Women's Hostels Incorporated

Financial Statements

March 31, 2026

Independent Auditors' Report

To the Members of

Women's Hostels Incorporated

Qualified Opinion

We have audited the financial statements of **Women's Hostels Incorporated** (the Organization), which comprise the statement of financial position as at **March 31, 2026**, the statements of operation, changes in net assets and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2026, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, **Women's Hostels Incorporated** derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization. Therefore, we were not able to determine whether any adjustments might be necessary to the donation and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2026 and 2025, current assets as at March 31, 2026 and 2025, and net assets as at April 1 and March 31 for both the 2026 and 2025 years. Our audit opinion on the financial statements for the year ended March 31, 2025 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted 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 independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

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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 a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.

- 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Clarkson Rouble LLP

Mississauga, Ontario
July 15, 2026

Clarkson Rouble LLP
Chartered Professional Accountants
Licensed Public Accountants

Women's Hostels Incorporated

Statement of Financial Position
As at March 31

	2026	2025
Assets		
Current		
Cash and short term deposits	$ 3,146,372	$ 3,425,396
Accounts receivable	7,575	137,513
HST rebate receivable	68,072	43,345
Prepaid expenses	37,589	39,789
	3,259,608	3,646,043
Capital assets (Note 2)	17,000,589	17,106,593
	$20,260,197	**$20,752,636**
Liabilities		
Current		
Accounts payable and accrued charges	$ 188,901	$ 355,589
Deferred capital contributions (Note 3)	13,625,691	14,005,046
Deferred revenue	-	25,037
	13,814,592	14,385,672
Net Assets		
Net assets invested in capital assets (Note 4)	3,374,898	3,101,547
Net assets internally restricted for contingencies (Note 5)	1,500,000	1,500,000
Net assets internal replacement reserve fund (Note 6)	500,000	500,000
Net assets restricted for Mary Prichard fund (Note 9)	2,400	2,400
Unrestricted net assets	1,068,307	1,263,017
	6,445,605	6,366,964
	$20,260,197	**$20,752,636**

See accompanying notes to financial statements

On behalf of the Board:

Director

Director

Women's Hostels Incorporated

Statement of Operations
Year Ended March 31

	2026	2025
Revenue		
Government grants	$ 1,814,983	$ 2,142,977
City of Toronto - per diem	551,389	487,396
City of Toronto - personal needs allowance	8,742	22,785
United Way funding	208,608	208,608
Donations and fundraising	1,185,860	1,155,401
Bequests	5,682	30,476
Interest and other	36,116	3,543
	3,811,380	4,051,186
Expenses (Schedule A)		
Property	320,881	301,927
Administration	408,187	433,463
Staffing	2,630,134	2,587,030
Clients	339,739	394,941
One-time other expenses	3,768	-
	3,702,709	3,717,361
Excess of revenue over expenses from operations	**108,671**	**333,825**
Income from amortization of deferred capital contributions	379,355	379,355
Amortization of capital assets	(409,385)	(394,651)
Deficiency of revenue over expenses from capital assets	(30,030)	(15,296)
Excess of revenue over expenses for the year	**$ 78,641**	**$ 318,529**

See accompanying notes to financial statements

Women's Hostels Incorporated

Statement of Changes in Net Assets
Year Ended March 31

	Invested in Capital Assets	Internal Replacement Reserve Fund	Internally Restricted for Contingencies	Mary Prichard Fund	Unrestricted	2026 Total	2025 Total
Balances, beginning of year	$ 3,101,547	$ 500,000	$ 1,500,000	$ 2,400	$ 1,263,017	$ 6,366,964	$ 6,048,435
Excess (deficiency) of revenue over expense	(30,030)	-	-	-	108,671	78,641	318,529
Changes in net assets invested in capital assets (Note 4)	303,381	-	-	-	(303,381)	-	-
Balances, end of year	**$ 3,374,898**	**$ 500,000**	**$ 1,500,000**	**$ 2,400**	**$ 1,068,307**	**$ 6,445,605**	**$ 6,366,964**

See accompanying notes to financial statements

Women's Hostels Incorporated

Statement of Cash Flows
Year Ended March 31

	2026	2025
Cash provided by operating activities		
Excess of revenue over expenses	$ 78,641	$ 318,529
Items not requiring an outlay of cash		
Amortization of capital assets	409,385	394,651
Amortization of capital contributions	(379,355)	(379,355)
	108,671	333,825
Changes in non-cash working capital		
Accounts receivable	129,938	103,842
HST rebate receivable	(24,727)	27,403
Prepaid expenses	2,200	32,086
Accounts payable and accrued liabilities	(166,688)	19,448
Deferred revenue	(25,037)	(81,760)
Increase from operating activities	24,357	434,844
Investing activity		
Additions to capital assets	(303,381)	(623)
(Decrease) increase in cash	**(279,024)**	**434,221**
Cash, beginning of year	3,425,396	2,991,175
Cash, end of year	**$ 3,146,372**	**$ 3,425,396**

See accompanying notes to financial statements

Women's Hostels Incorporated's Mission is to operate programs and services for women and children who have and are experiencing oppressions such as violence, poverty and homelessness. The organization is a community based feminist organization which operates within an anti-racist, anti-oppression framework. The organization is committed to social change through education and advocacy, to achieve social justice for all women and children.

