



Sonnenberg & Company, CPAs

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Leonard C. Sonnenberg, CPA

Survivors of Torture, International Audited Financial Statements Year Ended September 30, 2022

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

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, 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.

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, 2022, and the changes in net assets and its cash flows for the year then ended in accordance 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Survivors of Torture, 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Survivors of Torture, International's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 generally accepted 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, including omissions, 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Survivors of Torture, 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Survivors of Torture, 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.

Report on Summarized Comparative Information

We have previously audited Survivors of Torture, International's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 31, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.



January 27, 2023

Sonnenberg & Company, CPAs

SURVIVORS OF TORTURE, INTERNATIONAL
Statement of Financial Position
September 30, 2022
(With Comparative Information for September 30, 2021)

	<u>2022</u>	<u>2021</u>
ASSETS:		
Cash	\$ 281,822	\$ 335,956
Investments	461,014	462,100
Accounts Receivable	9,560	730
Grants Receivable	205,441	222,755
Contributions Receivable, Net	382,508	297,755
Refundable Deposits and Prepaid Expenses	60,232	51,348
Office Equipment	15,657	15,657
Less: Accumulated Depreciation	<u>(13,313)</u>	<u>(12,141)</u>
 TOTAL ASSETS	 <u>\$ 1,402,921</u>	 <u>\$ 1,374,160</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 46,521	\$ 64,219
Payroll Liabilities	145,450	66,763
Conditional Grants	<u>14,389</u>	<u>42,392</u>
 TOTAL LIABILITIES	 <u>206,360</u>	 <u>173,374</u>
NET ASSETS		
Without Donor Restrictions	785,757	851,421
With Donor Restrictions	<u>410,804</u>	<u>349,365</u>
 TOTAL NET ASSETS	 <u>1,196,561</u>	 <u>1,200,786</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 1,402,921</u>	 <u>\$ 1,374,160</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, 2022
(With Comparative Information for the Year Ended September 30, 2021)

	Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 Total
SUPPORT AND REVENUE				
Contributions and Grants	\$ 332,103	\$ 59,000	\$ 391,103	\$ 297,565
Government Grants	1,159,217		1,159,217	928,156
Special Event Contributions and Sponsorships	15,762	206,439	222,201	205,301
Program Service Fees	41,400		41,400	10,335
Payroll Protection Program Grant			-	21,081
Donated Goods and Services	63,931		63,931	12,186
Interest	1,723	4	1,727	3,828
Other Operating Revenue			-	27
Net Assets Released from Restrictions:				
Satisfaction of Donor Restrictions	204,004	(204,004)	-	-
Total Support and Revenue	<u>1,818,140</u>	<u>61,439</u>	<u>1,879,579</u>	<u>1,478,479</u>
EXPENSES				
Program Services	1,594,394		1,594,394	1,235,218
Supporting Services				
Management and General	214,680		214,680	162,519
Fundraising	74,730		74,730	56,850
Total Supporting Services	<u>289,410</u>	<u>-</u>	<u>289,410</u>	<u>219,369</u>
Total Expenses	<u>1,883,804</u>	<u>-</u>	<u>1,883,804</u>	<u>1,454,587</u>
CHANGE IN NET ASSETS	\$ (65,664)	\$ 61,439	\$ (4,225)	\$ 23,892
Net Assets at the Beginning of the Year	<u>851,421</u>	<u>349,365</u>	<u>1,200,786</u>	<u>1,176,894</u>
Net Assets at the End of the Year	<u>\$ 785,757</u>	<u>\$ 410,804</u>	<u>\$ 1,196,561</u>	<u>\$ 1,200,786</u>

The Accompanying Notes are an Integral Part of the Financial Statements

SURVIVORS OF TORTURE, INTERNATIONAL

Statement of Functional Expenses

For the Year Ended September 30, 2022

(With Summarized Comparative Information for the Year Ended September 30, 2021)

