

MY SISTERS' PLACE, INC.

**AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTARY REPORTS
RELATED TO UNIFORM GUIDANCE**

JUNE 30, 2025 AND 2024

**WATSONRICE LLP
CERTIFIED PUBLIC ACCOUNTANTS**

**MY SISTERS' PLACE, INC.
JUNE 30, 2025 AND 2024**

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
My Sisters' Place, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of My Sisters' Place, Inc. (the "Organization"), which comprise the statements of financial position as of June 30, 2025 and 2024, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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.

Responsibilities 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.

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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

INDEPENDENT AUDITOR’S REPORT – CONTINUED

Auditor’s 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 auditor’s 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 GAAS and *Government 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 GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment 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 the Organization’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 the Organization’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.

INDEPENDENT AUDITOR’S REPORT – CONTINUED

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The 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* (“Uniform Guidance”) 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 audit 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 GAAS. In our opinion, the schedule of expenditures of federal awards 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 January 28, 2026 on our consideration of the Organization’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the Organization’s 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 the Organization’s internal control over financial reporting and compliance.

Watson Rice LLP

New York, New York
January 28, 2026

MY SISTERS' PLACE, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Assets		
Cash and cash equivalents	\$ 185,945	\$ 198,851
Restricted cash (Note 6)	78,852	79,060
Investments (Note 3)	983,698	1,146,587
Shelter per-diem billings receivable, net	78,391	291,838
Grants receivable (Note 4)	1,979,895	2,580,896
Prepaid expenses and deposits	93,982	79,039
Property and equipment (Note 5)	1,339,224	1,422,821
Operating lease right-of-use asset (Note 11)	412,464	589,842
Finance lease right-of-use asset (Note 11)	<u>30,118</u>	<u>54,022</u>
Total Assets	<u>\$ 5,182,569</u>	<u>\$ 6,442,956</u>
Liabilities and Net Assets		
<u>Liabilities</u>		
Accounts payable and accrued liabilities	\$ 257,362	\$ 264,422
Accrued salary and related expenses	390,910	490,038
Line of credit (Note 8)	125,000	-
Deferred revenue	76,313	193,390
Grant enforcement mortgage lien (Note 6)	1,049,969	1,096,251
Operating lease liability (Note 11)	827,020	1,097,578
Finance lease liability (Note 11)	<u>31,107</u>	<u>55,487</u>
Total Liabilities	<u>2,757,681</u>	<u>3,197,166</u>
<u>Net Assets (Note 14)</u>		
Without donor restrictions	2,351,659	3,140,766
With donor restrictions	<u>73,229</u>	<u>105,024</u>
Total Net Assets	<u>2,424,888</u>	<u>3,245,790</u>
Total Liabilities and Net Assets	<u>\$ 5,182,569</u>	<u>\$ 6,442,956</u>

See notes to financial statements.

MY SISTERS² PLACE, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support						
Residential shelter service, net	\$ 925,480	\$ -	\$ 925,480	\$ 893,939	\$ -	\$ 893,939
Government grants	6,664,011	-	6,664,011	6,244,643	-	6,244,643
Private grants	220,000	30,000	250,000	433,222	30,000	463,222
Contributions						
Individual	769,990	-	769,990	647,919	-	647,919
Corporate	49,416	-	49,416	208,374	-	208,374
Foundation	89,922	-	89,922	149,900	-	149,900
Donated services and goods (Note 10)	103,750	-	103,750	202,060	-	202,060
Fundraising event income	184,450	-	184,450	198,634	-	198,634
Less: Direct cost of fundraising events	(124,199)	-	(124,199)	(109,749)	-	(109,749)
Investment income	112,022	-	112,022	112,963	-	112,963
Other revenue	2,918	-	2,918	24,047	-	24,047
Net assets released from donor restrictions (Note 14)	61,795	(61,795)	-	67,337	(67,337)	-
Total Revenues, Gains and Other Support	<u>9,059,555</u>	<u>(31,795)</u>	<u>9,027,760</u>	<u>9,073,289</u>	<u>(37,337)</u>	<u>9,035,952</u>
Expenses						
Residential program services	2,300,366	-	2,300,366	1,685,712	-	1,685,712
Non-residential program services	3,036,043	-	3,036,043	3,201,916	-	3,201,916
Legal program services	1,830,373	-	1,830,373	2,200,655	-	2,200,655
Fundraising	724,216	-	724,216	653,129	-	653,129
Administration	1,957,664	-	1,957,664	1,993,772	-	1,993,772
Total Expenses	<u>9,848,662</u>	<u>-</u>	<u>9,848,662</u>	<u>9,735,184</u>	<u>-</u>	<u>9,735,184</u>
Changes in Net Assets	(789,107)	(31,795)	(820,902)	(661,895)	(37,337)	(699,232)
Net Assets						
Beginning of Year	<u>3,140,766</u>	<u>105,024</u>	<u>3,245,790</u>	<u>3,802,661</u>	<u>142,361</u>	<u>3,945,022</u>
End of Year	<u>\$ 2,351,659</u>	<u>\$ 73,229</u>	<u>\$ 2,424,888</u>	<u>\$ 3,140,766</u>	<u>\$ 105,024</u>	<u>\$ 3,245,790</u>

