

**MY SISTER'S PLACE, INC.  
FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITORS' REPORT  
AND FINANCIAL AND FEDERAL  
AWARD COMPLIANCE EXAMINATION**

**For the years ending September 30, 2015 and 2014**



# MY SISTER'S PLACE, INC.

## Table of Contents

	Page
Independent Auditors' Report	1 - 2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4
Statement of Functional Expenses for the year ended September 30, 2015	5
Statement of Functional Expenses for the year ended September 30, 2014	6
Statements of Cash Flows	7
Notes to Financial Statements	8 - 13
Schedule of Expenditures of Federal Awards	14
Note to Schedule of Expenditures of Federal Awards	15
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on and Audit of Financial Statements Performed in Accordance With Government Auditing Standards	16 - 17
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133	18 - 20
Schedule of Findings and Questioned Costs	21
Summary Schedule of Prior Audit Findings	22



100 Lakeforest Boulevard, Suite 650  
Gaithersburg, MD 20877  
P: 301-948-9825  
F: 301-948-3220

210 Wirt Street SW, Suite 102  
Leesburg, VA 20175  
P: 571-442-5220  
F: 571-730-3669

[www.deleonandstang.com](http://www.deleonandstang.com)

---

Allen P. DeLeon, CPA, PFS  
Richard C. Stang, CPA, PFS, ABV  
Daniel L. Dellon, CPA, ABV, CFF  
Bradly L. Hoffman, CPA  
Jeanie Price, AAAPM

## **INDEPENDENT AUDITORS' REPORT**

**Board of Directors  
My Sister's Place, Inc.  
Washington, DC**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of My Sister's Place, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 2015 and 2014 and the related statements of activities, functional expenses and cash flows for the years 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards general 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 audits 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 auditors' 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 auditors consider 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.

**MY SISTER'S PLACE, INC.**  
**Independent Auditors' Report**  
**Page 2**

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 My Sister's Place, Inc. as of September 30, 2015 and 2014 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Other Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2016, on our consideration of My Sister's Place, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 My Sister's Place, Inc.'s internal control over financial reporting and compliance.

*DeLeon & Stang*

DeLeon & Stang, CPAs  
August 25, 2016



**MY SISTER'S PLACE, INC.**  
**Statements of Financial Position**  
**September 30, 2015 and 2014**

<b>Assets</b>	<b>2015</b>	<b>2014</b>
<b><u>Current assets:</u></b>		
Cash and equivalents	\$ 44,429	\$ 138,492
Accounts receivable	549,910	303,910
Prepaid expenses and other assets	6,722	6,722
<b>Total current assets</b>	601,061	449,124
<b><u>Property and equipment:</u></b>		
Land	103,934	103,934
Building and improvements	3,347,826	3,347,826
Furniture and equipment	438,029	437,448
Vehicles	49,400	49,400
Less: Accumulated depreciation	(1,174,772)	(1,033,036)
<b>Net Property and Equipment</b>	2,764,417	2,905,572
<b><u>Other assets:</u></b>		
Investments	-	32,148
<b>Total other assets</b>	-	32,148
<b>Total assets</b>	<b>\$ 3,365,478</b>	<b>\$ 3,386,844</b>
<b>Liabilities and net assets</b>		
<b><u>Liabilities:</u></b>		
Outstanding checks in excess of cash	\$ 71,469	\$ -
Accounts payable	16,600	20,313
Accrued salaries and related liabilities	69,576	28,589
<b>Total liabilities</b>	157,645	48,902
<b><u>Net assets:</u></b>		
Unrestricted	3,151,583	3,225,442
Temporarily restricted	56,250	112,500
<b>Total net assets</b>	3,207,833	3,337,942
<b>Total liabilities and net assets</b>	<b>\$ 3,365,478</b>	<b>\$ 3,386,844</b>

