CHRISTIE'S PLACE

(A NON-PROFIT ORGANIZATION)

FINANCIAL STATEMENTS, INDEPENDENT AUDITOR'S REPORT AND UNIFORM GUIDANCE REPORTS

FOR THE YEAR ENDED JUNE 30, 2023

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 audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Christie's Place (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Christie's Place as of June 30, 2023, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Christie's Place and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, Christie's Place has changed its method of accounting for leases as of July 1, 2022 due to the adoption of ASU 2016-02, *Leases (*Topic 842). Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Christie's Place's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards,* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Christie's Place's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Christie's Place's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2024, on our consideration of the Christie's Place's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Christie's Place's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Christie's Place's internal control over financial reporting and compliance.

Luther, Yu + Associates

Woodland Hills, California
March 25, 2024

CHRISTIE'S PLACE
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

ASSETS

	June 30, 2023	June 30, 2022
Cash	$ 646,381	$ 510,892
Grants receivable	263,937	148,810
Prepaid expenses	5,119	5,229
Finance Lease Right-of-Use Asset, Net of Accumulated Amortization of $5,765	52,847	-
Fixed assets, net	473,508	487,110
Total Assets	$ 1,441,792	$ 1,152,041

LIABILITIES AND NET ASSETS

	June 30, 2023	June 30, 2022
LIABILITIES:		
Accounts payable	$ 8,239	$ 18,290
Accrued expenses	36,625	46,740
Finance lease liability	53,222	-
Mortgage payable	213,787	228,322
Total Liabilities	311,873	293,352
NET ASSETS:		
Without donor restrictions	584,194	464,268
With donor restrictions	545,725	394,421
Total Net Assets	1,129,919	858,689
Total Liabilities and Net Assets	$ 1,441,792	$ 1,152,041

See accompanying Notes to Financial Statements

CHRISTIE'S PLACE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	Without Donor Restrictions	With Donor Restrictions	Total June 30, 2023	Total June 30, 2022
REVENUE AND SUPPORT				
Grants and sponsorships	$ 1,353,415	$ 550,000	$ 1,903,415	$ 1,537,810
Other income	1,889	-	1,889	10,892
Contributions	9,839	-	9,839	11,747
In-kind contributions	665	-	665	9,000
Special events (net of expenses of $5,243 and $15,418)	67,805	-	67,805	55,337
Net assets released from restrictions	398,696	(398,696)	-	-
Total Revenue and Support	1,832,309	151,304	1,983,613	1,624,786
Functional Expenses				
Program services	1,614,927	-	1,614,927	1,312,650
Management and general	86,019	-	86,019	89,924
Fundraising	11,437	-	11,437	11,709
Total Functional Expenses	1,712,383	-	1,712,383	1,414,283
CHANGE IN NET ASSETS	119,926	151,304	271,230	210,503
NET ASSETS - Beginning of Year	464,268	394,421	858,689	648,186
NET ASSETS - End of Year	$ 584,194	$ 545,725	$ 1,129,919	$ 858,689

