



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

**For the Years Ended September 30, 2018 and 2017**



# 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 2018 and 2017 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, 2018 and 2017 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 April 18, 2019, 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, CPAs*

DeLeon & Stang, CPAs  
April 18, 2019



**MY SISTER'S PLACE, INC.**  
**Statements of Financial Position**  
**September 30, 2018 and 2017**

<b>Assets</b>	<b>2018</b>	<b>2017</b>
<b><u>Current assets:</u></b>		
Cash and equivalents	\$ 628,988	\$ 255,068
Contributions receivable	41,000	-
Accounts receivable	170,831	518,326
Prepaid expenses and other assets	6,722	6,722
<b>Total current assets</b>	847,541	780,116
<b><u>Property and equipment:</u></b>		
Land	70,184	70,184
Building and improvements	3,054,026	3,054,026
Furniture and equipment	438,845	438,655
Vehicles	49,400	49,400
Less: Accumulated depreciation	(1,342,624)	(1,238,922)
<b>Net property and equipment</b>	2,269,831	2,373,343
<b><u>Other assets:</u></b>		
Investments	1,525	1,382
<b>Total other assets</b>	1,525	1,382
<b>Total assets</b>	<b>\$ 3,118,897</b>	<b>\$ 3,154,841</b>
<b>Liabilities and net assets</b>		
<b><u>Current Liabilities:</u></b>		
Accounts payable	\$ -	\$ 30,461
Accrued salaries and related liabilities	62,988	44,759
<b>Total current liabilities</b>	62,988	75,220
<b><u>Net assets:</u></b>		
Unrestricted	3,014,909	3,079,621
Temporarily restricted	41,000	-
<b>Total net assets</b>	3,055,909	3,079,621
<b>Total liabilities and net assets</b>	<b>\$ 3,118,897</b>	<b>\$ 3,154,841</b>

**MY SISTER'S PLACE, INC.**  
**Statements of Activities**  
**For the Years Ended September 30, 2018 and 2017**

	<b>2018</b>			<b>2017</b>		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Revenue and support:</b>						
Grants	\$ 1,388,065	\$ -	\$ 1,388,065	\$ 1,653,378	\$ -	\$ 1,653,378
Other contributions	327,222	41,000	368,222	216,547	-	216,547
Child & family services	59,841	-	59,841	95,260	-	95,260
United Way/CFC	23,756	-	23,756	23,954	-	23,954
In-kind services	56,572	-	56,572	-	-	-
Program fees	-	-	-	50	-	50
Special events	7,768	-	7,768	23,191	-	23,191
Interest and dividend income	528	-	528	121	-	121
Unrealized gain (loss) on investments	143	-	143	217	-	217
Other income	5,669	-	5,669	-	-	-
Total unrestricted revenue and support	<u>1,869,564</u>	<u>41,000</u>	<u>1,910,564</u>	<u>2,012,718</u>	<u>-</u>	<u>2,012,718</u>
<b>Expenses:</b>						
Program services:						
Shelter and crisis hotline	1,069,286	-	1,069,286	1,085,884	-	1,085,884
Community education	110,653	-	110,653	117,016	-	117,016
Community counseling and consultation	234,750	-	234,750	258,825	-	258,825
Transitional housing	160,503	-	160,503	148,553	-	148,553
Total program services	<u>1,575,192</u>	<u>-</u>	<u>1,575,192</u>	<u>1,610,278</u>	<u>-</u>	<u>1,610,278</u>
Supporting services:						
Management and general	304,077	-	304,077	306,466	-	306,466
Fundraising	55,007	-	55,007	66,578	-	66,578
Total supporting services	<u>359,084</u>	<u>-</u>	<u>359,084</u>	<u>373,044</u>	<u>-</u>	<u>373,044</u>
Total expenses	<u>1,934,276</u>	<u>-</u>	<u>1,934,276</u>	<u>1,983,322</u>	<u>-</u>	<u>1,983,322</u>
<b>Change in net assets</b>	(64,712)	41,000	(23,712)	29,396	-	29,396
<b>Net assets, beginning of year</b>	<u>3,079,621</u>	<u>-</u>	<u>3,079,621</u>	<u>3,050,225</u>	<u>-</u>	<u>3,050,225</u>
<b>Net assets, end of year</b>	<u>\$ 3,014,909</u>	<u>\$ 41,000</u>	<u>\$ 3,055,909</u>	<u>\$ 3,079,621</u>	<u>\$ -</u>	<u>\$ 3,079,621</u>

