

JUST DETENTION INTERNATIONAL

**CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022**

JUST DETENTION INTERNATIONAL

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To the Board of Directors
Just Detention International

INDEPENDENT AUDITORS' REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Just Detention International (a non-profit organization), which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Just Detention International as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in conformity 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Just Detention International 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Just Detention International's ability to continue as a going concern within one year after the date that the consolidated 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 consolidated 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 GAAS and *Government 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 consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Just Detention International's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Just Detention International'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.

Supplementary Information

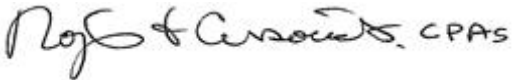
Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated 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 consolidated financial statements or to the consolidated financial statements themselves, and other

additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards 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 10, 2023, 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 solely 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 the effectiveness of Just Detention International's 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.

ROJAS & ASSOCIATES, CPAs



Los Angeles, California
January 10, 2023

JUST DETENTION INTERNATIONAL
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022

ASSETS

Current Assets:

Cash and cash equivalents	\$ 3,822,946
Investments	597,463
Accounts receivable	267,534
Contributions receivable, current portion	399,111
Prepaid expenses	<u>28,080</u>
Total current assets	<u>5,115,134</u>

OTHER ASSETS

Property and equipment, net	17,134
Deposits	12,207
Contributions receivable, less current portion	<u>66,362</u>
Total other assets	<u>95,703</u>

TOTAL ASSETS \$ 5,210,837

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable and accrued expenses	\$ 135,137
Deferred rent	<u>19,033</u>
Total current liabilities	<u>154,170</u>

Net Assets:

Without donor restrictions	4,591,194
With donor restrictions	<u>465,473</u>
Total net assets	<u>5,056,667</u>

TOTAL LIABILITIES AND NET ASSETS \$ 5,210,837

See independent auditors' report and notes to financial statements.

JUST DETENTION INTERNATIONAL

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2022**

	Net Assets Without Donor <u>Restrictions</u>	Net Assets With Donor <u>Restriction</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT			
Contributions	\$ 2,818,606	\$ 378,659	\$ 3,197,265
Government grants	1,434,393	-	1,434,393
Paycheck protection program income	335,096	-	335,096
Contract revenue	40,000	-	40,000
Loss on foreign exchange transactions, net	(12,938)	-	(12,938)
Interest and other income	<u>12,886</u>	<u>-</u>	<u>12,886</u>
TOTAL REVENUES AND OTHER SUPPORT	4,628,043	378,659	5,006,702
Net assets released from restrictions	<u>547,179</u>	<u>(547,179)</u>	<u>-</u>
	<u>5,175,222</u>	<u>(168,520)</u>	<u>5,006,702</u>
EXPENSES			
Program expenses	2,711,639	-	2,711,639
Supporting services expenses			
Administration	225,516	-	225,516
Fundraising	<u>156,518</u>	<u>-</u>	<u>156,518</u>
Total supporting services expenses	382,034		382,034
TOTAL EXPENSES	<u>3,093,673</u>	<u>-</u>	<u>3,093,673</u>
CHANGE IN NET ASSETS	2,081,549	(168,520)	1,913,029
NET ASSETS			
BEGINNING OF THE YEAR	<u>2,509,645</u>	<u>633,993</u>	<u>3,143,638</u>
END OF THE YEAR	<u>\$ 4,591,194</u>	<u>\$ 465,473</u>	<u>\$ 5,056,667</u>

See independent auditors' report and notes to financial statements.

JUST DETENTION INTERNATIONAL

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022**

	Program Services	Administration	Fundraising	Total
Salaries	1,546,141	105,419	105,419	1,756,979
Consultants	433,317	-	-	433,317
Employee benefits	210,972	14,384	14,384	239,740
Rent	166,223	11,333	11,333	188,889
Payroll taxes	117,272	7,996	7,996	133,264
Professional Fees	-	72,198	-	72,198
Office Supplies	42,192	3,592	2,742	48,526
Travel	39,945	-	2,102	42,047
Printing and Publications	25,125	-	2,792	27,917
Postage and Delivery	24,357	1,661	1,661	27,679
Telephone and Internet	19,607	1,337	1,337	22,281
Online Communications	22,114	-	-	22,114
Survivor Outreach and Meetings	16,509	-	4,127	20,636
Staff and Board Development	9,370	4,016	-	13,386
Website	11,532	786	786	13,104
Dues and Subscriptions	6,844	467	467	7,778
Insurance	6,653	454	454	7,561
Technical Support	6,337	432	432	7,201
Depreciation Expense	4,651	317	317	5,285
Equipment Leases	2,478	169	169	2,816
Staff Recruitment	-	590	-	590
Permits and Licenses	-	365	-	365
TOTAL FUNCTIONAL EXPENSES	<u>\$2,711,639</u>	<u>\$ 225,516</u>	<u>\$ 156,518</u>	<u>\$3,093,673</u>

See independent auditors' report and notes to financial statements.