EXPENSES:	Program Services	Management & General	Fundraising	2022 Total	2021 Total
Personnel and Related					
Salaries	\$ 857,834	\$ 97,481	\$ 19,496	\$ 974,811	\$ 768,376
Payroll Taxes	69,623	7,912	1,582	79,117	57,474
Employee Benefits	56,814	6,456	1,291	64,561	53,717
Total Personnel and Related	<u>984,271</u>	<u>111,849</u>	<u>22,369</u>	<u>1,118,489</u>	<u>879,567</u>
Non-Personnel					
Admin Fees- Bank/Payroll/P.O.Box	3,544	5,316		8,860	7,102
Advertising/Public Relations	590			590	1,075
Basic Needs/Shelter/Clothing/Food	9,260			9,260	8,181
Contract Services	11,717	41,010	5,859	58,586	27,852
Computer Hardware/Software	30,499	3,812	3,811	38,122	40,390
Dues and Subscriptions		3,660		3,660	6,219
Equipment	3,314	495		3,809	7,286
Individual and Group Psychotherapy	35,793			35,793	35,744
Information Technology	38,572	4,822	4,822	48,216	20,675
Insurance	9,691	1,448		11,139	8,581
Interpreter Services	89,339			89,339	76,763
Medical Services/Pharmaceuticals	5,667			5,667	6,227
Meetings/Board of Directors	509	170		679	-
Mileage and Parking/Travel	1,911			1,911	567
Office Maintenance	10,680	1,335	1,335	13,350	4,048
Psych/Med Evaluations/Affidavits	57,663			57,663	16,600
Printing	5,188	305	610	6,103	3,828
Psychiatric Services	51,420			51,420	56,760
Postage/Shipping	1,727	102	203	2,032	2,013
Remote Work Stipend		6,450		6,450	6,180
Rent	123,112	15,389	15,387	153,888	141,939
Resource Materials/Consumables	1,532	170		1,702	1,982
Special Event			9,925	9,925	6,909
Supplies & Furniture	11,284	1,254		12,538	12,366
Third Party Client Assistance	7,791			7,791	11,971
Trainings/Conferences	14,646	14,646	3,255	32,547	26,376
Telephone/Fax/Internet	9,880	1,235	1,235	12,350	11,882
Utilities	9,691	1,212	1,213	12,116	8,550
Total Non-Personnel	<u>545,020</u>	<u>102,831</u>	<u>47,655</u>	<u>695,506</u>	<u>558,066</u>
Non-Operating Expenses					
Depreciation	1,172			1,172	1,172
Bad Debt for Contributions Receivable			4,706	4,706	3,596
Donated Goods and Services	63,931			63,931	12,186
Total Non-Operating Expenses	<u>65,103</u>	<u>-</u>	<u>4,706</u>	<u>69,809</u>	<u>16,954</u>
TOTAL EXPENSES	<u>\$ 1,594,394</u>	<u>\$ 214,680</u>	<u>\$ 74,730</u>	<u>\$ 1,883,804</u>	<u>\$ 1,454,587</u>

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, 2022
(With Comparative Information for the Year Ended September 30, 2021)

	2022	2021
Cash Flows from Operating Activities:		
CHANGE IN NET ASSETS	\$ (4,225)	\$ 23,892
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by (Used in) Operating Activities:		
Bad Debt for Contributions Receivable	4,706	3,596
Amortization of Discount on Contributions Receivable	(3,938)	(3,761)
Depreciation	1,172	1,172
Donated Stocks	(20,836)	(25,333)
Proceeds from Sale of Donated Stocks	23,649	28,445
(Increase) / Decrease in:		
Accounts Receivable	(8,830)	(730)
Grants Receivable	17,314	(82,846)
Contributions Receivable, Net	(85,521)	19,897
Refundable Deposits and Prepaid Expenses	(8,884)	3,953
Increase / (Decrease) in:		
Accounts Payable and Accrued Expenses	(17,698)	19,019
Payroll Liabilities	78,687	32,442
Conditional Grants	(28,003)	42,392
Paycheck Protection Program Forgivable Loan	-	(21,081)
Net Cash Provided by (Used in) Operating Activities	<u>(52,407)</u>	<u>41,057</u>
Cash Flows from Investing Activities:		
Reinvestment of Interest	<u>(1,727)</u>	<u>(3,828)</u>
Net Cash Used in Investing Activities	<u>(1,727)</u>	<u>(3,828)</u>
Net Change in Cash	<u>(54,134)</u>	<u>37,229</u>
Cash, Beginning of Year	<u>335,956</u>	<u>298,727</u>
Cash, End of Year	<u>\$ 281,822</u>	<u>\$ 335,956</u>

The Accompanying Notes are an Integral Part of the Financial Statements

SURVIVORS OF TORTURE, INTERNATIONAL
Notes to Financial Statements
Year Ended September 30, 2022

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, 2022

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 \$410,804 as of September 30, 2022.

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, 2022.

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, 2022.

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 September 30, 2022 were collected in full after the year end; therefore, no allowance for uncollectible accounts has been recorded. As of September 30, 2022, the allowance for uncollectible promises to give was \$20,452.

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, 2022

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, 2022, grants of \$14,389 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, 2022

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, 2021, 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, 2022

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 \$36,574 as of September 30, 2022.

