

**My Sisters' Place, Inc.**

**Financial Statements**

**June 30, 2019**

**My Sisters' Place, Inc.**

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INDEPENDENT AUDITORS' REPORT

To The Board of Directors  
My Sisters' Place, Inc.  
White Plains, New York

**Report on the Financial Statements**

We have audited the accompanying financial statements of My Sisters' Place, Inc. (the "Organization"), which comprise the statement of financial position as of June 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.

**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 audit. We conducted our audit 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. Those standards require that we plan and perform the audit 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 auditor's 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 auditor considers 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.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of My Sisters' Place, Inc. as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 2 to the financial statements, My Sisters' Place, Inc. adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2016-14. Our opinion is not modified with respect to this matter.

## **Report on Prior Year Comparative Information**

The prior year comparative information has been derived from the financial statements of My Sisters' Place, Inc. at June 30, 2018. These statements were audited by other auditors whose report dated December 20, 2018 expressed a qualified opinion on those audited financial statements. The prior year report noted the basis for the qualified opinion related only to a scope limitation on the valuation of illiquid donated equity shares.

*Grassi & Co., CPAs, P.C.*

GRASSI & CO., CPAs, P.C.

White Plains, New York  
March 17, 2020

**My Sisters' Place, Inc.**

Statements of Financial Position  
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b><u>ASSETS</u></b>		
Cash and cash equivalents	\$ 1,641,416	\$ 1,485,077
Restricted cash (Note 6)	69,099	54,039
Investments	708,494	380,217
Shelter per-diem billings receivable, net	182,220	140,098
Grants receivable	1,024,332	778,852
Lease novation receivable	-	216,000
Prepaid expenses and other assets	79,681	79,827
Assets held for sale	-	428,528
Property and equipment, net	<u>1,605,660</u>	<u>1,617,999</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 5,310,902</u></b>	<b><u>\$ 5,180,637</u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
Liabilities		
Accounts payable and accrued expenses	\$ 152,221	\$ 138,360
Accrued salaries payable and related expenses	258,678	284,879
Deferred rent	938,411	757,776
Deferred revenue	79,651	96,200
Grant enforcement mortgage lien	<u>1,513,445</u>	<u>1,607,808</u>
Total liabilities	<u>2,942,406</u>	<u>2,885,023</u>
Net assets		
Without donor restrictions	2,354,139	2,277,384
With donor restrictions	<u>14,357</u>	<u>18,230</u>
Total net assets	<u>2,368,496</u>	<u>2,295,614</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 5,310,902</u></b>	<b><u>\$ 5,180,637</u></b>

The accompanying notes are an integral part of these financial statements.

## My Sisters' Place, Inc.

### Statements of Activities For the Years Ended June 30, 2019 and 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS AND OTHER SUPPORT</b>						
Residential shelter service, net	\$ 727,875	\$ -	\$ 727,875	\$ 1,143,008	\$ -	\$ 1,143,008
Governmental grants and contracts	3,851,297	-	3,851,297	3,389,583	-	3,389,583
Other grants	331,473	-	331,473	337,361	-	337,361
Contributions						-
Individual	598,890	-	598,890	658,437	-	658,437
Corporate	83,301	-	83,301	113,005	-	113,005
Foundation	54,760	15,600	70,360	180,075	16,000	196,075
Donated services and goods	310,500	-	310,500	268,000	-	268,000
Donated equity shares	-	-	-	20	-	20
Fundraising event income	609,933	-	609,933	404,308	-	404,308
Less: Direct cost of fundraising events	(113,308)	-	(113,308)	(108,764)	-	(108,764)
Investment income	41,283	-	41,283	10,655	-	10,655
Other revenue	22,046	-	22,046	10,021	-	10,021
Gain on sale of assets held for sale	175,172	-	175,172	-	-	-
Net assets released from donor restrictions	19,473	(19,473)	-	14,392	(14,392)	-
<b>TOTAL REVENUES, GAINS AND OTHER SUPPORT</b>	<b>6,712,695</b>	<b>(3,873)</b>	<b>6,708,822</b>	<b>6,420,101</b>	<b>1,608</b>	<b>6,421,709</b>
<b>EXPENSES</b>						
Residential program services	1,136,901	-	1,136,901	1,474,972	-	1,474,972
Non-residential program services	2,693,352	-	2,693,352	2,420,283	-	2,420,283
Legal program services	1,712,466	-	1,712,466	1,443,082	-	1,443,082
Administration	731,296	-	731,296	615,047	-	615,047
Fundraising	361,925	-	361,925	393,713	-	393,713
<b>TOTAL EXPENSES</b>	<b>6,635,940</b>	<b>-</b>	<b>6,635,940</b>	<b>6,347,097</b>	<b>-</b>	<b>6,347,097</b>
Change in net assets	76,755	(3,873)	72,882	73,004	1,608	74,612
<b>NET ASSETS</b>						
Beginning of year	2,277,384	18,230	2,295,614	2,204,380	16,622	2,221,002
End of year	<u>\$ 2,354,139</u>	<u>\$ 14,357</u>	<u>\$ 2,368,496</u>	<u>\$ 2,277,384</u>	<u>\$ 18,230</u>	<u>\$ 2,295,614</u>

