



**Maitri Compassionate Care
Financial Statements
June 30, 2025 and 2024**



**Maitri Compassionate Care
Financial Statements
June 30, 2025 and 2024**

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Maitri Compassionate Care, which comprise the statements of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the years 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 the Maitri Compassionate Care as of June 30, 2025, 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.

Basis for Opinion

We conducted our audits 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. 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 the Maitri Compassionate Care and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 these 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 the Maitri Compassionate Care'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 and Government 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 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 and *Government 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 the Maitri Compassionate Care'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 the Maitri Compassionate Care'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.



Supplementary 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* 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. The schedule 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 schedule 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 October 14, 2025, 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 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 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 internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited Maitri Compassionate Care's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 16, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.



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October 14, 2025



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**Maitri Compassionate Care
Financial Statements**

Maitri Compassionate Care
Statement of Financial Position
June 30, 2025 and 2024

	2025	2024
ASSETS		
Current Assets:		
Cash	\$ 1,024,623	\$ 742,198
Grants and Contracts Receivable (Net of Allowance for Credit Losses of \$60,400 and \$63,559)	565,607	667,862
Prepaid Expenses and Other Current Assets	<u>29,190</u>	<u>36,303</u>
Total Current Assets	<u>1,619,420</u>	<u>1,446,363</u>
Property and Equipment, Net	1,625,307	1,544,141
Reserves	682,538	664,082
TOTAL ASSETS	\$ 3,927,265	\$ 3,654,586
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts Payable and Accrued Expenses	\$ 195,698	\$ 168,606
Current Portion of Long-Term Debt	24,000	24,000
Deferred Revenue	<u>238,882</u>	<u>100,000</u>
Total Current Liabilities	<u>458,580</u>	<u>292,606</u>
Deposits Payable	95,721	34,500
Long-Term Debt	<u>356,525</u>	<u>356,525</u>
Total Liabilities	<u>910,826</u>	<u>683,631</u>
Net Assets:		
Net Assets without Donor Restrictions	2,401,052	2,355,568
Net Assets with Donor Restrictions	<u>615,387</u>	<u>615,387</u>
Total Net Assets	<u>3,016,439</u>	<u>2,970,955</u>
TOTAL LIABILITIES AND NET ASSETS	\$ 3,927,265	\$ 3,654,586

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

Maitri Compassionate Care
Statement of Activities
For the Year Ended June 30, 2025
With Summarized Comparative Totals for 2024

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenue and Public Support:				
Government Grants and Contracts	\$ 1,896,496	\$ 97,673	\$ 1,994,169	\$ 2,044,805
Foundation and Corporate Grants	488,536	10,500	499,036	347,613
Contributions	132,192	-	132,192	56,895
Bequests	13,313	-	13,313	2,200
Net Assets Released from Donor Restriction:				
Satisfaction of program/purpose restrictions	108,173	(108,173)	-	-
Fundraising event, net of direct donor benefits	35,346	-	35,346	60,131
Commercial Lease Income, net of direct expenses of \$ 510,934	(8,338)	-	(8,338)	12,579
Resident Fees	54,244	-	54,244	62,955
Interest	27,534	-	27,534	34,809
Miscellaneous	17,478	-	17,478	7,040
Total Revenue and Public Support	2,764,974	-	2,764,974	2,629,027
Expenses:				
Resident Care & Services	2,033,500	-	2,033,500	2,025,511
Management and General	345,232	-	345,232	273,928
Fundraising	340,758	-	340,758	274,242
Total Expenses	2,719,490	-	2,719,490	2,573,681
CHANGE IN NET ASSETS	45,484	-	45,484	55,346
BEGINNING NET ASSETS	2,355,568	615,387	2,970,955	2,915,609
ENDING NET ASSETS	\$ 2,401,052	\$ 615,387	\$ 3,016,439	\$ 2,970,955

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

Maitri Compassionate Care
Statement of Functional Expenses
For the Year Ended June 30, 2025

