

RONALD E. GRUND, C.P.A. INC.
P.O. BOX 420163
SAN DIEGO, CA 92142

CHRISTIE'S PLACE

**AUDITOR'S REPORT COMMUNICATION OF INTERNAL CONTROL
MATTERS IDENTIFIED IN MY AUDIT – NO MATERIAL WEAKNESSES
IDENTIFIED**

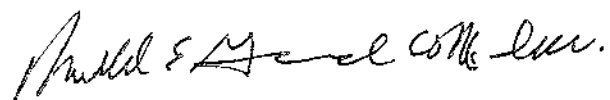
In planning and performing my audit of the financial statements of Christie's Place as of and for the year ended June 30, 2009 in accordance with auditing standards generally accepted in the United States of America, I considered the Company's internal control over financial reporting (internal control) as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, I do not express an opinion on the effectiveness of the Company's internal control.

A control deficiency 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 misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

My consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control that I consider to be material weaknesses, as defined above.

This communication is intended solely for the management and use of management and the board of directors, and others within the entity and is not intended to be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Ronald E. Grund, C.P.A., Inc." with a stylized flourish at the end.

RONALD E .GRUND, C.P.A., INC.

January 20, 2010

CHRISTIE'S PLACE

FINANCIAL REPORT

June 30, 2009

WITH FEDERAL AWARDS SUPPLEMENTARY INFORMATION

RONALD E. GRUND, C.P.A., INC.

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INDEPENDENT AUDITOR'S COMBINED REPORT
ON THE BASIC FINANCIAL STATEMENTS
AND SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

I have audited the accompanying statement of financial position of **Christie's Place** (The Organization) as of June 30, 2009 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Christie's Place** as of June 30, 2009, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued a report dated December 19, 2008 on my consideration of **Christie's Place's** internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grants 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* and should be considered in assessing the results of my audit.

The accompanying Schedule of Expenditure of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A - 133, *Audits of States, Local Governments and Non-Profit Organizations* is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in my opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.


RONALD E. GRUND, C.P.A., INC.

January 20, 2010

CHRISTIE'S PLACE
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2009
(with combined fund totals for June 2008)

	2009	2008
Assets:		
Cash	\$ 8,551.62	\$ 3,670.81
Grants receivable	42,856.00	88,845.00
Other accounts receivable	7,027.00	7,829.46
Other assets	1,575.00	1,323.00
Deferred loan fee	2,160.00	2,520.00
Property and equipment, net of accumulated depreciation	<u>646,041.22</u>	<u>655,041.22</u>
Total Assets	<u>\$ 708,210.84</u>	<u>\$ 759,229.49</u>
Liabilities:		
Accounts payable/accrued expenses	\$ 96,853.67	\$ 114,794.96
Trust deed note payable, secured by real estate	<u>391,009.28</u>	<u>403,152.20</u>
Total Liabilities	<u>487,862.95</u>	<u>517,947.16</u>
Commitments and contingencies		
Net Assets:		
Unrestricted	211,846.90	222,702.63
Temporarily restricted	<u>8,500.99</u>	<u>18,579.70</u>
Total Net Assets	<u>220,347.89</u>	<u>241,282.33</u>
Total Liabilities and Net Assets	<u>\$ 708,210.84</u>	<u>\$ 759,229.49</u>

CHRISITIE'S PLACE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009
(with combined fund totals for 2008)