**MY SISTER'S PLACE, INC.**  
**Statements of Activities**  
**For the Years Ended September 30, 2015 and 2014**

<b>Unrestricted Net Assets:</b>	<u>2015</u>	<u>2014</u>
<u>Revenue and support:</u>		
Grants	\$ 1,918,174	\$ 1,459,075
Other contributions	414,955	403,493
United Way/CFC	28,579	28,362
Program fees	1,478	980
Special events	515	48,666
Interest and dividend income	268	1,646
Unrealized (loss) gain on investments	(2,014)	3,592
Other income	560	394
Net assets released from restrictions	56,250	75,000
Total unrestricted revenue and support	<u>2,418,765</u>	<u>2,021,208</u>
 <u>Expenses:</u>		
Program services:		
Shelter and crisis hotline	1,588,074	1,505,183
Community education	87,322	98,569
Counseling center	74,512	75,172
Transitional housing	189,191	150,366
Total program services	<u>1,939,099</u>	<u>1,829,290</u>
Supporting services:		
Management and general	439,727	295,273
Fundraising	113,798	143,312
Total supporting services	<u>553,525</u>	<u>438,585</u>
 Total expenses	<u>2,492,624</u>	<u>2,267,875</u>
 Change in net assets unrestricted net assets	(73,859)	(246,667)
 <b>Temporarily Restricted Net Assets:</b>		
Grants and contributions	-	187,500
Net assets released from restrictions	(56,250)	(75,000)
 Change in temporarily restricted net assets	<u>(56,250)</u>	<u>112,500</u>
 <b>Change in net assets</b>	(130,109)	(134,167)
 <b>Net assets, beginning of year</b>	<u>3,337,942</u>	<u>3,472,109</u>
 <b>Net assets, end of year</b>	<u>\$ 3,207,833</u>	<u>\$ 3,337,942</u>

**MY SISTER'S PLACE, INC.**  
**Statement of Functional Expenses**  
**For The Year Ended September 30, 2015**

	<b>Program Services</b>				<b>Total</b>	<b>Supporting Services</b>		<b>Total</b>
	<b>Shelter and Crisis Hotline</b>	<b>Community Education</b>	<b>Counseling Center</b>	<b>Transitional Housing</b>		<b>Management and General</b>	<b>Fundraising</b>	
Payroll, payroll taxes, benefits	\$ 965,343	\$ 60,716	\$ 62,218	\$ 33,640	\$ 1,121,917	\$ 231,654	\$ 77,221	\$1,430,792
Rent and housing units	47,183	-	-	143,278	190,461	102,383	-	292,844
Resident assistance and costs	67,578	-	-	832	68,410	(2,004)	-	66,406
Repairs and maintenance	26,258	-	-	-	26,258	-	-	26,258
Consultants	106,125	-	-	4,000	110,125	47,004	11,830	168,959
Security	1,645	-	-	-	1,645	-	-	1,645
Utilities, trash collection, exterminator	53,019	-	-	-	53,019	6,072	-	59,091
Professional fees	2,359	3,376	1,688	1,688	9,111	1,688	3,376	14,175
Insurance	46,652	-	-	-	46,652	-	-	46,652
Depreciation and amortization	95,628	6,015	6,163	3,332	111,138	22,948	7,649	141,735
Information systems	91,409	1,896	-	-	93,305	529	-	93,834
Telephone and website	37,094	253	1,848	1,035	40,230	4,918	-	45,148
Office supplies and expense	2,206	34	-	-	2,240	2,408	-	4,648
Equipment rental	7,064	2,062	1,031	-	10,157	4,320	1,031	15,508
Staff development and training	18,376	-	-	-	18,376	-	-	18,376
Outside services	3,222	1,233	1,329	1,329	7,113	9,187	1,202	17,502
Printing and copying	4,948	10,158	-	-	15,106	988	7,256	23,350
Travel	3,856	1,548	19	-	5,423	2,149	-	7,572
Automobile	1,600	-	-	-	1,600	-	-	1,600
Postage and delivery	261	31	216	-	508	1,494	2,370	4,372
Dues and subscriptions	-	-	-	-	-	2,490	-	2,490
Food and beverages	2,261	-	-	57	2,318	594	33	2,945
Advertising	2,755	-	-	-	2,755	-	520	3,275
Miscellaneous	1,232	-	-	-	1,232	905	1,310	3,447
<b>Totals</b>	<b>\$ 1,588,074</b>	<b>\$ 87,322</b>	<b>\$ 74,512</b>	<b>\$ 189,191</b>	<b>\$ 1,939,099</b>	<b>\$ 439,727</b>	<b>\$ 113,798</b>	<b>\$2,492,624</b>

See Accompanying Notes to Financial Statements.

