

MY SISTER'S PLACE, INC.

FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

MY SISTER'S PLACE, INC.

FINANCIAL STATEMENTS

THREE MONTHS ENDED SEPTEMBER 30, 2008

CONTENTS

	PAGE
Report of Independent Auditors	1
Statements of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Notes to Financial Statements	5



REPORT OF INDEPENDENT AUDITORS

CERTIFIED PUBLIC ACCOUNTANTS
AND BUSINESS ADVISORS

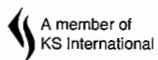
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To the Board of Directors
My Sister's Place, Inc.

We have audited the accompanying statements of financial position of My Sister's Place, Inc., as of September 30, 2008 and June 30, 2008, and the related statements of activities and cash flows for the three months ended September 30, 2008. These financial statements are the responsibility of 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 misstatement. 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 a 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 September 30, 2008 and June 30, 2008, and the changes in its net assets and its cash flows for the three months ended September 30, 2008, in conformity with accounting principles generally accepted in the United States of America.

Calibre CPA Group, PLLC

Washington, DC
June 15, 2010

MY SISTER'S PLACE, INC.

STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2008 AND JUNE 30, 2008

	September 30, 2008	June 30, 2008
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,585,193	\$ 2,838,866
Accounts receivable	417,634	379,392
Prepaid expenses and other assets	16,552	7,602
Total current assets	3,019,379	3,225,860
PROPERTY AND EQUIPMENT		
Land	103,934	103,934
Building and improvements	480,517	480,517
Construction in progress	236,294	236,294
Furniture and equipment	175,521	175,521
Vehicles	32,900	32,900
Less: Accumulated depreciation	(367,673)	(359,916)
Net property and equipment	661,493	669,250
OTHER ASSETS		
Capital campaign receivable	198,100	204,100
Investments	386,836	408,505
	584,936	612,605
Total assets	\$ 4,265,808	\$ 4,507,715
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 33,279	\$ 95,841
Accrued salaries, leave and payroll liabilities	93,754	65,405
Residents escrow funds	9,417	9,417
Total liabilities	136,450	170,663
NET ASSETS		
Unrestricted	1,057,684	1,180,378
Temporarily restricted	3,071,674	3,156,674
Total net assets	4,129,358	4,337,052
Total liabilities and net assets	\$ 4,265,808	\$ 4,507,715

See accompanying notes to financial statements.

MY SISTER'S PLACE, INC.

STATEMENT OF ACTIVITIES

THREE MONTHS ENDED SEPTEMBER 30, 2008
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2008)

	September 30, 2008			June 30, 2008
	Unrestricted	Temporarily Restricted	Total	Total
SUPPORT AND REVENUE				
Government grants	\$ 261,999	-	\$ 261,999	\$ 854,224
Capital Campaign	-	-	-	400,000
Other contributions	113,663	-	113,663	1,261,522
United Way/CFC	4,026	-	4,026	66,017
Special Events - net of costs of \$-0- and \$650	-	-	-	47,553
Interest and dividend income	7,406	-	7,406	53,998
Unrealized gain (loss) on investments	(22,078)	-	(22,078)	(99,573)
Net assets released from restriction	85,000	(85,000)	-	-
Total support and revenue	450,016	(85,000)	365,016	2,583,741
EXPENSES				
Program services	413,424	-	413,424	1,464,625
Management and general	133,450	-	133,450	236,114
Fund raising	25,836	-	25,836	188,727
Total expenses	572,710	-	572,710	1,889,466
CHANGE IN NET ASSETS	(122,694)	(85,000)	(207,694)	694,275
NET ASSETS - BEGINNING OF PERIOD	1,180,378	3,156,674	4,337,052	3,642,777
NET ASSETS - END OF PERIOD	\$ 1,057,684	\$ 3,071,674	\$ 4,129,358	\$ 4,337,052

See accompanying notes to financial statements.

MY SISTER'S PLACE, INC.

STATEMENT OF CASH FLOWS

THREE MONTHS ENDED SEPTEMBER 30, 2008

CASH FLOWS FROM OPERATING ACTIVITIES	
Changes in net assets	\$ (207,694)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation and amortization	7,757
Unrealized loss on investments	22,078
Changes in assets and liabilities:	
Accounts receivable	(38,242)
Prepaid expenses and other assets	(8,950)
Accounts payable	(62,562)
Accrued salaries, leave and payroll liabilities	<u>28,349</u>
Net cash used for operating activities	(259,264)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of investments	(409)
CASH FLOWS FROM FINANCING ACTIVITIES	
Change in capital campaign receivable	<u>6,000</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(253,673)
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	<u>2,838,866</u>
CASH AND CASH EQUIVALENTS - END OF PERIOD	<u>\$ 2,585,193</u>

See accompanying notes to financial statements

MY SISTER'S PLACE, INC.

NOTES TO FINANCIAL STATEMENTS

THREE MONTHS ENDED SEPTEMBER 30, 2008

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 Section 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 three months ended September 30, 2008. 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.

Comparative Information

The comparative information presented as of June 30, 2008 and for the year then ended is not intended to be a complete financial statement presentation in conformity with generally accepted accounting principles. The amounts were derived from the organization's audited financial statements for the year ended June 30, 2008.

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 \$262,000 or 72% of total income received during the three months ended September 30, 2008. 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. In July 2008, the Organization entered into two lease agreements for its residential services. Total rent expense for these facilities for the three months ended September 30, 2008 was \$54,003.

Future minimum lease payments are as follows:

Year ending: September 30, 2009	\$ 163,800
September 30, 2010	<u>144,750</u>
Total future minimum lease payments	<u>\$ 308,550</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 September 30, 2008, uninsured amounts were approximately \$2,275,000.

NOTE 5. INVESTMENTS

Publicly traded marketable equity securities are carried at market value. At September 30, 2008 these investments were valued at \$386,836 which was below the cost of the investment by \$121,650. At June 30, 2008 these investments were valued at \$408,505, which was below the cost of the investments by \$99,572.

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 from 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 \$1,461 for the three months ended September 30, 2008.