



Sonnenberg & Company, CPAs

A Professional Corporation

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Leonard C. Sonnenberg, CPA

Survivors of Torture, International Audited Financial Statements Year Ended September 30, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management of
Survivors of Torture, International

We have audited the accompanying financial statements of Survivors of Torture, International (a nonprofit organization), which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Survivors of Torture, International as of September 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Survivors of Torture, International's September 2020 financial statements, and our report dated January 27, 2021 expressed an unmodified audit opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.



January 31, 2022

Sonnenberg & Company, CPAs

SURVIVORS OF TORTURE, INTERNATIONAL

Statement of Financial Position

September 30, 2021

(With Comparative Information for September 30, 2020)

	<u>2021</u>	<u>2020</u>
ASSETS:		
Cash	\$ 335,956	\$ 298,727
Investments	462,100	461,384
Accounts Receivable	730	-
Grants Receivable	222,755	139,909
Contributions Receivable, Net	297,755	317,487
Refundable Deposits and Prepaid Expenses	51,348	55,301
Office Equipment	15,657	15,657
Less: Accumulated Depreciation	<u>(12,141)</u>	<u>(10,969)</u>
 TOTAL ASSETS	 <u>\$ 1,374,160</u>	 <u>\$ 1,277,496</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 64,219	\$ 45,200
Payroll Liabilities	66,763	34,321
Conditional Grants	42,392	-
Paycheck Protection Program Forgivable Loan	<u>-</u>	<u>21,081</u>
 TOTAL LIABILITIES	 <u>173,374</u>	 <u>100,602</u>
 NET ASSETS		
Without Donor Restrictions	851,421	891,133
With Donor Restrictions	<u>349,365</u>	<u>285,761</u>
 TOTAL NET ASSETS	 <u>1,200,786</u>	 <u>1,176,894</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 1,374,160</u>	 <u>\$ 1,277,496</u>

The Accompanying Notes are an Integral Part of the Financial Statements

SURVIVORS OF TORTURE, INTERNATIONAL
Statement of Activities
For the Year Ended September 30, 2021
(With Comparative Information for the Year Ended September 30, 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
SUPPORT AND REVENUE				
Contributions and Grants	\$ 190,940	\$ 106,625	\$ 297,565	\$ 599,954
Government Grants	928,156		928,156	927,795
Special Event Contributions and Sponsorships	56,861	148,440	205,301	92,877
Program Service Fees	10,335		10,335	550
Payroll Protection Program Grant	21,081		21,081	153,594
Donated Goods and Services	12,186		12,186	79,005
Interest	3,822	6	3,828	4,073
Other Operating Revenue	27		27	2,525
Net Assets Released from Restrictions:				
Satisfaction of Donor Restrictions	191,467	(191,467)	-	-
Total Support and Revenue	<u>1,414,875</u>	<u>63,604</u>	<u>1,478,479</u>	<u>1,860,373</u>
EXPENSES				
Program Services	1,235,218		1,235,218	1,432,349
Supporting Services				
Management and General	162,519		162,519	160,418
Fundraising	56,850		56,850	65,970
Total Supporting Services	<u>219,369</u>	<u>-</u>	<u>219,369</u>	<u>226,388</u>
Total Expenses	<u>1,454,587</u>	<u>-</u>	<u>1,454,587</u>	<u>1,658,737</u>
CHANGE IN NET ASSETS	\$ (39,712)	\$ 63,604	\$ 23,892	\$ 201,636
Net Assets at the Beginning of the Year	<u>891,133</u>	<u>285,761</u>	<u>1,176,894</u>	<u>975,258</u>
Net Assets at the End of the Year	<u><u>851,421</u></u>	<u><u>349,365</u></u>	<u><u>1,200,786</u></u>	<u><u>1,176,894</u></u>

The Accompanying Notes are an Integral Part of the Financial Statements

Statement of Functional Expenses
For the Year Ended September 30, 2021

(With Summarized Comparative Information for the Year Ended September 30, 2020)

