assets	743,086	722,803
Non-current		
Furniture and equipment		
Cost	262,483	262,483
Less: accumulated depreciation	(200,071)	(189,731)
Net/book value of furniture and equipment	62,412	72,752
Endowment - bequest receivable	300,000	300,000
Pledge receivables - non-current	171,758	143,139
Endowment - Invested in JHU Endowment	3,046,792	3,197,473
Right of use asset	2,025,138	2,298,958
Total non-current assets	5,606,100	6,012,322
Total assets	6,349,186	6,735,125
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	36,679	83,781
Deferred revenue	53,790	19,634
PPP Loan	-	-
Office rent obligation (current portion)	290,756	273,821
	381,225	377,236
Non-Current Liabilities		
Office rent obligation (non-current portion)	1,734,382	2,025,137
Total liabilities	2,115,607	2,402,373
Net Assets		
Without donor restriction:		
Undesignated	1,826,939	692,863
Board designated endowments	2,106,640	3,271,473
Total	3,933,579	3,964,336
With donor restrictions:		
Purpose restrictions	-	68,416
Restricted in perpetuity	300,000	300,000
Total	300,000	368,416
Total net assets	4,233,579	4,332,752
Total liabilities and net assets	$ 6,349,186	$6,735,125

The accompanying notes are an integral part of these financial statements.
See independent auditor's report.

The American Institute for Contemporary German Studies
at The Johns Hopkins University
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Washington, D.C.

Statements of Activities
For The Years Ending June 30, 2023 and 2022

	2023				2022
		Donor Restricted			(Summarized)
	Unrestricted	(Purpose)	(Perpetuity)	Total	Total
Revenue					
Contributions and grants	$ 1,610,302	$ 258,698	$ -	$ 1,869,000	$ 1,116,206
Government pandemic assistance	-	-	-	-	172,387
Interest, dividends and realized gains	136,306	-	-	136,306	140,178
Other revenues	3,635	-	-	3,635	10
Total revenues	1,750,243	258,698	-	2,008,941	1,428,781
Net assets released from restrictions:					
Satisfaction of program restrictions	327,114	(327,114)	-	-	-
Total revenues	2,077,357	(68,416)	-	2,008,941	1,428,781
Expenditures					
Program expenditures	1,257,724	-	-	1,257,724	1,355,305
Management and general	343,337	-	-	343,337	287,422
Fund raising	356,371	-	-	356,371	197,763
Total expenditures	1,957,432	-	-	1,957,432	1,840,490
Change in net assets from operations	119,925	(68,416)	-	51,509	(411,709)
Unrealized gain (loss) on investments	(150,682)	-	-	(150,682)	(482,524)
Change in net assets	(30,757)	(68,416)	-	(99,173)	(894,233)
Net assets at beginning of year	3,964,336	68,416	300,000	4,332,752	5,226,985
Net assets at end of year	$ 3,933,579	$ -	$ 300,000	$ 4,233,579	$ 4,332,752

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Statement of Functional Expenditures
For The Years Ended June 30, 2023 and 2022

	2023				2022
	Program Services	Management & General	Fundraising	Total	Total (Summarized)
Salaries	$ 538,470	$ 96,485	$ 76,703	$ 711,658	$ 705,637
Personnel benefits & payroll taxes	197,154	21,300	16,933	235,387	252,398
Donation return	6,164	-	-	6,164	11,441
General office	4,613	6,861	236	11,710	5,008
Occupancy	273,110	75,422	-	348,532	325,802
Printing & copying	-	(2,271)	2,271	-	(311)
Telephone and internet services	2,993	23,710	-	26,703	25,166
Travel	149,305	5,123	5,464	159,892	138,776
Seminars/conferences/workshops	31,110	131	-	31,241	9,605
Award dinner/project development	87	165	126,281	126,533	100,447
Rebranding	-	38,347	-	38,347	-
Miscellaneous fees and staff development	3,347	46,610	159	50,116	7,508
Depreciation		10,340	-	10,340	10,340
General contractual services	350	8,275	124,824	133,449	115,250
Consultants/professional fees		14,664	-	14,664	26,055
Honoraria	7,750	-	3,500	11,250	28,500
Stipends	41,446	-	-	41,446	78,867
Overhead cost transfers	1,825	(1,825)	-	-	-
	$ 1,257,724	$ 343,337	$ 356,371	$ 1,957,432	1,840,489