	2009			2008
	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL	TOTAL
SUPPORT AND REVENUE				
SUPPORT:				
SPECIAL EVENTS CONTRIBUTIONS:	\$ 35,696.84	\$ -	\$ 35,696.84	\$ 55,626.49
CASH	7,066.17	-	7,066.17	10,515.00
IN KIND	-	-	-	200.00
TOTAL SUPPORT	42,763.01	-	42,763.01	66,341.49
REVENUE:				
GRANTS	658,925.50	-	658,925.50	734,552.84
OTHER INCOME	9,166.62	-	9,166.62	17,929.68
TOTAL REVENUE	668,092.12	-	668,092.12	752,482.52
RELEASE OF RESTRICTIONS	10,078.71	(10,078.71)	-	-
TOTAL SUPPORT AND REVENUE	720,933.84	(10,078.71)	710,855.13	818,824.01
EXPENSES				
PROGRAM EXPENSES	668,092.12	-	668,092.12	752,482.52
MANAGEMENT AND GENERAL	63,697.45	-	63,697.45	102,102.01
TOTAL EXPENSES	731,789.57	-	731,789.57	854,584.53
INCREASE (DECREASE) IN NET ASSETS	(10,855.73)	(10,078.71)	(20,934.44)	(35,760.52)
NET ASSETS, BEGINNING OF THE YEAR	222,702.63	18,579.70	241,282.33	277,042.85
NET ASSETS, END OF THE YEAR	\$ 211,846.90	\$ 8,500.99	\$220,347.89	\$241,282.33

SEE NOTES TO FINANCIAL STATEMENTS

CHRISTIE'S PLACE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009
(with combined fund totals for 2008)

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ (20,934.44)	\$ (35,760.52)
Adjustments to reconcile change in net assets to net cash provided by(used in) operating activities		
Depreciation and amortization	9,000.00	9,000.00
(Increase) decrease in operating assets:		
Accounts receivable	45,989.00	(22,223.31)
Other assets	910.46	3,627.33
Increase (decrease) in operating liabilities:		
Accounts payable/accrued liabilities	<u>(17,941.29)</u>	<u>31,529.78</u>
NET CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES	17,023.73	(13,826.72)
CASH FLOWS USED IN CAPITAL/FINANCING ACTIVITIES		
Repayment of trust deed note payable	<u>(12,142.92)</u>	<u>(8,595.06)</u>
NET CASH FLOWS USED IN CAPITAL/FINANCING ACTIVITIES	<u>(12,142.92)</u>	<u>(8,595.06)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,880.81	(22,421.78)
CASH AND CASH EQUIVALENTS :		
Beginning of the year	<u>3,670.81</u>	<u>26,092.59</u>
End of the year	<u>\$ 8,551.62</u>	<u>\$ 3,670.81</u>

SEE NOTES TO FINANCIAL STATEMENTS

CHRISTIE'S PLACE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2009
(with combined fund totals for 2008)