See accompanying Notes to Financial Statements

CHRISTIE'S PLACE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	Programs Services			Supporting Services			Total	
	Coordinated HIV Services for Women & Families	Empowerment, Networking & Trainings	Total Program	General	Fundraising	Total Supporting Services	2023	2022
Salaries	$ 732,733	$ 242,324	$ 975,057	$ 25,319	$ 1,961	$ 27,280	$ 1,002,337	$ 821,798
Payroll taxes	60,730	20,396	81,126	2,596	206	2,802	83,928	66,089
Employee benefits	48,030	15,884	63,914	1,660	129	1,789	65,703	89,074
Total Salaries and Related Expenses	841,493	278,604	1,120,097	29,575	2,296	31,871	1,151,968	976,961
Occupancy expenses	47,659	8,981	56,640	801		801	57,441	52,176
Consultants and professional fees	26,900	97,147	124,047	13,783	4,456	18,239	142,286	122,186
Subcontractors	-	30,788	30,788	-	-	-	30,788	8,889
Program supplies	11,970	27,413	39,383	1,018	-	1,018	40,401	30,415
Client services	17,664	74,090	91,754	554	-	554	92,308	52,869
Repairs and maintenance	2,571	1,238	3,809	402	-	402	4,211	15,177
Telephone	10,752	4,297	15,049	51	-	51	15,100	13,470
Internet expenses	8,291	4,554	12,845	508	-	508	13,353	7,407
In-kind expenses	-	-	-	665	-	665	665	9,000
General insurance	17,218	7,043	24,261	2,942	-	2,942	27,203	18,061
Staff development & appreciation	7,175	5,874	13,049	2,722	-	2,722	15,771	22,183
Equipment	4,320	7,467	11,787	2,494	-	2,494	14,281	10,203
Printing and copying	1,661	6,385	8,046	-	138	138	8,184	6,235
Storage	3,133	602	3,735	51	-	51	3,786	3,294
Equipment rental and amortization expense	12,335	984	13,319	611	779	1,390	14,709	13,969
Office supplies	6,119	1,894	8,013	121	-	121	8,134	8,007
Travel and mileage	3,484	6,397	9,881	1,410	235	1,645	11,526	6,851
Interest	-	-	-	13,564	-	13,564	13,564	11,930
Bank fees	-	-	-	-	559	559	559	595
Conference and community events	-	20,433	20,433	460	936	1,396	21,829	7,332
Miscellaneous	3,719	4,272	7,991	684	2,038	2,722	10,713	3,470
Total Expenses Before Depreciation	1,026,464	588,463	1,614,927	72,416	11,437	83,853	1,698,780	1,400,680
Depreciation	-	-	-	13,603	-	13,603	13,603	13,603
Total Expenses	1,026,464	588,463	1,614,927	86,019	11,437	97,456	1,712,383	$ 1,414,283

See accompanying Notes to Financial Statements

CHRISTIE'S PLACE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	June 30, 2023	June 30, 2022
OPERATING ACTIVITIES		
Change in net assets	$ 271,230	$ 210,503
Adjustments to reconcile change in net assets to net cash provided by operating activites		
Depreciation	13,603	13,603
Non cash finance lease expense	374	-
Changes in assets and liabilities		
Grants receivable	(115,127)	75,672
Prepaid expenses	110	6,476
Accounts payable and accrued expenses	(20,166)	(25,723)
NET CASH PROVIDED BY OPERATING ACTIVITIES	150,024	280,531
FINANCING ACTIVITIES		
Payment on mortgage payable	(14,535)	(15,126)
Payment on Paycheck Protection Program	-	(168,887)
NET CASH (USED IN) FINANCING ACTIVITIES	(14,535)	(184,013)
NET INCREASE IN CASH	135,489	96,518
CASH at beginning of period	510,892	414,374
CASH at end of period	$ 646,381	$ 510,892
SUPPLEMENTAL INFORMATION		
Interest expense paid	$ 13,564	$ 11,930
NONCASH TRANSACTIONS FROM INVESTING AND FINANCING ACTIVITIES		
Establishment of Finance Right-of-Use-Asset	$ 58,612	$ -
Establishment of Finance Lease Liability	58,612	-

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.

- 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 those 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 restrictions that are fulfilled in the same period within the net assets without donor restrictions class.

Summarized Financial Information for 2022

The accompanying financial information as of and for the year ended June 30, 2022, 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, 2022, from which the summarized information was derived.

Basis of Accounting

The accompanying financial statements have been prepared on an 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 restrictions.

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, 2023 and 2022.

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 $263,937 and $148,810 as of June 30, 2023 and 2022, respectively consists of grants from government agencies which are deemed fully collectible within one year.

Right-of-Use Assets and Lease Liabilities

Lease liabilities are initially measured at the present value of minimum lease payments using a risk-free rate that approximates the remaining term of the lease. The right-of-use asset is the lease liability adjusted for other lease-related accounts. Management considered the likelihood of exercising renewal or termination clauses (if any) in measuring the Organization’s right-of-use assets and lease liabilities. Operating lease expense and finance lease amortization expense is allocated over the remaining lease term on a straight-line basis. Finance lease interest expense is calculated using a risk-free rate that approximates the remaining term of the lease multiplied by the outstanding finance lease liability.

The Organization considers lease with initial terms of twelve months or less, and no option to purchase the underlying asset, to be short-term leases. Accordingly, short-term lease costs are expensed over the remaining lease term, with no corresponding right-of-use asset or lease liability. In addition, the Organization does not separate non-lease components from lease components (if any) when determining the payments for leases of office equipment.

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.

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, 2023.

