



Financial Statement Discussion and Analysis

For the Year Ended June 30, 2024

September 17, 2024

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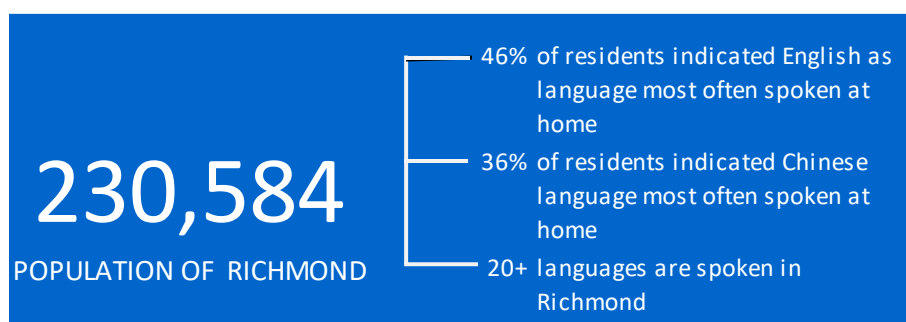
Introduction

The following is a discussion and analysis of the School District’s financial performance for the fiscal year ending June 30, 2024. 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 situated on the traditional and unceded territories of the First Peoples 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 22,000 students from Kindergarten to Grade 12 and approximately 3,400 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 and Child Care.

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 educational partner 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 strategic priorities and goals.



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.

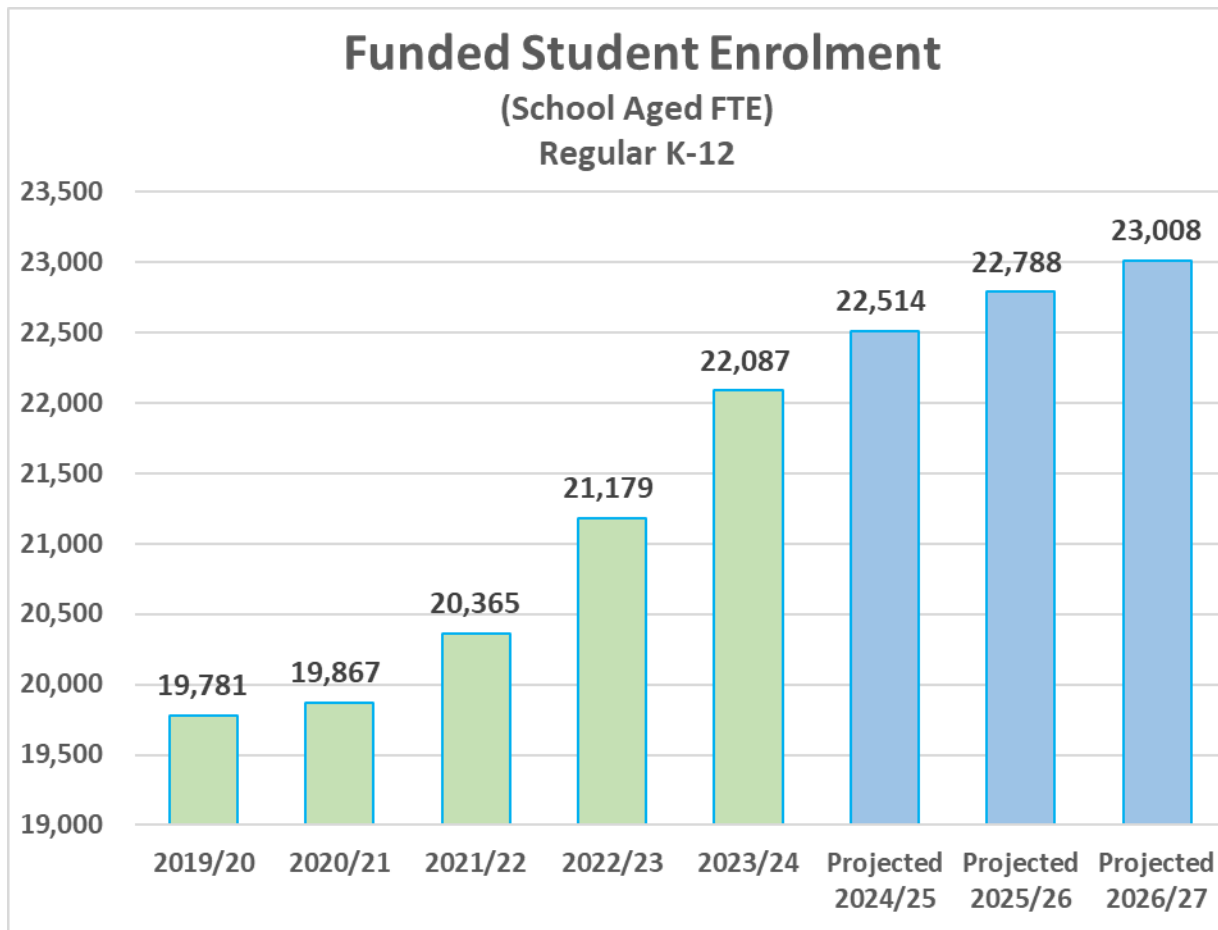
- Operating Fund - The operating fund includes operating grants and other revenues used to fund instructional programs, school and district administration, facilities, operations, maintenance, and transportation.
- Special Purpose Funds - Special purpose funds consist of targeted funding provided to 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 and Child Care Bylaw Capital, Ministry of Education and Child Care 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 and Child Care (MECC) primarily based on student enrolment, students identified with additional needs and other demographic and geographic factors. Ministry grants represent 86% of the total operating revenues. Expenditures are primarily associated with staffing and related compensation and benefits.