EXPENSE CATEGORY	2009			2008
	PROGRAM SERVICES	MANAGEMENT AND GENERAL	TOTAL FUNCTIONAL EXPENSES	TOTAL FUNCTIONAL EXPENSES
SALARIES AND WAGES	\$ 358,182.06	\$ 48,493.45	\$ 406,675.51	\$ 319,016.78
PAYROLL TAXES	32,947.72	5,151.94	38,099.66	31,097.97
EMPLOYEE BENEFITS	14,275.99	13,862.95	28,138.94	9,951.69
OCCUPANCY EXPENSES	10,435.40	(2,453.04)	7,982.36	6,577.31
CONSULTANTS	71,837.98	40.00	71,877.98	99,040.27
CHILDCARE PROVIDED FOR CLIENTS	38,877.80	-	38,877.80	44,617.38
PROFESSIONAL FEES	3,844.79	200.00	4,044.79	15,009.00
SUPPLIES FURNISHED TO CLIENTS	4,399.43	-	4,399.43	3,298.77
FOOD	745.32	352.21	1,097.53	1,000.01
REPAIRS AND MAINTENANCE	-	(474.61)	(474.61)	38,048.34
TELEPHONE	4,403.47	477.00	4,880.47	7,989.86
INTERNET EXPENSE	1,464.51	-	1,464.51	11,276.40
WORKERS COMPENSATION INSURANCE	3,331.50	583.50	3,915.00	2,785.31
GENERAL INSURANCE	5,004.57	3,183.23	8,187.80	10,965.34
STAFF DEVELOPMENT	1,099.68	-	1,099.68	5,480.95
EQUIPMENT PURCHASED	1,946.24	-	1,946.24	29,702.83
PRINTING AND COPYING	7,830.39	-	7,830.39	38,809.56
ADVERTISING	53.88	-	53.88	1,193.00
POSTAGE	575.83	-	575.83	707.39
STORAGE	1,911.92	-	1,911.92	1,910.00
EQUIPMENT RENTAL AND REPAIRS	7,735.88	-	7,735.88	6,306.84
COMMUNITY OUTREACH	74.44	-	74.44	550.19
VEHICLE EXPENSE	12.75	230.25	243.00	2,156.48
OFFICE SUPPLIES	2,731.00	4,399.43	7,130.43	8,370.14
SPECIAL EVENTS	-	9,719.04	9,719.04	37,492.86
MILEAGE AND TRAVEL	1,216.63	1,033.25	2,249.88	1,378.05
INTEREST AND FINANCE CHARGES	30,492.12	3,034.99	33,527.11	42,701.82
DEPRECIATION EXPENSE	-	9,000.00	9,000.00	9,000.00
C.D.B.G. EXPENDITURES	-	-	-	43,831.84
AMORTIZATION OF LOAN COSTS	-	360.00	360.00	360.00
FUND RAISING	-	10,955.97	10,955.97	2,518.32
CONFERENCES	-	9,464.79	9,464.79	8,797.09
OTHER, MISCELLANEOUS	-	8,743.92	8,743.92	12,642.44
ALLOCATION TO PROGRAM SERVICES	62,660.82	(62,660.82)	-	-
GRAND TOTAL	\$ 668,092.12	\$ 63,697.45	\$ 731,789.57	\$ 854,584.53

SEE NOTES TO FINANCIAL STATEMENTS

CHRISTIE'S PLACE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

Note 1. Nature of Organization and Summary of Significant Accounting Policies
Nature of Organization:

Christie's Place was incorporated in May 1997 under the laws of the State of California. Christie's Place is a nonprofit social service organization in San Diego County that provides HIV/AIDS education, support and advocacy. The mission of Christie's Place is to empower women, children, families and individuals whose lives have been impacted by HIV/AIDS to take charge of their health and well being.

The Company maintains a facility in San Diego that provides an array of services in a safe, supportive, home-like environment. Clients visit the center 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 Company brings clients out of isolation, provides mutual support and ensures access to HIV care and treatment.

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

A summary of the Company's significant accounting policies follows:

Method of accounting:

The accompanying financial statements have been prepared in accordance with the accrual method of accounting.

Financial statement presentation:

The Company complies with Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Company reports information regarding its financial position and activities according to its three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

The financial statements include prior-year summarized comparative information in total but not by asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly,

such information should be read in conjunction with the Company's financial statements for the year ended June 30, 2008 from which the summarized information was derived.

Contributions:

The Company also complies with SFAS No. 116, "Accounting for Contributions Received and Contributions Made." Under SFAS No. 116, contributions are defined as an unconditional transfer of cash or other assets to an entity or a settlement or cancellation of its liabilities in a voluntary non-reciprocal transfer. Other assets in this connection include the use of facilities (or utilities), services and unconditional promises to give these items in the future. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence and/or nature of any donor restrictions.

Generally contributions received, including unconditional promises to give, are recognized as revenues in the period received at fair value. In situations where promises to give are conditioned on the Company incurring certain qualifying expenses such promises become unconditional when the expenses are incurred. Accordingly, these revenues and costs are recognized as costs are incurred.

The Company reports grants, contracts, and gifts of cash and other assets as temporarily restricted support if they are received with stipulations that limit the use of the assets. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. However, the Company, as permitted under SFAS 116 follows a practice of recording as unrestricted income all contributions (grants) where restrictions lapse in the same fiscal year in which they are received.