	2025					
	Resident Care & Services	Management & General	Fundraising	Commercial Lease	Common Costs	Total
Salaries & Wages	\$ 1,739,059	\$ 166,051	\$ 214,328	\$ 73,576	\$ -	\$ 2,193,014
Payroll Taxes	137,798	23,919	16,549	5,819	-	184,085
Employee Benefits	131,780	32,148	17,755	5,292	-	186,975
Professional Services	53,884	33,050	15,250	-	26,803	128,987
Utilities	6,929	-	-	-	113,844	120,773
Building Maintenance & Repair	6,071	2,723	-	748	19,618	29,160
Telephone & Internet	-	-	-	-	13,770	13,770
Insurance	-	(1,618)	-	-	34,768	33,150
Supplies	23,618	1,195	821	-	16,119	41,753
Food	64,841	247	110	-	41	65,239
Equipment Rental & Maintenance	8,348	1,803	1,566	-	10,134	21,851
Printing & Mailhouse	-	77	17,591	-	-	17,668
Postage & Shipping	7	81	1,775	-	1,766	3,629
Travel & Transportation	600	173	658	-	129	1,560
Advertising & Public Relations	-	-	9,664	-	-	9,664
Depreciation	-	-	-	-	107,235	107,235
Miscellaneous	8,984	2,703	8,636	52,868	(1,280)	71,911
Common Cost Allocation	(148,419)	82,680	36,055	372,631	(342,947)	-
Total Expenses	\$ 2,033,500	\$ 345,232	\$ 340,758	\$ 510,934	\$ -	\$ 3,230,424

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

Maitri Compassionate Care
Statement of Functional Expenses
For the Year Ended June 30, 2024

	2024					
	Resident Care & Services	Management & General	Fundraising	Commercial Lease	Common Costs	Total
Salaries & Wages	\$ 1,629,117	\$ 76,546	\$ 205,773	\$ 62,926	\$ -	\$ 1,974,362
Payroll Taxes	113,752	5,884	15,744	4,807	5,570	145,757
Employee Benefits	12,823	12,373	4,693	-	125,898	155,787
Professional Services	69,904	140,226	6,743	-	25,828	242,701
Utilities	6,019	-	-	-	124,958	130,977
Building Maintenance & Repair	5,729	-	191	(1,740)	31,659	35,839
Telephone & Internet	217	-	-	-	13,972	14,189
Insurance	-	25,635	-	-	14,258	39,893
Supplies	14,065	392	166	146	17,524	32,293
Food	56,948	-	-	-	55	57,003
Equipment Rental & Maintenance	5,892	625	291	-	15,601	22,409
Printing & Mailhouse	-	122	11,430	-	(258)	11,294
Postage & Shipping	-	20	1,433	-	1,258	2,711
Travel & Transportation	1,080	110	84	-	36	1,310
Advertising & Public Relations	-	90	3,375	-	392	3,857
Depreciation	-	-	-	-	97,738	97,738
Miscellaneous	3,395	6,695	10,728	38,776	109	59,703
Common Cost Allocation	106,570	5,210	13,591	349,227	(474,598)	-
Total Expenses	\$ 2,025,511	\$ 273,928	\$ 274,242	\$ 454,142	\$ -	\$ 3,027,823

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

Maitri Compassionate Care
Statement of Cash Flows
For the Years Ended June 30, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 45,484	\$ 55,346
<i>Adjustments to reconcile change to net operating cash flows:</i>		
Depreciation	107,235	97,738
<i>Decrease/(increase) in assets:</i>		
Grants & Contracts Receivable	102,255	(126,349)
Prepaid Expenses & Other Current Assets	7,113	12,146
Reserves	(18,456)	(25,690)
<i>Increase/(decrease) in liabilities:</i>		
Accounts Payable & Accrued Expenses	27,092	(58,317)
Deferred Revenue	138,882	(12,579)
Deposits Payable	<u>61,221</u>	<u>6,500</u>
Net Cash Provided / (Used) by Operating Activities	<u>470,826</u>	<u>(51,205)</u>
Cash Flows from Investing Activities:		
Purchase of Fixed Assets	<u>(188,401)</u>	<u>(35,789)</u>
Net Cash Provided / (Used) by Investing Activities	<u>(188,401)</u>	<u>(35,789)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	282,425	(86,994)
Cash and Restricted Cash at Beginning of Year	742,198	829,192
Cash and Restricted Cash at End of Year	\$ 1,024,623	\$ 742,198

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

Maitri Compassionate Care
Notes to the Financial Statements
June 30, 2025 and 2024

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 accounting principles generally accepted in the United States of America. 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. Net Assets

Contributions 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, 2025 and 2024

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, 2025.

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 credit losses 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 credit losses. At June 30, 2025 and 2024, Maitri's allowance for credit losses related to commercial tenant leases was \$60,400 and \$63,559, 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, 2025 and 2024

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

J. Summarized Information for 2024

The financial information for the fiscal year ended June 30, 2024, is presented for comparative purposes only, and is not intended to be a complete financial statement presentation.

