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CERTIFIED PUBLIC ACCOUNTANTS

**JAPAN CENTER FOR INTERNATIONAL EXCHANGE, INC.**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT**

**YEARS ENDED JUNE 30, 2021 AND 2020**

**JAPAN CENTER FOR INTERNATIONAL EXCHANGE, INC.**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT**

**YEARS ENDED JUNE 30, 2021 (AUDITED)  
AND 2020 (REVIEWED)**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Japan Center for International Exchange, Inc.  
New York, New York

We have audited the accompanying financial statements of Japan Center for International Exchange, Inc. (a not-for-profit organization), (the "Center"), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Center's preparation and fair presentation of the financial statements 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 Center's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Japan Center for International Exchange, 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.

### **Prior Period Financial Statements**

The financial statements of Japan Center for International Exchange, Inc. as of June 30, 2020 were reviewed by us and our report thereon, dated February 25, 2021, stated we were not aware of any material modifications that should be made to those financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements.

### **Report on Supplementary Information**

Our audit for the year ended June 30, 2021 was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 18 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 our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The supplementary information for the year ended June 30, 2020 included in the schedule of functional expenses on page 19 is presented for purposes of additional analysis and is not a required part of the basic 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. We have not audited or reviewed such information and we do not express an opinion, a conclusion, nor provide any assurance on it.

**LMC**

**Certified Public Accountants**

March 16, 2022

**JAPAN CENTER FOR INTERNATIONAL EXCHANGE, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2021 AND 2020**

<b>ASSETS</b>	<b>2021</b>	<b>2020</b>
	<b>(Audited)</b>	<b>(Reviewed)</b>
Current assets		
Cash	\$ 254,204	\$ 211,899
Investments, at fair value	1,354,683	1,008,525
Pledges receivable	102,375	86,000
Advances to JCIE - Japan	-	153
Prepaid expenses and other current assets	15,031	2,628
Due from JCIE - Japan	110,259	-
Total current assets	<u>1,836,552</u>	<u>1,309,205</u>
Property and equipment, net	172,993	196,059
Security deposits	7,493	7,493
Total assets	<u><u>\$ 2,017,038</u></u>	<u><u>\$ 1,512,757</u></u>
 <b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accrued expenses and other current liabilities	\$ 11,805	\$ 22,374
Due to JCIE - Japan	-	44,367
Paycheck Protection Program loan	-	64,800
Total current liabilities	<u>11,805</u>	<u>131,541</u>
Net assets		
Without donor restrictions	1,691,627	1,200,844
With donor restrictions	313,606	180,372
Total net assets	<u>2,005,233</u>	<u>1,381,216</u>
Total liabilities and net assets	<u><u>\$ 2,017,038</u></u>	<u><u>\$ 1,512,757</u></u>

See Independent Auditors' Report and Notes to the Financial Statements.

**JAPAN CENTER FOR INTERNATIONAL EXCHANGE, INC.**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEARS ENDED JUNE 30, 2021 AND 2020**

	<u>2021</u> <u>(Audited)</u>	<u>2020</u> <u>(Reviewed)</u>
Changes in net assets without donor restrictions:		
Revenues and gains		
Contributions	\$ 700,361	\$ 505,961
Interest and dividend income	19,371	21,663
Net realized and net change in unrealized gains on investments	243,379	53,199
Other income	67,459	357
	<u>1,030,570</u>	<u>581,180</u>
Net assets released from restrictions		
Satisfaction from program restrictions	137,398	302,672
	<u>1,167,968</u>	<u>883,852</u>
Expenses		
Program services		
Human Security and Global Cooperation	298,000	391,382
Global Think Net	189,265	328,867
Civil Net and Grass Roots	32,096	87,328
Political Leadership Exchange	33,469	9,464
Total program services	552,830	817,041
Supporting services		
Management and general	124,355	118,524
Total expenses	677,185	935,565
Changes in net assets without donor restrictions	490,783	(51,713)
Changes in net assets with donor restrictions:		
Contributions	270,632	180,372
Net assets released from restrictions	(137,398)	(302,672)
Changes in net assets with donor restrictions	133,234	(122,300)
Net changes in net assets	624,017	(174,013)
Total net assets - beginning of year	1,381,216	1,555,229
Total net assets - end of year	<u>\$ 2,005,233</u>	<u>\$ 1,381,216</u>

See Independent Auditors' Report and Notes to the Financial Statements.

