

**CHRISTIE'S PLACE**  
**(A NON-PROFIT ORGANIZATION)**  
**AUDITED FINANCIAL STATEMENTS**  
**JUNE 30, 2020**  
**WITH**  
**INDEPENDENT AUDITOR'S REPORT**  
**AND**  
**SINGLE AUDIT REPORTS**

**LICHTER, YU AND ASSOCIATES, INC.**  
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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, 2020 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, 2020, 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 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 16, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, 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 Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### ***Other Reporting Required By Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2021, 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.



Woodland Hills, California  
January 27, 2021

**CHRISTIE'S PLACE**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2020**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)**

**ASSETS**

	June 30,	
	2020	2019
Cash	\$ 480,063	\$ 241,381
Grants receivable	78,976	140,874
Other assets	15,916	20,153
Fixed assets, net	514,377	528,041
<b>Total Assets</b>	<b>\$ 1,089,332</b>	<b>\$ 930,449</b>

**LIABILITIES AND NET ASSETS**

**LIABILITIES:**

Accounts payable	\$ 6,365	\$ 6,467
Accrued expenses	79,434	41,045
Deferred revenue	6,550	9,675
Notes payable	172,622	9,994
Mortgage payable	257,864	271,571
<b>Total Liabilities</b>	<b>522,835</b>	<b>338,752</b>

**NET ASSETS:**

Without donor restrictions	343,312	443,131
With donor restrictions	223,185	148,566
<b>Total Net Assets</b>	<b>566,497</b>	<b>591,697</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,089,332</b>	<b>\$ 930,449</b>

See accompanying Notes to Financial Statements

**CHRISTIE'S PLACE**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2020**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)**

	Without Donor Restrictions	With Donor Restrictions	Total	
			June 30,	
			2020	2019
<b>REVENUE AND SUPPORT</b>				
Grants	\$ 1,054,196	\$ 140,000	\$ 1,194,196	\$ 1,292,374
Other income	11,020	-	11,020	44,721
Contributions	26,744	-	26,744	20,745
In-kind contributions	10,900	-	10,900	-
Special events (net of expenses of \$12,749 and \$10,880)	13,339	-	13,339	13,758
Net assets released from restrictions	65,381	(65,381)	-	-
<b>Total Revenue and Support</b>	<b>1,181,580</b>	<b>74,619</b>	<b>1,256,199</b>	<b>1,371,598</b>
<b>Expenses</b>				
Program services	1,028,357	-	1,028,357	1,161,342
Management and general	238,061	-	238,061	213,050
Fundraising	14,981	-	14,981	18,087
<b>Total Functional Expenses</b>	<b>1,281,399</b>	<b>-</b>	<b>1,281,399</b>	<b>1,392,479</b>
<b>CHANGE IN NET ASSETS</b>	<b>(99,819)</b>	<b>74,619</b>	<b>(25,200)</b>	<b>(20,881)</b>
<b>NET ASSETS - Beginning of Year</b>	<b>443,131</b>	<b>148,566</b>	<b>591,697</b>	<b>612,578</b>
<b>NET ASSETS - End of Year</b>	<b>\$ 343,312</b>	<b>\$ 223,185</b>	<b>\$ 566,497</b>	<b>\$ 591,697</b>

See accompanying Notes to Financial Statements

CHRISTIE'S PLACE  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2020  
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)