See notes to financial statements.

MY SISTERS² PLACE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025

	Residential Program Services	Non-Residential Program Services	Legal Program Services	Fundraising	Administration	Total
Salaries and wages	\$ 1,297,169	\$ 1,879,927	\$ 950,743	\$ 363,387	\$ 808,829	\$ 5,300,055
Employee benefits and payroll taxes	418,232	695,834	358,495	196,075	491,001	2,159,637
Consultants and temporary help	203	52,759	32,800	35,243	300,985	421,990
Staff training and recruitment	4,661	7,982	10,161	2,443	42,576	67,823
	<u>1,720,265</u>	<u>2,636,502</u>	<u>1,352,199</u>	<u>597,148</u>	<u>1,643,391</u>	<u>7,949,505</u>
Office lease, utilities and parking	41,063	180,043	60,014	3,159	31,587	315,866
Audit and legal fees	-	6,949	111,508	-	56,768	175,225
Client assistance	100,355	41,493	71,264	1,235	838	215,185
Telephone and technology	31,022	43,957	119,976	69,270	70,695	334,920
Shelter maintenance and utilities	113,325	14,196	19,180	413	6,159	153,273
Staff travel and meetings	911	34,877	10,499	1,134	8,807	56,228
Repairs and maintenance	175,817	27,171	8,841	564	24,209	236,602
Equipment lease	2,288	7,435	20,578	9,714	25,357	65,372
Insurance	22,797	24,719	16,882	7,200	7,542	79,140
Office supplies and postage	1,443	9,228	26,909	6,735	12,816	57,131
Printing	22	746	838	2,755	648	5,009
Memberships and subscriptions	2,708	1,222	6,685	946	4,347	15,908
External affairs and public relations	-	-	-	18,134	275	18,409
Credit card and bank fees	20	5	-	5,809	2,086	7,920
Interest expense	-	-	-	-	31,389	31,389
Direct cost of special events	-	-	-	124,199	-	124,199
Depreciation	88,330	7,500	5,000	-	30,750	131,580
Total Expenses	<u>2,300,366</u>	<u>3,036,043</u>	<u>1,830,373</u>	<u>848,415</u>	<u>1,957,664</u>	<u>9,972,861</u>
Less: Expenses deducted directly from revenues:						
Direct cost of special events	-	-	-	(124,199)	-	(124,199)
Total expenses reported by function on the statement of activities	<u>\$ 2,300,366</u>	<u>\$ 3,036,043</u>	<u>\$ 1,830,373</u>	<u>\$ 724,216</u>	<u>\$ 1,957,664</u>	<u>\$ 9,848,662</u>

See notes to financial statements.