JUST DETENTION INTERNATIONAL
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 1,913,029
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Forgiveness of paycheck protection program loan	(335,096)
Depreciation	5,285
Net realized and unrealized (gain) loss	2,877
Sale of donated securities	175,877
Receipt of donated securities	(175,877)
Decrease in accounts receivable	98,802
Decrease in contributions receivable	110,239
Decrease in prepaid expenses	6,550
Decrease in deposits	3,634
Decrease in accounts payable and accrued expenses	(206,642)
Increase in deferred rent	<u>13,423</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,612,101</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of securities	(600,000)
Sale of securities	600,000
Purchase of fixed assets	<u>(2,129)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(2,129)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,609,972
CASH AND CASH EQUIVALENTS- BEGINNING OF THE YEAR	<u>2,212,974</u>
CASH AND CASH EQUIVALENTS- END OF THE YEAR	<u>\$ 3,822,946</u>

See independent auditors' report and notes to financial statements.

JUST DETENTION INTERNATIONAL

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2022

NOTE 1. DESCRIPTION OF THE ORGANIZATION

Just Detention International ("JDI" or the "Organization") is a health and human rights organization that seeks to end sexual abuse in all forms of detention. Founded in 1980, JDI is the only organization in the U.S., and the world, dedicated exclusively to ending sexual abuse behind bars. JDI holds government officials accountable for prisoner rape; challenges the attitudes and misperceptions that allow sexual abuse to flourish; and makes sure that survivors get the help they need. In addition, the Organization founded 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. Basis of Presentation and Principles of Consolidation

Consolidated financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its accounting principles generally accepted in the United States of America. Under accounting principles generally accepted in the United States of America, JDI and the trust are required to report their financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions, based upon the presence or absence of donor or grant imposed restrictions. All interorganizational accounts and transactions have been eliminated in consolidation.

B. Property and Equipment

Property and equipment are recorded at cost if purchased, or fair value on the date of donation. Property and equipment 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 net assets with donor restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without restrictions. Net assets with donor restrictions are restricted for use in specific periods or programs of the Organization. Also see Note 8.

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, 2022, accounts receivable consists largely of reimbursements due under government grants for costs incurred before year end. Management has evaluated the receivables and believes them to be fully collectible. Accordingly, no allowance for doubtful accounts is considered necessary.

See accompanying independent auditors' report.

JUST DETENTION INTERNATIONAL

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Organization receives donated securities, which are reported at fair value based on quoted market prices on the date of the donation. It is JDI's policy to sell donated securities immediately. Donated securities totaled \$175,877 in the year ended June 30, 2022, and are included in contributions.

D. Estimates

The preparation of financial statements in conformity with GAAP 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.

F. Contributions Receivable

Contributions receivable are estimated based on contributions promised on or before June 30, 2022 for which payment had not yet been received. Management has evaluated the receivables and believes them to be fully collectible. Accordingly, no allowance for doubtful accounts is necessary.

Contributions receivable as of June 30, 2022 include \$399,111 due within one year and \$66,362 due in one to five years. Contributions expected to be collected after one year, totaling \$66,362, are discounted to present value at the rate of 3.11% and are reported net. The discount rate is the Applicable Federal Rate for June 2022 obtained from the IRS. The aggregate discount is \$2,064.

G. Cash and Cash Equivalents

JDI considers short-term investments with initial maturities of 90 days or less to be cash equivalents. Cash and cash equivalents consist of cash on hand and deposits in banks and brokerage accounts.

See accompanying independent auditors' report.

JUST DETENTION INTERNATIONAL
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Management has valued its donated securities using level 1 inputs.

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.

