



**CERTIFIED PUBLIC ACCOUNTANTS**

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

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT**

**YEAR ENDED JUNE 30, 2024**

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**JAPAN CENTER FOR INTERNATIONAL EXCHANGE, INC.**  
**FINANCIAL STATEMENTS AND**  
**INDEPENDENT AUDITORS' REPORT**  
**YEAR ENDED JUNE 30, 2024**

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## INDEPENDENT AUDITORS' REPORT

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

### Opinion

L.M. Cohen & Co. LLP Certified Public Accountants (“LMC Certified Public Accountants”, “we”, “us”, or “our”) 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, 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Center as of June 30, 2024, 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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Prior Period Financial Statements

The financial statements for year ended June 30, 2023 were reviewed by us, and our report thereon, dated February 20, 2024, stated we were not aware of any material modifications that should be made to those financial statements for them to be in accordance 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 as a whole.



### **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 Center's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 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, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, no such opinion is expressed.



### **Auditors' Responsibilities for the Audit of the Financial Statements (Continued)**

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern for a reasonable period of time.

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



December 23, 2024

**JAPAN CENTER FOR INTERNATIONAL EXCHANGE, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2024 AND 2023**

	<b>2024</b>	<b>2023</b>
	<b>(Audited)</b>	<b>(Reviewed)</b>
<b>ASSETS</b>		
Current assets		
Cash	\$ 254,144	\$ 102,251
Investments, at fair value	1,573,510	1,391,802
Pledges receivable	75,623	204,798
Prepaid expenses and other current assets	2,426	3,831
	1,905,703	1,702,682
Total current assets		
Property and equipment, net	103,795	126,861
Security deposits	7,493	7,493
	103,795	126,861
	7,493	7,493
Total assets	\$ 2,016,991	\$ 1,837,036
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Current liabilities		
Accounts payable and accrued expenses	\$ 6,723	\$ 8,948
Due to JCIE - Japan	124,560	73,695
	131,283	82,643
Total current liabilities		
Net assets		
Without donor restrictions	1,511,142	1,462,290
With donor restrictions	374,566	292,103
	1,885,708	1,754,393
Total net assets		
Total liabilities and net assets	\$ 2,016,991	\$ 1,837,036

See Notes to the Financial Statements.

**JAPAN CENTER FOR INTERNATIONAL EXCHANGE, INC.**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

	<b>2024</b>	<b>2023</b>
	<b>(Audited)</b>	<b>(Reviewed)</b>
<b>Changes in net assets without donor restrictions:</b>		
Revenues and gains		
Contributions	\$ 727,036	\$ 354,398
Interest and dividend income	26,431	27,201
Net realized and net change in unrealized gains on investments	226,372	141,650
	<hr/>	<hr/>
Total revenues and gains without donor restrictions	979,839	523,249
Net assets released from restrictions		
Satisfaction from program restrictions	292,103	623,504
	<hr/>	<hr/>
Total revenues, gains and other support without donor restrictions	1,271,942	1,146,753
	<hr/>	<hr/>
<b>Expenses:</b>		
Program services		
Global Health and Human Security	399,907	344,088
Policy Research and Dialogues	440,784	663,523
Legislative Exchange	178,529	145,398
	<hr/>	<hr/>
Total program services	1,019,220	1,153,009
Supporting services		
Management and general	203,870	148,087
	<hr/>	<hr/>
Total expenses	1,223,090	1,301,096
	<hr/>	<hr/>
<b>Changes in net assets without donor restrictions</b>	48,852	(154,343)
	<hr/>	<hr/>
<b>Changes in net assets with donor restrictions:</b>		
Contributions	374,566	279,562
Net assets released from restrictions	(292,103)	(623,504)
	<hr/>	<hr/>
Changes in net assets with donor restrictions	82,463	(343,942)
	<hr/>	<hr/>
<b>Net change in net assets</b>	131,315	(498,285)
Total net assets - beginning of year	1,754,393	2,252,678
	<hr/>	<hr/>
<b>Total net assets - end of year</b>	\$ 1,885,708	\$ 1,754,393
	<hr/> <hr/>	<hr/> <hr/>

See Notes to the Financial Statements.

**JAPAN CENTER FOR INTERNATIONAL EXCHANGE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2024 (AUDITED)**

	Program Services				Supporting Services	
	Global Health and Human Security	Policy Research and Dialogues	Legislative Exchange	Total Program Services	Management and General	Total Expenses
Salaries and benefits	\$ 283,387	\$ 101,176	\$ 23,916	\$ 408,479	\$ 116,285	\$ 524,764
Occupancy	18,322	13,740	6,870	38,932	6,870	45,802
Communication	2,614	1,837	919	5,370	919	6,289
Equipment and supplies	941	706	353	2,000	353	2,353
Professional fees	18,736	7,500	-	26,236	59,024	85,260
Travel	45,152	37,889	64,198	147,239	2,018	149,257
Program expenses	85,479	33,531	8,004	127,014	1,560	128,574
Depreciation	-	-	-	-	23,066	23,066
Miscellaneous	257	18	69	344	680	1,024
Total before JCIE - Japan contributions	454,888	196,397	104,329	755,614	210,775	966,389
Contributions to (outlay from) JCIE - Japan	(54,981)	244,387	74,200	263,606	(6,905)	256,701
<b>Total</b>	<b>\$ 399,907</b>	<b>\$ 440,784</b>	<b>\$ 178,529</b>	<b>\$ 1,019,220</b>	<b>\$ 203,870</b>	<b>\$ 1,223,090</b>

See Notes to the Financial Statements.