	Programs Services			Supporting Services			Total	
	Coordinated HIV Services for Women & Families	Empowerment, Networking & Trainings	Total Program	General	Fundraising	Total Supporting Services	2020	2019
Salaries	\$ 650,492	\$ 30,867	\$ 681,359	\$ 136,624	\$ 10,944	\$ 147,568	\$ 828,927	\$ 916,680
Payroll taxes	56,011	2,412	58,423	6,827	886	7,713	66,136	80,682
Employee benefits	77,650	3,938	81,588	18,572	1,061	19,633	101,221	91,283
<b>Total Salaries and Related Expenses</b>	<b>784,153</b>	<b>37,217</b>	<b>821,370</b>	<b>162,023</b>	<b>12,891</b>	<b>174,914</b>	<b>996,284</b>	<b>1,088,645</b>
Occupancy expenses	35,130	273	35,403	11,299	-	11,299	46,702	38,136
Consultants and professional fees	14,878	346	15,224	21,937	880	22,817	38,041	61,034
Program supplies	10,495	1,597	12,092	-	-	-	12,092	4,083
Client services	12,344	25,903	38,247	-	-	-	38,247	35,671
Repairs and maintenance	4,595	-	4,595	2,462	-	2,462	7,057	25,081
Telephone	9,148	186	9,334	1,935	-	1,935	11,269	9,177
Internet expenses	2,173	37	2,210	526	-	526	2,736	2,561
In-kind expenses	-	10,900	10,900	-	-	-	10,900	-
General insurance	13,643	200	13,843	4,089	-	4,089	17,932	13,213
Staff development & appreciation	4,479	4,676	9,155	8,295	95	8,390	17,545	11,995
Equipment	13,643	-	13,643	330	-	330	13,973	13,210
Printing and copying	780	-	780	347	402	749	1,529	2,265
Storage	-	-	-	2,604	-	2,604	2,604	2,273
Equipment rental and repairs	8,949	144	9,093	2,437	-	2,437	11,530	11,960
Office supplies	8,269	82	8,351	4,492	-	4,492	12,843	13,766
Travel and mileage	974	234	1,208	2,783	-	2,783	3,991	8,163
Interest	10,519	115	10,634	2,663	-	2,663	13,297	13,695
Bank fees	-	41	41	476	-	476	517	1,005
Conference	-	782	782	-	-	-	782	4,090
Miscellaneous	225	-	225	6,926	713	7,639	7,864	18,792
<b>Total Expenses Before Depreciation</b>	<b>934,397</b>	<b>82,733</b>	<b>1,017,130</b>	<b>235,624</b>	<b>14,981</b>	<b>250,605</b>	<b>1,267,735</b>	<b>1,378,815</b>
Depreciation	11,159	68	11,227	2,437	-	2,437	13,664	13,664
<b>Total Expenses</b>	<b>\$ 945,556</b>	<b>\$ 82,801</b>	<b>\$ 1,028,357</b>	<b>\$ 238,061</b>	<b>\$ 14,981</b>	<b>\$ 253,042</b>	<b>\$ 1,281,399</b>	<b>\$ 1,392,479</b>

See accompanying Notes to Financial Statements

**CHRISTIE'S PLACE**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2020**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2019)**

	June 30,	
	2020	2019
<b>OPERATING ACTIVITIES</b>		
Change in net assets	\$ (25,200)	\$ (20,881)
Items not requiring (providing ) cash		
Depreciation	13,664	13,664
PPP loan expenses applied	(50,740)	-
Changes in		
Grants receivable	61,898	33,317
Other receivable	-	7,016
Other assets	4,237	618
Accounts payable and accrued expenses	38,287	(29,650)
Deferred revenue	(3,125)	(14,636)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>39,021</b>	<b>(10,552)</b>
<b>FINANCING ACTIVITIES</b>		
Payment on mortgage payable	(13,707)	(13,096)
Proceed from Paycheck Protection Program	219,997	-
Payment on note payable	(6,629)	(6,498)
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>199,661</b>	<b>(19,594)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>238,682</b>	<b>(30,146)</b>
<b>CASH at beginning of period</b>	<b>241,381</b>	<b>271,527</b>
<b>CASH at end of period</b>	<b>\$ 480,063</b>	<b>\$ 241,381</b>
<b>SUPPLEMENTAL INFORMATION</b>		
Interest expense paid	<b>\$ 12,953</b>	<b>\$ 13,693</b>

See accompanying Notes to Financial Statements

**CHRISTIE'S PLACE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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

Net assets are reported based on the presence or absence of donor-imposed restrictions, as follows:

- Net Assets without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The Board of Directors has discretionary control over these resources. Designated amount represent those net assets that the board has set aside for a particular purpose.
- Net Assets with Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

The Organization has elected to present contributions with donor restriction that are fulfilled in the same period within the net assets without donor restrictions class.

Summarized Financial Information for 2019

The accompanying financial information as of and for the year ended June 30, 2019, 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, 2019, from which the summarized information was derived.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis in conformity with generally accepted accounting principles. Accordingly, the financial statements reflect all significant receivables, payables, and other liabilities.

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 amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.



## Revenue Recognition

All contributions are considered without restrictions unless specifically restricted by the donor. Contributions are recognized when the donor makes a promise to give, in substance and unconditionally. It is the Organization's policy to treat donor-restricted contributions whose restrictions are met in the same reporting period as unrestricted. Donations that are not expended in the current year are classified as with donor restriction.

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

## 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 receivable at June 30, 2020 and 2019.

## 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 \$78,976 and \$140,874 as of June 30, 2020 and 2019, 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 level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The Organization's statements of financial position did not have financial instruments that required to be measured at fair value on a recurring basis.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period. The Organization evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. There were no transfers between Level 1, Level 2, or Level 3 for the fiscal year ended June 30, 2020.

#### 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. Details for the donated in-kind contributions recorded at their estimated fair market values are as follows:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Program supplies	\$ 10,900	\$ -
	<u>\$ 10,900</u>	<u>\$ -</u>

#### 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, 2020 and 2019.

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, 2020, 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, 2014.

