CHRISTIE'S PLACE

(A NON-PROFIT ORGANIZATION)

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2021

WITH

INDEPENDENT AUDITOR'S REPORT

AND

SINGLE AUDIT REPORTS

LICHTER, YU AND ASSOCIATES, INC.
CERTIFIED PUBLIC ACCOUNTANTS

20700 VENTURA BLVD., SUITE 236
WOODLAND HILLS, CA 91364
TEL (818)789-0265 FAX (818) 789-3949

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, 2021 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, 2021, 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 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 27, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, 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 Standard*s, we have also issued our report dated February 15, 2022, 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.

Lutter, Yu + Associates

Woodland Hills, California
February 15, 2022

CHRISTIE'S PLACE
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2020)

ASSETS

	June 30, 2021	June 30, 2020
Cash	$ 414,374	$ 480,063
Grants receivable	224,482	78,976
Prepaid expenses	11,705	15,916
Fixed assets, net	500,713	514,377
Total Assets	$ 1,151,274	$ 1,089,332

LIABILITIES AND NET ASSETS

	June 30, 2021	June 30, 2020
LIABILITIES:		
Accounts payable	$ 13,495	$ 6,365
Accrued expenses	77,258	79,434
Deferred revenue	-	6,550
Notes payable	168,887	172,622
Mortgage payable	243,448	257,864
Total Liabilities	503,088	522,835
NET ASSETS:		
Without donor restrictions	407,063	343,312
With donor restrictions	241,123	223,185
Total Net Assets	648,186	566,497
Total Liabilities and Net Assets	$ 1,151,274	$ 1,089,332

See accompanying Notes to Financial Statements

CHRISTIE'S PLACE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2020)

	Without Donor Restrictions	With Donor Restrictions	Total June 30, 2021	Total June 30, 2020
REVENUE AND SUPPORT				
Grants and sponsorships	$ 1,216,282	$ 124,141	$ 1,340,423	$ 1,194,196
Other income	60,258	-	60,258	11,020
Contributions	18,956	-	18,956	26,744
In-kind contributions	8,700	-	8,700	10,900
Special events (net of expenses of $3,482 and $12,749)	34,188	-	34,188	13,339
Net assets released from restrictions	106,203	(106,203)	-	-
Total Revenue and Support	1,444,587	17,938	1,462,525	1,256,199
Expenses				
Program services	1,277,067	-	1,277,067	1,028,357
Management and general	71,222	-	71,222	238,061
Fundraising	32,547	-	32,547	14,981
Total Functional Expenses	1,380,836	-	1,380,836	1,281,399
CHANGE IN NET ASSETS	63,751	17,938	81,689	(25,200)
NET ASSETS - Beginning of Year	343,312	223,185	566,497	591,697
NET ASSETS - End of Year	$ 407,063	$ 241,123	$ 648,186	$ 566,497

See accompanying Notes to Financial Statements

CHRISTIE'S PLACE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2020)

