

SHANTI PROJECT

**Financial Statements for the Years Ended
June 30, 2023 and 2022
and Independent Auditors' Report**

SHANTI PROJECT

TABLE OF CONTENTS

	PAGE
Independent Auditors' Report	1-3
Financial Statements	
Statements of Financial Position	4
Statements of Activities	5
Statements of Functional Expenses	6-7
Statements of Cash Flows	8
Notes to Financial Statements	9-18
Schedule of Expenditures of Federal Awards	19-20
Independent Auditors' 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	21-22
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	23-25
Schedule of Findings and Questioned Costs	26-27

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Shanti Project
San Francisco, California

Opinion

We have audited the accompanying financial statements of Shanti Project (a nonprofit organization) (the "Organization"), which comprise the statements of financial position as of June 30, 2023 and 2022, 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 Organization as of June 30, 2023 and 2022, 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 Organization 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 opinions.

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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 Organization'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 Organization'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. 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 schedule of expenditures of federal awards 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 January 15, 2024 on our consideration of the Organization's 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 the Organization'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 Organization's internal control over financial reporting and compliance.

Karlsson & Lane, a.c.

Pleasanton, California
January 15, 2024

SHANTI PROJECT

STATEMENTS OF FINANCIAL POSITION JUNE 30, 2023 AND 2022

	2023	2022
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 2,057,085	\$ 2,725,055
Contributions and grants receivable	1,458,067	1,555,432
Other receivables	2,737	14,014
Inventory	12,341	43,583
Prepaid expenses and deposits	208,769	209,387
Total current assets	3,738,999	4,547,471
CONTRIBUTIONS AND GRANTS RECEIVABLE, net	5,586	222,878
DEPOSITS	13,076	14,076
OPERATING LEASE RIGHT OF USE ASSET	399,516	-
PROPERTY AND EQUIPMENT, net	1,500,587	1,579,843
Total assets	<u>\$ 5,657,764</u>	<u>\$ 6,364,268</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 105,892	\$ 154,626
Accrued liabilities	591,954	602,373
Refundable advances	149,258	132,517
Operating lease liability, current	284,329	-
Note payable, current	29,018	27,836
Total current liabilities	1,160,451	917,352
OPERATING LEASE LIABILITY	120,336	-
NOTE PAYABLE	897,085	924,831
Total liabilities	2,177,872	1,842,183
NET ASSETS		
Net assets without donor restrictions:		
Board designated operating reserve	700,000	700,000
Without board designations	1,344,768	2,362,758
Total net assets without donor restrictions	2,044,768	3,062,758
Net assets with donor restrictions		
Purpose restrictions	1,410,124	1,434,327
Perpetual in nature	25,000	25,000
Total net assets with donor restrictions	1,435,124	1,459,327
Total net assets	3,479,892	4,522,085
Total liabilities and net assets	<u>\$ 5,657,764</u>	<u>\$ 6,364,268</u>

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

SHANTI PROJECT

STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenue and support:		
Government grants	\$ 4,997,147	\$ 5,738,771
Contributions	1,344,309	1,962,913
Contributed nonfinancial assets and services	271,342	193,752
Program service fees	137,725	84,516
Rental income	51,878	59,340
Other income	6,541	78,663
Gross special events revenue	460,152	211,049
Less: cost of benefit to attendees	(256,601)	(132,851)
Total revenues and support	7,012,493	8,196,153
Net assets released from restrictions	992,543	975,396
Total revenues, support and net assets released from restrictions	8,005,036	9,171,549
Functional expenses:		
Program services:		
HIV Programs	2,034,903	1,868,529
Peer Advocate Care Team	810,296	1,337,559
Pets Are Wonderful Support	1,288,642	1,125,710
Margot Murphy Women's Cancer Program	964,793	914,718
LGBTQ+ Aging and Abilities Support Network	968,042	860,909
HIV Community Planning Council Support	468,557	369,303
Veterinary Mental Health Initiative	328,354	342,364
Volunteer Services	33,137	122,803
Total program services	6,896,724	6,941,895
Supporting services:		
Management and general	1,453,729	1,120,291
Fundraising	672,573	786,502
Total supporting services	2,126,302	1,906,793
Total expenses	9,023,026	8,848,688
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(1,017,990)	322,861
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	968,340	1,251,547
Net assets released from restrictions	(992,543)	(975,396)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	(24,203)	276,151
CHANGE IN NET ASSETS	(1,042,193)	599,012
NET ASSETS, BEGINNING OF YEAR	4,522,085	3,923,073
NET ASSETS, END OF YEAR	\$ 3,479,892	\$ 4,522,085

