

MY SISTER'S HOUSE, INC.
CHARLESTON, SOUTH CAROLINA

ACCOUNTANTS' REPORT
AND
FINANCIAL STATEMENTS
JUNE 30, 2007

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August 15, 2007

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
My Sister's House, Inc.
Charleston, South Carolina

We have audited the accompanying statement of financial position of My Sister's House, Inc. (a non profit organization) as of June 30, 2007, and the related statements of activity, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of My Sister's House, Inc. as of June 30, 2007, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Wilson & Quirk, LLC

MY SISTER'S HOUSE, INC.
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2007

Exhibit "A"

ASSETS

Assets

Cash and cash equivalents	\$ 58,392
Unconditional promises to give	11,400
Due from State Victims Assistance Program	1,728
Due from Department of Social Services	28,168
Due from Victims of Crime Acts	17,643
Prepaid expenses	3,400
Due from Emergency Shelter Grant	793
Long-term investments	92,095
Property and equipment	<u>319,766</u>
Total Assets	<u>\$ 533,385</u>

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$ 17,400
Mortgage payable	<u>84,806</u>
Total liabilities	<u>102,206</u>

Net Assets

Unrestricted	419,779
Temporarily restricted	11,400
Permanently restricted	<u>00</u>
Total net assets	<u>431,179</u>

Total Liabilities and Net Assets	<u>\$ 533,385</u>
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See notes to financial statements.

MY SISTER'S HOUSE, INC.
STATEMENT OF ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2007

Exhibit "B"

Unrestricted Net Assets

Support:

S. C. Department of Social Services	\$ 214,267
Other federal financial assistance	198,140
Other governmental assistance	20,948
Individuals, business organizations, churches and others	126,516
Investment return	11,686
Special events	15,086

Total unrestricted support 586,643

Net assets released from restrictions 11,700

Total unrestricted support and reclassifications 598,343

Expenses:

Program services	505,852
Supporting services	
Management and general	79,798
Fund-raising	7,384

Total expenses 593,034

Increase (decrease) in unrestricted net assets 5,309

Temporarily Restricted Net Assets

Fundings for the next year 11,400

Net assets released from time restrictions (11,700)

Increase (decrease) in temporary restricted
net assets (300)

Permanently Restricted Net Assets 00

Increase (decrease) in net assets 5,009

Net Assets at Beginning of Year 426,170

Net Assets at End of Year \$ 431,179

See notes to financial statements.

MY SISTER'S HOUSE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2007

Exhibit "C"

	<u>Supporting Services</u>			
	<u>Program</u>	<u>Management</u>	<u>Fund-</u>	<u>Total</u>
	<u>Services</u>	<u>and</u>	<u>raising</u>	
		<u>General</u>		
Salaries	\$ 313,037	\$ 47,063	\$ 3,564	\$ 363,664
Employee benefits	17,557	2,926	418	20,901
Payroll taxes	24,560	3,761	280	28,601
Insurance - workman's compensation	4,241	731	47	5,019
Pension expense	4,448	1,112	00	5,560
Conferences and training	1,932	00	00	1,932
Depreciation	26,693	2,818	148	29,659
Annual meeting expense	1,180	221	74	1,475
Insurance	17,812	3,485	99	21,396
Taxes and licenses	1,785	99	99	1,983
Professional services	00	3,800	00	3,800
Repairs and maintenance	6,414	717	36	7,167
Travel	3,681	00	00	3,681
Utilities	16,123	1,801	90	18,014
Dues	3,681	00	00	3,681
Postage and office supplies	3,906	1,081	521	5,508
Printing and advertising	5,264	00	585	5,849
Special assistance	19,778	00	00	19,778
Supplies	9,316	00	00	9,316
Telephone	13,406	1,577	788	15,771
Transportation	7,167	843	422	8,432
Contractual services	3,630	00	00	3,630
Other	241	735	213	1,189
Interest	00	7,028	00	7,028
	<u>00</u>	<u>7,028</u>	<u>00</u>	<u>7,028</u>
 Totals	 <u>\$ 505,852</u>	 <u>\$ 79,798</u>	 <u>\$ 7,384</u>	 <u>\$ 593,034</u>

See notes to financial statements.

MY SISTER'S HOUSE, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2007

Exhibit "D"

Cash Flows From Operating Activities

Increase (decrease) in net assets	\$ 5,009
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	29,659
Unrealized gain on investments	(4,796)
Realized gain on investments	(2,360)
(Increase) decrease in operating assets	
Unconditional promises to give	300
Accounts receivable	(2,691)
Prepaid expenses	(200)
Accounts payable	13,387

Net cash provided by operating activities 38,308

Cash Flows From Investing Activities

Purchases of long-term investments	(74,715)
Payments for property and equipment	(23,088)
Sale of long-term investments	60,983

Net cash used by investing activities (36,820)

Cash Flows From Financing Activities

Payments on long-term debt	<u>(3,282)</u>
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Net increase (decrease) in cash and cash equivalents (1,794)

Beginning Cash and Cash Equivalents 60,186

Ending Cash and Cash Equivalents \$ 58,392

Supplemental Information:

My Sister's House, Inc. paid \$7,028 interest and no income taxes for the year ending June 30, 2007.

