



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

For the years ending September 30, 2017 and 2016



MY SISTER'S PLACE, INC.

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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, 2017 and 2016 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, 2017 and 2016 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 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 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 May 1, 2018, 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
May 1, 2018



MY SISTER'S PLACE, INC.
Statements of Financial Position
September 30, 2017 and 2016

| Assets | 2017 | 2016 |
|--|--------------|--------------|
| <u>Current assets:</u> | | |
| Cash and equivalents | \$ 255,068 | \$ 397 |
| Accounts receivable | 518,326 | 736,057 |
| Prepaid expenses and other assets | 6,722 | 6,722 |
| Total current assets | 780,116 | 743,176 |
| <u>Property and equipment:</u> | | |
| Land | 70,184 | 70,184 |
| Building and improvements | 3,054,026 | 3,054,026 |
| Furniture and equipment | 438,655 | 438,465 |
| Vehicles | 49,400 | 49,400 |
| Less: Accumulated depreciation | (1,238,922) | (1,127,258) |
| Net Property and Equipment | 2,373,343 | 2,484,817 |
| <u>Other assets:</u> | | |
| Investments | 1,382 | 1,156 |
| Total other assets | 1,382 | 1,156 |
| Total assets | \$ 3,154,841 | \$ 3,229,149 |
| Liabilities and net assets | | |
| <u>Liabilities:</u> | | |
| Outstanding checks in excess of cash | \$ - | \$ 96,426 |
| Accounts payable | 30,461 | 42,481 |
| Accrued salaries and related liabilities | 44,759 | 40,017 |
| Total liabilities | 75,220 | 178,924 |
| <u>Net assets:</u> | | |
| Unrestricted | 3,079,621 | 3,050,225 |
| Temporarily restricted | - | - |
| Total net assets | 3,079,621 | 3,050,225 |
| Total liabilities and net assets | \$ 3,154,841 | \$ 3,229,149 |

MY SISTER'S PLACE, INC.
Statements of Activities
For the Years Ended September 30, 2017 and 2016

| | 2017 | | | 2016 | | |
|--|---------------------|---------------------------|---------------------|---------------------|---------------------------|---------------------|
| | Unrestricted | Temporarily Restricted | Total | Unrestricted | Temporarily Restricted | Total |
| Revenue and support: | | | | | | |
| Grants | \$ 1,653,378 | \$ - | \$ 1,653,378 | \$ 1,618,494 | \$ - | \$ 1,618,494 |
| Other contributions | 216,547 | - | 216,547 | 176,494 | - | 176,494 |
| Child & family services | 95,260 | - | 95,260 | 95,260 | - | 95,260 |
| United Way/CFC | 23,954 | - | 23,954 | 22,742 | - | 22,742 |
| Program fees | 50 | - | 50 | 968 | - | 968 |
| Special events | 23,191 | - | 23,191 | - | - | - |
| Interest and dividend income | 121 | - | 121 | 95 | - | 95 |
| Unrealized gain (loss) on investments | 217 | - | 217 | 116 | - | 116 |
| Donated services | - | - | - | 41,783 | - | 41,783 |
| Other income | - | - | - | 184 | - | 184 |
| Net assets released from restrictions | - | - | - | 56,250 | (56,250) | - |
| Total unrestricted revenue and support | <u>2,012,718</u> | <u>-</u> | <u>2,012,718</u> | <u>2,012,386</u> | <u>(56,250)</u> | <u>1,956,136</u> |
| Expenses: | | | | | | |
| Program services: | | | | | | |
| Shelter and crisis hotline | 1,085,884 | - | 1,085,884 | 1,040,640 | - | 1,040,640 |
| Community education | 117,016 | - | 117,016 | 119,187 | - | 119,187 |
| Community counseling and consultation | 258,825 | - | 258,825 | 244,033 | - | 244,033 |
| Transitional housing | 148,553 | - | 148,553 | 165,869 | - | 165,869 |
| Total program services | <u>1,610,278</u> | <u>-</u> | <u>1,610,278</u> | <u>1,569,729</u> | <u>-</u> | <u>1,569,729</u> |
| Supporting services: | | | | | | |
| Management and general | 306,466 | - | 306,466 | 339,494 | - | 339,494 |
| Fundraising | 66,578 | - | 66,578 | 42,884 | - | 42,884 |
| Total supporting services | <u>373,044</u> | <u>-</u> | <u>373,044</u> | <u>382,378</u> | <u>-</u> | <u>382,378</u> |
| Total expenses | <u>1,983,322</u> | <u>-</u> | <u>1,983,322</u> | <u>1,952,107</u> | <u>-</u> | <u>1,952,107</u> |
| Change in net assets | 29,396 | - | 29,396 | 60,279 | (56,250) | 4,029 |
| Net assets, beginning of year | <u>3,050,225</u> | <u>-</u> | <u>3,050,225</u> | <u>2,989,946</u> | <u>56,250</u> | <u>3,046,196</u> |
| Net assets, end of year | <u>\$ 3,079,621</u> | <u>\$ -</u> | <u>\$ 3,079,621</u> | <u>\$ 3,050,225</u> | <u>\$ -</u> | <u>\$ 3,050,225</u> |

