

THE NORTHERN WESTCHESTER SHELTER, INC.

FINANCIAL STATEMENTS

JUNE 30, 2009 and 2008

WITH

REPORT OF CERTIFIED PUBLIC ACCOUNTANT

THEODORE A. WILSON
Certified Public Accountant

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Independent Auditor's Report

Board of Directors
The Northern Westchester Shelter, Inc.

I have audited the accompanying statement of financial position of The Northern Westchester Shelter, Inc., as of June 30, 2009 and June 30, 2008, and the related statements of activities, fund and cash flows for the years then ended. These financial statements are the responsibility of the organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audits in accordance with generally accepted auditing standards of the United States of America. Those standards require that I plan and perform the audits to obtain reasonable assurance as to 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. I believe my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Northern Westchester Shelter, Inc., as of June 30, 2009 and June 30, 2008, and the results of its operations and cash flows for the years then ended in conformity with generally accepted accounting principles.

(1)



My audits were made for the purpose of forming an opinion on the financial statements of The Northern Westchester Shelter, Inc., taken as a whole. The accompanying statement of functional expenditures for the years ended June 30, 2009 and June 30, 2008, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information in that statement has been subjected to the procedures applied in the audits of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

B. H. a. W. Jr

October 21, 2009

THE NORTHERN WESTCHESTER SHELTER, INC.
STATEMENT OF FINANCIAL POSITION

ASSETS

	JUNE 30	
	2009	2008
Cash	\$ 287,623	\$ 252,997
Money Market Investments	8,603	158,516
Certificate of Deposit	356,568	201,370
Accounts Receivable (Note 2)	176,507	98,865
Grants Receivable	81,161	118,772
Prepaid Expenses	8,275	25,241
Fixed Assets, at cost, net of accumulated depreciation (Note 3)	714,920	747,347
Security Deposits	5,214	5,214
Total Assets	\$ 1,638,871	\$ 1,608,322

LIABILITIES AND NET ASSETS

Accounts Payable & Accrued Expenses	\$ 130,251	\$ 145,506
Payroll Withholdings	20,148	2,483
Deferred Revenue	31,985	
Loan Payable (Note 4)	386,805	415,725
Total Liabilities	569,189	563,714
Net Assets:		
Unrestricted	482,781	582,596
Temporarily Restricted	586,901	462,012
Total Net Assets	1,069,682	1,044,608
Total Liabilities and Net Assets	\$ 1,638,871	\$ 1,608,322

The accompanying notes are an integral part of this statement
(3)

THE NORTHERN WESTCHESTER SHELTER, INC.
STATEMENT OF ACTIVITIES

	Year Ended June 30, 2009			Year Ended June 30, 2008		
	Temporarily		Total	Temporarily		Total
	Unrestricted	Restricted		Unrestricted	Restricted	
Revenue and Other Support:						
Contributions (Note 5)	\$ 170,840	\$	\$ 170,840	\$ 207,429	\$	\$ 207,429
Shelter Fees (Note 6)	587,193		587,193	470,131		470,131
Grants		767,965	767,965		817,213	817,213
Special Events	93,425	9,100	102,525	99,157	13,871	113,028
Other Revenue	530		530			
Interest Income	12,728		12,728	25,788		25,788
Net Assets Released From Restriction	652,176	(652,176)		790,963	(790,963)	
Total Revenue and Other Support	1,516,892	124,889	1,641,781	1,593,468	40,121	1,633,589
Expenses:						
Program Services:						
Shelter Program	656,414		656,414	689,608		689,608
Non-Residential Program	475,940		475,940	450,222		450,222
Legal Services Program	114,971		114,971	133,189		133,189
Total Program Services	1,247,325		1,247,325	1,273,019		1,273,019
Support Services:						
Management & General Fund Raising	291,400		291,400	265,914		265,914
	77,982		77,982	86,346		86,346
Total Support Services	369,382		369,382	352,260		352,260
Total Expenses	1,616,707		1,616,707	1,625,279		1,625,279
Increase (Decrease) in Net Assets	(99,815)	124,889	25,074	(31,811)	40,121	8,310
Net Assets - Beginning	582,596	462,012	1,044,608	614,407	421,891	1,036,298
Net Assets - End	\$ 482,781	\$ 586,901	\$ 1,069,682	\$ 582,596	\$ 462,012	\$ 1,044,608

