The American Institute for Contemporary German Studies at The Johns Hopkins University, Inc.

Financial Statements and Independent Auditor's Report

June 30, 2021 and 2020

The American Institute for Contemporary German Studies at The Johns Hopkins University, Inc.

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

I have audited the accompanying financial statements of The American Institute for Contemporary German Studies at the Johns Hopkins University, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, 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 June 30, 2021, 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.

Emphasis of Matter

The Institute has adopted Accounting Standards Update (ASU) 2018-08 in accounting for its donor restricted grants as perscribed by the Financial Accounting Standards Board (FASB). The Institute accounted for this change using the full retrospective transition method. The adoption of this change in accounting principle required a restatement of prior accounting periods as described in the notes to the financial statements.

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. 2020 financial statements and, in my report dated 29 March 2021, I expressed an unqualified opinion on those financial statements. The prior year restatement described above in the Emphasis of Matter paragraph does not modify my opinion on the prior year 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

20 December 2021

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

Statements of Financial Position
June 30, 2021 and 2020

	2021	2020 (Restated)
Assets		
Current		
Cash and cash equivalents		
Undesignated	$ 724,210	$ 615,308
Board designated	173,893	173,798
Total cash and cash equivalents	898,103	789,106
Unrestricted pledges, less allowance for doubtful accounts of $20,000 in both 2020 and 2019	80,500	130,021
Restricted pledge receivable	111,371	231,021
Restricted grants receivable	128,942	126,387
Other receivables	142,626	158,388
Prepaid expenses and other assets	71,338	45,000
Total current assets	1,432,880	1,479,923
Non-current		
Furniture and equipment		
Cost	262,483	262,483
Less: accumulated depreciation	(179,391)	(169,051)
Net/book value of furniture and equipment	83,092	93,432
Endowment - bequest receivable	300,000	300,000
Endowment - Invested in JHU Endowment	3,679,998	2,778,007
Right of use asset	2,556,546	2,798,580
Total non-current assets	6,619,636	5,970,019
Total assets	8,052,516	7,449,942
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	13,104	4,650
Deferred revenue	514,031	522,622
PPP Loan	172,387	141,575
Office rent obligation (current portion)	257,589	242,035
	957,111	910,882
Non-Current Liabilities		
Office rent obligation (non-current portion)	2,298,957	2,556,545
Total liabilities	3,256,068	3,467,427
Net Assets		
Without donor restriction:		
Undesignated	541,032	647,062
Board designated endowments	3,853,891	2,951,805
Total	4,394,923	3,598,867
With donor restrictions:		
Purpose restrictions	101,525	83,648
Restricted in perpetuity	300,000	300,000
Total	401,525	383,648
Total net assets	4,796,448	3,982,515
Total liabilities and net assets	$ 8,052,516	$ 7,449,942

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
Washington, D.C.

Statements of Activities
For The Years Ending June 30, 2021 and 2020

	2021				2020
		Donor Restricted			(Summarized, Restated
	Unrestricted	(Purpose)	(Perpetuity)	Total	Total
Revenue					
Contributions and grants	$ 758,550	$ 290,752	$ -	$ 1,049,302	$ 1,591,101
Government pandemic assistance	141,575	-	-	141,575	-
Interest, dividends and realized gains	68,833	50,191	-	119,024	118,716
Other revenues	14	-	-	14	189
Total revenues	968,972	340,943	-	1,309,915	1,710,006
Net assets released from restrictions:					
Satisfaction of program restrictions	323,065	(323,065)	-	-	-
Net revenues	1,292,037	17,878	-	1,309,915	1,710,006
Expenditures					
Program expenditures	947,848	-	-	947,848	1,358,153
Management and general	376,852	-	-	376,852	219,617
Fund raising	73,274	-	-	73,274	328,146
Total expenditures	1,397,974	-	-	1,397,974	1,905,916
Change in net assets from operations	(105,937)	17,878	-	(88,060)	(195,910)
Unrealized gain (loss) on investments	901,992	-	-	901,992	(95,130)
Change in net assets	796,055	17,878	-	813,933	(291,040)
Net assets at beginning of year	3,598,868	83,647	300,000	3,982,515	4,273,555
Net assets at end of year	$ 4,394,923	$ 101,525	$ 300,000	$ 4,796,448	$ 3,982,515

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
Washington, D.C.

