
PUBLIC MEETING AGENDA
BOARD OF EDUCATION

WEDNESDAY, SEPTEMBER 22, 2021 – 7:00 pm

https://sd38.zoom.us/webinar/register/WN_EtaqnEotTYWcYZgNgROF2Q

After registering, you will receive a confirmation email containing information about joining the webinar.

Telephone 604 668 6000

Visit our Web Site @ www.sd38.bc.ca

The Richmond Board of Education acknowledges and thanks the First Peoples of the hənq̓əmiṇəm (hun-ki-meen-um) language group on whose traditional and unceded territories we teach, learn and live.

1. Recognition of Visitors, Announcements and Updates from Trustees

- (a) Recognition of Visitors
- (b) Announcements
- (c) Any materials not included in packages available to the public

2. Adoption of Agenda

3. Presentations, Special Recognitions, Briefs and Questions from the Public

(a) Presentations

Nil.

(b) Special Recognitions

Nil.

(c) Briefs

Foundation Skills Assessment

Presented by Liz Baverstock, President, Richmond Teachers' Association

(d) **Questions from the Public**

Members of the public are invited to come forward with questions regarding agenda items.

Communications Break

4. Executive

5. Approval of Minutes

- (a) Regular meeting of the Board held Wednesday, June 23, 2021 for approval.
- (b) Record of an In-camera meeting of the Board held Wednesday, June 23, 2021.

6. Business Arising

- (a) Nil.

7. New Business

- (a) **Summer Programs Update**
Report from the Director of Continuing Education attached.

8. Questions from the Public: Tonight's Agenda

Members of the public are invited to come forward with questions regarding agenda items.

9. Standing Committee Reports

- (a) **Audit Committee**
Chair: Donna Sargent
Vice Chair: Norman Goldstein
 - (i) **RECOMMENDATION:** Audited Financial Statements for the Fiscal Year End 2020-2021.

A meeting was held on September 13, 2021. The next meeting is scheduled for Monday, January 10, 2022.

(b) **Education Committee**

Chair: Heather Larson

Vice Chair: Donna Sargent

The next meeting is scheduled for Wednesday, October 20, 2021 at 6 pm.

(c) **Facilities and Building Committee**

Chair: Ken Hamaguchi

Vice Chair: Norman Goldstein

A meeting was held on June 2, 2021. The next meeting is scheduled for Wednesday, October 6, 2021 at 4:30 pm.

(d) **Finance and Legal Committee**

Chair: Debbie Tablotney

Vice Chair: Ken Hamaguchi

A meeting was held on September 22, 2021. The next meeting is scheduled for Wednesday, October 20, 2021 at 11 am.

(e) **Policy Committee**

Chair: Sandra Nixon

Vice Chair: Debbie Tablotney

A meeting was held on June 14, 2021. The next meeting is scheduled for Monday, September 27, 2021 at 11 am.

10. Correspondence

- (a) Nil.

11. Board Committee and Representative Reports

(a) **Council/Board Liaison Committee**

A meeting was held on June 9, 2021. The next meeting is scheduled for Wednesday, October 13, 2021 at 9:30 am.

12. Adjournment



Richmond School District
7811 Granville Avenue, Richmond BC V6Y3E3
Phone: (604) 668-6000

BOARD OF EDUCATION

Telephone 604 668 6000
Visit our Web Site @ www.sd38.bc.ca

The next meeting is scheduled for Wednesday, October 27, 2021

Contact Persons regarding agenda items:

Superintendent of Schools, Mr. Scott Robinson – 604 668 6081

Secretary Treasurer, Ms. Cindy Wang – 604 668 6012

- Please address any item for an upcoming Agenda to the Chairperson, Board of Education (Richmond) at: 7811 Granville Avenue, Richmond, BC V6Y 3E3.
- Items to include your name and address.
- Items received at the office of the Secretary Treasurer by 9 am the Thursday preceding a meeting of the Board will be included on the Agenda.
- Items arriving after the 9am Agenda deadline will be reserved for the next meeting of the Board.
- For further assistance, please contact the Executive Assistant to the Board at 604 295 4302.

COMMITTEE APPOINTMENTS 2021

| | AUDIT | EDUCATION | FACILITIES AND BUILDING | FINANCE AND LEGAL | POLICY |
|----------------------|------------------|------------------|-------------------------|-------------------|------------------|
| Chair | Donna Sargent | Heather Larson | Ken Hamaguchi | Debbie Tablotney | Sandra Nixon |
| Vice-Chair | Norman Goldstein | Donna Sargent | Norman Goldstein | Ken Hamaguchi | Debbie Tablotney |
| Member | Sandra Nixon | Richard Lee | Heather Larson | Richard Lee | Norman Goldstein |
| Alternate | Debbie Tablotney | Norman Goldstein | Debbie Tablotney | Heather Larson | Heather Larson |
| Senior Leader | Cindy Wang | Lynn Archer | Cindy Wang/Rick Ryan | Cindy Wang | Scott Robinson |

| | Cambie Coordinating | Aboriginal Education Enhancement Agreement Advisory Committee | Child Care Development Advisory Committee | Council/Board Liaison Committee | Richmond Sister City Advisory Committee |
|----------------------|-------------------------------|---|---|-----------------------------------|---|
| Rep(s) | Norman Goldstein | Norman Goldstein | Ken Hamaguchi | Sandra Nixon/ Debbie Tablotney | Ken Hamaguchi |
| Alternate | Sandra Nixon | Heather Larson | Debbie Tablotney | Norman Goldstein | Heather Larson |
| Senior Leader | Cindy Wang/Christel Brautigam | Jane MacMillan | Frank Geyer | Scott Robinson/Cindy Wang | Jason Higo |
| Reports To | Finance and Legal Com. | Education Com. | Facilities and Building Com. | Board of Education | Education Com. |

| | BCPSEA | BCSTA Prov. Council | ELL Consortium | Vancouver Coastal Health Authority | Anti-Racism Working Group |
|----------------------|--------------------|---------------------|----------------|------------------------------------|---------------------------|
| Rep(s) | Ken Hamaguchi | Heather Larson | Donna Sargent | Norman Goldstein | Ken Hamaguchi |
| Alternate | Debbie Tablotney | Norman Goldstein | Richard Lee | Sandra Nixon | Debbie Tablotney |
| Senior Leader | Laura Buchanan | Scott Robinson | Jane MacMillan | Scott Robinson | Christel Brautigam |
| Reports To | Board of Education | Board of Education | Education Com. | Education Com. | Board of Education |

| | SOGI Advisory Committee |
|----------------------|-------------------------|
| Rep(s) | Heather Larson |
| Alternate | Donna Sargent |
| Senior Leader | Scott Robinson |
| Reports To | Education Com. |

The Chairperson or Vice Chairperson of the Board is the alternate to all standing committees in the absence of appointed Trustee. All Trustees are encouraged to attend standing committee meetings as they are available.

November 25, 2020



Richmond Teachers' Association

210 - 7360 Westminster Hwy.

Richmond, BC

V6X 1A1

Tel: 604-278-2539

Fax: 604-278-4320

www.richmondteachersassociation.ca

September 16, 2021

Board of Education
School District No. 38 (Richmond)
7811 Granville Avenue
Richmond, BC V6Y 3E3

Dear Sandra,

Re: Brief to the Board – Foundation Skills Assessment

On behalf of the Richmond Teachers' Association, we thank you for the opportunity to submit a brief with respect to the Foundation Skills Assessment. The Richmond Teachers' Association remains concerned with the purpose, value, and timing of the Foundation Skills Assessment. What is particularly egregious is the continued misuse of the test results by the Fraser Institute to rank schools and misrepresent the great work being done in schools each day. Despite many years of advocacy and changes in government, publication of the data continues at the expense of students, teachers and classroom communities. At this time, we have some questions and requests for the Board to consider.

Questions:

1. Do you have an update or progress report on either of the following two motions carried at the BCSTA 2021 AGM:

That BCSTA urge the Ministry of Education to only provide access to the results of Foundation Skills to school district staff and parents/guardians until other methods of assessment can be developed that accurately reflect the various learning styles of all students

That BCSTA request that the Ministry of Education provide information to members that describes the Foundation Skills Assessment, its rationale and key pros and cons.

2. Does the Ministry of Education provide any additional support or targeted funding to address identified literacy and numeracy gaps in schools? Has the Board advocated for additional supports?

Requests:

1. That the Board of Education requests the Ministry of Education postpones the 2021 Foundations Skills Assessment to later in the school year. Below are some reasons the Board can use when making this request:
 - The pandemic continues, and should focus all our attention on supporting students in their learning. The past 18 months have seen learning disrupted, and teachers need time to start the school year and work with students to address gaps in learning.
 - The pandemic continues to impact the social and emotional health of students. The addition of a provincial assessment will add an unnecessary layer of stress and anxiety to some students.
 - Schools need full access to resources and technology to support all learners.
 - Teachers can use this valuable time on their own assessments to help plan for learning.
 - Scheduling and supervising FSA adds an additional level of work to schools that are already overburdened to meet the needs of diverse learners.
 - Provide time for stakeholders to discuss and resolve continued and mutual concerns including those raised by the BCSTA.
 - We have already seen the postponement of the 2020 FSA; a precedent exists for a last-minute postponement.
2. If the FSA continues and the Provincial Government refuses to limit access to the FSA data, that the Board of Education ensures the District honours the requests made by parents to withdraw their children from writing the Foundation Skills Assessment.

We want to thank you for the opportunity to share our concerns, questions, and requests regarding the Foundation Skills Assessment.

Sincerely,



Liz Baverstock
President, RTA

cc: Scott Robinson, Superintendent of Schools
Catherine Cleary, Executive Assistant, Senior Leadership and Governance
Cindy Wang, Secretary-Treasurer
Tim McCracken, 1st VP, RTA
Steve Wenglowski, 2nd VP, RTA
JW Cho, 3rd VP, RTA

**MINUTES OF A REGULAR MEETING
OF THE BOARD OF EDUCATION
OF SCHOOL DISTRICT NO 38 (RICHMOND)
7811 GRANVILLE AVENUE, RICHMOND, BC (via ZOOM)
ON WEDNESDAY, JUNE 23, 2021
AT 7:00 P.M.**

Present: Chairperson
Trustees

Superintendent of Schools
Deputy Superintendent
Secretary Treasurer
Assistant Superintendent
Assistant Superintendent
Executive Director, Facilities Services
Executive Director , Learning Services
Executive Director, Learning & Business Technologies
Director, Communications & Marketing
Executive Assistant, Recording Secretary

S. Nixon
D. Tablotney
N. Goldstein
K. Hamaguchi
H. Larson
D. Sargent
R. Lee*
S. Robinson
R. Ryan
R. Uyeno
L. Archer
C. Brautigam
F. Geyer
J. MacMillan
R. Laing
D. Sadler
C. Cleary

The Chairperson called the meeting to order 7:06 pm

**Present for a portion of the meeting*

***The Richmond Board of Education acknowledged and thanked the
First Peoples of the hənq̓əminəm' (hun-ki-meen-um) language group on whose
traditional and unceded territories we teach, learn and live.***

Secretary-Treasurer Uyeno - A reminder was made for those who joined the meeting to please ensure that video was turned off and microphones muted to eliminate background noise; there will be two question periods at which time, questions sent to the Board meeting email account will be read out. For those who have not already submitted questions, there is an opportunity to via: boardmeetings@sd38.bc.ca; or through the Q and A feature in Zoom.

For the public joining the meeting, they are able to listen to the meeting but not speak or use chatbox during the meeting; and an audio/video recording of the meeting will be made available for viewing after this meeting.

1. Recognition of Visitors, Announcements and Updates from Trustees

(a) Recognition of Visitors

The Chairperson welcomed the gallery to the meeting.

- (b) **Trustee Hamaguchi** - The Richmond School District recognizes and supports Pride Month in June of each year. It is a time when we celebrate the diversity of our district and the LGBTQ2S+ community. It is also a time to acknowledge the history of the community, the hardships they have endured, and the progress that has been made.

This year, students in Richmond are working on putting together a photo collage submission for the virtual PRIDE parade. The theme of the photos will be "Loud and Proud" and will showcase PRIDE in our schools and through our Gay Straight Alliance clubs or GSA's.

The district will also be hosting its final Rainbow Cafe, which is a monthly event planned and hosted by students for LGBTQ2S+ students and allies. Many school's GSA's are also involved in creating displays or other events this month to raise awareness about PRIDE as well.

Pride month is an opportunity to highlight our commitment to ensuring that all students are treated with fairness, respect, and dignity. On behalf of the Board of Education, Happy Pride Month.

Trustee Goldstein - June 21st was National Indigenous Peoples Day. The purpose of this day is to celebrate the culture and contributions of Indigenous people. Schools celebrated in a variety of ways, including a resource and bannock share at Palmer, McNair students leading a land acknowledgement activity, and at Cambie, Indigenous students participated in a war canoe pulling and powwow. This day was a celebration of resiliency and culture, and schools participated in a variety of events to honour Indigenous Peoples.

June is also National Indigenous History Month, a time for all Canadians - Indigenous, non-Indigenous and newcomers - to reflect upon and learn the history, sacrifices, cultures, contributions, and strength of First Nations, Inuit and Métis people. It's important to keep in mind that Indigenous people each have their own unique histories, and that within each group, there are distinct histories. Learning about Indigenous history is a crucial step in the process of Reconciliation.

Trustee Nixon - As this is the final Public Board meeting for the school year, it is also the final Board meeting for Secretary Treasurer, Roy Uyeno. Mr. Uyeno is retiring from this position, and we wish him well in his future endeavours, but also wanted to say an enormous thank you for all that he has brought to the District since starting in February 2018. We won't have time tonight to list all the ways we will miss Mr. Uyeno and all of the contributions made to the District. However, a few highlights are the Budget Process that Mr. Uyeno facilitated and brought to the District including the Budget Advisory Group that has enhanced our engagement to stakeholders throughout the entire process for the budget. As well, Mr. Uyeno has worked with Policy Committee and on numerous policies that are the core of our operations as a District. Mr. Uyeno has set up the capacity and empowered the Board and its decision making on financial matters, ensuring that financial decisions are aligned with the District's priorities for which we are so grateful. On behalf of the District, congratulations to Mr. Uyeno on his retirement and wherever the journey takes him.

(c) **Any materials not included in packages available to the public.**

The Secretary Treasurer noted that all materials have been made available to the public.

2. Adoption of Agenda

085/2021 MOVED BY H. LARSON AND SECONDED BY N. GOLDSTEIN:

THAT the Wednesday, June 23, 2021 Regular agenda of the Board of Education (Richmond) be adopted as circulated.

CARRIED

3. Presentations, Special Recognitions, Briefs and Questions from the Public

(a) **Presentations**

R.C. Palmer Concert Band - Assistant Superintendent Lynn Archer introduced Iris Chan, Music Director of the R.C. Palmer Concert Band, and provided background on the Gold Medal Performance win at MusicFest Canada.

The performance recording was presented and following, questions and thanks from trustees were expressed to Ms. Chan and students.

Kim Nowitsky, Community member, provided a presentation to discuss awareness and reflection on Richmond public school names. Ms. Nowitsky highlighted that 36 of 38 elementary schools are named after British males; and 9 out of 10 high schools have names of British male origin. Ms. Nowitsky noted it is important to acknowledge the lack of diversity and that at the District level, a gesture be made to address truth and reconciliation.

Ms. Nowitsky asked for the following proposals: Every effort should be made moving forward to adopt more diverse names of new schools in Richmond; and consider renaming existing schools so that the names represent the true diversity of our past and present.

Trustees thanked Ms. Nowitsky for her thoughtful presentation.

086/2021 MOVED BY D. TABLOTNEY AND SECONDED BY H. LARSON:

THAT the Board of Education (Richmond) refer Ms. Kim Nowitsky's presentation and reflections included, to Policy Committee.

CARRIED

BC Youth Council - The Student Reps BC Delegate Presentation included an overview and introduction to BC Youth Council. With the focus on student representation on school boards, the panel of student representatives presented information on the Canadian Federation of Students (CFS), the reformed RSDCO (Richmond Student District Council Organization).

087/2021 MOVED BY D. TABLOTNEY AND SECONDED BY N. GOLDSTEIN:

THAT the Board of Education (Richmond) refer the BC Youth Council presentation to staff.

CARRIED

(b) Special Recognitions

Nil.

(c) Briefs

Nil.

(d) Questions from the Public

There were no questions from the public.

4. Executive

The Superintendent of Schools introduced Secretary Treasurer Uyeno who provided thanks and acknowledgement for his last meeting with the District and Board of Education, prior to retiring. Mr. Uyeno noted that it was an honour and privilege to serve the Board of Education of Richmond over the past three and half years as Secretary Treasurer. Some highlights over the years included the Budget Process, Strategic Plan and Long Range Facilities Plan. As well, he noted that the District has seen an acceleration of the seismic mitigation of the District's schools on the capital side and, to lead some of these initiatives was an impactful part of the Secretary Treasurer's time in Richmond. Mr. Uyeno thanked the Finance, Facilities and Business Operations teams who support the District's schools and students.

The Chairperson, on behalf of the Board, extended gratitude and thanks to Secretary Treasurer Uyeno for all he has contributed to the District as an integral part of Senior team. The Superintendent reiterated thanks on behalf of everyone at the District and how much it was appreciated that Mr. Uyeno's focus was always on what was best for the students in the District.

The Superintendent of Schools then provided an update on Covid noting a significant decrease in school exposures this month down to approximately 20 at the end of May.

The Superintendent thanked families who have been careful keeping their kids at home and adhering to safety measures, as well as staff and employees who work hard to ensure all guidelines on safety are followed. Thanks were expressed to teachers who kept students safe and worked so hard throughout the year.

The Superintendent then reported that the Ministry of Education recently released the K-12 Recovery Plan that provides some preliminary direction for school districts in the 2021-2022 school year. The District will be welcoming students back to full time in person instruction starting in the Fall.

The Deputy Superintendent talked about the transition process and the supports that the District is planning to offer. The Deputy Superintendent shared that the District is encouraged and excited to be able to offer a more normal school year while mindful that

some learners have not attended in person for up to 18 months. District staff have put together strategies including learning ideas and fun activities for parents to consider from late June to September. The District sent a letter home to the community to assure parents and schools that the District will be well prepared to receive all students back to in person learning in September.

The Superintendent next presented highlights from schools around the community including Palmer Concert Band, who earned the Gold medal at MusicFest; Richmond Secondary students who won the Game of Apps provincial championship, and where local professional designers mentor students and teach them how to use tools, techniques, and processes in the coding industry to build mobile apps; Ferris Elementary, with the support of a Trees Canada grant, planted ten new trees at the school. The planting of these trees is part of an ongoing and long term goal to green the school's grounds and bring students closer to nature; Bridge Elementary students have been creating art pieces inspired by famous artists each week, McRoberts students participated in a five day wellness challenge; a group of students at Burnett Secondary created an advocacy ad project to showcase different topics important to them for maintaining positive mental health; and this month schools throughout the District held a variety of ceremonies to acknowledge and honour the children who lost their lives at a former Residential school in Kamloops. Students and staff have participated in multiple ways by wearing orange, organizing walks of respect, making orange hearts, putting up posters and creating tributes in memory of these children.

5. Approval of Minutes

- (a) Regular meeting of the Board held May 26, 2021

Trustee Goldstein asked that the Minutes reflect "unanimous" consensus for the Budget Bylaw. The Chairperson noted that the May minutes would be amended with the update.

088/2021 MOVED BY H. LARSON AND SECONDED BY N. GOLDSTEIN:

THAT the Board of Education (Richmond) approve the Minutes of Wednesday, May 26, 2021 Regular meeting as amended.

CARRIED

- (b) A Record of an In-camera meeting of the Board held May 26, 2021 was included for information.

6. Business Arising

- (a) **SOGI Annual Update**

The Superintendent of Schools presented highlights from the report attached with the agenda package. An update regarding the implementation of Policy 106 relates directly to the District's work in the Strategic Plan. The SOGI Advisory Committee is made up of, internal stakeholders, external community partners and students. There were four meetings this year with the Advisory Committee developing a number of goals and objectives in sub committees. The Superintendent then highlighted Goal One of SOGI - that students and staff who identify as LGBTQ+ should feel safe, supported, valued, and included in their schools, classrooms.

The Superintendent highlighted some areas the committee focused on this year including the availability of gender-neutral washrooms. The District is creating student awareness regarding gender neutral washrooms and that there is appropriate signage. Other opportunities for students to connect include Rainbow Cafes at secondary schools, where students come together to discuss issues of relevance to them. These are supported by school and District-based adult SOGI leads to provide guidance and support.