**MY SISTER'S PLACE, INC.**  
**Statement of Functional Expenses**  
**For The Year Ended September 30, 2014**

	<b>Program Services</b>					<b>Supporting Services</b>		
	<b>Shelter and Crisis Hotline</b>	<b>Community Education</b>	<b>Counseling Center</b>	<b>Transitional Housing</b>	<b>Total</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Payroll, payroll taxes, benefits	\$ 924,822	\$ 66,905	\$ 62,714	\$ 56,892	\$ 1,111,333	\$ 142,365	\$ 54,991	\$ 1,308,689
Rent and housing units	6,244	-	-	-	6,244	91,699	-	97,943
Resident assistance and costs	69,426	-	1,573	70,208	141,207	-	-	141,207
Repairs and maintenance	50,494	-	-	-	50,494	3,180	-	53,674
Consultants	100,320	10,720	-	5,265	116,305	6,394	42,955	165,654
Security	1,316	-	-	-	1,316	-	-	1,316
Utilities, trash collection, exterminator	38,174	-	-	-	38,174	4,146	-	42,320
Professional fees	3,715	1,857	1,857	1,857	9,286	1,857	1,857	13,000
Insurance	50,411	-	-	-	50,411	-	-	50,411
Depreciation and amortization	99,923	5,966	4,474	10,440	120,803	17,897	10,440	149,140
Information systems	48,710	-	-	-	48,710	-	2,046	50,756
Telephone and website	23,302	1,086	1,690	272	26,350	4,674	-	31,024
Office supplies and expense	1,344	44	-	-	1,388	3,539	18,541	23,468
Equipment rental	70,094	1,367	1,367	-	72,828	4,385	1,367	78,580
Staff development and training	1,965	-	-	-	1,965	99	2,378	4,442
Outside services	2,079	1,365	1,414	1,394	6,252	1,597	1,325	9,174
Printing and copying	1,595	6,445	-	3,735	11,775	2,397	1,115	15,287
Travel	5,667	2,614	40	29	8,350	2,859	-	11,209
Automobile	67	-	-	-	67	-	-	67
Postage and delivery	158	-	-	-	158	1,624	1,692	3,474
Dues and subscriptions	-	-	-	-	-	551	-	551
Indirect costs	1,179	-	-	-	1,179	3,765	-	4,944
Licenses, permits and interest	3,268	-	43	274	3,585	579	480	4,644
Advertising	910	200	-	-	1,110	-	4,125	5,235
Miscellaneous	-	-	-	-	-	1,666	-	1,666
<b>Totals</b>	<b>\$ 1,505,183</b>	<b>\$ 98,569</b>	<b>\$ 75,172</b>	<b>\$ 150,366</b>	<b>\$ 1,829,290</b>	<b>\$ 295,273</b>	<b>\$ 143,312</b>	<b>\$ 2,267,875</b>

See Accompanying Notes to Financial Statements.



