



MY SISTER'S PLACE, INC.

**FINANCIAL STATEMENTS
AND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
WITH
INDEPENDENT AUDITORS' REPORTS**

**For the Years Ended
September 30, 2025 and 2024**

MY SISTER’S PLACE, INC.

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statements of Financial Position	4
Statements of Activities	5
Statement of Functional Expenses for the Year Ended September 30, 2025	6
Statement of Functional Expenses for the Year Ended September 30, 2024	7
Statements of Cash Flows	8
Notes to Financial Statements	9
Single Audit	
Schedule of Expenditures of Federal Awards	17
Notes to Schedule of Expenditures of Federal Awards	18
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	19
Independent Auditors’ Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	21
Schedule of Findings and Questioned Costs	24
Summary Schedule of Prior Year Audit Findings	27



INDEPENDENT AUDITORS' REPORT

Board of Directors
My Sister's Place, Inc.
Washington, DC

Report on the Audit of Financial Statements

Opinion

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, 2025 and 2024 and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ***My Sister's Place, Inc.*** and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Correction of an Error

As discussed in Note 10 to the financial statements, an error resulting in an overstatement of fiscal year 2024 receivables of \$56,901 and understatement of grant revenues of \$45,114 was discovered in the current fiscal year. Accordingly, the amounts reported for receivables, revenue and net assets, beginning of fiscal year 2024 have been restated to correct for the error. Our opinion is not modified with respect to this matter.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

MY SISTER'S PLACE, INC.
Independent Auditors Report
Page 2

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **My Sister's Place, Inc.'s** ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 **My Sister's Place, Inc.'s** internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about **My Sister's Place, Inc.'s** ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

Our audit 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.

MY SISTER'S PLACE, INC.
Independent Auditors Report
Page 3

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 26, 2026 on our consideration of ***My Sister's Place, Inc.'s*** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering ***My Sister's Place, Inc.'s*** internal control over financial reporting and compliance.

DeLeon & Stang

DeLeon & Stang, CPAs and Advisors
Frederick, Maryland
May 26, 2026

MY SISTER'S PLACE, INC.
Statements of Financial Position
September 30, 2025 and 2024

	2025	2024 (Restated)
ASSETS		
<u>Current assets:</u>		
Cash and cash equivalents	\$ 1,352,440	\$ 1,835,602
Investments	1,202,758	1,107,282
Grants receivable	1,279,783	429,390
Prepaid expenses and other assets	180,674	220,639
Total current assets	4,015,655	3,592,913
<u>Property and equipment:</u>		
Land	544,094	544,094
Building and improvements	6,986,080	6,986,080
Furniture and equipment	579,969	575,322
Vehicles	77,927	77,927
Less: Accumulated depreciation	(2,522,060)	(2,263,782)
Net property and equipment	5,666,010	5,919,641
Total assets	\$ 9,681,665	\$ 9,512,554
LIABILITIES AND NET ASSETS		
<u>Current liabilities:</u>		
Accounts payable	\$ 99,154	\$ 78,644
Accrued salaries and related liabilities	334,898	315,465
Total current liabilities	434,052	394,109
<u>Net assets:</u>		
<u>Without donor restrictions:</u>		
Undesignated	7,247,613	7,118,445
Board-designated reserves	2,000,000	2,000,000
Total without donor restrictions	9,247,613	9,118,445
Total liabilities and net assets	\$ 9,681,665	\$ 9,512,554

MY SISTER'S PLACE, INC.
Statements of Activities
For the Years Ended September 30, 2025 and 2024