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The American Institute for Contemporary German Studies
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Statements of Cash Flows
For the Years Ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Increase (decrease) in net assets	$ (99,173)	(894,233)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	10,340	10,340
Decrease (increase) in grants receivable	-	-
Decrease (increase) in other receivables	(28,619)	(104)
Decrease (increase) in prepaid expense	(26,274)	62,866
Increase (decrease) in accounts payable	(47,104)	70,678
Increase (decrease) in deferred revenue	34,156	(30,037)
Decrease (increase) in unrealized gains on inventments	17,423	361,380
Total	(139,251)	(419,110)
Changes in board designated financing:		
Distributions from JHU board designated endowments	133,259	121,144
Total	133,259	121,144
Net cash provided (used) by operating activities	(5,992)	(297,966)
Cash flows from financing activities:		
PPP Loan forgiveness	-	(172,387)
Decrease (increase) in unrestricted pledges receivable	(262,843)	(91,500)
Decrease (increase) in restricted pledges receivable	(7,719)	108,091
Net cash provided (used) by financing activities	(270,562)	(155,796)
Net increase (decrease) in cash	(276,554)	(453,762)
Cash and cash equivalents at beginning of year	444,341	898,103
Cash and cash equivalents at end of year	$ 167,788	$ 444,341

The accompanying notes are an integral part of these financial statements.
See independent auditor's report.

Notes to Financial Statements
June 30, 2023 and 2022

Note 1 Organization

Located in Washington, D.C., the American Institute for Contemporary German Studies at The Johns Hopkins University, Inc. d.b.a. The American-German Institute (Institute or AGI) is an independent, non-profit public policy organization, which works in Germany and the United States to address current and emerging policy challenges. Founded in 1983, the Institute is affiliated with Johns Hopkins University (University), a related party. The Institute is governed by its own Board of Trustees, which includes prominent German and American leaders from the business, policy and academic communities. Through original analyses, dialogue, conferences, and other activities, AGI is helping to sustain German-American and transatlantic cooperation in a new century.

In 2007 an independent charitable association called the *Förderkreis des American Institute for Contemporary German Studies (AGI) e.V.* was established under the laws of the Federal Republic of Germany. This *eingetragener Verein* was established to allow German residents to make tax deductible donations to support the mission of the Institute. The *eingetragener Verein* is a related party.

Note 2 Summary of Significant Accounting Policies

A. The financial statements of the Institute have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"). Accruals reflect all significant receivables, prepayments, payables and other liabilities. GAAP requires the Institute 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 organization. These net assets may be used at the discretion of the Institute's management and the board of directors.

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

B. Measure of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of the Institute’s programs and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

C. Recognition of Donor Restricted Grants, Contracts and 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 and grants 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 and grants 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 activities as net assets released from restrictions.

D. Deferred Revenues

A portion of the Institute's revenue is derived from cost-reimbursable contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenues in the statement of financial position. Deferred revenues associated with these grants total $53,790 and $19,634 as of June 30, 2023 and 2022, respectively.

E. Gifts of Property and Equipment

The Institute reports gifts of property and equipment as unrestricted donor support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions specifying how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are all reported as support with donor restrictions. Absent explicit donor stipulations about how long these long-lived assets must be maintained or used, the Institute records acquisition of long-lived assets when they are placed in service.

F. Expense Recognition, Classification and Allocation

Expenditures are recognized when incurred. Expenditures are classified as "without donor restriction" when the associated cost was incurred in accordance with a donor's restrictions, at which time the net asset is released from restriction. Expenditures are further classified as programmatic, i.e. directly supporting the Institute's "Programs," or supporting services, namely "Administration" and "Fundraising." The method used to allocate shared costs among the Institute's programs and supporting services is based on either 1) estimated employee time and effort spent or 2) use of office space as appropriate. Cost of providing Institute's programs and other activities are summarized on the Statement of Functional Expenses.

G. Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits with financial institutions and with the University. The University, a related party, holds and disburses the Institute's funds in support of its normal operations. Net cash (overdraft) on deposit with the University on June 30, 2023 and 2022 was ($7,439) and $147,384, respectively.

H. 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 are reported as investment return in the statements of activities.

Investment return/(loss) is reported net in the statements of activities and consists of realized and unrealized gains and losses, less external and direct internal investment expenses. Interest and dividends and investment return are reflected in the statements of activities as income without donor restrictions or income with donor restrictions based upon the existence and nature of any donor restrictions. Interest and dividends and investment return that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the interest and dividends and investment return are recognized.

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 in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

I. Property and Equipment:

Fixed assets are carried at cost or donated value less accumulated depreciation. When assets are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the statement of activities for the year. The Institute capitalizes and depreciates assets with costs in excess of $5,000. Depreciation of fixed assets is computed using the straight line method over the estimated useful life, 5 to 10 years, of each asset with no salvage value at the end of that life.

J. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Institute groups assets at fair value in three levels, based on the markets in which the assets are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1 - Unadjusted quoted market prices for identical assets in active markets as of the measurement date.

Level 2 - Other observable inputs, either directly or indirectly, including:

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

Level 3 - Unobservable inputs that cannot be corroborated by observable market data. Equity funds, stock index funds, bond funds, and bond index funds are valued at the closing quoted price in an active market. Cash and cash equivalents held within the investment portfolio are carried at cost.

K. Income Tax Status

The Institute is exempt from income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Institute has processes in place to ensure the maintenance of its tax-exempt status including the identification and reporting of unrelated income; to determine its filing and tax obligations in jurisdictions for which it may be subject to tax and to identify and evaluate other matters that may be considered uncertain tax positions. The IRS may review the Institute’s tax filing for the three most recent tax years. The Institute has not been classified as a private foundation by the IRS.

L. Bequest and Non-Current Receivables

The Institute has recorded a bequest and a related gift from a trustee. The gift is being held by the University. The Institute will receive the bequest and the related gift upon the death of the trustee. These receivables are classified as non-current assets on the statement of financial position.

M. Leased Assets

Amounts recognized as right-of-use assets related to operating leases are included in Fixed assets, net in the accompanying statement of financial position, while related lease liabilities are included in Current portion of long-term debt and Long-term debt. For the years ending June 30, 2023 and 2022 the Institute has estimated its incremental borrowing rate to be 3% and uses this as the discount rate when arriving at the present value of future lease payments.

N. Use of Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could vary from the estimates that were used.

O. Reclassification of Prior Year

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

P. Prior Year Comparative Information

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Note 3 Liquidity and Availability of Financial Assets

The Institute wishes to maintain a certain level of liquid financial assets including cash, short-term investments and current accounts/grants receivable whose collection is reasonably certain. The Institute acknowledges it is desirable to have 12 months operating expenses held in reserve. Currently 12 months operating costs, exclusive of reimbursable program costs, is estimated to be $2,000,000.

None of the financial assets considered available for use are subject to donor or other outside contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. In addition, the Institute's Board has designated a portion of net assets invested in money market funds as an emergency reserve and available should unexpected circumstances create a need to liquidate and access these investments. These Board designated reserves are not considered available to fund current operations without approval from the Board. These reserves are reported as *Cash – Board Designated* and *Endowment – Invested in JHU Endowment* on the Statement of Financial Position.

The following reflects the Institute's financial assets as of June 30, 2023 that it considers available to fund current operations:

	As of June 30, 2023
Cash and cash equivalents, undesignated	$ 92,524
Unrestricted pledges	434,843
Available for current operations	$ 527,367

The Institute can draw upon its board designated endowment to cover current operations when necessary.

