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, 2025 and 2024

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

Table of Contents

William A. Russ, CPA, PC

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
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 2025, 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 2025, 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.

2316 Tucker Lane, Gwynn Oak, Maryland, 21207-6640 *Bill@WmRussCPA.com*

- 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. 2024 financial statements and, in my report dated 21 October 2024, 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

18 November 2025

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, 2025 and 2024

	2025	2024
Assets		
Current		
Cash - on deposit at banks		
Undesignated	$ 303,381	$ 43,883
Board designated	3,693	77,721
Total cash - on deposit at banks	307,074	121,604
Cash - board designated endowment held by JHU	3,349,995	-
Total cash	3,657,069	121,604
Accounts receivable (current), less allowance for doubtful accounts of $20,000 in 2025 and 2024	382,423	248,606
Prepaid expenses and other assets	84,391	104,308
Investment in JHU endowment fund	-	3,193,457
Total current assets	4,123,883	3,667,975
Non-current		
Furniture and equipment		
Cost	262,483	262,483
Less: accumulated depreciation	(220,751)	(210,411)
Net/book value of furniture and equipment	41,732	52,072
Pledge and other receivables (non-current)	767,832	1,083,470
Right of use asset, net of accumulated amortization of $1,667,290 in 2025 and $1,385,496 in 2024	1,033,251	1,315,045
Total non-current assets	1,842,815	2,450,587
Total assets	5,966,698	6,118,562
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	35,048	67,025
Deferred revenue	63,158	49,823
Overdraft in JHU cash account	1,017,713	158,878
Office rent obligation (current portion)	329,500	311,039
	1,445,419	586,765
Non-Current Liabilities		
Office rent obligation (non-current portion)	969,768	1,299,268
Total liabilities	2,415,187	1,886,033
Net Assets		
Without donor restriction:		
Undesignated	(136,455)	661,351
Board designated endowments	3,387,966	3,271,178
Total	3,251,511	3,932,529
With donor restrictions:		
Purpose restrictions	-	-
Restricted in perpetuity	300,000	300,000
Total	300,000	300,000
Total net assets	3,551,511	4,232,529
Total liabilities and net assets	$ 5,966,698	$6,118,562

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
d.b.a. The American-German Institute
Washington, D.C.

Statements of Activities
For The Years Ending June 30, 2025 and 2024

	2025				2024
		Donor Restricted			(Summarized)
	Unrestricted	(Purpose)	(Perpetuity)	Total	Total
Revenue					
Contributions and grants	$ 764,660	$ 342,047	$ -	$ 1,106,707	$ 2,182,425
Interest, dividends and realized gains	139,296	-	-	139,296	139,394
Other revenues	-	308	-	308	518
Total revenues	903,956	342,355	-	1,246,311	2,322,337
Net assets released from restrictions:					
Satisfaction of program restrictions	342,355	(342,355)	-	-	-
Total revenues	1,246,311	-	-	1,246,311	2,322,337
Expenditures					
Program expenditures	1,493,142	-	-	1,493,142	1,390,105
Management and general	190,331	-	-	190,331	442,931
Fund raising	434,663	-	-	434,663	330,218
Total expenditures	2,118,136	-	-	2,118,136	2,163,254
Change in net assets from operations	(871,825)	-	-	(871,825)	159,083
Unrealized gain (loss) on investments	190,807	-	-	190,807	146,666
Change in net assets	(681,018)	-	-	(681,018)	305,749
Net assets at beginning of year	3,932,529	-	300,000	4,232,529	3,926,780
Net assets at end of year	$ 3,251,511	$ -	$ 300,000	$ 3,551,511	$ 4,232,529

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

Statement of Functional Expenditures
For The Years Ended June 30, 2025 and 2024

	2025				2024
	Program Services	Management & General	Fundraising	Total	Total (Summarized)
Salaries	$ 671,906	$ 50,774	$ 38,979	$ 761,659	$ 785,492
Personnel benefits & payroll taxes	237,397	15,303	13,630	266,330	277,920
Total personnel costs	909,303	66,077	52,609	1,027,989	1,063,412
Award dinner	-	-	159,025	159,025	188,850
Consultants/professional fees	-	13,626	-	13,626	15,162
Depreciation	-	10,340	-	10,340	10,340
Donation return	9,262	15,000	-	24,262	(1,403)
Equipment rental and maintenance	-	1,317	-	1,317	2,847
General contractual services	-	(6,383)	215,275	208,892	231,969
General office	2,483	1,596	1,262	5,341	10,759
Honoraria	8,650	-	-	8,650	9,232
Miscellaneous fees and staff development	5,003	18,472	-	23,475	29,390
Occupancy	318,291	37,331	-	355,622	351,394
Overhead cost transfers	826	(826)	-	-	(1,035)
Project development	124	190	-	314	682
Seminars/conferences/workshops	15,720	-	-	15,720	23,078
Stipends	37,858	-	-	37,858	30,355
Telephone and internet services	4,055	30,446	-	34,501	29,394
Travel	181,567	3,145	6,492	191,204	168,828
	$ 1,493,142	$ 190,331	$ 434,663	$ 2,118,136	2,163,254

