

**MY SISTER'S PLACE, INC.**

FINANCIAL STATEMENTS

JUNE 30, 2007

**MY SISTER'S PLACE, INC.**

**FINANCIAL STATEMENTS**

JUNE 30, 2007 AND 2006

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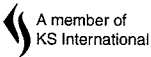
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## REPORT OF INDEPENDENT AUDITORS

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

We have audited the accompanying statements of financial position of My Sister's Place, Inc., as of June 30, 2007 and 2006 and the related statements of activities, functional expenses and cash flow for the years then ended. These financial statements are the responsibility of the My Sister's Place, Inc's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the organization's management, as well as evaluating the overall financial statement presentation. We believe that our audits provide reasonable basis for our 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 June 30, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Washington, DC  
August 20, 2008

*Calibre CPA Group, PLLC*

# MY SISTER'S PLACE, INC.

## STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2007 AND 2006

	2007	2006
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	2,707,991	2,186,160
Investments	108,078	89,615
Accounts receivable	390,064	204,813
Capital campaign receivable	204,100	325,600
Prepaid and other assets	7,602	10,438
Total current assets	3,417,835	2,816,626
<b>FIXED ASSETS</b>		
Land	103,934	103,934
Building and improvements	480,517	480,517
Construction in progress	99,389	99,389
Furniture and equipment	169,753	153,351
Vehicles	32,900	32,900
Less: Accumulated depreciation	(330,332)	(302,877)
Total fixed assets	556,161	567,214
<b>TOTAL ASSETS</b>	<b>\$ 3,973,996</b>	<b>\$ 3,383,840</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Current maturities - long-term obligations	2,550	14,460
Accounts payable	35,163	16,757
Accrued salaries, leave and payroll liabilities	64,102	43,038
Other payables	9,417	7,997
Deferred revenue	162,915	112,667
Long-term obligation	-	9,996
Total liabilities	274,147	204,915
<b>NET ASSETS</b>		
Unrestricted	1,172,342	651,418
Temporarily restricted	2,527,507	2,527,507
Total net assets	3,699,849	3,178,925
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 3,973,996</b>	<b>\$ 3,383,840</b>

See accompanying notes to financial statements.

**MY SISTER'S PLACE, INC.**

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**

YEARS ENDED JUNE 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<b>SUPPORT AND REVENUE</b>		
Government grants	\$ 195,054	\$ 819,317
Other contributions	1,767,985	2,337,215
United Way/CFC	46,046	74,383
Special Events - net of costs of \$650 and \$0	65,247	-
Interest and dividend income	52,637	5,321
Unrealized gain on investments	3,679	17,782
Rent	-	39,500
Other income	<u>22,305</u>	<u>17,573</u>
Total support and revenue	<u>2,152,953</u>	<u>3,311,091</u>
<b>EXPENSES</b>		
Program services	1,264,773	1,355,902
Supporting services	207,619	228,085
Fundraising expenses	<u>159,637</u>	<u>182,054</u>
Total expenses	<u>1,632,029</u>	<u>1,766,041</u>
<b>CHANGE IN NET ASSETS</b>	520,924	1,545,050
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>3,178,925</u>	<u>1,633,875</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 3,699,849</u>	<u>\$ 3,178,925</u>

See accompanying notes to financial statements.

MY SISTER'S PLACE INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2007

	Program Services				Support Services		
	Shelter and Crisis Hotline	Community Education	Counseling Center	Transitional Housing	Support	Fundraising	Total
Payroll, p/r taxes, benefits, direct services	\$ 375,936	\$ 195,909	\$ 170,008	\$ 80,261	\$ 129,611	\$ 114,156	\$ 243,767
Rent	3,922	585	32,024	102,334	14,233	5,045	19,278
Resident assistance and costs	7,533	4,784	1,256	1,228	19	31	50
Repairs and maintenance	11,757	-	-	4,805	4,360	133	4,493
Consultants	965	12,711	3,482	42	56	3,507	3,563
Utilities, trash collection, exterminator	18,865	347	-	16,920	9,512	-	9,512
Professional fees	40,670	21,014	9,695	4,306	4,182	8,914	13,095
Insurance- casualty	18,233	9,979	3,993	1,997	4,837	3,993	8,830
Depreciation and amortization	12,355	6,864	2,746	1,373	1,373	2,746	4,118
Information systems	2,345	1,303	521	261	261	521	782
Telephone and website	13,855	2,720	5,069	4,677	909	1,011	1,920
Office and house supplies and expenses	17,158	5,212	10,627	1,433	12,989	4,496	17,485
Recruiting and training	576	1,162	291	55	396	11	408
Conference and meetings	287	580	145	28	198	6	203
Printing and copying	322	1,383	115	-	143	2,248	2,391
Travel	672	464	-	125	55	192	246
Automobile	2,030	406	-	-	-	-	-
Postage and delivery	428	935	-	-	3,377	10,242	13,619
Dues and subscriptions	1,499	5	-	-	1,456	1,435	2,891
Licenses, permits, taxes	2,854	-	-	-	9,136	-	9,136
Advertising	108	49	20	10	310	28	338
Miscellaneous	3,559	1,617	648	323	10,207	924	11,131
<b>Total Expenses</b>	<b>\$ 535,929</b>	<b>\$ 268,028</b>	<b>\$ 240,640</b>	<b>\$ 220,176</b>	<b>\$ 207,619</b>	<b>\$ 159,637</b>	<b>\$ 367,256</b>
							<b>\$ 1,632,029</b>

