



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

**For the Years Ended September 30, 2019 and 2018**



# 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 non-profit organization), which comprise the statements of financial position as of September 30, 2019 and 2018 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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**Independent Auditors' Report**  
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**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, 2019 and 2018 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**

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 11, 2020, 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.

**Emphasis of Matter**

As discussed in Note 1 to the financial statements, as of September 30, 2019, the Organization has adopted Accounting Standards Update (ASU) 2016-14, Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, information about liquidity and availability of resources, methods used to allocate costs to programmatic and other support information, and direction for consistency about information provided on investment return. The adoption of the standard resulted in additional footnote disclosures and significant changes to the classification of net assets and the disclosures related to net assets. The ASU has been applied retrospectively to all periods presented with the exception of the omission of certain information as permitted by the ASU. Our opinion is not modified with respect to this matter.

*DeLeon & Stang*

DeLeon & Stang, CPAs and Advisors  
Gaithersburg, Maryland  
May 11, 2020



**MY SISTER'S PLACE, INC.**  
**Statements of Financial Position**  
**September 30, 2019 and 2018**

<b>Assets</b>	<b>2019</b>	<b>2018</b>
<b><u>Current assets:</u></b>		
Cash and equivalents	\$ 867,902	\$ 628,988
Investments	1,486	1,525
Contributions receivable	-	41,000
Accounts receivable	102,860	170,831
Prepaid expenses and other assets	8,052	6,722
<b>Total current assets</b>	<b>980,300</b>	<b>849,066</b>
<b><u>Property and equipment:</u></b>		
Land	70,184	70,184
Building and improvements	3,054,026	3,054,026
Furniture and equipment	495,446	438,845
Vehicles	49,400	49,400
Less: Accumulated depreciation	(1,450,334)	(1,342,624)
<b>Net property and equipment</b>	<b>2,218,722</b>	<b>2,269,831</b>
<b>Total assets</b>	<b>\$ 3,199,022</b>	<b>\$ 3,118,897</b>
<b>Liabilities and net assets</b>		
<b><u>Current Liabilities:</u></b>		
Accounts payable	\$ 14,311	\$ -
Accrued salaries and related liabilities	68,721	62,988
<b>Total current liabilities</b>	<b>83,032</b>	<b>62,988</b>
<b><u>Net assets:</u></b>		
Without donor restrictions	3,115,990	3,014,909
With donor restrictions	-	41,000
<b>Total net assets</b>	<b>3,115,990</b>	<b>3,055,909</b>
<b>Total liabilities and net assets</b>	<b>\$ 3,199,022</b>	<b>\$ 3,118,897</b>

**MY SISTER'S PLACE, INC.**  
**Statements of Activities**  
**For the Years Ended September 30, 2019 and 2018**

	<b>2019</b>			<b>2018</b>		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and support:</b>						
Grants	\$ 1,838,939	\$ -	\$ 1,838,939	\$ 1,388,065	\$ -	\$ 1,388,065
Other contributions	449,668	-	449,668	327,222	41,000	368,222
Child & family services	58,200	-	58,200	59,841	-	59,841
United Way/CFC	22,043	-	22,043	23,756	-	23,756
In-kind services	28,584	-	28,584	56,572	-	56,572
Special events	56,090	-	56,090	7,768	-	7,768
Interest and dividend income	1,799	-	1,799	528	-	528
Unrealized gain on investments	-	-	-	143	-	143
Other income	-	-	-	5,669	-	5,669
Net assets released from restrictions	41,000	(41,000)	-	-	-	-
Total unrestricted revenue and support	<u>2,496,323</u>	<u>(41,000)</u>	<u>2,455,323</u>	<u>1,869,564</u>	<u>41,000</u>	<u>1,910,564</u>
<b>Expenses:</b>						
Program services:						
Shelter services	1,214,835	-	1,214,835	1,069,286	-	1,069,286
Community education	103,035	-	103,035	110,653	-	110,653
Community counseling and consultation	119,495	-	119,495	234,750	-	234,750
Transitional housing	611,168	-	611,168	160,503	-	160,503
Total program services	<u>2,048,533</u>	<u>-</u>	<u>2,048,533</u>	<u>1,575,192</u>	<u>-</u>	<u>1,575,192</u>
Supporting services:						
Management and general	256,450	-	256,450	304,077	-	304,077
Fundraising	90,259	-	90,259	55,007	-	55,007
Total supporting services	<u>346,709</u>	<u>-</u>	<u>346,709</u>	<u>359,084</u>	<u>-</u>	<u>359,084</u>
Total expenses	<u>2,395,242</u>	<u>-</u>	<u>2,395,242</u>	<u>1,934,276</u>	<u>-</u>	<u>1,934,276</u>
<b>Change in net assets</b>	101,081	(41,000)	60,081	(64,712)	41,000	(23,712)
<b>Net assets, beginning 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>
<b>Net assets, end of year</b>	<u>\$ 3,115,990</u>	<u>\$ -</u>	<u>\$ 3,115,990</u>	<u>\$ 3,014,909</u>	<u>\$ 41,000</u>	<u>\$ 3,055,909</u>