**MY SISTER'S PLACE, INC.**  
**Statements of Cash Flows**  
**For the Years Ended September 30, 2015 and 2014**

	<b>2015</b>	<b>2014</b>
<b><u>Cash flows form operating activities:</u></b>		
Change in net assets	\$ (130,109)	\$ (134,167)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	141,735	149,140
Unrealized loss (gains) on investments	2,014	(3,592)
Donated stock included in contributions	-	(2,047)
Increase in accounts receivable	(246,000)	(173,910)
(Decrease) increase in accounts payable	(3,713)	12,459
Increase (decrease) in accrued salaries and related liabilities	40,987	(32,434)
Decrease in deferred revenue	-	(1,800)
<b>Net cash used in operating activates</b>	<b>(195,086)</b>	<b>(186,351)</b>
<b><u>Cash flows from investing activities:</u></b>		
Purchases of property and equipment	(581)	(4,372)
Sales of investments	30,135	-
Purchases of investments	-	(748)
<b>Net cash provided by (used in) investing activities</b>	<b>29,554</b>	<b>(5,120)</b>
<b><u>Cash flows from financing activities:</u></b>		
Outstanding Checks in excess of cash	71,469	-
<b>Net cash provided by financing activities</b>	<b>71,469</b>	<b>-</b>
<b>Decrease in cash and equivalents</b>	(94,063)	(191,471)
<b>Cash and equivalents, beginning of year</b>	138,492	329,963
<b>Cash and equivalents, end of year</b>	\$ 44,429	\$ 138,492

See Accompanying Notes to Financial Statements.

**MY SISTER'S PLACE, INC.**  
**Notes to Financial Statements**  
**September 30, 2015 and 2014**

**NOTE 1- ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

Organization

My Sister's Place, Inc. (MSP) is a non-profit corporation organized under the laws of the District of Columbia to provide emergency shelter, support and transitional housing services to victims of domestic violence and their children and to further public education on the issue of domestic violence.

A summary of MSP's significant programs follows:

Shelter Crisis Hotline

MSP's free and confidential 24-hour hotline has served as a lifeline in the District since 1976. Last year, our hotline provided support and referrals to 2,191 women, men, and even children.

Community Education

Our community outreach program raises awareness about domestic violence through the distribution of literature, trainings, dissemination of information at events, and innovative projects.

Counseling Center

In 2006, MSP began a partnership with the Crime Victims' Compensation Fund, launching the off-site Emergency Services Center. Through referrals from the DC Courts, victims of domestic violence receive 30 days of shelter at a central location where they receive counseling from MSP's staff. This public-private partnership leverages MSP's expertise and the Courts' position to maximize impact on our most vulnerable residents.

Transitional Housing

In 2012, MSP launched RISE (Reaching Independence through Survivor Empowerment), an innovative transitional-to-permanent housing program. MSP works to rebuild clients' credit and budgeting skills, help them secure employment and leases in their own names, and provide a gradually declining rental subsidy for 12 months (with the option to extend up-to an additional 12 months).

**MY SISTER'S PLACE, INC.**  
**Notes to Financial Statements (Continued)**  
**September 30, 2015 and 2014**

**NOTE 1- ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**  
(Continued)

Basis of Presentation

MSP complies with codification topic relating to *Financial Statements of Not-For-Profit Organizations*, issued by the Financial Accounting Standards Board (FASB) Accounting Standards Codification. As such, the financial statements are presented on the basis of unrestricted, temporarily restricted, and permanently restricted net assets. At September 30, 2015 and 2014, MSP had no permanently restricted net assets.

Restricted and Unrestricted Revenue

Contributions and grants are temporarily restricted to the extent that their availability for operations is restricted by donors based upon the passage of time or the occurrence of certain events. Such restrictions apply only to contributions and grants that have the characteristics of contributions, and not to "exchange" transactions in which MSP provides a service or product to the funding agency. As such, contributions are recognized as revenue at the earlier of when they are received or unconditionally pledged. Grants received from the federal government are recognized as revenue only to the extent of expenditures incurred. Grant funds received in advance are recognized as refundable grant advances on the statements of financial position.

MSP recognizes revenue from program service fees and special events when services are rendered, or when the program or event is held and the revenue is earned.

MSP reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the assets. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Allocated Expenses

Expenses by function have been allocated among programs and support services classification on the basis of time records and estimates made by MSP's management.

Cash and Equivalents

For purposes of the statement of cash flows, MSP considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**MY SISTER'S PLACE, INC.**  
**Notes to Financial Statements (Continued)**  
**September 30, 2015 and 2014**

**NOTE 1- ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**  
(Continued)

Investments

Investments as of September 30, 2014, consist of common stock and mutual funds. These investments are reported at fair value based on quoted market prices. Net realized and unrealized gains and losses on investments are reflected in the statements of activities. Dividends and interest are reflected as income when earned.