The accompanying notes are an integral part of these financial statements.

**My Sisters' Place, Inc.**

**Statement of Functional Expenses**  
**For the Year Ended June 30, 2019**  
(With Summarized Comparative Totals for the Year Ended June 30, 2018)

	Residential Program Services	Non-Residential Program Services	Legal Program Services	Administration	Fundraising	2019 Total	Summarized 2018 Total
Salaries and wages	\$ 582,493	\$ 1,420,036	\$ 843,981	\$ 426,332	\$ 236,526	\$ 3,509,368	\$ 3,465,233
Employee benefits and payroll taxes	147,171	426,100	214,894	124,558	42,849	955,572	904,212
Consultants and temporary help	1,024	42,297	84,148	63,420	2,161	193,050	177,864
Staff training and recruitment	5,413	8,291	5,573	4,863	1,514	25,654	15,850
	<u>736,101</u>	<u>1,896,724</u>	<u>1,148,596</u>	<u>619,173</u>	<u>283,050</u>	<u>4,683,644</u>	<u>4,563,159</u>
Office rent, utilities and parking	20,602	131,114	77,895	16,360	6,721	252,692	353,345
Audit and legal fees	6,270	24,173	299,179	1,198	1,292	332,112	293,000
Subcontractor expense	-	244,878	-	-	-	244,878	216,306
Client assistance	48,504	131,561	15,236	-	-	195,301	169,463
Telephone and technology	38,925	73,378	50,736	8,940	6,238	178,217	138,106
Shelter maintenance and utilities	96,082	37	23	-	-	96,142	104,036
Staff travel and meetings	4,698	51,263	7,844	12,006	5,194	81,005	79,995
Repairs and maintenance	37,634	15,468	9,090	3,248	3,851	69,291	69,503
Equipment rental	26,065	55,228	41,864	54,836	21,289	199,282	66,835
Insurance	7,730	29,308	19,633	1,331	542	58,544	64,391
Office supplies and postage	4,895	15,347	20,288	6,990	5,935	53,455	34,656
Printing	1,301	2,426	2,389	567	12,166	18,849	18,656
Memberships and subscriptions	365	4,628	6,699	1,799	33	13,524	13,628
External affairs and public relations	5,765	5,765	5,765	-	-	17,295	14,748
Credit card and bank fees	-	-	-	1,745	12,502	14,247	14,870
Miscellaneous expense	3,008	6,754	3,484	1,609	1,478	16,333	-
Depreciation	98,956	5,300	3,745	1,494	1,634	111,129	132,400
Total Expenses	<u>\$ 1,136,901</u>	<u>\$ 2,693,352</u>	<u>\$ 1,712,466</u>	<u>\$ 731,296</u>	<u>\$ 361,925</u>	<u>\$ 6,635,940</u>	<u>\$ 6,347,097</u>

The accompanying notes are an integral part of these financial statements.

