

JUST DETENTION INTERNATIONAL

**CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023**

JUST DETENTION INTERNATIONAL

TABLE OF CONTENTS JUNE 30, 2023

Independent Auditors' Report	1-3
Consolidated Financial Statements:	
Consolidated Statement of Financial Position, June 30, 2023	4
Consolidated Statement of Activities and Changes in Net Assets, for the year ended June 30, 2023	5
Consolidated Statement of Functional Expenses, for the year ended June 30, 2023	6
Consolidated Statement of Cash Flows, for the year ended June 30, 2023	7
Notes to Consolidated Financial Statements	8-14
Supplementary Information:	
Schedule of Expenditures of Federal Awards, for the year ended June 30, 2023	15
Notes to Schedule of Expenditures of Federal Awards	16
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 <i>Government Auditing Standards</i>	17-18
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	19-21
Schedule of Findings and Questioned Costs.....	22-23

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Just Detention International

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, 2023, 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, 2023, 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

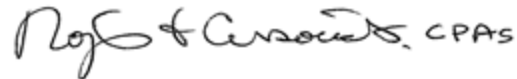
Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and 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 February 19, 2024, 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



Newport Beach, California
February 19, 2024

JUST DETENTION INTERNATIONAL
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023

ASSETS

Current Assets:

Cash and cash equivalents	\$ 2,880,524
Investments	1,835,334
Accounts receivable	624,931
Contributions receivable, current portion	492,748
Prepaid expenses	<u>28,920</u>
Total current assets	<u>5,862,457</u>

OTHER ASSETS

Property and equipment, net	20,231
Deposits	18,846
Contributions receivable, less current portion	342,356
Operating lease right-of-use assets	<u>503,572</u>
Total other assets	<u>885,005</u>

TOTAL ASSETS \$ 6,747,462

LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts payable and accrued expenses	\$ 150,218
Operating lease right-of-use liabilities	119,377
Deferred revenue	<u>295,544</u>
Total current liabilities	<u>565,139</u>

NON-CURRENT LIABILITIES

Operating lease right-of-use liabilities	<u>418,396</u>
Total non-current liabilities	<u>418,396</u>

TOTAL LIABILITIES 983,535

Net Assets:

Without donor restrictions	4,573,554
With donor restrictions	<u>1,190,373</u>
Total net assets	<u>5,763,927</u>

TOTAL LIABILITIES AND NET ASSETS \$ 6,747,462

See independent auditors' report and notes to consolidated financial statements.

JUST DETENTION INTERNATIONAL

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2023**

	Net Assets Without Donor <u>Restrictions</u>	Net Assets With Donor <u>Restriction</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT			
Contributions	\$ 738,321	\$1,255,630	\$ 1,993,951
Government grants	1,367,561	-	1,367,561
Loss on foreign exchange transactions, net	(36,110)	-	(36,110)
Interest and other income	<u>505,982</u>	<u>-</u>	<u>505,982</u>
TOTAL REVENUES AND OTHER SUPPORT	2,575,754	1,255,630	3,831,384
Net assets released from restrictions	<u>530,730</u>	(<u>530,730</u>)	<u>-</u>
	<u>3,106,484</u>	<u>724,900</u>	<u>3,831,384</u>
EXPENSES			
Program expenses	2,744,701	-	2,744,701
Supporting services expenses			
Administration	189,480	-	189,480
Fundraising	<u>189,943</u>	<u>-</u>	<u>189,943</u>
Total supporting services expenses	<u>379,423</u>	<u>-</u>	<u>379,423</u>
TOTAL EXPENSES	<u>3,124,124</u>	<u>-</u>	<u>3,124,124</u>
CHANGE IN NET ASSETS	(17,640)	724,900	707,260
NET ASSETS			
BEGINNING OF THE YEAR	<u>4,591,194</u>	<u>465,473</u>	<u>5,056,667</u>
END OF THE YEAR	<u>\$ 4,573,554</u>	<u>\$1,190,373</u>	<u>\$ 5,763,927</u>

See independent auditors' report and notes to consolidated financial statements.