Note 4 Donor Restricted Net Assets

Donor restricted net assets available for the Institute's programs after June 30, 2023 and 2022 were as follows:

	2023	2022
ERP Social Divisions	$ -	$ 68,201
Visiting fellows	-	215
Total	$ -	$ 68,416

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Notes to Financial Statements
June 30, 2023 and 2022

Note 5 Contributions and Grants

Contributions and grants consisted of the following as of June 30, 2023 and 2022:

	2023 Contributions and Grants			2022
	Donor Restricted	Without Restriction	Combined	Total
Program Revenues				(Summarized)
Foundations	$ 180,722	$ 41,223	$ 221,945	$ 315,245
Government	76,975	20,222	97,197	87,934
Supporters	-	21,357	21,357	1,615
Trustees	-	185,117	185,117	88,121
Miscellaneous	-	-	-	5,290
	257,697	267,919	525,616	498,205
Non-Program Revenues				
GLAD event				
Supporters	-	479,000	479,000	224,958
Trustees	-	345,000	345,000	285,881
Total GLAD event	-	824,000	824,000	510,839
Supporters	-	45,860	45,860	16,401
Trustees	-	473,524	473,524	90,761
	-	1,343,384	1,343,384	618,001
Total	$ 257,697	$ 1,611,303	$ 1,869,000	$ 1,116,206

Note 6 Investments

The Institute has invested its endowment funds into the University's Endowment Pool and in a money market fund at a bank. The Institute considers its investment in the JHU Endowment Fund as an investment available for sale. Contributions into the endowment pool, reinvested earnings and realized gains for the years ending on June 30, 2023 and 2022 are as follows:

	2023		
	Cost	Market	Accumulated Unrealized Gain (Loss)
Investment in JHU Endowment Fund			
Humanities endowment	$ 640,200	1,298,054	$ 657,854
Board designated endowment	1,380,167	1,748,738	368,571
Total invested in JHU endowment	2,020,367	3,046,792	1,026,425

Investments (continued)

Investments for years ending June 30, 2022

	2022		
	Cost	Market	Accumulated Unrealized Gain (Loss)
Investment in JHU Endowment Fund			
Humanities endowment	$ 640,200	1,362,250	$ 722,050
Board designated endowment	1,380,167	1,835,223	455,056
Total invested in JHU endowment	2,020,367	3,197,473	1,177,106

Note 7 Fair Value Measurement

The Institute uses fair value measurement to record fair value adjustments to certain assets and to determine fair value disclosures. For additional information on how the Institute measures fair value refer to Note 1 – Organization and Summary of Significant Accounting Policies.

Investment in JHU Endowment Fund and Commercial Money Market Account - Shares in the JHU Endowment Pool are valued at the Institute's proportional share of the pool's investment in debt and equity securities. Such investments are classified within Level 3 of the valuation hierarchy.

The following table presents assets measured at fair value by classification within the fair value hierarchy as of June 30, 2023 and 2022:

		Fair Value Measurements Using			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Shares in JHU Endowment Pool:					
	2023	$ -	$ -	$ 3,046,792	$ 3,046,792
	2022	$ -	$ -	$ 3,197,473	$ 3,197,473

Note 8 Deferred Revenues

Outside organizations have pledged donor restricted grants to the Institute. Grant funds received in advanced of the Institute fulfilling the conditions of the grant have been recorded as deferred revenues. Proceeds from these grants will be recognized as revenues after the conditions of the grant have been fulfilled.

Deferred revenues as of June 30, 2023 and 2022 were as follows:

	2023	2022
DAAD 2023 Fellowship	$ 20,360	$ -
ERP Social Divisions	6,445	-
Halle Foundation Internship Pro	26,985	17,634
US Embassy Berlin	-	2,000
	$ 53,790	$ 19,634

Note 9 Lease Obligation

The Institute signed a lease for office space at 1776 Massachusetts for a period of 9 years 7 months, commencing July 1st 2019 and extending to January 31, 2029. There is a 5 year renewal option after this initial lease term. The minimum base rent obligation for the years ending June 30 will be as follows:

Year Ending June 30,	Base Rent
2024	$ 290,756
2025	308,425
2026	326,848
2027	346,059
2028	366,087
2029	386,963
	$ 2,025,138