In accordance with its objectives, the corporation operates a shelter for women and children and provides community support outreach services during the year.

1. Significant accounting policies

These financial statements are prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook.

a) Revenue recognition

Restricted grants for the acquisition of capital assets are deferred and recognized as revenue of the capital fund on the same basis as the amortization expense relating to these capital assets. Revenues from operating grants are recognized as they are received or become receivable. Other revenues are recognized as they are received.

Investment income is recognized on an accrual basis.

Special events revenue is recognized on completion of the event.

b) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances with banks and short term investments, which are redeemable or have maturity dates of less than 90 days. Redeemable term deposits are classified as cash equivalents. They are stated at cost, which together with accrued interest income approximates fair value given the short term nature of these investments.

c) Capital assets

Capital assets are recorded at cost. The organization amortizes its capital assets over their estimated future lives on the following annual basis:

Shelter property - building	40 years	straight line
Equipment	20%	declining balance

1. Significant accounting policies (continued)

d) Prepaid expenses

Prepaid expenses consist primarily of deposits and other costs incurred prior to special events and meetings held subsequent to year end. The remaining balance consists of prepaid rent and insurance.

e) Impairment of long-lived assets

A long lived asset is tested for impairment whenever events or changes in circumstances indicated that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

f) Donated capital assets

Donated capital assets are recorded at fair value when fair value can reasonably be estimated and when such value is significant.

g) Donated materials and services

The value of donated materials and services is not recorded.

h) Financial instruments

Financial instruments

The Organization initially measures its financial assets and liabilities at fair value. The Organization subsequently measures all its financial assets and liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at cost include cash, short term investments and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and deferred revenue.

The organization has no financial assets measured at fair value and has not elected to carry any financial asset or liability at fair value.

1. Significant accounting policies (continued)

h) Financial instruments (continued)

Transaction costs

The organization recognizes its transaction costs in net income in the period incurred except for financial instruments that will not be subsequently measured at fair value. The carrying amounts of these instruments are adjusted by the transaction costs that are directly attributable to their issuance.

i) Measurement uncertainty

The preparation of Organization's financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include valuation of accounts receivable, accrued liabilities and the estimated useful lives of capital assets. Actual results could differ from those estimates.

2. Capital assets

		2026		2025
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 2,249,567	$ -	$ 2,249,567	$ 2,249,567
Shelter property - building	16,363,204	1,613,402	14,749,802	14,855,501
Equipment	195,294	194,074	1,220	1,525
	$18,808,065	**$ 1,807,476**	**$17,000,589**	**$17,106,593**

3. Deferred capital contributions

Deferred capital contributions represent the unamortized amount of grants received from government sources for the purchase of the Pape shelter land and building and for renovations on the building. The amortization of deferred capital contributions is recorded as capital contributions in the statement of operations and changes in unrestricted net assets.

Amortization of the current year capital contributions began in March 2022. The deferred capital contributions are being amortized over 40 years to coincide with the amortization of the capital asset.

	2026	**2025**
Balance, beginning of year	$ 14,005,046	$ 14,384,402
Less amortization of deferred capital contributions	(379,355)	(379,356)
Balance, end of year	**$ 13,625,691**	**$ 14,005,046**

4. Net assets invested in capital assets

The net assets invested in capital assets consists of the following:

	2026	**2025**
Capital assets, net of accumulated amortization	$ 17,000,589	$ 17,106,593
Deferred capital contributions	(13,625,691)	(14,005,046)
	$ 3,374,898	**$ 3,101,547**

The change in net assets invested in capital assets is calculated as follows:

	2026	**2025**
Purchase of capital assets	$ 303,381	$ 623
Change in net assets invested in capital assets	**$ 303,381**	**$ 623**

5. Net assets restricted for contingencies

Internally restricted funds are comprised of a $1,500,000 (2025 - $1,500,000) contingency reserve established by the board of directors for possible future reductions in income resulting from such events as fire or quarantine.

6. Net assets internal replacement reserve fund

The Internal Replacement Reserve Fund is an internally restricted fund intended to provide funds for the future repair and maintenance costs of the shelter facility. The funds will be used for scheduled repairs and maintenance, asset replacement and to cover unexpected costs relating to the upkeep of the shelter. On an annual basis, the Board will use its discretion to determine the appropriate balances in the repair and maintenance fund and the operating fund to address short-term and long-term organizational needs.