MY SISTERS' PLACE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

	Residential Program Services	Non-Residential Program Services	Legal Program Services	Fundraising	Administration	Total
Salaries and wages	\$ 912,052	\$ 2,028,698	\$ 1,358,665	\$ 428,167	\$ 956,373	\$ 5,683,955
Employee benefits and payroll taxes	261,077	614,580	390,333	119,611	563,589	1,949,190
Consultants and temporary help	722	64,319	15,105	6,330	216,626	303,102
Staff training and recruitment	3,432	8,379	10,105	1,304	59,536	82,756
	<u>1,177,283</u>	<u>2,715,976</u>	<u>1,774,208</u>	<u>555,412</u>	<u>1,796,124</u>	<u>8,019,003</u>
Office lease, utilities and parking	41,442	193,591	65,271	35,750	4,223	340,277
Audit and legal fees	798	47,449	205,381	-	14,338	267,966
Client assistance	88,084	52,539	26,239	1,122	4,108	172,092
Telephone and technology	52,355	91,516	56,255	19,260	46,887	266,273
Shelter maintenance and utilities	134,781	200	200	133	318	135,632
Staff travel and meetings	2,689	49,380	12,365	3,966	10,412	78,812
Repairs and maintenance	70,799	4,881	4,220	-	23,580	103,480
Equipment lease	6,214	6,091	5,551	2,601	26,956	47,413
Insurance	18,603	22,740	24,203	5,460	5,606	76,612
Office supplies and postage	3,338	5,840	17,261	4,988	10,111	41,538
Printing	849	1,182	1,037	2,540	13,736	19,344
Memberships and subscriptions	4,542	2,850	5,714	675	6,160	19,941
External affairs and public relations	-	113	250	17,199	105	17,667
Credit card and bank fees	-	3	-	4,023	4,281	8,307
Interest expense	-	-	-	-	826	826
Direct cost of special events	-	-	-	109,299	450	109,749
Depreciation	83,935	7,565	2,500	-	26,001	120,001
Total Expenses	<u>1,685,712</u>	<u>3,201,916</u>	<u>2,200,655</u>	<u>762,428</u>	<u>1,994,222</u>	<u>9,844,933</u>
Less: Expenses deducted directly from revenues:						
Direct cost of special events	<u>-</u>	<u>-</u>	<u>-</u>	<u>(109,299)</u>	<u>(450)</u>	<u>(109,749)</u>
Total expenses reported by function on the statement of activities	<u>\$ 1,685,712</u>	<u>\$ 3,201,916</u>	<u>\$ 2,200,655</u>	<u>\$ 653,129</u>	<u>\$ 1,993,772</u>	<u>\$ 9,735,184</u>

See notes to financial statements.

MY SISTERS' PLACE, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Cash Flows From Operating Activities		
Changes in net assets	\$ (820,902)	\$ (699,232)
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Amortization of right-of-use assets	23,904	27,356
Depreciation	131,580	120,001
Accretion of grant enforcement mortgage lien	(46,282)	(46,282)
Realized and unrealized (gain) loss on investments	(77,088)	74,103
(Increase) decrease in operating assets:		
Shelter per-diem billings receivable	213,447	(139,740)
Grants receivable	601,001	(874,069)
Prepaid expenses and deposits	(14,943)	53,107
Operating lease right-of-use asset	177,378	188,577
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	(7,060)	88,244
Accrued salary and related expenses	(99,128)	24,420
Deferred revenue	(117,077)	9,099
Operating lease liability	(270,558)	(277,824)
Net cash used in operating activities	<u>(305,728)</u>	<u>(1,452,240)</u>
Cash Flows From Investing Activities		
Purchase of property and equipment	(47,983)	(44,012)
Proceeds from sale of investments	825,580	3,393,537
Purchase of investments	(585,603)	(3,391,151)
Net cash provided by (used in) investing activities	<u>191,994</u>	<u>(41,626)</u>
Cash Flows From Financing Activities		
Principal payments on finance leases	(24,380)	(27,425)
Line of credit availment	1,050,000	-
Line of credit payments	(925,000)	-
Net cash provided by (used in) financing activities	<u>100,620</u>	<u>(27,425)</u>
Net Decrease in Cash and Cash Equivalents, and Restricted Cash	(13,114)	(1,521,291)
Cash and Cash Equivalents, and Restricted Cash, Beginning of Year	<u>277,911</u>	<u>1,799,202</u>
Cash and Cash Equivalents, and Restricted Cash, End of Year	<u>\$ 264,797</u>	<u>\$ 277,911</u>
Reconciliation of Cash and Cash Equivalents, and Restricted Cash		
Cash and cash equivalents	\$ 185,945	\$ 198,851
Restricted cash	78,852	79,060
Total	<u>\$ 264,797</u>	<u>\$ 277,911</u>

See notes to financial statements.

MY SISTERS' PLACE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

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; and (3) to provide community education and training related to domestic violence and human trafficking and its prevention.

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, except for cash held as restricted cash.

Investments

Investments are stated at fair value based on quoted market prices. Gains and losses on the sale of investments and investment income are recorded as operating activities and are recognized as increases and decreases in net assets without donor restrictions unless their use is restricted by donor stipulations.