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

Statements of Cash Flows
For the Years Ended June 30, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Increase (decrease) in net assets	$ (681,018)	305,750
Cumulative effect of prior period adjustments	-	-
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	10,340	10,340
Amortization of right-of-use asset	281,794	281,796
Decrease (increase) in donor restricted pledge receivable	-	(96,742)
Decrease (increase) in unrestricted pledges receivable (current)	(153,817)	388,688
Decrease (increase) in prepaid expense	19,917	(69,562)
Increase (decrease) in accounts payable	(31,976)	30,349
Increase (decrease) in JHU overdraft	858,835	158,878
Increase (decrease) in deferred revenue	13,335	(3,967)
Increase (decrease) in office lease obligation	(311,039)	(293,336)
Net cash provided (used) by operating activities	6,371	712,194
Cash flows from investing activities:		
Funds invested in JHU endowment pool		
Unrealized earnings in JHU endowment pool	(328,090)	(282,589)
Distributions from JHU endowment pool	212,282	135,924
Liquidation of investment in JHU endowment	3,309,264	-
	3,193,456	(146,665)
Cash flows from financing activities:		
Decrease (increase) in pledges receivable (non-current)	200,000	(300,000)
Decrease (increase) in donor restricted pledges receivable (non-current)	150,001	(303,452)
Decrease (increase) in annuity receivable (non-current)	(14,363)	(8,261)
Net cash provided (used) by financing activities	335,638	(611,713)
Net increase (decrease) in cash	3,535,465	(46,184)
Cash and cash equivalents at beginning of year	121,604	167,788
Cash and cash equivalents at end of year	$3,657,069	$ 121,604

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. 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 $63,158 and $49,823 as of June 30, 2025 and 2024, 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 surplus (overdraft) on deposit with the University was ($1,017,713) and ($158,878) on June 30, 2025 and 2024 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 IRS 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 four 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, 2025 and 2024 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

The financial statements contain certain summarized comparative information for the year ending June 30, 2024. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Institute's financial statements for the year ending June 30, 2024, from which the summarized information was derived.

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. For the 12 months ending June 30, 2026 operating costs are estimated to be $2,064,994.

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, 2025 that it considers available to fund current operations:

	June 30, 2025
Cash and cash equivalents, undesignated	$ 307,074
Pledges:	
Without donor restrictions (net)	208,155
With donor restrictions	194,268
	$ 709,497

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

Note 4 Pledge Receivables

The Institute was pledged amounts due within the next fiscal year and beyond. These pledge receivables for the years ending June 30, 2025 and 2024 were as follows:

Due within 12 months		
Unrestricted pledges (net)	$ 208,155	$ 66,155
Donor restricted	214,268	202,451
Less: allowance for doubtful accounts	(20,000)	(20,000)
Current	402,423	248,606
Due within 2-5 years		
Unrestricted pledges	100,000	300,000
Donor restricted	153,450	303,451
	253,450	603,451
Due in more than 5 years		
Annuity receivable	194,382	180,019
Bequest receivable	300,000	300,000
	494,382	480,019
Non-current	747,832	1,083,470
Total receivables	$ 1,150,255	$ 1,332,076

Note 5 Contributions and Grants

Contributions and grants consisted of the following as of June 30, 2025 and 2024:

	2025 Contributions and Grants			2024
	Donor Restricted	Without Restriction	Combined	Total (Summarized)
Program Revenues				
Foundations	$ 132,935	$ -	$ 132,935	$ 211,420
Government	197,330	-	197,330	101,229
Supporters	62,376	-	62,376	377,803
Trustees	196,803	-	196,803	468,093
	589,444	-	589,444	1,158,545
Non-Program Revenues				
GLAD event				
Supporters	-	291,500	291,500	787,000
Trustees	-	85,000	85,000	145,000
Total GLAD event	-	376,500	376,500	932,000
Supporters	-	6,150	6,150	32,492
Trustees	-	134,613	134,613	59,388
	-	517,263	517,263	1,023,880
Total	$ 589,444	$ 517,263	$ 1,106,707	$ 2,182,425