**JAPAN CENTER FOR INTERNATIONAL EXCHANGE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2023 (REVIEWED)**

	Program Services				Supporting Services	
	Global Health and Human Security	Policy Research and Dialogues	Legislative Exchange	Total Program Services	Management and General	Total Expenses
Salaries and benefits	\$ 331,463	\$ 50,959	\$ 31,492	\$ 413,914	\$ 99,211	\$ 513,125
Occupancy	19,748	10,971	6,582	37,301	6,582	43,883
Communication	2,993	1,551	931	5,475	931	6,406
Equipment and supplies	-	-	-	-	2,042	2,042
Professional fees	26,682	14,823	8,894	50,399	11,439	61,838
Travel	27,323	32,520	75,407	135,250	8,400	143,650
Program expenses	58,189	4,577	7,092	69,858	-	69,858
Depreciation	-	-	-	-	23,066	23,066
Miscellaneous	-	-	-	-	2,666	2,666
Total before JCIE - Japan contributions	466,398	115,401	130,398	712,197	154,337	866,534
Contributions to (outlay from) JCIE - Japan	(122,310)	548,122	15,000	440,812	(6,250)	434,562
<b>Total</b>	<b>\$ 344,088</b>	<b>\$ 663,523</b>	<b>\$ 145,398</b>	<b>\$ 1,153,009</b>	<b>\$ 148,087</b>	<b>\$ 1,301,096</b>

See Notes to the Financial Statements.

**JAPAN CENTER FOR INTERNATIONAL EXCHANGE, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

	<b>2024</b>	<b>2023</b>
	<b>(Audited)</b>	<b>(Reviewed)</b>
<b>Cash Flows from Operating Activities</b>		
Net change in net assets	\$ 131,315	\$ (498,285)
Adjustments to reconcile net change 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	(226,372)	(141,650)
Changes in operating assets and liabilities:		
Pledges receivable	129,175	(27,423)
Advances to JCIE - Japan	-	70,000
Prepaid expenses and other current assets	1,405	(3,781)
Due from JCIE - Japan	-	8,250
Accounts payable and accrued expenses	(2,225)	(17,944)
Due to JCIE - Japan	50,865	73,695
	<u>107,229</u>	<u>(514,072)</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of investments	(9,688)	(24,720)
Proceeds from sale of investments	54,352	-
	<u>44,664</u>	<u>(24,720)</u>
Net change in cash	151,893	(538,792)
Cash - beginning of year	102,251	641,043
Cash - end of year	<u>\$ 254,144</u>	<u>\$ 102,251</u>

**JAPAN CENTER FOR INTERNATIONAL EXCHANGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 (AUDITED) AND 2023 (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.

**Pledges Receivable and Allowance for Credit Losses**

Pledges receivable are initially recorded at the amount management expects to collect when revenue has been earned and are stated net of an allowance for credit losses, in line with ASC Topic 326 (see Note 2 – Current Expected Credit Losses), which represents estimated losses resulting from the inability of donors to pay these accounts. When determining the allowance for credit losses, the Center takes several factors into consideration including the overall composition of pledges receivable aging, historical collection experience, current trends, reasonable and supportable forecasts, the type of donor and day-to-day knowledge of specific donors. There was no allowance for credit losses as of June 30, 2024 and 2023, respectively.

**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.

**JAPAN CENTER FOR INTERNATIONAL EXCHANGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 (AUDITED) AND 2023 (REVIEWED)**

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

**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).

- 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, 2024 (AUDITED) AND 2023 (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, 2024 (AUDITED) AND 2023 (REVIEWED)**

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

**Revenue from Contracts with Customers**

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 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.

**Leases**

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. Under the new guidance, lessees are required to recognize lease assets and liabilities on the statements of financial position for all leases with terms longer than 12 months, if material. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statements of activities and changes in net assets. As of July 1, 2022 the Center adopted ASC Topic 842, but did not have any material lease transactions with terms longer than 12 months.

**JAPAN CENTER FOR INTERNATIONAL EXCHANGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 (AUDITED) AND 2023 (REVIEWED)**

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

**Current Expected Credit Losses**

In June 2016, the FASB issued ASU No. 2016-13, "Financial Instruments – Credit Losses" ("ASC Topic 326") Measurement of Credit Losses on Financial Instruments. This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. The core principle of the new guidance is that ASC Topic 326 requires an entity to reflect its current estimate of all expected credit losses at the inception of the financial asset (e.g., pledges receivables, contract assets, lease receivables, financial guarantees, loans and loan commitments, etc.). ASC Topic 326 is effective for annual and interim reporting periods beginning after December 15, 2022. The Center adopted ASC Topic 326 with a date of initial application of July 1, 2023.