**My Sisters' Place, Inc.**

Statements of Cash Flows  
For the Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Change in net assets	\$ 72,882	\$ 74,612
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	111,129	132,400
Accretion of grant enforcement mortgage lien	(94,363)	(101,055)
Donated equity shares	-	(20)
Gain on sale of assets held for sale	(175,172)	-
Straight-line rent amortization	(101,872)	
Change in provision for uncollectible receivables	4,743	(4,628)
Loss from retirement of fixed assets	2,400	-
(Increase) decrease in operating assets:		
Shelter per-diem billings receivable	(46,865)	50,433
Grants receivable	(245,480)	(142,411)
Lease novation receivable	216,000	(216,000)
Prepaid expenses and other assets	146	10,399
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	13,861	16,908
Accrued salaries payable and related expenses	(26,201)	20,944
Deferred rent	282,507	707,630
Deferred revenue	(16,549)	(71,721)
Net cash (used in) provided by operating activities	<u>(2,834)</u>	<u>477,491</u>
Cash flows from investing activities:		
Proceeds from sale of assets	603,700	-
Purchase of property and equipment	(101,190)	(5,805)
Purchase of investments, net	(328,277)	(205,642)
Net cash provided by (used in) investing activities	<u>174,233</u>	<u>(211,447)</u>
Net change in cash and cash equivalents	171,399	266,044
Cash and cash equivalents, beginning of year	<u>1,539,116</u>	<u>1,273,072</u>
Cash and cash equivalents, end of year	<u>\$ 1,710,515</u>	<u>\$ 1,539,116</u>

The accompanying notes are an integral part of these financial statements.



## **My Sisters' Place, Inc.**

Notes to Financial Statements  
June 30, 2019 and 2018

### **Note 1 - Nature and Purpose of Organization**

My Sisters' Place, Inc. (the "Organization") is a tax-exempt, not-for-profit corporation incorporated in New York State. The Organization's primary purposes are (1) to maintain a residential shelter for victims of domestic violence and human trafficking and their dependent children who seek emergency shelter; (2) to offer case management, counseling, legal services, and advocacy to victims of domestic violence and human trafficking; (3) to provide community education and training related to domestic violence and human trafficking and its prevention.

### **Note 2 - Summary of Significant Accounting Policies**

#### Basis of Accounting

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

#### Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with initial maturities when acquired of three months or less.

#### Fair Value of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. To increase the comparability of fair value measurements, a three-tier fair value hierarchy, which prioritizes the inputs used in the valuation methodologies based on Level 1 - quoted prices in active markets, Level 2 - observable inputs other than quoted prices for similar assets or liabilities in active or non-markets, and Level 3 - valuations based on unobservable inputs when little or no market data is available, is used. These valuations require significant judgment.

At June 30, 2019 and 2018, the cost basis of the Organization's financial instruments, including cash and cash equivalents, restricted cash, shelter per-diem billings receivable, grants and accounts receivables, accounts payable and accrued expenses, accrued salaries payable and related benefits, and deferred revenue, approximated fair value due to the short maturity of these instruments.

Refer to Note 5 - Fair Value Measurements for assets measured at fair value.

**My Sisters' Place, Inc.**

Notes to Financial Statements  
June 30, 2019 and 2018

**Note 2 - Summary of Significant Accounting Policies (cont'd.)**

Shelter Per-Diem Billings Receivable and Grants Receivable

The Organization evaluates collectability of its grants and shelter per-diem billings receivable based on a combination of factors. The Organization establishes a reserve for uncollectible receivables on a case-by-case basis depending on management's assessment of the likelihood of collection, current economic conditions and historical information. If management's assessment of collectability changes, the Organization reserves the right to revise and change its estimate of reserve for uncollectible receivables. The allowance for doubtful accounts on shelter per-diem billings receivable was \$21,093 and \$25,836 at June 30, 2019 and 2018, respectively.

The Organization has determined that there is no need for an allowance for doubtful accounts for grants and accounts receivables at June 30, 2019 and 2018.

Property and Equipment

Property and equipment is stated at cost. The Organization capitalizes all items in excess of \$1,000. When fixed asset items are sold or retired, the related costs and accumulated depreciation are removed from accounts and any gain or loss is included in revenue.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Building and improvements	Up to 40 years
Equipment	3 to 20 years

Impairment of Long-Lived Assets

Long-lived assets, such as fixed assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Organization records impairment losses on long-lived assets used in operations when undiscounted cash flows estimated to be generated by those assets are less than the carrying amounts of those assets. No impairment charges were recognized as of June 30, 2019 and 2018.