Property and Equipment

It is MPS' policy to capitalize property and equipment over \$1,000. Property and equipment is stated at cost, or if donated, at fair market value at the date of receipt. Depreciation is calculated using the straight-line method over the estimated useful life of the assets, ranging from 3 – 40 years. Upon disposal of depreciable assets, the cost and related accumulated depreciation are eliminated from the accounts and the resultant gain or loss is credited or charged to income. Repairs and maintenance are charged to expense when incurred.

Use of 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. Those estimates and assumptions affect the reported amounts of the assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

Fair Value of Measurements

MSP complies with Financial Accounting Standards Codification topic, *Fair Value Measurements*. The statement establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

Income Taxes

MSP complies with the provisions of the FASB Accounting Standards Codification topic *Accounting for Uncertainty in Income Taxes*. For the years ended September 30, 2015 and 2014, no unrecognized tax provision or benefit exists.

**MY SISTER'S PLACE, INC.**  
**Notes to Financial Statements (Continued)**  
**September 30, 2015 and 2014**

**NOTE 1- ORGANIZATION AND SIGNIFICANT ACCOUNTING Policies (Continued)**

Tax Exempt Status

MSP is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to MSP's tax exempt purpose is subject to taxation as unrelated business income. The Form 990, Return of Organization Exempt From Income Tax, for the fiscal years ended September 30, 2012 - 2014 are subject to review and examination by the Internal Revenue Service.

**NOTE 2- CONCENTRATION OF CREDIT RISK**

Financial instruments that potentially subject MSP to concentrations of credit risk include cash deposits with commercial banks. MSP's cash management policies limit its exposure to concentrations of credit risk by maintaining cash accounts at financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Cash deposits may however, exceed the FDIC insurable limits at times throughout the year. Management does not consider this a significant concentration of credit risk.

**NOTE 3- INVESTMENTS**

Investments as of September 30, 2014, consist of common stock and mutual funds. The *Fair Value Measurements* topic of the FASB Accounting Standards Codification establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair values as follows:

Basis of Fair Value Measurement

- Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities
- Level 2 Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly
- Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at September 30, 2015.

**MY SISTER'S PLACE, INC.**  
**Notes to Financial Statements (Continued)**  
**September 30, 2015 and 2014**

**NOTE 3- INVESTMENTS** (Continued)

*Common Stocks:* comprised of securities that are listed on a national market or exchange and are valued on the last sales price, or if there is no sale and the market is still considered active, at the last transaction price before year-end. Such securities are classified within Level 1 of the valuation hierarchy.

*Mutual Funds:* Mutual funds, which include equity and fixed income funds, are generally valued at the most recent price of the equivalent quoted price for such securities. Mutual funds are classified within Level 1 of the valuation hierarchy.

As of September 30, 2015, MSP did not hold any investments.

As of September 30, 2014, MSP's investments consisted of the following fair market values:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	32,148	32,148	--	--
Total	<u>\$ 32,148</u>	<u>\$ 32,148</u>	<u>\$ --</u>	<u>\$ --</u>

**NOTE 4- OPERATING LEASES**

On August 5, 2011, MSP entered in a lease agreement for a new office space for administration. The new lease agreement began on September 1, 2011 and expired on November 30, 2014. The lease was amended on December 1, 2014 for 3 years. The base annual rent is \$88,142 and includes a 3% annual rent adjustment. Total rent expense for the facilities for the years ended September 30, 2015 and 2014 was \$102,383 and \$91,699, respectively. On July 1, 2014, MSP entered into a lease agreement for its Domestic Violence Hotline facility. The base rent is \$38,511 and is renewable on an annual basis. Total rent expense for the year ended September 30, 2015 was \$46,652.

Future minimum lease payments are as follows:

Year ending: September 30, 2016	90,346
September 30, 2017	93,056
September 30, 2018	<u>15,585</u>
Total	<u>\$ 198,987</u>

**MY SISTER'S PLACE, INC.**  
**Notes to Financial Statements (Continued)**  
**September 30, 2015 and 2014**

**NOTE 5- TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets of \$56,250 and \$112,500 at September 30, 2015 and 2014 were purpose restricted for the support of transitional-to-permanent housing for survivors of domestic violence.

