
**RAINCITY HOUSING AND SUPPORT SOCIETY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
MARCH 31, 2016**





INDEPENDENT AUDITORS' REPORT

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, 2016 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, deficiency of revenue over expenses, and cash flows from operations for the years ended March 31, 2016 and 2015, total assets as at March 31, 2016 and 2015, and net assets at both the beginning and end of the March 31, 2016 and 2015 years. In addition, the Society amortizes the cost of its Triage building funded by the British Columbia Housing Management Commission at an annual amount equivalent to the principal reduction of the mortgage payable during the year. In this respect the financial statements are not in accordance with Canadian accounting standards for not-for-profit organizations. The effects of this departure 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, 2015 also contained a qualification because of these matters.



INDEPENDENT AUDITORS' REPORT

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, 2016 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.

Emphasis of Matter

We draw attention to Note 15 to the financial statements which indicates that the Society's 2015 comparative figures have been restated. Our opinion was not modified with respect to this matter.

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 Professional Accountants

Vancouver, British Columbia

June 28, 2016

RAINCITY HOUSING AND SUPPORT SOCIETY
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2016

	2016	2015 (Restated - Note 15)
ASSETS		
CURRENT ASSETS		
Cash	\$ 2,689,294	\$ 2,690,339
Accounts receivable	1,076,725	2,254,510
Prepaid expenses and inventory	137,426	78,924
	3,903,445	5,023,773
RESTRICTED CASH AND INVESTMENTS (Note 3)	1,156,334	993,565
CAPITAL ASSETS (Note 4)	64,151,537	64,302,245
	\$ 69,211,316	\$ 70,319,583
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 587,712	\$ 2,321,969
Wages payable	594,429	617,465
Government remittances payable	617,775	231,518
Tenant deposits	39,932	40,702
Deferred revenue	2,060,441	1,976,755
Scheduled cash repayments of long-term debt (Note 5)	766,633	200,811
Callable debt (Note 5)	-	32,289,651
	4,666,922	37,678,871
LONG-TERM DEBT (Note 5)	35,760,160	4,761,030
FORGIVABLE LOANS (Note 6)	16,972,251	17,528,161
DEFERRED CAPITAL CONTRIBUTIONS (Note 7)	10,780,427	9,032,829
	68,179,760	69,000,891
OPERATING LEASE COMMITMENTS (Note 12)		
CONTRACTUAL OBLIGATIONS (Note 13)		
NET ASSETS		
UNRESTRICTED		
Operating Funds	(1,006,500)	(111,488)
Society Fund	470,622	42,729
RESTRICTED		
Capital Asset Fund	634,472	609,426
Replacement Reserve Fund	932,962	778,025
	1,031,556	1,318,692
	\$ 69,211,316	\$ 70,319,583

 Director

 Director



RAIN CITY HOUSING AND SUPPORT SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2016

	Operating Funds	Society Fund	Capital Asset Fund	Replacement Reserve Fund (Note 8)	2016	2015 (Restated - Note 15)
NET ASSETS (DEFICIT), BEGINNING OF YEAR AS ORIGINALLY STATED	\$ (109,194)	\$ 42,729	\$ 607,132	\$ 778,025	\$ 1,318,692	\$ 1,530,341
PRIOR PERIOD ADJUSTMENT (Note 15)	(2,294)	-	2,294	-	-	-
NET ASSETS (DEFICIT), BEGINNING OF YEAR AS RESTATED	\$ (111,488)	\$ 42,729	\$ 609,426	\$ 778,025	\$ 1,318,692	\$ 1,530,341
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	422,902	427,893	(1,141,478)	3,547	(287,136)	(211,649)
INTERFUND TRANSFERS						
Transfer from Operating Funds to Capital Asset Fund (Note 16)	(1,166,524)	-	1,166,524	-	-	-
Transfer from Replacement Reserve Fund	85,331	-	-	(85,331)	-	-
Increase in Replacement Reserve Fund	(236,721)	-	-	236,721	-	-
NET ASSETS (DEFICIT), END OF YEAR	\$ (1,006,500)	\$ 470,622	\$ 634,472	\$ 932,962	\$ 1,031,556	\$ 1,318,692