Grants and Contracts Revenue

Government and non-government grant and contract awards received for specific purposes are recognized as revenue to the extent related expenses are incurred in compliance with the specific grant terms. Amounts received on grants and contracts that pertain to the time periods subsequent to June 30, 2019 and 2018 are deferred until the next fiscal year.

## **My Sisters' Place, Inc.**

Notes to Financial Statements  
June 30, 2019 and 2018

### **Note 2 - Summary of Significant Accounting Policies (cont'd.)**

#### Contributions and Net Assets

All contributions are considered available for unrestricted use, unless specifically restricted by the donor. Net assets without donor restrictions are those funds having no restriction as to use or purpose imposed by donors. Net assets with donor restrictions are those whose use by the Organization has been limited by donors to a specific time period or purpose. If a restriction is fulfilled in the same period in which the contribution is received, the Organization reports the support as without donor restrictions. Otherwise, when a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from donor restrictions.

#### Adoption of FASB ASU No. 2016-14 - *Not-for Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*

Effective July 1, 2018, the Organization adopted the provisions of FASB Accounting Standards Update ("ASU") No. 2016-14. The ASU provided for changes in financial statement presentation that affect classification of net assets and presentation of expenses. It also provided for enhanced disclosures of methods used to allocate costs among functions, and available resources and liquidity.

#### Functional Expenses

The costs of providing programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and functions benefited. Certain costs such as subcontractor expense and shelter maintenance and utilities costs are charged to program services on a direct basis.

#### Donated Services

Contributions of donated non-monetary assets are recorded at their fair values in the period received. Contributions of services are recognized if the services (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donations.

#### Investment Income Recognition

Investment income consists mainly of earnings on money market accounts and certificates of deposit.

#### Operating Leases

Operating lease expense has been recorded on the straight-line basis over the term of the lease. Deferred rent has been recorded for the difference between the fixed payment and rent expense.

**My Sisters' Place, Inc.**

Notes to Financial Statements  
June 30, 2019 and 2018

**Note 2 - Summary of Significant Accounting Policies (cont'd.)**

Publicity Costs

Publicity costs are expensed as incurred. Publicity costs amounted to \$17,294 and \$14,747 for the years ended June 30, 2019 and 2018, respectively.

Reclassifications

Certain accounts relating to the prior year have been reclassified to conform to the current year's presentation. These reclassifications have no effect on the change in net assets previously reported.

Accounting for Uncertainty in Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is not considered a private foundation within the meaning of Section 509(a) of the Internal Revenue Code.

The Organization recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition or disclosure. The Organization is no longer subject to examinations by applicable taxing jurisdictions for periods prior to June 30, 2016.

**Note 3 - Property and Equipment and Assets Held for Sale**

The New York State Homeless Housing and Assistance Corporation ("HHAC") provided \$732,283 towards the cost of acquisition and rehabilitation of one of the Organization's shelters in 1998. That property was subject to a contractual provision requiring the Organization to operate such shelter until March 31, 2018. HHAC retained a reversionary interest in the property in the event the Organization did not abide by that provision. In April 2018, HHAC released such reversionary interest, as the Organization had satisfied all contractual provisions through March 31, 2018.

After HHAC's release of its reversionary interest, the Organization ceased operating this property as a residential shelter, and held the property for sale at June 30, 2018. The net book value of this property of \$428,528 is reflected as a separate line item on the statement of financial position. In September 2018, this property was sold, which yielded net proceeds of \$603,700 and a gain on sale of \$175,172.

## My Sisters' Place, Inc.

Notes to Financial Statements  
June 30, 2019 and 2018

### Note 4 - Property and Equipment

Property and equipment, net, consists of the following:

	<u>2019</u>	<u>2018</u>
Land	\$ 70,000	\$ 70,000
Buildings and improvements	1,586,578	1,551,971
Equipment	1,024,470	1,048,963
	<u>2,681,048</u>	<u>2,670,934</u>
Less: Accumulated depreciation	<u>1,075,388</u>	<u>1,052,935</u>
	<u>\$ 1,605,660</u>	<u>\$ 1,617,999</u>

At June 30, 2019 and 2018, depreciation expense related to property and equipment amounted to \$111,129 and \$132,400, respectively.