MY SISTER'S PLACE INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2006

	Program Services				Support Services			
	Shelter and Crisis Hotline	Community Education	Counseling Center	Transitional Housing	Total	Support	Fundraising	Total
Payroll, p/r taxes, benefits, direct services	\$ 414,252	\$ 215,876	\$ 187,336	\$ 88,441	\$ 905,906	\$ 142,821	\$ 125,791	\$ 268,612
Rent	3,743	558	30,564	97,667	132,533	13,584	4,815	18,398
Resident assistance and costs	5,917	3,758	987	965	11,626	15	24	40
Repairs and maintenance	13,841	-	-	5,656	19,497	5,133	156	5,289
Consultants	1,204	15,858	4,344	52	21,458	70	4,375	4,445
Utilities, trash collection, exterminator	18,376	338	-	16,482	35,196	9,266	-	9,266
Professional fees	47,518	24,552	11,327	5,031	88,428	4,886	10,414	15,300
Insurance- casualty	18,373	10,056	4,024	2,012	34,466	4,874	4,024	8,898
Depreciation and amortization	12,970	7,206	2,882	1,441	24,499	1,441	2,882	4,323
Fundraising expenses	5	-	-	-	5	-	20	20
Telephone and website	13,125	2,576	4,802	4,430	24,933	861	958	1,819
Office and house supplies and expenses	11,064	3,361	6,853	924	22,201	8,376	2,899	11,275
Recruiting and training	581	1,171	293	56	2,100	399	12	411
Conference and meetings	791	1,595	399	76	2,860	544	16	560
Printing and copying	779	3,344	279	-	4,402	345	5,436	5,781
Travel	2,338	1,613	-	436	4,386	190	667	857
Automobile	797	160	-	-	957	-	-	957
Postage and delivery	595	1,298	-	-	1,893	4,689	14,221	18,910
Dues and subscriptions	3,429	11	-	-	3,440	3,331	3,282	6,613
Licenses, permits, taxes	1,404	-	-	-	1,404	4,497	-	4,497
Advertising	1,502	682	273	136	2,594	4,306	390	4,696
Miscellaneous	6,437	2,925	1,172	584	11,118	18,458	1,672	20,129
<b>Total Expenses</b>	<b>\$ 579,040</b>	<b>\$ 296,938</b>	<b>\$ 255,534</b>	<b>\$ 224,390</b>	<b>\$ 1,355,902</b>	<b>\$ 228,085</b>	<b>\$ 182,054</b>	<b>\$ 410,139</b>
								<b>\$ 1,766,041</b>

**MY SISTER'S PLACE, INC.**

**STATEMENTS OF CASH FLOWS**

YEARS ENDED JUNE 30, 2007 AND 2006

	2007	2006
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 520,924	\$ 1,545,050
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	27,455	28,822
Unrealized gain on investments	(3,679)	(17,782)
Changes in assets and liabilities:		
Accounts receivable	(63,751)	4,056
Employee loans and advances	-	188
Prepaid expenses and other assets	2,836	-
Accounts payable	19,826	51,990
Accrued salaries, leave and payroll liabilities	21,064	(7,269)
Deferred liabilities	<u>50,248</u>	<u>(11,243)</u>
Net cash provided by operating activities	<u>574,923</u>	<u>1,593,812</u>
 <b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Purchases of fixed assets	(16,402)	(8,892)
Purchases of investments	<u>(14,784)</u>	<u>(2,893)</u>
Net cash used in investing activities	<u>(31,186)</u>	<u>(11,785)</u>
 <b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>		
Payments on long-term debt	<u>(21,906)</u>	<u>(12,180)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>521,831</u>	<u>1,569,847</u>
 <b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>2,186,160</u>	<u>616,313</u>
 <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 2,707,991</u>	<u>\$ 2,186,160</u>
 <b>SUPPLEMENTAL DISCLOSURE</b>		
Interest paid	<u>\$ -</u>	<u>\$ 1,467</u>