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

SHANTI PROJECT

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023

	Program Services								Supporting Services			Total Expenses	
	HIV Programs	Peer Advocate Care Team	Pets Are Wonderful Support	Margot Murphy Women's Cancer Program	LGBTQ+ Aging & Abilities Support Network	HIV Community Planning Council Support	Veterinary Mental Health Initiative	Volunteer Services	Total Program Services	Management and General	Fundraising		Total Supporting Services
Salaries	\$ 1,134,034	\$ 520,645	\$ 588,444	\$ 512,093	\$ 468,692	\$ 335,384	\$ 146,860	\$ 11,899	\$ 3,718,051	\$ 1,012,057	\$ 420,087	\$ 1,432,144	\$ 5,150,195
Contract services	82,589	112,977	25,933	138,764	272,959	13,517	154,987	3,029	804,755	181,079	100,567	281,646	1,086,401
Direct client support	313,066	6,994	426,619	102,634	49,920	6,092	-	157	905,482	675	244	919	906,401
Benefits	158,658	59,678	77,584	81,626	59,758	31,256	8,281	1,583	478,424	79,197	47,421	126,618	605,042
Payroll taxes	87,730	40,745	46,591	39,332	36,806	27,807	10,942	121	290,074	69,681	30,210	99,891	389,965
Occupancy	107,120	32,258	46,161	42,944	34,129	22,806	4,008	617	290,043	36,172	18,322	54,494	344,537
Cost of direct benefit to attendees	-	-	-	-	-	-	-	-	-	-	256,601	256,601	256,601
Telephone	27,330	13,813	9,517	9,512	8,583	4,393	771	952	74,871	6,249	3,460	9,709	84,580
Supplies	44,867	3,532	5,426	5,776	6,012	2,186	357	1,907	70,063	9,831	2,163	11,994	82,057
Depreciation and amortization	15,970	7,998	22,477	9,259	8,838	3,400	597	92	68,631	7,894	2,731	10,625	79,256
Insurance	15,251	2,562	4,445	6,114	4,859	3,247	571	88	37,137	16,200	2,608	18,808	55,945
Interest expense	10,729	1,803	15,100	4,301	3,418	2,284	401	62	38,098	4,340	1,835	6,175	44,273
Travel	2,471	1,122	1,727	821	2,683	3,841	-	12,250	24,915	5,168	3,982	9,150	34,065
Staff development	18,375	1,727	4,147	4,046	2,096	500	230	-	31,121	1,602	731	2,333	33,454
Conference and meetings	7,258	-	6,628	77	2,713	8,748	-	270	25,694	-	-	-	25,694
Equipment rental and maintenance	7,039	3,517	2,123	2,822	2,243	1,499	263	41	19,547	2,167	1,204	3,371	22,918
Printing and publications	341	597	766	900	759	41	-	58	3,462	204	18,362	18,566	22,028
Licences and fees	1,950	328	568	782	621	666	73	11	4,999	13,566	334	13,900	18,899
Bank charges	-	-	122	-	60	-	-	-	182	1,927	13,100	15,027	15,209
Postage and shipping	-	-	4,264	2,990	748	390	13	-	8,405	822	3,777	4,599	13,004
Dues and subscriptions	125	-	-	-	2,145	500	-	-	2,770	1,982	1,127	3,109	5,879
Miscellaneous	-	-	-	-	-	-	-	-	-	2,916	308	3,224	3,224
Total expenses	2,034,903	810,296	1,288,642	964,793	968,042	468,557	328,354	33,137	6,896,724	1,453,729	929,174	2,382,903	9,279,627
Less: cost of direct benefit to attendees presented with revenue on the statements of activities	-	-	-	-	-	-	-	-	-	-	(256,601)	(256,601)	(256,601)
Total functional expenses	\$ 2,034,903	\$ 810,296	\$ 1,288,642	\$ 964,793	\$ 968,042	\$ 468,557	\$ 328,354	\$ 33,137	\$ 6,896,724	\$ 1,453,729	\$ 672,573	\$ 2,126,302	\$ 9,023,026