MY SISTER'S PLACE, INC.
Statement of Functional Expenses
For The Year Ended September 30, 2017

| | <u>Program Services</u> | | | | <u>Total</u> | <u>Supporting Services</u> | | <u>Total</u> |
|---|---------------------------------------|--------------------------------|--|---------------------------------|---------------------|-----------------------------------|--------------------|--------------------|
| | <u>Shelter and Crisis Hotline</u> | <u>Community Education</u> | <u>Community Counseling & Consultation</u> | <u>Transitional Housing</u> | | <u>Management and General</u> | <u>Fundraising</u> | |
| Payroll, payroll taxes, benefits | \$ 669,719 | \$ 81,559 | \$ 172,444 | \$ 87,845 | \$ 1,011,567 | \$ 97,083 | \$ 33,507 | \$1,142,157 |
| Rent and housing units | - | - | - | 20,968 | 20,968 | 100,021 | - | 120,989 |
| Resident assistance and costs | 60,118 | 324 | 684 | 349 | 61,475 | 385 | - | 61,860 |
| Repairs and maintenance | 35,714 | - | - | - | 35,714 | - | - | 35,714 |
| Consultants | 68,764 | 9,309 | 24,021 | 10,038 | 112,132 | 14,156 | 8,534 | 134,822 |
| Utilities, trash collection, exterminator | 39,229 | - | - | - | 39,229 | 4,813 | - | 44,042 |
| Professional fees | - | - | - | - | - | 17,500 | - | 17,500 |
| Insurance | 42,235 | 5,105 | 10,797 | 5,498 | 63,635 | 6,078 | 1,787 | 71,500 |
| Depreciation and amortization | 63,394 | 8,230 | 16,859 | 8,589 | 97,072 | 11,725 | 2,867 | 111,664 |
| Information systems | 38,256 | 4,967 | 10,174 | 5,182 | 58,579 | 7,076 | 1,731 | 67,386 |
| Telephone and website | 21,242 | 2,515 | 5,320 | 2,709 | 31,786 | 2,995 | 451 | 35,232 |
| Office supplies and expenses | - | 791 | 791 | 791 | 2,373 | 9,424 | - | 11,797 |
| Equipment rental | 18,898 | 2,453 | 5,026 | 2,560 | 28,937 | 3,496 | 855 | 33,288 |
| Staff development and training | 1,680 | - | 3,181 | - | 4,861 | - | - | 4,861 |
| Outside services | 6,584 | - | - | - | 6,584 | 2,822 | - | 9,406 |
| Printing and copying | 5,498 | 677 | 1,431 | 729 | 8,335 | 806 | 338 | 9,479 |
| Travel | 7,255 | 851 | 7,494 | 3,060 | 18,660 | 580 | - | 19,240 |
| Automobile | 2,505 | - | - | - | 2,505 | - | - | 2,505 |
| Postage and delivery | 3,301 | 235 | 235 | 235 | 4,006 | 751 | 2,578 | 7,335 |
| Food and beverages | 1,252 | - | 368 | - | 1,620 | 540 | - | 2,160 |
| Advertising and annual event | 240 | - | - | - | 240 | - | 13,930 | 14,170 |
| Bad debt expense | - | - | - | - | - | 26,358 | - | 26,358 |
| Miscellaneous | - | - | - | - | - | (143) | - | (143) |
| Totals | <u>\$ 1,085,884</u> | <u>\$ 117,016</u> | <u>\$ 258,825</u> | <u>\$ 148,553</u> | <u>\$ 1,610,278</u> | <u>\$ 306,466</u> | <u>\$ 66,578</u> | <u>\$1,983,322</u> |

See Accompanying Notes to Financial Statements.