Richmond School District student enrolment is as follows:

	2023/24	2023/24	2022/23	Variance from Budget		Variance from Prior Year	
	Actual	Budget	Actual	FTE	%	FTE	%
School Aged	22,087.125	22,004.688	21,178.687	82.437	0.375%	908.438	4.289%
Adult	58.563	55.438	55.188	3.125	5.637%	3.375	6.115%
Total FTE	22,145.688	22,060.126	21,233.875	85.562	0.388%	911.813	4.294%



Over the past four 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. 85.5% of the School District's revenue comes from the Ministry of Education and Child Care (MECC). Of this, 78.6% is in the form of an Operating Grant which is based on enrolment levels and other student and geographical factors. 5.9% of revenue is generated from International Education, Continuing Education and Summer School programs, 3.2% 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 and investment income.

90.9% 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 Financial Statement Presentation-By Fund (Unaudited)).

	Operating Fund	Special Purpose Funds	Capital Fund	Total
	\$	\$	\$	\$
Revenues				
Provincial Grants				
Ministry of Education and Child Care	243,331,497	56,379,850	-	299,711,347
Other	80,586	-	-	80,586
Federal Grants	-	1,559,503	-	1,559,503
Tuition	20,621,325	-	-	20,621,325
Other Revenue	1,375,126	7,713,605	419,035	9,507,766
Rentals and Leases	1,779,538	-	-	1,779,538
Investment Income	4,104,108	27,188	1,985,065	6,116,361
Amortization of Deferred Capital Revenue	-	-	11,315,766	11,315,766
Total Revenue	271,292,180	65,680,146	13,719,866	350,692,192
Expenses				
Instruction	218,587,344	63,293,722	-	281,881,066
District Administration	7,082,623	868,205	-	7,950,828
Operations and Maintenance	32,950,247	604,087	18,388,562	51,942,896
Transportation and Housing	1,521,871	-	412,619	1,934,490
Debt Services	-	-	217,608	217,608
Total Expense	260,142,085	64,766,014	19,018,789	343,926,888
Surplus (Deficit) for the year	11,150,095	914,132	(5,298,923)	6,765,304
Accumulated Surplus (Deficit) from Operations, beginning of year	14,442,019	-	152,029,804	166,471,823
Interfund Transfers	(10,888,064)	(914,132)	11,802,196	-
Accumulated Surplus (Deficit) from Operations, end of year	14,704,050	-	158,533,077	173,237,127

Operating Fund

Our actual financial outcome for the 2023/24 fiscal year is consistent with projections reported to the Finance and Legal Committee. The 2023/24 current year operating unrestricted surplus is \$1.68 million and is within the target to maintain an unrestricted accumulated operating surplus and local capital reserve balance of between 2% and 4% of the district’s annual operating expenditures, as per *Policy 631-R, Accumulated Operating Surplus and Capital Reserves* (Schedule 2 and Financial Statement Presentation-By Fund (Unaudited)).