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-active markets, and Level 3 - valuations based on unobservable inputs when little or no market data is available, is used. These valuations require significant judgment.

MY SISTERS' PLACE, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fair Value of Financial Instruments – Continued

At June 30, 2025 and 2024, the cost basis of the Organization's financial instruments, including cash and cash equivalents, restricted cash, shelter per-diem billings receivable, grants receivable, 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 3 - Fair Value Measurements for assets measured at fair value.

Revenues and Receivables

Revenues and receivables from residential shelter services are recognized when earned. Fundraising event income is recognized as revenue on the date of the event, which is the date that the Organization expects to be entitled to consideration in exchange for attending the event.

Revenue from government grants is recognized as the Organization satisfies the conditions in the grant contract, typically by performing the contracted services and incurring costs eligible for reimbursement under the grant contracts. As the conditions are met, the Organization simultaneously releases the restrictions imposed by grant contracts and reflects the revenue as being without donor restrictions. Grant activities and related costs are subject to audit and acceptance by the granting agency, and adjustments to grant receivable could be required as a result of audit.

Allowance for Doubtful Accounts

The Organization determines whether an allowance for doubtful accounts should be provided for shelter per-diem billings receivable and grants receivable. Such estimates are based on management's assessment of the aged basis of its receivables and other sources, current economic conditions and historical information. Shelter per-diem billings receivable and grants receivable are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted. Interest is not charged on outstanding receivables. At June 30, 2025 and 2024, the Organization has an allowance for doubtful accounts of \$14,240 for both years related to shelter per-diem billings receivable. The Organization has determined that there is no need for an allowance for doubtful accounts for grants receivable at June 30, 2025 and 2024.

Contract Assets

Contract assets are expenditures related to fulfilling activities under government grants that have not been billed at the end of the reporting period. Contract asset balances primarily consist of costs for personnel services and non-personnel direct expenditures for services delivered to clients. Contract assets at June 30, 2025 and 2024 were \$8,256 and \$8,242, respectively, and are included in grants receivable on the statements of financial position.

MY SISTERS' PLACE, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Property and Equipment including Leased Assets

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

Right-of-use (“ROU”) assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

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, 2025 and 2024.

Contract Liabilities

Contract liabilities represent revenue that has been deferred for conditional contributions received in advance of the Organization being entitled to them. At June 30, 2025 and 2024, contract liabilities totaled \$76,313 and \$193,390, respectively, and have been recorded as deferred revenue on the statements of financial position.

Contributions

Contributions are provided to the Organization with or without donor restrictions and may be conditional or unconditional. Revenues and net assets are separately reported based on the presence or absence of donor restrictions. The value recorded for contributions depends on the presence or absence of conditions. Conditional contributions (which depend on the Organization overcoming a donor-imposed condition or barrier) are not recognized until the gift becomes unconditional or the barrier is achieved. Unconditional contributions received at the date of the gift are recognized at fair value or estimated fair value.

MY SISTERS' PLACE, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Contributions – Continued

Unconditional pledges are recognized at (1) net realizable value if the contribution is expected to be received within one year, or (2) estimated fair value discounted to present value if the contribution is expected to be received after one year. In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level yield method.

When a donor-stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Gifts that are originally restricted by the donor and for which the restriction is met in the same period the gift received are recorded as revenue without donor restrictions.

Net Assets

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.

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 services 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.

Publicity Costs

Publicity costs are expenses as incurred.

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.

MY SISTERS' PLACE, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Accounting for Uncertainty in Income Taxes – Continued

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, 2022.

3. 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).

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

Items Measured at Fair Value on a Recurring Basis

The following table presents the Organization's assets that are measured at fair value on a recurring basis at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
	<u>Level 1</u>	<u>Level 1</u>
Mutual funds		
US Treasury securities	\$ 83,685	\$ -
Exchange traded funds		
Fixed income	427,599	565,278
Equities	472,414	581,309
Total assets measured at fair value	<u>\$ 983,698</u>	<u>\$ 1,146,587</u>

MY SISTERS' PLACE, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED

4. GRANTS RECEIVABLE

As of June 30, 2025 and 2024, grants receivable consists of the following:

	<u>2025</u>	<u>2024</u>
New York State		
Office of Victim Services	\$ 476,243	\$ 820,037
Office of Children & Family Services	76,938	44,234
Anti-trafficking Program	4,501	3,931
Division of Criminal Justice Services	168,468	275,219
Unified Courts System	21,142	67,510
Office of Temporary & Disability Assistance	83,348	65,463
Westchester County		
Office for Women	572,525	408,539
Department of Social Services	48,289	322,222
Youth Bureau	18,044	18,853
U.S. Department of Justice	126,377	124,846
Office of the Prevention of Domestic Violence	23,889	8,071
U.S. Department of Health And Human Services	108,488	136,394
City of Yonkers Municipal Housing Authority	52,474	6,435
Legal Services Hudson Valley	57,741	59,304
WestCop Victims Assistance Services	25,398	129,452
Others	<u>116,030</u>	<u>90,386</u>
Total	<u>\$ 1,979,895</u>	<u>\$ 2,580,896</u>

5. PROPERTY AND EQUIPMENT

Property and equipment, net, consists of the following:

	<u>2025</u>	<u>2024</u>
Land	\$ 70,000	\$ 70,000
Buildings and improvements	1,710,250	1,696,450
Equipment	<u>1,358,317</u>	<u>1,324,134</u>
	3,138,567	3,090,584
Less: Accumulated depreciation	<u>1,799,343</u>	<u>1,667,763</u>
Total	<u>\$ 1,339,224</u>	<u>\$ 1,422,821</u>

At June 30, 2025 and 2024, depreciation expense related to property and equipment amounted to \$131,580 and \$120,001, respectively. At June 30, 2025 and 2024, there were no amounts written off of fully depreciated property and equipment.

MY SISTERS' PLACE, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED

5. PROPERTY AND EQUIPMENT – CONTINUED

In 2013, The New York State Homeless Housing and Assistance Corporation (“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, 2025 and 2024, the Organization reported a book value of \$1,049,969 and \$1,096,251, 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.

6. GRANT ENFORCEMENT MORTGAGE LIEN

Under the terms of the grant funding from HHAC for the Residential Facility (see Note 5), the Organization has no obligation 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, 2025 and 2024, the liability for the grant enforcement mortgage lien was \$1,049,969 and \$1,096,251, 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, 2025 and 2024, the Organization had set aside \$78,852 and \$79,060, which was in excess of the requirement of \$74,586.

7. GRANT COMMITMENTS

The Organization receives grants from various government funders and recognizes revenue when expenses incurred that are associated with these grants are billed to these funders by filing periodic claims. The total amount claimed in each of these grants is not to exceed the limit specified in the grant agreement. As of June 30, 2025 and 2024, the total grant amount from outstanding government grant contracts is \$18,488,214 and \$18,981,262, the cumulative amount claimed is \$10,830,933 and \$10,758,487, and the remaining funding available is \$7,657,281 and \$8,222,775, respectively. The majority of these contracts are for annual periods and are expected to renew at the expiration date.

MY SISTERS' PLACE, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED

8. LINE OF CREDIT

In February 2020, the Organization obtained an unsecured line of credit in the amount of \$450,000. The line has since been renewed with expiration date on February 28, 2026. The line bears interest of 9.50% as of June 30, 2025. As of June 30, 2025 and 2024, the outstanding balance amounted to \$125,000 and \$0, respectively.

9. 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.

10. DONATED SERVICES AND GOODS

During fiscal years 2025 and 2024, the Organization received donated services for legal consulting amounting to \$103,750 and \$202,060, respectively.

All donated services were utilized by the Organization's programs and supporting services. There were no donor-imposed restrictions associated with the donated services.

Donated legal services are valued at the standard hourly rates charged for those services.

Contributed services that do not meet the criteria for recognition, as applicable, were not reflected in the financial statements in accordance with U.S. GAAP.

11. LEASES

The Organization lease office space and equipment. The Organization determine if an arrangement is a lease at inception. Operating leases are presented in operating lease ROU assets and operating lease liability on the statement of financial position. Finance leases are presented in finance lease ROU and finance lease liability on the statement of financial position.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, the Organization use a risk-free rate based on the information available at commencement date in determining the present value of lease payments.

The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

MY SISTERS' PLACE, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED

11. LEASES – CONTINUED

The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In determining the discount rate used to measure the right-of-use asset and lease liability, the Organization use rates implicit in the lease, or if not readily available, the Organization use the incremental borrowing rate. The incremental borrowing rate is based on a risk-free rate from the treasury rate. The leases have remaining lease terms of 1 year to 5 years.