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

SHANTI PROJECT

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022

	Program Services								Supporting Services			Total Expenses	
	HIV Programs	Peer Advocate Care Team	Pets Are Wonderful Support	Margot Murphy Women's Cancer Program	LGBTQ+ Aging & Abilities Support Network	HIV Community Planning Council Support	Veterinary Mental Health Initiative	Volunteer Services	Total Program Services	Management and General	Fundraising		Total Supporting Services
Salaries	\$ 1,125,175	\$ 774,216	\$ 465,367	\$ 451,245	\$ 406,461	\$ 259,510	\$ 182,172	\$ 89,620	\$ 3,753,766	\$ 733,961	\$ 442,137	\$ 1,176,098	\$ 4,929,864
Contract services	50,161	326,003	13,304	156,515	233,067	8,372	130,229	2,787	920,438	133,704	162,066	295,770	1,216,208
Direct client support	241,296	19,521	446,993	117,439	64,478	1,086	-	2,876	893,689	(76)	287	211	893,900
Benefits	139,308	78,305	60,472	74,619	55,139	25,931	9,268	5,386	448,428	52,821	53,710	106,531	554,959
Payroll taxes	85,725	60,508	35,231	35,132	31,231	20,820	12,986	5,852	287,485	46,067	34,998	81,065	368,550
Occupancy	107,084	30,634	36,883	38,345	27,772	23,388	4,144	5,192	273,442	21,407	19,715	41,122	314,564
Cost of direct benefit to attendees	-	-	-	-	-	-	-	-	-	-	132,851	132,851	132,851
Supplies	20,687	9,200	8,087	5,778	9,610	3,385	427	1,057	58,231	16,006	5,597	21,603	79,834
Depreciation and amortization	16,910	8,753	21,558	7,275	7,792	3,693	654	820	67,455	6,705	3,113	9,818	77,273
Telephone	20,478	11,752	4,386	7,171	5,489	2,976	305	806	53,363	6,273	1,453	7,726	61,089
Miscellaneous	55	53	111	20	14	12	2	23	290	59,674	187	59,861	60,151
Staff development	14,718	9,375	7,229	6,443	5,262	2,751	815	538	47,131	8,091	3,884	11,975	59,106
Interest expense	11,689	2,377	14,902	4,186	3,032	2,553	452	567	39,758	4,815	2,152	6,967	46,725
Travel	6,803	1,805	1,857	485	2,059	1,716	-	2,650	17,375	8,332	13,797	22,129	39,504
Insurance	11,535	2,345	2,549	4,130	2,992	2,519	446	559	27,075	8,178	2,124	10,302	37,377
Printing and publications	378	360	25	1,062	502	70	-	460	2,857	122	20,674	20,796	23,653
Conference and meetings	5,762	438	1,994	-	-	7,840	-	2,738	18,772	1,561	158	1,719	20,491
Licences and fees	3,905	1,014	1,264	1,069	676	988	287	657	9,860	5,191	1,661	6,852	16,712
Bank charges	-	-	90	-	-	-	6	-	96	3,585	8,766	12,351	12,447
Equipment rental and maintenance	4,518	900	978	1,586	1,148	993	171	215	10,509	885	815	1,700	12,209
Postage and shipping	144	-	2,430	2,218	1,367	-	-	-	6,159	460	3,002	3,462	9,621
Dues and subscriptions	2,198	-	-	-	2,818	700	-	-	5,716	2,529	1,206	3,735	9,451
Marketing and advertising	-	-	-	-	-	-	-	-	-	-	5,000	5,000	5,000
Total expenses	1,868,529	1,337,559	1,125,710	914,718	860,909	369,303	342,364	122,803	6,941,895	1,120,291	919,353	2,039,644	8,981,539
Less: cost of direct benefit to attendees presented with revenue on the statements of activities	-	-	-	-	-	-	-	-	-	-	(132,851)	(132,851)	(132,851)
Total functional expenses	\$ 1,868,529	\$ 1,337,559	\$ 1,125,710	\$ 914,718	\$ 860,909	\$ 369,303	\$ 342,364	\$ 122,803	\$ 6,941,895	\$ 1,120,291	\$ 786,502	\$ 1,906,793	\$ 8,848,688