JUST DETENTION INTERNATIONAL

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023**

	Program Services	Administration	Fundraising	Total
Salaries	\$1,622,874	\$ 110,651	\$ 110,651	\$1,844,176
Consultants	207,450	14,144	14,144	235,738
Employee benefits	220,146	15,010	15,010	250,166
Rent	154,711	10,549	10,549	175,809
Payroll taxes	129,254	8,813	8,813	146,880
Professional Fees	85,280	5,815	5,815	96,910
Office Supplies	71,958	4,907	4,907	81,772
Travel	66,631	-	3,507	70,138
Printing and Publications	14,682	-	1,631	16,313
Postage and Delivery	34,086	2,324	2,324	38,734
Telephone and Internet	22,811	1,555	1,555	25,921
Online Communications	21,543	1,469	1,469	24,481
Survivor Outreach and Meetings	27,815	-	6,954	34,769
Staff and Board Development	27,134	11,629	-	38,763
Website	8,907	607	607	10,121
Dues and Subscriptions	8,579	585	585	9,749
Insurance	6,653	454	454	7,561
Technical Support	6,912	471	471	7,854
Depreciation Expense	4,441	303	303	5,047
Equipment Leases	2,356	161	161	2,678
Staff Recruitment	220	15	15	250
Permits and Licenses	<u>258</u>	<u>18</u>	<u>18</u>	<u>294</u>
 TOTAL FUNCTIONAL EXPENSES	 <u>\$2,744,701</u>	 <u>\$ 189,480</u>	 <u>\$ 189,943</u>	 <u>\$3,124,124</u>

See independent auditors' report and notes to consolidated financial statements.

JUST DETENTION INTERNATIONAL
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 707,260
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	5,047
Net realized and unrealized (gain) loss	(19,745)
Sale of donated securities	100,524
Receipt of donated securities	(100,524)
Changes in operating lease right-of-use assets and liabilities	15,168
Increase in accounts receivable	(357,397)
Increase in contributions receivable	(369,631)
Increase in prepaid expenses	(840)
Increase in deposits	(6,639)
Increase in accounts payable and accrued expenses	15,081
Increase in deferred revenue	<u>295,544</u>

NET CASH PROVIDED BY OPERATING ACTIVITIES 283,848

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of securities	(3,391,126)
Sale of securities	2,173,000
Purchase of fixed assets	<u>(8,144)</u>

NET CASH USED IN INVESTING ACTIVITIES (1,226,270)

NET DECREASE IN CASH AND CASH EQUIVALENTS (942,422)

CASH AND CASH EQUIVALENTS- BEGINNING OF THE YEAR 3,822,946

CASH AND CASH EQUIVALENTS- END OF THE YEAR \$ 2,880,524

See independent auditors' report and notes to consolidated financial statements.

JUST DETENTION INTERNATIONAL

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2023

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 (the "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 grantor imposed restrictions. All interorganizational accounts and transactions have been eliminated in consolidation.

B. 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, 2023, 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.

C. Donated Securities

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 \$100,524 in the year ended June 30, 2023, and are included in contributions.

See accompanying independent auditors' report.

JUST DETENTION INTERNATIONAL
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 consolidated financial statements.

F. Contributions Receivable

Contributions receivable are estimated based on contributions promised on or before June 30, 2023 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, 2023 include \$492,748 due within one year and \$342,356 due in one to five years. Contributions expected to be collected after one year, totaling \$342,356, are discounted to present value at the rate of 3.79% and are reported net. The discount rate is the Applicable Federal Rate for June 2023 obtained from the IRS. The aggregate discount is \$17,699. Amortization of the discount is reported as a contribution and reflected as an increase in the related net asset class in the statement of activities.

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.

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.

See accompanying independent auditors' report.

JUST DETENTION INTERNATIONAL
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 service 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

ASU No. 2016-02

In February 2016, the Financial Accounting Standards Board ("FASB") established Topic 842, Leases, by issuing Accounting Standards Update ("ASU") No. 2016-02, which requires lessees to recognize leases on-balance sheet and disclose key information about leasing arrangements. Topic 842 was subsequently amended by ASU No. 2018-01, Land Easement Practical Expedient for Transition Topic 842; ASU No. 2018-10, Codification Improvements to Topic 842, Leases; and ASU No. 2018-11, Targeted Improvements. The new standard establishes a right-of-use model (ROU) that requires a lessee to recognize a ROU asset and lease liability on the balance sheet for all leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the income statement.

A modified retrospective transition approach is required, applying the new standard to all leases existing at the date of initial application. We adopted the new standard effective July 1, 2022 as our date of initial application. Consequently, financial information will not be updated and the disclosures required under the new standard will not be provided for dates and periods before July 1, 2022.