See Accompanying Notes to Financial Statements

**MY SISTER'S PLACE, INC.**  
**Statement of Functional Expenses**  
**For the Year Ended September 30, 2019**

	<u>Program Services</u>				<u>Supporting Services</u>			
	<u>Shelter Services</u>	<u>Community Education</u>	<u>Community Counseling &amp; Consultation</u>	<u>Transitional Housing</u>	<u>Total</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Payroll, payroll taxes, benefits	\$ 806,588	\$ 61,358	\$ 78,555	\$ 188,846	\$ 1,135,347	\$ 97,677	\$ 35,277	\$ 1,268,301
Rent and housing units	15,592	15,591	-	350,040	381,223	62,365	15,591	459,179
Resident assistance and costs	67,358	-	-	27,359	94,717	-	-	94,717
Repairs and maintenance	47,725	-	-	-	47,725	-	-	47,725
Consultants	11,711	3,692	21,313	-	36,716	7,896	1,150	45,762
Utilities, trash collection, exterminator	45,342	-	-	-	45,342	-	-	45,342
Cleaning and ground maintenance	30,242	-	-	-	30,242	2,288	-	32,530
Professional fees	-	-	-	-	-	19,100	-	19,100
In-kind legal fees	-	-	-	-	-	28,584	-	28,584
Insurance	31,357	2,390	3,060	7,356	44,163	3,805	1,374	49,342
Depreciation	68,471	5,213	6,678	16,049	96,411	8,305	2,994	107,710
Information systems	25,637	1,954	2,502	6,014	36,107	3,111	1,123	40,341
Telephone and website	4,138	1,586	1,675	2,243	9,642	502	181	10,325
Office supplies and expenses	6,361	485	621	1,492	8,959	772	279	10,010
Equipment rental	34,654	2,641	3,382	8,130	48,807	4,204	1,519	54,530
Staff development and training	-	-	-	-	-	15,898	-	15,898
Printing and copying	335	3,923	335	335	4,928	335	3,827	9,090
Travel	3,239	3,394	339	816	7,788	322	152	8,262
Automobile	905	-	-	-	905	-	-	905
Postage and delivery	310	150	192	461	1,113	238	1,965	3,316
Food and beverages	2,456	187	240	576	3,459	298	108	3,865
Advertising and annual event	-	-	-	-	-	-	24,447	24,447
Miscellaneous	12,414	471	603	1,451	14,939	750	272	15,961
<b>Totals</b>	<u>\$ 1,214,835</u>	<u>\$ 103,035</u>	<u>\$ 119,495</u>	<u>\$ 611,168</u>	<u>\$ 2,048,533</u>	<u>\$ 256,450</u>	<u>\$ 90,259</u>	<u>\$ 2,395,242</u>

See Accompanying Notes to Financial Statements.

**MY SISTER'S PLACE, INC.**  
**Statement of Functional Expenses**  
**For the Year Ended September 30, 2018**

**Program Services**

**Supporting Services**

	<b>Program Services</b>				<b>Total</b>	<b>Supporting Services</b>		<b>Total</b>
	<b>Shelter Services</b>	<b>Community Education</b>	<b>Community Counseling &amp; Consultation</b>	<b>Transitional Housing</b>		<b>Management and General</b>	<b>Fundraising</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	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.**  
**Statements of Cash Flows**  
**For the Years Ended September 30, 2019 and 2018**