	2025			2024 (Restated)		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:						
Grants	\$ 6,897,380	\$ -	\$ 6,897,380	\$ 6,080,627	\$ -	\$ 6,080,627
Other contributions	990,822	245,175	1,235,997	844,931	-	844,931
United Way/CFC	28,628	-	28,628	26,358	-	26,358
In-kind contributions	81,799	-	81,799	160,842	-	160,842
Special event	-	-	-	140,411	-	140,411
Investment income, net	112,647	-	112,647	294,014	-	294,014
Net assets released from restrictions	245,175	(245,175)	-	200,000	(200,000)	-
Total revenue and support	8,356,451	-	8,356,451	7,747,183	(200,000)	7,547,183
Expenses:						
<u>Program services:</u>						
Shelter services	1,999,946	-	1,999,946	1,615,762	-	1,615,762
Community education	-	-	-	92,940	-	92,940
Community counseling and consultation	1,572,321	-	1,572,321	1,772,932	-	1,772,932
Transitional housing	3,379,047	-	3,379,047	2,988,715	-	2,988,715
Fresh Start and Cash Transfer	418,854	-	418,854	447,327	-	447,327
Total program services	7,370,168	-	7,370,168	6,917,676	-	6,917,676
<u>Supporting services:</u>						
Management and general	569,892	-	569,892	435,501	-	435,501
Fundraising	287,223	-	287,223	268,804	-	268,804
Total supporting services	857,115	-	857,115	704,305	-	704,305
Total expenses	8,227,283	-	8,227,283	7,621,981	-	7,621,981
Change in net assets	129,168	-	129,168	125,202	(200,000)	(74,798)
Net assets, beginning of year	9,118,445	-	9,118,445	8,993,243	200,000	9,193,243
Net assets, end of year	\$ 9,247,613	\$ -	\$ 9,247,613	\$ 9,118,445	\$ -	\$ 9,118,445

MY SISTER'S PLACE, INC.
Statement of Functional Expenses
For the Year Ended September 30, 2025

	Program Services					Supporting Services			
	Shelter Services	Community Counseling & Consultation	Transitional Housing	Fresh Start Program	Cash Transfer Program	Total Program Services	Management and General	Fundraising	Total
Payroll, payroll taxes, benefits	\$ 1,467,278	\$ 1,415,265	\$ 1,601,205	\$ -	\$ -	\$ 4,483,748	\$ 131,906	\$ 164,516	\$ 4,780,170
Rent and housing units	-	-	1,606,562	-	-	1,606,562	-	-	1,606,562
Depreciation and amortization	74,298	97,651	71,259	-	-	243,208	6,532	8,538	258,278
Client supplies assistance and costs	90,713	17,049	47,813	214,659	204,195	574,429	-	-	574,429
Repairs and maintenance	86,208	-	-	-	-	86,208	28,778	-	114,986
Consultants	21,584	5,040	9,611	-	-	36,235	14,752	42,462	93,449
Utilities	69,444	-	-	-	-	69,444	30,660	-	100,104
Cleaning and ground maintenance	51,002	-	-	-	-	51,002	17,100	-	68,102
Professional fees	-	-	-	-	-	-	27,475	-	27,475
Legal fees	-	-	-	-	-	-	74,826	-	74,826
Insurance	29,689	22,177	16,526	-	-	68,392	21,741	8,398	98,531
Information systems	970	-	719	-	-	1,689	37,803	5,157	44,649
Telephone and website	5,147	-	-	-	-	5,147	7,648	-	12,795
Office supplies and expense	6,355	-	128	-	-	6,483	18,619	1,748	26,850
In-kind expenses	81,799	-	-	-	-	81,799	-	-	81,799
Equipment rental	356	-	-	-	-	356	7,220	799	8,375
Staff development and training	3,297	3,659	5,429	-	-	12,385	14,649	1,552	28,586
Printing and copying	290	-	-	-	-	290	3,749	30,775	34,814
Travel	1,473	1,626	4,670	-	-	7,769	581	253	8,603
Automobile	830	-	-	-	-	830	-	-	830
Postage and delivery	-	-	-	-	-	-	1,147	350	1,497
Food and beverages	1,854	885	2,531	-	-	5,270	7,763	18	13,051
Advertising & annual event	-	-	-	-	-	-	125	6,434	6,559
Miscellaneous	7,359	8,969	12,594	-	-	28,922	116,818	16,223	161,963
	<u>\$ 1,999,946</u>	<u>\$ 1,572,321</u>	<u>\$ 3,379,047</u>	<u>\$ 214,659</u>	<u>\$ 204,195</u>	<u>\$ 7,370,168</u>	<u>\$ 569,892</u>	<u>\$ 287,223</u>	<u>\$ 8,227,283</u>

