JUST DETENTION INTERNATIONAL

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2018

JUST DETENTION INTERNATIONAL

CONTENTS

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 consolidated financial statements of Just Detention International (a nonprofit organization) and affiliates, which comprise the consolidated statement of financial position as of June 30, 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

Board of Directors
Just Detention International

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Just Detention International and affiliates as of June 30, 2018, and the changes in their net assets and their 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 consolidated financial statements as a whole. The accompanying consolidated 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 consolidated 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 consolidated 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 January 11, 2019, 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

MILLER KAPLAN ARASE LLP
North Hollywood, California
January 11, 2019

EXHIBIT "A"

JUST DETENTION INTERNATIONAL
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018

ASSETS	
Current Assets	
Cash and Cash Equivalents	$ 1,597,235
Investment	260,040
Accounts Receivable	419,661
Contributions Receivable	525,598
TOTAL CURRENT ASSETS	2,802,534
Other Assets	
Property and Equipment, Net	13,045
Deposits	15,076
Prepaid Expenses	32,967
TOTAL ASSETS	$ 2,863,622
LIABILITIES AND NET ASSETS	
Current Liabilities	
Deferred Rent	$ 5,610
Accounts Payable and Accrued Expenses	229,083
TOTAL CURRENT LIABILITIES	234,693
NET ASSETS	
Unrestricted	2,088,331
Temporarily Restricted (Note 7)	540,598
TOTAL NET ASSETS	2,628,929
TOTAL LIABILITIES AND NET ASSETS	$ 2,863,622

(Attached notes are an integral part of this statement)

EXHIBIT "B"

JUST DETENTION INTERNATIONAL
CONSOLIDATED STATEMENT OF ACTIVITIES
JULY 1, 2017 TO JUNE 30, 2018

	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT			
Contributions	$ 1,338,146	$ 181,182	$ 1,519,328
Government Grants	2,318,758	-	2,318,758
Interest and Other Income	51,347	-	51,347
TOTAL REVENUE AND SUPPORT	3,708,251	181,182	3,889,433
Net Assets Released from Restrictions	108,871	(108,871)	-
	3,817,122	72,311	3,889,433
EXPENSES			
Program Services	3,276,861	-	3,276,861
Administration	218,383	-	218,383
Fundraising	179,645	-	179,645
TOTAL EXPENSES	3,674,889	-	3,674,889
CHANGE IN NET ASSETS	142,233	72,311	214,544
NET ASSETS			
BEGINNING OF THE YEAR	1,946,098	468,287	2,414,385
END OF THE YEAR	$ 2,088,331	$ 540,598	$ 2,628,929

(Attached notes are an integral part of this statement)

EXHIBIT "C"

JUST DETENTION INTERNATIONAL
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
JULY 1, 2017 TO JUNE 30, 2018

	Program Services	Administration	Fundraising	Total
Salaries	$ 1,524,043	$ 103,912	$ 103,912	$ 1,731,867
Payroll Taxes	107,224	7,311	7,311	121,846
Employee Benefits	229,911	15,676	15,676	261,263
Professional Fees	-	63,518	-	63,518
Consultants	795,007	-	-	795,007
Website	765	-	-	765
Technical Support	6,540	446	446	7,432
Insurance	6,617	451	451	7,519
Permits and Licenses	-	2,383	-	2,383
Office Supplies	55,985	3,817	3,817	63,619
Telephone and Internet	19,067	1,300	1,300	21,667
Postage and Delivery	11,258	768	768	12,794
Rent	156,720	10,685	10,685	178,090
Printing and Publications	39,094	-	4,344	43,438
Travel	234,356	-	12,334	246,690
Survivor Outreach and Training	41,813	-	17,920	59,733
Dues and Subscriptions	3,412	233	233	3,878
Equipment Leases	1,256	86	86	1,428
Staff and Board Development	17,348	7,435	-	24,783
Depreciation	5,303	362	362	6,027
Online Communications	21,142	-	-	21,142
TOTAL FUNCTIONAL EXPENSES	$ 3,276,861	$ 218,383	$ 179,645	$ 3,674,889

(Attached notes are an integral part of this statement)

EXHIBIT "D"

JUST DETENTION INTERNATIONAL
CONSOLIDATED STATEMENT OF CASH FLOWS
JULY 1, 2017 TO JUNE 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	$ 214,544
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	6,027
Donated Securities	(79,276)
Changes Provided in Operating Assets and Liabilities:	
(Increase) Decrease in Assets:	
Accounts Receivable	97,699
Contributions Receivable	(164,219)
Deposits	(660)
Prepaid Expenses	1,674
Increase (Decrease) in Liabilities:	
Accounts Payable and Accrued Expenses	(14,659)
NET CASH PROVIDED BY OPERATING ACTIVITIES	61,130
CASH FLOWS FROM INVESTING ACTIVITIES	
Sale of Investments	339,149
Purchase of Investments	(260,040)
Purchase of Fixed Assets	(971)
NET CASH PROVIDED BY INVESTING ACTIVITIES	78,138
NET INCREASE IN CASH AND CASH EQUIVALENTS	139,268
CASH AND CASH EQUIVALENTS - BEGINNING OF THE YEAR	1,457,967
CASH AND CASH EQUIVALENTS - END OF THE YEAR	$ 1,597,235

SUPPLEMENTAL DISCLOSURE

The Organization received donated securities totaling $79,276 during the year ended June 30, 2018.

