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JUSTICE RAPID RESPONSE USA, INC.

Reviewed Financial Statements

December 31, 2019

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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, 2019, 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 financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

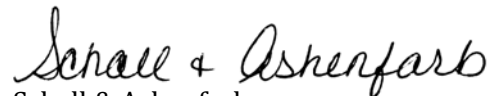
Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting 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.

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

We previously reviewed Justice Rapid Response USA, Inc.'s. December 31, 2018 financial statements and in our conclusion dated June 25, 2019, stated that based on our review, we were not aware of any material modifications that should be made to the December 31, 2018 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, 2018, for it to be consistent with the reviewed financial statements from which it has been derived.


Schall & Ashenfarb
Certified Public Accountants, LLC

June 10, 2020

JUSTICE RAPID RESPONSE USA, INC.
STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2019
(With comparative totals at December 31, 2018)

	<u>12/31/19</u>	<u>12/31/18</u>
Assets		
Cash and cash equivalents	\$70,570	\$58,515
Security deposit	<u>9,630</u>	<u>9,630</u>
Total assets	<u><u>\$80,200</u></u>	<u><u>\$68,145</u></u>
Net Assets		
Net assets:		
Without donor restrictions	<u>\$80,200</u>	<u>\$68,145</u>
Total net assets	<u><u>\$80,200</u></u>	<u><u>\$68,145</u></u>

See independent accountant's review report.

JUSTICE RAPID RESPONSE USA, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019
(With comparative totals for the year ended December 31, 2018)

	<u>12/31/19</u>	<u>12/31/18</u>
Without donor restrictions:		
Public support and revenue:		
Contributions	<u>\$537,607</u>	<u>\$505,408</u>
Total public support and revenue	<u>537,607</u>	<u>505,408</u>
Expenses:		
Program services	498,073	474,743
Management and general	<u>27,479</u>	<u>27,668</u>
Total expenses	<u>525,552</u>	<u>502,411</u>
Change in net assets	12,055	2,997
Net assets - beginning of year	<u>68,145</u>	<u>65,148</u>
Net assets - end of year	<u><u>\$80,200</u></u>	<u><u>\$68,145</u></u>

See independent accountant's review report.

JUSTICE RAPID RESPONSE USA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019
(With comparative totals for the year ended December 31, 2018)

	<u>Program Services</u>	<u>Management and General</u>	<u>Total Expenses 12/31/19</u>	<u>Total Expenses 12/31/18</u>
Salaries and wages	\$377,567	\$20,726	\$398,293	\$375,093
Payroll taxes and benefits	30,651	1,807	32,458	29,810
Professional fees	14,490	798	15,288	14,526
Office expenses	3,348	184	3,532	5,525
Insurance	7,394	406	7,800	4,346
Telephone and technology	1,883	103	1,986	2,636
Occupancy	62,067	3,417	65,484	65,484
Travel and outreach	673	38	711	4,991
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenses	<u>\$498,073</u>	<u>\$27,479</u>	<u>\$525,552</u>	<u>\$502,411</u>

See independent accountant's review report.

JUSTICE RAPID RESPONSE USA, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019
(With comparative totals for the year ended December 31, 2018)

	<u>12/31/19</u>	<u>12/31/18</u>
Cash flows from operating activities:		
Change in net assets	<u>\$12,055</u>	<u>\$2,997</u>
Net cash flows provided by operating activities/ net increase in cash and cash equivalents	12,055	2,997
Cash and cash equivalents - beginning of year	<u>58,515</u>	<u>55,518</u>
Cash and cash equivalents - end of year	<u><u>\$70,570</u></u>	<u><u>\$58,515</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, 2019

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.

Justice Rapid Response USA, Inc. 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. They have been determined to not be a private foundation as defined in Section 509(a).

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.

Effective January 1, 2019, the Organization adopted the requirements of the Financial Accounting Standards Board’s (“FASB”) Accounting Standards Update (“ASU”) No. 2014-09, *Revenue from Contracts with Customers* and all subsequent amendments to the ASU (collectively, “Topic 606”). This provides the framework for recognizing revenue by highlighting the identification of performance obligations of a contract, determining the price, and then allocating the price to each of the performance obligations so that revenue is recognized as each of those performance obligations are satisfied.

Also, effective January 1, 2019, the Organization adopted (“ASU”) No. 2018-08 *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (“Topic 605”). Key provisions of this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions, and improved guidance for conditional versus unconditional contributions. In accordance with this new standard, the Organization evaluates whether a transfer of assets is an exchange transaction in which a resource provider is receiving a commensurate value in return for the transfer of resources or whether it is non-reciprocal. If the transaction is determined to be an exchange transaction, the Organization applies guidance under Topic 606. If the transaction is determined to be non-reciprocal, it is treated as a contribution under Topic 605.

Analysis of the various provisions of both of these standards resulted in no significant changes in the way the Organization recognizes revenue.

- b. Basis of Presentation
Contributions and net assets are classified based upon the existence or absence of donor-imposed restrictions as Net Assets Without Donor Restrictions and Net Assets With Donor Restrictions. Because the Organization did not receive any donor-restricted contributions during 2019 or 2018, all activity is recorded in the without donor restrictions net asset class.
- c. 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.
- d. Concentration of Credit Risk
Financial instruments which potentially subject the Organization to 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.
- e. Revenue Recognition
Contributions are recognized at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions that do not contain donor restrictions are recorded in the without donor restrictions class of net assets. Contributions that do contain donor restrictions are recorded in the assets with donor restrictions class of net assets. 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 were received, they are classified in the without donor restrictions class of net assets.

Contributions may be subject to conditions which are defined under ASU No. 2018-08 as both a barrier to entitlement and a right return of payments or release from obligations and are recognized as income once the conditions have been substantially met.

- f. 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 tasks that assist the Organization. These services do not meet the criteria to be recorded and have not been included in the financial statements.
- g. 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.

h. 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

i. Accounting for Uncertainty of Income Taxes

The Organization does not believe its financial statements include any material, uncertain tax positions. The tax filing for the period ending December 31, 2016 is subject to examination by applicable taxing authorities.

j. 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, 2018, from which the summarized information was derived.

k. New Pronouncement

FASB issued ("ASU") No. 2016-02, *Leases*. The ASU which becomes effective for the December 31, 2022 year, requires the full obligation of long-term leases to be recorded as a liability with a corresponding "right to use asset" on the statement of financial position.

The Organization is in the process of evaluating the impact these standards will have on future financial statements.

Note 3 - Significant Concentrations

During 2019 and 2018 respectively, the Organization received \$537,607 and \$454,636 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, 2019, the financial assets available to meet cash needs for general expenditures for the upcoming financial year consisted of cash in the amount of \$70,570.

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 \$45,000 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

Management has evaluated the impact of all subsequent events through June 10, 2020, which is the date that the financial statements were available to be issued.

Subsequent to year end, the World Health Organization declared a novel coronavirus (COVID-19) outbreak a Public Health Emergency of International Concern. This could adversely affect the Organization's donors and vendors as a result of quarantines, facility closures, and travel and logistics restrictions in connection with the outbreak. More broadly, the outbreak could affect workforces, economies and financial markets globally, potentially leading to an economic downturn. This could decrease spending, adversely affect demand for the Organization's services and harm the Organization's business and results of operations. Management continues to monitor the outbreak, however, as of the date of these financial statements, the potential impact of such on the Organization's business cannot be quantified.