MY SISTER'S PLACE, INC.
Statement of Functional Expenses
For the Year Ended September 30, 2024

	Program Services					Supporting Services			Total
	Shelter Services	Community Education	Community Counseling & Consultation	Transitional Housing	Fresh Start & Cash Transfer Programs	Total Program Services	Management and General	Fundraising	
Payroll, payroll taxes, benefits	\$ 1,112,002	\$ 86,771	\$ 1,559,174	\$ 1,137,779	\$ -	\$ 3,895,726	\$ 121,146	\$ 151,095	\$ 4,167,967
Rent and housing units	-	-	-	1,677,449	-	1,677,449	-	-	1,677,449
Depreciation and amortization	74,298	2,958	97,651	71,259	-	246,166	4,548	8,539	259,253
Client supplies assistance and costs	68,969	-	11,115	10,321	447,327	537,732	-	-	537,732
Repairs and maintenance	66,749	-	-	-	-	66,749	-	-	66,749
Consultants	47,767	1,700	-	1,600	-	51,067	20,183	39,095	110,345
Utilities	100,256	-	-	-	-	100,256	834	-	101,090
Cleaning and ground maintenance	63,422	-	-	-	-	63,422	1,132	-	64,554
Professional fees	-	-	-	-	-	-	25,550	-	25,550
In-kind legal fees	-	-	-	-	-	-	23,500	-	23,500
Insurance	-	-	-	-	-	-	80,894	-	80,894
Information systems	13,514	538	17,762	12,961	-	44,775	827	1,553	47,155
Telephone and website	4,840	193	6,361	4,642	-	16,036	296	556	16,888
Office supplies and expense	6,296	251	8,274	6,038	-	20,859	385	723	21,967
In-kind expenses	41,957	-	55,144	40,241	-	137,342	-	-	137,342
Equipment rental	-	-	-	-	-	-	18,699	-	18,699
Staff development and training	-	-	-	-	-	-	45,169	-	45,169
Printing and copying	-	-	-	-	-	-	-	10,218	10,218
Travel	1,635	-	-	6,388	-	8,023	-	-	8,023
Automobile	779	-	-	-	-	779	-	-	779
Postage and delivery	-	-	-	-	-	-	-	1,684	1,684
Food and beverages	-	-	-	-	-	-	15,887	-	15,887
Advertising & annual event	-	-	-	-	-	-	3,560	54,104	57,664
Miscellaneous	13,278	529	17,451	20,037	-	51,295	72,891	1,237	125,423
	<u>\$ 1,615,762</u>	<u>\$ 92,940</u>	<u>\$ 1,772,932</u>	<u>\$ 2,988,715</u>	<u>\$ 447,327</u>	<u>\$ 6,917,676</u>	<u>\$ 435,501</u>	<u>\$ 268,804</u>	<u>\$ 7,621,981</u>

MY SISTER'S PLACE, INC.
Statements of Cash Flows
For the Years Ended September 30, 2025 and 2024

	2025	2024 (Restated)
<u>Cash flows from operating activities:</u>		
Change in net assets	\$ 129,168	\$ (74,798)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	258,278	259,253
Unrealized gain on investments	(77,152)	(243,029)
(Increase) decrease in grants receivable	(850,393)	135,390
Increase in prepaid expenses and other assets	39,965	(56,200)
Increase (decrease) in accounts payable	20,510	(19,754)
Increase in accrued salaries and related liabilities	19,433	77,241
Net cash provided by (used in) operating activities	(460,191)	78,103
<u>Cash flows from investing activities:</u>		
Purchases of property and equipment	(4,647)	(46,853)
Proceeds from sale of investments	140,286	112,995
Purchases of investments	(158,610)	(130,536)
Net cash used in investing activities	(22,971)	(64,394)
Increase (decrease) in cash and cash equivalents	(483,162)	13,709
Cash and cash equivalents, beginning of year	1,835,602	1,821,893
Cash and cash equivalents, end of year	\$ 1,352,440	\$ 1,835,602

MY SISTER'S PLACE, INC.
Notes to Financial Statements
September 30, 2025 and 2024

NOTE 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization

My Sister's Place, Inc. (MSP), founded in 1979, 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 at a time and provides wrap around services, including case management and counseling for victims and their children.

