

CHRISTIE'S PLACE
(A NON-PROFIT ORGANIZATION)
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2015
WITH
INDEPENDENT AUDITOR'S REPORT
AND
SINGLE AUDIT REPORTS

LICHTER YU AND ASSOCIATES, INC.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Christie's Place
San Diego, California

Members of the Board:

Report on the Financial Statements

We have audited the accompanying financial statements of Christie's Place (the Organization), which comprise the statement of financial position as of June 30, 2015 and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Organization's 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 12, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on 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 *Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* 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, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements as a whole.

Other Reporting Required By Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2015, 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 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 Organization's internal control over financial reporting and compliance.



Encino, California
October 19, 2015

CHRISTIE'S PLACE
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

ASSETS

	June 30,	
	2015	2014
Cash	\$ 72,711	\$ 118,877
Grants receivable	184,124	148,219
Other assets	-	3,156
Fixed assets, net	582,697	596,361
Total Assets	\$ 839,532	\$ 866,613

LIABILITIES AND NET ASSETS

LIABILITIES:

Accounts payable	\$ 85,763	\$ 93,201
Accrued expenses	62,642	67,820
Mortgage payable	320,344	331,151
Note payable	35,225	41,224
Deferred revenue	13,190	15,882
Total Liabilities	517,164	549,278

NET ASSETS:

Unrestricted net assets	175,368	170,335
Permanently restricted net assets	147,000	147,000
Total Net Assets	322,368	317,335
Total Liabilities and Net Assets	\$ 839,532	\$ 866,613

See Accompanying Notes and Independent Auditor's Report

**CHRISTIE'S PLACE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
				June 30,	
				2015	2014
REVENUE AND SUPPORT					
Revenue:					
Grants	\$ 1,445,871	\$ -	\$ -	\$ 1,445,871	\$ 1,428,572
Other income	32,662	-	-	32,662	31,245
Support:					
Contributions	27,350	-	-	27,350	13,594
Special events (net of expenses of \$6,147 and \$21,404)	75,993	-	-	75,993	88,887
Total Revenue and Support	1,581,876	-	-	1,581,876	1,562,298
Expenses					
Program services	1,336,445	-	-	1,336,445	1,259,432
Management and general	222,842	-	-	222,842	219,443
Fundraising	17,556	-	-	17,556	35,925
Total Expenses	1,576,843	-	-	1,576,843	1,514,800
INCREASE IN NET ASSETS	5,033	-	-	5,033	47,498
NET ASSETS - Beginning of Year	170,335	-	147,000	317,335	269,837
NET ASSETS - End of Year	\$ 175,368	\$ -	\$ 147,000	\$ 322,368	\$ 317,335

See Accompanying Notes and Independent Auditor's Report

CHRISTIE'S PLACE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

	SUPPORTING SERVICES			Total	
	Programs and Services	Management & General	Fundraising	June 30,	
				2015	2014
Salaries	\$ 817,217	\$ 125,813	\$ 15,032	\$ 958,062	\$ 861,827
Payroll taxes	72,215	9,166	1,177	82,558	74,993
Employee benefits	43,671	14,575	1,347	59,593	46,446
Total salary and related expenses	933,103	149,554	17,556	1,100,213	983,266
Occupancy expenses	27,233	7,163	-	34,396	30,378
Consultants and professional fees	47,145	9,178	-	56,323	56,470
Program supplies	14,909	-	-	14,909	22,382
Subcontractors	188,833	-	-	188,833	192,420
Client services	24,578	-	-	24,578	24,630
Repairs and maintenance	1,008	11,031	-	12,039	9,483
Telephone	9,961	3,661	-	13,622	14,114
Internet expenses	1,647	168	-	1,815	2,494
General insurance	5,409	4,867	-	10,276	8,067
Staff development & appreciation	9,296	4,411	-	13,707	19,896
Equipment	7,720	486	-	8,206	10,688
Printing and copying	6,158	692	-	6,850	6,268
Postage	780	203	-	983	2,022
Storage	-	2,203	-	2,203	2,016
Equipment rental and repairs	6,550	4,087	-	10,637	9,096
Office supplies	9,171	7,483	-	16,654	17,907
Travel and mileage	15,685	4,056	-	19,741	32,102
Interest	8,905	7,577	-	16,482	19,458
Bank fees	-	3,521	-	3,521	5,417
Conference	7,414	-	-	7,414	22,068
Miscellaneous	236	(459)	-	(223)	10,494
Total Expenses Before Depreciation	1,325,741	219,882	17,556	1,563,179	1,501,136
Depreciation	10,704	2,960	-	13,664	13,664
Total Expenses	\$ 1,336,445	\$ 222,842	\$ 17,556	\$ 1,576,843	\$ 1,514,800