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

SHANTI PROJECT

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (1,042,193)	\$ 599,012
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	79,256	78,543
Amortization of operating lease assets and liabilities	5,149	-
Relief of debt income	(9,725)	(721,102)
Change in discount - contributions and grants receivable	(9,196)	10,456
Changes in assets and liabilities that provided (used) cash:		
Contributions and grants receivable	323,853	(600,925)
Other receivables	11,277	(2,313)
Inventory	31,242	12,219
Prepaid expenses and deposits	618	9,984
Accounts payable	(48,734)	(17,535)
Accrued liabilities	(694)	17,454
Refundable advances	16,741	4,642
Net cash used in operating activities	<u>(642,406)</u>	<u>(609,565)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Return of long term deposits	1,000	-
Payments of long term deposits	-	(1,000)
Purchases of property and equipment	-	(26,535)
Net cash provided by (used in) investing activities	<u>1,000</u>	<u>(27,535)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on notes payable	(26,564)	(25,326)
Net cash used in financing activities	<u>(26,564)</u>	<u>(25,326)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(667,970)	(662,426)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>2,725,055</u>	<u>3,387,481</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 2,057,085</u>	<u>\$ 2,725,055</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for interest	<u>\$ 43,187</u>	<u>\$ 44,337</u>
Non-cash investing and financing activities:		
Operating lease asset obtained in exchange for operating lease liability - upon adoption.	<u>\$ 672,871</u>	<u>\$ -</u>

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

SHANTI PROJECT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023 AND 2022

1. NATURE OF OPERATIONS

Organization - Shanti Project (the “Organization” or “Shanti”) is a California nonprofit public benefit corporation located in San Francisco, California. Shanti builds human connections to reduce isolation, enhance health and well-being, and improve quality of life, especially for individuals facing inequities and barriers to care. Shanti was founded in 1974 on the principle that every person deserves compassion, connection, and human dignity. The organization was a pioneer in offering community-based emotional and practical support for terminally ill patients, first in the UCSF cancer ward and then in response to the AIDS epidemic. Throughout the years, Shanti has expanded its programs and services to meet the evolving needs of our local communities.

Program services -

- *HIV Programs* exist to ensure that underserved people living with HIV and/or HCV receive the compassionate, cross-cultural support they need to manage their health and well-being. Our nonjudgmental, harm-reduction based services promote robust engagement by clients in their own healthcare, help them overcome barriers to access key resources, and offer opportunities to connect with one another.
- *LGBTQ+ Aging & Abilities Support Network (“LAASN”)* provides compassionate supportive services that help counteract isolation and emotional, behavioral, and health challenges faced by LGBTQ+ older adults and adults with disabilities. Care navigation and social and wellness programming help clients build and contribute vibrantly to their community.
- *Margot Murphy Women’s Cancer Program (“MMWCP”)* mitigates the barriers that women face after a cancer diagnosis. Our multilingual and cross-cultural services help empower women with cancer to overcome linguistic, social, and financial obstacles to access and complete treatment and move into survivorship. Our program is tailored to helping those living in poverty and facing other challenges.
- *Peer Advocate Care Team (“PACT”)* supports the residents of Potrero Hill Terrace and Annex public housing as they navigate the complex realities of living in poverty, while their housing community undergoes redevelopment during the next 10-15 years.
- *Pets Are Wonderful Support (“PAWS”)* keeps people and their animal companions together in the face of poverty and other hardships that threaten to separate them. We provide free comprehensive animal support services, including pet food, supplies, and veterinary care, for companion animals of older adults and individuals living with disability or illness.