Community Counseling & Consultation -MSP provides case management to 54 families in the city's FRSP (Family Rehousing and Stabilization Program), delivering supportive services to families that have experienced domestic violence.

Community Education - MSP's community outreach program raises awareness about domestic violence through the distribution of literature, trainings, dissemination of information at events, and innovative projects. This includes two legal and housing resource clinics in the community, one of which is specifically targeted to the immigrant community.

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). MSP has expanded its RISE program significantly to serve an average of 30 families. RISE Plus, added in 2020, added 30 more families and extends rent support to two years.

Fresh Start Fund - The Fund helps families with one-time payments, such as clients' needs for their homes, car repairs, educational opportunities, job certifications, child related expenses, and more. The Fresh Start Fund ensures that a small financial setback does not undermine all the progress a client has achieved.

Accounting Method

MSP uses the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred.

MY SISTER'S PLACE, INC.
Notes to Financial Statements (Continued)
September 30, 2025 and 2024

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

Cash and Cash 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.

Investments

Investments with readily determinable fair values are reflected at their fair market value. To adjust the carrying amount of these investments, the difference between cost and fair market value is charged or credited to operations. Interest and dividends are recorded as revenue when earned.

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).

Grants Receivable and Allowance for Doubtful Accounts

Grants receivable consist of unconditional contributions and reimbursement of costs related to grants that have not yet been collected. Grants receivable are stated at the amount management expects to collect. Management provides for probably uncollectible amounts through an increase in bad debt expense and an increase in allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Grants receivable are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received. At September 30, 2025 and 2024, management expects the amount in grants receivable to be fully collectible. As such, a provision for doubtful accounts has not been recorded.

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.

This space intentionally left blank.

MY SISTER'S PLACE, INC.
Notes to Financial Statements (Continued)
September 30, 2025 and 2024

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

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.

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.

Economic factors driven by customer and donor confidence, employment, inflation, and other world events may impact the timing and level of revenue and cash flows.

In-Kind Contributions

In-kind contributions and contributed services are recorded as support without donor restriction in the accompanying financial statements and are reported at fair market value at the date of the gift. 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 years ended September 30, 2025 and 2024, MSP had 78 and 97 volunteers at the shelter, respectively, and with the RISE program providing 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. The recognition of these services are not reflected in the accompanying financial statements as they do not meet the criteria to record contributed services under generally accepted accounting principles.

MY SISTER'S PLACE, INC.
Notes to Financial Statements (Continued)
September 30, 2025 and 2024

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

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management determined such allocations in accordance with grant provisions and/or other equitable bases.

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.

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, 2022 through 2024 are subject to review and examination by the Internal Revenue Service.

Income Taxes

MSP complies with the provisions of the Financial Accounting Standard Board (FASB) Accounting Standards Codification topic *Accounting for Uncertainty in Income Taxes*. For the years ended September 30, 2025 and 2024, no unrecognized tax provision or benefit exists.

NOTE 2 **RISKS AND UNCERTAINTIES**

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. As of September 30, 2025 and 2024, fund in excess of FDIC limits totaled \$864,279 and \$1,337,153, respectively. Management does not, however, consider this a significant concentration of credit risk.

This space intentionally left blank.

MY SISTER'S PLACE, INC.
Notes to Financial Statements (Continued)
September 30, 2025 and 2024

NOTE 2 RISKS AND UNCERTAINTIES (Continued)

Revenue Concentration

MSP receives substantial support from the District of Columbia as a pass-through from the Federal government in the form of cost-reimbursed grants. Total support received from the District of Columbia for the years ended September 30, 2025 and 2024 was \$5,522,416, or 66% of total revenue, and \$5,050,377 or 67% of total revenue, respectively. Receivables in the amount of \$893,232, or 66% of total receivables, and \$402,912, or 83% of total receivables, respectively, as of September 30, 2025 and 2024.