The Superintendent then provided an overview of Goal two as outlined in the report and objectives that were achieved including: Employee support and training, resources and funds to cover resources made available to schools, the Rainbow Cafes and the work of the Advisory Committee and sub-committees. Goal Three objectives includes the Parent Education Series that will begin in the Fall of 2021; and Goal Four includes a Communication Plan and quarterly SOGI newsletter distributed to all employees across the District called *Ask the Kids* that will focus on a variety of topics to support staff in their work through a SOGI lens.

The Superintendent then introduced Destiny Lang, a student representative on the SOGI Advisory Committee, who talked about professional learning opportunities with staff to increase capacity and confidence in supporting LGBTQ+ students to use their voices and be heard. Destiny presented an overview of activities and initiatives held throughout the year, where schools have collaborated on projects to enhance efforts as an inclusive community. Destiny thanked the Advisory Committee for advocating on behalf of the LGBTQ+ staff and students and looks forward to the continued work and growth to fulfill all goals.

Trustees thanked Destiny for the update and participation as part of the SOGI Committee and to the important continued work in providing support to students and staff.

(b) Diversity & Anti-racism Working Group Update

Assistant Superintendent Brautigam introduced Grade 12 McNair Secondary student Nathan Young who shared his narrative poem.

The Assistant Superintendent thanked Nathan Young for reading his work and following trustee comments and a request that his poem be provided to trustees by email, proceeded with the update.

The Assistant Superintendent identified the work and progress of the Advisory Group to date including work underway on the audit process by hiring Bakau Consulting. The following actions are currently underway with 17 focus groups scheduled through the month of June and into July with students, parents, and employees. Surveys regarding stakeholder experiences in the District related to diversity, equity and inclusion have now been distributed from the Diversity and Anti-racism Working Group in consultation with the Consultant.

Assistant Superintendent Brautigam then provided highlights of other new initiatives with new Indigenous teaching resources and supports, learning opportunities for leaders around Truth and Reconciliation, Racism/Antiracism and how to lead learning conversations with staff scheduled for July, August and into the Fall. Ongoing work includes the launch of Anti-racism resources online Hub for all staff, highlighting anti-racism resources on the public website, and widely sharing resources for schools to deepen understanding of diversity.

Book bundles for elementary and secondary schools are in all schools with books for adults and students. In conclusion, the Assistant Superintendent noted that the development of a plan to highlight anti-racism work as part of what is shared each month will be provided by the Superintendent updates at Board meetings, the District website and on social media platforms.

(c) Annual Charitable Donations Report

The Assistant Secretary Treasurer provided background information to the Report attached with the agenda, noting that 2020 charitable donations were the highest the District has ever received for cash and in kind donations. The total donated in 2020 was \$382,190.80 of which \$328,816.84 comprises cash with the remainder at \$53,373.96 in in kind contributions. Donation In Kind included PPE.

(d) District Sustainability and Climate Action Plan Update

The Manager, Energy and Sustainability presented an update and overview of the District Sustainability and Climate Action Plan for 2021-2026. The Goals and objectives for the plan were highlighted including tracking, reporting, and offsetting greenhouse gas emissions each year to achieve carbon neutrality. The Manager outlined the planning timeline with the public launch and implementation to secure funding and resources; provide leadership and action at all levels; integrate sustainability across the curriculum, provide training and professional development; reduce overall energy consumption; develop a low carbon electrification plan; implement a Zero Waste Strategy; increase education and engagement awareness and Climate Action reviewing risk and mitigation for facilities and reducing the carbon and environmental footprint. The Manager, Energy and Sustainability then shared how the District would work to achieve these goals and objectives.

Trustees thanked the Manager for the excellent presentation and obligation as a District to provide environmental stewardship. A trustee asked that a copy of the presentation be sent to the Board following the meeting.

**Trustee Lee left the Public meeting immediately following Business Arising Item (d) prior to Item (e) and therefore did not vote on the following motions.*

(e) 2021-2022 Capital Bylaw

The Executive Director, Facilities Services provided background and information as attached with the agenda package. On May 11, 2021 the Ministry of Education responded to the Board's 2021/2022 Five Year Capital Plan submission made in June, 2020. The Executive Director then briefly outlined the projects as supported by the Ministry contained within the Report.

The Chairperson read Capital Bylaw:

**CAPITAL BYLAW NO. 2021/22-CPSD38-01
CAPITAL PLAN 2021/2022**

A BYLAW by the Board of Education of School District No. 38 (Richmond) (hereinafter called the "Board") to adopt a Capital Plan of the Board pursuant to sections 143 (2) and 144 (1) of the *School Act*.

WHEREAS in accordance with provisions of the School Act the Minister of Education (hereinafter called the "Minister") has approved the Capital Plan of the Board.

NOW THEREFORE the Board agrees to the following:

- (a) authorize the Secretary-Treasurer to execute Project Agreement(s) related to the expenditures contemplated by the Capital Plan;
- (b) upon approval to proceed, commence the Project(s) and proceed diligently and use its best efforts to complete each Project substantially as directed by the Minister;
- (c) observe and comply with any order, regulation, or policy of the Minister as may be applicable to the Board or the Project(s); and,
- (d) maintain proper books of account, and other information and documents with respect to the affairs of the Project(s), as may be prescribed by the Minister.

NOW THEREFORE the Board enacts as follows:

- 1. The Capital Bylaw of the Board for the 2021/22 Capital Plan as approved by the Minister, to include the supported project(s) specified in the letter addressed to the Secretary-Treasurer and Superintendent dated 11 May 2021 is hereby adopted.
- 2. This Bylaw may be cited as School District No. 38 (Richmond) Capital Bylaw No. 2021/22-CPSD38-01.

There was unanimous consensus that 3 readings take place.

089/2021 1st READING MOVED BY N. GOLDSTEIN AND SECONDED BY D. SARGENT:

THAT the Board of Education (Richmond) approve Capital Project Bylaw No. 2021/22-CPSD38-01

CARRIED

090/2021 2nd READING MOVED BY K. HAMAGUCHI AND SECONDED BY H. LARSON:

THAT the Board of Education (Richmond) approve Capital Project Bylaw No. 2021/22-CPSD38-01

CARRIED

091/2021 3rd AND FINAL READING MOVED BY D. TABLOTNEY AND SECONDED BY D. SARGENT:

THAT the Board of Education (Richmond) approve Capital Project Bylaw No. 2021/22-CPSD38-01

CARRIED

CAPITAL PROJECT BYLAW No. 2021/22-CPSD38-01 PLAN WAS CARRIED

(f) 2022-2023 Five Year Capital Plan

The Executive Director, Facilities Services presented background on the Five-Year Capital Plan that is an annual submission from Boards of Education. These submissions are then used by the Ministry of Education to determine which priority capital projects may be approved in the Ministry's Capital Plan for the following fiscal year. The capital plan submissions also provide important insight into future capital priorities that can be used for longer term government planning and determination of potential future capital funding requirements.

The Major Capital Projects include: Seismic Mitigation Program; School Expansion Program; School Replacement Program; and Rural Districts Program. The Minor Capital Projects included: School Enhancement Program; Carbon Neutral Capital Program; Bus Acquisition Program; and Playground Equipment Program. The Building Envelope Program is the other program within the Capital Plan.

Following the update, the three resolutions were presented for approval:

092/2021 MOVED BY D. SARGENT AND SECONDED BY H. LARSON:

THAT the Board of Education of (Richmond) approves the 2022-2023 Five-Year Capital Plan (*Major Capital*) for 2022-2023 as provided on the Five-Year Capital Plan Summary (*Major Capital*) for 2022-2023 submitted to the Ministry of Education.

CARRIED

093/2021 MOVED BY H. LARSON AND SECONDED BY K. HAMAGUCHI:

THAT the Board of Education of (Richmond) approves the 2022-2023 Five-Year Capital Plan (*Minor Capital*) for 2022-2023 as provided on the Five-Year Capital Plan Summary (*Minor Capital*) for 2022-2023 submitted to the Ministry of Education.

CARRIED

094/2021 MOVED BY D. TABLOTNEY SECONDED BY N. GOLDSTEIN:

THAT the Board of Education of (Richmond) approves the 2022-2023 Five-Year Capital Plan (*Building Envelope Program*) for 2022-2023 as provided on the Five-Year Capital Plan Summary (*Building Envelope Program*) for 2022-2023 submitted to the Ministry of Education.

CARRIED

The Chairperson called a five-minute Recess at 10:05 pm.

The Public Meeting resumed at 10:10 pm.

(g) 2021-2022 Eligible School Site Proposal

The Executive Director, Facilities Services then presented the Eligible School Site Proposal (ESSP) Report for approval of the 2021-2022 Resolution. The ESSP Resolution must be passed annually if the School District plans to acquire future school sites. The Executive Director outlined that the purpose of the ESSP is to identify school site requirements for the District that will be incorporated into its Five Year Capital Plan.

095/2021 MOVED BY D. SARGENT AND SECONDED BY N. GOLDSTEIN:

THAT the Board of Education of School District No. 38 (Richmond) approves the 2021-22 Eligible School Site Proposal (ESSP) through adoption of the 2021-22 ESSP Resolution.

CARRIED

7. New Business

- (a) Nil.

8. Questions from the Public: Tonight's Agenda

David Yang - Richmond resident and former student of SD38, expressed full support to the BC Youth Council Delegates. Mr. Yang asked what steps has the District taken in recent years to ensure that the voice of students is incorporated in the overall formal structures and decision-making processes of the District. The Superintendent answered that staff would respond directly to Mr. Yang.

Liz Baverstock, President, Richmond Teachers' Association expressed sincere gratitude and thanks to Secretary Treasurer Uyeno on behalf of all the members for his hard work, and transparency. Ms. Baverstock noted that Mr. Uyeno always made himself available, provided accessible information and his hard work and approachability was most appreciated.

9. Standing Committee Reports

- (a) Audit Committee
Chair: Donna Sargent
Vice Chair: Norman Goldstein

A meeting was held on May 3, 2021.

- (b) Education Committee
Chair: Heather Larson
Vice Chair: Donna Sargent

- (i) Minutes of the meeting held May 19, 2021 were attached for information.

A meeting was held on June 16, 2021.

(c) **Facilities and Building Committee**

Chair: Ken Hamaguchi

Vice Chair: Norman Goldstein

(i) Minutes of the meeting held May 5, 2021 were attached for information.

(ii) Feed-U-Cate donation from the Facilities Services Centre Social Committee.

A meeting was held on June 2, 2021.

(d) **Finance and Legal Committee**

Chair: Debbie Tablotney

Vice Chair: Ken Hamaguchi

A meeting was held on May 19, 2021.

(e) **Policy Committee**

Chair: Sandra Nixon

Vice Chair: Debbie Tablotney

(i) Minutes of the meeting held May 17, 2021 were attached for information.

(ii) **Policy Section 700: Facilities – Phase 1**

096/2021 MOVED BY D. TABLOTNEY AND SECONDED BY H. LARSON:

In accordance with Board Policy 204: *Creation and Revision of Policy and Regulations*, this Recommendation to the 23 June 2021 Public Meeting of the Board of Education (Richmond) is to approve attached revised **Policy Section 700: Facilities - Phase 1**.

CARRIED

(iii) **Policy 310/310-R: Emergency Management**

097/2021 MOVED BY D. TABLOTNEY AND SECONDED BY D. SARGENT:

In accordance with Board Policy 204: *Creation and Revision of Policy and Regulations*, this Recommendation to the June 23, 2021 Public meeting of the Board of Education (Richmond) is to place new Draft Policy 310/310-R: *Emergency Management* into the Stakeholder Review Process for questions and feedback by August 31, 2021.

CARRIED

A meeting was held on June 14, 2021 at 11 am.

10. Correspondence

- (a) A letter from The Honourable Jennifer Whiteside, Minister of Education dated June 9, 2021, regarding *Phase two Allocation – Safe Return to Class Funds* was attached for information.

11. Board Committee and Representative Reports

(a) Council Board Liaison Committee

- (i) A meeting was held on June 9, 2021. The next meeting is scheduled for Wednesday, October 13, 2021 at 9:30 am.

12. Adjournment

098/2021 MOVED BY K. HAMAGUCHI AND SECONDED BY D. TABLOTNEY:

THAT the Regular meeting of Wednesday, June 23, 2021 of the Board of Education (Richmond) be adjourned at 10:28 pm.

CARRIED

S. NIXON,
CHAIRPERSON

R. UYENO,
SECRETARY TREASURER

DATE: September 22, 2021
FROM: C. Wang, Secretary Treasurer
SUBJECT: Record of an In-Camera Board Meeting held June 23, 2021

The Board of Education School District No. 38 (Richmond) would like to report that the following was discussed at an in-camera meeting of the Board held June 23, 2021.

- | | | |
|-----|-----------------------------------|--|
| (a) | Briefs and Presentations: | Nil. |
| (b) | Business Arising out of Minutes: | Administrative and personnel items were discussed. |
| (c) | New Business: | Nil. |
| (d) | Executive: | Administrative items were discussed. |
| (e) | Standing Committee Reports: | Nil. |
| (f) | Board Committee and Rep. Reports: | Nil. |
| (g) | Correspondence: | Nil. |
| (h) | Record of Disclosure: | Nil. |

Below find an excerpt from Board Policy which outlines those matters that constitute In-Camera material.

Pursuant to Board Policy 201, unless otherwise determined by the Board, the following matters shall be considered in-camera;

To protect individual privacy and the Board's own position, in-camera meetings may be conducted to discuss issues such as:

- individual student matters;
- individual employee matters;
- legal concerns;
- negotiating collective agreements;
- negotiating contracts;
- the sale or purchase of land.

Trustees will not disclose to the public or employees the proceedings of an in-camera session unless a resolution has been passed at the closed meeting to allow such disclosure.

Report to the Board of Education (Richmond) PUBLIC

DATE: September 22, 2021

FROM: Michael Khoo, Director of Instruction – Richmond Continuing Education

SUBJECT: Summer Learning 2021 - Highlights

The following report to the Board is for information only. No further action on the part of the Board is required at this time.

BACKGROUND

Richmond Continuing Education is a department of Richmond School District No. 38 which offers a wide range of educational programs for school-age students during the summer. Taking courses in the summer has evolved over the years from a focus on Summer School for high school students who need to improve their proficiency in order to pass a course, to Summer Learning where ALL students can find a program of interest or need.

SUMMER LEARNING 2021

This is the second summer of offering programs during a pandemic. Even so, most of the Summer Learning programs remained very popular. Overall, course registrations (4,900) remained the same as Summer Learning 2020.

There were 4,900 course registrations in 11 programs located in 14 schools and were taught by 135 teachers, assisted by 9 support teachers and 14 education assistants.

In Summer Learning 2020, most programs were delivered remotely using Zoom while programs for vulnerable learners were taught in-person. In Summer Learning 2021, most programs were taught in-person while some courses were offered online using Zoom.

Health and safety protocols for in-person courses were the same as the regular school year: masks were mandatory for Grades 4-12, good hand hygiene routines were followed, daily health declarations were followed, and students were in Summer Learning cohorts.

In recent years, 60% of the students enroll in secondary level courses while 40% of the students enroll in elementary level courses. Most students enroll in non-credit Summer Learning programs. This summer, almost 80% of students enrolled in non-credit courses while 20% of students enrolled in credit courses.

Over the past three summers, there has been a tremendous effort to support all learners by increasing support for students with the hiring of resource teachers, a counsellor and education assistants. Preparation to support ALL learners begins in the spring through conversations with school principals about students who have registered for Summer Learning and how their needs might be best supported. Each summer, a greater diversity of students enroll in Summer Learning.

Summer Inspiration is a program provided for students who typically are unlikely to attend other summer programs due to barriers such as transportation or finances. Summer Inspiration is located in six elementary schools. This past summer, Richmond Food Security Society put on outdoor workshops for the students. Students explored different kinds of seeds and then made seed paper which they could plant. Then, students learned how to bake bread. Each student made a mini loaf. For music, Uzume Taiko Drumming provided online Zoom lessons. Additionally, through generous donations from Steveston Rotary and the Canadian International Education Assistance Foundation, healthy food and snacks were provided to students.

Summer Fine Arts for elementary students has grown by 25% since it started three years ago. This past summer, the focus of this program was exploring how art helps to connect us to a sense of place, to ourselves, our community and our land. Students participated in the musical review The Big Beautiful Planet with songs from Canadian musician Raffi. Also, students from Grades 3-7 collaboratively painted six paintings of local scenes: Soo Gee Gheet Totem, Finn Slough Boat Wreck, General Currie School House, Fisherman's Wharf, Orca Breaching and Buddhist Temple. These pieces of art are on display in the Welcome Centre in the School Board Office and on the Richmond Continuing Education website → www.RichmondCE.ca → Fine Arts Summer Learning

One new program this summer was Summer Connections. The main purpose of Summer Connections is to welcome the new Grade 8 students to establish personal connections among themselves and a teacher from their new secondary school. This program was designed to support new Grade 8 students who were Transitional Learners in the 2020/21 school year, and who may have been out of a school building and in-person instruction since the start of the pandemic in March 2020 when they were still in Grade 6! Five secondary schools offered this program in the last two weeks of the summer break. Over 330 Grade 8 students registered. Learning activities were active and interactive, building a sense of belonging, and a sense of connection to peers and a staff member.

Another exciting initiative of Summer Learning 2021 was the Volunteer Student Leaders program (VSL). The number of applications exceeded our expectations and 84 volunteers clocked over 3,900 volunteer hours this summer! Most VSL helped students in classrooms as peer tutors/supporters while some greeted students during the first days of Summer Learning.

In the coming months, there will be a thorough review of all Summer Learning programs to ensure that they are relevant and financially viable with the eye to continuing to meet the diverse learning interests and needs of the community.

I would like to recognize the district-wide support for Summer Learning from the School District Office staff, Facilities Services, Tech Services and the District Resource Centre. This collective effort is the backbone of one of most successful and diverse Summer Learning programs in BC.

Respectfully submitted,

Michael Khoo
Director of Instruction
Richmond Continuing Education

Report to the Board of Education (Richmond) Public

DATE: September 13, 2021

FROM: Donna Sargent, Chair, Audit Committee

SUBJECT: 2020/2021 Audited Financial Statements

RECOMMENDATION

THAT the Board of Education (Richmond) approve the Audited Financial Statements for the fiscal year end 2020/2021 as presented;

AND FURTHER THAT the Chair of the Board, the Superintendent of Schools and the Secretary Treasurer be authorized to sign the financial statements.

BACKGROUND

Pursuant to *Sections 156* (Accounting Practices) and *157* (Financial Statements) of the *School Act* and *Ministerial Order 033/09*, the Board is required to approve and submit its audited financial statements in the form required by the Ministry of Education no later than September 30 in each year.

PricewaterhouseCoopers (PwC), the District's auditors, have completed their audit of the 2020/2021 financial statements of the Richmond School District. They have expressed an unqualified audit opinion that the financial statements are complete, accurate in all material respects and prepared in accordance with accounting requirements under PSAB and *Section 23.1* of the *Budget Transparency and Accountability Act* of the Province of British Columbia.

Respectfully submitted,

Donna Sargent
Chair, Audit Committee

Audited Financial Statements of

School District No. 38 (Richmond)

And Independent Auditors' Report thereon

June 30, 2021

School District No. 38 (Richmond)

June 30, 2021

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School District No. 38 (Richmond)

MANAGEMENT REPORT

Version: 1990-1244-8262

Management's Responsibility for the Financial Statements.

The accompanying financial statements of School District No. 38 (Richmond) have been prepared by management in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of British Columbia, supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and reliable financial information is produced.

The Board of Education of School District No. 38 (Richmond) (called the "Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a quarterly basis and externally audited financial statements yearly.

The external auditors, PricewaterhouseCoopers LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of School District No. 38 (Richmond) and meet when required. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the School District's financial statements.

On behalf of School District No. 38 (Richmond)

| | |
|--|-------------|
| Signature of the Chairperson of the Board of Education | Date Signed |
| Signature of the Superintendent | Date Signed |
| Signature of the Secretary Treasurer | Date Signed |



Independent auditor's report

To the Board of Education of School District No.38 (Richmond) and
the Minister of Education, Province of British Columbia

Our opinion

In our opinion, the accompanying financial statements of School District No.38 (Richmond) (the Organization) as at June 30, 2021 and for the year then ended are prepared, in all material respects, in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

What we have audited

The Organization's financial statements comprise:

- the statement of financial position as at June 30, 2021;
- the statement of operations for the year then ended;
- the statement of changes in net debt for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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

Independence

We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP
Central City Tower, 13450 102 Avenue, Suite 1400, Surrey, British Columbia, Canada V3T 5X3
T: +1 604 806 7000, F: +1 604 806 7806

PwC refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Emphasis of matter – basis of accounting

We draw attention to note 2 to the financial statements, which describes the basis of accounting and the significant differences between such basis of accounting and Canadian public sector accounting standards. Note 2 to the financial statements discloses the impact of these differences. Our opinion is not modified in respect of this matter.

