



Financial Statement Discussion and Analysis

For the Year Ended June 30, 2021

September 13, 2021

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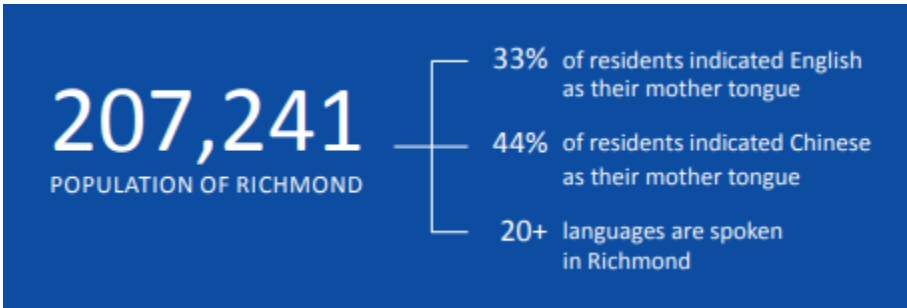
Introduction

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 hən̓q̓əmiñəm 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.

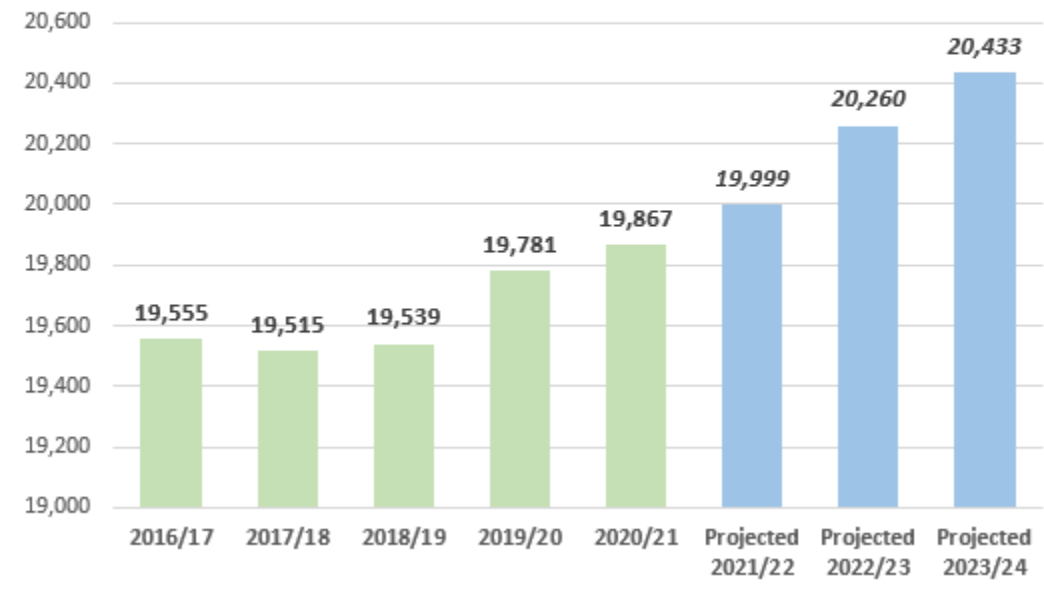
Student Enrolment

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
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	2020/21	2019/20	Variance from Budget		Variance from Prior Year	
	Actual	Budget	Actual	\$	%	\$	%
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	2020/21	2019/20	Variance from Budget		Variance from Prior Year	
	Actual	Budget	Actual	\$	%	\$	%
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	2019/20	Variance from Prior Year	
	Actual	Actual	\$	%
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
Ministry of Education Funded						
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
Federal Funded						
LINC/SWIS	121,770	1,577,892	1,645,264	54,398	(67,372)	
Other						
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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