**NOTE 6- RETIREMENT PLAN**

MSP established a SIMPLE IRA plan in 1997. On January 1, 2012, MSP transitioned to a new Qualified Retirement Plan. Employees are eligible to contribute to the plan after the first calendar year during which the employee worked a minimum of 1,000 hours with MSP. Under the new plan, the amount of the Organization's Profit Sharing Contribution, if any, is determined by a discretionary formula. There were no plan contributions for the years ended September 30, 2015 and 2014.

**NOTE 7- CONCENTRATION OF REVENUE**

MSP receives substantial support from the District of Columbia in the form of a per diem allowance for residents served. Total support received from the District of Columbia for the year ended September 30, 2014 was \$1,918,174 or 81% of total revenue and \$1,459,075 or 72% of total revenue for the year ended September 30, 2014.

**NOTE 8- SUBSEQUENT EVENTS**

MSP evaluated subsequent events for potential required disclosure through August 25, 2016, which is the date the financial statements were available to be issued.

**MY SISTER'S PLACE, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**Federal Employer I.D. # 52-1263256**

<u>Federal Grantor/Pass-through Grantors/ Program Cluster</u>	<u>CFDA Number</u>	<u>Pass-through Grantor Identifying Number</u>	<u>Federal Expenditures</u>
Family Violence Prevention Services Cluster U.S. Department of Health and Human Services Pass-Through Programs Passed-through District of Columbia's Department of Human Services Department of Human Services Shelter Services Grant Award	93.671	JA-FSA-0733-1-14	\$ 471,246
Department of Human Services Education and Outreach Grant Award	93.671	JA-FSA-0732-1-14	\$ 27,000
Department of Human Services Education and Outreach Grant Award	93.671	JA-FSA-073101014	<u>\$ 22,852</u>
Total Department of Health and Human Services/ Family Violence Prevention Services Cluster			\$ 521,098
Department of Human Services Domestic Violence Program	93.558	JA-ESA-15008	<u>\$ 223,897</u>
Total U.S. Department of Health and Human Services			<u>\$ 744,995</u>
U.S. Department of Justice Programs Office on Violence Against Women Reaching Independence through Survivor Empowerment	16.unknown	2013-WH-AX-0014	\$ 127,748
Office on Violence Against Women Holistic Legal & Non-Legal Services for Victims of Domestic Violence, Dating Violence, Sexual Assault and Stalking	16.unknown	2013-WL-AX-0052	34,289
U.S. Department of Justice Pass-Through Programs Passed-through District of Columbia's Office of Victim Services Office of Victim Services Comprehensive Opportunities for Recovery and Empowerment	16.unknown	14-MSP-01	547,867
Office of Victim Services DC Domestic Violence Hotline	16.588	2013-VAWA-003	<u>477,347</u>
Total U.S. Department of Justice			<u>\$ 1,187,251</u>
Total Expenditures of Federal Awards			<u>\$ 1,932,246</u>



**MY SISTER’S PLACE, INC.**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**September 30, 2015 and 2014**

**NOTE 1- BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the Federal grant activity of My Sister’s Place, Inc. (MSP) under programs of the Federal government and is presented on the accrual basis of accounting for the year ended September 30, 2015. The information in the Schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of MSP, it is not intended to and does not present the financial position, changes in net assets or cash flows of MSP.

**NOTE 2- 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 OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are no allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in there normal course of business to amounts reported as expenditures in prior years.

**NOTE 3- CFDA NUMBERS**

Pass-through and partial pass-through awards have been presented by pass-through entity, CFDA number, sponsor’s award number, when available or by MSP’s assigned identifier. When CFDA numbers are not available, the Federal awards have been presented by agency number and the suffix “unknown” for the federal identification number. When the federal agency and the federal identification number are not available, “99.unknown” is used.