	<b>2019</b>	<b>2018</b>
<b><u>Cash flows from operating activities:</u></b>		
Change in net assets	\$ 60,081	\$ (23,712)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	107,710	103,702
Unrealized loss (gain) on investments	39	(143)
Decrease in accounts receivable	67,971	347,495
Decrease (increase) in contributions receivable	41,000	(41,000)
(Increase) in prepaid expenses and other assets	(1,330)	-
Increase (decrease) in accounts payable	14,311	(30,461)
Increase in accrued salaries and related liabilities	5,733	18,229
<b>Net cash provided by operating activities</b>	<b>295,515</b>	<b>374,110</b>
<b><u>Cash flows from investing activities:</u></b>		
Purchases of property and equipment	(56,601)	-
Sales (purchases) of investments	-	(190)
<b>Net cash used in by investing activities</b>	<b>(56,601)</b>	<b>(190)</b>
<b>Increase in cash and equivalents</b>	238,914	373,920
<b>Cash and equivalents, beginning of year</b>	<b>628,988</b>	<b>255,068</b>
<b>Cash and equivalents, end of year</b>	<b>\$ 867,902</b>	<b>\$ 628,988</b>

**MY SISTER’S PLACE, INC.  
Notes to Financial Statements  
September 30, 2019 and 2018**

**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 a full continuum of care from emergency shelter through transitional-to-permanent housing. An experienced team of case managers and residential counselors provides clinical counseling, case management, and comprehensive services to empower survivors to recover and thrive. MSP also provides training, case consultation, and advocacy to engage communities to prevent violence and abuse.

My Sister’s Place shelters, supports, and empowers survivors of domestic violence and their children, while providing leadership and education to build a supportive community.

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.

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, helps them secure employment and leases in their own names, and provides rental subsidy for 12 months (with the option to extend up-to an additional 12 months). During 2019, MSP has expanded their RISE program significantly.

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.

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**MY SISTER'S PLACE, INC.**  
**Notes to Financial Statements (Continued)**  
**September 30, 2019 and 2018**

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

New Accounting Pronouncement

During 2019, MSP adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities. This guidance is intended to improve the net asset classification requirements and the information presented in the financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows. Main provisions of this guidance include: presentation of two classes of net assets versus the previously required three; recognition of capital gifts for construction as a net asset without donor restrictions when the associated long-lived asset is placed in service; recognition of underwater endowment funds as a reduction in net assets with donor restrictions; and reporting investment income net of external and direct internal investment expenses. The guidance also enhances disclosures for board designated amounts, compositions of net assets with donor restrictions and how the restrictions affect the use of resources, qualitative and quantitative information about the liquidity and availability of financial assets to meet general expenditures within one year of the balance sheet date, and expenses by both their natural and functional classification, including methods used to allocate costs among program and support functions and underwater endowments.

Revenue Recognition

Contributions and grants are reported as with donor restrictions 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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

**MY SISTER'S PLACE, INC.**  
**Notes to Financial Statements (Continued)**  
**September 30, 2019 and 2018**

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

Revenue Recognition (Continued)

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. During the year ended September 30, 2019, MSP had over 110 volunteers providing over 670 hours at the shelter and with the RISE program providing an array of assistance to clients including children's group, financial planning, health group, parenting groups, reading to children and helping with homework, resume writing workshops, renters rights workshops, survivor pampering day, meal service, move-in assistance and administrative help as well including the Clothesline.

Description of Net Assets

Net assets are classified based on existence or absence of donor-imposed restrictions as follows:

*Net Assets Without Donor Restrictions* are currently available for operating purposes under the direction of management and the board of directors or designated by the board for specific use.

*Net Assets With Donor Restrictions* are stipulated by donors for specific operating purposes or for the acquisition of property and equipment or are time restricted. These include donor restrictions requiring the net assets to be held in perpetuity or for a specific term with investment return specified for a specific purpose.

Cash and Equivalents

For purposes of the statements 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's policy to capitalize property and equipment over \$3,000. 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.

**MY SISTER'S PLACE, INC.**  
**Notes to Financial Statements (Continued)**  
**September 30, 2019 and 2018**

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

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).

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements Activities and the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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, 2019 and 2018, no unrecognized tax provision or benefit exists.

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, 2016 - 2018 are subject to review and examination by the Internal Revenue Service.