I. Functional Allocation of Expenses

The costs of providing JDI's program and other activities are reported on a functional basis in the consolidated statement of functional expenses. Expenditures that can be identified with a specific program or supporting services are allocated directly according to their purpose. Costs that are common to more than one function are allocated among the applicable programs and supporting services based on employees' time records using percentages that represent their hours spent or salaries.

J. New Accounting Pronouncements Adopted in Current Year

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, Not-for-Profit Entities (Topic 958), which modifies the presentation and disclosure requirements for contributed nonfinancial assets. JDI and the Trust retrospectively adopted provisions of this new standard effective July 1, 2021. The adoption of this standard did not have any significant impacts on the reported results of operation.

K. Upcoming Accounting Pronouncements

In February 2016, FASB issued ASU No. 2016-02, Leases. ASU No. 2016-02 was issued to increase transparency and compatibility among entities. Lessees will need to recognize nearly all lease transaction (other than leases that meet the definition of a short-term lease) on the statement of financial position as a lease liability and a right-of-use asset (as defined)

Lessor accounting under the new guidance will be similar to the current model. ASU No. 2016-02 is effective for the fiscal years beginning after December 15, 2021. Early application is permitted. Upon adoption, leases and lessors will be required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach, which includes a number of optional practical expedients that entities may elect to apply. JDI and the Trust is currently evaluating the effect of the provisions of this ASU will have on the financial statements.

See accompanying independent auditors' report.

JUST DETENTION INTERNATIONAL

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022**

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, 2022, property and equipment consisted of the following:

Office Equipment	\$ 70,194
Leasehold Improvements	6,419
Less: Accumulated Depreciation	(59,479)
Net Property and Equipment	<u>\$ 17,134</u>

NOTE 4. INVESTMENTS

Investments measured at fair value on a recurring basis have been categorized into the fair value hierarchy as follows at June 30, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of deposit	\$ -	\$ 597,463	\$ -	\$ 597,463

NOTE 5. RISKS, COMMITMENTS AND CONTINGENCIES

JDI leases office space in Los Angeles and Washington D.C. under agreements expiring in 2023 and 2026, respectively.

<u>Year Ending</u>	<u>Total</u>
June 30, 2023	\$135,074
June 30, 2024	55,737
June 30, 2025	57,412
June 30, 2026	59,136
June 30, 2027	<u>4,940</u>
Total	<u>\$312,299</u>

Rent paid under these leases totaled \$188,889 for the year ended June 30, 2022.

In May 2020, JDI received loan proceeds in the amount of \$335,096 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act, and later modified by the PPP Flexibility Act, provides for loans to qualifying organizations for amounts up to 2.5 times the average monthly payroll expenses of the qualifying organization. The Loans and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities during the covered period. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the covered period. On July 12, 2021, JDI received loan forgiveness of \$335,096.

See accompanying independent auditors’ report.

JUST DETENTION INTERNATIONAL

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6. 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 an amount equal to 7% of each participant's compensation to the plan. Contributions to the plan totaled \$99,172 for the year ended June 30, 2022.

NOTE 7. CONCENTRATION OF CREDIT RISK

The Organization maintains cash and investment accounts at several financial institutions. Cash balances in U.S. institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000 per bank. At June 30, 2022, uninsured balances in the U.S. institutions totaled \$3,295,450. Trust cash totaling \$66,258 was held at First National Bank, a division of First Rand Bank Limited of South Africa, and is not covered by deposit insurance.

NOTE 8. NET ASSETS

Net assets with donor restrictions were as follows for the year ended June 30, 2022:

Specific Purpose	
Great warden's project	\$ 45,565
South Africa program	<u>241,972</u>
Total specific purpose	287,537
Passage of Time	
Contributions receivable	<u>177,936</u>
Total	<u>\$ 465,473</u>

Net assets released from net assets with donor restrictions during the year ended June 30, 2022 are as follows:

Satisfaction of Purpose Restrictions	
Great warden's project	\$ 158,281
David Kaiser Advocacy Fund	20,000
Formerly Incarcerated People	50,000
South Africa program	<u>198,898</u>
Total satisfaction of purpose restrictions	427,179
Satisfaction of Time Restrictions	
Receipt of contributions receivable	<u>120,000</u>
Total	<u>\$ 547,179</u>

See accompanying independent auditors' report.

JUST DETENTION INTERNATIONAL

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9. 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, 2022, was \$241,972, which includes net assets restricted for the South African Program shown in Note 8. There are no restrictions on transfers from JDI's U.S. operations or offices to the Trust.