	Programs Services			Supporting Services			Total	
	Coordinated HIV Services for Women & Families	Empowerment, Networking & Trainings	Total Program	General	Fundraising	Total Supporting Services	2021	2020
Salaries	$ 639,470	$ 166,596	$ 806,066	$ 29,316	$ 23,986	$ 53,302	$ 859,368	$ 828,927
Payroll taxes	50,938	12,432	63,370	2,508	2,052	4,560	67,930	66,136
Employee benefits	63,612	21,341	84,953	4,674	3,824	8,498	93,451	101,221
Total Salaries and Related Expenses	754,020	200,369	954,389	36,498	29,862	66,360	1,020,749	996,284
Occupancy expenses	32,775	6,177	38,952	2,906	-	2,906	41,858	46,702
Consultants and professional fees	61,923	20,242	82,165	2,753	-	2,753	84,918	38,041
Subcontractors	-	6,000	6,000	-	-	-	6,000	-
Program supplies	44,371	5,182	49,553	630	1,449	2,079	51,632	12,092
Client services	13,664	3,681	17,345	3,913	-	3,913	21,258	38,247
Repairs and maintenance	1,500	3,283	4,783	3,552	-	3,552	8,335	7,057
Telephone	10,165	5,622	15,787	1,680	-	1,680	17,467	11,269
Internet expenses	2,116	142	2,258	483	-	483	2,741	2,736
In-kind expenses	-	8,700	8,700	-	-	-	8,700	10,900
General insurance	10,585	3,173	13,758	5,015	-	5,015	18,773	17,932
Staff development & appreciation	1,816	13,642	15,458	697	-	697	16,155	17,545
Equipment	3,927	5,874	9,801	-	-	-	9,801	13,973
Printing and copying	-	104	104	-	293	293	397	1,529
Storage	771	2,140	2,911	-	-	-	2,911	2,604
Equipment rental and repairs	10,538	899	11,437	1,007	-	1,007	12,444	11,530
Office supplies	5,845	1,991	7,836	1,596	175	1,771	9,607	12,843
Travel and mileage	1,631	842	2,473	465	184	649	3,122	3,991
Interest	9,682	145	9,827	2,639	-	2,639	12,466	13,297
Bank fees	42	25	67	228	35	263	330	517
Conference	2,358	5,914	8,272	-	269	269	8,541	782
Miscellaneous	485	4,116	4,601	4,086	280	4,366	8,967	7,864
Total Expenses Before Depreciation	968,214	298,263	1,266,477	68,148	32,547	100,695	1,367,172	1,267,735
Depreciation	10,590	-	10,590	3,074	-	3,074	13,664	13,664
Total Expenses	$ 978,804	$ 298,263	$ 1,277,067	$ 71,222	$ 32,547	$ 103,769	$ 1,380,836	$ 1,281,399

See accompanying Notes to Financial Statements

CHRISTIE'S PLACE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2020)

	June 30, 2021	June 30, 2020
OPERATING ACTIVITIES		
Change in net assets	$ 81,689	$ (25,200)
Items not requiring (providing) cash		
Depreciation	13,664	13,664
PPP loan forgiveness	(569)	(50,740)
Changes in		
Grants receivable	(145,506)	61,898
Prepaid expenses	4,211	4,237
Accounts payable and accrued expenses	4,954	38,287
Deferred revenue	(6,550)	(3,125)
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(48,107)	39,021
FINANCING ACTIVITIES		
Payment on mortgage payable	(14,416)	(13,707)
Proceed from Paycheck Protection Program	-	219,997
Payment on note payable	(3,166)	(6,629)
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	(17,582)	199,661
NET (DECREASE) INCREASE IN CASH	(65,689)	238,682
CASH at beginning of period	480,063	241,381
CASH at end of period	$ 414,374	$ 480,063
SUPPLEMENTAL INFORMATION		
Interest expense paid	$ 12,466	$ 13,297

See accompanying Notes to Financial Statements

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 2020

The accompanying financial information as of and for the year ended June 30, 2020, 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, 2020, 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, 2021 and 2020.

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 $224,482 and $78,976 as of June 30, 2021 and 2020, 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 entirely 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, 2021.

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:

	June 30, 2021	June 30, 2020
Program supplies	$ 8,700	$ 10,900
	$ 8,700	$ 10,900

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. Therefore, no provision for federal or California income tax is reflected in the financial statements.

The Organization follows the provisions of FASB ASC 740-10, *Income Taxes,* and accordingly, the Organization accounts for uncertain tax positions by recording a liability for unrecognized tax benefits resulting from uncertain tax positions taken, or expected to be taken, in its tax returns. The Organization recognizes the effect of income tax positions only if those positions are more likely than not of being sustained by the appropriate taxing authorities. The Organization does not believe that its financial statements include any uncertain tax positions and accordingly, has not recognized any liability for unrecognized tax benefits in the accompanying financial statements

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, 2021 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, 2021 and 2020, the balances were insured by the Federal Deposit Insurance Corporation up to $250,000. As of June 30, 2021 and 2020, the Organization had approximately $165,000 and $230,000 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, 2021	June 30, 2020
Furniture and Equipment	$ 21,832	$ 21,832
Building Improvements	83,080	83,080
Building and Land	607,284	607,284
	712,196	712,196
Accumulated Depreciation	(211,482)	(197,818)
	$ 500,713	$ 514,377

Depreciation expense was $13,664 for the years ended June 30, 2021 and 2020.

