

JUSTICE RAPID RESPONSE USA, INC.

Reviewed Financial Statements

December 31, 2022



INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Justice Rapid Response USA, Inc.

We have reviewed the accompanying financial statements of Justice Rapid Response USA, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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 the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Summarized Comparative Information

The financial statements of the Organization as of and for the year ended December 31, 2021, were reviewed by other accountants whose report dated October 28, 2022 stated that, based on our review, we were not aware of any material modifications that should be made to the 2021 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended December 31, 2021, for it to be consistent with the reviewed financial statements from which it has been derived.

Sax CPAs LLP

New York, NY
October 31, 2023

JUSTICE RAPID RESPONSE USA, INC.
STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2022
(With comparative totals at December 31, 2021)

	<u>12/31/22</u>	<u>12/31/21</u>
Assets		
Cash and cash equivalents	\$82,959	\$73,837
Security deposit	<u>2,940</u>	<u>4,320</u>
Total assets	<u><u>\$85,899</u></u>	<u><u>\$78,157</u></u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	<u>\$309</u>	<u>\$260</u>
Total liabilities	<u>309</u>	<u>260</u>
Net assets:		
Without donor restrictions	<u>85,590</u>	<u>77,897</u>
Total net assets	<u>85,590</u>	<u>77,897</u>
Total liabilities and net assets	<u><u>\$85,899</u></u>	<u><u>\$78,157</u></u>

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JUSTICE RAPID RESPONSE USA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022
(With comparative totals for the year ended December 31, 2021)

	<u>12/31/22</u>	<u>12/31/21</u>
Without donor restrictions:		
Public support and revenue:		
Contributions	<u>\$321,690</u>	<u>\$318,248</u>
Total public support and revenue	<u>321,690</u>	<u>318,248</u>
Expenses:		
Program services	309,846	320,011
Management and general	<u>4,151</u>	<u>8,754</u>
Total expenses	<u>313,997</u>	<u>328,765</u>
Change in net assets	7,693	(10,517)
Net assets - beginning of year	<u>77,897</u>	<u>88,414</u>
Net assets - end of year	<u><u>\$85,590</u></u>	<u><u>\$77,897</u></u>

See independent accountant's review report.

JUSTICE RAPID RESPONSE USA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(With comparative totals for the year ended December 31, 2021)

	<u>Program Services</u>	<u>Management and General</u>	<u>Total Expenses 12/31/22</u>	<u>Total Expenses 12/31/21</u>
Salaries and wages	\$239,307	\$3,133	\$242,440	\$245,893
Payroll taxes and benefits	18,645	323	18,968	20,001
Professional fees	17,429	234	17,663	19,456
Office expenses	1,141	14	1,155	8,421
Insurance	3,241	43	3,284	8,664
Telephone and technology	1,707	23	1,730	1,756
Occupancy	28,259	379	28,638	23,848
Travel and outreach	117	2	119	726
	<u>\$309,846</u>	<u>\$4,151</u>	<u>\$313,997</u>	<u>\$328,765</u>

See independent accountant's review report.

JUSTICE RAPID RESPONSE USA, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022
(With comparative totals for the year ended December 31, 2021)

	<u>12/31/22</u>	<u>12/31/21</u>
Cash flows from operating activities:		
Change in net assets	\$7,693	(\$10,517)
Adjustments to reconcile change in net assets to net cash flows provided by/(used for) operating activities:		
Changes in assets and liabilities:		
Security deposit	1,380	612
Accounts payable and accrued expenses	<u>49</u>	<u>52</u>
Total adjustments	<u>1,429</u>	<u>664</u>
Net cash flows provided by/(used for) operating activities		
net increase/(decrease) in cash and cash equivalents	9,122	(9,853)
Cash and cash equivalents - beginning of year	<u>73,837</u>	<u>83,690</u>
Cash and cash equivalents - end of year	<u><u>\$82,959</u></u>	<u><u>\$73,837</u></u>

No interest or taxes were paid.

See independent accountant's review report.

JUSTICE RAPID RESPONSE USA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

Note 1 - Organization

Justice Rapid Response USA, Inc. (the “Organization”) is a not-for-profit organization that aims to ensure the worst crimes known to humanity are investigated promptly and professionally so perpetrators can be held accountable, victims can receive justice, and would-be offenders can be deterred.

The Organization’s support comes primarily from contributions.

The Organization has been notified by the Internal Revenue Service that they are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Effective January 1, 2020, the Organization was designated as an exempt private foundation.