See Accompanying Notes and Independent Auditor's Report

CHRISTIE'S PLACE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2014)

	June 30,	
	2015	2014
CASH USED IN OPERATING ACTIVITIES:		
Increase in net assets	\$ 5,033	\$ 47,498
Adjustments to reconcile increase in net assets to cash used in operating activities:		
Depreciation	13,664	13,664
Decrease (Increase) in:		
Grants receivable	(35,905)	16,536
Other assets	3,156	(3,156)
(Decrease) Increase in:		
Accounts payable and accrued expenses	(12,616)	22,679
Deferred revenue	(2,692)	(109,279)
NET CASH USED IN OPERATING ACTIVITIES	(29,360)	(12,058)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from mortgage payable	-	340,000
Payment on mortgage payable	(10,807)	(334,205)
Payment on note payable	(5,999)	(5,880)
NET CASH USED IN FINANCING ACTIVITIES	(16,806)	(85)
NET DECREASE IN CASH	(46,166)	(12,143)
CASH at beginning of year	118,877	131,020
CASH at end of year	\$ 72,711	\$ 118,877
SUPPLEMENTAL INFORMATION		
Interest expense paid	\$ 16,482	\$ 19,458

See Accompanying Notes and Independent Auditor's Report

CHRISTIE'S PLACE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

Note 1 - General Information

Christie's Place (the Organization) is a California non-profit corporation, organized in May 1997 under the Non-Profit Public Benefit Corporation Law for charitable purposes. The Organization operates in San Diego County and provides comprehensive HIV/AIDS education, behavioral health care, social services, and advocacy. The mission of the Organization is to empower women, children, families and individuals whose lives have been impacted by HIV/AIDS to take charge of their health and wellness.

The Organization maintains facilities in San Diego that provide an array of services in a safe, supportive, home-like environment. Clients visit the Organization on a daily basis for information, support, and to access services all in one stop. At Christie's Place, clients can access a substantial range of services provided by a network of collaborative partners that empower women and families to help themselves and each other. The Organization brings clients out of isolation, provides mutual support and ensures access to the full continuum of HIV care and treatment.

The Organization's programs are funded by a combination of grants from governmental agencies, foundations and public donations.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting.

The financial statements are prepared in accordance with the AICPA Audit and Accounting Guide for Not for Profit Organizations. Financial statement preparation follows the recommendations of the Financial Accounting Standards Board in its ASC 958 Financial Statements of Not-for-Profit Organizations. Under ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

Unrestricted Net Assets - Assets which have not been restricted for a specific time period. These assets may have been designated by a foundation to be used for a specific purpose through the intention of the donor.

Temporarily Restricted Net Assets - Assets subject to donor-imposed stipulations that will be met by actions of the Organization and/or the passage of time. These balances include the unexpended portion of externally restricted contributions to be used for specific programs and activities as directed by the donor. The Organization did not have any temporarily restricted net assets as of June 30, 2015 and 2014.

Permanently Restricted Net Assets - Assets are received from donors who stipulate that resources are to be maintained permanently. The Organization had permanently restricted net assets in the amount of \$147,000 as of June 30, 2015 and 2014, related to the funds received from the City of San Diego for a Community Development Block Grant ("CDBG").

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 certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates, and those might be material.

Cash and Cash Equivalents

For purposes of the statement of cash flows, all highly liquid investments with maturities of three months or fewer are considered to be cash equivalent.

Accounts Receivable

Receivables are recorded when billed or accrued and represent claims against third parties that will be settled in cash. The carrying value of receivables, net of the allowance for doubtful accounts, if any, represents their estimated net realizable value. The allowance for doubtful accounts, if any, is estimated based on historical collection trends, type of customer, the age of outstanding receivables and existing economic conditions. If events or changes in circumstances indicate that specific receivable balances may be impaired, further consideration is given to the collectability of those balances and the allowance is adjusted accordingly. Past due receivable balances are written-off when internal collection efforts have been unsuccessful in collecting the amount due. There were no accounts receivables at June 30, 2015 and 2014.

Grants Receivable

Revenue from government grants is recorded to the extent of the expenses incurred under the grant for cost reimbursement grants, or service periods for fee-for-service grants. Any difference in expenses incurred and services provided and the total funds received under the grants are recorded as receivable from the granting agencies to the extent of the grant awards. Any funds received in excess of expenditures are recorded as deferred revenue.