Cash and cash equivalents:

For purposes of reporting cash, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Deferred revenue:

Deferred revenue is recorded for user fees received in advance of the date they are earned. In addition, if contributions or grants are received which are subject to significant conditions which must be met before they become unconditional these amounts received are recorded as deferred revenue.

Investments:

Investments are initially recorded at cost if purchased or, if contributed, at fair market value

on the date received. Subsequent increases or decreases in market value are recorded as unrealized gains/losses in the statement of activities and the carrying amount of the investment is also adjusted upward/downward as applicable.

Property and equipment:

Property and equipment are recorded at cost for purchased assets and fair market value at the date of acquisition for donated assets. Property and equipment acquired with grant funds are considered to be owned by the granting agency and accordingly reflected as program expenditures and are not capitalized by the Company. Donations of assets are recorded as unrestricted support unless the donor stipulates a specific period over which the asset must be used by the Company.

Depreciation is provided on the straight-line basis over the estimated useful lives of the assets.

Special Events:

For special fund raising events, which are significant and ongoing, revenues and expenses are reported gross. Minor, non-recurring special event revenues are reported net of related expenses.

Donated services:

The Company follows the practice of recording donated services only in instances where non-financial assets are thereby created or enhanced or where services are provided which require specialized skills, are provided by such skilled individuals and would typically need to be purchased. In addition, the Company's programs and fund raising activities have benefited from the significant amounts of time donated by other volunteers; however, no accounting recognition has been given to these additional donated services.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair value of financial instruments:

The recorded value of the Company's financial instruments approximates their fair values. Financial instruments include cash, accounts receivable and accounts payable.

Economic concentrations:

For the year ended June 30, 2009 approximately 73% of the Company's revenues were generated by the Company's largest funding source and the Company's operations are concentrated in San Diego County. Management is not aware of the existence of any severe or substantial cut backs pending due to the described concentrations of economic risk.

Note 2. Property and Equipment

Property and equipment at June 30, 2009 consists of the following:

Land	\$ 277,635.00
Building	325,000.00
Building improvements	83,079.78
Furniture and equipment	26,831.44
Less : accumulated depreciation	<u>(66,505.00)</u>
Net property and equipment	\$ <u>646,041.22</u>

The Company's property and equipment is stated at cost, except for assets totaling \$ 26,505 which have been recorded at estimated fair value based on an analysis prepared in connection with the Company's initial financial audit for the year ended June 30, 2003.

Note 3. Commitments and contingencies

The Company receives substantial funding from government agencies which is restricted under the terms of the related funding agreements. Expenditures are charged against these restricted funds are subject to audit by the funding agencies. It is possible future audits will result in expenditure disallowances; however, based on their knowledge of the funding agencies and the fact that no material cost disallowances have occurred in the past, management believes that any such disallowances will not be material.

Note 4. Temporarily/Permanently Restricted Net Assets

At June 30, 2009 the Company has no permanently restricted net assets and has temporarily restricted net assets of \$ 8,500.99 to be expended in fiscal 2010.

Note 5. Net Assets Released from Restrictions

Net assets are released from donor restrictions by incurring expenses and satisfying the restricted purposes, or by occurrence of other events specified by donors.

Note 6. Pension Costs

The Company's employees are not covered by a Company sponsored pension plan.

Note 7. Income Tax Status

No provision for income taxes has been provided in the financial statements as the Company has qualified for exemption from income taxes under Federal and State Revenue Code. The Company is subject to income taxes on unrelated business income, if any.)

