



**Maitri Compassionate Care
Financial Statements
June 30, 2021 and 2020**



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June 30, 2021 and 2020**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Maitri Compassionate Care
San Francisco, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Maitri Compassionate Care ("Maitri"), which comprise the statement of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the Maitri Compassionate Care as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.



Other Matters*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2021, on our consideration of the Maitri Compassionate Care internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Maitri Compassionate Care's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Maitri Compassionate Care's internal control over financial reporting and compliance.



GRANT BENNETT ASSOCIATES
A PROFESSIONAL CORPORATION
Certified Public Accountants

Rancho Cordova, California
December 14, 2021

Maitri

Maitri Compassionate Care

Financial Statements

**Maitri Compassionate Care
Statement of Financial Position
June 30, 2021 and 2020**

	2021	2020
ASSETS		
Current Assets:		
Cash	\$ 1,230,577	\$ 1,026,592
Grants and Contracts Receivable (Net of Allowance for Doubtful Receivables of \$31,612 and \$14,079)	203,985	143,389
Prepaid Expenses and Other Current Assets	<u>89,421</u>	<u>86,573</u>
Total Current Assets	<u>1,523,983</u>	<u>1,256,554</u>
Property and Equipment, Net	1,790,280	1,885,328
Reserves	337,549	237,343
Other Assets	15,001	-
TOTAL ASSETS	\$ 3,666,813	\$ 3,379,225
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts Payable and Accrued Expenses	\$ 247,394	\$ 212,337
Current Portion of Long-Term Debt	352,856	24,045
Deferred Revenue	<u>16,845</u>	<u>-</u>
Total Current Liabilities	<u>617,095</u>	<u>236,382</u>
Deposits Payable	16,000	90,000
Long-Term Debt		
PPP Loan Payable	-	328,811
Long-Term Debt	<u>380,525</u>	<u>404,570</u>
Total Long-Term Debt	<u>380,525</u>	<u>733,381</u>
Total Liabilities	<u>1,013,620</u>	<u>1,059,763</u>
Net Assets:		
Net Assets without Donor Restrictions	2,013,276	1,666,581
Net Assets with Donor Restrictions	<u>639,917</u>	<u>652,881</u>
Total Net Assets	<u>2,653,193</u>	<u>2,319,462</u>
TOTAL LIABILITIES AND NET ASSETS	\$ 3,666,813	\$ 3,379,225

The accompanying notes are an integral part of these financial statements.

Maitri Compassionate Care
Statement of Activities
For the Year Ended June 30, 2021
With Summarized Comparative Totals for 2020

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue and Public Support:				
Government Grants and Contracts	\$ 2,052,304	\$ -	\$ 2,052,304	\$ 1,824,815
Capital Grants - City of San Francisco	-	-	-	97,487
Foundation and Corporate Grants	194,366	62,034	256,400	288,403
Contributions	141,103	-	141,103	119,060
Bequests	-	-	-	444,992
In-kind Support	19,000	-	19,000	1,550
Net Assets Released from Donor Restriction:				
Satisfaction of implied time restrictions	45,498	(45,498)	-	-
Satisfaction of program/purpose restrictions	29,500	(29,500)	-	-
Fundraising event, net of direct donor benefits	-	-	-	(10,943)
Commercial Rental Income, net of direct expenses of \$215,522	167,011	-	167,011	143,276
Resident Fees	73,094	-	73,094	69,022
Interest	51	-	51	892
Miscellaneous	7,057	-	7,057	17,209
Total Revenue and Public Support	2,728,984	(12,964)	2,716,020	2,995,763
Expenses:				
Resident Care & Services	1,958,316	-	1,958,316	2,221,477
Management and General	165,945	-	165,945	173,534
Fundraising	258,028	-	258,028	184,345
Total Expenses	2,382,289	-	2,382,289	2,579,356
CHANGE IN NET ASSETS	346,695	(12,964)	333,731	416,407
BEGINNING NET ASSETS	1,666,581	652,881	2,319,462	1,903,055
ENDING NET ASSETS	\$ 2,013,276	\$ 639,917	\$ 2,653,193	\$ 2,319,462

The accompanying notes are an integral part of these financial statements.