The total amount of grants receivable of \$184,124 and \$148,219 as of June 30, 2015 and 2014, respectively consists of grants from government agencies which are deemed fully collectible within one year.

Fair Value Measurements

For certain of the Organization's financial instruments, including cash and equivalents, investments, grants receivable, accounts payable, accrued liabilities and short-term debt, the carrying amounts approximate their fair values due to their short maturities. ASC Topic 820, "Fair Value Measurements and Disclosures," requires disclosure of the fair value of financial instruments held by the Organization. ASC Topic 825, "Financial Instruments," defines fair value, and establishes a three-level valuation hierarchy for disclosures of fair value measurement that enhances disclosure requirements for fair value measures. The carrying amounts reported in the balance sheets for investments, receivables and current liabilities each qualify as financial instruments and are a reasonable estimate of their fair values because of the short period of time between the origination of such instruments and their expected realization and their current market rate of interest. The three levels of valuation hierarchy are defined as follows:

Level 1 inputs to the valuation methodology are quoted prices for identical assets or liabilities in active markets.

Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement. The Organization analyzes all financial instruments with features of both liabilities and equity under ASC 480, "Distinguishing Liabilities from Equity," and ASC 815.

As of June 30, 2015 and 2014, the Organization did not identify any assets and liabilities that are required to be presented on the balance sheet at fair value.

Contributions and Pledges

Contributions and pledges are recorded as unrestricted (both undesignated and designated for specific purposes), temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions when received or unconditionally promised. Restricted net assets are reclassified to unrestricted net assets when donor restrictions expire. This occurs when a donor stipulated time restriction ends or a donor stipulated purpose restriction is accomplished. Such reclassifications are reported as net assets released from donor restrictions. As of June 30, 2015 and 2014, no pledges were recorded.

Donated Goods and Services

Donated goods and services that would typically need to be purchased if not donated are recognized in the accompanying financial statements as contributions when such goods and services (a) enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills. Donated goods and services are recorded at estimated fair market value on the date of the gift. Contributed auxiliary services are not reflected in the financial statements. The Organization pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization. As of June 30, 2015 and 2014, no amounts were recorded in the financials for donated goods or services.

Fixed Assets

Fixed assets are unrestricted and carried at cost or, if donated, at the approximate fair market value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose. Property and equipment are capitalized if the cost of an asset is greater than or equal to \$500 and the useful life is greater than one year. Depreciation is computed using the straight-line method over the estimated useful life of the asset, as follows: furniture, fixtures and equipment over 3 to 10 years and buildings over 31 to 40 years

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Revenues and Other Support, Expenses, and Changes in Net Assets, and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited in a manner management believes to be reasonable and appropriate.

Income Taxes

The Organization is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the Revenue and Taxation Code of the State of California. In addition, under 509(a) of the Internal Revenue Code, the Organization is not a private foundation. Further, the Organization has no unrelated business taxable income arising from its activities that are subject to taxation.

Uncertain Tax Positions

The accounting standards on accounting for uncertainty in income taxes address the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various position related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from a tax position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the fiscal year ended June 30, 2015 and 2014.

Management has considered its tax position and believes that all of the positions taken in its exempt organization tax returns are more likely than not to be sustained upon examination. As of June 30, 2015, the Organization believes it does not have any taxable unrelated business income, and has not accrued interest or penalties related to uncertain tax positions. The Organization files its Form 990 in the U.S. federal jurisdiction and a copy of it with the Office of the State's Attorney General for the State of California. The Organization is generally no longer subject to examination by the Internal Revenue Service and the State of California for years before June 30, 2011.

Summarized Financial Information for 2014

The accompanying financial information as of and for the year ended June 30, 2014, is presented for comparative purposes only and is not intended to represent a complete financial statement presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2014, from which the summarized information was derived.

Reclassification

Certain prior period amounts have been reclassified to conform to the fiscal year ended June 30, 2015 presentation.

Note 3 – Grants and Contracts

The Organization has received state and federal funds subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowance under the terms of the grants, it is believed that any required reimbursement would not be material.

Note 4 - Cash

The Organization maintains its cash balances at Bank of America located in San Diego, California. As of June 30, 2015 and 2014, the balances were insured by the Federal Deposit Insurance Corporation up to \$250,000. As of June 30, 2015 and 2014, the Organization did not have any uninsured cash balances held at the bank. No reserve has been made on the financial statements for any possible loss due to any financial institution failure. The Organization's management believes that the financial institutions holding its cash balances are financially secure.