**JAPAN CENTER FOR INTERNATIONAL EXCHANGE, INC**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
	<b>(Audited)</b>	<b>(Reviewed)</b>
<b><i>Cash Flows from Operating Activities</i></b>		
Net changes in net assets	\$ 624,017	\$ (174,013)
Adjustments to reconcile net changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	23,066	23,066
Net realized and net change in unrealized gains on investments	(243,379)	(53,199)
Paycheck Protection Program loan forgiveness	(64,800)	-
Changes in operating assets and liabilities:		
Pledges receivable	(16,375)	7,000
Advances to JCIE - Japan	153	64,434
Prepaid expenses and other current assets	(12,403)	2,679
Due from JCIE - Japan	(110,259)	8,250
Accrued expenses and other current liabilities	(10,569)	18,880
Due to JCIE - Japan	(44,367)	44,367
Total adjustments	<u>(478,933)</u>	<u>115,477</u>
Net cash provided by (used in) operating activities	<u>145,084</u>	<u>(58,536)</u>
<b><i>Cash Flows from Investing Activities</i></b>		
Purchase of investments	(157,191)	(170,996)
Proceeds from sale of investments	54,412	161,025
Proceeds from Paycheck Protection Program loan	-	64,800
Net cash (used in) provided by investing activities	<u>(102,779)</u>	<u>54,829</u>
Net change in cash	42,305	(3,707)
Cash - beginning of year	<u>211,899</u>	<u>215,606</u>
Cash - end of year	<u>\$ 254,204</u>	<u>\$ 211,899</u>

See Independent Auditors' Report and Notes to the Financial Statements.

**JAPAN CENTER FOR INTERNATIONAL EXCHANGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2021 (AUDITED) AND 2020 (REVIEWED)**

**NOTE 1 - NATURE OF OPERATIONS**

Japan Center for International Exchange, Inc. (a not-for-profit organization), (the "Center") was incorporated in June 1976 as a non-profit corporation chartered by the State of New York. The Center was created for the purpose of promoting, enhancing and contributing to the advancement of world peace, international cooperation and mutual understanding between Japan and the United States in political, social, cultural and other areas.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***

The Center follows the requirements of the Not-for-Profit Entities, Presentation of Financial Statements Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958. Under this Topic, the Center is required to report information regarding its financial position and activities according to two classes of net assets, net assets without donor restrictions and net assets with donor restrictions.

***Cash and Cash Equivalents***

For purposes of the statements of cash flows, the Center considers all highly liquid instruments available for current use with an initial maturity of three months or less to be cash equivalents.

***Investment Valuation and Income Recognition***

Investments in mutual funds are valued at the net asset value of the shares held by the Center at year-end and are reported at their fair values in the statements of financial position. Net change in unrealized gains and losses are included in the statements of activities and changes in net assets. Interest income is reported on the accrual basis. Dividends are recorded on the ex-dividend date. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

***Fair Value Measurements***

The accounting standards define fair value, establish a framework for measuring fair value, outline a fair value hierarchy based on inputs used to measure fair value and enhance disclosure requirements. The fair value hierarchy distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting Center (observable inputs that are classified within Level 1 or 2 of the hierarchy) and the reporting Center's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).



**JAPAN CENTER FOR INTERNATIONAL EXCHANGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2021 (AUDITED) AND 2020 (REVIEWED)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

***Fair Value Measurements*** *(Continued)*

- Level 1 inputs are quoted prices in active markets for identical investments that management has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the investment, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the investment.

Financial assets and liabilities are categorized based on the lowest level of input that is significant to the fair value measurement. The Center's assessment of the significance of a particular input to the fair value measurement requires judgement, and may affect the valuation of the fair value of assets and liabilities and their placement within the fair value hierarchy levels.

***Contributions***

The Center complies with the FASB issued Accounting Standards Update (ASU) 2018-08, Not-for-Profit Entities (ASC Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. ASU 2018-08 clarifies the guidance for evaluating whether a transaction is reciprocal (an exchange transaction) or nonreciprocal (a contribution) and for distinguishing between conditional and unconditional contributions.