Statement of Functional Expenditures
For The Years Ended June 30, 2021 and 2020

	2021				2020
	Program Services	Management & General	Fundraising	Total	Total (Summarized)
Salaries	$ 520,703	$ 135,097	$ 52,000	$ 707,800	$ 758,232
Personnel benefits & payroll taxes	154,044	$ 72,209	21,074	247,327	252,089
Books, subscriptions, reference	74	-	-	74	85
Donation return	20	25,000	-	25,020	89,273
General office	3,307	(25)	200	3,482	19,102
Occupancy	217,785	101,910	-	319,695	136,474
Printing & copying	118	(118)	-	-	8,064
Telephone	3,064	18,940	-	22,004	12,650
Travel	(8,807)	155	-	(8,652)	158,526
Seminars/conferences/workshops	550	(550)	-	-	40,045
Award dinner/project development	54	-	-	54	215,916
Miscellaneous fees and staff development	7,461	2,175	-	9,636	11,417
Depreciation	-	10,340	-	10,340	9,967
General contractual services	19	1,167	-	1,186	104,793
Consultants/professional fees	-	27,085	-	27,085	15,123
Honoraria	34,133	(16,533)	-	17,600	70,809
Stipends	15,323	-	-	15,323	3,351
Bad debt expense	-	-	-	-	-
	$ 947,848	$ 376,852	$ 73,274	$ 1,397,974	1,905,916

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
Washington, D.C.

Statements of Cash Flows
For the Years Ended June 30, 2021 and 2020

	2021	2020 (Restated)
Cash flows from operating activities:		
Increase (decrease) in net assets	$ 813,933	(368,707)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	10,340	9,967
Decrease (increase) in unrestricted pledges receivable	49,521	(27,779)
Decrease (increase) in restricted pledges receivable	119,650	278,504
Decrease (increase) in grants receivable	(2,555)	(81,153)
Decrease (increase) in other receivables	15,762	127,884
Decrease (increase) in prepaid expense	(26,338)	6,482
Increase (decrease) in accounts payable	8,454	(68,332)
Increase (decrease) in deferred revenue	(8,591)	(150,502)
Increase (decrease) in unrealized gains	(1,019,607)	(20,181)
Total	(39,431)	(293,817)
Changes to board designated endowment:		
Distributions from JHU board designated endowments	117,616	115,309
Total	117,616	115,309
Net cash provided (used) by operating activities	78,185	(178,508)
Cash flows from financing activities:		
Increase in PPP loan liability	30,812	141,575
Cash flows from investing activities:		
Investment in office furnishings	-	(103,397)
Net increase (decrease) in cash	108,997	(140,330)
Cash and cash equivalents at beginning of year	789,106	929,436
Cash and cash equivalents at end of year	$ 898,103	$ 789,106

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

Note 1 Organization

Located in Washington, D.C., the American Institute for Contemporary German Studies at The Johns Hopkins University, Inc. (Institute or AICGS) 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, AICGS 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 (AICGS) 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.

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 refundable advances in the statement of financial position. Advance payments on these grants total $514,031 and $522,622 as of June 30, 2021 and 2020, respectively. These amounts have been recorded as deferred revenue on the statement of financial position.

D. 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.

E. Expense Classification and Allocation

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.

F. Donated Materials

The Institute reports gifts of property and equipment as support without donor restrictions 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 imposed restrictions. Absent explicit donor stipulations about how long these long-lived assets must be maintained, the Institute reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

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, 2021 and 2020 was $482,750 and $193,292, 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 presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Institute is not classified as a private foundation.

L. 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.

M. 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.

N. 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.

O. Adoption of New Accounting Standards

The Institute adopted Accounting Standards Update (ASU) 2018-08 related to donor restricted grants and contributions as prescribed by the Financial Accounting Standards Board. The Institute accounted for this change using the full retrospective transition method.

a. Revenue from Donor Restricted Grants: These standards establish a contract and control based revenue recognition model, the basis for deciding when revenue is recognized over time or at a point in time and expand disclosures about revenue. The formal adoption of this standard applies to all periods reported on. The results of the adoption of this accounting standard is disclosed in Footnote 14.

b. Contributions Received and Contributions Made: This standard provides guidance in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. The results of the adoption of this accounting standard is disclosed in Footnote 14.

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 $1,075,000.

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, 2021 that it considers available to fund current operations:

	As of June 30, 2021
Cash and cash equivalents, undesignated	$ 724,210
Unrestricted pledges	80,500
Other accounts receivable	142,626
Available for current operations	$ 947,336

Note 4 **Donor Restricted Net Assets**

Donor restricted net assets available for the Institute’s programs after June 30, 2021 and 2020 were as follows:

	2021	2020
Harry and Helen Gray Culture & Politics	$ 95,139	$ 77,348
Other programs	6,386	6,300
Total	$ 101,525	$ 83,648

Note 5 Contributions and Grants

Contributions and grants consisted of the following as of June 30, 2021 and 2020:

	2021	2020
		(Restated)
Unrestricted member and trustee contributions	$ 758,550	$ 287,543
Foundations	-	25,013
Government	-	10,000
Global Leadership Award Dinner revenues	-	785,038
Unrestricted contributions and support	758,550	1,107,594
Restricted member and trustee contributions	53,366	64,850
Foundations	148,987	-
Government	88,399	393,657
Restricted contributions and support	290,752	458,507
Total contributions and support	$ 1,049,302	$ 1,566,101