Other information

Management is responsible for the other information. The other information comprises Financial Statement Discussion and Analysis for the year ended June 30, 2021.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, 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.



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.

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.

Chartered Professional Accountants

Surrey, British Columbia
September 22, 2021

School District No. 38 (Richmond)

Statement of Financial Position

As at June 30, 2021

Statement 1

| | 2021 Actual \$ | 2020 Actual \$ |
|--|----------------------|----------------------|
| Financial Assets | | |
| Cash and Cash Equivalents (Note 3) | 145,873,456 | 149,904,492 |
| Accounts Receivable | | |
| Due from Province - Ministry of Education | 88,433 | 92,598 |
| Other (Note 4) | 3,643,861 | 3,273,839 |
| Portfolio Investments (Note 5) | 771,478 | 759,793 |
| Total Financial Assets | 150,377,228 | 154,030,722 |
| Liabilities | | |
| Accounts Payable and Accrued Liabilities | | |
| Due to Province - Ministry of Education | | 160,056 |
| Due to Province - Other | 82,425 | |
| Other (Note 6) | 28,767,431 | 27,180,525 |
| Unearned Revenue (Note 7) | 11,874,003 | 13,018,907 |
| Deferred Revenue (Note 8) | 7,337,491 | 7,468,261 |
| Deferred Capital Revenue (Note 9) | 246,761,487 | 220,098,761 |
| Employee Future Benefits (Note 10) | 12,842,605 | 12,249,605 |
| Capital Lease Obligations (Note 11) | 3,418,684 | 5,048,794 |
| Total Liabilities | 311,084,126 | 285,224,909 |
| Net Debt | (160,706,898) | (131,194,187) |
| Non-Financial Assets | | |
| Tangible Capital Assets (Note 12) | 350,996,360 | 325,064,351 |
| Prepaid Expenses | 523,757 | 469,798 |
| Total Non-Financial Assets | 351,520,117 | 325,534,149 |
| Accumulated Surplus (Deficit) (Note 19) | 190,813,219 | 194,339,962 |

Contractual Obligations (Note 23)

Contingent Liabilities (Note 17)

Approved by the Board

| | |
|--|-------------|
| Signature of the Chairperson of the Board of Education | Date Signed |
|--|-------------|

| | |
|---------------------------------|-------------|
| Signature of the Superintendent | Date Signed |
|---------------------------------|-------------|

| | |
|--------------------------------------|-------------|
| Signature of the Secretary Treasurer | Date Signed |
|--------------------------------------|-------------|

School District No. 38 (Richmond)

Statement of Operations

Year Ended June 30, 2021

Statement 2

| | 2021 Budget | 2021 Actual | 2020 Actual |
|---|--------------------|--------------------|--------------------|
| | \$ | \$ | \$ |
| Revenues | | | |
| Provincial Grants | | | |
| Ministry of Education | 240,084,823 | 239,961,811 | 227,442,707 |
| Other | 290,400 | 48,986 | 86,758 |
| Federal Grants | 1,747,645 | 1,645,264 | 1,490,069 |
| Tuition | 13,888,921 | 13,133,152 | 19,954,804 |
| Other Revenue (Note 20) | 4,819,258 | 3,406,219 | 7,066,842 |
| Rentals and Leases | 946,164 | 977,455 | 1,137,768 |
| Investment Income | 1,631,722 | 1,665,109 | 2,799,724 |
| Gain (Loss) on Disposal of Tangible Capital Assets | | 12,913 | (81,910) |
| Amortization of Deferred Capital Revenue | 9,004,089 | 8,849,907 | 8,354,229 |
| Total Revenue | 272,413,022 | 269,700,816 | 268,250,991 |
| Expenses (Note 18) | | | |
| Instruction | 222,392,430 | 216,655,587 | 210,741,273 |
| District Administration | 7,625,158 | 7,515,593 | 6,746,307 |
| Operations and Maintenance | 48,863,856 | 47,131,224 | 42,111,376 |
| Transportation and Housing | 1,876,890 | 1,751,499 | 1,750,973 |
| Debt Services | 180,000 | 173,656 | 193,618 |
| Total Expense | 280,938,334 | 273,227,559 | 261,543,547 |
| Surplus (Deficit) for the year | (8,525,312) | (3,526,743) | 6,707,444 |
| Accumulated Surplus (Deficit) from Operations, beginning of year | | 194,339,962 | 187,632,518 |
| Accumulated Surplus (Deficit) from Operations, end of year | | 190,813,219 | 194,339,962 |

School District No. 38 (Richmond)

Statement of Changes in Net Debt

Year Ended June 30, 2021

Statement 4

| | 2021 Budget | 2021 Actual | 2020 Actual |
|---|---------------------|-----------------------------|-----------------------------|
| | \$ | \$ | \$ |
| Surplus (Deficit) for the year | <u>(8,525,312)</u> | <u>(3,526,743)</u> | 6,707,444 |
| Effect of change in Tangible Capital Assets | | | |
| Acquisition of Tangible Capital Assets | (50,389,928) | (41,760,648) | (37,435,941) |
| Amortization of Tangible Capital Assets | 16,206,009 | 15,827,132 | 15,164,527 |
| Net carrying value of Tangible Capital Assets disposed of | | 1,507 | 81,910 |
| Total Effect of change in Tangible Capital Assets | <u>(34,183,919)</u> | <u>(25,932,009)</u> | <u>(22,189,504)</u> |
| Acquisition of Prepaid Expenses | | (523,757) | (469,798) |
| Use of Prepaid Expenses | | 469,798 | 1,010,353 |
| Total Effect of change in Other Non-Financial Assets | <u>-</u> | <u>(53,959)</u> | <u>540,555</u> |
| (Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses) | <u>(42,709,231)</u> | <u>(29,512,711)</u> | <u>(14,941,505)</u> |
| Net Remeasurement Gains (Losses) | | | |
| (Increase) Decrease in Net Debt | | <u>(29,512,711)</u> | <u>(14,941,505)</u> |
| Net Debt, beginning of year | | <u>(131,194,187)</u> | <u>(116,252,682)</u> |
| Net Debt, end of year | | <u><u>(160,706,898)</u></u> | <u><u>(131,194,187)</u></u> |

School District No. 38 (Richmond)

Statement of Cash Flows

Year Ended June 30, 2021

Statement 5

| | 2021 Actual \$ | 2020 Actual \$ |
|---|----------------------|----------------------|
| Operating Transactions | | |
| Surplus (Deficit) for the year | (3,526,743) | 6,707,444 |
| Changes in Non-Cash Working Capital | | |
| Decrease (Increase) | | |
| Accounts Receivable | (365,857) | (379,336) |
| Prepaid Expenses | (53,959) | 540,555 |
| Increase (Decrease) | | |
| Accounts Payable and Accrued Liabilities | 1,509,275 | 2,661,475 |
| Unearned Revenue | (1,144,904) | (2,973,428) |
| Deferred Revenue | (130,770) | (221,837) |
| Employee Future Benefits | 593,000 | 903,053 |
| Loss (Gain) on Disposal of Tangible Capital Assets | (12,913) | 81,910 |
| Amortization of Tangible Capital Assets | 15,827,132 | 15,164,527 |
| Amortization of Deferred Capital Revenue | (8,849,907) | (8,354,229) |
| Total Operating Transactions | 3,844,354 | 14,130,134 |
| Capital Transactions | | |
| Tangible Capital Assets Purchased | (8,542,102) | (8,646,951) |
| Tangible Capital Assets -WIP Purchased | (32,276,320) | (25,398,982) |
| District Portion of Proceeds on Disposal | 14,420 | |
| Total Capital Transactions | (40,804,002) | (34,045,933) |
| Financing Transactions | | |
| Capital Revenue Received | 35,512,633 | 32,829,855 |
| Capital Lease Payments | (2,572,336) | (2,412,804) |
| Total Financing Transactions | 32,940,297 | 30,417,051 |
| Investing Transactions | | |
| Investments in Portfolio Investments | (11,685) | 55,436 |
| Total Investing Transactions | (11,685) | 55,436 |
| Net Increase (Decrease) in Cash and Cash Equivalents | (4,031,036) | 10,556,688 |
| Cash and Cash Equivalents, beginning of year (Note 3) | 149,904,492 | 139,347,804 |
| Cash and Cash Equivalents, end of year | 145,873,456 | 149,904,492 |
| Cash and Cash Equivalents, end of year, is made up of: | | |
| Cash (Note 3) | 31,702,117 | 37,371,431 |
| Cash Equivalents (Note 3) | 114,171,339 | 112,533,061 |
| | 145,873,456 | 149,904,492 |
| Supplementary Cash Flow Information (Note 22) | | |

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 1 AUTHORITY AND PURPOSE

The School District, established on April 12, 1946 operates under authority of the *School Act* of British Columbia as a corporation under the name of "The Board of Education of School District No. 38 (Richmond)", and operates as "School District No. 38 (Richmond)." A board of education ("Board") elected for a four-year term governs the School District. The School District provides educational programs to students enrolled in schools in the district, and is principally funded by the Province of British Columbia through the Ministry of Education ("MOE"). School District No. 38 (Richmond) is exempt from federal and provincial corporate income taxes.

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020 and has had a significant financial, market and social dislocating impact worldwide. Under direction of the Provincial Health Officer, all schools suspended in-class instructions in March 2020 and the District remained open to continue to support students and families in a variety of ways. Parents were given the choice to send their children back to school on a gradual and part-time basis beginning June 1, 2020 and full-time beginning September 1, 2020 with new health and safety guidelines. The ongoing impact of the pandemic presents uncertainty over future cash flows, may have a significant impact on future operations including decreases in revenue, impairment of receivables, reduction in investment income and delays in completing capital project work. As the situation is dynamic and the ultimate duration and magnitude of the impact are not known, an estimate of the future financial effect on the District is not practicable at this time.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements have been prepared in accordance with Section 23.1 of the *Budget Transparency and Accountability Act of the Province of British Columbia*. This Section requires that the financial statements be prepared in accordance with Canadian public sector accounting standards except in regard to the accounting for government transfers as set out in Notes 2(f) and 2(m).

In November 2011, Treasury Board provided a directive through Restricted Contributions Regulation 198/2011 providing direction for the reporting of restricted contributions whether they are received or receivable by the School District before or after this regulation was in effect.

As noted in Notes 2(f) and 2(m), Section 23.1 of the *Budget Transparency and Accountability Act* and its related regulations require the School District to recognize government transfers for the acquisition of capital assets into revenue on the same basis as the related amortization expense.

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

a) Basis of Accounting (Continued)

As these transfers do not contain stipulations that create a liability, Canadian public sector accounting standards would require that:

- government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3410; and
- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3100.

The impact of this difference on the financial statements of the School District is as follows:

Year-ended June 30, 2020 - increase in annual surplus by \$24,475,626

June 30, 2020 - increase in accumulated surplus and decrease in deferred contributions by \$220,098,761

Year-ended June 30, 2021 - increase in annual surplus by \$26,662,726

June 30, 2021 - increase in accumulated surplus and decrease in deferred contributions by \$246,761,487

b) Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid securities that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These cash equivalents generally have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

c) Accounts Receivable

Accounts receivable are measured at amortized cost and shown net of allowance for doubtful accounts.

d) Portfolio Investments

The School District has investments in Guaranteed Investment Certificates (GIC's) and term deposits that have a maturity of greater than 3 months at the time of acquisition. These investments are not quoted in an active market and are reported at amortized cost, and the associated transaction costs are added to the carrying value of these investments upon initial recognition.

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

e) Unearned Revenue

Unearned revenue includes tuition fees received for courses to be delivered in future periods and receipt of proceeds for services or products to be delivered in a future period. Revenue will be recognized in that future period when the courses, services, or products are provided.

f) Deferred Revenue and Deferred Capital Revenue

Deferred revenue includes contributions received with stipulations that meet the description of restricted contributions in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. When restrictions are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability as detailed in Note 2 (m).

Funding received for the acquisition of depreciable tangible capital assets is recorded as deferred capital revenue and amortized over the life of the asset acquired as revenue in the statement of operations. This accounting treatment is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that creates a liability, in which case, the transfer is recognized as revenue over the period that the liability is extinguished.

g) Employee Future Benefits

i) Post-Employment Benefits:

The School District provides certain post-employment benefits, including vested and non-vested benefits, for certain employees pursuant to certain contracts and union agreements.

The School District accrues its obligations and related costs, including both vested and non-vested benefits, under employee future benefit plans. Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. The benefits cost is actuarially determined using the projected unit credit method pro-rated on service and using management's best estimate of expected salary escalation, termination rates, retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing. The cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service lifetime (EARS�) of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2019 and projected to March 31, 2022. The next valuation will be performed at March 31, 2022 for use at June 30, 2022. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31, adjusted for transactions to June 30, was adopted for all periods subsequent to July 1, 2004.

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

g) Employee Future Benefits (Continued)

ii) Pension Plans:

The School District and its employees make contributions to the Teachers' Pension Plan and Municipal Pension Plan. The plans are multi-employer plans where assets and obligations are not separated. The costs are expensed as incurred.

h) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standards;
- the School District:
 - is directly responsible; or
 - accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

i) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

i) Tangible Capital Assets (Continued)

- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.
- Buildings that are demolished or destroyed are written-off.
- Works of art, historic assets and other intangible assets are not recorded as assets in these financial statements.
- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise. Estimated useful lives are as follows:

| | |
|-----------------------|----------|
| Buildings | 40 years |
| Furniture & Equipment | 10 years |
| Vehicles | 10 years |
| Computer Software | 5 years |
| Computer Hardware | 5 years |

j) Capital Leases

Leases that, from the point of view of the lessee, transfer substantially all the benefits and risks incident to ownership of the property to the School District are considered capital leases. These are accounted for as a leased tangible capital asset and an obligation. Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs, e.g., insurance, maintenance costs, etc. The discount rate used to determine the present value of the lease payments is the lower of the School District's rate for incremental borrowing or the interest rate implicit in the lease.

All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

k) Prepaid Expenses

Prepaid fees and dues, licenses, and rent are included as a prepaid expense and stated at acquisition cost and are charged to expense over the periods expected to benefit from it.

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

l) Funds and Reserves

Certain amounts, as approved by the Board, are set aside in accumulated surplus for future operating and capital purposes (see Note 19 - Accumulated Surplus). Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Note 14 - Interfund Transfers).

m) Revenue Recognition

Revenues are recorded on an accrual basis in the period in which the transactions or events occurred that gave rise to the revenues, the amounts are considered to be collectible and can be reasonably estimated.

Contributions received or where eligibility criteria have been met are recognized as revenue except where the contribution meets the criteria for deferral as described below. Eligibility criteria are the criteria that the School District has to meet in order to receive the contributions including authorization by the transferring government.

For contributions subject to a legislative or contractual stipulation or restriction as to their use, revenue is recognized as follows:

- Non-capital contributions for specific purposes are recorded as deferred revenue and recognized as revenue in the year related expenses are incurred,
- Contributions restricted for site acquisitions are recorded as revenue when the sites are purchased, and
- Contributions restricted for tangible capital assets acquisitions, other than sites, are recorded as deferred capital revenue and amortized over the useful life of the related assets.

Donated tangible capital assets, other than sites, are recorded at fair market value and amortized over the useful life of the assets. Donated sites are recorded as revenue at fair market value when received or receivable.

The accounting treatment for restricted contributions is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and eligibility criteria have been met unless the transfer contains a stipulation that meets the criteria for liability recognition in which case the transfer is recognized as revenue over the period that the liability is extinguished.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

Investment income is reported in the period earned. When required by the funding party or related Act, investment income earned on deferred revenue is added to the deferred revenue balance.

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

n) Expenditures

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed. Interest expense includes interest charged on capital leases.

Categories of Salaries

- Principals, Vice-Principals, and Directors of Instruction employed under an administrative officer contract are categorized as Principals and Vice-Principals.
- Superintendents, Assistant Superintendents, Secretary-Treasurers, Trustees and other employees excluded from union contracts are categorized as Other Professionals.

Allocation of Costs

- Operating expenses are reported by function, program, and object. Whenever possible, expenditures are determined by actual identification. Additional costs pertaining to specific instructional programs, such as special and indigenous education, are allocated to these programs. All other costs are allocated to related programs.
- Actual salaries of personnel assigned to two or more functions or programs are allocated based on the time spent in each function and program. School-based clerical salaries are allocated to school administration and partially to other programs to which they may be assigned. Principals and Vice-Principals salaries are allocated to school administration and may be partially allocated to other programs to recognize their other responsibilities.
- Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
- Supplies and services are allocated based on actual program identification.

o) Financial Instruments

A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The School District recognizes a financial instrument when it becomes a party to a financial instrument contract.

Financial instruments consist of cash and cash equivalents, accounts receivable, portfolio investments, accounts payable, accrued liabilities, and capital lease obligations.

Except for portfolio investments in equity instruments quoted in an active market that are recorded at fair value, all financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of these investments upon initial recognition and amortized using the effective interest rate method. Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability.

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

o) Financial Instruments (Continued)

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

Unless otherwise noted, it is management's opinion that the School District is not exposed to significant interest, currency or credit risks arising from its financial instruments. The fair values of these financial instruments approximate their carrying value, unless otherwise noted.

All financial assets except derivatives are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

p) Measurement Uncertainty

Preparation of financial statements in accordance with the basis of accounting described in Note 2 (a) requires management to make estimates and assumptions that impact reported amounts of assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods. Significant areas requiring the use of management estimates relate to the potential impairment of assets, liabilities for contaminated sites, rates for amortization and estimated employee future benefits. Actual results could differ from those estimates.

q) Future Changes in Accounting Policies

PS3280 Asset Retirement Obligations issued August 2018 establishes standards for recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of tangible capital assets and is effective July 1, 2022. A liability will be recognized when, as at the financial reporting date:

- a) there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- b) the past transaction or event giving rise to the liability has occurred;
- c) it is expected that future economic benefits will be given up; and
- d) a reasonable estimate of the amount can be made.

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

q) Future Changes in Accounting Policies (Continued)

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related tangible capital asset. In subsequent periods, the liability is adjusted for accretion and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and accretion expense is included in the Statement of Operations.

A modified retroactive application has been recommended by Government. Management is in the process of assessing the impact of adopting this standard on the School District's financial results.

PS3400 Revenue issued November 2018 establishes standards on how to account for and report on revenue and is effective July 1, 2023. Specifically, it differentiates between revenue arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions".

Revenue from transactions with performance obligations should be recognized when (or as) the school district satisfies a performance obligation by providing the promised goods or services to a payor.

Revenue from transactions with no performance obligations should be recognized when a school district:

- a) has the authority to claim or retain an inflow of economic resources; and
- b) identifies a past transaction or event that gives rise to an asset.

This standard may be applied retroactively or prospectively. Management is in the process of assessing the impact of adopting this standard on the School District's financial results.

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 3 CASH AND CASH EQUIVALENTS

| | 2021 | 2020 |
|---|----------------------|----------------------|
| Cash – Operating Fund | \$28,039,224 | \$32,968,824 |
| Cash – Special Purpose Fund | 3,662,892 | 4,402,607 |
| Cash Equivalents – Special Purpose Fund | 1,179 | 1,120 |
| Central Deposit Investment | 114,079,628 | 112,438,395 |
| Investments held by Richmond Community Foundation | 90,533 | 93,546 |
| | <u>\$145,873,456</u> | <u>\$149,904,492</u> |

During fiscal 2012, the School District transferred scholarship funds to the Richmond Community Foundation. Richmond Community Foundation will retain, invest and have disbursed scholarships on behalf of the School District, in exchange for an administration fee. The funds will be invested in pooled funds with the Foundation's other assets. The funds will remain with the Foundation for a minimum of 10 years, before returning to the School District unless the agreement is extended.

NOTE 4 ACCOUNTS RECEIVABLE - OTHER

| | 2021 | 2020 |
|---|--------------------|--------------------|
| Due from Federal Government | \$978,761 | \$1,357,561 |
| Due from Benefit Carrier - unrestricted deposit account | 2,475,607 | 1,667,394 |
| Other | 189,493 | 248,884 |
| | <u>\$3,643,861</u> | <u>\$3,273,839</u> |

The amount due from the Benefit Carrier –Unrestricted Deposit Account represents surplus funds in excess of the required reserves held by the Benefit Carrier.