- *Veterinary Mental Health Initiative (“VMHI”)* provides mental health support services to veterinarians and other veterinary professionals by doctorate-level clinicians. Our facilitated peer support groups and individual sessions help support mental health and well-being for veterinary providers.
- *Volunteer Services* recruits, trains, and matches volunteers to Shanti clients. Peer Support Volunteers provide weekly one-on-one emotional support and practical assistance to clients. Pet Assistance Volunteers offer supportive companion animal services such as dog walking.
- *Community Services* provides administrative, informational, and process support to the San Francisco HIV Community Planning Council. Staff also support the council’s community outreach efforts including the annual community needs assessment. Additional community support currently includes coordination of two mentorship-based workforce development programs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Presentation - The financial statements of the Organization are prepared on the accrual basis of accounting and in conformity with accounting principles generally accepted in the United States of America (“GAAP”) specific to nonprofit organizations. The Organization presents information about its net assets and activities by two net assets classes: without donor restrictions and with donor restrictions.

- **Net Assets Without Donor Restrictions** - Net assets which have not been specifically restricted by a donor. Net assets without donor restrictions may be designated for specific purposes by the Organization or may be limited by contractual agreements with outside parties.
- **Net Assets With Donor Restrictions** - Net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Fair Value - Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Organization determines the fair value of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value (Level 1, Level 2, and Level 3).

Level 1 - inputs are quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 - inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.

Level 3 - unobservable inputs for the asset or liability. Unobservable inputs reflect the Organization’s own assumptions about the assumptions market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the Organization’s own data.

Cash and Cash Equivalents - Cash equivalents are all highly liquid investments with a maturity of three months or less when purchased, unless held for reinvestment as part of the investment portfolio, pledged to secure loan agreements or otherwise restricted or designated. The carrying amount approximates fair value because of the short maturity of those instruments.

Grants and Contributions Receivable - Grants and contributions receivable represent amounts due from government agencies, foundation, and other donors. Accounts receivable balances with charges over thirty days old are considered delinquent and management begins collection efforts at this time. Delinquent receivables do not accrue interest. The Organization continually monitors the credit worthiness of each receivable and recognizes allowances for estimated bad debts on receivable balances that are no longer estimated to be collectible. The Organization adjusts any allowance for subsequent collections and final determination that a receivable is no longer collectible. There was no allowance considered necessary at June 30, 2023 and 2022, respectively.

Inventory - Inventory is stated at cost or fair value of donated goods using a first-in, first-out method. Inventory consists principally of pet foods, pet medications, and other pet supplies.

Property and Equipment - Property and equipment purchased by the Organization are recorded at cost. The Organization follows the practice of capitalizing all expenditures for land, buildings and equipment over \$5,000. The fair value of all donated property and equipment is similarly capitalized. Depreciation has been provided on the straight-line method based on the useful lives of the assets, which range from three to twenty-five years.

Endowments - The Organization follows the guidance included in ASC 958-205-45 which provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (“UPMIFA”). The guidance also requires additional disclosures about an organization’s endowment funds (both donor-restricted endowment funds and board-designated endowment funds) whether or not the organization is subject to UPMIFA.

The Organization follows the following provisions of ASC 958-205-45:

Interpretation of Relevant Law

The board of directors of the Organization has interpreted California's enacted version of UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (1) the original value of gifts donated to the endowment, (2) the original value of subsequent gifts donated to the endowment, (3) additions to the endowment in accordance with donor directions, and (4) the remaining portion of the endowment fund that is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by the enacted version of UPMIFA.

Spending Policy

The Organization may appropriate endowment earnings for expenditure through the budgeting process.

Investment Policy, Strategies, and Objectives

The Organization is holding the endowment assets in cash and equivalents while evaluating investment options that provide a proper return for the related risk and related fees.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. There were no individual donor-restricted endowment funds with deficiencies at June 30, 2023 and 2022, respectively.