NOTE 3 FAIR VALUE MEASUREMENTS

The three levels of the fair value hierarchy under this topic are described below:

- Level 1* Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2* Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly.
- Level 3* Prices or valuations that require inputs that are both significant to the fair value measurements and unobservable.

The following is a description of the valuation methodology used for investments measure at fair value and their classification in the valuation hierarchy:

Money market funds and cash equivalents – Recorded at cost which approximates fair value and classified within Level 1 of the valuation hierarchy.

Exchange Traded Funds, Bond, and Equity Mutual Funds – Comprised of mutual funds listed on the national markets or exchanges which are valued at last sales price, or if there is no sale and the market is still considered active, at the last transaction price before year-end. Such securities are classified within Level 1 of the valuation hierarchy.

Fixed Income – Comprised of government securities valued at the closing price reported in the active market in which the security is traded. Such securities are classified within Level 1 of the valuation hierarchy.

REITs – considered other assets or alternative investments and are classified within the Level 1 of the valuation hierarchy.

MY SISTER'S PLACE, INC.
Notes to Financial Statements (Continued)
September 30, 2025 and 2024

NOTE 4 INVESTMENTS

Investments stated at fair market value consist of the following at September 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Money market funds and cash equivalents	\$ 9,997	\$ 11,790
Equities	838,347	771,632
Fixed income	333,025	301,102
REITs	21,389	22,758
	<u>\$ 1,202,758</u>	<u>\$ 1,107,282</u>

Investment income, net for the years ended September 30, 2025 and 2024 was comprised of the following:

	<u>2025</u>	<u>2024</u>
Interest and dividends	\$ 41,084	\$ 54,930
Unrealized gain	77,152	243,029
	118,236	297,959
Less: investment fees	(5,589)	(3,945)
	<u>\$ 112,647</u>	<u>\$ 294,014</u>

NOTE 5 LINE OF CREDIT

MSP had a line of credit with Peoples Bank with a maximum amount available of \$500,000. During 2023, the line of credit was extended through March 25, 2025 and the maximum amount available was increased to \$800,000. Interest accrues at a rate of 5.75% per annum. The line of credit was secured by land and building owned by MSP. As of September 30, 2024, there was no amount drawn on the line of credit.

In February 2026, MSP's line of credit was renewed for \$800,000 with an interest rate of 5.75% and a maturity date of February 25, 2027. The line of credit is secured by land and building owned by MSP.

NOTE 6 NET ASSETS WITHOUT DONOR RESTRICTIONS, BOARD DESIGNATED

MSP's Board of Directors designated \$2,000,000 of its net assets without donor restrictions as of both September 30, 2025 and 2024. This designated amount cannot be used by MSP for operations without permission from the Board. MSP is seeking to build six months of Operating Reserves. The purpose of the Operating Reserve is to ensure the stability of the mission, programs, employment, and ongoing operations of the organization. The Operating Reserve is intended to provide an internal source of funds for situations such as a sudden increase in expenses, onetime unbudgeted expenses, unanticipated loss in funding, or uninsured losses. The Operating Reserve may also be used for one-time, nonrecurring expenses that will build long-term capacity, such as staff development, research and development, or investment in infrastructure.

MY SISTER'S PLACE, INC.
Notes to Financial Statements (Continued)
September 30, 2025 and 2024

NOTE 6 NET ASSETS WITHOUT DONOR RESTRICTIONS, BOARD DESIGNATED
(Continued)

Operating Reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap. It is the intention of My Sister's Place for Operating Reserves to be used and replenished within a reasonably short period of time. The Operating Reserve Policy has been implemented in concert with the other governance and financial policies of My Sister's Place and is intended to support the goals and strategies contained in these related policies and in strategic and operational plans.

NOTE 7 IN-KIND CONTRIBUTIONS

During the years ended September 30, 2025 and 2024 MSP received in-kind contributions of client supplies and legal services. All in-kind contributions were utilized by MSP's programs and supporting services.