Note 6 Investments and Funds Liquidated from JHU Endowment Pool

The Institute invested its endowment funds into the University's Endowment Pool and in a money market fund at a bank. In June, 2025, the University liquidated all of the Institute's shares in its endowment pool. On June 30, 2025 the University held funds formally invested in its endowment pool in an interest bearing cash account. During the year ending June 30, 2024, the Institute considered its investment in the JHU Endowment Fund as an investment available for sale. Contributions into the endowment pool, reinvested earnings and realized / unrealized gains for the years ending on June 30, 2025 and 2024 are as follows:

	2025		
	Original Cost	Market	Realized Gain
Liquidated From JHU Endowment			
Humanities endowment	$ 640,200	$ 1,441,830	$ 801,630
Board designated endowment	1,380,167	1,942,433	562,266
Held by JHU (in cash and receivables)	$ 2,020,367	$ 3,384,263	$ 1,363,896

	2024		
	Original Cost	Market	Unrealized Gain
Investment in JHU Endowment			
Humanities endowment	$ 640,200	$ 1,092,951	$ 452,751
Board designated endowment	1,380,167	2,100,506	720,339
Total invested in JHU endowment	$ 2,020,367	$ 3,193,457	$ 1,173,090

Note 7 Fair Value of Investments

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, 2025 and 2024:

	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)
Shares in JHU Endowment Pool:			
2025	$ -	$ -	$ -
2024	$ -	$ -	$ 3,193,457

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, 2025 and 2024 were as follows:

	2025	2024
BMW Foundation	$ 858	$ 858
GLAD Event	50,000	-
ERP LGBTQ	7,345	9,680
DAAD	1,178	-
Halle Foundation Internship Program	3,777	39,285
	$ 63,158	$ 49,823

Note 9 Lease Obligation

The University 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 Institute subleases its office space from the University. The minimum base rent obligation for future years ending June 30 will be as follows:

Year Ending June 30,	Base Rent
2026	$ 363,982
2027	373,082
2028	382,409
2029	255,046
	$ 1,374,519

Lease expense, interest and variable costs (credits) associated with the office lease for the years ending June 30, 2025 and 2024 were as follows:

	2025	2024
Lease amortization expense	$ 281,796	$ 281,796
Interest on office lease	44,066	60,396
Variable portion of lease cost	29,760	9,202
Total cost of leased office space	$ 355,622	$ 351,394

The current and non-current operating lease liability includes the following components as of June 30, 2025 and 2024:

	2025	2024
Current Liability		
Present value of future payments	$ 329,500	$ 311,039
Interest to be accrued	34,482	44,066
Total current liability	363,982	355,105
Non-Current Liability		
Present value of future payments	969,768	1,299,268
Interest to be accrued	40,769	75,252
Total non-current liability	$ 1,010,537	$ 1,374,520

The book value of the office lease right-of-use asset and accumulated amortization as of June 30, 2025 and 2024 were as follows:

	2025	2024
Right-of-use asset (office lease)	$ 2,700,541	$ 2,700,541
Less: accumulated amortization	(1,667,290)	(1,385,496)
Book value, right-of-use asset	$ 1,033,251	$ 1,315,045

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, 2025 and 2024, the Institute contributed $266,311 and $277,920, respectively into the University's fringe benefits pool. The retirement plan portion of the benefit plan contribution for the years ending June 30, 2025 and 2024 was $72,969 and $78,273, respectively. The Institute and the University fully funds this benefit and there is no resulting liability to the Institute.

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, 2025 and 2024 were as follows:

Year Ending June 30, 2025			
Original Cost:	Unrestricted Board Designated	Restricted In Perpetuity	Total
Balance as of June 30, 2024:			
Original cost	$ 2,020,367	$ 300,000	$ 2,320,367
Additional contributions	-	-	-
Balance as of June 30, 2025:			
Original cost	$ 2,020,367	$ 300,000	$ 2,320,367
Fair Market Value:			
Balance as of June 30, 2024:	$ 3,271,178	$ 300,000	$ 3,571,178
Interest income	971	-	971
Realized & unrealized gain (loss)	328,090	-	328,090
Disbursements for operations	(212,282)	-	(212,282)
Balance as of June 30, 2025			
Fair market value	$ 3,387,957	$ 300,000	$ 3,687,957