NOTE 10. SUBSEQUENT EVENTS

Management has evaluated subsequent events through, January 10, 2023, 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.

NOTE 11. LIQUIDITY AND AVAILABILITY

Financial assets available for expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position, comprise the following at June 30, 2022.

Cash and cash equivalents	\$ 3,822,946
Investments	597,463
Contributions receivable	465,473
Accounts receivable	<u>66,362</u>
Total Financial Assets	\$ 5,153,416
Less financial assets unavailable for general purposes	
Donor restrictions	287,537
Noncurrent receivable	<u>66,362</u>
Financial Assets Available to Meet Cash Needs For General Expenditures within One Year	<u>\$ 4,799,517</u>

JDI has a practice of keeping three to six months of anticipated operating expenses in cash reserve.

See accompanying independent auditors' report.

JUST DETENTION INTERNATIONAL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2022

<u>Federal Grantor/ Pass- Through Grantor/ Program of Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Justice</u>			
Office of Violence Against Women	16.526	2019-TA-AX-K017	\$ 277,197
Pennsylvania Coalition Against Rape	16.526	15JOVW-21-GK-02215-MUMU	<u>898</u>
			278,095
Passed Through California Governor's Office of Emergency Services: CalOES- California Advancing PREA	16.588	AP19-06-8671	392,178
PRC- IJ TTA/SBTTA (Category 4)	16.812	2019-RP-BX-K001	549,455
PRC 2020- Category 3	16.812	2019-RP-BX-K001	<u>64,955</u>
			<u>614,410</u>
TOTAL FEDERAL AWARDS			<u>\$1,284,683</u>

See accompanying independent auditors' report

JUST DETENTION INTERNATIONAL

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2022**

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of Just Detention International under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with requirements of Title 2 U.S. *Code of Federal Regulations* (“CRF”) part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of JDI, it is not intended to, and does not, present the financial position, changes in net assets or cash flows of JDI.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Unified Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
2. Just Detention International has selected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

See accompanying independent auditors’ report.

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

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, which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities and changes in net assets, 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 10, 2023.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Just Detention International's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Just Detention International's internal control over financial reporting.

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 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 or significant deficiencies may exist that have not been identified.

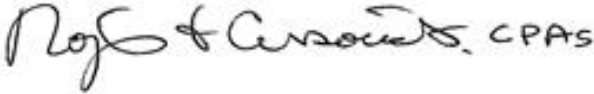
Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Just Detention International's consolidated financial statements are free of material misstatements, 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 consolidated 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 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 on Just Detention International's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Just Detention International's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

ROJAS & ASSOCIATES, CPAs



Rojas & Associates, CPAs

Los Angeles, California
January 10, 2023

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

Board of Directors
Just Detention International

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Just Detention International's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on Just Detention International's major federal program for the year ended June 30, 2022. Just Detention International's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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 the major federal program for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of Just Detention International and to meet 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 on compliance for each major federal program. Our audit does not provide a legal determination of Just Detention International's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements, laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Just Detention International's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and to express an opinion on Just Detention International's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance 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. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Just Detention International's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance:

- We exercise professional judgment and maintain professional skepticism throughout the audit.
- We identify and assess the risks of material noncompliance, 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 Just Detention International's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances.
- We obtain an understanding of Just Detention International's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Just Detention International's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material compliance 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 combination of deficiencies, in internal control over compliance 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 *Auditor's Responsibilities for the Audit of Compliance* section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

ROJAS & ASSOCIATES, CPAs



Rojas & Associates, CPAs

Los Angeles, California
January 10, 2023

JUST DETENTION INTERNATIONAL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022

Section I- Summary of Auditors' Results

Financial Statements

Type of auditors' report issued	Unmodified
Internal Control over financial reporting	
Material weakness identified?	No
Significant deficiencies identified that are not considered material weaknesses?	None reported
Noncompliance material to consolidated financial statements noted?	No

Federal Awards

Internal control over financing reporting	
Material weakness identified?	No
Significant deficiencies identified that are not considered material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?	No
Identification of major program	
Department of Justice	
16.588 CalOES- California Advancing PREA	
Dollar threshold used to distinguish between type A and type B programs	\$750,000
Auditee qualified as low-risk auditee?	Yes

JUST DETENTION INTERNATIONAL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022

Section II- Financial Statement Findings

No matters were reported.

Section III- Federal Award Findings and Questioned Costs

No matters were reported.