See Accompanying Notes to Financial Statements

**Statement of Functional Expenses  
For the Year Ended September 30, 2018**

	<b>Program Services</b>				<b>Supporting Services</b>			
	<b>Shelter Services</b>	<b>Community Education</b>	<b>Community Counseling &amp; Consultation</b>	<b>Transitional Housing</b>	<b>Total</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Payroll, payroll taxes, benefits	\$ 668,054	\$ 82,309	\$ 158,598	\$ 97,886	\$ 1,006,847	\$ 87,692	\$ 37,113	\$ 1,131,652
Rent and housing units	-	-	-	30,258	30,258	107,640	-	137,898
Resident assistance and costs	48,209	-	-	-	48,209	-	-	48,209
Repairs and maintenance	69,239	-	-	-	69,239	-	-	69,239
Consultants	17,725	5,034	32,561	5,375	60,695	8,601	3,220	72,516
Utilities, trash collection, exterminator	78,631	-	-	-	78,631	-	-	78,631
Professional fees	-	-	-	-	-	20,100	-	20,100
In-kind legal fees	-	-	-	-	-	56,572	-	56,572
Insurance	39,190	4,795	8,658	5,120	57,763	5,424	1,873	65,060
Depreciation and amortization	61,215	7,539	14,529	8,970	92,253	8,048	3,401	103,702
Information systems	30,080	3,400	6,139	3,631	43,250	1,555	1,328	46,133
Telephone and website	10,531	4,597	4,596	4,596	24,320	1,753	573	26,646
Office supplies and expenses	7,074	887	1,604	948	10,513	1,173	347	12,033
Equipment rental	10,761	1,226	2,213	1,309	15,509	641	479	16,629
Staff development and training	-	-	-	-	-	3,790	-	3,790
Printing and copying	1,268	159	287	164	1,878	213	62	2,153
Travel	328	628	3,422	2,060	6,438	520	-	6,958
Automobile	845	-	-	-	845	-	-	845
Postage and delivery	1,164	79	143	186	1,572	75	843	2,490
Food and beverages	618	-	2,000	-	2,618	280	-	2,898
Advertising and annual event	-	-	-	-	-	-	5,768	5,768
Miscellaneous	24,354	-	-	-	24,354	-	-	24,354
<b>Totals</b>	<b>\$ 1,069,286</b>	<b>\$ 110,653</b>	<b>\$ 234,750</b>	<b>\$ 160,503</b>	<b>\$ 1,575,192</b>	<b>\$ 304,077</b>	<b>\$ 55,007</b>	<b>\$ 1,934,276</b>

See Accompanying Notes to Financial Statements.

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

	<b>Program Services</b>				<b>Supporting Services</b>			
	<b>Shelter and Crisis Hotline</b>	<b>Community Education</b>	<b>Community Counseling &amp; Consultation</b>	<b>Transitional Housing</b>	<b>Total</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
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)
<b>Totals</b>	<b>\$ 1,085,884</b>	<b>\$ 117,016</b>	<b>\$ 258,825</b>	<b>\$ 148,553</b>	<b>\$ 1,610,278</b>	<b>\$ 306,466</b>	<b>\$ 66,578</b>	<b>\$ 1,983,322</b>

See Accompanying Notes to Financial Statements.