NOTE 5 PORTFOLIO INVESTMENTS

Guaranteed Investment Certificates (GIC's) included in portfolio investments are held with local banking institutions and earn average interest at 0.49% (2020 - 1.4%).

| | 2021 | 2020 |
|-------|------------------|------------------|
| GIC's | <u>\$771,478</u> | <u>\$759,793</u> |
| | <u>\$771,478</u> | <u>\$759,793</u> |

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

| | 2021 | 2020 |
|-------------------------------|---------------------|---------------------|
| Trade payables | \$6,249,832 | \$5,858,028 |
| Salaries and benefits payable | 18,514,101 | 17,410,663 |
| Accrued vacation pay | 3,479,513 | 3,523,636 |
| Other | 523,985 | 388,198 |
| | <u>\$28,767,431</u> | <u>\$27,180,525</u> |

NOTE 7 UNEARNED REVENUE

| | 2021 | 2020 |
|----------------------------|---------------------|---------------------|
| Balance, beginning of year | \$13,018,907 | \$15,992,335 |
| Fees received | 11,988,248 | 16,981,376 |
| Fees recognized as revenue | <u>(13,133,152)</u> | <u>(19,954,804)</u> |
| Balance, end of year | <u>\$11,874,003</u> | <u>\$13,018,907</u> |

NOTE 8 DEFERRED REVENUE

Deferred revenue includes unspent grants and contributions received that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board, i.e., the stipulations associated with those grants and contributions have not yet been fulfilled.

| | 2021 | 2020 |
|----------------------------|---------------------|---------------------|
| Balance, beginning of year | \$7,468,261 | \$7,690,098 |
| Changes for the year: | | |
| Increase: | | |
| Provincial grants - MOE | 47,337,286 | 38,947,926 |
| Federal grants | 1,577,892 | 1,512,970 |
| Other revenue | 2,443,178 | 5,451,215 |
| Investment income | 16,000 | 25,213 |
| | <u>51,374,356</u> | <u>45,937,324</u> |
| Decrease: | | |
| Transfers to revenue | <u>(51,505,126)</u> | <u>(46,159,161)</u> |
| Balance, end of year | <u>\$7,337,491</u> | <u>\$7,468,261</u> |

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 9 DEFERRED CAPITAL REVENUE

Deferred capital revenue (DCR) includes grants and contributions received that are restricted by the contributor for the acquisition of tangible capital assets that meet the description of a restricted contribution in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. Once spent, the contributions are amortized into revenue over the life of the asset acquired.

| | 2021 | 2020 |
|--|----------------------|----------------------|
| Balance, beginning of year | \$220,098,761 | \$195,623,135 |
| Changes for the year: | | |
| Increase: | | |
| Transfer from Deferred Revenue - capital additions | 4,395,051 | 3,469,595 |
| Transfer from Deferred Revenue - work in progress | 30,831,177 | 23,630,265 |
| Provincial grants - MOE | 34,174,370 | 31,588,957 |
| Provincial grants - Other | 649,600 | - |
| Other revenue | 511,585 | 963,022 |
| Investment income | 177,078 | 277,876 |
| | <u>70,738,861</u> | <u>59,929,715</u> |
| Decrease: | | |
| Transfer to DCR - capital additions | (4,395,051) | (3,469,595) |
| Transfer to DCR - work in progress | (30,831,177) | (23,630,265) |
| Amortization | (8,849,907) | (8,354,229) |
| | <u>(44,076,135)</u> | <u>(35,454,089)</u> |
| Balance, end of year | <u>\$246,761,487</u> | <u>\$220,098,761</u> |

NOTE 10 EMPLOYEE FUTURE BENEFITS

Benefits include vested sick leave, accumulating non-vested sick leave, early retirement, retirement/severance, vacation, overtime and death benefits. Funding is provided when the benefits are paid and accordingly, there are no plan assets. Although no plan assets are uniquely identified, the School District has provided for the payment of these benefits.

| | 2021 | 2020 |
|---|---------------------|---------------------|
| Reconciliation of Accrued Benefit Obligation | | |
| Accrued Benefit Obligation - April 1 | \$13,171,381 | \$13,188,214 |
| Service Cost | 1,243,279 | 1,183,848 |
| Interest Cost | 307,280 | 337,337 |
| Benefit Payments | (1,128,853) | (1,009,253) |
| Actuarial (Gain) Loss | (607,748) | (528,765) |
| Accrued Benefit Obligation - March 31 | <u>\$12,985,339</u> | <u>\$13,171,381</u> |

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 10 EMPLOYEE FUTURE BENEFITS *(Continued)*

Reconciliation of Funded Status at End of Fiscal Year

| | | |
|---|-----------------------|-----------------------|
| Accrued Benefit Obligation - March 31 | \$12,985,339 | \$13,171,381 |
| Market Value of Plan Assets - March 31 | - | - |
| Funded Status - Deficit | (12,985,339) | (13,171,381) |
| Employer Contributions After Measurement Date | 207,125 | 169,823 |
| Benefit Expense After Measurement Date | (394,979) | (387,640) |
| Unamortized Net Actuarial Loss | 330,588 | 1,139,593 |
| Accrued Benefit Liability - June 30 | <u>\$(12,842,605)</u> | <u>\$(12,249,605)</u> |

Reconciliation of Change in Accrued Benefit Liability

| | | |
|-------------------------------------|---------------------|---------------------|
| Accrued Benefit Liability - July 1 | \$12,249,605 | \$11,346,552 |
| Net Expense for Fiscal Year | 1,759,155 | 1,784,297 |
| Employer Contributions | (1,166,155) | (881,244) |
| Accrued Benefit Liability - June 30 | <u>\$12,842,605</u> | <u>\$12,249,605</u> |

Components of Net Benefit Expense

| | | |
|------------------------------------|--------------------|--------------------|
| Service Cost | \$1,243,404 | \$1,198,706 |
| Interest Cost | 314,494 | 329,823 |
| Amortization of Net Actuarial Loss | 201,257 | 255,768 |
| Net Benefit Expense | <u>\$1,759,155</u> | <u>\$1,784,297</u> |

The significant actuarial assumptions adopted for measuring the School District's accrued benefit obligations are:

| | 2021 | 2020 |
|------------------------------------|-------------------|-------------------|
| Discount Rate - April 1 | 2.25% | 2.50% |
| Discount Rate - March 31 | 2.50% | 2.25% |
| Long Term Salary Growth - April 1 | 2.50% + seniority | 2.50% + seniority |
| Long Term Salary Growth - March 31 | 2.50% + seniority | 2.50% + seniority |
| EARS - March 31 | 9.7 | 9.7 |

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 11 CAPITAL LEASE OBLIGATIONS

The School District has obligations under capital leases. The present value of future minimum lease payments, rates of interest and end dates of these leases are shown below:

| | 2021 | 2020 |
|--|------------------|------------------|
| De Lage Landen Financial Services Canada Inc., with interest at 5.89%, expires March 1, 2022 | 69,669 | 110,515 |
| De Lage Landen Financial Services Canada Inc., with interest at 6.23%, expires August 15, 2023 | 699,175 | - |
| Macquarie Financial, with interest at 1.51%, expires Dec.1, 2023 | 253,119 | 350,944 |
| Macquarie Financial, with interest at 1.51%, expires March 1, 2024 | 319,683 | 431,826 |
| Macquarie Financial, with interest at 1.51%, expires March 1, 2024 | 344,433 | 455,607 |
| Macquarie Financial, with interest at 1.51%, expires September 1, 2024 | 153,352 | 204,020 |
| Macquarie Financial, with interest at 1.51%, expires November 1, 2024 | 118,252 | 154,161 |
| Macquarie Financial, with interest at .005%, expires June 1, 2024 | 45,947 | 62,654 |
| Macquarie Financial, with interest at .005%, expires September 1, 2024 | 94,601 | - |
| CSI EPC, with interest at 2.69%, expires March 1, 2021 | - | 203,568 |
| CSI EPC, with interest at 3.60%, expires June 1, 2021 | - | 247,410 |
| CSI EPC, with interest at 3.60%, expires June 1, 2021 | - | 43,978 |
| CSI EPC, with interest at 3.60%, expires June 1, 2021 | - | 75,187 |
| CSI EPC, with interest at 4.60%, expires June 1, 2021 | - | 18,420 |
| CSI EPC, with interest at 2.69%, expires June 1, 2021 | - | 662,538 |
| CSI EPC, with interest at 2.69%, expires October 1, 2021 | 10,532 | 45,968 |
| CSI EPC, with interest at 5.84%, expires December 1, 2021 | 37,558 | 59,558 |
| CSI EPC, with interest at 5.50%, expires February 1, 2022 | 16,069 | 35,530 |
| CSI EPC, with interest at 4.60%, expires February 1, 2024 | 160,487 | 213,717 |
| CSI EPC, with interest at 3.57%, expires July 31, 2022 | 773,209 | 1,362,276 |
| CSI EPC, with interest at 3.98%, expires August 31, 2022 | 143,139 | 257,529 |
| CSI EPC, with interest at 5.16%, expires November 30, 2022 | 34,330 | 53,658 |
| CSI EPC, with interest at 3.91%, expires January March 31, 2024 | 145,129 | - |
| | <u>3,418,684</u> | <u>5,048,794</u> |

Repayments are due as follows:

| | |
|---|--------------------|
| 2022 | \$1,997,542 |
| 2023 | 940,363 |
| 2024 | 608,344 |
| 2025 | 7,246 |
| Total minimum lease payments | \$3,553,495 |
| Less amounts representing interest | 134,811 |
| Present value of net minimum capital lease payments | <u>\$3,418,684</u> |

Total interest on leases for the year was \$173,656 (2020 - \$193,618).

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 12 TANGIBLE CAPITAL ASSETS

Net Book Value:

| | Net Book Value 2021 | Net Book Value 2020 |
|-----------------------|------------------------|------------------------|
| Sites | \$55,169,613 | \$55,169,613 |
| Buildings | 278,413,885 | 251,832,227 |
| Furniture & Equipment | 6,580,188 | 5,731,397 |
| Vehicles | 1,599,184 | 1,818,257 |
| Computer Software | 235,505 | 304,479 |
| Computer Hardware | 8,997,985 | 10,208,378 |
| Total | \$350,996,360 | \$325,064,351 |

June 30, 2021

| Cost: | Opening Cost | Additions | Disposals/ Transfers | Total 2021 |
|-----------------------|----------------------|---------------------|-------------------------|----------------------|
| Sites | \$55,169,613 | \$ - | \$ - | \$55,169,613 |
| Buildings | 445,965,448 | 41,351,603 | - | 487,317,051 |
| Buildings - WIP | 35,185,789 | 32,276,320 | (36,396,365) | 31,065,744 |
| Furniture & Equipment | 10,458,008 | 1,950,656 | (829,383) | 11,579,281 |
| Vehicles | 3,680,675 | 150,704 | (269,878) | 3,561,501 |
| Computer Software | 1,271,718 | 114,428 | (823,842) | 562,304 |
| Computer Hardware | 17,745,619 | 2,313,302 | (3,747,324) | 16,311,597 |
| Total | \$569,476,870 | \$78,157,013 | \$(42,066,792) | \$605,567,091 |

| Accumulated Amortization: | Opening Accumulated Amortization | Additions | Disposals | Total 2021 |
|---------------------------|--|---------------------|----------------------|----------------------|
| Sites | \$ - | \$ - | \$ - | \$ - |
| Buildings | 229,319,010 | 10,649,900 | - | 239,968,910 |
| Furniture & Equipment | 4,726,611 | 1,101,865 | (829,383) | 4,999,093 |
| Vehicles | 1,862,418 | 368,270 | (268,371) | 1,962,317 |
| Computer Software | 967,239 | 183,402 | (823,842) | 326,799 |
| Computer Hardware | 7,537,241 | 3,523,695 | (3,747,324) | 7,313,612 |
| Total | \$244,412,519 | \$15,827,132 | \$(5,668,920) | \$254,570,731 |

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 12 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2020

| Cost: | Opening Cost | Additions | Disposals | Total 2020 |
|-----------------------|----------------------|---------------------|----------------------|----------------------|
| Sites | \$55,169,613 | \$ - | \$ - | \$55,169,613 |
| Buildings | 441,442,043 | 4,523,405 | - | 445,965,448 |
| Buildings - WIP | 9,786,807 | 25,398,982 | - | 35,185,789 |
| Furniture & Equipment | 9,007,329 | 2,089,389 | (638,710) | 10,458,008 |
| Vehicles | 3,530,318 | 354,380 | (204,023) | 3,680,675 |
| Computer Software | 1,806,036 | 97,580 | (631,898) | 1,271,718 |
| Computer Hardware | 15,783,276 | 4,972,205 | (3,009,862) | 17,745,619 |
| Total | \$536,525,422 | \$37,435,941 | \$(4,484,493) | \$569,476,870 |

| Accumulated Amortization: | Opening Accumulated Amortization | Additions | Disposals | Total 2020 |
|---------------------------|--|---------------------|----------------------|----------------------|
| Sites | \$ - | \$ - | \$ - | \$ - |
| Buildings | 219,207,534 | 10,111,476 | - | 229,319,010 |
| Furniture & Equipment | 4,392,054 | 973,267 | (638,710) | 4,726,611 |
| Vehicles | 1,701,237 | 365,204 | (204,023) | 1,862,418 |
| Computer Software | 1,291,361 | 307,776 | (631,898) | 967,239 |
| Computer Hardware | 7,058,389 | 3,406,804 | (2,927,952) | 7,537,241 |
| Total | \$233,650,575 | \$15,164,527 | \$(4,402,583) | \$244,412,519 |

- Included in capital assets is equipment under capital lease with a cost of \$10,551,201 (2020 - \$11,820,892) and accumulated amortization of \$4,958,982 (2020 - \$4,899,844).
- Buildings - work in progress (WIP) having a value of \$31,065,744 (2020 - \$35,185,789) have not been amortized. Amortization of these assets will commence when the asset is put into service.

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 13 EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trustee pension plans. The board of trustees for these plans, representing plan members and employers, are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits provided are based on a formula. As at December 31, 2020, the Teachers' Pension Plan has about 49,000 active members and approximately 40,000 retired members. As at December 31, 2020, the Municipal Pension Plan has about 220,000 active members, including approximately 28,000 from school districts.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plans. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plans. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2017 indicated a \$1,656 million surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2020 with results available in the last quarter of 2021.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2018 indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2021 with results available in 2022.

Employers participating in the plans record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plans record accrued liabilities and accrued assets for each plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plans.

School District #38 (Richmond) paid \$19,476,933 (2020 - \$18,468,243) for employer contributions to these plans in the year ended June 30, 2021.

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 14 INTERFUND TRANSFERS

Interfund transfers between the operating, special purpose and capital funds for the year ended June 30, 2021, were as follows:

| | Operating Fund | | Special Purpose Funds | | Capital Fund | |
|---|----------------------|-----------------------|-----------------------|--------------------|--------------------|---------------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Funding Local Capital Reserve as permitted under School Act | \$(5,696,429) | \$(10,330,909) | \$- | \$- | \$5,696,429 | \$10,330,909 |
| Capital assets purchased | (446,798) | (806,525) | (1,271,452) | (948,531) | 1,718,250 | 1,755,0565 |
| | <u>\$(6,143,227)</u> | <u>\$(11,137,434)</u> | <u>\$(1,271,452)</u> | <u>\$(948,531)</u> | <u>\$7,414,679</u> | <u>\$12,085,965</u> |

NOTE 15 RELATED PARTY TRANSACTIONS

The School District is related through common ownership to all Province of British Columbia ministries, agencies, school districts, health authorities, colleges, universities, and crown corporations. Transactions with these entities, unless disclosed separately, are considered to be in the normal course of operations and are recorded at the exchange amount.

NOTE 16 BUDGET FIGURES

Budget figures, included in the financial statements, are the School District's Amended Annual budget approved by the Board through the adoption of an Amended Annual Budget on February 24, 2021. Changes between the Annual Budget (approved by the Board on June 10, 2020) and the Amended Annual Budget are listed below:

| | Annual Budget | Amended Budget | Change |
|-------------------------------|----------------------|----------------------|------------------|
| Statement 2 | | | |
| Total Revenue | \$263,901,849 | \$272,413,022 | \$8,511,173 |
| Total Expense | 273,293,906 | 280,938,334 | 7,644,428 |
| Budgeted Deficit for the year | <u>\$(9,392,057)</u> | <u>\$(8,525,312)</u> | <u>\$866,745</u> |

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 16 BUDGET FIGURES *(Continued)*

| | Annual Budget | Amended Budget | Change |
|---|------------------|-------------------|---------------|
| Statement 4 | | | |
| Deficit for the year | \$(9,392,057) | \$(8,525,312) | \$866,745 |
| Total Effect of change in Tangible Capital Assets | (28,918,157) | (34,183,919) | (5,265,762) |
| (Increase) Decrease in Net Financial Assets (Debt) | \$(38,310,214) | \$(42,709,231) | \$(4,399,017) |

Significant changes between the annual and amended budget were:

Statement 2

Total Revenue

- Budgeted revenues were amended based on actual student enrolment, increased student tuition fees revenue, increased classroom enhancement fund staffing grant, one-time safe return to school grant and one-time safe return to class grant.

Total Expense

- Budgeted expenses were amended based on revised projections/cost estimates, the additional staffing costs for the classroom enhancement fund staffing grant and increased expenses for the safe return to school and safe return to class grants related to adherence to the new health and safety guidelines dealing with the ongoing impact of the pandemic.

NOTE 17 CONTINGENT LIABILITIES

In the ordinary course of operations, the School District has legal proceedings brought against it. It is the opinion of management that final determination of these claims will not have a material effect on the financial position or operations of the School District.

NOTE 18 EXPENSE BY OBJECT

| | 2021 | 2020 |
|-----------------------|----------------------|----------------------|
| Salaries and benefits | \$235,071,001 | \$221,225,048 |
| Services and supplies | 22,155,770 | 24,960,354 |
| Interest | 173,656 | 193,618 |
| Amortization | 15,827,132 | 15,164,527 |
| | <u>\$273,227,559</u> | <u>\$261,543,547</u> |

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 19 ACCUMULATED SURPLUS

Accumulated surplus balances are comprised of:

| | 2021 | 2020 |
|--|---------------|---------------|
| Invested in Tangible Capital Assets | \$118,516,539 | \$117,330,741 |
| Local Capital Internally Restricted by Board for: | | |
| Restricted - Capital Leases | 7,308,000 | 7,604,152 |
| Restricted - Current Capital Projects | 11,920,747 | 6,996,719 |
| Restricted - Future Capital Projects | 32,857,158 | 32,857,158 |
| Restricted - Board Approved | - | 5,089,000 |
| Restricted - Under Review by Board | 3,266,488 | 3,466,506 |
| Restricted - Contingency Reserves | 2,000,000 | 2,000,000 |
| Subtotal Internally Restricted | 57,352,393 | 58,013,535 |
| Capital Surplus | \$175,868,932 | \$175,344,276 |
| Internally Restricted (Appropriated) by Board for: | | |
| 2021/22 Budget Appropriation | 3,600,134 | 7,707,769 |
| 2021/22 Online Learning K-9 | 597,050 | - |
| School/Staff Account Balances | 6,840,291 | 5,390,399 |
| Outstanding Purchase Orders | 338,747 | 269,600 |
| School Generated Funds | 2,270,000 | 2,270,000 |
| Subtotal Internally Restricted | \$13,646,222 | \$15,637,768 |
| Unrestricted Operating Surplus | 1,298,065 | 3,357,918 |
| Total Operating Surplus, Restricted and Unrestricted | \$14,944,287 | \$18,995,686 |
| Total Accumulated Surplus | \$190,813,219 | \$194,339,962 |

NOTE 20 OTHER REVENUE

Other Revenue, shown on Statement 2, comprises the following:

| | 2021 | 2020 |
|---|-------------|-------------|
| Operating Fund: | | |
| Other School District/Education Authorities | \$504,000 | \$495,000 |
| Miscellaneous: | | |
| Cafeteria | 146,661 | 218,579 |
| Miscellaneous | 10,566 | 7,732 |
| Recognition of Unrestricted School | | |
| Generated Funds | - | 670,000 |
| | \$661,227 | \$1,391,311 |
| Special Purpose Funds: | | |
| School Generated Funds | 2,236,511 | 5,380,856 |
| Scholarships and Bursaries | 64,130 | - |
| Educational Trust Funds | 425,683 | 282,763 |
| Strong Start | 8,668 | 11,912 |
| Community Literacy | 10,000 | - |
| | \$2,744,992 | \$5,675,531 |
| Total Other Revenue | \$3,406,219 | \$7,066,842 |

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 21 ECONOMIC DEPENDENCE

The operations of the School District are dependent on continued funding from the Ministry of Education and various governmental agencies to carry out its programs. These financial statements have been prepared on a going concern basis.