In-kind contributions received without donor restrictions for the years ended September 30, 2025 and 2024 were as follows:

	<u>2025</u>		
	<u>Client Supplies</u>		<u>Total</u>
<u>Program services:</u>			
Shelter services	\$ 81,799		\$ 81,799
	<u>\$ 81,799</u>		<u>\$ 81,799</u>
	<u>2024</u>		
	<u>Client Supplies</u>	<u>Legal Services</u>	<u>Total</u>
<u>Program services:</u>			
Shelter services	\$ 41,957	\$ -	\$ 41,957
Transitional housing	40,241	-	40,241
Community counseling & consultation	55,144	-	55,144
	<u>137,342</u>	<u>-</u>	<u>137,342</u>
<u>Supporting services:</u>			
Management & general	<u>-</u>	<u>23,500</u>	<u>23,500</u>
	<u>\$ 137,342</u>	<u>\$ 23,500</u>	<u>\$ 160,842</u>

NOTE 8 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. Employer contributions to the plan totaled \$66,624 and \$52,619 for the years ended September 30, 2025 and 2024, respectively.

MY SISTER’S PLACE, INC.
Notes to Financial Statements (Continued)
September 30, 2025 and 2024

NOTE 9 LIQUIDITY AND FUNDS AVAILABLE

The following table reflects MSP’s financial assets as of September 30, 2025 and 2024, 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, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
<u>Financial assets:</u>		
Cash and equivalents	\$ 1,352,440	\$ 1,835,602
Investments	1,202,758	1,107,282
Accounts receivable	<u>1,279,783</u>	<u>429,390</u>
	3,834,981	3,372,274
Less amounts unavailable for general expenditure within one year:		
Board designated reserves	<u>2,000,000</u>	<u>2,000,000</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 1,834,981</u>	<u>\$ 1,372,274</u>

MSP has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Additionally, MSP maintains an \$800,000 line of credit, as discussed in more detail in Note 4, which can be drawn on as needed to cover general expenditures.

NOTE 10 PRIOR PERIOD ADJUSTMENT

The 2024 financial statements have been restated due to an error identified in the current year. The effect of the error is summarized below and resulted due to costs that were billed in advance of the period of service for one grant award:

	<u>As previously</u>	
	<u>Reported</u>	<u>Restated</u>
Grants receivable	\$ 486,291	\$ 429,390
Grants	6,035,513	6,080,627
Net assets, beginning of year	9,295,258	9,193,243

NOTE 11 SUBSEQUENT EVENTS

Subsequent events are defined as events or transactions that occur after the date of the statement of financial position through the date the financial statements are available to be issued. As of May 26, 2026 the date the financial statements were available to be issued, My Sister’s Place, Inc. performed an evaluation and determined that there are no subsequent events requiring 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, 2025

<u>Federal Grantor/Pass-through Grantors/ Program Cluster</u>	<u>Assistance Listing Number</u>	<u>Pass-through Grantor Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Health and Human Services</u>			
Family Violence Prevention Services Cluster			
Pass-Through Programs			
<i>Passed-through District of Columbia's</i>			
<i>Department of Human Services</i>			
Emergency Shelther & Supportive Services (Shelter)	93.671	JA-FSA-CORE-FVPSA-01	\$ 567,522
Emergency Shelther & Supportive Services (Shelter) - ARPA	93.671	JA-FSA-CORE-FVPSA-01	69,805
Family Violence Prevention and Services Grant Program for Shelter Services Award	93.671	JA-FSA-0733-5-19	25,830
Case Management Services for Victims/ Survivors of Violence Grant Award	93.671	JA-FSA-0732-1-19	<u>3,690</u>
Total U.S. Department of Health and Human Services			<u>666,847</u>
 <u>U.S. Department of Housing and Urban Development</u>			
<u>Pass-Through Programs</u>			
Continuum of Care Program			
<i>Passed-through The Community Partnership for the</i>			
<i>Prevention of Homelessness</i>			
Economic Development Initiative Community Project	14.267	B-23-CP-DC-0340	\$ 28,179
2025 RISE Plus Grant Award	14.267	DC00111L3G002304	1,184,265
2024 RISE Plus Grant Award	14.267	DC00111L3G002203	<u>170,749</u>
			1,383,733
Total U.S. Department of Housing and Urban Development			<u>1,383,733</u>
Total Expenditures of Federal Awards			<u><u>\$ 2,050,580</u></u>

MY SISTER'S PLACE, INC.
Notes to the Schedule of Expenditures of Federal Awards
September 30, 2025

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, 2025. 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 INDIRECT COST RATE

MSP has elected to use the 15 percent de minimis indirect cost rate allowed under 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, 2025 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 26, 2026.