100 Lakeforest Boulevard, Suite 650  
Gaithersburg, MD 20877  
P: 301-948-9825  
F: 301-948-3220

210 Wirt Street SW, Suite 102  
Leesburg, VA 20175  
P: 571-442-5220  
F: 571-730-3669

[www.deleonandstang.com](http://www.deleonandstang.com)

---

Allen P. DeLeon, CPA, PFS  
Richard C. Stang, CPA, PFS, ABV  
Daniel L. Dellon, CPA, ABV, CFF  
Bradly L. Hoffman, CPA  
Jeanie Price, AAAPM

**INDEPENDENT AUDITORS' 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***

**Board of Directors  
My Sister's Place, Inc.**

We have audited, 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, the financial statements of My Sister's Place, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2015 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 August 25, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered My Sister's Place, Inc.'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of My Sister's Place, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of My Sister's Place, Inc.'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 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.

**Internal Control Over Financial Reporting (Continued)**

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, therefore, material weaknesses or significant deficiencies may exist that were not identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether My Sister's Place, Inc.'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.

*DeLeon & Stang*  
DeLeon & Stang, CPAs  
August 25, 2016



100 Lakeforest Boulevard, Suite 650  
Gaithersburg, MD 20877  
P: 301-948-9825  
F: 301-948-3220

210 Wirt Street SW, Suite 102  
Leesburg, VA 20175  
P: 571-442-5220  
F: 571-730-3669

[www.deleonandstang.com](http://www.deleonandstang.com)

---

Allen P. DeLeon, CPA, PFS  
Richard C. Stang, CPA, PFS, ABV  
Daniel L. Dellon, CPA, ABV, CFF  
Bradly L. Hoffman, CPA  
Jeanie Price, AAAPM

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

**To the Board of Directors  
of My Sister's Place, Inc.**

**Report on Compliance for Each Major Federal Program**

We have audited My Sister's Place, Inc.'s compliance with the types of compliance requirements described in *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of My Sister's Place, Inc.'s major federal programs for the year ended September 30, 2015. My Sister's Place, Inc.'s major federal programs are identified in the summary of auditors' 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of My Sister's Place, Inc.'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 Regulations* Part 200, *Uniform Administrative Requirements, Cost principles and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the 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 My Sister's Place, Inc.'s compliance with those requirements and performing such other procedures as we consider necessary in the circumstances.

### **Auditors' Responsibility (Continued)**

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 My Sister's Place, Inc.'s compliance.

### **Opinion on Each Major Federal Program**

In our opinion, My Sister's Place, Inc. 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 September 30, 2015.

### **Report on Internal Control over Compliance**

Management of My Sister's Place, Inc. 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 My Sister's Place, Inc.'s internal control over compliance with the types of requirements that could have direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness on internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of My Sister's Place, Inc.'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.

**Report on Internal Control over Compliance (Continued)**

Our consideration of the 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. 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 requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*DeLeon & Stang*  
DeLeon & Stang, CPAs  
August 25, 2016

**MY SISTER'S PLACE, INC.**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended September 30, 2015**

**A. Summary of Auditors' Results**

Financial Statements:

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?  Yes  No

Significant deficiency(ies) identified that are not considered to be material weakness(es)?  Yes  No

Noncompliance material to financial statements noted?  Yes  No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?  Yes  No

Significant deficiency(ies) identified that are not considered to be material weakness(es)?  Yes  No

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

Identification of Major Programs:

<u>CFDA Number/ Grant Number</u>	<u>Program Title</u>
93.671	U.S. Department of Health and Human Services: Family Violence Prevention Services Cluster
16.unknown	U.S. Department of Justice: Comprehensive Opportunities for
93.558	U.S. Department of Health and Human Services: DC Domestic Violence Hotline

Dollar threshold used to distinguish between Type A and Type B Programs: \$ 300,000

Auditee qualified as a low-risk auditee?  Yes  No

**MY SISTER’S PLACE, INC.**  
**Summary Schedule of Prior Audits Findings**  
**For the Year Ended September 30, 2015**

**B. Findings - Financial Statement Audit**

None

**C. Findings and Questioned Costs - Major Federal Award Programs Audit**

None

**D. Prior Year Audit Findings**

**2014-001 – Audit in Accordance with OMB Circular A-133 was not Performed**

**Condition and Context**

During the years ended September 30, 2014 and 2013, MSP expended \$1,415,680 and \$991,504, respectively, of direct or pass-through Federal awards. My Sister’s Place, Inc. (MSP) had financial statement audits for the years ended September 30, 2014 and 2013 performed by another accounting firm. However, only financial statement audits were performed and not audits in compliance with the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Therefore, the single audit was not submitted timely.