School District #38 (Richmond)					
Operating Fund - Net Change					
as at June 30, 2024					
	2023/24 Actual	2023/24 Budget	2022/23 Actual	Variance from Budget	Variance from Prior Year
Total Revenue	271,292,180	268,228,354	240,635,355	3,063,826	30,656,825
Total Expenses	260,142,085	262,428,354	231,449,715	(2,286,269)	28,692,370
Net Change	11,150,095	5,800,000	9,185,640	5,350,095	1,964,455
Total Net Transfers	10,888,064	5,800,000	7,857,986	5,088,064	3,030,078
Total Net Change	262,031	-	1,327,654	262,031	(1,065,623)
Accumulated Surplus, Opening Balance	14,442,019	14,442,019	13,114,365	-	1,327,654
Accumulated Surplus, Ending Balance	14,704,050	14,442,019	14,442,019	262,031	262,031
Internally Restricted Surplus	13,021,269	13,671,799	13,671,799	(650,530)	(650,530)
Unrestricted Surplus	1,682,781	770,220	770,220	912,561	912,561
	14,704,050	14,442,019	14,442,019	262,031	262,031

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 and Child Care (MECC).

At the beginning of the year, the District’s Special Purpose Funds had a combined opening balance of \$8.19 million. Revenue of \$67.04 million and spending of \$65.68 million resulted in a balance to be carried forward of \$9.55 million.

Capital Funds

Funding of capital expenditures is sourced primarily from the Ministry of Education and Child Care (MECC) with incremental funding provided through locally generated capital funds.

The following major capital projects are funded by the MECC and are at various stages of the procurement process:

- Samuel Brighthouse Elementary School Prefabricated Modular Classroom Additions (scheduled for completion in September 2024)
- William Cook Elementary School Prefabricated Modular Classroom Additions (scheduled for completion in September 2024)
- R.C. Talmey Elementary School Prefabricated Modular Classroom Additions (scheduled for completion September 2025)
- Howard DeBeck Elementary School Seismic Upgrade and Building Envelope Update (scheduled for completion in September 2025)
- Alfred B. Dixon Elementary School Seismic Upgrade (scheduled for completion in September 2025)
- Childcare Facility – James Whiteside Elementary School (scheduled for completion in September 2024)
- Childcare Facility – James McKinney Elementary School (scheduled for completion in September 2024)
- Childcare Facility – William Bridge Elementary School (scheduled for completion in September 2024)
- Childcare Facility – Adult Education Centre (scheduled for completion in September 2024)

Additionally, a number of minor capital projects were successfully completed during the year. Those projects include a range of improvements to the school facilities, such as mechanical system upgrades, electrical system upgrades, plumbing system upgrades and grounds upgrades.

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, 2024 and 2023.

	June 30, 2024	June 30, 2023	Variance	
			\$	%
Financial Assets				
Cash and Cash Equivalents	158,774,436	146,770,546	12,003,890	8.18%
Accounts Receivable				
Due from Province - Ministry of Education and Child Care	182,755	329,107	(146,352)	-44.47%
Other	3,509,545	3,941,204	(431,659)	-10.95%
Portfolio Investments	659,252	741,904	(82,652)	-11.14%
Total Financial Assets	163,125,988	151,782,761	11,343,227	7.47%
Liabilities				
Accounts Payable and Accrued Liabilities				
Other	32,022,965	28,413,892	3,609,073	12.70%
Unearned Revenue	14,922,296	17,364,546	(2,442,250)	-14.06%
Deferred Revenue	9,552,242	8,186,374	1,365,868	16.68%
Deferred Capital Revenue	303,824,280	283,416,877	20,407,403	7.20%
Employee Future Benefits	15,046,958	13,896,234	1,150,724	8.28%
Asset Retirement Obligations	24,175,727	24,175,727	-	0.00%
Capital Lease Obligations	4,118,342	4,462,210	(343,868)	-7.71%
Total Liabilities	403,662,810	379,915,860	23,746,950	6.25%
Net Financial Assets (Debt)	(240,536,822)	(228,133,099)	(12,403,723)	5.44%
Non-Financial Assets				
Tangible Capital Assets	413,179,506	393,862,677	19,316,829	4.90%
Prepaid Expenses	594,443	742,245	(147,802)	-19.91%
Total Non-Financial Assets	413,773,949	394,604,922	19,169,027	4.86%
Accumulated Surplus (Deficit)	173,237,127	166,471,823	6,765,304	4.06%
Accumulated Surplus - Capital	158,533,077	152,029,804	6,503,273	4.28%
Accumulated Surplus - Operations	14,704,050	14,442,019	262,031	1.81%
Total Accumulated Surplus	173,237,127	166,471,823	6,765,304	4.06%