In 2013, HHAC provided funding of \$2,389,619, which has been recorded as a grant enforcement mortgage lien towards the cost of acquisition and development of a new residential shelter facility ("Residential Facility"). This Residential Facility is subject to a contractual provision requiring the Organization to operate it as a shelter until 2038. HHAC retains a reversionary interest in the property in the event the Organization does not abide by that provision. At June 30, 2019 and 2018, the Organization has a book value of \$1,513,445 and \$1,607,808, respectively, in land, building and equipment funded by HHAC.

It is the intention of management to operate this Residential Facility in conformance with the contractual provisions.

### Note 5 - Fair Value Measurements

The Organization measures its investments at fair value. Fair value is an exit price, representing the amount that would be received on the sale of an asset or that would be paid to transfer a liability in an orderly transaction between market participants. As a basis for considering such assumptions, a three-tier fair value hierarchy is used which prioritizes the inputs in the valuation methodologies in measuring fair value.

#### Fair Value Hierarchy

The methodology for measuring fair value specifies a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (observable inputs) or reflect the organization's own assumptions of market participant valuation (unobservable inputs).

**My Sisters' Place, Inc.**

Notes to Financial Statements  
June 30, 2019 and 2018

**Note 5 - Fair Value Measurements (cont'd.)**

Items Measured at Fair Value on a Recurring Basis

Investments are stated at fair value using Level 1 inputs based on quoted market prices of identical securities.

The following table presents the Organization's assets that are measured at fair value on a recurring basis at June 30, 2019 and 2018:

	<u>At June 30, 2019</u>	<u>At June 30, 2018</u>
	<u>Level 1</u>	<u>Level 1</u>
Mutual fund - short term bonds	\$ 492,114	\$ 380,217
Certificate of deposit	<u>216,380</u>	<u>-</u>
Total assets measured at fair value	<u>\$ 708,494</u>	<u>\$ 380,217</u>

**Note 6 - Grant Enforcement Mortgage Lien**

Under the terms of the grant funding from HHAC for the Residential Facility (see Note 3), the Organization has no liability to repay the funding used to purchase and renovate the facility. However, the grant enforcement terms of the contract with HHAC require that the Organization operate the facility as shelter for a period of 25 years. At June 30, 2019 and 2018, the liability for the grant enforcement mortgage lien was \$1,513,445 and \$1,607,808, respectively. The liability is being amortized to the extent of the recognized depreciation and other expenses related to the building and equipment funded by HHAC and is recorded in government grants and contracts revenue.

In addition to the lien, the Organization is required by HHAC to maintain reserve accounts for each shelter for capital, replacement and/or operating purposes. At June 30, 2019 and 2018, the Organization had set aside \$69,099 and \$54,039, which was in excess of the requirement of \$67,879 and \$53,801, respectively.

**My Sisters' Place, Inc.**

Notes to Financial Statements  
June 30, 2019 and 2018

**Note 7 - Line of Credit**

The Organization has an unsecured line of credit in the amount of \$350,000, which bears interest at the prime rate plus 1.5%. There was no outstanding balance on the line of credit as of June 30, 2019 and 2018. There were no drawdowns on the line of credit during 2019 or 2018.

**Note 8 - Residential Shelter Service**

Revenue from residential shelter services is recorded at the effective rate established by the New York State Office of Children and Family Services. Such services are provided at this rate primarily under a contract with the Westchester County Department of Social Services covering qualified residents. Provisions or recoveries of uncollectible receivables have been presented as part of residential shelter service revenue.

**Note 9 - Donated Services and Goods**

Donated legal services amounted to \$287,200 and \$250,500 for the years ended June 30, 2019 and 2018, respectively. Donated goods amounted to \$23,300 and \$17,500 for the years ended June 30, 2019 and 2018, respectively. Contributed goods and services that do not meet the criteria for recognition, as applicable, were not reflected in the financial statements in accordance with U.S. GAAP.

**Note 10 - Lease Commitments and Deferred Rent Liability**

The Organization has entered into leases for office space located in White Plains, NY and Yonkers, NY, which expire in 2029 and 2022, respectively. The Organization also has a lease for copier equipment that expires in 2022.