The new standard provides a number of optional practical expedients in transition. We have elected the 'package of practical expedients', which permits us not to reassess under the new standard our prior conclusions about lease identification, lease classification and initial direct costs. We do not elect the use-of-hindsight or the practical expedient pertaining to land easements; the latter not being applicable to us.

The new standard also provides practical expedients for an entity's ongoing accounting. We elect the short-term lease exemption for lessees related to our real estate leases. For those leases that qualify, we will not recognize ROU assets or lease liabilities, and this includes not recognizing ROU assets or lease liabilities for existing short-term leases of those assets in transition.

See accompanying independent auditors' report.

JUST DETENTION INTERNATIONAL

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASU No. 2021-09

In November 2021, the FASB published ASU 2021-09, Leases (Topic 842): Lessors – Discount Rate for Lessees That Are Not Public Business Entities, which provides nonpublic business entity lessees with a practical expedient to elect, as an accounting policy, to use a risk-free rate as the discount rate by class of underlying asset. ASU 2021-09 requires the use of the rate implicit in the lease when readily determinable regardless of the election. We adopted the new standard effective July 1, 2022 as our date of the initial application.

We have elected the practical expedient to use a risk-free rate as the discount rate for our real estate leases.

The financial statement impact of the adoption of these standards is as follows:

	<u>July 1, 2022, Pre-Implementation</u>	<u>July 1, 2022, Post-Implementation</u>	<u>Change</u>
Operating lease right-of-use assets	-	211,500	211,500
Operating lease right-of-use liabilities	-	227,030	227,030
Deferred rent	15,530	-	(15,530)

NOTE 3. PROPERTY AND EQUIPMENT

Property and equipment are reported at cost, or fair value on the date of donation, 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, 2023, property and equipment consisted of the following:

Office Equipment	\$ 77,144
Leasehold Improvements	7,613
Less: Accumulated Depreciation	(64,526)
Net Property and Equipment	<u>\$ 20,231</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, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 78,471	\$ -	\$ -	\$ 78,471
U.S. Treasury bills	<u>1,756,863</u>	<u>-</u>	<u>-</u>	<u>1,756,863</u>
Total	<u>\$1,835,334</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,835,334</u>

See accompanying independent auditors' report.

JUST DETENTION INTERNATIONAL
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 5. LEASES

JDI leases office space in Los Angeles and Washington D.C. under agreements expiring in 2028 and 2026, respectively.

The following table provides supplemental balance sheet classification information related to leases:

	Operating Leases
	<u>June 30, 2023</u>
Assets	
Lease assets	<u>\$ 503,572</u>
Liabilities	
Current portion of lease liabilities	\$ 119,377
Noncurrent lease liabilities	<u>418,396</u>
Total lease liabilities	<u>\$ 537,773</u>

The following table provides components of lease cost:

	Year Ended
	<u>June 30, 2023</u>
Operating lease costs	<u>\$ 85,678</u>

Maturities of lease liabilities listed below. Amounts in the table include options to extend lease terms that are reasonably certain of being exercised.

Fiscal Year	
2024	\$ 134,028
2025	138,052
2026	142,195
2027	90,491
2028	<u>73,177</u>
Total lease payments	577,943
Less amount representing interest	<u>40,170</u>
Present value of lease liabilities	<u>\$ 537,773</u>

The following table provides the weighted-average lease term and discount rate for leases:

	<u>June 30, 2023</u>
Weighted-average remaining lease term (years)	4.26
Weighted-average discount rate	3.0%

See accompanying independent auditors' report.

JUST DETENTION INTERNATIONAL

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 6. EMPLOYER RETENTION CREDIT

JDI applied for the employer retention credits related to wages paid from January 1, 2021, through September 31, 2021, in the amount of \$343,130. These credits were approved in June 2023, and paid in July 2023. Accordingly, the revenue and receivable related to the credit in the amount of \$343,130 was recorded in the fiscal year ended June 30, 2023.

NOTE 7. 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 \$111,069 for the year ended June 30, 2023.

NOTE 8. 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, 2023, uninsured balances in the U.S. institutions totaled \$3,784,216. Trust cash totaling \$317,678 was held at First National Bank, a division of First Rand Bank Limited of South Africa, and is not covered by deposit insurance.