K. Revenue Recognition

Revenue is measured based on consideration of grants, contributions and lease income from the government, foundations & individuals, and tenants, respectively. Maitri's primary revenue streams and revenue recognition procedures when it satisfies a performance obligation are as follows:

Government Grants: Recognized when declared by Government agency. In the instance where funds are expected to be reimbursed by a government grant, revenue is recognized in whichever month the funds are expected to be reimbursed.

Foundation & Individual Contributions: Revenue is recognized immediately unless there are specific restrictions on the contributions.

Lease Income from Tenants: Lease revenue is recognized once the month ends. Maitri's performance obligation is satisfied after the whole month of office space is used by lessee. Rent paid in advance is retained by Maitri as deferred revenue and recognized on a monthly basis.

L. Leases

Maitri elected the package of practical expedients which, among other items, permits the Company not to reassess under the new standard its prior conclusions about lease identification, lease classification and initial direct costs. Maitri also elected the short-term lease recognition exemption for all leases that qualify.

Under this election, Maitri does not recognize right-of-use assets or lease liabilities for leases with a term of 12 months or less. Maitri also elected to not separate lease and non-lease components for all of their leases.

Maitri evaluated any obligations that could be considered a lease and determined there were no leases to be disclosed.

Maitri did not elect the use-of hindsight practical expedient.

Maitri Compassionate Care
Notes to the Financial Statements
June 30, 2025 and 2024

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:

	2025	2024
Cash and Cash Equivalent	\$ 1,024,623	\$ 742,198
Grants and Contracts Receivable, Net	<u>565,607</u>	<u>667,862</u>
Total Financial Assets	<u>1,590,230</u>	<u>1,410,060</u>
Less amounts not available to be used within one year	-	-
Total Financial Assets available within one year	\$ 1,590,230	\$ 1,410,060

Maitri has \$1,590,230 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures including cash of \$1,024,623. 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. 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, 2025 and 2024, advertising costs were \$9,664 and \$3,857, 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, 2025 and 2024

NOTE 4 - RESERVE ACCOUNTS (Continued):

Operating Reserve

Maitri is required to make annual deposits of 5% of project income. Once a minimum 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, 2025 and 2024 were \$444,026 and \$427,652, respectively.

Replacement Reserve

Annual 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, 2025 and 2024 were \$108,703 and \$106,855, respectively.

Agency Reserve

Maitri holds this reserve for security deposits paid by Maitri Tenants. Account balances as of June 30, 2025 and 2024 were \$26,909 and \$26,190, respectively.

Maitri Affirmation Center Reserve

Maitri holds this reserve for a possible construction project to expand their MAC program. Account balances as of June 30, 2025 and 2024 were \$102,899 and \$103,386, respectively.

Maitri Compassionate Care
Notes to the Financial Statements
June 30, 2025 and 2024

NOTE 5 - PROPERTY AND EQUIPMENT:

Property and equipment at June 30, 2025 and 2024 consisted of the following:

	2025	2024
Land	\$ 205,000	\$ 205,000
Buildings & Improvements*	3,594,826	3,425,794
Machinery & Equipment	171,914	166,914
Furniture & Fixtures	122,036	118,219
Computers	<u>71,211</u>	<u>60,660</u>
Subtotal	4,164,987	3,976,587
Accumulated Depreciation	<u>(2,539,680)</u>	<u>(2,432,445)</u>
Total Property and Equipment	<u>\$ 1,625,307</u>	<u>\$ 1,544,142</u>

Total depreciation expense for the years ended June 30, 2025 and 2024 were \$107,235 and \$97,738, 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.

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of the following as of June 30, 2025 and 2024:

	2025	2024
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	\$ 501,387	\$ 501,387
Foundations and Corporate Grants restricted for programs/purpose	<u>114,000</u>	<u>114,000</u>
Total Net Assets With Donor Restrictions	<u>\$ 615,387</u>	<u>\$ 615,387</u>

Maitri Compassionate Care
Notes to the Financial Statements
June 30, 2025 and 2024

NOTE 7 - LONG-TERM DEBT:

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

	2025	2024
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 \$24,000 and bears interest at a rate of 0%.	\$ <u>380,525</u>	\$ <u>380,525</u>
Total Debt (Current Portion and Long-Term)	\$ <u>380,525</u>	\$ <u>380,525</u>
As of June 30, 2025, annual maturities (principal payments) on the note are as follows:		
2025	\$ 24,000	
2026	24,000	
2027	24,000	
2028	24,000	
2029	24,000	
Thereafter	260,525	
Total Debt	\$ 380,525	

As of July 1, 2022, Maitri was notified by the San Francisco Redevelopment Agency that the existing loan would be restructured as a forgivable loan. Discussions and documentation related to this restructuring are ongoing. During the current fiscal year, no portion of the loan was forgiven, and Maitri has not recognized any revenue related to loan forgiveness. The loan continues to be recorded as a liability on the statement of financial position. Maitri will evaluate the terms of the final restructuring agreement once it is executed to determine the appropriate accounting treatment under U.S. GAAP. Upon finalization, any forgiveness of principal will be recognized as contribution revenue in the period in which the conditions for forgiveness are met.