**MY SISTER'S PLACE, INC.**  
**Statements of Cash Flows**  
**For the Years Ended September 30, 2018 and 2017**

	<b>2018</b>	<b>2017</b>
<b><u>Cash flows from operating activities:</u></b>		
Change in net assets	\$ (23,712)	\$ 29,396
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	103,702	111,664
Unrealized gains on investments	(143)	(190)
Decrease in accounts receivable	347,495	217,731
Increase in contributions receivable	(41,000)	-
(Decrease) in accounts payable	(30,461)	(12,020)
Increase in accrued salaries and related liabilities	18,229	4,742
<b>Net cash provided by operating activities</b>	<b>374,110</b>	<b>351,323</b>
<b><u>Cash flows from investing activities:</u></b>		
Purchases of property and equipment	(190)	-
Purchases of investments	-	(226)
<b>Net cash used in by investing activities</b>	<b>(190)</b>	<b>(226)</b>
<b><u>Cash flows from financing activities:</u></b>		
Outstanding checks in excess of cash	-	(96,426)
<b>Net cash used in financing activities</b>	<b>-</b>	<b>(96,426)</b>
<b>Increase in cash and equivalents</b>	373,920	254,671
<b>Cash and equivalents, beginning of year</b>	<b>255,068</b>	<b>397</b>
<b>Cash and equivalents, end of year</b>	<b>\$ 628,988</b>	<b>\$ 255,068</b>

See Accompanying Notes to Financial Statements.

**MY SISTER'S PLACE, INC.**  
**Notes to Financial Statements**  
**September 30, 2018 and 2017**

**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 Services

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.

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 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, 2018 and 2017**

**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, 2018, MSP had \$41,000 of net assets that were temporarily restricted due to time restrictions. There were no temporarily restricted net assets at September 30, 2017. At September 30, 2018 and 2017, 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.

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.

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, 2018 and 2017**

**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, 2018 and 2017, no unrecognized tax provision or benefit exists.

**MY SISTER'S PLACE, INC.**  
**Notes to Financial Statements (Continued)**  
**September 30, 2018 and 2017**

**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, 2015 - 2017 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, 2018 and 2017 was \$87,916 and \$88,359, respectively.

Future minimum lease payments are as follows:

Year ending: September 30, 2019	\$ 98,483
September 30, 2020	101,437
September 30, 2021	104,480
September 30, 2022	107,615
September 30, 2023	<u>27,101</u>
Total	<u>\$439,116</u>

**MY SISTER'S PLACE, INC.**  
**Notes to Financial Statements (Continued)**  
**September 30, 2018 and 2017**

**NOTE 4- LINE OF CREDIT**

In December 2017, MSP obtained a 36-month line of credit with Premier Bank with a maximum amount available of \$500,000. Interest accrues at a rate of 6.25% per annum. The line of credit is secured by land and building owned by MSP. As of September 30, 2018, there were no amounts drawn on the line of credit.

**NOTE 5- 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, 2018 and 2017.

**NOTE 6- 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, 2018 was \$1,388,065 or 75% of total revenue and \$1,653,378 or 82% of total revenue for the year ended September 30, 2017.

**NOTE 7- SUBSEQUENT EVENTS**

MSP evaluated subsequent events for potential required disclosure through April 18, 2019, 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, 2018**

**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-0733-5-18	\$ 705,000
Department of Human Services Education and Outreach Grant Award	93.671	JA-FSA-0731-1-18	20,000
Department of Human Services Case Management Services Grant Award	93.671	JA-FSA-0732-1-18	<u>30,000</u>
Total Department of Health and Human Services/ Family Violence Prevention Services Cluster			<u>755,000</u>
Total U.S. Department of Health and Human Services			755,000
U.S. Department of Justice Programs Office on Violence Against Women Reaching Independence through Survivor Empowerment	16.736	2016-WH-AX-0015	26,743
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>606,322</u>
Total U.S. Department of Justice			<u>633,065</u>
Total Expenditures of Federal Awards			<u>\$ 1,388,065</u>

**MY SISTER’S PLACE, INC.**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**September 30, 2018 and 2017**

**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, 2018. 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, 2018 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 April 18, 2019.

**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, CPAs*

DeLeon & Stang, CPAs

April 18, 2019



**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, 2018. 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, 2018.

### **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, CPAs*

DeLeon & Stang, CPAs  
April 18, 2019

**MY SISTER'S PLACE, INC.**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended September 30, 2018**

**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

16.unknown

U.S. Department of Justice:  
Comprehensive Opportunities for Recovery and Empowerment

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, 2018**

**B. Findings - Financial Statement Audit**

None

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

None

**D. Prior Year Audit Findings**

None