NOTE 22 SUPPLEMENTARY CASH FLOW INFORMATION

During the year, the School District had acquired tangible capital assets under capital leases of \$946,227 (2020 - \$3,390,008).

NOTE 23 CONTRACTUAL OBLIGATIONS

The School District has entered into a number of multiple-year contracts for the construction of tangible capital assets. These contractual obligations will become liabilities in the future when the terms of the contracts are met. Disclosure relates to the unperformed portion of the contracts.

| | 2022 | 2023 | 2024 |
|--|--------------|--------------|-------------|
| Approved Capital Projects - Unperformed Portion | \$24,114,980 | \$13,012,563 | \$2,177,030 |

NOTE 24 RISK MANAGEMENT

The School District has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk.

The Board ensures that the School District has identified its risks and ensures that management monitors and controls them.

a) Credit risk:

Credit risk is the risk of financial loss to an institution if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held consisting of cash, amounts receivable and investments.

The School District is exposed to credit risk in the event of non-performance by a debtor. This risk is mitigated as most amount receivables are due from the Province and are collectible.

It is management's opinion that the School District is not exposed to significant credit risk associated with its cash deposits and investments as they are placed in recognized British Columbia institutions and the School District invests solely in guaranteed investment certificates and term deposits.

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 24 RISK MANAGEMENT *(Continued)*

b) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk and interest rate risk.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. It is management's opinion that the School District is not exposed to significant currency risk, as amounts held and purchases made in foreign currency are insignificant.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The School District is exposed to interest rate risk through its investments. It is management's opinion that the School District is not exposed to significant interest rate risk as they invest primarily in guaranteed investment certificates and term deposits that have a maturity date of no more than 3 years.

c) Liquidity risk

Liquidity risk is the risk that the School District will not be able to meet its financial obligations as they become due.

The School District manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the School District's reputation.

Risk Management and insurance services for all School Districts in British Columbia are provided by the Risk Management Branch of the Ministry of Finance. There have been no changes to risk exposure from 2020 related to credit, market or liquidity risks.

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

FINANCIAL STATEMENT PRESENTATION – BY FUND (UNAUDITED)

While Canadian public sector accounting standards (“PSA Standards”) require that financial information for each fund be presented separately within the unaudited Schedules to these financial statements, there is no reporting requirement to provide segmented summary information.

Thus, for the reader’s ease of use of these financial statements, this information is presented below, for both the Statement of Financial Position and the Statement of Operations.

i) **Statement of Financial Position by Fund**

| | Operating Fund | Special Purpose Funds | Capital Fund | Total June 30, 2021 | Total June 30, 2020 |
|---|--------------------|--------------------------|----------------------|------------------------|------------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Financial Assets | | | | | |
| Cash and Cash Equivalents | 142,118,852 | 3,754,604 | - | 145,873,456 | 149,904,492 |
| Accounts Receivable | | | | | |
| Due from Province - Ministry of Education | 500 | 87,933 | - | 88,433 | 92,598 |
| Other | 3,144,702 | 499,159 | - | 3,643,861 | 3,273,839 |
| Portfolio Investments | - | 771,478 | | 771,478 | 759,793 |
| Total Financial Assets | 145,264,054 | 5,113,174 | - | 150,377,228 | 154,030,722 |
| Liabilities | | | | | |
| Accounts Payable and Accrued Liabilities | | | | | |
| Due to Province - Ministry of Education | - | - | - | - | 160,056 |
| Due to Province - Other | 82,425 | - | - | 82,425 | - |
| Other | 26,954,401 | 199,248 | 1,613,782 | 28,767,431 | 27,180,525 |
| Due To/From | 79,090,090 | (2,423,565) | (76,666,525) | - | - |
| Unearned Revenue | 11,874,003 | - | - | 11,874,003 | 13,018,907 |
| Deferred Revenue | - | 7,337,491 | - | 7,337,491 | 7,468,261 |
| Deferred Capital Revenue | - | - | 246,761,487 | 246,761,487 | 220,098,761 |
| Employee Future Benefits | 12,842,605 | - | - | 12,842,605 | 12,249,605 |
| Capital Lease Obligations | - | - | 3,418,684 | 3,418,684 | 5,048,794 |
| Total Liabilities | 130,843,524 | 5,113,174 | 175,127,428 | 311,084,126 | 285,224,909 |
| Net Financial Assets (Debt) | 14,420,530 | - | (175,127,428) | (160,706,898) | (131,194,187) |
| Non-Financial Assets | | | | | |
| Tangible Capital Assets | - | - | 350,996,360 | 350,996,360 | 325,064,351 |
| Prepaid Expenses | 523,757 | - | - | 523,757 | 469,798 |
| Total Non-Financial Assets | 523,757 | - | 350,996,360 | 351,520,117 | 325,534,149 |
| Accumulated Surplus (Deficit) | 14,944,287 | - | 175,868,932 | 190,813,219 | 194,339,962 |

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

FINANCIAL STATEMENT PRESENTATION – BY FUND (UNAUDITED)

ii) Statement of Operations by Fund

| | 2021 Budget (Total) | Operating Fund | Special Purpose Funds | Capital Fund | 2021 Actual Total | 2020 Actual Total |
|---|---------------------------|--------------------|--------------------------|--------------------|-------------------------|-------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Revenues | | | | | | |
| Provincial Grants | | | | | | |
| Ministry of Education | 240,084,823 | 192,862,941 | 47,098,870 | - | 239,961,811 | 227,442,707 |
| Other | 290,400 | 48,986 | - | - | 48,986 | 86,758 |
| Federal Grants | 1,747,645 | - | 1,645,264 | - | 1,645,264 | 1,490,069 |
| Tuition | 13,888,921 | 13,133,152 | - | - | 13,133,152 | 19,954,804 |
| Other Revenue | 4,819,258 | 661,227 | 2,744,992 | - | 3,406,219 | 7,066,842 |
| Rentals and Leases | 946,164 | 977,455 | - | - | 977,455 | 1,137,768 |
| Investment Income | 1,631,722 | 872,768 | 16,000 | 776,341 | 1,665,109 | 2,799,724 |
| Gain (Loss) on Disposal of Tangible Capital Assets | - | - | - | 12,913 | 12,913 | (81,910) |
| Amortization of Deferred Capital Revenue | 9,004,089 | - | - | 8,849,907 | 8,849,907 | 8,354,229 |
| Total Revenue | 272,413,022 | 208,556,529 | 51,505,126 | 9,639,161 | 269,700,816 | 268,250,991 |
| Expenses | | | | | | |
| Instruction | 222,392,430 | 173,089,384 | 43,566,203 | - | 216,655,587 | 210,741,273 |
| District Administration | 7,625,158 | 6,681,873 | 833,720 | - | 7,515,593 | 6,746,307 |
| Operations and Maintenance | 48,863,856 | 25,310,215 | 5,833,751 | 15,987,258 | 47,131,224 | 42,111,376 |
| Transportation and Housing | 1,876,890 | 1,383,229 | - | 368,270 | 1,751,499 | 1,750,973 |
| Debt Services | 180,000 | - | - | 173,656 | 173,656 | 193,618 |
| Total Expense | 280,938,334 | 206,464,701 | 50,233,674 | 16,529,184 | 273,227,559 | 261,543,547 |
| Surplus (Deficit) for the year | (8,525,312) | 2,091,828 | 1,271,452 | (6,890,023) | (3,526,743) | 6,707,444 |
| Accumulated Surplus (Deficit) from Operations, beginning of year | | 18,995,686 | - | 175,344,276 | 194,339,962 | 187,632,518 |
| Interfund Transfers (Note 14) | | (6,143,227) | (1,271,452) | 7,414,679 | - | - |
| Accumulated Surplus (Deficit) from Operations, end of year | | 14,944,287 | - | 175,868,932 | 190,813,219 | 194,339,962 |

School District No. 38 (Richmond)
Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2021

Schedule 1 (Unaudited)

| | Operating Fund | Special Purpose Fund | Capital Fund | 2021 Actual | 2020 Actual |
|---|--------------------|-------------------------|--------------------|--------------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Accumulated Surplus (Deficit), beginning of year | 18,995,686 | | 175,344,276 | 194,339,962 | 187,632,518 |
| Changes for the year | | | | | |
| Surplus (Deficit) for the year | 2,091,828 | 1,271,452 | (6,890,023) | (3,526,743) | 6,707,444 |
| Interfund Transfers | (446,798) | (1,271,452) | 1,718,250 | - | |
| Tangible Capital Assets Purchased | (5,696,429) | | 5,696,429 | - | |
| Local Capital | | | | | |
| Net Changes for the year | (4,051,399) | - | 524,656 | (3,526,743) | 6,707,444 |
| Accumulated Surplus (Deficit), end of year - Statement 2 | 14,944,287 | - | 175,868,932 | 190,813,219 | 194,339,962 |

School District No. 38 (Richmond)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2021

| | 2021 Budget | 2021 Actual | 2020 Actual |
|---|--------------------|--------------------|---------------------|
| | \$ | \$ | \$ |
| Revenues | | | |
| Provincial Grants | | | |
| Ministry of Education | 192,019,526 | 192,862,941 | 188,491,472 |
| Other | 290,400 | 48,986 | 86,758 |
| Tuition | 13,888,921 | 13,133,152 | 19,954,804 |
| Other Revenue | 626,058 | 661,227 | 1,391,311 |
| Rentals and Leases | 946,164 | 977,455 | 1,137,768 |
| Investment Income | 865,522 | 872,768 | 1,411,380 |
| Total Revenue | 208,636,591 | 208,556,529 | 212,473,493 |
| Expenses | | | |
| Instruction | 176,438,393 | 173,089,384 | 167,020,112 |
| District Administration | 6,861,110 | 6,681,873 | 5,960,387 |
| Operations and Maintenance | 26,840,483 | 25,310,215 | 26,208,119 |
| Transportation and Housing | 1,507,374 | 1,383,229 | 1,385,769 |
| Total Expense | 211,647,360 | 206,464,701 | 200,574,387 |
| Operating Surplus (Deficit) for the year | (3,010,769) | 2,091,828 | 11,899,106 |
| Budgeted Appropriation (Retirement) of Surplus (Deficit) | 7,707,769 | | |
| Net Transfers (to) from other funds | | | |
| Tangible Capital Assets Purchased | - | (446,798) | (806,525) |
| Local Capital | (4,697,000) | (5,696,429) | (10,330,909) |
| Total Net Transfers | (4,697,000) | (6,143,227) | (11,137,434) |
| Total Operating Surplus (Deficit), for the year | - | (4,051,399) | 761,672 |
| Operating Surplus (Deficit), beginning of year | | 18,995,686 | 18,234,014 |
| Operating Surplus (Deficit), end of year | | 14,944,287 | 18,995,686 |
| Operating Surplus (Deficit), end of year | | | |
| Internally Restricted (Note 19) | | 13,646,222 | 15,637,768 |
| Unrestricted | | 1,298,065 | 3,357,918 |
| Total Operating Surplus (Deficit), end of year | | 14,944,287 | 18,995,686 |

School District No. 38 (Richmond)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2021

| | 2021 Budget | 2021 Actual | 2020 Actual |
|--|--------------------|--------------------|--------------------|
| | \$ | \$ | \$ |
| Provincial Grants - Ministry of Education | | | |
| Operating Grant, Ministry of Education | 182,987,023 | 183,472,569 | 181,050,244 |
| Other Ministry of Education Grants | | | |
| Pay Equity | 2,215,706 | 2,215,706 | 2,215,706 |
| Funding for Graduated Adults | 254,999 | 612,868 | 127,666 |
| Student Transportation Fund | 21,608 | 21,608 | 21,608 |
| Carbon Tax Grant | | | 144,720 |
| Employer Health Tax Grant | | | 1,568,622 |
| Support Staff Benefits Grant | 219,746 | 219,746 | 105,062 |
| Support Staff Wage Increase Funding | | | 825,057 |
| Teachers' Labour Settlement Funding | 5,816,048 | 5,816,048 | 2,401,391 |
| Early Career Mentorship Funding | 470,000 | 470,000 | - |
| FSA Scorer Grant | 27,292 | 27,292 | 27,292 |
| Other Misc and One-Time Grants | 7,104 | 7,104 | 4,104 |
| Total Provincial Grants - Ministry of Education | 192,019,526 | 192,862,941 | 188,491,472 |
| Provincial Grants - Other | 290,400 | 48,986 | 86,758 |
| Tuition | | | |
| Summer School Fees | 240,571 | 280,681 | 474,630 |
| Continuing Education | 727,229 | 860,763 | 1,061,306 |
| International and Out of Province Students | 12,921,121 | 11,991,708 | 18,418,868 |
| Total Tuition | 13,888,921 | 13,133,152 | 19,954,804 |
| Other Revenues | | | |
| Other School District/Education Authorities | 504,000 | 504,000 | 495,000 |
| Miscellaneous | | | |
| Cafeteria | 119,058 | 146,661 | 218,579 |
| Miscellaneous | 3,000 | 10,566 | 7,732 |
| Recognition of Unrestricted School Generated Funds | - | - | 670,000 |
| Total Other Revenue | 626,058 | 661,227 | 1,391,311 |
| Rentals and Leases | 946,164 | 977,455 | 1,137,768 |
| Investment Income | 865,522 | 872,768 | 1,411,380 |
| Total Operating Revenue | 208,636,591 | 208,556,529 | 212,473,493 |

School District No. 38 (Richmond)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2021

| | 2021 Budget | 2021 Actual | 2020 Actual |
|-------------------------------------|--------------------|--------------------|--------------------|
| | \$ | \$ | \$ |
| Salaries | | | |
| Teachers | 90,983,621 | 90,983,264 | 88,406,649 |
| Principals and Vice Principals | 13,369,298 | 13,277,993 | 13,005,265 |
| Educational Assistants | 14,989,738 | 14,505,185 | 13,131,962 |
| Support Staff | 21,651,867 | 20,242,524 | 20,882,164 |
| Other Professionals | 6,096,836 | 6,493,908 | 5,860,488 |
| Substitutes | 8,235,995 | 7,203,406 | 6,858,177 |
| Total Salaries | 155,327,355 | 152,706,280 | 148,144,705 |
| Employee Benefits | 38,838,755 | 38,424,555 | 34,905,797 |
| Total Salaries and Benefits | 194,166,110 | 191,130,835 | 183,050,502 |
| Services and Supplies | | | |
| Services | 6,815,652 | 5,873,115 | 7,253,347 |
| Student Transportation | 14,600 | - | 8,022 |
| Professional Development and Travel | 683,592 | 516,516 | 796,603 |
| Rentals and Leases | 253,644 | 227,225 | 260,793 |
| Dues and Fees | 138,283 | 115,993 | 93,662 |
| Insurance | 546,708 | 495,023 | 481,567 |
| Supplies | 6,133,078 | 4,978,976 | 5,642,641 |
| Utilities | 2,895,693 | 3,127,018 | 2,987,250 |
| Total Services and Supplies | 17,481,250 | 15,333,866 | 17,523,885 |
| Total Operating Expense | 211,647,360 | 206,464,701 | 200,574,387 |

School District No. 38 (Richmond)

Operating Expense by Function, Program and Object
Year Ended June 30, 2021

Schedule 2C (Unaudited)

| | Teachers Salaries | Principals and Vice Principals Salaries | Educational Assistants Salaries | Support Staff Salaries | Other Professionals Salaries | Substitutes Salaries | Total Salaries |
|---|----------------------|---|---------------------------------------|------------------------------|------------------------------------|-------------------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 1 Instruction | | | | | | | |
| 1.02 Regular Instruction | 70,180,578 | 2,572,395 | | 1,152,917 | | 5,149,153 | 79,055,043 |
| 1.03 Career Programs | 117,952 | | | 434,353 | | | 552,305 |
| 1.07 Library Services | 1,522,925 | | | 579,501 | | | 2,102,426 |
| 1.08 Counselling | 2,598,896 | | | | | | 2,598,896 |
| 1.10 Special Education | 6,115,556 | | 14,505,185 | | | 815,638 | 21,436,379 |
| 1.30 English Language Learning | 6,128,798 | | | 141,192 | | | 6,269,990 |
| 1.31 Indigenous Education | 299,917 | | | 26,435 | | | 326,352 |
| 1.41 School Administration | | 10,048,111 | | 4,359,111 | | 351,404 | 14,758,626 |
| 1.60 Summer School | 726,253 | 135,721 | | | | | 861,974 |
| 1.61 Continuing Education | 562,618 | 356,112 | | 117,651 | 94,313 | 288,666 | 1,419,360 |
| 1.62 International and Out of Province Students | 2,729,771 | 18,363 | | 208,186 | 732,053 | | 3,688,373 |
| 1.64 Other | | | | | | | - |
| Total Function 1 | 90,983,264 | 13,130,702 | 14,505,185 | 7,019,346 | 826,366 | 6,604,861 | 133,069,724 |
| 4 District Administration | | | | | | | |
| 4.11 Educational Administration | | | | 202,928 | 2,349,139 | 1,060 | 2,553,127 |
| 4.40 School District Governance | | | | | 197,584 | | 197,584 |
| 4.41 Business Administration | | 147,291 | | 985,126 | 1,429,605 | 573 | 2,562,595 |
| Total Function 4 | - | 147,291 | - | 1,188,054 | 3,976,328 | 1,633 | 5,313,306 |
| 5 Operations and Maintenance | | | | | | | |
| 5.41 Operations and Maintenance Administration | | | | 145,331 | 1,691,214 | 10,624 | 1,847,169 |
| 5.50 Maintenance Operations | | | | 10,323,473 | | 520,930 | 10,844,403 |
| 5.52 Maintenance of Grounds | | | | 824,878 | | | 824,878 |
| 5.56 Utilities | | | | | | | - |
| Total Function 5 | - | - | - | 11,293,682 | 1,691,214 | 531,554 | 13,516,450 |
| 7 Transportation and Housing | | | | | | | |
| 7.70 Student Transportation | | | | 741,442 | | 65,358 | 806,800 |
| Total Function 7 | - | - | - | 741,442 | - | 65,358 | 806,800 |
| 9 Debt Services | | | | | | | |
| Total Function 9 | - | - | - | - | - | - | - |
| Total Functions 1 - 9 | 90,983,264 | 13,277,993 | 14,505,185 | 20,242,524 | 6,493,908 | 7,203,406 | 152,706,280 |

School District No. 38 (Richmond)