The accompanying notes are an integral part of this statement.
(4)

THE NORTHERN WESTCHESTER SHELTER, INC.
STATEMENT OF CASH FLOWS

	Year Ended	
	June 30, 2009	June 30, 2008
<u>CASH FLOW FROM OPERATING ACTIVITIES:</u>		
Increase (Decrease) in Net Assets	\$ 25,074	\$ 8,310
Adjustments To Reconcile Increase in Net Assets to Net Cash Provided By Operating Activities"		
Depreciation	45,623	42,100
Amortization of HHAC Award	(28,920)	(28,920)
(Increase) Decrease in Assets:		
Accounts Receivable	(77,642)	3,675
Grants Receivable	37,611	(26,099)
Prepaid Expenses	16,966	(7,522)
Security Deposit		(614)
Increase (Decrease) in Liabilities:		
Accounts Payable & Accrued Expenses	(15,255)	647
Payroll Withholdings	17,665	2,483
Deferred Revenue	31,985	
Net Cash Provided (Used) By Operations	53,107	(5,940)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Purchase of Fixed Assets	(13,196)	(56,810)
Net Cash Provided (Used) By Financing Activities	(13,196)	(56,810)
Net Increase (Decrease) in Cash	39,911	(62,750)
Cash & Money Market Investments - Beginning	612,883	675,633
Cash & Money Market Investments - End	\$ 652,794	\$ 612,883

The accompanying notes are an integral part of this statement.

THE NORTHERN WESTCHESTER SHELTER, INC.
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2009 and 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PROCEDURES

The following accounting policies and procedures have been adopted by The Northern Westchester Shelter, Inc., in its financial reporting:

INCOME

Income is recorded on the accrual basis of accounting except for general contributions, which are recorded as income when received.

EXPENSES

Expenses are recorded on the accrual basis of accounting.

FIXED ASSETS

Fixed assets purchased through a governmental grant, where title remains with the government, are expensed in the year of purchase. All other fixed assets are capitalized, at cost, and depreciated over their estimated useful lives on the straight-line method. In the year of acquisition or disposal the half-year convention is used.

TAX EXEMPT STATUS

The Northern Westchester Shelter, Inc., is a corporation organized under the Not-For-Profit Corporation Laws of New York State. The corporation is recognized as tax exempt under Section 501(c)(3) of the Internal Revenue Code and is designated as not being a private foundation under Section 509(a)(1) of the Internal Revenue Code.

NOTE 2 - ACCOUNTS RECEIVABLE

The accounts receivable balances consisted of the following:

	June 30	
	2009	2008
Accounts Receivable	\$186,675	\$119,743
Less Allowance For Doubtful Accounts	(10,168)	(20,878)
	\$176,507	\$ 98,865
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THE NORTHERN WESTCHESTER SHELTER, INC.
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2009 and 2008

NOTE 3 - FIXED ASSETS

Furniture & Equipment and Computers are being depreciated over a useful life of five years. The building is being depreciated over a useful life of 27.5 years and building improvements over a useful life of 20 years. The fixed assets were composed as follows:

	<u>June 30</u>	
	<u>2009</u>	<u>2008</u>
Land	\$ 131,000	\$ 131,000
Building	710,098	710,098
Building Improvements	197,890	197,890
Furniture & Equipment	33,628	53,178
Computers	26,586	57,098
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	1,099,202	1,149,264
Less Accumulated Depreciation	(384,282)	(401,917)
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	\$ 714,920	\$ 747,347
	=====	=====

THE NORTHERN WESTCHESTER SHELTER, INC.
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2009 and 2008