Contributions are recognized when the donor makes a promise to give to the Center that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions are met in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

**JAPAN CENTER FOR INTERNATIONAL EXCHANGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2021 (AUDITED) AND 2020 (REVIEWED)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

***Property and Equipment***

Property and equipment are stated at cost, less depreciation and amortization. The cost of additions and improvements is capitalized and expenditures for repairs and maintenance are expensed as incurred. Fully depreciated assets are retained in property and depreciation accounts until they are removed from service. When assets are retired or otherwise disposed of, their cost and related accumulated depreciation and amortization are removed from the accounts and resulting gains or losses are included in operations. Depreciation of property and equipment is accounted for using the straight-line method over the estimated useful lives of the assets. Amortization of leasehold improvements is calculated using the straight-line method over the shorter of the term of the related lease or the useful lives of the improvements.

***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Income Tax Status***

The Center is a not-for-profit organization that is exempt from Federal and State income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the financial statements.

The Center evaluates the effect of uncertain tax positions, if any, and provides for those positions in accordance with the provisions of ASC Topic 450, Contingencies.

***Cost Allocation***

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, which are allocated on the basis of estimates of time and effort, as well as other certain expenses. All other expenses are directly applied to the related program or supporting service category when identifiable and possible.

**JAPAN CENTER FOR INTERNATIONAL EXCHANGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2021 (AUDITED) AND 2020 (REVIEWED)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

***New Accounting Pronouncement Adopted***

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (ASC Topic 606), requiring an entity to recognize the amount of the revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard replaced most existing revenue recognition guidance in U.S. generally accepted accounting principles (U.S. GAAP) when it became effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In June 2020, the FASB issued ASU 2020-05, which deferred the effective date of ASU 2014-09 one year, making it effective for years beginning after December 15, 2019, and interim reporting periods within annual reporting periods beginning after December 15, 2020. The Center adopted ASC Topic 606 with a date of initial application on July 1, 2020.

The Center recognizes revenue in accordance with FASB ASC Topic 606, Revenue from Contracts with Customers, and determines revenue by applying the following 5-step model:

1. Identify the contract with a customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations; and
5. Recognize revenue as the performance obligations are satisfied.

***New Accounting Pronouncement Not Yet Adopted***

In February 2016, the FASB issued ASU 2016-02, Leases (ASC Topic 842). ASC Topic 842 establishes a comprehensive new lease accounting model. The new standard clarifies the definition of a lease and causes lessees to recognize leases on the statement of financial position as a lease liability with a corresponding right-of-use asset for leases with a lease term of more than one year. The new standard requires a modified retrospective transition for capital or operating leases existing at or entered into after the beginning of the earliest comparative period presented in the financial statements, but it does not require transition accounting for leases that expire prior to the date of initial application. In June 2020, the FASB issued ASU 2020-05, which defers the effective date of ASC Topic 842, making it effective for years beginning after December 15, 2021, and interim reporting periods within years beginning after December 15, 2022. The Center is currently evaluating the impact that ASC Topic 842 will have on the Center's financial statements and related disclosures.

**JAPAN CENTER FOR INTERNATIONAL EXCHANGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2021 (AUDITED) AND 2020 (REVIEWED)**

**NOTE 3 - INVESTMENTS**

The Center complies with the provisions of the FASB ASC Topic 820, Fair Value Measurements. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value in various levels. Level 1 consists of unadjusted quoted prices for identical assets or liabilities in active markets that the Center has the ability to access.

The following table sets forth by level, within the fair value hierarchy, the Center's assets at fair value as of June 30, 2021 and 2020:

	<u>2021</u> <u>(Level 1)</u>	<u>2020</u> <u>(Level 1)</u>
Mutual funds:		
Blend funds	\$ 986,273	\$ 638,674
Fixed income funds	368,410	369,851
Total	<u>\$ 1,354,683</u>	<u>\$ 1,008,525</u>

**NOTE 4 - PLEDGES RECEIVABLE**

Pledges receivable are recorded at fair value. For pledges receivable that are expected to be collected in future years, fair value is the present value of the estimated future cash flows discounted using a risk free rate. At June 30, 2021 and 2020, pledges receivable were due in less than one year.

Pledges receivable consist of the following as of June 30<sup>th</sup>:

	<u>2021</u>	<u>2020</u>
Pledges with donor restrictions	<u>\$ 102,375</u>	<u>\$ 86,000</u>
Amounts due in:		
Less than 1 year	<u>\$ 102,375</u>	<u>\$ 86,000</u>

**JAPAN CENTER FOR INTERNATIONAL EXCHANGE, INC.  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2021 (AUDITED) AND 2020 (REVIEWED)**

**NOTE 5 - ADVANCES TO JCIE - JAPAN**

The Center is an affiliate of Japan Center for International Exchange - Japan ("JCIE - Japan"). The Center advanced funds in the amount of \$-0- and \$153 at June 30, 2021 and 2020, respectively, to be expended by JCIE - Japan within one year for the Human Security and Global Cooperation programs.