Government Grants and Contributions - Government grants and contributions are recognized as revenue in the period unconditionally promised or received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected using a risk free rate of return. The Organization reports contributions in the net assets with donor restrictions class if they are received with donor stipulations as to their use, or if the contribution contains an implied time restriction. They are initially reported in the net assets with donor restrictions class, even if it is anticipated such restrictions will be met in the current reporting period. Conditional promises to give for restricted purposes are presented as contributions without donor restrictions upon meeting the conditions if the condition and restriction are met in the same reporting period. Conditional promises to give of \$1,139,807 are not included on the 2023 statement of activities, and will be recognized when such conditions are substantially met in future years. Cash received before conditions of contributions are met are deferred and presented as refundable advances on the statements of financial position.

Program Service Fees - The Organization provides consulting services to organizations whose services are consistent with the charitable goals of the Organization. Revenue is recognized over time as the services are performed and are receivable upon performance. Future contract revenues expected to be collected under existing contracts totaled \$9,221 as of June 30, 2023.

Contributed Nonfinancial Assets and Services - Contributed nonfinancial assets and services are recognized at fair value as contribution revenue and program expenses at the time of donation. Fair value is determined using Level 3 management estimates and similar third-party data. Any significant balances held at year end are capitalized as inventory and are expensed at the time of distribution.

Income Taxes - The Organization is exempt from federal and California income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. As such, the Organization qualifies for the maximum charitable contribution deduction by donors. In management's judgment there are no uncertain tax positions as of June 30, 2023.

Functional Expense Classification - The Organization charges and allocates its expenses on a functional basis among its program and support services. Expenses that can be identified with the program or support service are assigned directly. Personnel costs are allocated based on employee reported time allocations. Expenses common to several functions are allocated based on the related functions' allocated personnel costs.

Credit Risk - Financial instruments which potentially subject the Organization to credit risk consist principally of cash and equivalents and grants and contributions receivable. The Organization's cash is maintained in demand deposits and in money funds in high quality financial institutions. Cash balances at June 30, 2023 did not exceed federal insurance limits. The Organization generally does not maintain collateral for its receivable balances, and does not believe significant credit risk exists at June 30, 2023.

Recently adopted accounting pronouncements - As of July 1, 2022, the Organization adopted Accounting Standards Update ("ASU") number 2016-02, *Leases* on an effective date basis, which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. The Organization elected not to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial direct costs for existing leases. The Organization has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. As a result of implementing ASU 2016-02, the Organization recognized right-of-use assets and liabilities of \$672,871 at July 1, 2022 in the statement of financial position. The adoption did not affect amounts reported in the statement of activities for the year ended June 30, 2023.

Subsequent Events - Subsequent events have been evaluated through January 15, 2024, which is the date the financial statements were available to be issued.

3. CONTRIBUTIONS AND GRANTS RECEIVABLE

Unconditional promises to give are estimated to be collected as follows at June 30, 2023:

Within one year	\$ 1,458,067
In one to five years	<u>6,125</u>
	1,464,192
Less: discount to net present value at 2.8%	<u>(539)</u>
Total contributions and grants receivable	<u>\$ 1,463,653</u>

4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Land	\$ 702,735	\$ 702,735
Building and improvements	1,543,247	1,543,247
Furniture and equipment	188,745	188,745
Software	76,219	76,219
Less: Accumulated depreciation	<u>(1,010,359)</u>	<u>(931,103)</u>
Net property and equipment	<u>\$ 1,500,587</u>	<u>\$ 1,579,843</u>

5. NOTE PAYABLE

The Organization has a note payable to a bank. The note matures in December 2025. The note is collateralized by the Organization's real property. The note bears interest at a fixed rate of 4.5%. Interest and principal payments of \$5,911 are due monthly.

The note payable consisted of the following at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Future principal payments	\$ 929,276	\$ 957,110
Less: unamortized loan fees	<u>(3,173)</u>	<u>(4,443)</u>
Total notes payable	<u>\$ 926,103</u>	<u>\$ 952,667</u>

Future principal payments are as follows:

<u>Year Ending June 30,</u>	
2024	\$ 29,018
2025	30,485
2026	<u>869,773</u>
Total	<u>\$ 929,276</u>

Interest expense amounted to \$43,003 and \$44,247 for the years ended June 30, 2023 and 2022, respectively.