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, 2021 and 2020 are as follows:

	2021		
	Cost	Market	Accumulated Unrealized Gain (Loss)
Investment in JHU Endowment Fund			
Humanities endowment	$ 640,200	1,567,825	$ 927,625
Board designated endowment	1,380,167	2,112,173	732,006
Total invested in JHU endowment	2,020,367	3,679,998	1,659,631

Investments for years ending June 30 (continued)

	2020		
	Cost	Market	Accumulated Unrealized Gain (Loss)
Investment in JHU Endowment Fund			
Humanities endowment	$ 640,200	$ 1,183,541	$ 543,341
Board designated endowment	1,380,167	1,594,466	214,299
Total invested in JHU endowment	2,020,367	2,778,007	757,640

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, 2021 and 2020:

		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:					
	2021	$ -	$ -	$ 3,679,998	$ 3,679,998
	2020	$ -	$ -	$ 2,778,007	$ 2,778,007

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, 2021 and 2020 were as follows:

	2021	2020
DAAD Fellowship 2020-2022	15,245	19,141
F.H. Langhammer Policy Initiatives	9,109	9,109
Geoeconomics Program	93,461	78,870
Geoeconomics Program: Allianz Speakers Series	-	18,621
Goldman Book Project	-	19,630
Society, Culture & Politics Program	2,141	5,107
Society, Culture & Politics: Carl Siebel/AT&T	141,388	91,105
Steven Muller New Initiatives Program	227,370	281,039
Thyssen Foundation China Project 2020-2021	12,457	-
U.S. Embassy Berlin	12,860	-
	514,031	522,622

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
2022	$ 257,589
2023	273,820
2024	290,756
2025	308,423
2026	326,848
Thereafter	1,099,110
	$ 2,556,546

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, 2021 and 2020, the Institute contributed $247,327 and $252,089, respectively into the University's fringe benefits pool. The retirement plan portion of the benefit plan contribution for the years ending June 30, 2021 and 2020 was $60,302 and $61,683, 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.

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.

Changes in the Institute's endowment funds, including cash and investments, during the year ending June 30, 2021 and 2020 were as follows:

Year Ending June 30, 2021			
Original Cost:	Unrestricted Board Designated	Restricted In Perpetuity	Total
Balance as of June 30, 2020:			
Original cost	2,020,367	300,000	2,320,367
Additional contributions	-	-	-
Balance as of June 30, 2021:			
Original cost	$ 2,020,367	$ 300,000	$ 2,320,367
Fair Market Value:			
Balance as of June 30, 2020:	$ 2,951,805	$ 300,000	$ 3,251,805
Additional contributions	-	-	-
Realized & unrealized gain (loss)	1,019,607	-	1,019,607
Disbursements for operations	(117,521)	-	(117,521)
Balance as of June 30, 2021			
Fair market value	3,853,891	300,000	4,153,891

Changes in Endowment Funds for years ending June 30 (continued)

Year Ending June 30, 2020			
	Unrestricted	Restricted	
Original Cost:	Board Designated	In Perpetuity	Total
Balance as of June 30, 2019:			
Original cost	2,020,367	300,000	2,320,367
Additional contributions	-	-	-
Balance as of June 30, 2020:			
Original cost	$ 2,020,367	$ 300,000	$ 2,320,367
Fair Market Value:			
Balance as of June 30, 2019:	$ 3,046,447	$ 300,000	$ 3,346,447
Additional contributions	-	-	-
Realized & unrealized gain (loss)	20,667	-	20,667
Disbursements for operations	(115,309)	-	(115,309)
Balance as of June 30, 2020			
Fair market value	2,951,805	300,000	3,251,805

The Institute's board designated and donor restricted endowment consisted of the following assets as of June 30, 2021 and 2020:

	2021	2020
Current assets		
Deposits with commercial banks	$ 173,893	$ 173,798
Non-current assets		
Invested in the JHU Endowment pool	3,679,998	2,778,007
Bequest receivable (restricted in perpetuity)	300,000	300,000
	3,979,998	3,078,007
Total endowment funds	$ 4,153,891	$ 3,251,805

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 *AICGS e.V* as described in Note 1 to these financial statements. Net cash (overdraft) on deposit with the University on June 30, 2021 and 2020 was $482,750 and $193,292, respectively.

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, 2021 and 2020 were as follows:

	2021	2020
Trustee contributions	$581,289	$ 325,291
Due from trustees	$637,778	$ 371,042

Note 13 Subsequent Events and Covid-19 Outbreak

Management evaluated subsequent events through December 20, 2021, the date the financial statements were available to be issued. The Institute is not aware of any material subsequent events.