During the year ended June 30, 2018, the Organization concurrently entered into a surrender agreement on its existing White Plains office lease and entered into a new lease for different White Plains office space. As part of the surrender agreement, the Organization received \$499,431 and \$491,630 during the years ended June 30, 2019 and 2018, respectively, as incentive payments from the landlord which are reported as deferred rent liability in the statements of financial position and are being amortized as a reduction of rent expense over the life of the new lease. At June 30, 2018, the Organization had recognized a \$216,000 receivable from the landlord that was subsequently received.

The Organization took possession of the new premises during the year ended June 30, 2019, at which time the lease on the existing premises was terminated, and \$65,446 was recognized as a reduction of rent expense related to the extinguishment of the deferred rent liability on the existing premises.

For the years ended June 30, 2019 and 2018, rental expenses, inclusive of utilities, parking and deferred rent amortization, amounted to \$252,692 and \$353,345, respectively. Leases are subject to normal escalation provisions based on building expenses and taxes.

**My Sisters' Place, Inc.**

Notes to Financial Statements  
June 30, 2019 and 2018

**Note 10 - Lease Commitments and Deferred Rent Liability (cont'd.)**

Minimum lease payment commitments are payable as follows for the years ending June 30:

	<u>White Plains</u>	<u>Yonkers</u>	<u>Equipment</u>	<u>Total</u>
2020	\$ 194,001	\$ 109,484	\$ 27,900	\$ 331,385
2021	194,157	111,673	27,900	333,730
2022	195,884	94,607	21,200	311,691
2023	196,983	-	-	196,983
2024	199,337	-	-	199,337
Thereafter	1,088,349	-	-	1,088,349
	<u>\$ 2,068,711</u>	<u>\$ 315,764</u>	<u>\$ 77,000</u>	<u>\$ 2,461,475</u>

**Note 11 - Pension Plan**

The Organization maintains a 403(b) retirement plan that covers all employees. Employees may contribute up to the maximum amount permitted by the Internal Revenue Code. The Organization may make employer matching contributions at its discretion. Employer contributions were \$14,534 and \$11,248, respectively, for the years ended June 30, 2019 and 2018.

**Note 12 - Net Assets**

Net assets with donor restrictions are available for the following purposes:

	<u>2019</u>	<u>2018</u>
Legal Client Assistance	\$ 7,795	\$ 10,790
Emergency Client Assistance	6,562	7,440
	<u>\$ 14,357</u>	<u>\$ 18,230</u>

Net assets with donor restrictions were released from restrictions by incurring expenses satisfying the following:

	<u>2019</u>	<u>2018</u>
Legal Client Assistance	\$ 2,995	\$ 1
Emergency Client Assistance	16,478	8,560
Strategic planning	-	5,831
	<u>\$ 19,473</u>	<u>\$ 14,392</u>



**My Sisters' Place, Inc.**

Notes to Financial Statements  
June 30, 2019 and 2018

**Note 12 - Net Assets (cont'd.)**

Included in net assets without donor restrictions as of June 30, 2019 is \$1,311,330 that has been designated by the Organization's Board of Directors as an operating reserve. This reserve was established in September 2018.

**Note 13 - Concentration of Credit Risk**

The Organization maintains cash balances in several financial institutions, which are insured by the Federal Deposit Insurance Corporation ("FDIC") for up to \$250,000 per institution. From time to time, the Organization's balances may exceed these limits.

**Note 14 - Liquidity**

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents, accounts receivable, and investments.

The following reflects the Organization's financial assets as of June 30, 2019, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions.

Cash and cash equivalents	\$ 1,641,416
Investments	708,494
Shelter per-diem billings receivable, net	182,220
Grants receivable	<u>1,024,332</u>
Total financial assets	3,556,462
Less: Net assets with donor restrictions	<u>14,357</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,542,105</u>

In addition to financial assets, the Organization has a \$350,000 unsecured line of credit that is available to provide liquidity if needed.

**Note 15 - Subsequent Events**

The Organization has evaluated all events or transactions that occurred after June 30, 2019 through March 17, 2020 which is the date that these financial statements were available to be issued. During this period, there were no material subsequent events requiring disclosure.