Operating Expense by Function, Program and Object
Year Ended June 30, 2021

Schedule 2C (Unaudited)

| | Total Salaries \$ | Employee Benefits \$ | Total Salaries and Benefits \$ | Services and Supplies \$ | 2021 Actual \$ | 2021 Budget \$ | 2020 Actual \$ |
|---|-------------------------|----------------------------|--------------------------------------|--------------------------------|----------------------|----------------------|----------------------|
| 1 Instruction | | | | | | | |
| 1.02 Regular Instruction | 79,055,043 | 20,349,020 | 99,404,063 | 2,459,229 | 101,863,292 | 104,213,722 | 96,984,857 |
| 1.03 Career Programs | 552,305 | 143,582 | 695,887 | 322,026 | 1,017,913 | 1,172,454 | 1,063,853 |
| 1.07 Library Services | 2,102,426 | 498,533 | 2,600,959 | 384,543 | 2,985,502 | 3,011,278 | 2,678,096 |
| 1.08 Counselling | 2,598,896 | 578,816 | 3,177,712 | 1,623 | 3,179,335 | 3,300,831 | 2,652,401 |
| 1.10 Special Education | 21,436,379 | 6,265,105 | 27,701,484 | 691,446 | 28,392,930 | 28,109,160 | 27,116,276 |
| 1.30 English Language Learning | 6,269,990 | 1,516,575 | 7,786,565 | 6,695 | 7,793,260 | 8,001,480 | 5,682,379 |
| 1.31 Indigenous Education | 326,352 | 80,331 | 406,683 | 58,681 | 465,364 | 394,758 | 432,362 |
| 1.41 School Administration | 14,758,626 | 3,269,690 | 18,028,316 | 241,682 | 18,269,998 | 18,997,145 | 17,807,817 |
| 1.60 Summer School | 861,974 | 149,835 | 1,011,809 | 33,181 | 1,044,990 | 999,050 | 1,078,366 |
| 1.61 Continuing Education | 1,419,360 | 228,370 | 1,647,730 | 191,258 | 1,838,988 | 2,027,535 | 1,929,017 |
| 1.62 International and Out of Province Students | 3,688,373 | 867,213 | 4,555,586 | 1,672,980 | 6,228,566 | 6,201,548 | 9,585,534 |
| 1.64 Other | - | - | - | 9,246 | 9,246 | 9,432 | 9,154 |
| Total Function 1 | 133,069,724 | 33,947,070 | 167,016,794 | 6,072,590 | 173,089,384 | 176,438,393 | 167,020,112 |
| 4 District Administration | | | | | | | |
| 4.11 Educational Administration | 2,553,127 | 523,877 | 3,077,004 | 142,279 | 3,219,283 | 2,945,456 | 2,586,559 |
| 4.40 School District Governance | 197,584 | 11,842 | 209,426 | 93,251 | 302,677 | 329,417 | 291,914 |
| 4.41 Business Administration | 2,562,595 | 563,264 | 3,125,859 | 34,054 | 3,159,913 | 3,586,237 | 3,081,914 |
| Total Function 4 | 5,313,306 | 1,098,983 | 6,412,289 | 269,584 | 6,681,873 | 6,861,110 | 5,960,387 |
| 5 Operations and Maintenance | | | | | | | |
| 5.41 Operations and Maintenance Administration | 1,847,169 | 372,964 | 2,220,133 | 860,074 | 3,080,207 | 3,293,672 | 2,840,895 |
| 5.50 Maintenance Operations | 10,844,403 | 2,612,377 | 13,456,780 | 4,406,647 | 17,863,427 | 19,452,320 | 19,211,541 |
| 5.52 Maintenance of Grounds | 824,878 | 191,678 | 1,016,556 | 223,007 | 1,239,563 | 1,198,798 | 1,168,433 |
| 5.56 Utilities | - | - | - | 3,127,018 | 3,127,018 | 2,895,693 | 2,987,250 |
| Total Function 5 | 13,516,450 | 3,177,019 | 16,693,469 | 8,616,746 | 25,310,215 | 26,840,483 | 26,208,119 |
| 7 Transportation and Housing | | | | | | | |
| 7.70 Student Transportation | 806,800 | 201,483 | 1,008,283 | 374,946 | 1,383,229 | 1,507,374 | 1,385,769 |
| Total Function 7 | 806,800 | 201,483 | 1,008,283 | 374,946 | 1,383,229 | 1,507,374 | 1,385,769 |
| 9 Debt Services | | | | | | | |
| Total Function 9 | - | - | - | - | - | - | - |
| Total Functions 1 - 9 | 152,706,280 | 38,424,555 | 191,130,835 | 15,333,866 | 206,464,701 | 211,647,360 | 200,574,387 |

School District No. 38 (Richmond)

Schedule of Special Purpose Operations

Year Ended June 30, 2021

Schedule 3 (Unaudited)

| | 2021 Budget | 2021 Actual | 2020 Actual |
|---|--------------------|--------------------|-------------------|
| | \$ | \$ | \$ |
| Revenues | | | |
| Provincial Grants | | | |
| Ministry of Education | 48,065,297 | 47,098,870 | 38,951,235 |
| Federal Grants | 1,747,645 | 1,645,264 | 1,490,069 |
| Other Revenue | 4,193,200 | 2,744,992 | 5,675,531 |
| Investment Income | 16,200 | 16,000 | 42,326 |
| Total Revenue | 54,022,342 | 51,505,126 | 46,159,161 |
| Expenses | | | |
| Instruction | 45,954,037 | 43,566,203 | 43,721,161 |
| District Administration | 764,048 | 833,720 | 785,920 |
| Operations and Maintenance | 6,186,880 | 5,833,751 | 703,549 |
| Total Expense | 52,904,965 | 50,233,674 | 45,210,630 |
| Special Purpose Surplus (Deficit) for the year | 1,117,377 | 1,271,452 | 948,531 |
| Net Transfers (to) from other funds | | | |
| Tangible Capital Assets Purchased | (1,117,377) | (1,271,452) | (948,531) |
| Total Net Transfers | (1,117,377) | (1,271,452) | (948,531) |
| Total Special Purpose Surplus (Deficit) for the year | - | - | - |
| Special Purpose Surplus (Deficit), beginning of year | | | |
| Special Purpose Surplus (Deficit), end of year | | - | - |

School District No. 38 (Richmond)
Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2021

Schedule 3A (Unaudited)

| | Annual Facility Grant | Learning Improvement Fund | Scholarships and Bursaries | School Generated Funds | Strong Start | Ready, Set, Learn | OIEP | Community LINK | Classroom Enhancement Fund - Overhead |
|--|-----------------------------|---------------------------------|----------------------------------|------------------------------|-----------------|-------------------------|---------|----------------|---|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Deferred Revenue, beginning of year | - | 287,295 | 1,078,475 | 5,355,731 | 46,300 | 117,969 | 20,445 | 78,046 | - |
| Add: Restricted Grants | | | | | | | | | |
| Provincial Grants - Ministry of Education | 829,133 | 669,476 | | | 224,000 | 93,100 | 299,563 | 772,476 | 4,841,324 |
| Federal Grants | | | 10,750 | 2,000,513 | 8,668 | | | | |
| Other | | | 15,045 | | | | | | |
| Investment Income | | | | | | | | | |
| Less: Allocated to Revenue | 829,133 | 669,476 | 25,795 | 2,000,513 | 232,668 | 93,100 | 299,563 | 772,476 | 4,841,324 |
| Recovered | 829,133 | 667,522 | 79,175 | 2,236,511 | 211,644 | 113,123 | 266,290 | 822,501 | 4,841,324 |
| Deferred Revenue, end of year | - | 289,249 | 1,025,095 | 5,119,733 | 67,324 | 97,946 | 53,718 | 28,021 | - |
| Revenues | | | | | | | | | |
| Provincial Grants - Ministry of Education | 829,133 | 667,522 | | | 202,976 | 113,123 | 266,290 | 822,501 | 4,841,324 |
| Federal Grants | | | 64,130 | 2,236,511 | 8,668 | | | | |
| Other Revenue | | | 15,045 | | | | | | |
| Investment Income | | | 79,175 | 2,236,511 | 211,644 | 113,123 | 266,290 | 822,501 | 4,841,324 |
| Expenses | | | | | | | | | |
| Salaries | | | | | | | | | |
| Teachers | | | | | | | | | |
| Principals and Vice Principals | | | | | 47,645 | | 95,682 | | 238,899 |
| Educational Assistants | | | | | | | | 331,357 | 2,241,188 |
| Support Staff | | 564,739 | | | 16,692 | | | | 524,880 |
| Other Professionals | | | | | | | | | 206,241 |
| Substitutes | | | | | | | | | 556,865 |
| Employee Benefits | | 564,739 | - | - | 64,337 | | 95,682 | 331,357 | 3,768,073 |
| Services and Supplies | 61,756 | 102,783 | 79,175 | 2,236,511 | 42,413 | 15,262 | 22,192 | 87,755 | 925,790 |
| | 61,756 | 667,522 | 79,175 | 2,236,511 | 9,877 | 33,524 | 140,598 | 403,389 | 2,379 |
| | | | | | 211,644 | 113,123 | 258,472 | 822,501 | 4,696,242 |
| Net Revenue (Expense) before Interfund Transfers | 767,377 | - | - | - | - | - | 7,818 | - | 145,082 |
| Interfund Transfers | | | | | | | | | |
| Tangible Capital Assets Purchased | (767,377) | | | | | | (7,818) | | (145,082) |
| | (767,377) | - | - | - | - | - | (7,818) | - | (145,082) |
| Net Revenue (Expense) | - | - | - | - | - | - | - | - | - |

Schedule 3A (Unaudited)

Version: 1990-1244-8262
September 07, 2021 10:19

School District No. 38 (Richmond)
Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2021

| | Educational Trust Fund | LINC/ SWIS | TOTAL |
|---|------------------------------|---------------|-------------|
| | \$ | \$ | \$ |
| Deferred Revenue, beginning of year | 186,124 | 121,770 | 7,468,261 |
| Add: Restricted Grants | | | |
| Provincial Grants - Ministry of Education | | | 47,455,136 |
| Federal Grants | | 1,577,892 | 1,577,892 |
| Other | 423,247 | | 2,443,178 |
| Investment Income | 955 | | 16,000 |
| Less: Allocated to Revenue | 424,202 | 1,577,892 | 51,492,206 |
| Recovered | 426,638 | 1,645,264 | 51,505,126 |
| Deferred Revenue, end of year | 183,688 | 54,398 | 7,337,491 |
| Revenues | | | |
| Provincial Grants - Ministry of Education | | | 47,098,870 |
| Federal Grants | | 1,645,264 | 1,645,264 |
| Other Revenue | 425,683 | | 2,744,992 |
| Investment Income | 955 | | 16,000 |
| | 426,638 | 1,645,264 | 51,505,126 |
| Expenses | | | |
| Salaries | | | |
| Teachers | | | 26,759,612 |
| Principals and Vice Principals | | | 238,899 |
| Educational Assistants | | | 3,313,330 |
| Support Staff | | 571,113 | 3,329,474 |
| Other Professionals | | 91,046 | 297,287 |
| Substitutes | | 334,649 | 2,056,970 |
| Employee Benefits | - | 996,808 | 35,995,572 |
| Services and Supplies | | 229,207 | 7,944,594 |
| | 426,638 | 367,091 | 6,293,508 |
| | 426,638 | 1,593,106 | 50,233,674 |
| Net Revenue (Expense) before Interfund Transfers | - | 52,158 | 1,271,452 |
| Interfund Transfers | | | |
| Tangible Capital Assets Purchased | | (52,158) | (1,271,452) |
| | - | (52,158) | (1,271,452) |
| Net Revenue (Expense) | - | - | - |

School District No. 38 (Richmond)

Schedule of Capital Operations

Year Ended June 30, 2021

Schedule 4 (Unaudited)

| | 2021 Budget | 2021 Actual | | | 2020 Actual |
|--|--------------------|--|--------------------|--------------------|--------------------|
| | | Invested in Tangible Capital Assets | Local Capital | Fund Balance | |
| | \$ | \$ | \$ | \$ | \$ |
| Revenues | | | | | |
| Investment Income | 750,000 | | 776,341 | 776,341 | 1,346,018 |
| Gain (Loss) on Disposal of Tangible Capital Assets | | 12,913 | | 12,913 | (81,910) |
| Amortization of Deferred Capital Revenue | 9,004,089 | 8,849,907 | | 8,849,907 | 8,354,229 |
| Total Revenue | <u>9,754,089</u> | <u>8,862,820</u> | <u>776,341</u> | <u>9,639,161</u> | <u>9,618,337</u> |
| Expenses | | | | | |
| Operations and Maintenance | | | 528,396 | 528,396 | 400,385 |
| Amortization of Tangible Capital Assets | | | | | |
| Operations and Maintenance | 15,836,493 | 15,458,862 | | 15,458,862 | 14,799,323 |
| Transportation and Housing | 369,516 | 368,270 | | 368,270 | 365,204 |
| Debt Services | | | | | |
| Capital Lease Interest | 180,000 | | 173,656 | 173,656 | 193,618 |
| Total Expense | <u>16,386,009</u> | <u>15,827,132</u> | <u>702,052</u> | <u>16,529,184</u> | <u>15,758,530</u> |
| Capital Surplus (Deficit) for the year | <u>(6,631,920)</u> | <u>(6,964,312)</u> | <u>74,289</u> | <u>(6,890,023)</u> | <u>(6,140,193)</u> |
| Net Transfers (to) from other funds | | | | | |
| Tangible Capital Assets Purchased | 1,117,377 | 1,718,250 | | 1,718,250 | 1,755,056 |
| Local Capital | 4,697,000 | | 5,696,429 | 5,696,429 | 10,330,909 |
| Total Net Transfers | <u>5,814,377</u> | <u>1,718,250</u> | <u>5,696,429</u> | <u>7,414,679</u> | <u>12,085,965</u> |
| Other Adjustments to Fund Balances | | | | | |
| District Portion of Proceeds on Disposal | | (14,420) | 14,420 | - | |
| Tangible Capital Assets Purchased from Local Capital | | 2,428,801 | (2,428,801) | - | |
| Tangible Capital Assets WIP Purchased from Local Capital | | 1,445,143 | (1,445,143) | - | |
| Principal Payment | | | | | |
| Capital Lease | | 2,572,336 | (2,572,336) | - | |
| Total Other Adjustments to Fund Balances | | <u>6,431,860</u> | <u>(6,431,860)</u> | <u>-</u> | |
| Total Capital Surplus (Deficit) for the year | <u>(817,543)</u> | <u>1,185,798</u> | <u>(661,142)</u> | <u>524,656</u> | <u>5,945,772</u> |
| Capital Surplus (Deficit), beginning of year | | <u>117,330,741</u> | <u>58,013,535</u> | <u>175,344,276</u> | <u>169,398,504</u> |
| Capital Surplus (Deficit), end of year | | <u>118,516,539</u> | <u>57,352,393</u> | <u>175,868,932</u> | <u>175,344,276</u> |

School District No. 38 (Richmond)

Tangible Capital Assets

Year Ended June 30, 2021

Schedule 4A (Unaudited)

| | Sites | Buildings | Furniture and Equipment | Vehicles | Computer Software | Computer Hardware | Total |
|---|------------|-------------|----------------------------|-----------|----------------------|----------------------|-------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Cost, beginning of year | 55,169,613 | 445,965,448 | 10,458,008 | 3,680,675 | 1,271,718 | 17,745,619 | 534,291,081 |
| Changes for the Year | | | | | | | |
| Increase: | | | | | | | |
| Purchases from: | | | | | | | |
| Deferred Capital Revenue - Bylaw | | 3,887,399 | 250,000 | | | | 4,137,399 |
| Deferred Capital Revenue - Other | | 227,685 | 29,967 | | | | 257,652 |
| Operating Fund | | | 398,513 | | | 48,285 | 446,798 |
| Special Purpose Funds | | 767,377 | | | | 504,075 | 1,271,452 |
| Local Capital | | 72,777 | 1,272,176 | 150,704 | 114,428 | 818,716 | 2,428,801 |
| Additions under Capital Lease | | | | | | 942,226 | 942,226 |
| Transferred from Work in Progress | | 36,396,365 | | | | | 36,396,365 |
| | - | 41,351,603 | 1,950,656 | 150,704 | 114,428 | 2,313,302 | 45,880,693 |
| Decrease: | | | | | | | |
| Disposed of | | | | 30,143 | | | 30,143 |
| Deemed Disposals | | | 829,383 | 239,735 | 823,842 | 3,747,324 | 5,640,284 |
| | - | - | 829,383 | 269,878 | 823,842 | 3,747,324 | 5,670,427 |
| Cost, end of year | 55,169,613 | 487,317,051 | 11,579,281 | 3,561,501 | 562,304 | 16,311,597 | 574,501,347 |
| Work in Progress, end of year | | 31,065,744 | | | | | 31,065,744 |
| Cost and Work in Progress, end of year | 55,169,613 | 518,382,795 | 11,579,281 | 3,561,501 | 562,304 | 16,311,597 | 605,567,091 |
| Accumulated Amortization, beginning of year | | | | | | | |
| Changes for the Year | | | | | | | |
| Increase: Amortization for the Year | | 229,319,010 | 4,726,611 | 1,862,418 | 967,239 | 7,537,241 | 244,412,519 |
| Decrease: | | | | | | | |
| Disposed of | | | | 368,270 | 183,402 | 3,523,695 | 15,827,132 |
| Deemed Disposals | | | | 28,636 | | | 28,636 |
| | | | 829,383 | 239,735 | 823,842 | 3,747,324 | 5,640,284 |
| | - | - | 829,383 | 268,371 | 823,842 | 3,747,324 | 5,668,920 |
| Accumulated Amortization, end of year | | 239,968,910 | 4,999,093 | 1,962,317 | 326,799 | 7,313,612 | 254,570,731 |
| Tangible Capital Assets - Net | 55,169,613 | 278,413,885 | 6,580,188 | 1,599,184 | 235,505 | 8,997,985 | 350,996,360 |

School District No. 38 (Richmond)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2021

| | Buildings | Furniture and Equipment | Computer Software | Computer Hardware | Total |
|--|------------------|------------------------------------|------------------------------|------------------------------|--------------|
| | \$ | \$ | \$ | \$ | \$ |
| Work in Progress, beginning of year | 35,185,789 | | | | 35,185,789 |
| Changes for the Year | | | | | |
| Increase: | | | | | |
| Deferred Capital Revenue - Bylaw | 30,831,177 | | | | 30,831,177 |
| Local Capital | 1,445,143 | | | | 1,445,143 |
| | 32,276,320 | - | - | - | 32,276,320 |
| Decrease: | | | | | |
| Transferred to Tangible Capital Assets | 36,396,365 | | | | 36,396,365 |
| | 36,396,365 | - | - | - | 36,396,365 |
| Net Changes for the Year | (4,120,045) | - | - | - | (4,120,045) |
| Work in Progress, end of year | 31,065,744 | - | - | - | 31,065,744 |

School District No. 38 (Richmond)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2021

| | Bylaw Capital | Other Provincial | Other Capital | Total Capital |
|---|------------------|---------------------|------------------|------------------|
| | \$ | \$ | \$ | \$ |
| Deferred Capital Revenue, beginning of year | 167,649,327 | 1,279,202 | 339,212 | 169,267,741 |
| Changes for the Year | | | | |
| Increase: | | | | |
| Transferred from Deferred Revenue - Capital Additions | 4,137,399 | 257,652 | | 4,395,051 |
| Transferred from Work in Progress | 35,041,365 | | | 35,041,365 |
| | 39,178,764 | 257,652 | - | 39,436,416 |
| Decrease: | | | | |
| Amortization of Deferred Capital Revenue | 8,765,291 | 66,881 | 17,735 | 8,849,907 |
| | 8,765,291 | 66,881 | 17,735 | 8,849,907 |
| Net Changes for the Year | 30,413,473 | 190,771 | (17,735) | 30,586,509 |
| Deferred Capital Revenue, end of year | 198,062,800 | 1,469,973 | 321,477 | 199,854,250 |
| Work in Progress, beginning of year | 33,417,072 | | | 33,417,072 |
| Changes for the Year | | | | |
| Increase | | | | |
| Transferred from Deferred Revenue - Work in Progress | 30,831,177 | | | 30,831,177 |
| | 30,831,177 | - | - | 30,831,177 |
| Decrease | | | | |
| Transferred to Deferred Capital Revenue | 35,041,365 | | | 35,041,365 |
| | 35,041,365 | - | - | 35,041,365 |
| Net Changes for the Year | (4,210,188) | - | - | (4,210,188) |
| Work in Progress, end of year | 29,206,884 | - | - | 29,206,884 |
| Total Deferred Capital Revenue, end of year | 227,269,684 | 1,469,973 | 321,477 | 229,061,134 |

School District No. 38 (Richmond)

Changes in Unspent Deferred Capital Revenue
Year Ended June 30, 2021

Schedule 4D (Unaudited)

| | Bylaw Capital | MEd Restricted Capital | Other Provincial Capital | Land Capital | Other Capital | Total |
|---|------------------|------------------------------|--------------------------------|-----------------|------------------|------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance, beginning of year | 5,491,529 | 104,613 | 29,994 | 11,787,812 | - | 17,413,948 |
| Changes for the Year | | | | | | |
| Increase: | | | | | | |
| Provincial Grants - Ministry of Education | 34,174,370 | | 649,600 | | | 34,174,370 |
| Provincial Grants - Other | | | | 511,585 | | 649,600 |
| Other | | 1,526 | | 175,552 | | 511,585 |
| Investment Income | | 1,526 | 649,600 | 687,137 | - | 177,078 |
| | 34,174,370 | 1,526 | 649,600 | 687,137 | - | 35,512,633 |
| Decrease: | | | | | | |
| Transferred to DCR - Capital Additions | 4,137,399 | | 257,652 | | | 4,395,051 |
| Transferred to DCR - Work in Progress | 30,831,177 | | | | | 30,831,177 |
| | 34,968,576 | - | 257,652 | - | - | 35,226,228 |
| | (794,206) | 1,526 | 391,948 | 687,137 | - | 286,405 |
| Net Changes for the Year | | | | | | |
| | 4,697,323 | 106,139 | 421,942 | 12,474,949 | - | 17,700,353 |
| Balance, end of year | | | | | | |



Financial Statement Discussion and Analysis

For the Year Ended June 30, 2021

September 13, 2021

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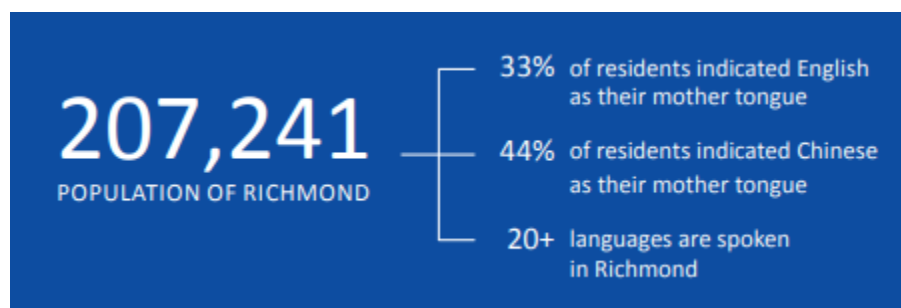
Introduction

The following is a discussion and analysis of the School District's financial performance for the fiscal year ending June 30, 2021. This report is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. The results of the current year are discussed in comparison with the budget. This report should be read in conjunction with the School District's audited financial statements for this same period.