Lease amortization, interest and variable costs (credits) associated with the office lease for the years ending June 30, 2023 and 2022 were as follows:

	2023	2022
Lease amortization	$ 273,821	$ 257,589
Interest	64,861	72,833
Variable portion of lease cost	9,850	(4,620)
Total cost of leased office space	$ 348,532	$ 325,802

Note 10 Pension and Post-Retirement Benefit Plans

The Institute participates in a multi-employer defined contributions pension plan of the University. The plan is available to substantially all employees. The Institute pays its portion of the cost of this plan through the fringe benefits charge it is assessed by the University. During the years ended June 30, 2023 and 2022, the Institute contributed $235,386 and $252,398, respectively into the University's fringe benefits pool. The retirement plan portion of the benefit plan contribution for the years ending June 30, 2023 and 2022 was $63,359 and $65,933, respectively.

Note 11 Endowment

The Institute's endowment was established to support the sustainability of the organization. The endowment consists of permanent donor-restricted bequest and unrestricted board designated funds. As required by generally accepted accounting principles, net assets associated with endowment funds, including any funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of the Institute has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift measured on the date of the gift. This requirement applies to donor-restricted endowment funds absent any explicit donor stipulations to the contrary. Consequently, the Institute classifies permanently restricted net assets as:

- The original value of the initial bequest donated to the permanent endowment, and
- The original value of subsequent gifts to the permanent endowment.

Endowment (continued)

The remaining portion of the donor-restricted endowment fund not classified as permanently restricted is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Institute's Board. In accordance with SPMIFA, the Institute considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The mission of the Institute and the purpose of the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Institute
7. The investment policies of the Institute

Return Objectives and Risk Parameters

The Institute has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to the program supported by the endowment. Toward this end the Institute has invested its endowment funds with the Johns Hopkins University endowment pool. The endowment assets are invested in a manner that is intended to produce results similar to the S&P 500 index while assuming a moderate level of investment risk.

Spending Policy

The Institute has a policy of appropriating for distribution each year all or a portion of the accumulated earnings and market value adjustments to the original investment during the current and prior years. These funds have been earmarked by the Board for humanities projects and general operations. The Board has deemed the principal (i.e. contributions) may not be appropriated for distribution. In establishing this policy, the Board considered the long-term expected returns on its endowment investments. Accordingly, over the long term, the Board expects the current spending policy will allow its endowment to retain the original fair value of the funds earmarked for this board designated endowment. Current distributions are charged to unrestricted funds in years where there are no temporarily restricted funds available for such purposes.

Strategies Employed for Achieving Objectives

The Institute relies on a total return strategy in which investment returns are achieved through capital appreciation and current yield (interest and dividends). The Johns Hopkins University endowment pool, with whom the Institute has invested a portion of its endowment, targets a diversified asset allocation that emphasizes fixed income securities to achieve its long-term objectives within prudent risk constraints.

Endowment (continued)

Changes in the Institute's endowment funds, including cash and investments, during the year ending June 30, 2023 and 2022 were as follows:

Year Ending June 30, 2023			
	Unrestricted	Restricted	
Original Cost:	Board Designated	In Perpetuity	Total
Balance as of June 30, 2022:			
Original cost	2,020,367	300,000	2,320,367
Additional contributions	-	-	-
Balance as of June 30, 2023:			
Original cost	$ 2,020,367	$ 300,000	$ 2,320,367
Fair Market Value:			
Balance as of June 30, 2022:	$ 3,271,473	$ 300,000	$ 3,571,473
Interest income	1,264	-	1,264
Realized & unrealized gain (loss)	(17,414)	-	(17,414)
Disbursements for operations	(133,259)	-	(133,259)
Balance as of June 30, 2023			
Fair market value	3,122,064	300,000	3,422,064