NOTE 4 - LOAN PAYABLE

As part of the financing package for the new shelter, the corporation received a funding commitment of \$723,000 from the New York State Homeless Housing and Assistance Corporation (HHAC). Under the terms of the award, the funding was partially secured by a self liquidating first mortgage in the amount of \$548,000. The mortgage will be in effect for twenty-five years from November 18, 1997. At the end of the mortgage term, if the organization continues to operate the shelter program, the debt will be forgiven. For accounting purposes the award is being amortized on the straight line basis over 300 months beginning November 18, 1997. The organization will be liable for the full amount of the mortgage until November 18, 2022. The award amortization in the amount of \$28,920 for each of the years ended June 30, 2009 and 2008, are reflected as temporarily restricted grant revenue on the financial statements.

NOTE 5 - CONTRIBUTIONS

Contributions came from the following sources:

	<u>2009</u>	<u>June 30</u> <u>2008</u>
Foundations	\$ 67,131	\$ 80,501
Corporations	1,097	23,965
Community Groups	24,208	24,734
Individuals	76,781	70,396
United Way	1,623	7,843
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	\$ 170,840	\$ 207,429
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THE NORTHERN WESTCHESTER SHELTER
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2009 and 2008

NOTE 6 - SHELTER FEES

Shelter fees were as follows:

	June 30	
	2009	2008
Gross Fees	\$ 617,799	\$ 490,131
Write-Offs	(30,606)	(20,000)
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Net Fees	\$ 587,193	\$ 470,131
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NOTE 7 - CONTINGENT LIABILITIES

The corporation leases its office space under an operating lease that expires June 30, 2010. Under this lease the corporation is liable for minimum annual rental payments of \$64,199 through June 30, 2010.

SUPPLEMENTARY INFORMATION

THE NORTHERN WESTCHESTER SHELTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2009

Expenses	Program Services				Support Services			Total 2007/2008 Expenses
	Shelter Program	Non Residential Services	Legal Services	Total Program Services	Management & General	Fund Raising	Total Support Services	
Salaries	\$ 388,018	\$ 304,277	\$ 70,779	\$ 763,074	\$ 138,467	\$ 26,544	\$ 165,011	\$ 928,085
Fringe Benefits	114,004	89,400	20,796	224,200	40,683	7,799	48,482	272,682
Rent	3,714	35,122	12,722	51,558	18,227	3,036	21,263	72,821
Utilities	18,283			18,283			-	18,283
Telephone	2,528	7,170	2,597	12,295	3,721	620	4,341	16,636
Food	14,262	1,575		15,837		20,805	20,805	36,642
Postage/Delivery	21	385	27	433	4,058	1,566	5,624	6,057
Supplies	13,597	9,480	155	23,232	8,775	3,056	11,831	35,063
Travel	11,278	4,077		15,355	568	176	744	16,099
Insurance	11,784	6,392	5,924	24,100	4,690	552	5,242	29,342
Professional Services	5,668	4,424	501	10,593	40,819	2,918	43,737	54,330
Repairs & Maintenance	19,319			19,319	10,025		10,025	29,344
Meeting/Conferences	70	3,198		3,268	1,576		1,576	4,844
Dues/Fees	250	50	461	761	4,277		4,277	5,038
Equipment Leases/Rentals	703			703	6,040	2,507	8,547	9,250
Taxes	2,581			2,581	1,581		1,581	4,162
Printing & Reproduction						6,121	6,121	6,121
Interest								
Publications			417	417	306		306	723
Staff Development/Training	296	535		831	603		603	1,434
Advertising	660			660	1,794		1,794	2,454
Client Costs	1,978	1,465		3,443			-	3,443
Depreciation	40,229		592	40,821	4,802		4,802	45,623
Newsletter		5,847		5,847			-	5,847
Special Needs	7,109	2,521		9,630			-	9,630
Miscellaneous	62	22		84	388	2,282	2,670	2,754
Total Expenses	\$ 656,414	\$ 475,940	\$ 114,971	\$ 1,247,325	\$ 291,400	\$ 77,982	\$ 369,382	\$ 1,616,707
								\$ 1,625,279

The accompanying notes are an integral part of this statement