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, 2023	**June 30, 2022**
Program supplies	$ 665	$ 9,000
	$ 665	$ 9,000

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities 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 Adopted Accounting Pronouncement

The Financial Accounting Standards Board (FASB) issued ASU No. 2016-02, *Leases (Topic 842)*. Effective July 1, 2022, the Organization adopted FASB ASC 842, *Leases* using the modifies retrospective approach with July 1, 2022, as the initial date of application. Management has elected to apply all practical expedients available under the new guidance, which allows the Organization to: (1) not reassess whether any expired or existing contracts previously assessed as not containing leases are, or contain, leases: (2) not reassess the lease classification for any expired or existing leases: (3) not reassess initial direct costs for any existing leases. The Organization also elected to apply the practical expedient to use hindsight in determining the lease term.

The new standard establishes a right-of-use assets and lease liabilities for all leases terms greater than twelve months. Accordingly, an operating right-of-use asset and lease liability totaling approximately $25,907 and $26,309, respectively was recognized as of July 1, 2022. The operating lease ended on June 30, 2023. The implementation of the standard did not have impact of the Organization's operating results and cash flows.

Reclassification

Certain prior period amounts have been reclassified to conform to the fiscal year ended June 30, 2023 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, 2023 and 2022, the balances were insured by the Federal Deposit Insurance Corporation up to $250,000. As of June 30, 2023 and 2022, the Organization had approximately $396,000 and $260,000 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, 2023	June 30, 2022
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	(238,688)	(225,085)
	$ 473,508	$ 487,110

Depreciation expenses was $13,603 and $13,603 for the years ended June 30, 2023 and 2022.

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, 2023 and 2022, vacation liability exists in the amount of $33,794 and $43,163 respectively.

Note 8 – Accrued Expenses

Accrued expenses at June 30, 2023 and 2022, consisted of the following:

	June 30, 2022	**June 30, 2022**
Accrued expenses	$ 330	$ -
Employee benefits	2,501	3,577
Accrued vacation	33,794	43,163
	$ 36,625	$ 46,740

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, subsequently refinance on August 3, 2013 in the amount of $340,000. This mortgage was subsequently refinanced for $213,787 with Bank of America on June 1, 2023 with interest rate at 5.91% and monthly payments of $2,365 beginning July 1, 2023 until June 1, 2028 when the final payment of approximately $124,240 is due. The mortgage note is a first trust deed secured by the Organization's building. As of June 30, 2023 and 2022, loan balance was $213,787 and $228,322 respectively.

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, 2022, loan balance was $168,887 with monthly payment of $19,053 beginning September 2022. The loan balance of$168,887 was paid in full in February 2022.

As of June 30, 2023 and 2022, total mortgage and notes payable outstanding were as follows:

	June 30, 2023	June 30, 2022
Current portion	$ 16,173	$ 16,021
Long term portion	197,614	212,301
Total due	$ 213,787	$ 228,322

Maturity of these loans is as follows as of June 30, 2023:

June 30,	
2024	$ 16,173
2025	17,155
2026	18,197
2027	19,302
Thereafter	142,960
	$ 213,787

Note 10 – Employee Benefit Plan

The Organization provides a 401(k) 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 have completed 3 months of services are eligible to participate. Contributions made by the Organization to the Plan totaled $18,491 and $21,803 for the years ended June 30, 2023 and 2022, 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, 2023
Financial assets:	
Cash and cash equivalents	$ 646,381
Grants and other receivable, current portion	263,937
Less contractual or donor-imposed restrictions:	
Donor restrictions for specific purpose and time	(545,725)
Financial assets available within one year of the statement of financial position date for general expenditure	$ 364,593

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, 2022	Additions	Expenditure/ Release	June 30, 2023
CDBG Grant	$ 147,000	$ -	$ -	$ 147,000
Gilead	175,482	450,000	(281,175)	344,307
Viiv	61,939	100,000	(107,521)	54,418
Johnson and Johnson	10,000	-	(10,000)	-
	$ 394,421	$ 550,000	$ (398,696)	$ 545,725

Note 13 - Leases

Operating Lease

The Organization was obligated under an operating lease agreement for their office space through June 30, 2023. The Organization renewed the lease for 36 months on July 1, 2023. The renewal was not part of the original lease agreement.