**NOTE 6 - DUE FROM / (TO) JCIE - JAPAN**

The Center paid for certain program expenses on behalf of their affiliate for joint programs for which funding was obtained by the Center. At June 30, 2021 and 2020, the affiliate owed the Center \$110,259 and \$-0-, respectively. In addition, the affiliate paid for certain program expenses on behalf of the Center for joint programs for which funding was obtained by the Center. At June 30, 2021 and 2020, the Center owed the affiliate \$-0- and \$44,367, respectively.

During the years ended June 30, 2021 and 2020, the Center contributed \$536,609 and \$408,605 to JCIE - Japan, respectively. During the years ended June 30, 2021 and 2020, the Center received \$546,775 and \$199,341 from JCIE - Japan, respectively, for reimbursement of funds expended by the Center on behalf of JCIE - Japan.

**NOTE 7 - PROPERTY AND EQUIPMENT**

Major classes of property and equipment consist of the following as of June 30<sup>th</sup>:

	Estimated Useful Lives (Years)	2021	2020
Leasehold improvements	10	\$ 230,658	\$ 230,658
Less: Accumulated depreciation		57,665	34,599
Property and equipment, net		<u>\$ 172,993</u>	<u>\$ 196,059</u>

Depreciation expense is included within management and general expenses in the amount of \$23,066 for the years ended June 30, 2021 and 2020, respectively.

**JAPAN CENTER FOR INTERNATIONAL EXCHANGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2021 (AUDITED) AND 2020 (REVIEWED)**

**NOTE 8 - RESTRICTIONS ON NET ASSETS**

Net assets with donor restrictions are subject to donor-imposed stipulations that may or will be met either by actions of the Center and/or the passage of time. Time restricted net assets with donor restrictions at June 30, 2021 and 2020, were restricted for use by donors for the following purposes:

	<u>2021</u>	<u>2020</u>
Human Security and Global Cooperation programs	\$ -	\$ 6,362
Global Think Net programs	200,632	97,501
Civil Net and Grass Roots programs	-	8,450
Political Leadership Exchange programs	112,974	68,059
Total	<u>\$ 313,606</u>	<u>\$ 180,372</u>

**NOTE 9 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflects the Center's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date:

	<u>Financial Assets as of</u> <u>June 30<sup>th</sup></u>	
	<u>2021</u>	<u>2020</u>
Financial assets at year-end	\$ 1,821,521	\$ 1,306,577
Less those unavailable for general expenditures within one year due to:		
Donor-imposed restrictions	313,606	180,372
Financials assets available to meet cash needs for general expenditures within one year	<u>\$ 1,507,915</u>	<u>\$ 1,126,205</u>

As part of the Center's liquidity management, it invests cash in short-term investments such as mutual funds.

**JAPAN CENTER FOR INTERNATIONAL EXCHANGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2021 (AUDITED) AND 2020 (REVIEWED)**

**NOTE 10 - PAYCHECK PROTECTION PROGRAM LOAN FORGIVENESS**

In April 2020, the Center received \$64,800 of funding from the Paycheck Protection Program ("PPP") provision of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The PPP was designed to assist small businesses facing economic uncertainties in light of the COVID-19 crisis to help fund near-term expenses and to retain employees. The PPP is 100% backed by the Small Business Administration (SBA), and loans issued may be up to 100% forgivable, based upon specific criteria described in the PPP on how the funds are used. In November 2020, the Center met the PPP's eligibility criteria and the loan was fully forgiven and reclassified as other income on the statements of activities and changes in net assets.

**NOTE 11 - RISKS AND UNCERTAINTIES**

***Concentration of Credit Risk***

Financial instruments that potentially subject the Center to concentrations of credit risk consist principally of cash. The Center deposits its cash in major financial institutions, in amounts which at times exceed the Federal Deposit Insurance Corporation (FDIC) limit. No losses have been incurred to date.

***COVID-19 Outbreak***

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 spread 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.

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 Center's financial condition, liquidity, and future activities. The Center is actively monitoring the global situation on its financial condition, liquidity, and activities. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Center is not able to estimate the effects of the COVID-19 outbreak on its activities, financial condition, or liquidity for future years.