Maitri Compassionate Care
Statement of Functional Expenses
For the Year Ended June 30, 2021
With Summarized Comparative Totals for 2020

	2021					2020	
	Resident Care & Services	Management & General	Fundraising	Commercial Lease	Common Costs	Total	Totals
Salaries & Wages	\$ 1,372,530	\$ 102,744	\$ 160,677	\$ 22,192	\$ -	\$ 1,658,143	\$ 1,673,131
Payroll Taxes	111,015	8,266	13,077	1,775	-	134,133	139,424
Employee Benefits	15,903	2,256	1,644	-	208,928	228,731	245,406
Professional Services	23,597	27,670	1,000	13,428	15,979	81,674	162,830
Utilities	4,037	-	-	27,570	66,665	98,272	141,850
Building Maintenance & Repair	4,427	-	-	1,717	18,238	24,382	24,128
Telephone & Internet	-	-	-	-	27,247	27,247	27,712
Insurance	-	1,261	-	-	14,225	15,486	25,003
Supplies	19,996	660	307	-	11,608	32,571	29,377
Food	46,154	50	-	-	-	46,204	58,225
Equipment Rental & Maintenance	4,406	59	5,000	-	12,975	22,440	26,743
Printing & Mailhouse	24	59	11,874	-	286	12,243	19,941
Postage & Shipping	14	-	2,032	-	1,094	3,140	1,344
Travel & Transportation	2,451	-	-	-	104	2,555	5,682
Advertising & Public Relations	-	-	9,265	-	-	9,265	6,591
Depreciation	-	-	-	40,840	54,209	95,049	101,002
Miscellaneous	8,711	2,155	23,152	62,051	10,207	106,276	75,250
Common Cost Allocation	345,051	20,765	30,000	45,949	(441,765)	-	-
Total Expenses	\$ 1,958,316	\$ 165,945	\$ 258,028	\$ 215,522	\$ -	\$ 2,597,811	\$ 2,763,639

The accompanying notes are an integral part of these financial statements.

Maitri Compassionate Care
Statement of Cash Flows
For the Years Ended June 30, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 333,731	\$ 416,407
<i>Adjustments to reconcile change to net operating cash flows:</i>		
Depreciation and Amortization	95,049	101,002
<i>Decrease/(increase) in assets:</i>		
Grants & Contracts Receivable	(60,596)	142,628
Prepaid Expenses	(853)	37,693
Other Assets	(1,995)	-
Operating Reserve	(100,110)	99,456
Replacement Reserve	(96)	(349)
Deposits	(15,001)	165
<i>Increase/(decrease) in liabilities:</i>		
Accounts Payable	10,162	(14,048)
Accrued Wages & Payroll Taxes	2,638	(7,288)
Accrued Vacation Payable	22,256	23,967
Deferred Revenue	16,845	-
Deposits Payable	<u>(74,000)</u>	<u>-</u>
Net Cash Provided / (Used) by Operating Activities	<u>228,030</u>	<u>799,633</u>
Cash Flows from Investing Activities:		
Purchase of Fixed Assets	<u>-</u>	<u>(97,486)</u>
Net Cash Provided / (Used) by Investing Activities	<u>-</u>	<u>(97,486)</u>
Cash Flows from Financing Activities:		
Proceeds from Borrowings on PPP Loan	-	328,811
Principal Payments on Long-term Debt	<u>(24,045)</u>	<u>(24,045)</u>
Net Cash Provided / (Used) by Financing Activities	<u>(24,045)</u>	<u>304,766</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	203,985	1,006,913
Cash and Restricted Cash at Beginning of Year	1,026,592	19,679
Cash and Restricted Cash at End of Year	\$ 1,230,577	\$ 1,026,592
Supplementary Disclosures:		
Cash Interest Paid	\$ -	\$ 3,421

The accompanying notes are an integral part of these financial statements.