	Program Services	Management & General	Fundraising	2021 Total	2020 Total
EXPENSES:					
Personnel and Related					
Salaries	\$ 676,170	\$ 76,838	\$ 15,368	\$ 768,376	\$ 817,682
Payroll Taxes	50,578	5,747	1,149	57,474	63,148
Employee Benefits	47,271	5,372	1,074	53,717	47,925
Total Personnel and Related	774,019	87,957	17,591	879,567	928,755
Non-Personnel					
Admin Fees- Bank/Payroll/P.O.Box	2,840	4,260		7,100	6,161
Advertising/Public Relations	1,075			1,075	410
Basic Needs/Shelter/Clothing/Food	8,181			8,181	12,874
Contract Services	5,571	19,496	2,785	27,852	20,971
Computer Hardware/Software	32,313	4,039	4,038	40,390	19,726
Client Transportation	398			398	9,382
Dues and Subscriptions		6,219		6,219	4,280
Equipment	6,339	947		7,286	10,298
Individual and Group Psychotherapy	35,744			35,744	59,867
Information Technology	16,540	2,067	2,068	20,675	31,415
Insurance	7,465	1,116		8,581	11,471
Interpreter Services	76,763			76,763	113,616
Medical Services/Pharmaceuticals	6,227			6,227	41,629
Meetings/Board of Directors				-	748
Mileage and Parking	567			567	3,244
Office Maintenance	3,238	405	405	4,048	4,904
Psych/Med Evaluations/Affidavits	16,600			16,600	34,800
Printing	3,254	191	383	3,828	4,849
Psychiatric Services	56,760			56,760	21,850
Postage/Shipping	1,711	101	201	2,013	2,549
Remote Work Stipend		6,180		6,180	4,182
Rent	113,552	14,194	14,193	141,939	138,134
Resource Materials/Consumables	1,784	198		1,982	1,812
Special Event			6,909	6,909	6,960
Supplies & Furniture	11,129	1,237		12,366	3,937
Third Party Client Assistance	11,573			11,573	3,530
Trainings/Conferences	11,869	11,869	2,638	26,376	26,878
Travel-Out of Town				-	6,991
Telephone/Fax/Internet	9,506	1,188	1,188	11,882	10,202
Use Tax	2			2	1,481
Utilities	6,840	855	855	8,550	9,148
Total Non-Personnel	447,841	74,562	35,663	558,066	628,299
Non-Operating Expenses					
Depreciation	1,172			1,172	1,172
Bad Debt for Contributions Receivable			3,596	3,596	12,860
Bad Debt for Accounts Receivable				-	8,646
Donated Goods and Services	12,186			12,186	79,005
Total Non-Operating Expenses	13,358	-	3,596	16,954	101,683
TOTAL EXPENSES	\$ 1,235,218	\$ 162,519	\$ 56,850	\$ 1,454,587	\$ 1,658,737

The Accompanying Notes Are an Integral Part of the Financial Statements

SURVIVORS OF TORTURE, INTERNATIONAL
Statement of Cash Flows
For the Year Ended September 30, 2021
(With Comparative Information for the Year Ended September 30, 2020)

	2021	2020
Cash Flows from Operating Activities:		
CHANGE IN NET ASSETS	\$ 23,892	\$ 201,636
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by (Used in) Operating Activities:		
Bad Debt for Contributions Receivable	3,596	12,860
Bad Debt for Accounts Receivable	-	8,646
Amortization of Discount on Contributions Receivable	(3,761)	(6,224)
Depreciation	1,172	1,172
Donated Stocks	(25,333)	(11,134)
Proceeds from Sale of Donated Stocks	28,445	12,095
(Increase) / Decrease in:		
Accounts Receivable	(730)	30,942
Grants Receivable	(82,846)	70,745
Contributions Receivable, Net	19,897	12,220
Refundable Deposits and Prepaid Expenses	3,953	(1,065)
Increase / (Decrease) in:		
Accounts Payable and Accrued Expenses	19,019	(56,631)
Payroll Liabilities	32,442	3,473
Conditional Grants	42,392	-
Paycheck Protection Program Forgivable Loan	(21,081)	21,081
Net Cash Provided by Operating Activities	<u>41,057</u>	<u>299,816</u>
Cash Flows from Investing Activities:		
Purchase of Investments	-	(150,000)
Reinvestment of Interest	(3,828)	(4,073)
Purchase of Property and Equipment	-	(5,860)
Net Cash Used in Investing Activities	<u>(3,828)</u>	<u>(159,933)</u>
Net Change in Cash	37,229	139,883
Cash, Beginning of Year	<u>298,727</u>	<u>158,844</u>
Cash, End of Year	<u>\$ 335,956</u>	<u>\$ 298,727</u>

The Accompanying Notes are an Integral Part of the Financial Statements

SURVIVORS OF TORTURE, INTERNATIONAL

Notes to Financial Statements

Year Ended September 30, 2021

Note 1. Organization and Mission

Survivors of Torture, International (the Organization) is a not-for-profit organization incorporated on February 27, 1997 under the laws of the State of California. Survivors of Torture, International:

- Facilitates the healing of torture survivors and their families;
- Educates professionals and the public about torture and its consequences;
- Advocates for the abolition of torture.