**Cause and Effect**

Management of MSP did not identify the awards related to these expenditures as originating from federal agencies, and therefore audits in accordance with OMB Circular A-133 for the years ended September 30, 2014 and 2013 were not performed.

**Criteria**

OMB Circular A-133 requires not-for-profit organizations that expend more than \$500,000 of Federal awards in a fiscal year to have a single or program-specific audit for that year. A single audit is required to be submitted within the earlier of 30 days after receipt of the auditor’s report or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for the audit.

**Recommendation**

We recommend management of MSP diligently review all grant agreements to determine the ultimate source of the awards. Additionally, MSP should keep a list of all Federal awards and during the fiscal year track the expenses incurred related to those awards to determine if a single audit is required. If a single audit is required, we recommend that MSP have the single audit performed timely.



**MY SISTER'S PLACE, INC.**  
**Summary Schedule of Prior Audits Findings (Continued)**  
**For the Year Ended September 30, 2015**

**Management's Response**

During the year ended September 30, 2015, MSP underwent significant turnover in its management. The new Executive Director understands the importance of identifying Federal awards, tracking expenses associated with those awards and if required having a single audit performed. Additionally, the new Executive Director has contacted with DeLeon and Stang to perform single audits for the years ended September 30, 2013 through 2015.

**Status of Finding**

During the year ended September 30, 2015, this finding has been corrected

**2014-002 – SF-SAC, Data Collection Form was not Submitted Timely**

**Condition and Context**

During the years ended September 30, 2014 and 2013, expended \$1,415,680 and \$991,504, respectively, of direct or pass-through Federal awards. My Sister's Place, Inc. (MSP) had financial statement audits for the years ended September 30, 2014 and 2013 performed by another accounting firm. However, only financial statement audits were performed and not audits in compliance with the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Therefore, the single audit was not submitted timely, and the corresponding SF-SAC, Data Collection Form was not prepared and submitted.

**Cause and Effect**

Management of MSP did not identify the awards related to these expenditures as originating from federal agencies, and therefore audits in accordance with OMB Circular A-133 for the years ended September 30, 2014 and 2013 were not performed timely, resulting in the untimely submission of the SF-SAC, Data Collection Form.

**Criteria**

OMB Circular A-133 requires not-for-profit organizations that expend more than \$500,000 of Federal awards in a fiscal year to have a single or program-specific audit for that year. A single audit, and the reporting package including the SF-SAC, Data Collection Form is required to be submitted within the earlier of 30 days after receipt of the auditor's report or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for the audit.

**Recommendation**

We recommend management of MSP diligently review all grant agreements to determine the ultimate source of the awards. Additionally, MSP should keep a list of all Federal awards and during the fiscal year track the expenses incurred related to those awards to determine if

**MY SISTER'S PLACE, INC.**  
**Summary Schedule of Prior Audits Findings (Continued)**  
**For the Year Ended September 30, 2015**

a single audit is required. If a single audit is required, we recommend that MSP have the single audit performed timely, and the corresponding SF-SAC, Data Collection Form prepared and submitted timely, as well.

**Management's Response**

During the year ended September 30, 2015, MSP underwent significant turnover in its management. The new Executive Director understands the importance of identifying Federal awards, tracking expenses associated with those awards and, if required, having a single audit performed timely and the timely submission of the SF-SAC, Data Collection Form . Additionally, the new Executive Director has contacted with DeLeon and Stang to perform single audits for the years ended September 30, 2013 through 2015.

**Status of Finding**

During the year ended September 30, 2015, this finding has been corrected.