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.

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.

MY SISTER'S PLACE, INC.
Independent Auditors' Report on Internal Control
Over Financial Reporting and on Compliance
and Other Matters

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
Frederick, Maryland
May 26, 2026



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

Board of Directors
My Sister's Place, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited ***My Sister's Place, Inc.***'s compliance with the types of compliance requirements described in the 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, 2025. ***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.

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, 2025.

Basis for Opinion on Each Major Federal Program

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 Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of ***My Sister's Place, Inc.*** and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of ***My Sister's Place, Inc.***'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to ***My Sister's Place, Inc.***'s federal programs.

MY SISTER'S PLACE, INC.
Independent Auditors' Report on Compliance for
Each Major Program and on Internal Control Over
Compliance Required by the Uniform Guidance

Auditors' Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on ***My Sister's Place, Inc.***'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about ***My Sister's Place, Inc.***'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding ***My Sister's Place, Inc.***'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of ***My Sister's Place, Inc.***'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 of ***My Sister's Place, Inc.***'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as Findings 2025-001 and 2025-002. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on ***My Sister's Place, Inc.***'s response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. ***My Sister's Place, Inc.***'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

MY SISTER'S PLACE, INC.
Independent Auditors' Report on Compliance for
Each Major Program and on Internal Control Over
Compliance Required by the Uniform Guidance

Report on Internal Control over Compliance

Our consideration of the internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as Findings 2025-001 and 2025-002 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on **My Sister's Place, Inc.'s** response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. **My Sister's Place, Inc.'s** response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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
Frederick, Maryland
May 26, 2026

MY SISTER'S PLACE, INC.
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2025

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:

Assistance Listing Number
14.267

Program Title
U.S. Department of Housing and Urban Development: Continuum of Care Program

Dollar threshold used to distinguish between Type A and Type B Programs: \$ 1,000,000

Auditee qualified as a low-risk auditee? Yes No

B. Findings - Financial Statement Audit

None noted.

MY SISTER'S PLACE, INC.
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended September 30, 2025

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

Finding 2025-001 – Procurement, suspension and debarment
Assistance Listing #: 14.267

Criteria: In accordance with the Uniform Guidance, recipients who receive federal funding shall fully comply with Subpart C of 2 CFR Part 180, which requires nonfederal entities to verify that the person/entity with whom you intend to do business is not excluded or disqualified, if the expected payments are equal to or exceed \$25,000.

A non-federal entity has three options for performing this verification: 1) checking SAM exclusions; 2) collecting a certification from that person; or 3) adding a clause or condition to the covered transaction with that person.

Condition: During fiscal year 2025, MSP contracted with several vendors for products and services who were paid more than \$25,000. There was no evidence documenting that these vendors were checked for suspension and debarment prior to payment.

Cause: There were several vendors who were paid cumulatively more than \$25,000 during fiscal year 2025. Most of these payments related to payments to client landlords. Documentation was not retained and we were unable to verify that the vendors had been checked for suspension and debarment.

Effect: We were unable to determine that the required checks for suspension and debarment had been performed as the documentation was not retained.

Questioned Costs: N/A

Repeat Finding: Yes

Recommendation: We recommend MSP perform follow its internal processes and retain documentation of the suspension and debarment check in the vendor file as support for vendors who are paid or expected to be paid over \$25,000 prior to funds being disbursed.

Response: MSP will still perform the verifications by using the System for Award Management (SAM) and Office of Inspector General (OIG) websites. We will start saving documentation that will support the required vendor verifications.