The Organization is dedicated to caring for survivors of politically motivated torture and their families who live in San Diego County by helping to recover from their traumas through a holistic program including medical, dental, psychiatric, psychological, social services and legal support. The Organization maintains a coordinated effort at the local, state and national government levels to advocate on behalf of torture survivors and against the use of torture. Through advocacy and education the Organization contributes to the goal of ending the use of torture.

These services are funded through a combination of Federal and State grants, County of San Diego contracts, and private grants and donations.

Note 2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements are presented on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America. Accordingly, revenue is recognized when earned and expenses are recognized when incurred.

Basis of Presentation

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

The Organization reports contributions restricted by donors as increase in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increase in net assets with donor restrictions, depending on the nature of the restrictions.

SURVIVORS OF TORTURE, INTERNATIONAL
Notes to Financial Statements
Year Ended September 30, 2021

Note 2. Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. The Organization had net assets with donor restrictions of \$349,365 as of September 30, 2021.

Cash and Cash Equivalents

Cash and cash equivalents primarily include cash in banks and highly liquid investments with an original maturity of three months or less. Cash and highly liquid financial instruments restricted to long term purposes are excluded from this definition. The Organization had no cash equivalents as of September 30, 2021.

Accounts Receivable

Accounts receivable consists primarily of noninterest-bearing amounts due for mental health therapy and consultation services. Accounts receivable are recorded at net realizable value consisting of the carrying amount less an allowance for uncollectible amounts. The allowance is established based on factors such as historical experience and the age of the account balances. Management believes that all accounts receivable are fully collectible; therefore, no allowance for uncollectible accounts was recorded as of September 30, 2021.

Grants and Contributions Receivable

Grants receivable consists of governmental grant reimbursements. Contributions receivable are unconditional promises to make future gifts. Grants receivable and unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. Conditional promises to give are not included as support until the conditions are met.

The allowance for uncollectable grants and promises to give, if any, is established based on factors such as historical experience and the age of the account balances. Grants and promises to give are written off when deemed uncollectible. Grants receivable as of June 30, 2021 were collected in full after the year end; therefore, no allowance for uncollectible accounts has been recorded. As of September 30, 2021, the allowance for uncollectible promises to give was \$15,745.

Contributions receivable have an implied restriction to be used in the year the payment is received and, therefore, are reported as net assets with donor restrictions until the payment is due.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates under different assumptions or conditions.

SURVIVORS OF TORTURE, INTERNATIONAL
Notes to Financial Statements
Year Ended September 30, 2021

Note 2. Summary of Significant Accounting Policies (continued)

Revenue Recognition

Program revenue is recognized when the programs are delivered. Revenue from government cost reimbursement grants are recorded when the costs are billed to the granting agency. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively.

Contributions and grants are recognized when cash, other assets, or an unconditional promise to give are received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Consequently, at September 30, 2021, grants of \$42,392 have not been recognized in the accompanying statement of activities because the conditions on which they depend has not yet been met. These grants are dependent upon providing psychological evaluations and medical affidavits for asylum seekers.

Property and Equipment

All acquisitions of property and equipment in excess of \$5,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed. Property and equipment purchased with Organization funds are capitalized at cost. Donated equipment is recorded at estimated fair value on the date of donation. Depreciation is provided over the estimated useful lives of the assets on a straight-line basis as follows:

Equipment	3-5 years
Furniture	7 years

Property and equipment purchased with County of San Diego grant funds are reimbursed at the time of purchase and expensed in accordance with funding guidelines.

Functional Allocation of Expenses

The costs of providing various services and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include salary, payroll taxes, employee benefits, admin fees, postage, shipping, insurance, supplies, rent, utilities, and others which are allocated on the basis of estimates of time and effort.

SURVIVORS OF TORTURE, INTERNATIONAL
Notes to Financial Statements
Year Ended September 30, 2021

Note 2. Summary of Significant Accounting Policies (continued)

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 and disclosures 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 September 30, 2020, from which the summarized information was derived. Some items have been reclassified for purposes of overall comparability and consistency of presentation.

Donated Goods and Services

The estimated fair value of donated goods and services is recorded in the financial statements. The donated goods are recorded at fair value. Donated services are recognized in the financial statements when the contributed services received create or enhance non-financial assets, or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Investments

The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Investment earnings are recorded net of custodial fees and investment advisory fees, if any.