**JAPAN CENTER FOR INTERNATIONAL EXCHANGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2021 (AUDITED) AND 2020 (REVIEWED)**

**NOTE 12 - COMMITMENTS AND CONTINGENCIES**

**Leases**

The Center conducts its operations from a facility leased under an operating lease expiring on December 31, 2028. The lease includes an escalation clause for real estate taxes and operations.

Minimum future annual rental payments under the noncancelable operating lease as of June 30, 2021 are as follows:

<u>Years ending June 30<sup>th</sup></u>	<u>Amount</u>
2022	\$ 37,318
2023	37,691
2024	38,068
2025	38,449
2026	38,883
Thereafter	98,741
Total minimum future rental payments	<u>\$ 289,150</u>

Rent expense for the years ended June 30, 2021 and 2020 amounted to \$36,765 and \$36,681, respectively.

**Tax Returns**

The Center files tax returns in jurisdictions it deems appropriate. The returns are subject to audit by the taxing authorities as long as the statute of limitations remains open.

**NOTE 13 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through March 16, 2022, the date the financial statements were available to be issued.



**SUPPLEMENTARY INFORMATION**

CLIENT COPY

**JAPAN CENTER FOR INTERNATIONAL EXCHANGE, INC**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2021 (AUDITED)**

	Program Services				Total Program Services	Supporting Services		Total Expenses
	Human Security and Global Cooperation	Global Think Net	Civil Net and Grass Roots	Political Leadership Exchange		Management and General	General	
Salaries and benefits	\$ 316,828	\$ 58,818	\$ 2,000	\$ 15,302	\$ 392,948	\$ 69,418	\$ 462,366	
Occupancy	22,153	11,180	2,236	6,708	42,277	2,236	44,513	
Communication	4,340	1,800	360	1,080	7,580	720	8,300	
Professional fees	-	-	-	-	-	26,287	26,287	
Travel	965	110	-	-	1,075	414	1,489	
Program expenses	68,612	16,059	27,500	596	112,767	4,531	117,298	
Depreciation	-	-	-	-	-	23,066	23,066	
Miscellaneous	-	99	-	-	99	3,933	4,032	
<b>Total before JCIE - Japan contributions</b>	<b>412,898</b>	<b>88,066</b>	<b>32,096</b>	<b>23,686</b>	<b>556,746</b>	<b>130,605</b>	<b>687,351</b>	
Contributions to (outlay from) JCIE - Japan	(114,898)	101,199	-	9,783	(3,916)	(6,250)	(10,166)	
<b>Total</b>	<b>\$ 298,000</b>	<b>\$ 189,265</b>	<b>\$ 32,096</b>	<b>\$ 33,469</b>	<b>\$ 552,830</b>	<b>\$ 124,355</b>	<b>\$ 677,185</b>	

See Independent Auditors' Report.

**JAPAN CENTER FOR INTERNATIONAL EXCHANGE, INC.**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2020**

	Program Services			Supporting Services		Total Expenses
	Human Security and Global Cooperation	Global Think Net	Civil Net and Grass Roots	Political Leadership Exchange	Management and General	
Salaries and benefits	\$ 256,783	\$ 45,083	\$ 4,900	\$ 3,330	\$ 63,156	\$ 373,252
Occupancy	23,010	9,511	3,805	3,805	9,932	50,063
Communication	2,946	1,245	498	498	1,482	6,669
Equipment and supplies	-	-	-	-	1,879	1,879
Professional fees	-	-	-	-	23,856	23,856
Travel	30,257	37,958	-	3,465	412	72,092
Program expenses	86,447	1,181	78,125	4,996	2,810	173,559
Depreciation	-	-	-	-	23,066	23,066
Miscellaneous	-	-	-	-	1,865	1,865
<b>Total before JCIE - Japan contributions</b>	<b>399,443</b>	<b>94,978</b>	<b>87,328</b>	<b>16,094</b>	<b>128,458</b>	<b>726,301</b>
Contributions to (outlay from) JCIE - Japan	(8,061)	233,889	-	(6,630)	(9,934)	209,264
<b>Total</b>	<b>\$ 391,382</b>	<b>\$ 328,867</b>	<b>\$ 87,328</b>	<b>\$ 9,464</b>	<b>\$ 118,524</b>	<b>\$ 935,565</b>

See Independent Auditors' Report.