MY SISTER'S PLACE, INC.
Statement of Functional Expenses
For The Year Ended September 30, 2016

| | Program Services | | | | Supporting Services | | | |
|---|---------------------------------------|--------------------------------|--|---------------------------------|----------------------------|-----------------------------------|--------------------|---------------------|
| | Shelter and Crisis Hotline | Community Education | Community Counseling & Consultation | Transitional Housing | Total | Management and General | Fundraising | Total |
| Payroll, payroll taxes, benefits | \$ 594,379 | \$ 77,169 | \$ 158,071 | \$ 80,523 | \$ 910,142 | \$ 109,931 | \$ 26,885 | \$ 1,046,958 |
| Rent and housing units | - | - | - | 40,800 | 40,800 | 89,072 | - | 129,872 |
| Resident assistance and costs | 65,529 | - | - | - | 65,529 | - | - | 65,529 |
| Repairs and maintenance | 42,318 | - | - | - | 42,318 | - | - | 42,318 |
| Consultants | 90,790 | 11,787 | 29,435 | 12,300 | 144,312 | 16,792 | 4,107 | 165,211 |
| Utilities, trash collection, exterminator | 34,346 | - | - | - | 34,346 | 4,214 | - | 38,560 |
| Professional fees | - | - | - | - | - | 38,100 | - | 38,100 |
| Donated services: legal | - | - | - | - | - | 41,783 | - | 41,783 |
| Insurance | 32,703 | 4,246 | 8,697 | 4,430 | 50,076 | 6,048 | 1,479 | 57,603 |
| Depreciation and amortization | 67,219 | 8,727 | 17,876 | 9,107 | 102,929 | 12,432 | 3,040 | 118,401 |
| Information systems | 51,836 | 6,730 | 13,785 | 7,022 | 79,373 | 9,588 | 2,345 | 91,306 |
| Telephone and website | 20,032 | 2,601 | 5,327 | 2,714 | 30,674 | 3,705 | 906 | 35,285 |
| Equipment rental | 15,413 | 2,001 | 4,099 | 2,088 | 23,601 | 2,851 | 697 | 27,149 |
| Staff development and training | 710 | 88 | 180 | 92 | 1,070 | 125 | - | 1,195 |
| Outside services | 11,630 | 1,510 | 3,093 | 1,576 | 17,809 | 2,150 | 526 | 20,485 |
| Printing and copying | 4,522 | 3,474 | 1,203 | 613 | 9,812 | 836 | 205 | 10,853 |
| Travel | 2,265 | 146 | 420 | 3,866 | 6,697 | 480 | - | 7,177 |
| Postage and delivery | - | - | - | - | - | 102 | 2,379 | 2,481 |
| Food and beverages | 1,495 | - | 397 | - | 1,892 | 276 | 68 | 2,236 |
| Miscellaneous | 5,453 | 708 | 1,450 | 738 | 8,349 | 1,009 | 247 | 9,605 |
| Totals | \$ 1,040,640 | \$ 119,187 | \$ 244,033 | \$ 165,869 | \$ 1,569,729 | \$ 339,494 | \$ 42,884 | \$ 1,952,107 |

See Accompanying Notes to Financial Statements.

MY SISTER'S PLACE, INC.
Statements of Cash Flows
For the Years Ended September 30, 2017 and 2016

| | 2017 | 2016 |
|---|-------------|-------------|
| <u>Cash flows form operating activities:</u> | | |
| Change in net assets | \$ 29,396 | \$ 4,029 |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: | | |
| Depreciation and amortization | 111,664 | 118,401 |
| Unrealized gains on investments | (190) | (116) |
| Decrease (increase) in accounts receivable | 217,731 | (186,147) |
| (Decrease) increase in accounts payable | (12,020) | 26,532 |
| Increase (decrease) in accrued salaries and related liabilities | 4,742 | (30,210) |
| Net cash provided by (used in) operating activities | 351,323 | (67,511) |
| <u>Cash flows from investing activities:</u> | | |
| Purchases of property and equipment | - | (322) |
| Purchases of investments | (226) | (1,156) |
| Net cash used in by investing activities | (226) | (1,478) |
| <u>Cash flows from financing activities:</u> | | |
| Outstanding checks in excess of cash | (96,426) | 24,957 |
| Net cash provided by (used in) financing activities | (96,426) | 24,957 |
| Increase (decrease) in cash and equivalents | 254,671 | (44,032) |
| Cash and equivalents, beginning of year | 397 | 44,429 |
| Cash and equivalents, end of year | \$ 255,068 | \$ 397 |

See Accompanying Notes to Financial Statements.