The adoption of the new guidance did not have a material effect on the financial position, results of operations or cash flows of the Center beyond the increase in the level of disclosures. The Center does not expect the adoption of the new credit loss standard to have a material impact on its net income on an ongoing basis.

On adoption, the Center adjusted the amortized cost basis of existing financial assets, if applicable, to reflect the adoption of the CECL loss model. Additionally, the statements of activities and changes in net assets will reflect the estimated current expected credit losses of newly recognized financial assets as well as the expected increases or decreases of expected credit losses that have taken place during the period.

As part of the adoption of ASC Topic 326 the Center:

- Removed the "incurred loss" threshold model and adopted the CECL model, a standard that states that financial instruments carried at amortized cost should reflect the net amount expected to be collected.
- Broadened the range of data that is incorporated into the measurement of credit losses to include forward-looking information, such as reasonable and supportable forecasts, in assessing the collectability of financial assets.
- Introduced a single measurement objective for all financial assets carried at amortized cost.

The estimate of expected credit losses considers historical credit loss information that is adjusted for current conditions and reasonable and supportable forecasts. The Center recognizes credit losses at the inception of the asset based on historical experience, current conditions, and reasonably and supportable forecasts.

**JAPAN CENTER FOR INTERNATIONAL EXCHANGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 (AUDITED) AND 2023 (REVIEWED)**

**NOTE 3 - INVESTMENTS**

The Center complies with the provisions of the 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, 2024 and 2023:

<u>Investments, at fair value</u>	<u>2024 (Audited) (Level 1)</u>	<u>2023 (Reviewed) (Level 1)</u>
Mutual funds:		
Blend funds	\$ 1,216,049	\$ 1,043,774
Fixed income funds	357,461	348,028
Total	<u>\$ 1,573,510</u>	<u>\$ 1,391,802</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, 2024 and 2023, pledges receivable were due in less than one year.

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

	<u>2024 (Audited)</u>	<u>2023 (Reviewed)</u>
Pledges with donor restrictions	<u>\$ 75,623</u>	<u>\$ 204,798</u>
Amounts due in:		
Less than 1 year	<u>\$ 75,623</u>	<u>\$ 204,798</u>

**JAPAN CENTER FOR INTERNATIONAL EXCHANGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 (AUDITED) AND 2023 (REVIEWED)**

**NOTE 5 - 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, 2024 and 2023, the Center owed the affiliate \$124,560 and \$73,695, respectively.

During the years ended June 30, 2024 and 2023, the Center contributed \$620,985 and \$773,381 to JCIE - Japan, respectively. During the years ended June 30, 2024 and 2023, the Center received \$364,284 and \$338,819 from JCIE - Japan, respectively, for reimbursement of funds expended by the Center on behalf of JCIE - Japan.

**NOTE 6 - PROPERTY AND EQUIPMENT**

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

	Estimated Useful Lives (Years)	2024 (Audited)	2023 (Reviewed)
Leasehold improvements	10	\$ 230,658	\$ 230,658
Less: Accumulated depreciation		126,863	103,797
Property and equipment, net		\$ 103,795	\$ 126,861

Depreciation expense is included within management and general expenses in the amount of \$23,066 and \$23,066 for the years ended June 30, 2024 and 2023, respectively.

**NOTE 7 - 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, 2024 and 2023, were restricted for use by donors for the following purposes:

	2024 (Audited)	2023 (Reviewed)
Global Health and Human Security programs	\$ 229,330	\$ 16,626
Policy Research and Dialogue programs	145,236	192,936
Legislative Exchange programs	-	82,541
Total	\$ 374,566	\$ 292,103

**JAPAN CENTER FOR INTERNATIONAL EXCHANGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 (AUDITED) AND 2023 (REVIEWED)**

**NOTE 8 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflects the Center's financial assets as of the statements 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:

	<b>Financial Assets as of June 30<sup>th</sup></b>	
	<b>2024 (Audited)</b>	<b>2023 (Reviewed)</b>
Financial assets at year-end	\$ 1,905,703	\$ 1,702,682
Less those unavailable for general expenditures within one year due to:		
Donor-imposed restrictions	374,566	292,103
Financials assets available to meet cash needs for general expenditures within one year	\$ 1,531,137	\$ 1,410,579

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

**NOTE 9 – 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 of \$250,000 per depositor. No losses have been incurred to date.

**JAPAN CENTER FOR INTERNATIONAL EXCHANGE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 (AUDITED) AND 2023 (REVIEWED)**

**NOTE 10 – 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, 2024 are as follows:

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<u>Years ending June 30<sup>th</sup></u>	<u>Amount</u>
2025	\$ 38,449
2026	38,883
2027	39,222
2028	39,614
2029	19,905
Total minimum future rental payments	<u>\$ 176,073</u>

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Rent expense for the years ended June 30, 2024 and 2023 amounted to \$36,949 and \$36,765, 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 11 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 23, 2024, the date the financial statements were available to be issued.

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