In 2020, the Organization obtained a loan of \$711,377 through the U.S. Small Business Association's ("SBA") Paycheck Protection Program. The balance of the loan and related accrued interest of \$721,102 were forgiven by the SBA in fiscal 2022. The forgiveness of debt is recognized as government grant revenue in the statement of activities.

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following as of June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Use restrictions:		
HIV Programs	\$ 652,761	\$ 917,432
PAWS	225,927	270,431
MMWCP	476,387	203,915
VMHI	17,549	17,549
Time	<u>37,500</u>	<u>25,000</u>
Total use restrictions	1,410,124	1,434,327
Subject to be held in perpetuity	<u>25,000</u>	<u>25,000</u>
Total net assets with donor restrictions	<u>\$ 1,435,124</u>	<u>\$ 1,459,327</u>

The Organization's net assets with donor restrictions include donor-restricted endowment funds. As required by ASC 958-205, net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Changes in the endowment during the year ended June 30, 2023 and 2022 are as follows:

	Use Restricted	Perpetual Balance	Total
Endowment balance at June 30, 2021	\$ 105	\$ 25,000	\$ 25,105
Investment gain	11	-	11
Endowment balance at June 30, 2022	116	25,000	25,116
Investment gain	291	-	291
Endowment balance at June 30, 2023	<u>\$ 407</u>	<u>\$ 25,000</u>	<u>\$ 25,407</u>

7. CONTRIBUTED NONFINANCIAL ASSETS AND SERVICES

For the years ended June 30, 2023 and 2022, contributed nonfinancial assets recognized within the statement of activities included:

	2023	2022
Event tickets and entry fees	\$ 247,435	\$ 173,998
Veterinary services	23,907	19,754
Total contributed nonfinancial assets and services	<u>\$ 271,342</u>	<u>\$ 193,752</u>

Event tickets and entry fees were unrestricted and were utilized during the reporting period by clients in Shanti's HIV services program within direct client support. The Organization valued the goods based on rates for equivalent values available to the general public. Veterinary services were unrestricted and were utilized during the reporting period by the PAWS program. Veterinary services are estimated at fair value based on current rates for similar services.

8. LIQUIDITY AND AVAILABILITY

The Organization receives significant contributions and promises to give restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

The Organization reviews various measures of liquidity and cash balances with the board of directors and finance committee each quarter. The board of directors has designated \$700,000 as a cash reserve to be set aside for unanticipated expenses and to provide short-term continuity of budgeted critical operating expenses when normal income sources are unexpectedly terminated or reduced. Allocations to the cash reserve are set annually until the cash reserve reaches a balance of \$2,259,344.

Financial assets available for general expenditures within one year at June 30, 2023 consisted of the following:

Financial assets:

Cash and cash equivalents	\$ 2,057,085
Contributions and grants receivable	1,463,653
Other receivables	<u>2,737</u>
Total financial assets	<u>3,523,475</u>

Less amounts unavailable for general expenditures within one year due to:

Perpetual balance of endowment	(25,000)
Board designated operating reserve	(700,000)
Contributions stipulated for use in excess of one year	<u>(5,586)</u>
Total financial assets available for general expenditures within one year	<u>\$ 2,792,889</u>

9. OPERATING LEASES

The Organization leases office space and equipment under non-cancelable leases that expires December 2026. The Organization evaluated current contracts to determine which met the criteria of a lease. The right of use asset represents the Organization's right to use underlying assets for the lease terms, and the lease obligation represents the Organization's obligation to make lease payments arising from these leases. The right of use asset and lease obligation, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease term.

For the years ended June 30, 2023 and 2022, total operating lease costs were \$286,321 and \$267,442, respectively. As of June 30, 2023, the weighted-average remaining lease term for the Organization's operating leases was approximately eighteen months. The weighted-average discount rate applied to calculate lease liabilities as of June 30, 2023, was 2.8%. Cash paid for operating leases for the years ended June 30, 2023 and 2022, was \$283,941 and \$267,442, respectively.