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:

Months of Employment	Monthly Accrual Rate (Hours)	Vacation Accrual Cap
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, 2021 and 2020, vacation liability exists in the amount of $42,699 and $43,380 respectively.

Note 8 – Accrued Expenses

Accrued expenses at June 30, 2021 and 2020, consisted of the following:

	June 30, 2021	June 30, 2020
Accrued payroll and related expenses	$ 34,559	$ 35,708
Accrued vacation	42,699	43,380
Accrued interest	-	346
	$ 77,258	$ 79,434

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 $209,386 is due. The mortgage note is a first trust deed secured by the Organization's building. As of June 30, 2021 and 2020, loan balance was $243,448 and $257,864 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, 2021. The note is secured by the Organization's building. As of June 30, 2021 and 2020, the loan balance was $0 and $3,365 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. Loan balance in the amount of $51,456 was forgiven with the balance to be repaid. As of June 30, 2021, loan balance was $168,887 with monthly payment of $19,053 beginning September 2021.

As of June 30, 2021 and 2020, total mortgage and notes payable outstanding were as follows:

	June 30, 2021	June 30, 2020
Current portion	$ 174,163	$ 102,000
Long term portion	238,161	328,486
Total due	$ 412,324	$ 430,486

Maturity of these loans is as follows as of June 30, 2021:

June 30,	
2022	$ 174,163
2023	16,029
2024	222,132
	$ 412,324

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 $24,299 and $35,295 for the years ended June 30, 2021 and 2020, 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.

	June 30, 2021
Financial assets:	
Cash and cash equivalents	$ 414,374
Grants and other receivable, current portion	224,482
Less contractual or donor-imposed restrictions:	
Donor restrictions for specific purpose and time	(241,123)
Financial assets available within one year of the statement of financial position date for general expenditure	$ 397,733

As part of the Organization's liquidity management, it will structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

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 funds 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:

	June 30, 2020	Additions	Deletions	June 30, 2021
CDBG Grant	$ 147,000	$ -	$ -	$ 147,000
Faith Based Action Coalition	710	-	-	710
Gilead	64,800	50,000	(88,411)	26,389
Viiv	10,675	35,000	(16,282)	29,393
AIDS United POP	-	35,000	(567)	34,433
The San Diego Founation Covid-19 Community Response Fund	-	4,141	(943)	3,198
	$ 223,185	$ 124,141	$ (106,203)	$ 241,123

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 2021and August 2022. Rental expense for these leases was $38,136 and $36,478 for the year ended June 30, 2021 and 2020 respectively. As of June 30, 2021, the Organization has future minimum lease obligations as follows:

June 30,	
2022	$ 1,014
2023	169
Total	$ 1,183

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 financials effects cannot be reasonable 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 February XX, 2022 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, 2021

LICHTER, YU AND ASSOCIATES, INC.
CERTIFIED PUBLIC ACCOUNTANTS

20700 VENTURA BLVD., SUITE 236
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, 2021, 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 February 15, 2022.

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.

Woodland Hills, California
February 15, 2022

LICHTER, YU AND ASSOCIATES, INC.
CERTIFIED PUBLIC ACCOUNTANTS

20700 VENTURA BLVD., SUITE 236
WOODLAND HILLS, CA 91364
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 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, 2021. 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, 2021.

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.

Lutter, Yu + Associates

Woodland Hills, California
February 15, 2022

CHRISTIE'S PLACE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/ Federal Program or Cluster Title Pass-Through Grantor/ Grant Name	Grants Number	Federal CFDA Number	Federal Expenditures
U.S. Department of Health and Human Services			
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	$ 962,939
Total County of San Diego			**$ 962,939**
Total Federal Awards			**$ 962,939**

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, 2021. 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 2020 *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, 2021

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:

CFDA Number(s)	Name of Federal Program or Cluster
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.