Note 5 - Credit Risk

Since financial institutions generally have no responsibility with respect to deposits in transit and outstanding checks, in the event of a financial institution failure, the financial institutions will not honor deposits in transit and outstanding checks. The actual risk, the bank's liability to its customer (i.e., the Organization) arising from cash deposits at such entities equals the balances reported by them, exclusive of the customer's deposits in transit and outstanding checks (i.e., a month end bank statement balance).

Note 6 - Fixed Assets

Fixed assets consist of the following:

	June 30,	
	2015	2014
Furniture and Equipment	\$ 21,832	\$ 21,832
Building Improvements	83,080	83,080
Building and Land	607,284	607,284
	<u>712,196</u>	<u>712,196</u>
Accumulated Depreciation	(129,498)	(115,834)
	<u>\$ 582,697</u>	<u>\$ 596,361</u>

Depreciation expense was \$13,664 for the years ended June 30, 2015 and 2014.

Note 7 - Compensated Absences

All regular full-time and part-time employees are eligible for paid vacation time. The rate of accrual is based on length of employment and prorated by full-time equivalency. The rates of accrual for full-time employees are as follows:

<u>Months of Employment</u>	<u>Monthly Accrual Rate (Hours)</u>	<u>Vacation Accrual CAP</u>
0-24	6.67	160 Hours
25-48	10	160 Hours
48 or more	13.33	160 Hours

Once an employee has reached his or her vacation accrual cap, no additional time will be accrued until some vacation time is used. The date of hire will be considered the anniversary date for vacation purposes. Upon termination, employees are paid for any accumulated unpaid vacation leave. As of June 30, 2015 and 2014, vacation liability exists in the amount of \$25,424 and \$27,170 respectively.

Note 8 – Notes Payable

Mortgage Payable

In June of 2003, the Organization purchased a building in the amount of \$600,000 to be used as its primary location for program and support services. The building was purchased with a mortgage payable to Bank of America of \$450,000. The Organization refinanced with Bank of America on August 3, 2014. Terms of the refinance was for \$340,000 with interest rate at 4.75% and monthly payments of \$2,210 beginning September 10, 2014 until August 10, 2023 when the final payment of approximately \$170,475 is due. The mortgage note is a first trust deed secured by the Organization's building. As of June 30, 2015 and 2014, loan balance was \$320,344 and \$331,151 respectively.

Note Payable

On December 3, 2012, the Organization entered into a loan agreement with another organization in the amount of \$50,000 to be used to support the mission of Christie's Place. The terms of the note payable is interest at 2% per annum, monthly payments of \$564 until December 3, 2020. The note is secured by the Organization's building. As of June 30, 2015 and 2014, the loan balance was \$35,225 and \$41,224 respectively.

As of June 30, 2015 and 2014, total mortgage and note balance outstanding were as follows:

	<u>2015</u>	<u>2014</u>
Current portion	\$ 17,563	\$ 17,028
Long term portion	<u>338,006</u>	<u>355,347</u>
Total due	<u>\$ 355,569</u>	<u>\$ 372,375</u>

A five year maturity of these loans is as follows as of June 30, 2015:

<u>June 30,</u>	
2016	\$ 17,563
2017	18,368
2018	19,083
2019	19,830
2020	20,608
Thereafter	<u>260,117</u>
	<u>\$ 355,569</u>

Note 9 – Permanently Restricted Net Asset

In June of 2003, the Organization entered into an agreement with the City of San Diego for a Community Development Block Grant (CDBG). This agreement was a grant for \$147,000. The general purpose of the CDBG was for the Organization to use the fund as a down payment towards the acquisition of a facility to be used as a support center for families living with HIV/AIDS.

Terms of the Agreement require the Organization to: (1) use of facility as a support center for families living with HIV/AIDS, (2) to reimburse the City for its contribution to the purchase of the facility should the organization dispose of the property or no longer provide support services for families living with HIV/AIDS.

