

**JUST DETENTION INTERNATIONAL**

**FINANCIAL STATEMENTS**

**JUNE 30, 2016**

# JUST DETENTION INTERNATIONAL

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INDEPENDENT AUDITORS' REPORT

Board of Directors  
Just Detention International  
3325 Wilshire Boulevard, Suite 340  
Los Angeles, California 90010

Members of the Board:

**Report on the Financial Statements**

We have audited the accompanying financial statements of Just Detention International (a nonprofit organization), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, functional expenses, 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.

**Auditor's 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditor's 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 auditor considers internal control relevant to the entity'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 entity'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 Just Detention International as of June 30, 2016, 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.

### Other Matters

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, 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.

### Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2017, on our consideration of Just Detention International's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Just Detention International's internal control over financial reporting and compliance.



MILLER KAPLAN ARASE LLP

North Hollywood, California

March 17, 2017

JUST DETENTION INTERNATIONAL  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2016

ASSETSCurrent Assets

Cash and Cash Equivalents	\$ 1,321,769
Investment	259,692
Accounts Receivable	328,897
Contributions Receivable, Current Portion	<u>621,972</u>

<u>TOTAL CURRENT ASSETS</u>	<u>2,532,330</u>
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Other Assets

Property and Equipment, Net	18,079
Deposits	14,150
Prepaid Expenses	28,576
Contributions Receivable, Less Current Portion	<u>175,000</u>

<u>TOTAL ASSETS</u>	<u>\$ 2,768,135</u>
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LIABILITIES AND NET ASSETSCurrent Liabilities

Deferred Rent	\$ 5,610
Accounts Payable and Accrued Expenses	<u>137,432</u>

<u>TOTAL CURRENT LIABILITIES</u>	<u>143,042</u>
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NET ASSETS

Unrestricted	1,712,563
Temporarily Restricted (Note 7)	<u>912,530</u>

<u>TOTAL NET ASSETS</u>	<u>2,625,093</u>
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<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 2,768,135</u>
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JUST DETENTION INTERNATIONAL  
STATEMENT OF ACTIVITIES  
JULY 1, 2015 TO JUNE 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>REVENUE AND SUPPORT</u>			
Contributions	\$ 572,496	\$ 693,193	\$ 1,265,689
Government Grants	1,857,593	-	1,857,593
Interest and Other Income	74,997	-	74,997
	<u>2,505,086</u>	<u>693,193</u>	<u>3,198,279</u>
<u>TOTAL REVENUE AND SUPPORT</u>			
<u>Net Assets Released from Restrictions</u>	<u>713,900</u>	<u>(713,900)</u>	<u>-</u>
	<u>3,218,986</u>	<u>(20,707)</u>	<u>3,198,279</u>
<u>EXPENSES</u>			
Program Services	2,299,328	-	2,299,328
Administration	192,480	-	192,480
Fundraising	152,151	-	152,151
	<u>2,643,959</u>	<u>-</u>	<u>2,643,959</u>
<u>TOTAL EXPENSES</u>			
<u>CHANGE IN NET ASSETS</u>	575,027	(20,707)	554,320
<u>NET ASSETS</u>			
BEGINNING OF THE YEAR	<u>1,137,536</u>	<u>933,237</u>	<u>2,070,773</u>
END OF THE YEAR	<u>\$ 1,712,563</u>	<u>\$ 912,530</u>	<u>\$ 2,625,093</u>

JUST DETENTION INTERNATIONAL  
STATEMENT OF FUNCTIONAL EXPENSES  
JULY 1, 2015 TO JUNE 30, 2016

	Program Services	Administration	Fundraising	Total
Salaries	\$ 1,205,594	\$ 97,002	\$ 83,145	\$ 1,385,741
Payroll Taxes	90,419	7,275	6,236	103,930
Employee Benefits	170,148	13,691	11,734	195,573
Professional Fees	-	47,179	5,242	52,421
Consultants	409,699	-	12,671	422,370
Website	14,769	-	1,641	16,410
Technical Support	6,808	548	469	7,825
Insurance	4,750	382	328	5,460
Permits and Licenses	-	186	-	186
Office Supplies	61,740	4,968	4,258	70,966
Telephone and Internet	16,708	1,344	1,153	19,205
Postage and Delivery	13,743	1,106	948	15,797
Rent	93,701	7,539	6,462	107,702
Printing and Publications	18,180	-	2,020	20,200
Travel	138,168	-	15,352	153,520
Survivor Outreach and Training	11,550	-	-	11,550
Dues and Subscriptions	2,285	184	158	2,627
Equipment Leases	939	76	64	1,079
Staff and Board Development	24,934	10,686	-	35,620
Depreciation	3,906	314	270	4,490
Online Communications	11,287	-	-	11,287
<b><u>TOTAL FUNCTIONAL EXPENSES</u></b>	<b><u>\$ 2,299,328</u></b>	<b><u>\$ 192,480</u></b>	<b><u>\$ 152,151</u></b>	<b><u>\$ 2,643,959</u></b>