Note 8. Supplementary information on Program Outputs (Measures of Performance)

The Company provided services to clients as summarized below:

<u>Program Service</u>	<u>Number of Unduplicated Clients Served Or Units of Service Provided to Clients</u>
Peer mentoring services	28 clients
Recreational/social activities	28 units of service
Treatment, education & adherence services	140 clients
Childcare/babysitting services	2,433 hours of service
Complimentary therapy services	36 units of service
Drop-in services	8,491 drop in visits
Educational workshops	59 workshops
Emergency food services	161 emergency food bags
Family advocacy services	836 clients/7,208 units of service
Hygiene products distribution	788 hygiene packets
Information & referral services	14,867 units of service
Mental health counseling	1,276 counseling sessions
Case management services	121 units of service
Outreach services	2,465 units of service

SUPPLEMENTARY INFORMATON

CHRISITIE'S PLACE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2009

FEDERAL PROGRAM TITLE:	FEDERAL PROGRAM NUMBER	EXPENDITURES OF FEDERAL AWARDS
MAJOR PROGRAM		
RYAN WHITE HIV/AIDS TREATMENT MODERNIZATION ACT		
DIRECT CONTRACT	93.914	\$ 494,093
SUBCONTRACT	93.153	<u>22,000</u>
TOTAL MAJOR PROGRAMS		516,093
 NON MAJOR PROGRAMS		
NONE		-
TOTAL NON MAJOR PROGRAMS		<u>-</u>
GRAND TOTAL ALL PROGRAMS		<u>\$ 516,093</u>

**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

I have audited the financial statements of **Christie's Place** as of and for the year ended June 30, 2009, and have issued my report thereon dated January 20, 2010. I conducted my 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.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered **Christie's Place's** internal controls over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for expressing an opinion on the effectiveness of **Christie's Place's** internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. *A significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weakness, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Christie's Place's** financial statements are free of material misstatement I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of management, the audit committee, others within the entity, and federal awarding agencies and pass-through entities and is not intended and should not be used by anyone other than these specified parties.

Ronald E. Grund, C.P.A., Inc.
RONALD E. GRUND, C.P.A., INC.

January 20, 2010

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

To the Board of Directors
CHRISTIE'S PLACE
San Diego, California

Compliance

I have audited the compliance of **Christie's Place** with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended June 30, 2009. **Christie's Place's** major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of **Christie's Place's** management. My responsibility is to express an opinion on **Christie's Place's** compliance based on my audit.

I concluded my audit of compliance in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I 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 **Christie's Place's** compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on **Christie's Place's** compliance with those requirements.

In my opinion, **Christie's Place** complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2009.

Internal Control Over Compliance

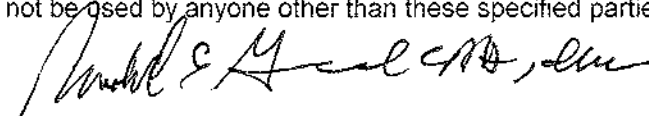
The management of **Christie's Place** is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered **Christie's Place's** internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of **Christie's Place's** controls over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

My consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weakness. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the audit committee, others within the entity, and federal awarding agencies and pass-through entities and is not intended and should not be used by anyone other than these specified parties.



RONALD E. GRUND, C.P.A., INC.

January 20, 2010

CHRISTIE'S PLACE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2009

SECTION I - SUMMARY OF AUDITOR'S RESULT

FINANCIAL STATEMENTS

Type of auditor's report issued:	UNQUALIFIED
Internal control over financial reporting: Material weaknesses identified?	NO
Reportable conditions identified not considered to be material weaknesses ?	NONE REPORTED
Noncompliance material to financial statements noted?	NO

FEDERAL AWARDS

Internal control over major programs: Material weaknesses identified?	NO
Reportable conditions identified not considered to be material weaknesses?	NONE REPORTED
Type of auditor's report issued on compliance for major programs :	UNQUALIFIED
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	NO

FEDERAL AWARDS

Identification of major programs:

CFDA NUMBERS	NAME OF FEDERAL PROGRAM OR CLUSTER
93.224	RYAN WHITE C.A.R.E. ACT

Dollar threshold used to distinguish between Type A and Type B programs	\$ 300,000
Auditee qualified as low-risk auditee?	YES

SECTION II - FINANCIAL STATEMENT FINDINGS

NO MATTERS WERE REPORTED

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NO MATTERS WERE REPORTED