
**RAINCITY HOUSING AND SUPPORT SOCIETY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
MARCH 31, 2018**





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, 2018 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) excess of revenue over expenses, and cash flows from operations for the years ended March 31, 2018 and 2017, total assets as at March 31, 2018 and 2017, and net assets at both the beginning and end of the March 31, 2018 and 2017 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, 2017 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, 2018 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 Societies 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, 2018

RAINCITY HOUSING AND SUPPORT SOCIETY
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31 2018

	2018	2017
ASSETS		
CURRENT ASSETS		
Cash and equivalents	\$ 3,995,675	\$ 4,031,680
Accounts receivable	560,674	418,303
Prepaid expenses and inventory	109,785	167,881
	4,666,134	4,617,864
RESTRICTED CASH AND INVESTMENTS (Note 3)	1,606,633	1,378,690
CAPITAL ASSETS (Note 4)	60,502,387	62,222,504
	\$ 66,775,154	\$ 68,219,058
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 607,607	\$ 697,500
Wages payable	831,899	717,173
Government remittances payable	207,190	268,228
Tenant deposits	36,383	36,383
Deferred revenue	3,239,494	2,831,557
Debt due within one year (Note 5)	2,080,006	-
Scheduled cash repayments of long-term debt (Note 5)	762,407	790,002
	7,764,986	5,340,843
LONG-TERM DEBT (Note 5)	32,208,280	34,969,065
FORGIVABLE LOANS (Note 6)	15,878,261	16,416,341
DEFERRED CAPITAL CONTRIBUTIONS (Note 7)	10,097,959	10,407,282
	65,949,486	67,133,531
OPERATING LEASE COMMITMENTS (Note 12)		
NET ASSETS		
UNRESTRICTED		
Operating Funds	(2,249,387)	(1,436,666)
Society Fund	788,084	647,242
RESTRICTED		
Capital Asset Fund	923,163	730,907
Replacement Reserve Fund	1,363,808	1,144,044
	825,668	1,085,527
	\$ 66,775,154	\$ 68,219,058

 Director

 Director



RAIN CITY HOUSING AND SUPPORT SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31 2018

	Operating Funds	Society Fund	Capital Asset Fund	Replacement Reserve Fund	2018	2017
NET ASSETS (DEFICIT), BEGINNING OF YEAR	\$ (1,436,666)	\$ 647,242	\$ 730,907	\$ 1,144,044	\$ 1,085,527	\$ 1,031,556
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	717,946	140,842	(1,134,050)	15,403	(259,859)	53,971
Repayment of long-term debt	(790,886)	-	790,886	-	-	-
Promissory note proceeds received	82,513	-	(82,513)	-	-	-
Purchase of capital assets	(381,524)	-	381,524	-	-	-
Deferred capital contributions received	102,358	-	(102,358)	-	-	-
Forgivable loans received	17,830	-	(17,830)	-	-	-
INTERFUND TRANSFERS:						
Transfer from Operating Funds to Capital Asset Fund (Note 1c)	(356,597)	-	356,597	-	-	-
Transfer from Replacement Reserve Fund (Note 8)	105,048	-	-	(105,048)	-	-
Transfer to Replacement Reserve Fund (Note 8)	(309,409)	-	-	309,409	-	-
NET ASSETS (DEFICIT), END OF YEAR	\$ (2,249,387)	\$ 788,084	\$ 923,163	\$ 1,363,808	\$ 825,668	\$ 1,085,527



RAINCITY HOUSING AND SUPPORT SOCIETY
STATEMENT OF OPERATIONS**FOR THE YEAR ENDED MARCH 31 2018**

	2018	2017
REVENUE		
British Columbia Housing Management Commission	\$ 11,437,953	\$ 11,229,007
Vancouver Coastal Health Authority	7,533,327	7,005,725
Rent	2,411,669	2,472,825
British Columbia Housing Management Commission Subsidy (Note 1c)	1,335,192	1,335,192
Fraser Health Authority	1,037,163	50,000
Government of Canada (Note 10)	879,368	660,049
Amortization of forgivable loans (Note 6)	555,910	555,910
Start-up and organizational funding	502,219	614,151
Amortization of deferred capital contributions (Note 7)	411,681	408,575
Donations (Note 9)	236,581	198,421
Interest and other	161,550	131,622
	<hr/> 26,502,613	<hr/> 24,661,477
EXPENSES		
Wages and employee benefits (Note 11 and 13)	18,318,531	16,472,439
Amortization of capital assets	2,101,641	2,092,010
Mortgage interest	1,017,099	1,046,678
Maintenance and repairs	939,967	989,441
Food and supplies	906,797	1,019,190
Utilities	788,453	669,005
Client engagements and peer workers	647,821	336,499
Garbage	231,519	162,389
Rent supplements	214,955	149,397
Travel	202,495	204,654
Rent and property taxes	172,873	223,029
Office and miscellaneous	170,788	140,801
Janitorial supplies and linen	160,839	158,527
IT maintenance	146,613	79,398
Telephone	134,201	116,201
Insurance	109,605	126,556
Resource development	93,442	148,881
Equipment and furniture	93,207	109,725
Education and staff development	89,833	70,811
Pest control	74,394	62,185
Start up cost for new shelters	60,518	63,212
Professional fees	60,382	65,179
Board	9,347	9,473
Payroll and bank charges	8,463	35,181
Consulting	8,422	40,294
Security	267	16,351
	<hr/> 26,762,472	<hr/> 24,607,506
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	\$ (259,859)	\$ 53,971



RAINCITY HOUSING AND SUPPORT SOCIETY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31 2018

	2018	2017
CASH FROM (USED IN):		
OPERATING ACTIVITIES		
(Deficiency) excess of revenue over expenses for the year	\$ (259,859)	\$ 53,971
Items not involving cash:		
Amortization of forgivable loans	(555,910)	(555,910)
Amortization of deferred capital contributions	(411,681)	(408,575)
Amortization of capital assets	2,101,641	2,092,010
	874,191	1,181,496
Change in non-cash working capital items:		
Accounts receivable	(142,371)	658,422
Prepaid expenses and inventory	58,096	(30,455)
Accounts payable and accrued liabilities	(89,894)	109,788
Wages payable	114,726	122,744
Government remittances payable	(61,038)	(349,547)
Tenant deposits	-	(3,549)
Deferred revenue	407,937	771,116
	1,161,647	2,460,015
FINANCING ACTIVITIES		
Deferred capital contributions received	102,358	35,430
Repayment of long-term debt	(790,886)	(767,726)
Promissory note proceeds received	82,513	-
Forgivable loans received	17,830	-
	(588,185)	(732,296)
INVESTING ACTIVITIES		
Purchase of capital assets, net of disposals	(381,524)	(162,977)
Purchase of investments, net	(8,179)	(7,726)
	(389,703)	(170,703)
INCREASE IN CASH AND EQUIVALENTS DURING THE YEAR	183,759	1,557,016
CASH AND EQUIVALENTS, BEGINNING OF YEAR	5,175,724	3,618,708
CASH AND EQUIVALENTS, END OF YEAR	\$ 5,359,483	\$ 5,175,724
CASH AND EQUIVALENTS ARE COMPRISED OF:		
Cash	\$ 3,995,675	\$ 4,031,680
Restricted cash (Note 3)	1,363,808	1,144,044
	\$ 5,359,483	\$ 5,175,724