Fair Value Measurements

Investments are reported at fair value in the Organization's financial statements. Fair value represents the price that would be received upon the sale of an asset or paid upon the transfer of a liability in an orderly transaction between market participants as of the measurement date. Generally Accepted Accounting Principles establishes a fair value hierarchy that prioritizes inputs used to measure fair value into three levels:

Level 1 - Quoted prices (unadjusted) in active markets for identical investments that the investment manager has the ability to access at the measurement date.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

Level 3 - Unobservable inputs for the asset. Inputs are developed using the best information available in the circumstances.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. In determining fair value, the Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible.

The valuation of the Organization's investments according to the fair value hierarchy is Level 1.

SURVIVORS OF TORTURE, INTERNATIONAL
Notes to Financial Statements
Year Ended September 30, 2021

Note 2. Summary of Significant Accounting Policies (continued)

Accrued Vacation

Accumulated unpaid employee vacation benefits are recognized as liabilities of the Organization. Accrued sick leave is not recorded as a liability but is recorded as an operating expense in the period taken since such benefits do not vest nor can the probability of payment be reasonably estimated. Accrued vacation liability is \$39,205 as of September 30, 2021.

Accounting Pronouncement Adopted: In August 2018, the FASB issued ASU 2018-13, Fair Value Measurement, Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement. This standard removed, modified, and added additional disclosure requirements on fair value measurements, specifically surrounding: (a) the amount of and reasons for transfers between Level 1 and Level 2 investments, (b) the policy for timing of these transfers, (c) the valuation process for Level 3 fair value measurements, and (d) the changes in unrealized gains and losses for the period including earnings on Level 3 fair value measurements held at the end of the reporting period. The Organization has adopted this ASU for the year ended September 30, 2021. The adoption had no material effect on the fiscal 2021 financial statements.

Note 3. Income Tax Status

The Organization is a California nonprofit corporation exempt from federal income tax under Internal Revenue Code Section 501(c)(3) and is classified as a Section 509(a) organization. The Organization is also exempt from state income taxes under California State Tax Code 23701(d). The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, it is subject to income tax on net income that is derived from business activities that are unrelated to the exempt purposes. Management has determined that it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

The Organization follows the provisions for accounting for uncertain tax positions. Management has evaluated its tax positions to determine whether the tax positions are more likely than not of being sustained by the applicable tax authority. Tax positions not deemed to meet the more likely than not threshold are recorded as an expense in the applicable year. There are no amounts accrued in the financial statements related to uncertain tax positions for the year ended September 30, 2021.

Note 4. Grants Receivable

At September 30, 2021, grants receivable are as follows:

County of San Diego	\$ 92,830
CalOES	35,934
ORR	93,991
Total	<u><u>\$ 222,755</u></u>

SURVIVORS OF TORTURE, INTERNATIONAL
Notes to Financial Statements
Year Ended September 30, 2021

Note 5. Contingencies and Concentrations

As of September 30, 2021, the Organization's cash balances are fully insured by the Federal Deposit Insurance Corporation.

Approximately 30% of the Organization's revenue is derived from a grant from the Department of Health and Human Services, Office of Refugee Resettlement (ORR), 25% through a grant from the County of San Diego, and 7% from the California Governor's Office of Emergency Services (CalOES). Of the Organization's outstanding grants receivable balance at September 30, 2021, 42% was due from the County of San Diego, 42% was due from ORR, and 16% was due from the CalOES.

Failure to fulfill the conditions in contracts and other grants could result in the return of funds to the grantor agencies. There can be no assurance that the Organization will be able to obtain future grant agreements as deemed necessary by management. The loss of some of the current grants or the inability to obtain future grants could have an adverse effect on the Organization's financial position and results of activities. Management believes that they will be able to continue obtaining appropriate agreements to fund future operations based on their historical ability to obtain new grant agreements and their relationships with awarding agencies.

Note 6. Contributions Receivable

The Organization held a virtual special event in September 2021. During this event several promises to give were made with one year and up to five years terms. For financial statement purposes, promises to give with due dates in excess of one year are discounted at 1.5% rate. Unconditional promises to give are estimated to be collected as follows, less the related present value discount and an allowance for uncollectible contributions:

Year Ending September 30,	Amount
2022	\$ 116,552
2023	66,481
2024	61,948
2025	45,921
2026	27,853
Over 5 years	<u>4,450</u>
	323,205
Less PV Discount	(9,705)
Less Allowance for Uncollectible	<u>(15,745)</u>
	<u><u>\$ 297,755</u></u>

Amortization of discount on contributions receivable totaled \$3,761 for the year ended September 30, 2021.