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

All companies and organizations in the United States has been affected by requirements and practices related to the COVID-19 pandemic and the full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Institute's financial condition, liquidity, and future results of operations. Management is actively monitoring the situation and its impact on its financial condition including liquidity, operations, donors, programs, and workforce.

Given the daily evolution of the COVID-19 outbreak and the United States Federal Government's and District of Columbia's responses to curb its spread, management has evaluated the effects of the COVID-19 outbreak on the results of its operations, financial condition, and liquidity. The economic uncertainties are likely to negatively impact the Institute's investment in the University's endowment pool. However, management believes the Institute will be able to continue to pay its obligations in a timely manner.

Note 14 Prior Year Restatement

The Institute has adopted Accounting Standards Update 2018-08 related to it donor restricted grants. This standard establishes a revenue recognition model, the basis for deciding when revenue is recognized over time or at a point in time and expands disclosures about revenues. This standard provides guidance in evaluating whether transactions are accounted for as either a contribution or an exchange and determination of whether a contribution is conditional or unconditional.

Accordingly, prior year amounts have been restated as follows:

	Year Ending June 30, 2020		
	Original Amount	Change	Restated Amount
Statement of Activities:			
Revenue from donor restricted grants	$ 565,083	$ (81,576)	$ 483,507
Unrestricted contributions and grants	881,396	226,198	1,107,594
	1,446,479	144,622	1,591,101
Interest, dividends, realized gains & other	118,905	-	118,905
Unrealized loss on investments	(95,130)	-	(95,130)
Net revenues and unrealized loss	1,470,254	144,622	1,614,876
Total expenditures	1,905,916	-	1,905,916
Change in net assets	(435,662)	144,622	(291,040)
Statement of Financial Position:			
Restricted grants receivable	263,510	(137,123)	126,387
Other assets	7,323,555	-	7,323,555
Total Assets	7,587,065	(137,123)	7,449,942
Accounts payable	4,649	-	4,649
Deferred revenues	-	522,623	522,623
Other liabilities	2,940,155	-	2,940,155
Total liabilities	2,944,804	522,623	3,467,427
Net Assets:			
Restricted in purpose	825,297	(741,649)	83,648
Restricted in perpetuity	300,000	-	300,000
Without donor restrictions	3,516,964	81,903	3,598,867
Total net assets	4,642,261	(659,746)	3,982,515
Total liabilities and net assets	$ 7,587,065	$ (137,123)	$ 7,449,942

Cumulative effect of change in accounting principle on net assets prior to year ending June 30, 2020:

	Original Amount	Change	Restated Amount
Year Ending June 30, 2019:			
Net Assets:			
Restricted in purpose	$ 758,322	$ (715,539)	$ 42,783
Restricted in perpetuity	300,000	-	300,000
Without donor restrictions	4,019,601	(88,829)	3,930,772
	5,077,923	(804,368)	4,273,555
Year Ending June 30, 2020:			
Change in net assets	(435,662)	144,622	(291,040)
Ending net assets	$ 4,642,261	$ (659,746)	$ 3,982,515

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

Supplementary Statement of Expenditures by Program
For The Years Ended June 30, 2021 and 2020

	2021			2020
	Direct Costs	Shared Costs	Total	Total (Summarized)
Carl Siebel / Diversity Exchange	$ (4,629)	$ 14,918	$ 10,289	$ 141,425
DAAD Fellowships	35,474	48,089	83,563	111,007
ERP Social Divisions	(3,820)	33,144	29,324	153,488
ERP Transatlantic Crises	-	10,212	10,212	37,178
Federal Ministry of Defense	15,005	31,410	46,415	80,942
F.H. Langhammer Policy Initiatives	-	10,212	10,212	19,366
Foreign & Security Policy Studies Program	7,401	22,158	29,559	55,694
Geoeconomics Program	63,575	108,081	171,656	206,461
Geoeconomics: Allianz Speaker Series	18,621	10,930	29,551	46,058
German Marshall Fund	24,687	29,710	54,397	73,987
Guido Goldman Book Project	30,396	22,695	53,091	82,765
Halle Foundation Internship Program	-	17,764	17,764	-
Halle Foundation Leadership Program	-	14,117	14,117	-
Harry and Helen Gray Culture & Politics Program	32,319	45,806	78,125	36,744
Society, Culture & Politics Program	6,227	55,585	61,812	125,744
Steven Muller New Initiatives Fund	53,669	27,600	81,269	77,310
Thyssen Foundation China project	37,000	52,128	89,128	33,769
US Embassy Berlin	7,140	29,176	36,316	51,927
Visiting Fellowships	-	12,760	12,760	24,039
Wunderbar Together	-	27,736	27,736	-
Shared program costs (net)	-	549	549	249
	$ 323,065	$ 624,783	$ 947,848	1,358,153

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