NOTE 9. NET ASSETS

Net assets with donor restrictions were as follows for the year ended June 30, 2023:

Specific Purpose	
Great warden's project	\$ 703,628
South Africa program	<u>486,745</u>
Total specific purpose	<u>1,190,373</u>
Total	<u>\$ 1,190,373</u>

Net assets released from net assets with donor restrictions during the year ended June 30, 2023 are as follows:

Satisfaction of Purpose Restrictions	
Great warden's project	\$ 135,703
South Africa program	<u>215,027</u>
Total satisfaction of purpose restrictions	<u>350,730</u>
Satisfaction of Time Restrictions	
Receipt of contributions receivable	<u>180,000</u>
Total	<u>\$ 530,730</u>

See accompanying independent auditors' report.

JUST DETENTION INTERNATIONAL

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 10. 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, 2023, was \$486,745, 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 11. SUBSEQUENT EVENTS

Management has evaluated subsequent events through, February 19, 2024, 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 12. 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, 2023:

Cash and cash equivalents	\$ 2,880,524
Investments	1,835,334
Contributions receivable	835,104
Accounts receivable	<u>624,931</u>
Total Financial Assets	6,175,893
Less financial assets unavailable for general purposes	
Donor restrictions	1,190,373
Noncurrent receivable	<u>342,356</u>
Financial Assets Available to Meet Cash Needs For General Expenditures within One Year	<u>\$ 4,643,164</u>

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

See accompanying independent auditors' report.

JUST DETENTION INTERNATIONAL

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2023**

<u>Federal Grantor/ Pass- Through Grantor/ Program of Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Justice</u>			
Office of Violence Against Women (2019)	16.526	2019-TA-AX-5017	\$ 22,059
Office of Violence Against Women (2022)	16.526	15JOVW-22-GK-03999-MUMU	120,732
Office for Victims of Crime	16.582	15POVC-22-GK-01053-NONF	131,716
Cal OE#S (01/01/2022 – 12/31/2022)	16.588	AP21-07-8671	86,755
Cal OE#S (01/01/2023 – 12/31/2023)	16.588	AP22-08-8671	105,075
Pennsylvania Coalition Against Rape (Male Survivors)	16.526	15JOVW-21-GK-02215-MUMU	<u>11,465</u> 477,802
<u>Bureau of Justice Assistance</u>			
PRC-IJ TTA/SBTTA (Category 4)	16.812	2019-RP-BX-K001	567,348
PRC 2020-Category 3	16.812	2019-RP-BX-K001	115,095
Hualapai Juvenile Detention & Rehabilitation Center	16.735	2018-RP-BX-K001	31,321
County of Somerset New Jersey	16.735	2018-RP-BX-K001	15,706
County of Bexar – State of Texas	16.735	2018-RP-BX-K001	1,178
Cuyahoga County Juvenile Court	16.735	2018-RP-BX-K001	<u>17,698</u> <u>748,346</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$1,226,148</u></u>

JUST DETENTION INTERNATIONAL

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2023**

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, 2023. The information in this schedule is presented in accordance with requirements of Title 2 U.S. *Code of Federal Regulations* ("CFR") 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 Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
2. Just Detention International has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

See accompanying independent auditors' report.

Rojas & Associates, CPAs

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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, 2023, 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 February 19, 2024.

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.

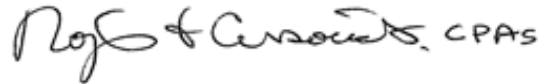
Report on Compliance and Other Matters

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

Handwritten signature of Rojas & Associates, CPAs in black ink.

Newport Beach, California
February 19, 2024

Rojas & Associates, CPAs

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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, 2023. 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, 2023.

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.

Auditors' 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

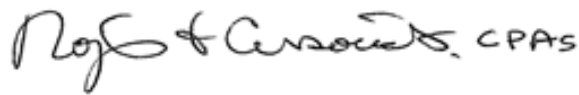
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement 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 *Auditors' 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

Newport Beach, California
February 19, 2024

JUST DETENTION INTERNATIONAL

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2023

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	
16.812 Second Chance Act Reentry Initiative	
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 (CONTINUED)
JUNE 30, 2023

Section II- Financial Statement Findings

No matters were reported.

Section III- Federal Award Findings and Questioned Costs

No matters were reported.