Year Ending June 30, 2022			
	Unrestricted	Restricted	
Original Cost:	Board Designated	In Perpetuity	Total
Balance as of June 30, 2021:			
Original cost	2,020,367	300,000	2,320,367
Additional contributions	-	-	-
Balance as of June 30, 2022:			
Original cost	$ 2,020,367	$ 300,000	$ 2,320,367
Fair Market Value:			
Balance as of June 30, 2021:	$ 3,853,891	$ 300,000	$ 4,153,891
Interest income	107	-	107
Realized & unrealized gain (loss)	(361,381)	-	(361,381)
Disbursements for operations	(221,144)	-	(221,144)
Balance as of June 30, 2022			
Fair market value	3,271,473	300,000	3,571,473

Endowment (continued)

The Institute's board designated and donor restricted endowment consisted of the following assets as of June 30, 2023 and 2022:

	2023	2022
Current assets		
Deposits with commercial banks	$ 75,264	$ 74,000
Non-current assets		
Invested in the JHU Endowment pool	3,046,800	3,197,473
Bequest receivable (restricted in perpetuit	300,000	300,000
	3,346,800	3,497,473
Total endowment funds	$ 3,422,064	$ 3,571,473

Note 12 Related Parties

The Institute relies on the University to provide various administrative services to it. The Institute's assets, liabilities, revenues and expenditures are reported on the Annual Information Return (form 990) of the University. The Institute has organized and maintains control over *AGI e.V* as described in Note 1 to these financial statements.

Net cash (overdraft) on deposit with the University on June 30, 2023 and 2022 was ($7,439) and $147,384, respectively.

Related Parties (continued)

The Institute also relies on a significant portion of its financial support from its Board of Trustees. Contributions by and receivables due from Trustees as of June 30, 2023 and 2022 were as follows:

		2023	2022
Trustee contributions			
	Program support	$ 185,117	$ 88,121
	GLAD event	345,000	285,881
	General support	473,524	90,761
		$ 1,003,641	$ 464,763
Due from Trustees			
	Program support	$ 100,000	$ -
	General support	410,000	100,500
	GLAD event	27,500	-
	Bequest	300,000	300,000
		$ 837,500	$ 400,500

Note 13 Subsequent Events and Covid-19 Disclosures

Management continues to monitor the effects on the covid 19 pandemic and its impact on its financial condition including liquidity, operations, donors, programs, and workforce. The Institute believes it is able to manage any lingering effects of the covid-19 pandemic.

Management evaluated subsequent events through October 24, 2023, the date the financial statements were available to be issued. The Institute is not aware of any material subsequent events.

The American Institute for Contemporary German Studies
at The Johns Hopkins University
d.b.a. The American-German Institute
Washington, D.C.

Supplementary Statement of Expenditures by Program
For The Years Ended June 30, 2023 and 2022

	2023			2022
	Direct Costs	Shared Costs	Total	Total (Summarized)
DAAD Fellowship 2020-2022	$ 42,192	$ 56,184	$ 98,376	$ 190,365
DAAD Fellowship 2023	39,496	42,699	82,195	-
ERP Social Divisions	143,017	47,932	190,949	155,842
ERP Global Crises	15,000	39,060	54,060	96,150
F.H. Langhammer Policy Initiatives	-	-	-	20,489
Foreign & Security Policy Program	30,732	46,748	77,479	63,224
Futures Forum	40,622	58,060	98,682	15,226
Geoeconomics Program	135,430	84,807	220,237	197,974
Geoeconomics: Wunderbar Together	-	-	-	43,135
German Marshall Fund	25,000	25,632	50,632	52,071
Halle Foundation Internship Program	48,649	44,772	93,421	60,503
Harry and Helen Gray Culture & Politics Program	50,421	36,873	87,294	102,882
Society, Culture & Politics Program (SCP)	13,082	39,817	52,899	59,088
SCP Program: Diversity Exchange	-	-	-	11,380
Steven Muller New Initiatives Fund	71,606	35,045	106,651	97,548
Thyssen Foundation China project	-	-	-	41,830
US Embassy Berlin	2,159	19,289	21,448	38,868
Visiting Fellowships	1,000	22,313	23,313	41,866
Shared program cost transfers (net)	90	(2)	88	66,864
	$ 658,496	$ 599,319	$ 1,257,724	1,355,305

See independent auditor's report.
The accompanying notes are an integral part of these financial statements.