JUST DETENTION INTERNATIONAL  
STATEMENT OF CASH FLOWS  
JULY 1, 2015 TO JUNE 30, 2016

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 554,320
Adjustments to Reconcile Change in Net Assets to Net Cash by Operating Activities:	
Depreciation	4,490
Changes in Operating Assets and Liabilities:	
(Increase) Decrease in Assets:	
Accounts Receivable	(56,349)
Contributions Receivable	45,265
Deposits	(5,839)
Prepaid Expenses	(10,196)
Accounts Payable and Accrued Expenses	41,181
	<u>572,872</u>
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	<u>572,872</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Sale of Investments	259,509
Purchase of Investments	(259,692)
Purchase of Fixed Assets	(14,747)
	<u>(14,930)</u>
<u>NET CASH (USED) BY INVESTING ACTIVITIES</u>	<u>(14,930)</u>

<u>NET INCREASE IN CASH AND CASH EQUIVALENTS</u>	557,942
<u>CASH AND CASH EQUIVALENTS - BEGINNING OF THE YEAR</u>	<u>763,827</u>
<u>CASH AND CASH EQUIVALENTS - END OF THE YEAR</u>	<u>\$ 1,321,769</u>



JUST DETENTION INTERNATIONAL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 1 - DESCRIPTION OF THE ORGANIZATION

An international health and human rights organization, Just Detention International (“JDI” or the “Organization”) works to put an end to sexual violence against men, women, and youth in all forms of detention. To achieve this goal, JDI seeks to: engender policies that ensure government accountability for prisoner rape; change ill-informed and flippant public attitudes toward sexual assault behind bars; and promote access to resources for survivors of this type of violence. The Organization’s primary sources of revenue are contributions from individuals and foundations and government grants.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The Organization’s financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

B. Property and Equipment

Property and equipment are recorded at cost if purchased, or fair value on the date of donation. Property and equipment purchases over \$1,000 are capitalized. They are depreciated using the straight line method over the estimated useful lives of the assets. Estimated useful lives range from three to five years.

C. Grants and Contributions

Grants and contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Grants and contributions that are restricted by the donor are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Temporarily restricted net assets are restricted for use in specific periods or programs of the Organization. There were no permanently restricted net assets as of June 30, 2016.

Reimbursements for project costs under government grants are recognized when costs are incurred in accordance with the applicable grant agreements. JDI submits funding requests to the cognizant agency(ies) monthly or quarterly, based upon its expenditures under the grants. As of June 30, 2016, accounts receivable consist largely of reimbursements due under government grants for costs incurred before year end. There is no allowance for doubtful accounts.

D. 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

E. Tax-Exempt Status

The Organization is a non-profit corporation organized under the laws of the state of New York and recognized as a non-profit organization by California and Washington, D.C. The

JUST DETENTION INTERNATIONAL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Tax-Exempt Status (Continued)

Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, and exempt from state franchise or income tax under Section 23701d of the California Revenue and Taxation Code. Accordingly, no provisions for income taxes or related credits are included in the accompanying financial statements.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken a tax position that more likely than not would not be sustained upon examination by a tax authority. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

F. Contributions Receivable

Contributions receivable are estimated based on contributions promised on or before June 30, for which payment had not yet been received. No allowance is provided for uncollectible accounts.

Contributions receivable as of June 30, 2016, include \$621,972 due within one year and \$175,000 due after one year. Contributions expected to be collected after one year have not been discounted as the discount is not material to the financial statements.

G. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and in banks and money market funds in banks and brokerage accounts.

H. Investment Valuation

GAAP establishes a fair value hierarchy that prioritizes valuation inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 – Inputs are quoted prices in an active market.

Level 2 – Inputs are quoted prices for similar instruments and model based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data.

Level 3 – Inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability.

The Organization's investment comprises a twelve-month certificate of deposit valued at cost plus accrued interest. Management believes that cost plus accrued interest approximates fair value; therefore, the certificate of deposit is considered a Level 3 investment.

The following table reconciles the beginning and ending fair value of the Organization's Level 3 investment:

JUST DETENTION INTERNATIONAL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Investment Valuation (Continued)

Balance, June 30, 2015	\$ 259,509
Purchases	(259,509)
Sales	259,692
	<u>259,692</u>
Balance, June 30, 2016	<u>\$ 259,692</u>

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment are reported at cost and are depreciated over their estimated useful lives of three to five years using the straight line method. Individual property and equipment acquisitions exceeding a cost of \$1,000 are capitalized. At June 30, 2016 property and equipment consisted of the following:

Office Equipment	\$ 45,135
Leasehold Improvements	2,064
Less: Accumulated Depreciation	<u>(29,120)</u>
	<u>\$ 18,079</u>

NOTE 4 - COMMITMENTS AND CONTINGENCIES

JDI leases office space in Los Angeles and Washington D.C. under lease agreements expiring through 2021. Rent paid under the leases totaled \$107,702 for the year ended June 30, 2016. JDI received three months free rent under its Washington D.C. lease, which has been recorded as deferred rent to be amortized over the life of the lease. Future minimum lease payments are as follows:

<u>Year Ending:</u>	<u>Total</u>
June 30, 2017	\$ 158,288
June 30, 2018	177,828
June 30, 2019	130,437
June 30, 2020	58,411
June 30, 2021	<u>49,938</u>
	<u>\$ 574,902</u>

NOTE 5 - RETIREMENT PLAN CONTRIBUTIONS

JDI has established a defined contribution retirement plan for the benefit of its employees. All employees are eligible to participate after six months of service. JDI contributes 7% of each participant's compensation to the plan. Contributions to the plan totaled \$70,568 for the year ended June 30, 2016.