Total right-of-use assets and lease liabilities at June 30, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Operating right-of-use assets	\$ 412,464	\$ 589,842
Finance right-of-use assets	<u>30,118</u>	<u>54,022</u>
Total leased right-of-use assets	<u>\$ 442,582</u>	<u>\$ 643,864</u>
Operating lease liabilities	\$ 827,020	\$ 1,097,578
Finance lease liabilities	<u>31,107</u>	<u>55,487</u>
Total Lease Liability	<u>\$ 858,127</u>	<u>\$ 1,153,065</u>

Total lease costs for the years ended June 30, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Operating lease cost	\$ 206,555	\$ 226,244
Finance lease cost:		
Interest expense	555	826
Amortization of right-of-use assets	23,904	27,356

The following table summarizes the supplemental cash flow information for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 299,735	\$ 315,491
Operating cash flows from finance leases	555	826
Financing cash flows from finance leases	24,380	27,425

MY SISTERS' PLACE, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED

11. LEASES – CONTINUED

The following summarizes the weighted-average remaining lease term and weight-average discount rate:

	<u>2025</u>	<u>2024</u>
Weighted-average remaining lease term in years:		
Operating leases	4.38	4.96
Finance leases	1.59	2.43
Weighted-average discount rate:		
Operating leases	3.11%	3.09%
Finance leases	1.33%	1.27%

The future minimum lease payments under operating and finance leases with terms greater than one year are listed below as of June 30, 2025:

<u>Years Ending June 30,</u>	<u>Operating</u>	<u>Finance</u>
2026	\$ 201,221	\$ 23,617
2027	203,104	7,561
2028	204,988	282
2029	205,302	-
2030	68,434	-
Total lease payments	883,049	31,460
Less interest	<u>(56,029)</u>	<u>(353)</u>
Present value of lease liabilities	<u>\$ 827,020</u>	<u>\$ 31,107</u>

12. 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. During fiscal year 2022, the Board approved an employee match beginning March 2022. The Organization will match up to 2% per employee, maxing at 4% of the employee's total salary. Prior to March 2022, the Organization may make employer matching contributions at its discretion. Employer contributions were \$54,575 and \$49,531, respectively, for the years ended June 30, 2025 and 2024.

MY SISTERS' PLACE, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED

13. CONTINGENCIES

Program Audits

Government grants are subject to audit by the grantor and other oversight agencies. Management is of the opinion that any potential disallowances that may result from an audit will not be material and has not set aside a reserve for this. Any future disallowances will be recorded when they become known, and the amount is probable that it will be paid.

Claims

In the normal course of business, the Organization may become a party to various claims related to operating programs and general employment matters. There are no amounts accrued for potential claims or losses because there are no claims that are considered probable of requiring payment. Any future claims will be recorded if such claims are considered to be probable.

14. NET ASSETS

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

	<u>2025</u>	<u>2024</u>
Client assistance	\$ 6,285	\$ 6,285
Aftercare counseling	41,252	41,252
Education and prevention	25,692	25,692
Legal assistance	-	31,795
	<u>\$ 73,229</u>	<u>\$ 105,024</u>

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

	<u>2025</u>	<u>2024</u>
Education and prevention	\$ 30,000	\$ 24,132
Legal assistance	31,795	43,205
	<u>\$ 61,795</u>	<u>\$ 67,337</u>

Included in net assets without donor restrictions as of June 30, 2025 and 2024 is \$978,568 and \$1,146,587, respectively, that has been designated by the Organization's Board of Directors as an operating reserve.

MY SISTERS' PLACE, INC.
NOTES TO FINANCIAL STATEMENTS – CONTINUED

15. 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.

16. LIQUIDITY

The following reflects the Organization’s financial assets as of June 30, 2025 and 2024 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.

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 185,945	\$ 198,851
Investments	983,698	1,146,587
Shelter per-diem billings receivable, net	78,391	291,838
Grants receivable	<u>1,979,895</u>	<u>2,580,896</u>
Total financial assets	3,227,929	4,218,172
Less:		
Board designated operating reserve	978,568	1,146,587
Net assets with donor restrictions	<u>73,229</u>	<u>105,024</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,176,132</u>	<u>\$ 2,966,561</u>

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 Organization’s board-designated operating reserve is designated for specified purpose but may be utilized for other purposes, as determined by the Board of Directors. It is not the intent of the Board of Directors to utilize the operating reserve for anything other than its intended purpose.

