

## ***MEMORANDUM***

TO: Michelle Ruggles, Director, DPH Contract Compliance  
FROM: Wasim Samara, CMA, Financial Analyst, Business Office of Contract Compliance  
DATE: August 26, 2024  
RE: Financial Analysis for Shanti for the Fiscal Years FY 14-15 to FY 22-23.

The DPH Business Office, The Business Office of Contract Compliance (BOCC) collects and reviews the Audited Financial Statements of non-profit contractors. BOCC aims to assess the fiscal health of the agency, and if needed, refers the agency to technical assistance or any other resources the city can provide.

Below is a summary of the fiscal analysis for the fiscal years FY 14-15 to FY 22-23.

### **General Assessment**

Shanti is maintaining a working capital ratio above 1, which aligns with the city's standard. This indicates that the organization can meet its short-term obligations with minimal risk of missing payroll. In the last fiscal year, Shanti's cash reserves was 80 days of operating expenses as of FY22-23 year-end, exceeding the city's standard of 30 days. Although the agency experienced a significant deficit in FY22-23, it had consistently generated surpluses in previous years, resulting in an overall accumulated surplus.

The table below lists some of the important financial metrics from the agency's Audited Financial Statements by year.

<b>Fiscal Year Ending in</b>	<b>Audit Findings Expressed by CPA auditors</b>	<b>Total Agency Expenses (in Thousands)</b>	<b>Working Capital Ratio</b>	<b>Net Surplus/(Deficit) for the FY (in Thousands)</b>	<b>Net Operating Cash Flow from Operations (in Thousands)</b>	<b>Days of Operating Cash Reserves</b>
6/30/2023	None	\$ 9,023	3.2	\$ (1,017)	\$ (642)	83
6/30/2022	None	\$ 8,848	5.0	\$ 323	\$ (609)	112
6/30/2021	None	\$ 7,939	3.0	\$ 515	\$ 2,210	156
6/30/2020	None	\$ 6,763	3.5	\$ 650	\$ 422	66
6/30/2019	None	\$ 6,269	2.8	\$ 520	\$ 114	21
6/30/2018	None	\$ 6,081	1.8	\$ (273)	\$ (217)	23
6/30/2017	None	\$ 5,256	2.3	\$ 118	\$ 74	38
6/30/2016	None	\$ 4,616	2.2	\$ (8)	\$ (1,118)	40
6/30/2015	None	\$ 3,189	3.0	\$ 79	\$ 386	57
<b>Total for the above fiscal years</b>				\$ 907	\$ 620	

The BOCC rates this agency as a “low risk” agency. Low risk agencies are agencies that have solid financials and have the capability to absorb some losses in turbulent times. Such agency also has the financial capability to take on new programs and expand.

*Please note: Historical financial results are a reliable indication of future results but is not a guarantee. Although it is a rare occurrence, an agency can change course dramatically during a single year.*

If you have any questions regarding this monitoring, please contact me at [wasim.samara@sfdph.org](mailto:wasim.samara@sfdph.org).

**List of the Agency's Contracts:**

<i>Department / Program</i>	<i>Contract Name / Description</i>
<i>Department of Public Health</i>	<i>HHS: Emotional and Practical Support (#1000024465)</i>
<i>Mayor's Office of Housing and Community Development</i>	<i>Potrero Care Navigation and Housing Stabilization</i>
<i>Department of Public Health</i>	<i>HHS: Integrated Medical Case Management (#1000006123)</i>
<i>Department of Public Health</i>	<i>HHS: Emotional &amp; Practical Support - Client Navigation (#1000024465)</i>
<i>Department of Public Health</i>	<i>HHS: Emotional and Practical Support (#1000024465)</i>
<i>Department of Public Health</i>	<i>HHS: medical case mgmt (#1000006123)</i>
<i>Department of Public Health</i>	<i>HHS: Planning Council Support (#1000013322)</i>
<i>Department of Public Health</i>	<i>HHS: One time addback Golden Compass (#1000024465)</i>
<i>Human Services Agency</i>	<i>Isolation Prevention Services for LGBT Seniors/AWD FY23-27</i>
<i>Human Services Agency</i>	<i>Care Navigation and Peer Support FY23-27</i>