Note 2 - Significant Accounting Policies

a. Basis of Accounting

The Organization’s financial statements have been prepared on the accrual basis of accounting, which is the process of recording revenue and expenses when earned or incurred, rather than received or paid.

b. Recently Adopted Accounting Standards

Effective January 1, 2022, the Organization adopted the requirements of the Financial Accounting Standards Board’s (“FASB”) Accounting Standards Update (“ASU”) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU focuses on improving transparency in the reporting of contributed nonfinancial assets and requires a separate line-item presentation on the statement of activities and additional qualitative and quantitative disclosures. Adoption of the standard did not have a material impact on the Organization’s financial statements.

Effective January 1, 2022, the Organization adopted FASB ASU No. 2016-02, *Leases*, also known as Accounting Standards Codification (“ASC”) Topic 842. The ASU requires the full obligation of long-term leases to be recorded as a liability with a corresponding right- of-use asset (“ROU”) on the statement of financial position. The Organization made an accounting policy election available under Topic 842 not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. At December 31, 2022, the Organization did not hold any long-term leases that needed to be recorded under FASB ASC 842.

c. Basis of Presentation

The Organization reports information regarding its financial position and activities according to the following classes of net assets:

- *Net Assets Without Donor Restrictions* – represents those resources for which there are no restrictions by donors as to their use.

- *Net Assets With Donor Restrictions* – represents those resources, the uses of which have been restricted by donors to specific purposes or the passage of time and/or must remain intact, in perpetuity. The release from restriction results from the satisfaction of the restricted purposes or the passage of time specified by the donor.

d. Revenue Recognition

The Organization follows the requirements of FASB's ASC 958-605 for recording contributions, which are recorded at the time a contribution becomes unconditional in nature. Contributions are recorded in one of the classes of net assets described above, depending on the existence and/or nature of any donor-imposed restriction. When a restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. If donor restricted contributions are satisfied in the same period they are received, they are classified as without donor restrictions.

Contributions may be subject to conditions which are defined as both a barrier to entitlement and a right of return of payments, or release from obligations, and are recognized as income once the conditions have been substantially met. The Organization had no conditional pledges that had not yet been recognized during the year ended December 31, 2022.

e. Cash and Cash Equivalents

The Organization considers all liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

f. Concentration of Credit Risk

Financial instruments which potentially subject the Organization to a concentration of credit risk consist of a checking account, which is placed with a financial institution that management deems to be creditworthy. At year end and throughout the year, the balance did not exceed federally insured limits and the Organization has not experienced any losses from this account due to failure of the financial institution.

g. Donated Services

The Organization recognizes contributions of services that create or enhance non-financial assets, or require specialized skills, are performed by those who possess those skills, and would typically be purchased if not donated.

Board members and other individuals volunteer their time and perform a variety of services that assist the Organization. These services do not meet the criteria to be recorded and have not been included in the financial statements.

h. Use of Estimates

The preparation of financial statements in accordance 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. Actual results could differ from those estimates.

i. Advertising Costs

Advertising costs are expensed as incurred.

j. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

The following expenses were allocated using time and effort as the basis:

- Salaries and wages
- Payroll taxes and benefits
- Professional fees
- Office expenses
- Insurance
- Telephone and technology
- Occupancy
- Travel and outreach

All other expenses have been charged directly to the applicable program or supporting services.

k. Accounting for Uncertainty of Income Taxes

As referred to in Note 1, the Organization is designated as an exempt private foundation. As such, they are exempt from federal income tax. However, federal excise taxes apply at 1.39% of net investment income as defined by the U.S. Internal Revenue Code.

The Organization does not believe its financial statements include any material, uncertain tax positions. Tax filings for the periods ending December 31, 2019 and later are subject to examination by the applicable taxing authorities.

l. Summarized Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2021, from which the summarized information was derived.

Note 3 - Significant Concentrations

During 2022 and 2021, the Organization received 100% of its funding from Justice Rapid Response Association, a separate legal entity with which it shares common board members.

Note 4 - Liquidity and Availability of Financial Resources

At December 31, 2022, the financial assets available to meet cash needs for general expenditures for the upcoming financial year consisted of cash in the amount of \$82,959.

The Organization's cash forecast is based on the Board of Directors' approved budget. Due to the small size of the office, there is very little variance between the budget and needs, and very little variance from month to month. As such, the cash forecast is extremely stable with cash needs at approximately \$26,000 per month.

Justice Rapid Response Association contributes funding to the Organization on an as-needed basis to ensure both the bank minimum requirements are being met, along with all cash needs for the Organization. Funding is transferred in advance to ensure full liquidity is available to meet all required expenses.

The Organization only receives revenues that are without donor restrictions. The self-imposed limit on the use of donor resources without donor-imposed restrictions is the limit for expenditures outlined in the budget, set at \$5,000 per transaction (with the exception of semi-monthly payroll and rent). Above this limit, additional approval from the Executive Director is required.

Note 5 - Subsequent Events

Subsequent events have been evaluated through October 31, 2023, the date the financial statements were available to be issued. There were no material events that have occurred that require adjustments to or disclosure in the financial statements.