17. SUBSEQUENT EVENTS

The Organization has evaluated all events or transactions that occurred after June 30, 2025 through January 28, 2026 which is the date that these financial statements were available to be issued.

MY SISTERS' PLACE, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
<u>U.S. Department of Housing and Urban Development</u>				
Pass-through Yonkers Community Development Agency Emergency Solutions Grant Program	14.231	ESG - 2023	\$ -	\$ 122,302
Pass-through Caring for the Homeless of Peekskill Continuum of Care Program	14.267	DSS3035B-24	-	28,278
Total U.S. Department of Housing and Urban Development			-	150,580
<u>U.S. Department of Justice</u>				
Office on Violence Against Women Legal Assistance for Victims	16.524		-	215,282
Education, Training, and Enhanced Services to End Violence Against and Abuse of Women with Disabilities	16.529		-	174,373
Consolidated And Technical Assistance Grant Program to Address Children and Youth Experiencing Domestic and Sexual Violence and Engage Men and Boys as Allies	16.888		-	139,394
Pass-through New York State Office of Victim Services Crime Victim Assistance	16.575	C11310GG	-	1,694,259
Total U.S. Department of Justice			-	2,223,308
<u>U.S. Department of Health and Human Services</u>				
Administration for Children and Families Family Violence Prevention and Services/Discretionary COVID-19 Family Violence Prevention and Services/Discretionary	93.592		-	302,154
Total Family Violence Prevention and Services/Discretionary	93.592		-	104,237
Total Family Violence Prevention and Services/Discretionary			-	406,391
Pass-through Westchester County Department of Social Services Social Services Block Grant	93.667	DSS6020-24	-	112,595
Pass-through Westchester County Office for Women Social Services Block Grant	93.667	OFWMSPA322	-	163,987
Pass-through Legal Services of Hudson Valley Social Services Block Grant	93.667	OFWLSHVA322	-	19,108
Total Social Services Block Grant			-	295,690
Pass-through New York State Office of Children and Family Services Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	C028807	-	114,644
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	C030617	-	29,568
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	C029170	-	80,451
COVID-19 Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	DV48 FVPSA ARP DV	-	21,836
Total Family Violence Prevention and Services/Domestic Violence Shelter and Support Services			-	246,499
Total U.S. Department of Health and Human Services			-	948,580
Total Expenditures of Federal Awards			\$ -	\$ 3,322,468

See notes to schedule of expenditures of federal awards.

MY SISTERS' PLACE, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of My Sisters' Place, Inc. (the "Organization") for the year ended June 30, 2025. The information on this Schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

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. Passthrough entity identifying numbers are presented where available.

3. INDIRECT COST RATE

The Organization elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**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**

INDEPENDENT AUDITOR'S REPORT

Board of Directors
My Sisters' Place, Inc.

We have audited, in accordance with the 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 (“*Government Auditing Standards*”), the financial statements of My Sisters' Place, Inc. (the “Organization”), which comprise the Organization's statement of financial position as of June 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 January 28, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing 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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 a 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 or significant deficiencies may exist that were not identified.

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* – CONTINUED

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization’s financial statements are free from 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 financial statements. 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 entity’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 entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Watson Rice LLP

New York, New York
January 28, 2026

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

INDEPENDENT AUDITOR'S REPORT

Board Directors
My Sisters' Place, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited My Sisters' Place, Inc.'s (the "Organization") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2025. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 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 ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization 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 the Organization'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 the Organization's federal programs.

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE – CONTINUED

Auditor's Responsibilities 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 the Organization'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 GAAS, *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 the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 the Organization'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 the Organization'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 the Organization'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.

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
UNIFORM GUIDANCE – CONTINUED**

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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 the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Watson Rice LLP

New York, New York
January 28, 2026

**MY SISTERS' PLACE, INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 2025**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

 yes ✓ no

Significant deficiency(ies) identified?

 yes ✓ none reported

Noncompliance material to financial statements noted?

 yes ✓ no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

 yes ✓ no

Significant deficiency(ies) identified?

 yes ✓ none reported

Type of auditor’s report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

 yes ✓ no

Identification of Major Federal Program:

Assistance Listing Number

Name of Federal Program or Cluster

16.575

Crime Victim Assistance

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as a low-risk auditee?

 ✓ yes no

**MY SISTERS' PLACE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED**

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.