See notes to financial statements.

MY SISTER'S HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

Note 1. Summary of Significant Accounting Policies

Nature of Activities

My Sister's House, Inc. (the Organization) is a non-profit agency for victims of domestic violence in Charleston, Berkeley, and Dorchester counties. The Organization owns and operates an emergency temporary shelter for women in crisis and their children and has a 24 hour phone line answered by trained staff and volunteers. Support services include counseling, and assistance with housing and employment, to help address the client's emotional, legal and financial needs.

Income Taxes

My Sister's House, Inc. was founded as an organization exempt from Federal and South Carolina income taxes under Internal Revenue Code Section 501(c)(3) and, accordingly, a provision for income taxes has not been made.

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: Unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Contributions

Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Contributions of property and equipment are recorded as support at their estimated fair value. All such donations have been given without restrictions by the donors.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activity.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

MY SISTER'S HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

Note 1. Summary of Significant Accounting Policies (Continued)

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

Contributed Services

During the year ended June 30, 2007, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property and Equipment And Depreciation

Property and equipment purchased are capitalized at cost. It is the Organization's policy to capitalize expenditures for these items in excess of \$300.00. Lesser amounts are expensed. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets.

Note 2. Promises To Give

Unconditional promises to give at June 30, 2007 are scheduled to be received within one year and consist of:

Combined federal campaign	\$ 11,900
Less: allowance for uncollectible	<u>(500)</u>
Promises to Give	<u>\$ 11,400</u>

MY SISTER'S HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

Note 3. Investments

Investments consist of:

	As of June 30, 2007		
	Cost	Fair Value	Unrealized Appreciation
Securian Financial Services	\$ 88,659	\$ 92,095	\$ 3,436

Investment income is all unrestricted and includes unrealized gain of \$4,796 for the year ended June 30, 2007.

Note 4. Property and Equipment

Property and equipment consist of the following:

Land and building	\$ 549,355
Furniture, fixtures and equipment	223,805
Vehicles	82,324
Subtotal	855,484
Accumulated depreciation	(535,718)
Net property and equipment	\$ 319,766

Note 5. Mortgage and Note Payable

Mortgage payable - Collateralized by administrative office, payable in monthly installments of \$713.85 including interest at the rate of prime plus ½%. The mortgage has a balloon payment due on September 13, 2011.

\$ 84,806

The schedule of principal payments are as follows:

Year Ended	June 30, 2008	\$ 2,056
	June 30, 2009	2,221
	June 30, 2010	2,399
	June 30, 2011	2,592
	June 30, 2012	75,538
Total		\$ 84,806

MY SISTER'S HOUSE, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

Note 6. Restrictions On Net Assets

All of the restrictions on net assets are temporary at June 30, 2007. They represent promises to give available for the next fiscal year.

Note 7. Summary of Government Grants/Contracts Funding

Funding Source

Federal Grant Awards

S. C. Department of Social Services (DSS)	\$ 214,267
Family Violence	30,570
DSS - Food	11,991
Victims of Crime Act (VOCA) - Adult/Child Advocate	33,839
VOCA - Family Court Advocacy	33,529
VOCA - Program/Volunteer Co-ordinator	43,649
VOCA - Therapist	27,563
Emergency shelter grant	<u>16,999</u>
Total federal grant awards	412,407
State - SVAP	15,948
<u>County of Charleston</u>	<u>5,000</u>
Total	<u>\$ 433,355</u>

Note 8. Pension Plan

My Sister's House, Inc. has a defined contribution pension plan. All full-time employees are eligible upon completion of one year of service. Contributions to the plan are discretionary and totaled \$5,560 for the year ended June 30, 2007.

Note 9. Federal Grant Awards

Federal grant awards are subject to audit by the Federal Grantors to determine My Sister's House compliance with the terms and conditions of the grants. It is management's opinion that no material reimbursement will result from these audits.

Note 10. Endowment

In December 1997, an endowment was established at the Community Foundation in the amount of \$25,000 for My Sister's House, Inc. Once a year, the Foundation distributes the investment income as determined by its Board of Directors. In accordance with the terms and operations of the agreement between the donor and the Foundation, the principal is the property of the Foundation and accordingly is not reported by My Sister's House, Inc.