**Maitri Compassionate Care
Notes to the Financial Statements
June 30, 2021 and 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Organization

Maitri Compassionate Care ("Maitri") was founded in 1987 as a residential hospice for people with AIDS. A state licensed 15-bed residence for low income people with AIDS, Maitri provides a high level of medical supervision and support for people who are seriously ill or disabled. In collaboration with home health agencies and hospice organizations, Maitri provides skilled nursing and end-of-life care.

B. Method of Accounting and Basis of Presentation

The financial statements are prepared using the accrual method of accounting in conformity with generally accepted accounting principles. Revenues are recognized when earned and expenses are recognized as they are incurred, whether or not cash is received or paid at that time.

Maitri is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions.

C. Revenue Recognition

Contributions receivable are recorded as increases in net assets with donor restrictions or without donor restrictions, depending on the existence and/or nature of any restrictions.

All donor-restricted contributions are reported as increases to donor restricted net assets, depending on the nature of the 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 and reported in the statement of activities as net assets released from donor restrictions.

D. Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Maitri Compassionate Care
Notes to the Financial Statements
June 30, 2021 and 2020**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

E. Income Tax Status

Maitri is a not-for-profit organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Service Code and under California Franchise Tax Board code section 23701(d). Management believes Maitri has no uncertain tax positions as of June 30, 2021.

F. Cash and Cash Equivalents

For purposes of balance sheet classification and statement of cash flows, Maitri considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

G. Grants and Contracts Receivable

Grants and Contracts Receivable are primarily from governmental agencies for expenditures incurred prior to year-end. There is no allowance for doubtful accounts for government receivables as Maitri considers these receivables to be fully collectible. If amounts from governmental agencies become uncollectible, they will be charged to operations when that determination is made. Other Grants and Contracts Receivable from nongovernmental agencies are stated net of an allowance for doubtful accounts. At June 30, 2021 and 2020, Maitri's allowance for doubtful accounts related to commercial tenant leases was \$31,612 and \$14,079, respectively. The allowance is established based on specific identification and evaluation of past-due accounts.

H. Property and Equipment

Property and equipment include assets intended for ongoing use in operations and are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives, which range from 15 to 40 years for building and improvements and 3 to 10 years for equipment and furnishings. Purchase of any Property and Equipment that is over \$2,000 and have a useful life of over one year are capitalized at cost. Maintenance and repairs are charged to expense as incurred. Impairment of long-lived assets are evaluated when circumstances indicate a triggering event has occurred.

I. Expense Allocation

Maitri allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program or support service are allocated directly. Facility-related expenses that are common to several functions are allocated according to a formula based on each function's proportionate share of building square footage. Other common costs are allocated according to the relative amount of staff time spent on each function.

Maitri Compassionate Care
Notes to the Financial Statements
June 30, 2021 and 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

J. Summarized Information for 2020

The financial information for the fiscal year ended June 30, 2020, is presented for comparative purposes only, and is not intended to be a complete financial statement presentation.

NOTE 2 - LIQUIDITY AND AVAILABILITY OF RESOURCES:

Financial assets available for general expenditure, without donor or other restrictions limited to their use, within one year of the balance sheet date, comprise the following:

	2021	2020
Cash and Cash Equivalent	\$ 1,230,577	\$ 1,026,592
Grants and Contracts Receivable	<u>203,985</u>	<u>143,390</u>
Total Financial Assets	<u>1,434,562</u>	<u>1,169,982</u>
Less amounts not available to be used within one year	-	-
Financial assets available within one year to meet cash needs for general expenditures within one year	<u>\$ 1,434,562</u>	<u>\$ 1,169,982</u>

Maitri has \$1,434,562 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures including cash of \$1,230,577. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. Accounts receivable are subject to implied time restrictions but are expected to be collected within one year.

Maitri has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 3 months of normal operating expenses, which is, on average, approximately \$670,181. Maitri has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 3 - ADVERTISING COSTS:

The costs of advertising are expensed as incurred. During the years ended June 30, 2021 and 2020, advertising costs were \$9,265 and \$6,591, respectively.