Overview

The Richmond School District is a vibrant learning community that fosters student engagement, creativity and well-being in inclusive and caring learning environments. Our district is committed to providing opportunities for all students to help them develop the attitudes, skills and knowledge that will prepare them for an exciting and productive future.

Richmond is located on the traditional and unceded territories of the hən̓q̓əmi̓n̓əm language group, and is a community of over 200,000 people from all over the world who have chosen to live here. Our district celebrates and embraces diversity, and continues to develop positive awareness of and respect for all members of our community.



The Richmond School District's annual school-aged enrolment is approximately 20,000 students from Kindergarten to Grade 12 and approximately 3,470 dedicated employees. We operate 37 elementary schools and 10 secondary schools plus a wide range of district programs.

The Richmond Board of Education is comprised of seven trustees who are elected to a four-year term during civic elections. The Board is responsible for governing the District in a progressive and educationally sound manner, and is accountable to the public and the Ministry of Education.

Vision, Mission and Values

The Board of Education of School District No. 38 (Richmond) recognizes the power of the Vision, Mission and Values Statements in transforming learning, leading and teaching in the Richmond School District. As a result of our shared commitment, implementation of the vision, mission and values shall be the joint responsibility of the board, students and staff.

Vision: The Richmond School District is the best place to learn and lead.

Mission: The Richmond School District's mission is to cultivate a safe, accepting and engaging community that inspires a passion for lifelong learning.

Values: The values that will guide our work together to achieve our vision and mission are: collaboration, creativity, curiosity, resilience, respect and equity, for all.

- **Collaboration** - We work collaboratively not only within our schools, but with the whole community.
- **Creativity** - We are innovative in our approaches, and value and encourage all to challenge and trust their imaginations and to be resourceful and inventive.
- **Curiosity** - We provide an environment where questions and self-expression are encouraged and are received without judgement.
- **Resilience** - We encourage and support our students and staff to persevere through setbacks, rise to challenges and take risks.
- **Respect** - We believe respect is the foundation of a safe, accepting and engaged environment.
- **Equity** - We understand and appreciate the tremendous diversity of our learning community, and the value and richness this diversity affords us.

Strategic Plan 2020-2025

Through comprehensive community and stakeholder engagement and consultation, five priorities were identified as requiring the attention of the Board and the District over the next five years. All goals, objectives and actions articulated in the plan address these strategic priorities. Budget and financial planning are aligned to the strategic priorities and goals.



COVID-19 Pandemic

The novel coronavirus (COVID-19) outbreak was declared a pandemic by the World Health Organization in March 2020 and has had a significant financial, market and social dislocating impact worldwide. Under direction of the Provincial Health Officer, all schools suspended in-class instructions in March 2020 and the District remained open to continue to support students and families in a variety of ways. Parents were given the choice to send their children back to school on a gradual and part-time basis beginning June 1, 2020 and full-time beginning September 1, 2020 with new health and safety guidelines.

The ongoing impact of the pandemic presents uncertainty over the School District budget, government funding and future cash flows, and may have a significant impact on future operations including decreases in revenue, impairment of receivables, reduction in investment income and delays in completing capital project work. As the situation is dynamic and the ultimate duration and magnitude of the impact are not known, an estimate of the future financial effect on the District is not practicable at this time. The School District will need to continue assessing and mitigating risks associated with the pandemic and plan for contingencies.

Accounting Policies

The financial statements have been prepared in accordance with the *Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia* supplemented by *Regulation 198/2011* issued by the Province of British Columbia Treasury Board. The Section requires that the financial statements be prepared in accordance with Canadian public sector accounting standards with some exceptions as reported in Note 2 of the financial statements.

The financial statements are reported as a consolidation of three funds: Operating, Special Purpose and Capital.

- Operating Fund - The operating fund includes operating grants and other revenues used to fund instructional programs, school and district administration, facilities, operations, maintenance and transportation.
- Special Purpose Funds - Special purpose funds consist of targeted funding provided to the school district for a specific purpose. Pursuant to *Sections 156(4) and (5) of the School Act*, each special purpose fund must be accounted for in accordance with the terms of that special purpose fund. *Treasury Board Restricted Contribution Regulation 198/2011*, issued in November 2011, defines a restricted contribution as “a contribution that is subject to a legislative or contractual stipulation or restriction as to its use other than a contribution or part of a contribution that is of, or for the purpose of acquiring land”.
- Capital Funds - Capital funds include capital expenditures relating to equipment and facilities purchases and betterments. The funding source of these purchases and betterments determines which capital fund the expenditures relate to. Funding sources are Ministry of Education Bylaw Capital, Ministry of Education Restricted Capital, Other Provincially Restricted Capital, Land Capital and Local Capital.

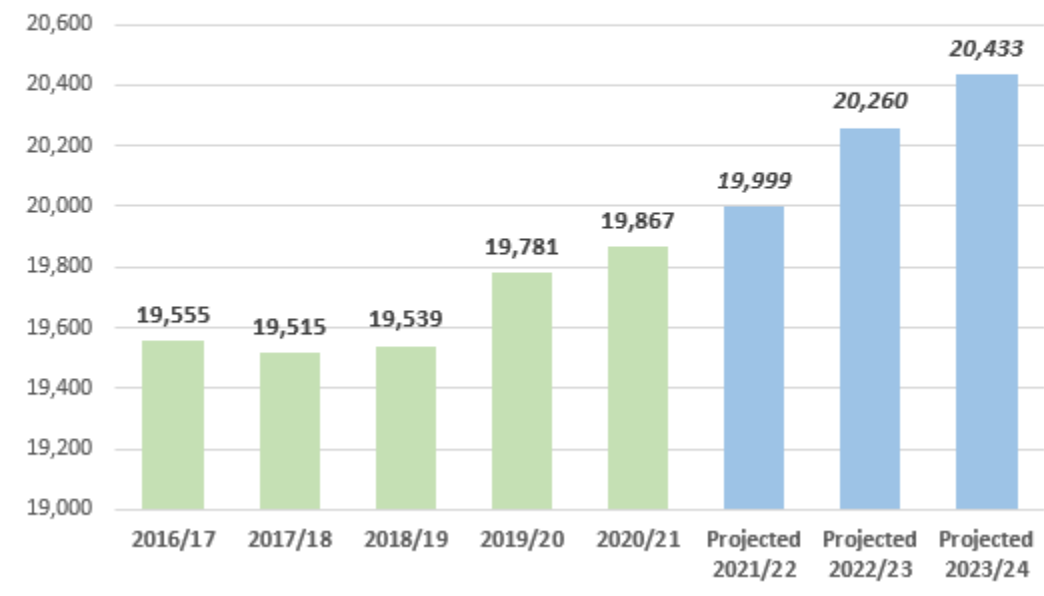
Student Enrolment

The operations of the Richmond School District are dependent on continued operating grant funding from the Ministry of Education primarily based on student enrolment, students identified with special needs and other demographic and geographic factors. Ministry grants represent 89% of the total operating revenues. Expenditures are primarily associated with staffing and related compensation and benefits.

Richmond School District student enrolment is as follows:

| | 2020/21 | 2020/21 | 2019/20 | Variance from Budget | | Variance from Prior Year | |
|------------------|-------------------|-------------------|-------------------|----------------------|----------------|--------------------------|----------------|
| | Actual | Budget | Actual | FTE | % | FTE | % |
| School Aged | 19,866.688 | 19,879.125 | 19,781.469 | (12.438) | -0.063% | 85.219 | 0.431% |
| Adult | 74.375 | 102.500 | 173.250 | (28.125) | -27.439% | (98.875) | -57.071% |
| Total FTE | 19,941.063 | 19,981.625 | 19,954.719 | (40.563) | -0.203% | (13.656) | -0.068% |

Funded Student Enrolment (School Aged FTE) Regular K-12



Over the past 4 years, the District has experienced significant growth in our regular K-12 student enrolment. This trend is projected to continue for the next three years.

Financial Highlights

The School District's revenue is heavily reliant on funding from the Provincial Government. 89.0% of the School District's revenue comes from the Ministry of Education. Of this, 72.3% is in the form of an Operating Grant which is based on enrolment levels and other student and geographical factors. 4.9% of revenue is generated from International Education, Continuing Education and Summer School programs, 3.3% associated with the recognition of deferred capital revenue, and the balance through other revenue programs such as special purpose funding, federal grants, rental and lease income, investment income and Continuing Education and summer school programs.

92.6% of the School District's operating expenditures are associated with salaries and benefits. The balance of expenditures is related to supplies and services including professional development, rentals and leases, dues and fees, insurance and utilities (Statement 2, Schedules 2, 3 and 4 and Note 21 of the Audited Financial Statements).

| | Operating Fund | Special Purpose Funds | Capital Fund | Total |
|---|--------------------|-----------------------|--------------------|--------------------|
| | \$ | \$ | \$ | \$ |
| Revenues | | | | |
| Provincial Grants | | | | |
| Ministry of Education | 192,862,941 | 47,098,870 | - | 239,961,811 |
| Other | 48,986 | - | - | 48,986 |
| Federal Grants | - | 1,645,264 | - | 1,645,264 |
| Tuition | 13,133,152 | - | - | 13,133,152 |
| Other Revenue | 661,227 | 2,744,992 | - | 3,406,219 |
| Rentals and Leases | 977,455 | - | - | 977,455 |
| Investment Income | 872,768 | 16,000 | 776,341 | 1,665,109 |
| Gain (Loss) on Disposal of Tangible Capital Assets | - | - | 12,913 | 12,913 |
| Amortization of Deferred Capital Revenue | - | - | 8,849,907 | 8,849,907 |
| Total Revenue | 208,556,529 | 51,505,126 | 9,639,161 | 269,700,816 |
| Expenses | | | | |
| Instruction | 173,089,384 | 43,566,203 | - | 216,655,587 |
| District Administration | 6,681,873 | 833,720 | - | 7,515,593 |
| Operations and Maintenance | 25,310,215 | 5,833,751 | 15,987,258 | 47,131,224 |
| Transportation and Housing | 1,383,229 | - | 368,270 | 1,751,499 |
| Debt Services | - | - | 173,656 | 173,656 |
| Total Expense | 206,464,701 | 50,233,674 | 16,529,184 | 273,227,559 |
| Surplus (Deficit) for the year | 2,091,828 | 1,271,452 | (6,890,023) | (3,526,743) |
| Accumulated Surplus (Deficit) from Operations, beginning of year | 18,995,686 | - | 175,344,276 | 194,339,962 |
| Interfund Transfers | (6,143,227) | (1,271,452) | 7,414,679 | - |
| Accumulated Surplus (Deficit) from Operations, end of year | 14,944,287 | - | 175,868,932 | 190,813,219 |

Operating Fund

Our actual financial outcome for the 2020/21 fiscal year is consistent with our previous reporting for the period to April 30, 2021. The 2020/21 current year unrestricted surplus is \$1.30 million and the anticipated unrestricted surplus, projected at April 30, 2021, was \$1.30 million (Schedule 2 and Note 21 of the Audited Financial Statements).

| School District #38 (Richmond) | | | | | |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------------|-----------------------------|
| Operating Fund - Net Change | | | | | |
| as at June 30, 2021 | | | | | |
| | 2020/21 Actual | 2020/21 Budget | 2019/20 Actual | Variance from Budget | Variance from Prior Year |
| Total Revenue | 208,556,529 | 208,636,591 | 212,473,493 | (80,062) | (3,916,964) |
| Total Expenses | 206,464,701 | 211,647,360 | 200,574,387 | (5,182,659) | 5,890,314 |
| Net Change | 2,091,828 | (3,010,769) | 11,899,106 | 5,102,597 | (9,807,278) |
| Total Net Transfers | 6,143,227 | 4,697,000 | 11,137,434 | 1,446,227 | (4,994,207) |
| Total Net Change | (4,051,399) | (7,707,769) | 761,672 | 3,656,370 | (4,813,071) |
| Accumulated Surplus, Opening Balance | 18,995,686 | 18,995,686 | 18,234,014 | - | 761,672 |
| Accumulated Surplus, Ending Balance | 14,944,287 | 11,287,917 | 18,995,686 | 3,656,370 | (4,051,399) |
| Internally Restricted Surplus | 13,646,222 | 11,287,917 | 15,637,768 | 2,358,305 | (1,991,546) |
| Unrestricted Surplus | 1,298,065 | - | 3,357,918 | 1,298,065 | (2,059,853) |
| | 14,944,287 | 11,287,917 | 18,995,686 | 3,656,370 | (4,051,399) |

Special Purpose Funds

Special Purpose Fund schedules (Schedules 3 and 3A and Note 8 of the Audited Financial Statements) provide information on “restricted contributions” where the term “restricted contributions” is defined as legislative or contractual stipulations, or restrictions, as to the use of the funds. This, among other funds, includes funds that are designated to be Special Purpose Funds by the Ministry of Education.

At the beginning of the year, the District’s Special Purpose Funds had a combined opening balance of \$7.47 million. Revenue of \$51.37 million and spending of \$51.50 million resulted in a balance to be carried forward of \$7.34 million.

Capital Funds

Funding of capital expenditures is sourced primarily through the Ministry of Education with incremental funding provided through locally generated capital funds.

There were eleven schools either in design or under construction during the year:

- Boyd Secondary - seismic upgrade and partial replacement
- Bridge Elementary – seismic upgrade
- Cook Elementary - seismic upgrade, partial replacement and addition
- Ferris Elementary - seismic upgrade
- Maple Lane Elementary - seismic upgrade
- McKinney Elementary - seismic upgrade
- Mitchell Elementary - seismic upgrade and partial replacement
- Steves Elementary - seismic upgrade and partial replacement
- Tait Elementary - seismic upgrade
- Tomsett Elementary - seismic upgrade and addition
- Whiteside elementary – seismic upgrade

Financial Analysis of the School District

Statement of Financial Position

The Statement of Financial Position presents the financial position of an entity by reporting the amounts of assets, liabilities, net assets and accumulated surplus as of a specified date (Statement 1 of the Audited Financial Statements).

The following table provides an analysis of the School District's Net Financial Position for the fiscal years ended June 30, 2021 and 2020.

| | June 30, 2021 | June 30, 2020 | Variance | |
|---|----------------------|----------------------|---------------------|----------------|
| | | | \$ | % |
| Financial Assets | | | | |
| Cash and Cash Equivalents | 145,873,456 | 149,904,492 | (4,031,036) | -2.69% |
| Accounts Receivable | | | | |
| Due from Province - Ministry of Education | 88,433 | 92,598 | (4,165) | -4.50% |
| Other | 3,643,861 | 3,273,839 | 370,022 | 11.30% |
| Portfolio Investments | 771,478 | 759,793 | 11,685 | 1.54% |
| Total Financial Assets | 150,377,228 | 154,030,722 | (3,653,494) | -2.37% |
| Liabilities | | | | |
| Accounts Payable and Accrued Liabilities | | | | |
| Due to Province - Ministry of Education | - | 160,056 | (160,056) | -100.00% |
| Due to Province - Other | 82,425 | - | 82,425 | |
| Other | 28,767,431 | 27,180,525 | 1,586,906 | 5.84% |
| Unearned Revenue | 11,874,003 | 13,018,907 | (1,144,904) | -8.79% |
| Deferred Revenue | 7,337,491 | 7,468,261 | (130,770) | -1.75% |
| Deferred Capital Revenue | 246,761,487 | 220,098,761 | 26,662,726 | 12.11% |
| Employee Future Benefits | 12,842,605 | 12,249,605 | 593,000 | 4.84% |
| Capital Lease Obligations | 3,418,684 | 5,048,794 | (1,630,110) | -32.29% |
| Total Liabilities | 311,084,126 | 285,224,909 | 25,859,217 | 9.07% |
| Net Financial Assets (Debt) | (160,706,898) | (131,194,187) | (29,512,711) | 22.50% |
| Non-Financial Assets | | | | |
| Tangible Capital Assets | 350,996,360 | 325,064,351 | 25,932,009 | 7.98% |
| Prepaid Expenses | 523,757 | 469,798 | 53,959 | 11.49% |
| Total Non-Financial Assets | 351,520,117 | 325,534,149 | 25,985,968 | 7.98% |
| Accumulated Surplus (Deficit) | 190,813,219 | 194,339,962 | (3,526,743) | -1.81% |
| Accumulated Surplus - Capital | 175,868,932 | 175,344,276 | 524,656 | 0.30% |
| Accumulated Surplus - Operations | 14,944,287 | 18,995,686 | (4,051,399) | -21.33% |
| Total Accumulated Surplus | 190,813,219 | 194,339,962 | (3,526,743) | -1.81% |

Cash assets at June 30 are categorized as follows (Statement 1 and Note 3 of the Audited Financial Statements):

| | June 30, 2021 | June 30, 2020 | Variance |
|--|---------------|---------------|-------------|
| Cash in Bank | 31,702,117 | 37,371,431 | (5,669,314) |
| Cash Equivalent - Special Purpose Funds | 1,178 | 1,120 | 58 |
| Central Deposit Program - Ministry of Finance | 114,079,628 | 112,438,395 | 1,641,233 |
| Investment held by Richmond Community Foundation | 90,533 | 93,546 | (3,013) |
| | 145,873,456 | 149,904,492 | (4,031,036) |

Cash decreased \$4.0 million over the prior year due to increased accounts receivable and prepaid expenses, decreased deferred revenues, increased accounts payable, decreased in unearned revenues flowing from International Education payments received in advance for the 2021/22 school year, and the current year surplus.

Cash, held in the bank for current operational needs, totals \$31.7 million. \$114.1 million is held on deposit, under the Central Deposit Program, with the Ministry of Finance and is available within 3 days if required. These deposits attract interest at 1.45% (as of June 30, 2021). Effective July 1, 2021, the Ministry of Finance advised that the interest rate, under the Central Deposit Program, will be reduced to 0.95%.

Cash and investments are required to fulfill the payment and liability obligations as follows:

| | June 30, 2021 | June 30, 2020 | Variance |
|---|---------------|---------------|-------------|
| Obligations | | | |
| Accounts Payable - Ministry of Education | - | 160,056 | (160,056) |
| Accounts Payable - Other Ministry | 82,425 | - | 82,425 |
| Trade Payables | 6,249,832 | 5,858,028 | 391,804 |
| Salaries and Benefits Payables | 18,514,101 | 17,410,663 | 1,103,438 |
| Accrued Vacation Pay | 3,479,513 | 3,523,636 | (44,123) |
| Other Payable | 523,985 | 388,198 | 135,787 |
| Unearned Revenue - International Student Programs | 11,287,139 | 12,256,646 | (969,507) |
| Unearned Revenue - Other | 586,864 | 762,261 | (175,397) |
| Deferred Revenue - Special Purpose Funds | 7,337,491 | 7,468,261 | (130,770) |
| Deferred Capital Revenue | 17,700,350 | 17,413,948 | 286,402 |
| Local Capital | 57,352,393 | 58,013,532 | (661,139) |
| Employee Future Benefits | 12,842,605 | 12,249,605 | 593,000 |
| | 135,956,698 | 135,504,834 | 451,864 |
| Assets | | | |
| Accounts Receivable - Ministry of Education | (88,433) | (92,598) | 4,165 |
| Accounts Receivable - Other | (3,643,861) | (3,273,839) | (370,022) |
| Prepaid Expenses | (523,757) | (469,798) | (53,959) |
| Portfolio Investments | (771,478) | (759,793) | (11,685) |
| | (5,027,529) | (4,596,028) | (431,501) |
| Accumulated Surplus - Operations | 14,944,287 | 18,995,686 | (4,051,399) |
| | 145,873,456 | 149,904,492 | (4,031,036) |

The difference between cash assets and the liabilities is reflected as the accumulated surplus.

(For purposes of simplification, tangible capital assets and the related deferred revenues are removed from the comparison table above.)

Statement of Operations

The Statement of Operations summarizes an entity's revenues, expenses and surplus/(deficit) over the entire reporting period. The School District's Statement of Operations is reported as a consolidation of the three funds: Operating, Special Purpose and Capital. Each fund is reviewed separately.