### Recently Issued Accounting Pronouncement

In February 2016, the FASB issued ASU No. 2016-02, Leases, which is intended to improve financial reporting about leasing transactions. ASU No. 2016-02 requires that leased assets be recognized as assets on the statement of financial position and the liabilities for the obligations under the lease also be recognized on the statement of financial position. ASU No. 2016-02 requires disclosures to help investors and other financial statement users better understand the amount, timing and uncertainty of cash flows arising from leases. The required disclosures include qualitative and quantitative requirements. ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2019 and interim periods within those fiscal years beginning after December 15, 2020. Early adoption is permitted. ASU No. 2016-02 must be adopted using a modified retrospective transition, and provides for certain practical expedients. Transition will require application of the new guidance at the beginning of the earliest comparative period presented.

In June 2018, the FASB issued ASU No. 2018-08, Not-for-Profit Entities (Topic 958) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. ASU No. 2018-08 improves the current guidance on determining whether transactions are contributions or exchange transactions. ASU No. 2018-08 also requires determining if a contribution is conditional on the basis of whether an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. ASU No. 2018-08 is effective for resource recipients for annual reporting periods beginning after December 15, 2018 and for resource providers for annual reporting periods beginning after December 15, 2019.

### Reclassification

Certain prior period amounts have been reclassified to conform to the fiscal year ended June 30, 2020 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, 2020 and 2019, the balances were insured by the Federal Deposit Insurance Corporation up to \$250,000. As of June 30, 2020 and 2019, the Organization had approximately \$230,000 and \$0 in uninsured cash balances held at the bank, respectively. 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,	
	2020	2019
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	(197,818)	(184,154)
	<u>\$ 514,377</u>	<u>\$ 528,041</u>

Depreciation expense was \$13,664 for the years ended June 30, 2020 and 2019.

#### 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, 2020 and 2019, vacation liability exists in the amount of \$43,380 and \$16,958 respectively.

#### Note 8 – Accrued Expenses

Accrued expenses at June 30, 2020 and 2019, consisted of the following:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Accrued payroll and related expenses	\$ 35,708	\$ 24,087
Accrued vacation	43,380	16,958
Accrued interest	346	-
	<u>\$ 79,434</u>	<u>\$ 41,045</u>

#### Note 9 – 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, 2013. Terms of the refinance was for \$340,000 with interest rate at 4.75% and monthly payments of \$2,210 beginning September 10, 2013 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, 2020 and 2019, loan balance was \$257,864 and \$271,571 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, 2020 and 2019, the loan balance was \$3,365 and \$9,994 respectively. The loan was paid in full in October 2020.

##### Paycheck Protection Program

On April 29, 2020, the Organization received a loan from the Paycheck Protection Program (PPP) in the amount of \$219,997 with interest at 1% and maturity on April 29, 2022. The loan is to be repaid starting November 29, 2020. The Organization applied \$53,740 in direct expenses related to cover payroll and certain other expenses in accordance with the requirement of the PPP. Due to constant changes in the PPP, no payment has been deducted by the bank and the bank is evaluation the repayment dates at this time. As of June 30, 2020, loan balance after expenses applied was \$169,257 and accrued interest of \$346.

As of June 30, 2020 and 2019, total mortgage and notes payable outstanding were as follows:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Current portion	\$ 102,000	\$ 20,570
Long term portion	<u>328,486</u>	<u>260,995</u>
Total due	<u>\$ 430,486</u>	<u>\$ 281,565</u>

A five year maturity of these loans is as follows as of June 30, 2020:

June 30,			
	2021	\$	102,000
	2022		100,503
	2023		16,037
	2024		<u>211,946</u>
		<u>\$</u>	<u>430,486</u>

#### Note 10 – Employee Benefit Plan

The Organization provides a 401(k) defined contribution plan (the Plan) for substantially all employees. In addition to employee contributions, The Organization makes matching contribution to the Plan up to 3% of each participant’s annual compensation. All employees who work at least 1,000 hours per year and are at least 21 years of age and completed 3 months of services are eligible to participate. Contributions made by the Organization to the Plan totaled \$35,295 and \$20,808 for the years ended June 30, 2020 and 2019, respectively.

#### Note 11 - Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts available include donor restricted amounts that are available for general expenditure in the following year. Amounts not available include amounts set aside for science that could be drawn upon if the Board of Directors approves that action.