NOTE 4 - RESERVE ACCOUNTS:

In accordance with the terms of funding received from the City & County of San Francisco, funded by the Department of Housing and Urban Development, Maitri must maintain reserve accounts. Funds are invested in bank money market accounts. Details of these accounts are as follows:

**Maitri Compassionate Care
Notes to the Financial Statements
June 30, 2021 and 2020**

NOTE 4 - RESERVE ACCOUNTS (Continued):

Operating Reserve

Maitri is required to make monthly deposits of 5% of project income. Once a balance equal to three months of project operating expenses is achieved, approximately \$400,000, no additional deposits are required. Funds may be disbursed from the account to alleviate cash shortfalls resulting from unanticipated and unusually high maintenance expenses, seasonal fluctuations in utility costs, abnormally high vacancy rates, and other expenses that vary seasonally or from month-to-month.

The account balances as of June 30, 2021 and 2020 were \$236,830 and \$136,720, respectively.

Replacement Reserve

Quarterly deposits of 3% of project income are required. Withdrawals from the reserve account may be made only for capital improvements, furniture, Fixtures or equipment as may be reasonably required to preserve the value of the building owned by Maitri. The account balances as of June 30, 2021 and 2020 were \$100,719 and \$100,623, respectively.

NOTE 5 - PROPERTY AND EQUIPMENT:

Property and equipment at June 30, 2021 and 2020 consisted of the following:

	2021	2020
Land	\$ 205,000	\$ 205,000
Buildings & Improvements*	3,390,004	3,390,004
Machinery & Equipment	166,914	166,914
Furniture & Fixtures	113,657	113,657
Computers	<u>57,462</u>	<u>57,462</u>
Subtotal	3,933,037	3,933,037
Accumulated Depreciation	(2,142,757)	(2,047,709)
Total Property and Equipment	\$ 1,790,280	\$ 1,885,328

Total depreciation expense for the years ended June 30, 2021 and 2020 were \$95,049 and \$101,002, respectively.

*As a condition of the original funding for the purchase of the building, the building and improvements are restricted for use as a residence for persons living with AIDS until 2045.

Maitri Compassionate Care
Notes to the Financial Statements
June 30, 2021 and 2020

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of the following as of June 30, 2021 and 2020:

	2021	2020
Client Services Program:		
Time implied restrictions for the portion of building & improvements restricted for use as a residence for people with AIDS until 2045, or if need ceases for that purpose, for low-income housing	\$ 607,383	\$ 652,881
Foundations and Corporate Grants restricted for programs/purpose	<u>32,534</u>	<u>-</u>
Total Net Assets With Donor Restrictions	<u>\$ 639,917</u>	<u>\$ 652,881</u>

NOTE 7 - LONG-TERM DEBT:

The Organization's long-term debt consists of the following:

	2021	2020
In April 1997, Maitri received a loan from the San Francisco Redevelopment Agency under the HOPWA (Housing Opportunities for Persons with AIDS) Program, which is a program of HUD payable in annual installments of \$24,045 and bears interest at a rate of 0%.	\$ 404,570	\$ 428,615

On May 4, 2020, Maitri received a loan from Kabbage Inc. pursuant to the Paycheck Protection Program (the PPP) under Division A, Title I of the CARES Act, which was enacted March 27, 2020.

Maitri Compassionate Care
Notes to the Financial Statements
June 30, 2021 and 2020

NOTE 7 - LONG-TERM DEBT(Continued):

The loan, which was in the form of a Note dated May 4, 2020 issued by the Borrower, matures on May 4, 2022 and bears interest at a rate of 1% per annum, payable monthly commencing on December 4, 2020. The note may be prepaid by the Borrower at any time prior to maturity with no prepayment penalties. Funds from the loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations. Maitri intends to use the entire loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the loan maybe forgiven if they are used for qualifying expenses as described in the CARES Act

	<u>328,811</u>	<u>328,811</u>
Total Debt (Current Portion and Long-Term)	\$ <u>733,381</u>	\$ <u>757,426</u>

As of June 30, 2021, annual maturities (principal payments) on the note are as follows:

2022	\$ 352,856	
2023	24,045	
2024	24,045	
2025	24,045	
2026	24,045	
Thereafter	<u>284,345</u>	
Total Debt	733,381	
Less: Current Portion	352,856	

Total Long-Term Debt	\$ 380,525	
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**Maitri Compassionate Care
Notes to the Financial Statements
June 30, 2021 and 2020**

NOTE 8 - LEASES:

Operating Leases

Maitri has two tenants that lease commercial space. Future minimum lease rents are as follows:

	2022	\$	326,298
	2023		336,087
	2024		346,163
	2025		320,141
	2026		256,936
	Thereafter		331,291
	Total	\$	1,916,916

Equipment Leases

Maitri leases facility equipment under agreements with various terms. As of June 30, 2021, future minimum lease payments are as follows:

	2022	\$	9,176
	2023		6,711
	2024		4,632
	2025		1,930
	Total	\$	22,449

NOTE 9 - CONTINGENT LIABILITIES:

Under the terms of a 1995 HOPWA loan that will be forgiven at maturity in the amount of \$1,622,301 received from the San Francisco Redevelopment Agency, Maitri's building must be used as a residence for persons with AIDS until 2045. If the need to house persons with AIDS ceases within this time frame, the property may be used for low-income housing. If Maitri does not comply with the provisions of the grant, it may be required to repay the grant plus accrued interest of 10% per year. Based on correspondence received from the Mayor's Office on Housing (which now administers the HOPWA program following the closure of the San Francisco Redevelopment Agency), the likelihood of the City issuing a letter of default appears remote at this time.

**Maitri Compassionate Care
Notes to the Financial Statements
June 30, 2021 and 2020**

NOTE 10 - CONCENTRATIONS:

During the years ended June 30, 2021 and 2020, Maitri received approximately 70% and 63% of its revenue and support from program service contracts through the City & County of San Francisco, respectively. Should funding under these contracts decrease, Maitri could experience a contraction in its services.

Maitri maintains its cash balances in several financial institutions. The balances at the financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. While Maitri maintains cash in amounts which at times, exceed the federally insured limits, Maitri has not experienced any losses in such accounts and believes they are not exposed to any significant credit risk on cash.

NOTE 11 - SUBSEQUENT EVENTS:

Events subsequent to June 30, 2021 have been evaluated through December 14, 2021, the date these statements were available to be issued, to determine whether they should be disclosed to keep the financial statements from being misleading. On November 15, 2021 the Organization's Paycheck Protection Program Loan was forgiven in full for the amount of \$328,811. Management found no other subsequent events to be disclosed.

Since March 2020, the spread of COVID-19 has severely impacted many local economies around the globe. This has caused significant volatility in U.S. and international markets. The duration and impact of the COVID-19 pandemic remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Organization for future periods.

**Maitri Compassionate Care
Supplementary Information
June 30, 2021**

**Maitri Compassionate Care
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021**

Federal Grantor Pass-Through Program Title	Federal CFDA No.	Pass-Through Grantor	Federal Expenditures
US Department of Housing & Urban Development			
San Francisco Mayor's Office on Housing Housing Opportunities for People with AIDS	14.241	San Francisco Mayor's Office on Housing	\$ 528,032
HOPWA - CARES ACT (COVID-19 Relief Funding)		San Francisco Mayor's Office on Housing	
	14.241.119		<u>84,787</u>
Total US Department of Housing & Urban Development			<u>612,819</u>
US Department of Health & Human Services			
HIV Emergency Relief Project Grant - Ryan White Part A	93.914	City & County of San Francisco Department of Public Health	821,776
HIV Emergency Relief Project Grant - Ryan White Part A COVID-19 Funding	93.914.119	City & County of San Francisco Department of Public Health	71,200
HIV Care Formula Grant - SAM/Mental Health - Ryan White Part B General Fund	93.917	City & County of San Francisco Department of Public Health	\$ 461,441
HIV Care Formula Grant - Mental Health - Ryan White Part B	93.917	City & County of San Francisco Department of Public Health	81,603
HIV Care Formula Grant - Mental Health - MCO Supplement (one time)	93.917	City & County of San Francisco Department of Public Health	<u>20,310</u>
			<u>563,354</u>
Total US Department of Health and Human Services			<u>1,456,330</u>
Total Federal Expenditures			<u>2,069,149</u>
US Department of Housing & Urban Development			
Housing Opportunities for People with AIDS Loan for Building Improvements	14.241	San Francisco Mayor's Office on Housing	<u>404,570</u>
Total Federal Expenditures			<u>\$ 2,473,719</u>