Relevant Upcoming New Accounting Pronouncements

In February 2016, FASB issued Accounting Standards Update (ASU) 2016-02, Leases (ASU 2016-02). ASU 2016-02 requires a lessee to recognize a lease asset representing its right to use the underlying asset for the lease term, and a lease liability for the payments to be made to lessor, on its balance sheet for all operating leases greater than 12 months. ASU 2016-02 will be effective for fiscal years, and interim periods within those fiscal years, beginning after December 31, 2021. The Organization is currently in the process of determining the impact this standard will have on its 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, 2022.

Note 4. Grants Receivable

At September 30, 2022, grants receivable are as follows:

County of San Diego	\$ 143,728
CalOES	60,556
California Department of Social Services	1,157
Total	\$ 205,441

SURVIVORS OF TORTURE, INTERNATIONAL
Notes to Financial Statements
Year Ended September 30, 2022

Note 5. Contingencies and Concentrations

As of September 30, 2022, the Organization's cash balances are fully insured by the Federal Deposit Insurance Corporation.

Approximately 33% of the Organization's revenue is derived from a grant from the Department of Health and Human Services, Office of Refugee Resettlement (ORR), 19% through a grant from the County of San Diego, and 10% from the California Governor's Office of Emergency Services (CalOES). Of the Organization's outstanding grants receivable balance at September 30, 2022, 70% was due from the County of San Diego and 29% 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 2022. 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 3% 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
2023	\$ 121,299
2024	84,144
2025	76,683
2026	69,371
2027	53,358
Over 5 years	<u>29,175</u>
	434,030
Less PV Discount	(31,070)
Less Allowance for Uncollectible	<u>(20,452)</u>
	<u><u>\$ 382,508</u></u>

Amortization of discount on contributions receivable totaled \$3,938 for the year ended September 30, 2022.

SURVIVORS OF TORTURE, INTERNATIONAL
Notes to Financial Statements
Year Ended September 30, 2022

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, 2022, a total of \$461,014 is invested in money market funds.

Note 8. Donated Goods and Services

The Organization recognized donated services revenue in the amount of \$49,600 for psychotherapy, medical evaluations, clinical services and other professional services related to the care of torture victims and their families during the year ended September 30, 2022. The Organization recognized donated goods in the amount of \$14,331 during the year ended September 30, 2022.

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, 2022. In September 2022, the Organization established a Simplified Employee Pension (SEP IRA) plan to allow for employer contributions. The amount of annual contribution is determined on the availability of resources and allocated based on a percentage of salary. During the year ended September 30, 2022, the contribution is 2.5% of eligible salaries. All employer contributions are 100% vested. Employer contributions to SEP IRA were \$908 during the year ended September 30, 2022.

Note 10. 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	\$ 281,822
Investments	461,014
Accounts Receivable	9,560
Grants Receivable	205,441
Contributions Receivable Due in One Year	121,299
	<hr/> 1,079,136
Less: Donor-Restricted for Specified Purpose	<hr/> (53,296)
Financial assets available to meet general expenditures within one year	\$ <hr/> 1,025,840

SURVIVORS OF TORTURE, INTERNATIONAL
Notes to Financial Statements
Year Ended September 30, 2022

Note 10. Liquidity and Availability (continued)

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.

Note 11. Net Assets With Donor Restrictions

As of September 30, 2022, net assets with donor restrictions are restricted for the following purposes or periods:

Subject to expenditures for specified purpose:

Assistance to Victims of Torture	\$ 3,019
Education/Job Readiness	2,242
Refugee Child and Family Mental Health Therapy	22,552
Mental Health Therapy	5,941
Medical Wing Expansion	19,542

Subject to the passage of time:

Contributions receivable that are not restricted by donors, but which are unavailable for expenditure until due	<u>357,508</u>
Total \$	<u><u>410,804</u></u>

Net assets totaling \$204,004 were released from donor restrictions due to the satisfaction of purpose or by the passage of time during the year ended September 30, 2022.

Note 12. Operating Leases

The Organization leases its office facilities located in San Diego, California. In March 2022, the Organization amended its lease agreement dated December 22, 2000. The amendment extended the lease agreement for five years beginning June 1, 2022 through May 31, 2027. The rent is adjusted each year to reflect the increase in the cost of living. During the year ended September 30, 2022, the Organization paid \$153,890 for the office space rent.

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Note 12. Operating Leases (continued)

Future lease obligations as of September 30, 2022 are as follows:

Year Ending September 30,	
2023	\$ 172,044
2024	177,208
2025	182,524
2026	187,996
2027	127,816
	\$ 847,588

Note 13. Subsequent Events

The Organization's management has evaluated subsequent events through January 27, 2023, the date the financial statements were available to be issued and determined that no additional disclosures are required.