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. In addition, the Organization operates Just Detention International South Africa Trust ("Trust"). The Trust, located in Johannesburg, South Africa, was incorporated in November 2013 and shares the same goals as the Organization. The Trust is included in the consolidated financial statements of the Organization as a result of common control. The Organization's primary sources of revenue are contributions from individuals and foundations and government grants.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Consolidation Policy and Basis of Accounting

The accompanying consolidated financial statements include the accounts of JDI and the Trust. Significant intercompany balances and transactions are eliminated in consolidation. The consolidated 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. Also see Note 8. There were no permanently restricted net assets as of June 30, 2018.

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, 2018, accounts receivable consist largely of reimbursements due under government grants for costs incurred before year end. There is no allowance for doubtful accounts.

The Organization receives donated securities, which are reported at fair value based on quoted market prices on the date of the donation. Donated securities totaled $79,276 in the year ended June 30, 2018, and are included in contributions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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, 2018, are due within one year.

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Investment Valuation (Continued)

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:

Balance, June 30, 2017	$ 259,873
Sales	(259,873)
Purchases	260,040
Balance, June 30, 2018	$ 260,040

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, 2018 property and equipment consisted of the following:

Office Equipment	$ 48,658
Leasehold Improvements	5,363
Less: Accumulated Depreciation	(40,976)
	$ 13,045

NOTE 4 - COMMITMENTS AND CONTINGENCIES

JDI leases office space in Los Angeles and Washington D.C. under agreements expiring through 2021. Rent paid under the leases totaled $178,090 for the year ended June 30, 2018. 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:

Year Ending:	Total
June 30, 2019	$ 130,437
June 30, 2020	58,411
June 30, 2021	49,938
	$ 238,786

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 $109,924 for the year ended June 30, 2018.

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, 2018, uninsured balances in U.S. banks totaled $1,302,000 and Trust cash totaling $82,000 was held at First National Bank, a division of First Rand Bank Limited of South Africa, which is not covered by deposit insurance.

NOTE 7 - NET ASSETS

Net assets as of June 30, 2018 were temporarily restricted for the following:

Future Periods	$ 400,000
South Africa Program	105,598
California Institution for Women	35,000
TOTAL	$ 540,598

NOTE 8 - RESTRICTED TRUST ASSETS

The Trust is registered with the Master of the High Court in South Africa under the Trust Property Control Act of 1988, and, as such all of the Trust's net assets are prohibited from being transferred to JDI's U.S. operations or offices. The total restricted in this manner as of June 30, 2018 was $187,691, which includes net assets restricted for the South Africa Program shown in Note 7. There are no restrictions on transfers from JDI's U.S. operations or offices to the Trust.

NOTE 9 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 11, 2019, 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
CONSOLIDATED SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JULY 1, 2017 TO JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	
U.S. Department of Justice				
Office for Victims of Crime	16.582	2015-VF-GX-K004	$ 339,287	
Office for Victims of Crime	16.582	2016-VF-GX-K040	271,195	
			610,482	
Office of Violence Against Women	16.526	2016-TA-AX-K033	157,296	
			157,296	
CalOES - Governor's Office of Emergency Services	16.588	AP15-03-8671	777,374	
			777,374	*
Bureau of Justice Assistance:				
South Carolina Department of Corrections	16.735	C026876	97,824	
Commonwealth of Virginia Department of Corrections	16.735	DOC-15-053	18,071	
Los Angeles County Sherrif's Department	16.735	2013-RP-BX-0019	15,185	
West Virginia Regional Jail and Correctional Facility Authority	16.735	2014-RP-BX-0014	15,185	
Georgia Department of Corrections	16.735	46700-070-GDC0000694	94,738	
Maricopa County	16.735	15068-S	240,916	
Impact Justice	16.735	2015-RP-BX-K001	73,376	
Rosebud Sioux Tribe	16.735	2015-RP-BX-0006	32,914	
National PREA Resource Center - Communications	16.735	2015-RP-BX-K001	19,076	
National PREA Resource Center - Delaware	16.735	2015-RP-BX-K001	8,400	
National PREA Resource Center - Wyoming	16.735	2015-RP-BX-K001	6,088	
			621,773	
TOTAL FEDERAL AWARDS			$ 2,166,925	

* Denotes a major program.

(See accompanying note to schedule of expenditures of federal awards)

NOTE 1 - BASIS OF ACCOUNTING

The accompanying consolidated 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 CONSOLIDATED 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 consolidated financial statements of Just Detention International (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated January 11, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated 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.

Board of Directors
Just Detention International

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Just Detention International's consolidated 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

MILLER KAPLAN ARASE LLP
North Hollywood, California
January 11, 2019

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, 2018. Just Detention International's major federal programs are identified in the summary of auditor's results section of the accompanying consolidated 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.

Board of Directors
Just Detention International

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, 2018.

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

MILLER KAPLAN ARASE LLP
North Hollywood, California
January 11, 2019

JUST DETENTION INTERNATIONAL
CONSOLIDATED SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

SECTION I - SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on the consolidated financial statements of Just Detention International.

2. No significant deficiencies relating to the audit of the consolidated 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 consolidated 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 2 CFR 200.516(a).

7. California Office of Emergency Services (CalOES) was tested as a major program.

8. The threshold for distinguishing Type A and B programs was $750,000.

9. Just Detention International qualifies as a low risk auditee.

SECTION II - FINDINGS - CONSOLIDATED FINANCIAL STATEMENT AUDIT

None.

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

None.