See accompanying notes to financial statements

# MY SISTER'S PLACE, INC.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007 AND 2006

### NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### **Basis of Presentation**

The Organization has adopted Statement of Financial Accounting Standards No. 116, Accounting for Contributions Received and Contributions Made (SFAS 116) and Statement of Financial Accounting Standards No. 117, Financial Statements of Not-for-Profit Organizations (SFAS 117), effective July 1, 1994.

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted, temporarily restricted, and permanently restricted.

#### **Revenue Recognition, Restricted Contributions and Grants**

Contributions are considered available for unrestricted use unless specifically restricted by the donor. Contributions restricted by the donor for particular operating purposes, if any, are reported as temporarily restricted revenue until expenses are incurred in compliance with the donor's restrictions. Grants for specific purposes are recognized in the year related expenses are incurred. Non-specific grants are recognized in the year granted. The organization elects to treat donor-restricted contributions whose restrictions are met in the same reporting period as unrestricted support.

#### **Provision for Doubtful Accounts**

The organization considers its accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they are charged to operations upon such determination.

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Allocated Expenses**

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

**Cash and Cash Equivalents**

For the Statement of Cash Flows, the Organization considers investments with a maturity of three months or less to be cash equivalents.

**Property and Equipment**

Furniture and equipment are stated at cost (if purchased) or fair value (if donated). Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Purchases of fixed assets costing more that \$1,000 and major improvements are capitalized.

**Income Taxes**

The Organization is exempt from Federal and State income taxes under Section 501(c)(3) of the Internal Revenue Code. Under 501(c)(3) the corporation is subject to taxes on unrelated business income, if any. The Organization did not have any unrelated business income during the years ended June 30, 2007 and 2006. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

**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, the disclosure of contingent assets and liabilities at the date of the financial statements, and the amounts of revenue and expenses reported during the period. Actual results could differ from those estimates.

**NOTE 2. SUPPORT**

**Government Support**

The Organization 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 and its agencies was \$135,468 or 7% of total income received during the fiscal 2007 and \$601,076 or 19% of total income received during fiscal year 2006. As of June 30, 2007 and 2006, the Organization had receivables of \$0 and \$76,429, respectively, from the District of Columbia and its agencies. A reduction in this level of support may have a significant effect on the level of programs and activities provided.

**NOTE 3. COMMITMENTS AND CONTINGENCIES**

Operating Leases

The Organization meets part of its demand for transitional housing by leasing four apartments on a month-to-month basis. Additionally, during 2003 the Organization began occupying additional four-dwelling and two-dwelling units. The Organization rents separate spaces for its non-residential counseling center. In September, 1998, the Organization entered into a lease agreement for a new office space near, but separate from, its existing property. On August 1, 2006 and 2007, the office lease was renewed for an additional year. Total rent expense for these facilities for the year ended June 30, 2007 was \$158,142 and for 2006, \$150,931.

Future minimum lease payments are as follows:

Year ended June 30, 2008	\$ 24,576
June 30, 2009	<u>2,048</u>
Total future minimum lease payment	<u>\$ 26,624</u>

**NOTE 4. CONCENTRATION OF CREDIT RISK**

The Organization maintains cash and cash equivalents at two financial institutions located in metropolitan Washington, D.C. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000 per depositor per financial institution. At times during the year, cash balances on deposit at one of the institutions exceeded \$100,000. At June 30, 2007, uninsured amounts were approximately \$2,450,000.

**NOTE 5. INVESTMENTS**

Publicly traded marketable equity securities are carried at market value. At June 30, 2007 these investments were valued at \$108,078, which exceed the cost of the investment by \$44,751. At June 30, 2006 these investments were valued at \$89,615, which exceed the cost of the investments by \$41,072.

**NOTE 6. RETIREMENT PLAN**

The Organization established a SIMPLE IRA plan in 1997. Employees are eligible to contribute to the plan after the first calendar year during which the employee earned \$5,000 for the Organization. The Organization matches contributions of up to three percent (3%) each year. For at least 3 years during each five-year period, the Organization must contribute three percent (3%) of salary for eligible employees. Plan contributions were \$8,960 for the year ended June 30, 2007 and \$12,108 for the year ended June 30, 2006.