**MY SISTER'S PLACE, INC.**  
**Notes to Financial Statements (Continued)**  
**September 30, 2019 and 2018**

**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, 2019 and 2018 was \$109,139 and \$87,916, respectively.

Future minimum lease payments are as follows:

Years ending: September 30, 2020	\$101,437
September 30, 2021	104,480
September 30, 2022	107,615
September 30, 2023	<u>27,101</u>
Total	<u>\$340,633</u>

**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, 2019 and 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, 2019 and 2018.

**MY SISTER'S PLACE, INC.**  
**Notes to Financial Statements (Continued)**  
**September 30, 2019 and 2018**

**NOTE 6- CONCENTRATION OF REVENUE**

MSP receives substantial support from the District of Columbia as a pass-through from the Federal government 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, 2019 was \$1,838,939 or 75% of total revenue and \$1,388,065 or 75% of total revenue for the year ended September 30, 2018.

**NOTE 7- LIQUIDITY AND FUNDS AVAILABLE**

The following table reflects MSP's financial assets as of September 30, 2019 and 2018, reduced by amounts not available for general expenditure within one year, if any. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, trust assets, assets held for others, funds that are purpose or time restricted beyond one year, endowments and accumulated earnings net of appropriations within one year and board designated endowments. These board designations could be drawn upon if the board approves that action.

Financial assets available to meet cash needs for general expenditures within one year as of September 30, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Financial assets:		
Cash and equivalents	\$ 867,902	\$ 628,988
Investments	1,486	1,525
Contributions receivable	-	41,000
Accounts receivable	<u>102,860</u>	<u>170,831</u>
Financial assets available to meet cash needs for general expenditure within one year:	<u>\$ 972,248</u>	<u>\$ 842,344</u>

MSP has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**NOTE 8- SUBSEQUENT EVENTS**

Subsequent to year-end, U.S. and global business and financial markets have been severely impacted by the Coronavirus pandemic. The potential impacts on MSP's revenues, expenses and cash flows cannot be determined at this time. All subsequent events have been evaluated through May 11, 2020, which is the date the financial statements were available to be issued. This review and evaluation revealed no other material event or transaction which would require an adjustment to or disclosure in the accompanying financial statements.

**MY SISTER'S PLACE, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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

<u>Federal Grantor/Pass-through Grantors/ Program Cluster</u>	<u>CFDA Number</u>	<u>Pass-through Grantor Identifying Number</u>	<u>Federal Expenditures</u>
Family Violence Prevention Services Cluster U.S. Department of Health and Human Services Pass-Through Programs Passed-through District of Columbia's Department of Human Services Department of Human Services Shelter Services Grant Award	93.671	JA-FSA-0733-1-19	\$ 495,000
	93.671	JA-FSA-0733-5-19	210,000
Department of Human Services Education and Outreach Grant Award	93.671	JA-FSA-0731-1-19	20,000
Department of Human Services Case Management Services Grant Award	93.671	JA-FSA-0732-1-19	<u>29,956</u>
Total Department of Health and Human Services/ Family Violence Prevention Services Cluster			<u>754,956</u>
Total U.S. Department of Health and Human Services			754,956
U.S. Department of Justice Programs Office on Violence Against Women Reaching Independence through Survivor Empowerment	16.736	2016-WH-AX-0015	183,723
	16.736	2019-MSPH-01	244,518
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	2019-MSP-01	<u>645,695</u>
Total U.S. Department of Justice			<u>1,073,936</u>
Total Expenditures of Federal Awards			<u><u>\$ 1,828,892</u></u>



**MY SISTER’S PLACE, INC.**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**September 30, 2019**

**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, 2019. 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 non-profit organization), which comprise the statement of financial position as of September 30, 2019 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 11, 2020.

**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.

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

**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 and Advisors  
Gaithersburg, Maryland  
May 11, 2020

**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, 2019. 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.

**MY SISTER'S PLACE, INC.**  
**Independent Auditor's Report on Compliance**  
**Page 2**

**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, 2019.

**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 and Advisors  
Gaithersburg, Maryland  
May 11, 2020

**MY SISTER'S PLACE, INC.**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended September 30, 2019**

**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  
16.unknown

Program Title  
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, 2019**

**B. Findings - Financial Statement Audit**

None

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

None

**D. Prior Year Audit Findings**

None