SURVIVORS OF TORTURE, INTERNATIONAL
Notes to Financial Statements
Year Ended September 30, 2021

Note 7. Investments

Investments are carried at fair value based on quoted prices in active markets (all level 1 measurements). Interest income is recorded net of related expenses, including custodial fees and investment advisory fees. Cash and short-term highly liquid money market deposits not used for operations are treated as investments due to their nature as long-term investments. Investments in money market funds are subject to market risk and are not insured. The investments in certificates of deposits are fully insured by the Federal Deposit Insurance Corporation. At September 30, 2021, a total of \$386,113 is invested in money market funds and \$75,987 in certificates of deposits.

Note 8. Donated Goods and Services

The Organization recognized donated services revenue in the amount of \$8,820 for psychotherapy, medical, and other professional services related to the care of torture victims and their families during the year ended September 30, 2021. The Organization recognized donated goods in the amount of \$3,366 during the year ended September 30, 2021.

Note 9. Retirement Plan

The Organization maintains a 403(b) tax deferred annuity plan. Employees may make contributions of up to the maximum amount allowed by the Internal Revenue Code. No employer contributions were made during the year ended September 30, 2021.

Note 10. Operating Leases

The Organization leases its office facilities located in San Diego, California. In December 2018, the Organization renewed the lease agreement for four years beginning January 1, 2019 through December 31, 2022. The rent is adjusted each year to reflect the increase in the cost of living. During the year ended September 30, 2021, the Organization paid \$141,939 for the office space rent.

In June 2019, the Organization renewed an operating lease agreement for a copy machine. The agreement is for 36 months with monthly payments of \$233 plus taxes and insurance.

Future lease obligations as of September 30, 2021 are as follows:

Year Ending	Office	Copier
September 30, 2022	\$ 146,202	\$ 2,100
2023	36,819	
	<u>\$ 183,021</u>	<u>\$ 2,100</u>

SURVIVORS OF TORTURE, INTERNATIONAL
Notes to Financial Statements
Year Ended September 30, 2021

Note 11. Net Assets With Donor Restrictions

As of September 30, 2021, net assets with donor restrictions are restricted for the following purposes or periods:

Subject to expenditures for specified purpose:

Assistance to Victims of Torture	\$ 27,443
Covid-19 Support	72
Education/Job Readiness	4,917
Refugee Child and Family Mental Health Therapy	25,000
Clinical/Case Management	2,232

Subject to the passage of time:

Contributions receivable that are not restricted by donors, but which are unavailable for expenditure until due	289,701
Total \$	<u>349,365</u>

Net assets totaling \$191,467 were released from donor restrictions due to the satisfaction of purpose or by the passage of time during the year ended September 30, 2021.

Note 12. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash	\$ 335,956
Investments	462,100
Accounts Receivable	730
Grants Receivable	222,755
Contributions Receivable Due in One Year	116,552
	<u>1,138,093</u>

Less: Donor-Restricted for Specified Purpose (59,664)

Financial assets available to meet general expenditures within one year \$ 1,078,429

The Organization receives contributions with donor restrictions to be used in accordance with the associated purpose restrictions. The Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditures within one year.

SURVIVORS OF TORTURE, INTERNATIONAL
Notes to Financial Statements
Year Ended September 30, 2021

Note 12. Liquidity and Availability (continued)

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization invests cash in excess of daily requirements in money market funds and certificates of deposits.

Note 13. Payroll Protection Program

On April 23, 2020 the Organization received loan proceeds in the amount of \$174,675 under the Paycheck Protection Program (PPP). The PPP was established as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act and is administered by the U.S. Small Business Administration (SBA). Under the terms of CARES Act, PPP loan recipients can apply for and be granted forgiveness for all or portion of the loans granted under PPP. Forgiveness is determined based on the use of the loan proceeds for payroll costs, rent and utility expenses and the maintenance of workforce and compensation levels with certain limitations. The amount of loan forgiveness is determined by and is subject to the sole approval of the SBA. As of September 30, 2020, the Organization had partially met forgiveness conditions and recorded grant revenue in the amount of \$153,594 and loan liability in the amount of \$21,081. As of September 30, 2021, the Organization met the remaining forgiveness conditions and recorded grant revenue in the amount of \$21,081. The Organization received loan forgiveness from SBA on May 21, 2021.

Note 14. Subsequent Events

The Organization's management has evaluated subsequent events through January 31, 2022, the date the financial statements were available to be issued and determined that no additional disclosures are required.

The spread of COVID-19 in 2020 and 2021 has caused a substantial impact on the U.S. economy. There is significant uncertainty around the effects and duration of business interruption related to COVID-19. The extent of the impact on the Organization's operations, donors, employees, and vendors going forward will depend on certain developments, which cannot be determined at this time.