	<u>June 30, 2020</u>
Financial assets:	
Cash and cash equivalents	\$ 480,063
Grants and other receivable, current portion	78,976
Less contractual or donor-imposed restrictions:	
Donor restrictions for specific purpose and time	<u>(223,185)</u>
Financial assets available within one year of the statement of financial position date for general expenditure	<u>\$ 335,854</u>

#### Note 12 – Net Assets with Donor Restrictions

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.

Net assets with donor restrictions consist of the following:

	<u>June 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2020</u>
CDBG Grant	\$ 147,000	\$ -	\$ -	\$ 147,000
Gilead	-	115,000	(50,200)	64,800
Viiv	-	25,000	(14,325)	10,675
Faith Based Action Coalition	1,566	-	(856)	710
	<u>\$ 148,566</u>	<u>\$ 140,000</u>	<u>\$ (65,381)</u>	<u>\$ 223,185</u>

Note 13 - Lease Obligations

The Organization leases an office space, storage space and various equipment under operating leases in San Diego. The office lease expires on June 30, 2021 and the equipment leases expire in May 2021 and August 2022. Rental expense for these leases was \$36,478 and \$36,908 for the year ended June 30, 2020 and 2019 respectively. As of June 30, 2020, the Organization has future minimum lease obligations as follows:

<u>June 30,</u>	
2021	\$ 31,040
2022	1,014
2023	<u>169</u>
Total	<u>\$ 32,223</u>

Note 14 – Effect of Current Economic Conditions on Revenue and Support

As a result of the spread of the SARS-CoV-2 virus and the incidence of Covid-19, economic uncertainties have arisen which may negatively affect the financial positions, result of operations, and cash flows of the Organization. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

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 15 – Subsequent Events

The Organization has evaluated subsequent events through January 27, 2021 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)**  
**SINGLE AUDIT REPORTS**  
**JUNE 30, 2020**

**LICHTER, YU AND ASSOCIATES, INC.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

21031 VENTURA BLVD., SUITE 316  
WOODLAND HILLS, CA 91364  
TEL (818)789-0265 FAX (818) 789-3949

**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, 2020, 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 January 27 2021.

**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 "Luttinger, Yu & Associates". The signature is written in a cursive, flowing style.

Woodland Hills, California  
January 27, 2021

**LICHTER, YU AND ASSOCIATES, INC.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

21031 VENTURA BLVD., SUITE 316  
WOODLAND HILLS, CA 91364  
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

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 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, 2020. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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, 2020.

## ***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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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. However, material weaknesses may exist that have not been identified.

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



Woodland Hills, California  
January 27, 2021

**CHRISTIE'S PLACE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

<b>Federal Grantor/ Federal Program or Cluster Title</b>		<b>Federal CFDA</b>	<b>Federal</b>
<b>Pass-Through Grantor/ Grant Name</b>	<b>Grants Number</b>	<b>Number</b>	<b>Expenditures</b>
<b>U.S. Department of Health and Human Services</b>			
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	557753	93.914	\$ 959,793
<b>Total County of San Diego</b>			<b>\$ 959,793</b>
Ryan White Treatment Extension Act of 2009			
UCSD Mother, Child and Adolescent HIV Program	H12HA24781	93.153	\$ 2,234
<b>Total Others</b>			<b>\$ 2,234</b>
<b>Total Federal Awards</b>			<b>\$ 962,027</b>

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

**CHRISTIE'S PLACE**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Note A – Basis of Accounting**

The accompanying restated Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activities of Christie's Place (the Organization) for the year ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

**Note B – Summary of Significant Accounting Policies**

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, either the cost principles contained in the Uniform Guidance or in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

**Note C – Catalog of Federal Domestic Assistance (CFDA) Number**

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2019 *Catalog of Federal Domestic Assistance*. When no CFDA number had been assigned to a program, the two-digit federal agency identifier and the federal contract number were used. When there was no federal contract number, the two-digit federal agency identifier and the word "unknown" were used.

**Note D – Indirect Cost Rate**

The Organization elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**CHRISTIE'S PLACE  
(A NON-PROFIT ORGANIZATION)  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2020**

**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 2 CFR 200.516(a)? \_\_\_\_\_ 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 County of San Diego HIV, STD & Hepatitis Branch of Public Health Service Ryan White Treatment Modernization Act Funds

Dollar Threshold Used to Distinguish between Type A and Type B Programs \_\_\_\_\_ \$750,000 \_\_\_\_\_

Auditee qualifies as low-risk auditee? \_\_\_\_\_   X   Yes \_\_\_\_\_ No

**Section 2 - Financial Statement Findings**

No matters were reported.

**Section 3 - Federal Award Findings and Questioned Costs**

No matters were reported.

**Section 4 - Auditee's summary schedule of prior audit findings required to be reported in accordance with 2 CFR 200.511(b)?**

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