Year Ending June 30, 2024			
Original Cost:	Unrestricted Board Designated	Restricted In Perpetuity	Total
Balance as of June 30, 2023:			
Original cost	$ 2,020,367	$ 300,000	$ 2,320,367
Additional contributions	-	-	-
Balance as of June 30, 2024:			
Original cost	$ 2,020,367	$ 300,000	$ 2,320,367
Fair Market Value:			
Balance as of June 30, 2023:	$ 3,122,064	$ 300,000	$ 3,422,064
Interest income	2,449	-	2,449
Realized & unrealized gain (loss)	282,589	-	282,589
Disbursements for operations	(135,924)	-	(135,924)
Balance as of June 30, 2024			
Fair market value	$ 3,271,178	$ 300,000	$ 3,571,178

Endowment (continued)

The Institute's board designated and donor restricted endowment consisted of the following assets as of June 30, 2025 and 2024:

	2025	2024
Current assets		
Deposits with commercial banks	$ 3,693	$ 77,721
Due from JHU	34,268	-
Cash held by JHU	3,349,996	-
	3,387,957	77,721
Non-current assets		
Invested in the JHU Endowment Pool	-	3,193,457
Bequest receivable (restricted in perpetuity)	300,000	300,000
	300,000	3,493,457
Total, Board designated endowment	$ 3,687,957	$ 3,571,178

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, 2025 and 2024 was ($1,017,713) and ($158,878), 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, 2025 and 2024 were as follows:

	2025	2024
Trustee Contributions		
Program support	$ 196,803	$ 468,093
General Support	134,613	59,388
GLAD event	85,000	145,000
	$ 416,416	$ 672,481
Due From Trustees		
Due from JHU	$ 34,268	$ -
Program support	333,450	274,981
General Support	305,000	300,000
GLAD event	30,000	42,500
Annuity	194,382	180,019
Bequest	300,000	300,000
	$ 1,197,100	$ 1,097,500

Note 13 **Subsequent Events**

The Institute will end its relationship with Johns Hopkins University in a process that is expected to be completed by the end of calendar year 2025. Management is in discussions with JHU leadership about terms and will also evaluate opportunities for future relationships. In the meantime, management is in the process of becoming an independent entity by developing its own administrative policies, processes and controls.

The Institute's endowment was withdrawn from the Johns Hopkins University endowment pool in June 2025. The University reported these funds were invested in an interest-bearing account on behalf of the Institute.

Funding of the deficit owed to JHU is under discussion with the University and will come from various offsets, cash on hand, and endowment funds, as needed.

Employees of the Institute will cease being employees of Johns Hopkins University on December 31, 2025. The Consortium of Universities of the Washington Metropolitan Area will become the Institute's Employer of Record effective January 1, 2026. The Institute will adopt its own employment policies and procedures effective January 1, 2026.

The Institute will change the name on its corporate registration with the State of Maryland from ***The American Institute of Contemporary German Studies at the Johns Hopkins University, Inc.*** to ***American German Institute, Inc.*** by December 31, 2025.

The Institute subleases office space from The Johns Hopkins University. It is anticipated the Institute will continue to lease that office space from the University until the end of the lease or earlier, if an early termination of the lease is arranged.

The Institute is exploring the possibility of a merger together with the American Council on Germany.

Management evaluated subsequent events through November 18, 2025, the date the financial statements were available to be issued. The Institute is not aware of any additional, 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, 2025 and 2024

	2025			2024
	Direct Costs	Shared Costs	Total	Total (Summarized)
BMW Foundation (Geo)	$ 396	$ -	$ 396	$ 92,683
DAAD Fellowship 2024	69,853	55,649	125,502	126,946
DAAD Fellowship 2025	16,767	31,287	48,054	86,769
ERP Social Divisions	-	-	-	397
ERP LGBTQ	102,879	46,181	149,060	154,377
Foreign & Security Policy Program	251,609	47,898	299,506	128,746
Geoeconomics Program	231,265	71,734	302,999	249,386
German Marshall Fund	25,000	19,597	44,597	50,957
Harry and Helen Gray Culture & Politics Program	108,607	34,365	142,972	132,465
Society, Culture & Politics Program (SCP)	87,403	29,433	116,836	47,657
Steven Muller New Initiatives Fund	58,300	31,658	89,958	157,113
Halle Foundation Internship Program 21-24	22,264	44,729	66,993	112,205
Halle Foundation Internship Program 24-27	59,523	18,282	77,805	14,170
Visiting Fellowships	7,832	19,901	27,733	34,922
Shared program cost transfers (net)	731	-	731	1,312
	$ 1,042,429	$ 450,714	$ 1,493,142	1,390,105

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