MY SISTER'S PLACE, INC.
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended September 30, 2025

Findings and Questioned Costs - Major Federal Award Programs Audit

Finding 2025-002 – Allowable costs – payroll
Assistance Listing #: 93.671

Criteria: In accordance with the Uniform Guidance's compensation requirements (2 CFR 200.430), payroll systems must be based on records that accurately reflect the work performed and supported by a system of internal controls that provides reasonable assurances that charges are accurate; allowable and reasonable; and properly allocated.

The Uniform Guidance allows for use of budget estimates on an interim basis. When using budget estimates on an interim basis, grantees must reconcile estimates against actual time or effort on a regular basis to ensure that estimates conform to actual staff activity. Grantees must make adjustments in the payroll distribution to align with actual time.

Condition: As noted in the prior year, MSP charges payroll costs to the federal award programs using a set percentage based on budget and not based on employee's actual time or effort amongst various programs.

Cause: Individual payroll amounts were allocated to grant awards based on internally developed budgets of employees' time. Management continues to work on a solution that will capture costs across the various programs for those employees who work in multiple programs.

Effect: The salary costs charged to the federal programs may have been under or over reported based on the actual level of effort.

Questioned Costs: N/A

Repeat Finding: Yes

Recommendation: As noted previously, we recommend MSP make changes overall its timekeeping processes to ensure that payroll costs accurately reflect the work performed and if budget estimates are utilized, that they are reconciled and trued up on a consistent basis.

Response: Management continues to work with ADP to modify the existing time card structure. They will assist MSP with creating time cards that will allow employees to sign in to any designated work department therefore the hours will be appropriately broken out by department/grant. The enhancement is still a work in progress and should be in effect no later than May 31, 2026.

MY SISTER'S PLACE, INC.
Summary Schedule of Prior Year Audit Findings
For the Year Ended September 30, 2024

Findings and Questioned Costs - Major Federal Award Programs Audit

Finding 2024-001 – Procurement, suspension and debarment
Assistance Listing #: 14.267

Condition: During fiscal year 2024, MSP contracted with several vendors for products and services who were paid more than \$25,000. There was no evidence documenting that these vendors were checked for suspension and debarment prior to payment.

Recommendation: We recommend MSP perform and document each verification on vendors over \$25,000 prior to funds being disbursed. An alternative would be for the standard contract to address suspension and debarment and obtain the certification from the vendors at the time the contract is executed. Additionally, we recommend that MSP's policies and procedures be updated to reflect the need to check vendors for suspension and debarment on an annual basis.

Response: MSP now performs and documents verification on all vendors and subcontractors. This practice has been implemented prior to the completion of the FY 2024 audit. Additionally, policies and procedures have been updated to reflect appropriate suspension and debarment considerations.

Status: Partially implemented, See Finding 2025-001.

MSP still performs the above response verifications by using the System for Award Management (SAM) and Office of Inspector General (OIG) websites. However, documentation to support that the verifications had been performed was not retained.

MY SISTER'S PLACE, INC.
Summary Schedule of Prior Year Audit Findings
For the Year Ended September 30, 2024

Findings and Questioned Costs - Major Federal Award Programs Audit

Finding 2024-002 – Allowable costs – payroll
Assistance Listing #: 93.671

Condition: During fiscal year 2024, MSP charged payroll costs to the federal award programs using a set percentage based on budget and not based on employee's actual time or effort amongst various programs.

Recommendation: We recommend MSP make changes overall its timekeeping processes to ensure that payroll costs accurately reflect the work performed and if budget estimates are utilized, that they are reconciled and trued up on a consistent basis.

Response: MSP plans to implement changes overall to timekeeping processes to ensure that payroll costs accurately reflect the work performed and to reconcile and true up any budget estimates on a consistent basis.

Status: Not implemented, see Finding 2025-002.

Management is continuing to working on this issue. MSP has implemented an ADP timecard process that will allow employees to note they have worked in multiple departments. It is still a process of work because we must still manually breakout the hours by departments. We will continue to work with ADP to enhance the time allocation process.