MY SISTER’S PLACE, INC.
Notes to Financial Statements
September 30, 2017 and 2016

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 and 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. MSP’s shelter for domestic violence victims provides safe, secure housing for up to 15 families with 45 beds and provides wrap around services, including case management and counseling for victims and their 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, 2017 and 2016

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, 2017 and 2016, MSP had no temporarily or 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.

Contributed services are recognized when they are received if the services create or enhance nonfinancial assets or required specialized skills and are provided by individual possessing those skills, and would, typically need to be purchased if not donated. MSP received contributed services of \$0 and \$41,783 for the years ended September 30, 2017 and 2016, respectively.

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.

MY SISTER'S PLACE, INC.
Notes to Financial Statements (Continued)
September 30, 2017 and 2016

NOTE 1- ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)

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.

Property and Equipment

It is MSP' 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, 2017 and 2016, no unrecognized tax provision or benefit exists.

MY SISTER'S PLACE, INC.
Notes to Financial Statements (Continued)
September 30, 2017 and 2016

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, 2014 - 2016 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- OPERATING LEASES

On August 5, 2011, MSP entered into a lease agreement for office space for administration. The lease agreement began on September 1, 2011 and expired on November 30, 2014. The lease was amended on December 1, 2014 for 3 years. In September 2017, the lease renewed for another 5 years, terminating November 30, 2022. The base annual rent is \$96,315 and includes a 3% annual rent adjustment. Total rent expense for the facilities for the years ended September 30, 2017 and 2016 was \$88,359 and \$89,072, respectively.

Future minimum lease payments are as follows:

| | | |
|--------------|--------------------|-------------------|
| Year ending: | September 30, 2018 | \$ 87,822 |
| | September 30, 2019 | 98,483 |
| | September 30, 2020 | 101,437 |
| | September 30, 2021 | 104,480 |
| | September 30, 2022 | 107,615 |
| | September 30, 2013 | <u>27,101</u> |
| | Total | <u>\$ 526,938</u> |

MY SISTER'S PLACE, INC.
Notes to Financial Statements (Continued)
September 30, 2017 and 2016

NOTE 4- 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, 2017 and 2016.

NOTE 5- 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, 2017 was \$1,653,378 or 82% of total revenue and \$1,618,494 or 83% of total revenue for the year ended September 30, 2016.

NOTE 6- SUBSEQUENT EVENTS

In December 2017, MSP obtained a 36-month line of credit with Premier Bank with a maximum amount available of \$500,000. The line of credit is secured by land and building owned by MSP.

Other than the line of credit described in the previous paragraph, MSP evaluated subsequent events for potential required disclosure through May 1, 2018, 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, 2017

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-0733-5-17 | \$ 697,373 |
| Department of Human Services Education and Outreach Grant Award | 93.671 | JA-FSA-0731-1-17 | 25,000 |
| Department of Human Services Case Management Services Grant Award | 93.671 | JA-FSA-0732-1-17 | <u>25,000</u> |
| Total Department of Health and Human Services/ Family Violence Prevention Services Cluster | | | 747,373 |
| Department of Human Services Domestic Violence Program | 93.558 | JA-ESA-15-0008 | <u>325,000</u> |
| Total U.S. Department of Health and Human Services | | | 1,072,373 |
| U.S. Department of Justice Programs Office on Violence Against Women Reaching Independence through Survivor Empowerment | 16.736 | 2016-WH-AX-0015 | 39,534 |
| 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 | 2017-MSP-01 | <u>541,471</u> |
| Total U.S. Department of Justice | | | <u>\$ 581,005</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 1,653,378</u> |

MY SISTER’S PLACE, INC.
Notes to the Schedule of Expenditures of Federal Awards
September 30, 2017 and 2016

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, 2017. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. 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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in their 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.

NOTE 4- INDIRECT COST RATE

MSP has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.



**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, 2017 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 May 1, 2018.

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
May 1, 2018



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

**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 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, 2017. 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, 2017.

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 the Uniform Guidance, 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
May 1, 2018

MY SISTER'S PLACE, INC.
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2017

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 2 CFR Section 200.516(a)? Yes No

Identification of Major Programs:

CFDA Number/ Grant Number
93.671

Program Title
U.S. Department of Health and
Human Services:
Family Violence Prevention Services Cluster

Dollar threshold used to distinguish between Type A and Type B Programs:

\$ 750,000

Auditee qualified as a low-risk auditee? Yes No

MY SISTER'S PLACE, INC.
Summary Schedule of Prior Audits Findings (Continued)
For the Year Ended September 30, 2017

B. Findings - Financial Statement Audit

None

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

None

D. Prior Year Audit Findings

None