NOTE 6 - CONCENTRATION OF CREDIT RISK

The Organization maintains cash and investment accounts at several financial institutions. Cash balances in U.S. banks are insured by the Federal Deposit Insurance Corporation up to \$250,000 per bank. At June 30, 2016, uninsured balances in U.S. banks totaled \$999,000. At June 30, 2016, JDI maintained a cash account with a balance of \$87,517 at First National Bank, a division of First Rand Bank Limited of South Africa, which is not covered by deposit insurance.

JUST DETENTION INTERNATIONAL  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016

NOTE 7 - NET ASSETS

Net assets as of June 30, 2016 were temporarily restricted for the following:

Future Periods	\$ 625,000
South Africa Program	207,530
Narrowing the Pipeline	30,000
LGBT Working Group	<u>50,000</u>
<u>TOTAL</u>	<u>\$ 912,530</u>

NOTE 8 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 17, 2017, the date the financial statements were available to be issued. There were no subsequent events that required recognition or additional disclosures in these financial statements.

JUST DETENTION INTERNATIONAL  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JULY 1, 2015 TO JUNE 30, 2016

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Justice</u>			
Office for Victims of Crime	16.582	2015-VF-GX-K004	\$ 197,396 *
Office of Violence Against Women	16.526	2013-TA-AX-K030	215,042
CalOES - Governor's Office of Emergency Services	16.588	AP14-01-8671	596,513 *
Bureau of Justice Assistance:			
Georgia Department of Corrections	16.735	46700-070-GDC0000694	105,821
Maricopa County	16.735	15068-S	85,125
NY State Office of Children and Family Services	16.735	C026876	6,701
Bernalillo County - New Mexico Dept of Public Safety	16.735	12-PREA-BERNCO-SFY13	32,318
The Moss Group	16.735	N/A	78,841
South Carolina Department of Corrections	16.735	C026876	84,651
Commonwealth of Virginia Department of Corrections	16.735	DOC-15-053	160,058
West Virginia Region Jail and Correctional Facility Authority	16.735	2014-RP-BX-0014	132,296
County of Los Angeles - Los Angeles Sherriff's Department	16.735	2013-RP-BX-0019	115,741
New York State Department of Corrections and Community Supervision	16.735	T161338	40,386
Los Angeles County Probation Department	16.735	POTR-PB-15341488-1	<u>6,704</u>
TOTAL FEDERAL AWARDS			<u>\$ 1,857,593</u>

\* Denotes a major program.

JUST DETENTION INTERNATIONAL  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 - BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Just Detention International and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors  
Just Detention International  
3325 Wilshire Boulevard, Suite 340  
Los Angeles, California 90010

Members of the Board:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Just Detention International (a nonprofit organization), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 17, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Just Detention International's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Just Detention International's internal control. Accordingly, we do not express an opinion on the effectiveness of Just Detention International's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Just Detention International's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



MILLER KAPLAN ARASE LLP

North Hollywood, California

March 17, 2017



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors  
Just Detention International  
3325 Wilshire Boulevard, Suite 340  
Los Angeles, California 90010

Members of the Board:

**Report on Compliance for Each Major Federal Program**

We have audited Just Detention International's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Just Detention International's major federal programs for the year ended June 30, 2016. Just Detention International's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Just Detention International's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Just Detention International's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Just Detention International's compliance.

### Opinion on Each Major Federal Program

In our opinion, Just Detention International complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

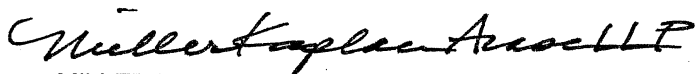
### Report on Internal Control Over Compliance

Management of Just Detention International is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Just Detention International's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Just Detention International's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



MILLER KAPLAN ARASE LLP

North Hollywood, California

March 17, 2017

JUST DETENTION INTERNATIONAL  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2016

SECTION I - SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statements of Just Detention International.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Just Detention International were disclosed during the audit.
4. No significant deficiencies relating to the audit of major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.
5. The auditors' report on compliance for the major federal award programs of Just Detention International expresses an unmodified opinion.
6. There were no audit findings that are required to be reported in accordance with section 510(a) of the Uniform Guidance.
7. Office for Victims of Crime and California Office of Emergency Services were tested as major programs.
8. The threshold for distinguishing Type A and B programs was \$750,000.
9. Just Detention International did not qualify as a low risk auditee.

SECTION II - FINDINGS - FINANCIAL STATEMENT AUDIT

None.

SECTION III - FINDINGS AND QUESTIONED COSTS MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.