The accompanying notes are an integral part of this schedule.

Maitri Compassionate Care
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

NOTE 1 - SCOPE OF AUDIT PURSUANT TO THE UNIFORM GUIDANCE:

All federal grant operations of the Maitri Compassionate Care are included in the scope of the audit performed under the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The audit was performed in accordance with the provisions of the *OMB Compliance Supplement*. Compliance testing of all requirements, as described in the Compliance Supplement, was performed for the major programs listed in the Summary of Auditors' Results of the accompanying Schedule of Findings and Questioned Costs. These programs represent all major federal award programs and other grants with 2021 cash and noncash expenditures in excess of \$750,000 to ensure coverage of at least 20% of federally granted funds. Actual coverage is approximately 41% of total cash and noncash federal award program expenditures.

NOTE 2 - BASIS OF PRESENTATION:

The accompanying Schedule of Expenditures of Federal Awards includes all Federal grants and contracts to the Maitri Compassionate Care that had activity during the year ended June 30, 2021. This schedule has been prepared on the accrual basis of accounting. Grant and contract revenues are recorded for financial reporting purposes when the Organization has met the qualifications for the respective grants and contracts.

NOTE 3 - INDIRECT COST RATE:

The Maitri Compassionate Care and Related Organizations have elected to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

OTHER REPORTS



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Maitri Compassionate Care

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Maitri Compassionate Care, which comprise the statement of financial position as of June 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, and have issued our report thereon dated December 14, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Maitri Compassionate Care's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Maitri Compassionate Care's internal control. Accordingly, we do not express an opinion on the effectiveness of Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Maitri Compassionate Care's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



GRANT BENNETT ASSOCIATES
A PROFESSIONAL CORPORATION
Certified Public Accountants

Rancho Cordova, California
December 14, 2021



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Maitri Compassionate Care

Report on Compliance for Each Major Federal Program

We have audited Maitri Compassionate Care's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Maitri Compassionate Care's major federal programs for the year ended June 30, 2021. Maitri Compassionate Care's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Maitri Compassionate Care's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Maitri Compassionate Care's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Maitri Compassionate Care's compliance.

Opinion on Each Major Federal Program

In our opinion, Maitri Compassionate Care complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.



Report on Internal Control Over Compliance

Management of Maitri Compassionate Care is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Maitri Compassionate Care's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Maitri Compassionate Care's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



GRANT BENNETT ASSOCIATES
A PROFESSIONAL CORPORATION
Certified Public Accountants

Rancho Cordova, California
December 14, 2021

AUDITORS' RESULTS

**Maitri Compassionate Care
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021**

SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting: Material weakness(es) identified?	None
Significant control deficiency(s) identified that are not considered to be material weakness(es)?	None Reported
Noncompliance material to financial statements noted?	None

Federal Awards

Internal control over major programs: Material weakness(es) identified?	None
Significant control deficiency(s) identified that are not considered to be material weakness(es)?	None Reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	None

Identification of major program(s):

CFDA Numbers

14.241

Name of Federal Program

Housing Opportunities for People with AIDS

For the June 30, 2021 Single Audit, the threshold used to distinguish between Type A and Type B programs was \$750,000.

The organization was identified as a low risk auditee for the year ended June 30, 2021.

Findings relating to the financial statements which are required to be reported in accordance with GAGAS?	None Reported
Findings and questioned costs for federal awards including audit finding defined in the uniform guidance?	None Reported

**Maitri Compassionate Care
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020**

There were no prior year findings.