Statement of Operations – Operating Fund

Revenue (Schedules 2 and 2A of the Audited Financial Statements)

| School District #38 (Richmond) | | | | | | | |
|--------------------------------|--------------------|--------------------|--------------------|----------------------|-------------|--------------------------|--------------|
| Operating Fund - Revenue | | | | | | | |
| as at June 30, 2021 | | | | | | | |
| | 2020/21 | 2020/21 | 2019/20 | Variance from Budget | | Variance from Prior Year | |
| | Actual | Budget | Actual | \$ | % | \$ | % |
| Ministry of Education Grants | 192,862,941 | 192,019,526 | 188,491,472 | 843,415 | 0.4% | 4,371,469 | 2.3% |
| Other Provincial Grants | 48,986 | 290,400 | 86,758 | (241,414) | -83.1% | (37,772) | -43.5% |
| Tuition | 13,133,152 | 13,888,921 | 19,954,804 | (755,769) | -5.4% | (6,821,652) | -34.2% |
| Other Revenue | 661,227 | 626,058 | 1,391,311 | 35,169 | 5.6% | (730,084) | -52.5% |
| Rentals and Leases | 977,455 | 946,164 | 1,137,768 | 31,291 | 3.3% | (160,313) | -14.1% |
| Investment Income | 872,768 | 865,522 | 1,411,380 | 7,246 | 0.8% | (538,612) | -38.2% |
| Total Operating Revenue | 208,556,529 | 208,636,591 | 212,473,493 | (80,062) | 0.0% | (3,916,964) | -1.8% |

Ministry of Education Grants were \$0.84 million higher than budgeted. This is due to the increase in enrolment in graduated adults.

Other Provincial Grants were \$0.24 million lower than budgeted. This is due to the COVID-19 pandemic which resulted in less enrolment in the various apprenticeship programs.

Tuition was \$0.76 million lower than budgeted. This is due to the COVID-19 pandemic which resulted in travel restrictions causing International students not being able to arrive in Canada.

Other Revenue was \$0.04 million higher than budgeted. This is due to higher cafeteria revenue than anticipated.

Rentals and Leases were \$0.03 million higher than budgeted. This is due to higher daycare rental revenue than anticipated.

Investment Income was within budgeted amount.

Expenses (Schedules 2B and 2C and Note 18 of the Audited Financial Statements)

Salaries and Benefits

| School District #38 (Richmond) Operating Fund - Salaries and Benefits as at June 30, 2021 | | | | | | | |
|---|--------------------|--------------------|--------------------|----------------------|--------------|--------------------------|-------------|
| | 2020/21 Actual | 2020/21 Budget | 2019/20 Actual | Variance from Budget | | Variance from Prior Year | |
| | | | | \$ | % | \$ | % |
| Teachers | 90,983,264 | 90,983,621 | 88,406,649 | (357) | 0.0% | 2,576,615 | 2.9% |
| Principals and Vice Principals | 13,277,993 | 13,369,298 | 13,005,265 | (91,305) | -0.7% | 272,728 | 2.1% |
| Education Assistants | 14,505,185 | 14,989,738 | 13,131,962 | (484,553) | -3.2% | 1,373,223 | 10.5% |
| Support Staff | 20,242,524 | 21,651,867 | 20,882,164 | (1,409,343) | -6.5% | (639,640) | -3.1% |
| Other Professionals | 6,493,908 | 6,096,836 | 5,860,488 | 397,072 | 6.5% | 633,420 | 10.8% |
| Substitutes | 7,203,406 | 8,235,995 | 6,858,177 | (1,032,589) | -12.5% | 345,229 | 5.0% |
| Total Salaries | 152,706,280 | 155,327,355 | 148,144,705 | (2,621,075) | -1.7% | 4,561,575 | 3.1% |
| Employee Benefits | 38,424,555 | 38,838,755 | 34,905,797 | (414,200) | -1.1% | 3,518,758 | 10.1% |
| Total Salaries and Benefits | 191,130,835 | 194,166,110 | 183,050,502 | (3,035,275) | -1.6% | 8,080,333 | 4.4% |

Teacher Salaries were within budgeted amount.

Principal and Vice Principal Salaries were \$0.09 million lower than budgeted amount due to higher than anticipated expenses for paid medical leaves.

Education Assistants Salaries were \$0.48 million lower than budgeted due to shortages of Education Assistants.

Support Staff Salaries were \$1.41 million lower than budgeted due to unfilled positions in technology services and timing delays in filling available positions.

Other Professionals Salaries were \$0.40 higher than budgeted amount due to various payouts.

Substitute Salaries were \$1.03 million lower than budgeted due to TTOC and casual staff shortages during the school year and reduced utilization of release time due to the COVID-19 pandemic.

Employee Benefits were \$0.41 million lower than budgeted due to overall lower salaries than budgeted.

Services and Supplies

| School District #38 (Richmond) Operating Fund - Services and Supplies as at June 30, 2021 | | | | | | | |
|---|-------------------|-------------------|-------------------|----------------------|---------------|--------------------------|---------------|
| | 2020/21 Actual | 2020/21 Budget | 2019/20 Actual | Variance from Budget | | Variance from Prior Year | |
| | | | | \$ | % | \$ | % |
| Services | 5,873,115 | 6,815,652 | 7,253,347 | (942,537) | -13.8% | (1,380,232) | -19.0% |
| Student Transportation | - | 14,600 | 8,022 | (14,600) | -100.0% | (8,022) | -100.0% |
| Professional Dev and Travel | 516,516 | 683,592 | 796,603 | (167,076) | -24.4% | (280,087) | -35.2% |
| Rentals and Leases | 227,225 | 253,644 | 260,793 | (26,419) | -10.4% | (33,568) | -12.9% |
| Dues and Fees | 115,993 | 138,283 | 93,662 | (22,290) | -16.1% | 22,331 | 23.8% |
| Insurance | 495,023 | 546,708 | 481,567 | (51,685) | -9.5% | 13,456 | 2.8% |
| Supplies | 4,978,976 | 6,133,078 | 5,642,641 | (1,154,102) | -18.8% | (663,665) | -11.8% |
| Utilities | 3,127,018 | 2,895,693 | 2,987,250 | 231,325 | 8.0% | 139,768 | 4.7% |
| Total Services and Supplies | 15,333,866 | 17,481,250 | 17,523,885 | (2,147,384) | -12.3% | (2,190,019) | -12.5% |

Positive variances in services and supplies were offset by capital asset purchases (\$0.45 million), savings due to restrictions caused by the COVID-19 pandemic, such as professional development, travel and conferences, and carried forward as an appropriated surplus per board approval or contractual obligations.

Accumulated Surplus (Schedule 2 and Note 19 of the Audited Financial Statements)

| School District #38 (Richmond) Operating Fund - Accumulated Surplus as at June 30, 2021 | | | | |
|---|-------------------|-------------------|--------------------------|---------------|
| | 2020/21 Actual | 2019/20 Actual | Variance from Prior Year | |
| | | | \$ | % |
| Internally Restricted Surplus | | | | |
| 2021/22 Budget Appropriation | 3,600,134 | 7,707,769 | (4,107,635) | -53.3% |
| 2021/22 Online Learning K-9 | 597,050 | - | 597,050 | |
| School/Staff Account Balances | 6,840,291 | 5,390,399 | 1,449,892 | 26.9% |
| Outstanding Purchase Orders | 338,747 | 269,600 | 69,147 | 25.6% |
| School Generated Funds | 2,270,000 | 2,270,000 | - | 0.0% |
| | 13,646,222 | 15,637,768 | (1,991,546) | -12.7% |
| Unrestricted Surplus | 1,298,065 | 3,357,918 | (2,059,853) | -61.3% |
| Total Operating Accumulated Surplus | 14,944,287 | 18,995,686 | (4,051,399) | -21.3% |

The 2021/22 Annual Budget was approved and adopted by the Board on May 26, 2021 which included a budget appropriation of \$3,600,134 from 2020/21. Also, the Board approved the use of the 2020/21 Operating Holdback Grant of \$597,050 to support a one-year Online Learning for students in grades K-9 as some parents are not feeling comfortable having their child return to full-time in-person learning for the 2021/22 school year. With respect to the funding for specific expenditures [School/Staff Account Balances (\$6.84 million), Outstanding Purchase Orders (\$0.34 million) and School Generated Funds (\$2.27 million)], in most cases these expenditures were planned to be incurred in 2020/21; however, mainly due to the COVID-19 pandemic, the timing of the expenditures was extended to 2021/22. The unrestricted surplus of \$1.30 million is available to be used or restricted in the future with Board approval.

Statement of Operations – Special Purpose Funds (Schedule 3A and Note 8 of the Audited Financial Statements)

Special Purpose Funds are utilized to capture funding designated for specific purposes and balances can be deferred to subsequent years for the intended use. Grant revenues are only recognized as expenses are incurred. Any unused grants or funds remaining at the end of the year are treated as deferred revenue.

| School District #38 (Richmond) | | | | | | |
|--|--------------------|-------------------|-------------------|-------------------|------------------|--------------------|
| Special Purpose Funds | | | | | | |
| as at June 30, 2021 | | | | | | |
| | Opening Balance | Revenue | Expenses | Ending Balance | Variance | Comment |
| <u>Ministry of Education Funded</u> | | | | | | |
| Annual Facility Grant (AFG) | - | 829,133 | 829,133 | - | - | |
| Learning Improvement Fund (LIF) | 287,295 | 669,476 | 667,522 | 289,249 | 1,954 | |
| Strong Start | 46,300 | 232,668 | 211,644 | 67,324 | 21,024 | |
| Ready, Set, Learn | 117,969 | 93,100 | 113,123 | 97,946 | (20,023) | |
| Official Languages in Education French Programs (OLEP) | 20,445 | 299,563 | 266,290 | 53,718 | 33,273 | |
| Community LINK | 78,046 | 772,476 | 822,501 | 28,021 | (50,025) | |
| Classroom Enhancement - Staffing | - | 29,092,042 | 29,092,042 | - | - | |
| Classroom Enhancement - Remedy | 75,812 | 55,516 | 131,328 | - | (75,812) | |
| Classroom Enhancement - Overhead | - | 4,841,324 | 4,841,324 | - | - | |
| Mental Health in Schools | - | 48,000 | 23,641 | 24,359 | 24,359 | |
| Changing Results for Young Children | - | 6,000 | 6,000 | - | - | |
| Provincial Resource Program | 87,132 | 688,938 | 567,897 | 208,173 | 121,041 | |
| Provincial Early Youth | 3,162 | 406,532 | 223,907 | 185,787 | 182,625 | |
| Safe Return to Class (Federal) | - | 7,854,839 | 7,854,839 | - | - | new one-time grant |
| Safe Return to School (Provincial) | - | 1,456,347 | 1,456,347 | - | - | new one-time grant |
| <u>Federal Funded</u> | | | | | | |
| LINC/SWIS | 121,770 | 1,577,892 | 1,645,264 | 54,398 | (67,372) | |
| <u>Other</u> | | | | | | |
| Scholarships and Bursaries | 1,078,475 | 25,795 | 79,175 | 1,025,095 | (53,380) | |
| School Generated Funds | 5,355,731 | 2,000,513 | 2,236,511 | 5,119,733 | (235,998) | |
| Community Literacy | 10,000 | - | 10,000 | - | (10,000) | |
| Educational Trust Fund | 186,124 | 424,202 | 426,638 | 183,688 | (2,436) | |
| Total Special Purpose Funds | 7,468,261 | 51,374,356 | 51,505,126 | 7,337,491 | (130,770) | |

| Special Purpose Fund | Designated Use |
|--|---|
| Annual Facility Grant (AFG) | Routine maintenance of school facilities, including roofing. |
| Learning Improvement Fund (LIF) | Supplementary funding to school districts for additional education assistants. |
| Strong Start | Early learning program for preschool children (birth to age five), located in schools, accompanied by parent, other adult family member or caregiver. |
| Ready, Set, Learn | Support early learning and development for families and their three to five-year-old children and facilitate a smooth transition to Kindergarten. |
| Official Languages in Education French Programs (OLEP) | Support French Immersion and Core French programs. |

| Special Purpose Fund | Designated Use |
|---|--|
| Community Link | Support programs to improve educational performances of vulnerable students, including academic achievement and social, emotional and behavioural functioning. |
| Classroom Enhancement - Staffing, Remedy and Overhead | Funding to implement the Memorandum of Understanding pursuant to Letter of Understanding No. 17 to the 2013-2019 BCPSEA-BCTF Provincial Collective Agreement. |
| Mental Health in Schools | Support mental health initiatives, resources and programs for students, educators and families within their school communities. |
| Changing Results for Young Children | Support district capacity building in high quality early learning and care experiences for children. |
| Provincial Resource Program | Outreach program to support school districts around B.C. with respect to ensuring equitable access and enhanced educational opportunities for students with visual and hearing impairments. |
| Provincial Early Youth | Support diverse and struggling learners. |
| Safe Return to Class (Federal) | COVID-19 Pandemic response funding from the Federal Government (one-time funding). |
| Safe Return to School (Provincial) | COVID-19 Pandemic response funding from the Provincial Government (one-time funding). |
| LINC/SWIS | Support settlement services for immigrants, refugees and other eligible clients to meet their settlement or ongoing needs after arriving in Canada. Programs are Language Instruction for Newcomers to Canada (LINC) and Settlement Workers in Schools (SWIS). |
| Scholarships and Bursaries | The District manages various scholarship and memorial funds on behalf of families and groups of individuals wishing to provide funding for specific educational initiatives and in memoriam. |
| School Generated Funds | These funds are collected and managed directly at our schools with financial oversight by the District. Such funds include fundraising, school trips, PAC donations, etc. |
| Community Literacy | Funding to support literacy provided by community organizations. |
| Educational Trust Fund | These funds are collected and managed by the District. Such funds include Breakfast Club, Feed-U-Cate, etc. |

Statement of Operations – Capital Funds (Schedule 4 and 4D and Note 19 of the Audited Financial Statements)

Capital Fund Balances are as follows:

| School District #38 (Richmond) | | | |
|--|-------------------|-------------------|----------------|
| Capital Funds | | | |
| as at June 30, 2021 | | | |
| | June 30, 2021 | June 30, 2020 | Variance |
| Ministry of Education Restricted Funds | | | |
| Bylaw | 4,697,323 | 5,491,529 | (794,206) |
| Other | 106,139 | 104,613 | 1,526 |
| Other Provincial Restricted Funds | 421,942 | 29,994 | 391,948 |
| Land Capital | 12,474,949 | 11,787,812 | 687,137 |
| Capital Funds Balance | 17,700,353 | 17,413,948 | 286,405 |

Ministry of Education Restricted Funds: These funds are on behalf of the Ministry of Education. The available Bylaw balance of \$4.70 million is funding balances committed for the completion of various projects remainders, including seismic upgrade and building envelope completions.

Other Provincial Restricted Funds: These funds are Industrial Trade Authority funding received for the Youth Trades Capital Equipment Program (YTCEP) and Ministry of Children and Family Development funding for childcare spaces.

Land Capital: These funds are collected by the school district from the municipality as part of the school site acquisition charge which is used for future school site land purchase as identified in a capital plan.

Funds Restricted in Local Capital:

Local Capital fund has been restricted for the following purposes:

| School District #38 (Richmond) | | | |
|---------------------------------------|-------------------|-------------------|------------------|
| Local Capital Fund | | | |
| as at June 30, 2021 | | | |
| | June 30, 2021 | June 30, 2020 | Variance |
| Restricted | | | |
| Capital Lease Obligation | 7,308,000 | 7,604,152 | (296,152) |
| Current Capital Projects | 11,920,747 | 6,996,719 | 4,924,028 |
| Future Capital Projects | 32,857,158 | 32,857,158 | - |
| Board Approved Budget Additions | - | 5,089,000 | (5,089,000) |
| Under Review by Board | 3,266,488 | 3,466,506 | (200,018) |
| Contingency Reserves | 2,000,000 | 2,000,000 | - |
| Local Capital Fund Balance | 57,352,393 | 58,013,535 | (661,142) |

The June 30, 2021 local capital balance of \$57.35 million incorporates \$54.08 million of restricted funds and \$3.27 million under review by the Board. Additional funds could be restricted in the future with Board approval for identified projects requiring local capital funding.

Potential Future Financial Impact on the District

There are several factors that could impact the District's stable and healthy financial situation during the 2021/22 school year and beyond.

COVID-19 Pandemic

On May 25, 2021, the Provincial government announced BC's Restart Plan, a four-step plan that focuses on a safe and gradual return to normal activities. In line with the provincial Restart Plan, BC's K-12 sector is planning for a full return to in-class instruction in the 2021/22 school year with an emphasis on pandemic recovery and continuing to provide safe learning environments for students and staff.

On June 17, 2021, the Ministry of Education issued Guidelines for Boards of Education and Independent School Authorities for the 2021/22 School Year called "*K-12 Education Recovery Plan*".

These Guidelines, and the Provincial COVID-19 Health and Safety Guidelines for K-12, will be further updated in August 2021 to address additional topics and resources.

As schools reopen in September 2021 for a full return to in-class instruction, and enhanced cleaning protocols are anticipated to still be required for the foreseeable future, many areas of the District's operations will remain exposed to financial challenges. Careful planning will be required to ensure the District maintains the high level of education being delivered to our students and to ensure our operations are not impacted.

Ministry Funding

The Ministry of Education has partially implemented a new funding model for B.C.'s K-12 public education sector for the 2020/2021 school year. Two grants, which had previously been funded separately, were rolled into the basic per pupil amount. These were the Employer Health Tax Grant (\$1.57 million received in 2019/20) and the Carbon Tax Grant (\$0.14 million received in 2019/20). The new funding model had a significant negative impact to our District as compared to the previous levels of Ministry funding. Careful planning will be required to ensure that the District's operations are not impacted.

It is anticipated that the second phase of the new funding model may be rolled out in the coming year. The impact of the next phase on B.C. school district budgets is not yet known.

Enrolment and Staffing Growth

In 2017, the Ministry of Education, the BC Public Schools Employers Association and the BC Teachers Federation ratified a Memorandum of Agreement (MoA) pursuant to Letter of Understanding (LoU) No. 17, to the 2013-2019 BCPSEA-BCTF Provincial Collective Agreement. The MoA fully and finally resolves all matters related to the implementation of the Supreme Court of Canada decision from the Fall 2016.

The implementation of the MoA resulted in smaller class sizes and composition and a greater number of teacher FTE needed to be added than would previously have been required. As the enrolment in the school district grows, additional classroom spaces and resources will be needed. This growth brings with it challenges in providing the additional resources within the current Ministry of Education funding envelope. It also has resulted in challenges in recruitment and retention of specialist teachers, and compliance with class size and composition requirements.

Teacher and CUPE Bargaining

Both the Teacher and CUPE contracts will expire at the end of the 2021/22 school year. Bargaining remains a concern due to the unknowns around bargaining at the provincial level and the potential impact on districts. During bargaining, there is always the risk of disruption to the system with potential job action. There is also the risk during bargaining of relationships being strained between stakeholders and the potential impact of whether funding will adequately cover the full cost of the negotiated settlement.

International Education

The School District is reliant on International Education programs to provide a source of revenue funding to supplement the operating grant funding. In addition, a significant percentage of international students come from China (70%). The uncertainty caused by COVID-19, travel restrictions and geo-political events and relations could potentially impact the number of international students who comes to Canada from China.

Technology Requirements

The demand for technology hardware, software and system utilization continues at a rapid pace. Providing the required services and ensuring that information and data are secure and protected necessitates increased financial resources. Technology, in support of education, will allow us to implement the paradigm shift and transformational education required to be at the forefront and on the cutting-edge in the 21st century. Technology, in support of the framework for enhancing student learning and more real-time reporting on student progress, is a crucial undertaking. MyEdBC student administration system requires enhancements in order to meet the ongoing needs for improved data and reporting.

Long Range Facilities Plan

The District's Long Range Facilities Plan is a comprehensive plan including strategic recommendations to ensure that facilities are being used and managed in the most efficient and effective manner. The Plan was approved and adopted in June 2019. The District continues to implement the strategic recommendations outlined. There could be potential capital and operating financial implications that the District will need to consider.

Strategic Plan

The Board approved the District Strategic Plan for 2020-2025 on December 16, 2020. The Strategic Plan identifies the School District's priorities, goals and objectives for the next 5 years. The District planning and decisions will be aligned to support these strategic priorities as outlined in our Strategic Plan.

Contacting Management

This financial report is designed to provide the School District's stakeholders with a general but more detailed overview of the School District's finances and to demonstrate increased accountability for the public funds received by the School District.

If you have any questions about this financial report, please contact the Office of the Secretary Treasurer.



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