Maitri Compassionate Care
Notes to the Financial Statements
June 30, 2025 and 2024

NOTE 8 - LEASES:

Operating Leases

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

2025	\$	176,588
2026		362,343
2027		373,213
2028		384,409
2029		144,240
Thereafter		30,730
<hr/>		
Total	\$	1,471,523

Equipment Leases

Maitri leases facility equipment under agreements with various terms. As of June 30, 2025, future minimum lease payments are as follows:

2025	\$	2,556
2026		3,471
2027		2,772
2028		2,772
2029		1,155
<hr/>		
Total	\$	12,726

NOTE 9 - CONTINGENT LIABILITIES:

Under the terms of a 1995 HOPWA loan in the amount of \$1,622,301 from the San Francisco Redevelopment Agency, said loan will be forgiven at maturity with the proviso that the Maitri 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, 2025 and 2024

NOTE 10 - CONCENTRATIONS:

During the years ended June 30, 2025 and 2024, Maitri received approximately 61% and 65% 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, 2025 have been evaluated through October 14, 2025, the date these statements were available to be issued, to determine whether they should be disclosed to keep the financial statements from being misleading. Management found no subsequent events to be disclosed.

**Maitri Compassionate Care
Supplementary Information
June 30, 2025**

Maitri Compassionate Care
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Federal Grantor Pass-Through Program Title	Assistance Listing Number	Pass-Through Grantor	Federal Expenditures
US Department of Housing & Urban Development			
Housing Opportunities for People with AIDS	14.241	San Francisco Mayor's Office of Housing & Community Development	\$ <u>498,654</u>
COVID 19 Related Capital Improvements	14.218	San Francisco Mayor's Office of Housing & Community Development	<u>163,636</u>
Total US Department of Housing & Urban Development			<u>662,290</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	689,978
HIV Care Formula Grant - SAM/Mental Health - Ryan White Part B General Fund	93.917	City & County of San Francisco Department of Public Health	606,562
HIV Care Formula Grant - Mental Health - Ryan White Part B	93.917	City & County of San Francisco Department of Public Health	<u>101,302</u>
Total US Department of Health and Human Services			<u>1,397,842</u>
Total Federal Expenditures			2,060,132
LOANS:			
US Department of Housing & Urban Development			
Housing Opportunities for People with AIDS Loan for Building Improvements	14.241	San Francisco Mayor's Office of Housing & Community Development	380,525
Total Expenditures and Loans of Federal Awards			\$ <u>2,440,657</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, 2025

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 2025 cash and noncash expenditures in excess of \$750,000 to ensure coverage of at least 20% of federally granted funds. Actual coverage is approximately 73% 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, 2025. 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

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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, 2025, 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 October 14, 2025.

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
October 14, 2025



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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

Opinion on Each Major Federal Program

We have audited Maitri Compassionate Care's compliance with the types of compliance requirements identified as subject to audit 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, 2025. 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.

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, 2025.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Maitri Compassionate Care and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Maitri Compassionate Care compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Maitri Compassionate Care's federal programs.



Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and to express an opinion on Maitri Compassionate Care's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Maitri Compassionate Care's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Maitri Compassionate Care's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Maitri Compassionate Care's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Maitri Compassionate Care's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.





Report on 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 over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

A handwritten signature in blue ink that reads "Grant Bennett Associates".

GRANT BENNETT ASSOCIATES
A PROFESSIONAL CORPORATION
Certified Public Accountants

Rancho Cordova, California
October 14, 2025



AUDITORS' RESULTS

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Maitri Compassionate Care
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

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):

<u>Assistance Listing Number</u>	<u>Name of Federal Program</u>
93.917	HIV Care Formula Grants
14.241	Housing Opportunities for People with AIDS

For the June 30, 2025 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, 2025.

Findings relating to the financial statements which are required to be reported in accordance with GAGAS?	None Reported
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Findings and questioned costs for federal awards including audit finding defined in the uniform guidance?	None Reported
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**Maitri Compassionate Care
Status of Prior Year Findings
For the Year Ended June 30, 2023**

There were no prior year findings.