7. Incorporation and income taxes

The corporation was incorporated, under The Laws of Ontario, on September 17, 1973, as a not-for-profit corporation without share capital. It is designated as a charitable organization and is exempt from taxation under The Income Tax Act. As such, all the resources of the corporation are devoted to charitable activities carried on by the corporation itself and no part of the income is payable to, or is otherwise available for, the personal benefit of any member.

8. Economic dependence

The ongoing operations of the corporation are dependent on the fee for service agreement with the City of Toronto and on grant agreements with the Ministry of Children, Community and Social Services. Revenue under these agreements comprise 37% (2025 - 33%) of total revenues.

9. Mary Prichard fund

The Mary Prichard Fund was established to assist women in transition from the shelter to a self sustaining existence. The fund was established with the expectation that fifty percent of the funds received by the clients would be repaid at a future date in order that the fund would continue to provide assistance for women in need.

10. Lease commitments

The Community Support Program and administration operate in leased premises under two long-term leases requiring annual rentals as follows, plus a proportionate share of realty taxes.

2027	$ **8,328**

11. Financial instruments risk exposure

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations at the statement of financial position date.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization's main credit risks relate to accounts receivable, however the risk is limited due to the nature of its accounts receivable. Contributions are not recorded in receivables unless collection is reasonably assured. The organization has not had issues with these collections over the past several years. The allowance for doubtful accounts is $Nil (2025 - $Nil).

Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable. The organization expects to meet these obligations as they come due through sufficient cash flow from operations. The organization has not had issues with meeting obligations in the past several years.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments will fluctuate because of changes in market interest rates. The exposure of the organization to interest rate risk arises from the possibility that changes in interest rates will affect the value of short term investments held by the organization. The organization manages this risk by holding redeemable term deposits.

12. Contract with the Ministry of Children, Community and Social Services

The Organization has a service contract with the Ministry of Children, Community and Social Services (MCCSS). The following is the surplus/deficit position for the year ended March 31, 2026 on each of the funding contracts:

Project Code Name	MCCSS Funding	Net Expenses	Surplus (Deficit)
VAW Emergency Shelter	$ 1,516,187	$ 1,516,187	$ -
BPS Other - Adults' Social Services	17,245	17,245	-
Partner Facility Renewal - Minor Capital	2,700	2,700	-

13. Department for Women and Gender Equality - Empowerment Program

Funding received from the Department for Women and Gender Equality - Empowerment - Pro-Active Violence Education Program aims to empower women to interrupt, respond to, and heal from interpersonal violence. Revenue and expenses for the program for the current fiscal year April 1, 2025 to March 31, 2026 are as follows:

Revenue	
Women and Gender Equality (WAGE) - received during year	$ 10,279
Deferral from prior year	25,033
	35,312
Expenses	
Salaries and benefits	50,880
Travel	30
Materials and supplies	68
Administrative expenditures	7,080
Other program expenses	2,944
	61,002
Deficit	**$ (25,690)**

14. Department for Women and Gender Equality - Toronto Women in Action Program

Funding received from the Department for Women and Gender Equality - Toronto Women in Action - Housing Program aims to address systemic barriers to affordable housing for women and gender diverse people within the GTA. Revenue and expenses for the program for the current fiscal year April 1, 2025 to March 31, 2026 are as follows:

Revenue	
Women and Gender Equality (WAGE) - received during year	$ 282,867
Expenses	
Salaries and benefits	155,151
Honoraria and professional fees	18,760
Project promotion and marketing	2,733
Travel	6,641
Materials and supplies	2,156
Administrative expenditures	39,859
Other program expenses	12,714
	238,014
Surplus	**$ 44,853**

Women's Hostels Incorporated

Schedule A

Schedule of Expenses
Year Ended March 31

	2026	2025
Property		
Insurance	$ 31,411	$ 31,228
Maintenance and repairs	138,414	122,270
Utilities	63,935	68,449
Furniture and equipment rent	32,882	27,183
Rent and property taxes	54,239	52,797
	320,881	301,927
Administration		
Fundraising	153,480	159,591
Office supplies and sundries	40,314	48,119
Purchased services	183,279	195,474
Telephone	31,114	30,279
	408,187	433,463
Staffing		
Salaries	2,137,230	2,108,420
Benefits	458,421	405,068
Staff travel	10,883	13,656
Staff development	23,600	59,886
	2,630,134	2,587,030
Clients		
Food	154,395	150,404
Household supplies	71,219	68,523
Personal items	37,768	63,318
Transportation	38,181	52,727
Programs	38,176	59,969
	339,739	394,941
One-time other expenses	3,768	-
Total expenses	**$ 3,702,709**	**$ 3,717,361**