Permanently restricted net assets are available for the following purposes as of June 30, 2015 and 2014:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
CDBG Grant	<u>\$ 147,000</u>	<u>\$ 147,000</u>

Note 10 - Lease Obligations

The Organization leases an office space and various equipment under operating leases in San Diego. The office lease expires on June 30, 2016 and the equipment leases expire in May 2017 and July 2018. Rental expense for these leases was \$30,095 and \$20,788 for the year ended June 30, 2015 and 2014 respectively. As of June 30, 2015, the Organization has future minimum lease obligations as follows:

<u>June 30,</u>	
2016	\$ 31,120
2017	8,022
2018	<u>1,440</u>
Total	<u>\$ 40,582</u>

Note 11 – Effect of Current Economic Conditions on Revenue and Support

The Organization depends heavily on contributions, fundraising events and grants for its revenue. The ability of the Organization to attract support comparable to prior years may be dependent upon current and future overall economic conditions and the continued deductibility for income tax purposes of donations to the Organization. While the Organization’s Board of Directors believes the Organization has the resources to continue its programs, its ability to do so and the extent to which it continues may be dependent on the above factors.

Note 12 – Subsequent Events

The Organization has evaluated subsequent events through October 19, 2015 the date on which the financial statements were available to be issued. The Organization is not aware of any subsequent events that require recognition or disclosure in the financial statements.

CHRISTIE'S PLACE
(A NON-PROFIT ORGANIZATION)
SUPPLEMENTAL SCHEDULES REQUIRED BY
OMB CIRCULAR A-133
JUNE 30, 2015

CHRISTIE'S PLACE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

Program Name	Grant Number	Federal CFDA Number	Direct Award	Federal Expenditure
County of San Diego HIV, STD & Hepatitis Branch of Public Health Services Ryan White Treatment Modernization Act Funds				
Ryan White Treatment Extension Act of 2009 Direct Contract	540409	93.914	\$ 698,554	\$ 698,554
California Dept. of Health/Office of AIDS- Expanded HIV Testing in Healthcare Settings	539514	93.943	99,598	99,598
Total County of San Diego			\$ 798,152	\$ 798,152
Social Innovation Fund - AIDS United	10SIHDC001	94.019	\$ 140,569	\$ 140,569
Ryan White Treatment Extension Act of 2009 UCSD Mother, Child and Adolescent HIV Program	H12HA24781	93.153	20,522	20,522
National Institute of Mental Health -Palo Alto Veterans Institute for Research	CLO0001-06	93.242	58,777	58,777
Total Others			\$ 219,869	\$ 219,869
Total Federal Awards			\$ 1,018,021	\$ 1,018,021

The accompanying notes are an integral part of the schedule of expenditures of federal awards

CHRISTIE’S PLACE
NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A – Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activities of Christie’s Place and has been prepared using the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, “Audit of States, Local Government, and Non-Profit Organizations”. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparations of the basic financial statements.

Note B – Subrecipients

Federal expenditures during the fiscal year ended included the following awards to subrecipients:

<u>Agency/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditure</u>
Social Innovation Fund - AIDS United		
Regents of the University of California	94.019	\$ 23,348
Cardea Services	94.019	23,691
Casa Cornelia Law Center	94.019	5,252
Total		\$ 52,291

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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
Christie's Place
San Diego, 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 Christie's Place (the Organization), which comprise the statement of financial position as of June 30, 2015, and the related statement of activities, and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated October 19, 2015.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. 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 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 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 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.

A handwritten signature in black ink that reads "Ruben Yu + Associates". The signature is written in a cursive, flowing style.

Encino, California
October 19, 2015

LICHTER YU AND ASSOCIATES, INC.

CERTIFIED PUBLIC ACCOUNTANTS

**16133 VENTURA BLVD., SUITE 450
ENCINO, CALIFORNIA 91436
TEL (818)789-0265 FAX (818) 789-3949**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Board of Directors
Christie's Place
San Diego, California

Report on Compliance for Each Major Federal Program

We have audited Christie's Place's (the Organization) compliance with the types of compliance requirements described in the *OMB Circular A-133 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, 2015. 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.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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, 2015.

Report on Internal Control over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered The Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

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

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

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Encino, California
October 19, 2015

**CHRISTIE'S PLACE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

Section 1 - Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards:

Internal control over major programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X None reported

Type of auditor's report issued on compliance for major program Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? _____ Yes X No

Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.914	Ryan White Treatment Extension Act of 2009 Direct Contract, Part A

Dollar Threshold Used to Distinguish between Type A and Type B Programs \$300,000

Auditee qualifies as low-risk auditee? X Yes No

Section 2 - Financial Statement Findings

None.

Section 3 - Federal Award Findings and Questioned Costs

None.

Section 4 - Summary Schedule of Prior Audit Findings

There were no findings or recommendations in the prior year that require follow-up in the current year.