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**RAINCITY HOUSING AND SUPPORT SOCIETY  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
MARCH 31, 2014**

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## INDEPENDENT AUDITORS' REPORT

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To the Members of  
RainCity Housing and Support Society

### **Report on the Financial Statements**

We have audited the accompanying financial statements of RainCity Housing and Support Society (the "Society"), which comprise the statement of financial position as at March 31, 2014 and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our qualified audit opinion.

### **Basis for Qualified Opinion**

In common with many charitable organizations, the Society derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of donation revenue was limited to the amounts recorded in the records of the Society and we were unable to determine whether any adjustments might be necessary to donation revenue, excess (deficiency) of revenue over expenses, and cash flows from operations for the years ended March 31, 2014 and 2013, total assets as at March 31, 2014 and 2013, and net assets at both the beginning and end of the March 31, 2014 and 2013 years. In addition, the Society amortizes the cost of its Triage building funded by the British Columbia HousinREg Management Commission at an annual amount equivalent to the principal reduction of the mortgage payable during the year and recognizes building envelope repair expenses which are capital in nature on the statement of operations, as described in Note 1(a) of the financial statements. In these respects the financial statements are not in accordance with Canadian accounting standards for not-for-profit organizations. The effects of these departures from Canadian accounting standards for not-for-profit organizations have not been determined. Our audit opinion on the financial statements for the year ended March 31, 2013 also contained a qualification because of these matters.



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## INDEPENDENT AUDITORS' REPORT

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### **Qualified Opinion**

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of RainCity Housing and Support Society as at March 31, 2014 and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### **Report on Other Legal and Regulatory Requirements**

As required by the British Columbia Society Act, we report that, in our opinion, the Society's financial statements have been prepared following Canadian accounting standards for not-for-profit organizations applied on a consistent basis.

*Manning Elliott LLP*

Chartered Accountants

Vancouver, British Columbia

June 26, 2014

**RAINCITY HOUSING AND SUPPORT SOCIETY**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2014**

	2014	2013
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 2,854,453	\$ 2,216,948
Accounts receivable	1,609,804	1,571,871
Prepaid expenses and inventory	48,889	55,119
	4,513,146	3,843,938
RESTRICTED CASH AND INVESTMENTS (Note 3)	964,127	863,924
CAPITAL ASSETS (Note 4)	49,430,915	39,833,190
	\$ 54,908,188	\$ 44,541,052
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 1,908,800	\$ 1,366,968
Wages payable	598,755	596,279
Government remittances payable	151,241	151,932
Tenant deposits	41,152	42,627
Deferred revenue	1,751,820	1,635,082
Scheduled cash repayments of long-term debt (Note 5)	193,679	186,876
Callable debt (Note 5)	16,384,153	6,842,060
	21,029,600	10,821,824
LONG-TERM DEBT (Note 5)	4,962,798	5,157,399
FORGIVABLE LOANS (Note 6)	18,078,356	18,628,551
DEFERRED CONTRIBUTIONS (Note 7)	9,307,093	8,517,142
	53,377,847	43,124,916
OPERATING LEASE COMMITMENTS (Note 12)		
CONTRACTUAL OBLIGATIONS (Note 13)		
<b>NET ASSETS</b>		
<b>UNRESTRICTED</b>		
Operating Funds	139,014	35,881
Society Fund	12,538	82,818
<b>RESTRICTED</b>		
Capital Asset Fund	628,539	639,749
Replacement Reserve Fund	750,250	657,688
	1,530,341	1,416,136
	\$ 54,908,188	\$ 44,541,052

 Director

 Director



**RAINCITY HOUSING AND SUPPORT SOCIETY**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED MARCH 31, 2014**

	Operating Funds	Society Fund	Capital Asset Fund	Replacement Reserve Fund (Note 8)	2014	2013
BALANCE AT BEGINNING OF YEAR	\$ 35,881	\$ 82,818	\$ 639,749	\$ 657,688	\$ 1,416,136	\$ 1,591,333
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	351,394	(20,280)	(221,387)	4,478	114,205	(175,197)
INTERFUND TRANSFERS						
Transfer of designated donations to Operating Funds	50,000	(50,000)	-	-	-	-
Transfer from Operating Funds to Capital Asset Fund	(210,177)	-	210,177	-	-	-
Transfer from Replacement Reserve Fund	42,797	-	-	(42,797)	-	-
Increase in Replacement Reserve Fund	(130,881)	-	-	130,881	-	-
BALANCE AT END OF YEAR	\$ 139,014	\$ 12,538	\$ 628,539	\$ 750,250	\$ 1,530,341	\$ 1,416,136