Future minimum operating lease payments are as follows:

<u>Year end December 31,</u>	
2024	292,328
2025	105,570
2026	10,875
2027	<u>5,437</u>
Subtotal	414,210
Less present value discount	<u>(9,545)</u>
Total	<u>\$ 404,665</u>

The Organization subleased a portion of the office space described above. Rent income under the sublease totaled \$51,878 and \$59,340 for the years ended June 30, 2023 and 2022, respectively. The lease ended and was not renewed in fiscal 2023.

10. RETIREMENT PLAN

Pursuant to Section 403(b) of the Internal Revenue Code, the Organization contributes to a tax-sheltered annuity plan (the “Plan”) for qualifying employees. The Organization may make discretionary contributions on behalf of employees to the Plan each year. The Organization made no contributions to the Plan for the years ended June 30, 2023 and 2022, respectively.

11. CONCENTRATIONS

One grantor comprised 17% of contributions and grants receivable as of June 30, 2023.

SHANTI PROJECT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor Program Title/Pass-Through Grantor Program Title	Federal Assistance Listing Number	Pass-through Number	Federal Expenditures
U.S. Department of Health and Human Services:			
Emergency Relief Project Grants Passed Through the City and County of San Francisco	93.914	1000013322	\$ 340,334
Emergency Relief Project Grants Passed Through the City and County of San Francisco	93.914	1000006123	165,997
Emergency Relief Project Grants Passed Through the City and County of San Francisco	93.914	1000024465	<u>524,972</u>
Subtotal - Emergency Relief Project Grants	93.914		<u>1,031,303</u>
HIV Prevention Activities Health Department Based Passed Through the City and County of San Francisco	93.940	1000013322	<u>12,784</u>
Total U.S. Department of Health and Human Services			<u>1,044,087</u>
Total expenditures of federal awards			<u>\$ 1,044,087</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

SHANTI PROJECT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2023

Note A - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes federal award activity of the Organization under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the 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”). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Note B - Summary of Significant Accounting Policies

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) The Organization has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.



**INDEPENDENT AUDITORS' 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 of
Shanti Project
San Francisco, California

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 Shanti Project (a California nonprofit organization) (the "Organization") which comprise the statement of financial position as of June 30, 2023, 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 January 15, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting ("internal control") as a basis for designing 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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 financial statements. 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 and 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.

Harrison & Lane, a.c.

Pleasanton, California
January 15, 2024



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

To the Board of Directors of
Shanti Project
San Francisco, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Shanti Project's (the "Organization") 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 the Organization's major federal programs for the year ended June 30, 2023. The Organization'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, the Organization 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, 2023.

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 Organization 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 the Organization's 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 the Organization's federal programs.

Auditors' 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 express an opinion on the Organization'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 compliance 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 the Organization'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 the Organization'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 the Organization'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 Organization'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 a 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 in internal control over compliance 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.

Karlsson & Lane, a.c.

Pleasanton, California
January 15, 2024

SHANTI PROJECT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2023

I. SUMMARY OF INDEPENDENT AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued on whether the financial statements were prepared according to U.S. GAAP: **Unmodified**

Internal control over financial reporting:

Material weakness(es) identified:	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified that are not considered to be a material weakness?	<u> </u> Yes	<u> X </u> None Reported
Noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u> No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified that are not considered to be a material weakness(es)?	<u> </u> Yes	<u> X </u> 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 2 CFR 200.516(a)?	<u> </u> Yes	<u> X </u> No
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Identification of major federal programs:

Federal Assistance Listing Number
93.914

Name of Federal Program or Cluster
Emergency Relief Project Grants

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?	<u> X </u> Yes	<u> </u> No
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(continued)

SHANTI PROJECT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2023

II. Financial Statement Findings

None.

III. Federal Awards Findings and Questioned Costs

None.

IV. Prior Year Findings

Prior year's findings are considered resolved.