Total operating lease cost was $26,862 for the fiscal year ended June 30, 2023. Total cash flows from the operating lease were $27,264 for the fiscal year ended June 30, 2023.

Maturity of the operating lease liability as of July 1, 2023 for the new lease, is as follows:

For the Fiscal Years Ending June 30,	Amount
2024	$ 26,092
2025	29,664
2026	30,864
Total Undiscounted Minimum Lease Payments	86,620
Less Discount to Present Value	(5,261)
Total Operating Lease Liability	$ 81,359

The supplementary qualitative operating lease information is as follows:

Supplementay Qualitative Operating Lease Information	Amount
Remaining Lease Terms (Years)	3
Risk Free Discount Rate	4.00%

Finance Lease

The Organization was obligated under a non-cancelable finance lease for certain office equipment through January 2028. Amortization on the finance right-of-use asset totaled $5,765 and is included in the equipment rental and amortization expense on the statement of functional expenses for the fiscal year ended June 30, 2023. The accumulated amortization on the finance right-of-use asset was $5,765 as of June 30, 2023. Interest expense on the finance lease liability totaled $817 for the fiscal year ended June 30, 2023.

Maturity of the finance lease liability as of June 30, 2023, is as follows:

For the Fiscal Years Ending June 30,	Amount
2024	$ 12,415
2025	12,415
2026	12,415
2027	12,415
2028	7,242
Total Undiscounted Minimum Lease Payments	56,902
Less Discount to Present Value	(3,680)
Total Finance Lease Liability	$ 53,222

The supplementary qualitative finance lease information is as follows:

Supplementay Qualitative Finance Lease Information	Amount
Interest paid for Amounts Included in the Measurement of Finance Lease Liabilities - Operating Cash Flows	$ 817
Remaining Lease Terms (Years)	4.58
Risk Free Discount Rate	2.90%

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 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 March 25, 2024, which is the date 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)

UNIFORM GUIDANCE REPORTS

JUNE 30, 2023

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 (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 25, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Christie's Place's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Christie's Place's internal control. Accordingly, we do not express an opinion on the effectiveness of the Christie's Place's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Christie's Place's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope 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
March 25, 2024

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

Opinion on Each Major Federal Program

We have audited Christie's Place's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Christie's Place's major federal programs for the year ended June 30, 2023. Christie's Place's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Christie's Place complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Christie's Place and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Christie's Place's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Christie's Place's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Christie's Place's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Christie's Place's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Christie's Place's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Christie's Place's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Christie's Place's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Luther, Yu & Associates

Woodland Hills, California
March 25, 2024

CHRISTIE'S PLACE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/ Federal Program or Cluster Title / Pass-Through Grantor/ Grant Name	Grants Number	Federal CFDA Number		Federal Expenditures
MAJOR PROGRAMS				
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	$	1,021,562
Total Major Programs			**$**	**1,021,562**
NONMAJOR PROGRAMS				
U.S. Department of Health and Human Services				
County of San Diego				
HIV, STD & Hepatitis Branch of Public Health Services				
Ending the HIV Epidemic: A Play for America				
HRSA 20-078 End the HIV Epidemic				
Direct Contract	565588	93.686	$	61,217
Total Expenditure of Federal Awards			**$**	**1,082,779**

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 (Schedule) includes the federal grant activities of Christie's Place (the Organization) for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Christie's Place, it is not intended to and does not present the statements of financial positions, activities, functional expenses, or cash flows.

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 the cost principles contained in the Uniform Guidance, where certain types of expenditures are not allowable or are limited as to reimbursement.

Note C – 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, 2023

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	None reported
Significant deficiency(ies) identified?		Yes	X	None reported
Noncompliance material to financial statements noted?		Yes	X	None reported

Federal Awards:

Internal control over major programs:				
Material weakness(es) identified?		Yes	X	None reported
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	None reported

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

CHRISTIE'S PLACE
(A NON-PROFIT ORGANIZATION)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

Section 2 - Financial Statement Findings

No reportable conditions, material weakness, and instances of noncompliance were identified that related to the financial statements and that were required to be reported.

Section 3 - Federal Award Findings and Questioned Costs

No reportable conditions, material weakness, and instances of noncompliance, including questioned costs were identified that realted to the Federal Awards and that were required to be reported by 2 CFR 200.516(a).

Section 4 - Auditee's summary schedule of prior audit findings required to be reported in accordance with 2 CFR

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