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

	June 30, 2024	June 30, 2023	Variance
Cash in Bank	24,152,439	23,571,980	580,459
Cash Equivalent - Special Purpose Funds	1,231	1,182	49
Central Deposit Program - Ministry of Finance	134,524,297	123,095,496	11,428,801
Investment held by Richmond Community Foundation	96,469	101,888	(5,419)
	158,774,436	146,770,546	12,003,890

Cash increased \$12.0 million over the prior year due to decreased accounts receivable and prepaid expenses, increased deferred revenues, increased accounts payable, decreased unearned revenues flowing from International Education payments received in advance for the 2024/25 school year, and the current year surplus.

Cash, held in the bank for current operational needs, totals \$24.2 million. \$134.5 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 4.95% (as at June 30, 2024).

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

	June 30, 2024	June 30, 2023	Variance
Obligations			
Trade Payables	7,265,989	7,184,635	81,354
Salaries and Benefits Payables	21,773,714	18,156,118	3,617,596
Accrued Vacation Pay	2,210,936	2,416,386	(205,450)
Other Payable	772,326	656,751	115,575
Unearned Revenue - International Student Programs	13,769,305	16,552,833	(2,783,528)
Unearned Revenue - Other	1,152,991	811,713	341,278
Deferred Revenue - Special Purpose Funds	9,552,242	8,186,374	1,365,868
Deferred Capital Revenue	23,057,636	21,340,534	1,717,102
Local Capital	54,414,284	48,881,409	5,532,875
Employee Future Benefits	15,046,958	13,896,234	1,150,724
	149,016,381	138,082,987	10,933,394
Assets			
Accounts Receivable - Ministry of Education and Child Care	(182,755)	(329,107)	146,352
Accounts Receivable - Other	(3,509,545)	(3,941,204)	431,659
Prepaid Expenses	(594,443)	(742,245)	147,802
Portfolio Investments	(659,252)	(741,904)	82,652
	(4,945,995)	(5,754,460)	808,465
Accumulated Surplus - Operations	14,704,050	14,442,019	262,031
	158,774,436	146,770,546	12,003,890

The difference between cash assets and the liabilities is reflected in 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, 2024							
	2023/24	2023/24	2022/23	Variance from Budget		Variance from Prior Year	
	Actual	Budget	Actual	\$	%	\$	%
Ministry of Education and Child Care Grants	243,331,497	241,890,605	217,760,487	1,440,892	0.6%	25,571,010	11.7%
Other Provincial Grants	80,586	87,917	386,849	(7,331)	-8.3%	(306,263)	-79.2%
Tuition	20,621,325	20,155,758	16,819,979	465,567	2.3%	3,801,346	22.6%
Other Revenue	1,375,126	823,991	925,039	551,135	66.9%	450,087	48.7%
Rentals and Leases	1,779,538	1,617,788	1,537,002	161,750	10.0%	242,536	15.8%
Investment Income	4,104,108	3,652,295	3,205,999	451,813	12.4%	898,109	28.0%
Total Operating Revenue	271,292,180	268,228,354	240,635,355	3,063,826	1.1%	30,656,825	12.7%

Ministry of Education and Child Care Grants were \$1.44 million higher than budgeted. This is due to the increased enrolment in the February and May student count (\$0.89 million), graduated adults (\$0.02 million), and Integrated Child and Youth Teams grant (\$0.53 million).

Other Provincial Grants were within budgeted amounts.

Tuition was \$0.47 million higher than budgeted. This is due to slightly higher number of international students and better than expected return of the short-term international programs.

Other Revenue was \$0.55 million higher than budgeted. This is due to Child Care Fees (\$0.1 million), additional unrestricted portion of the School Generated Funds (\$0.3 million), sale of various capital assets (\$0.13 million), and increase in cafeteria revenue (\$0.02 million).

Rentals and Leases were \$0.16 million higher than budgeted. This is due to higher daycare rental revenue than anticipated.

Investment Income was \$0.45 million higher than budgeted. This is due to increases in interest rates.

Expenses (Schedules 2B and 2C and Note 19 of the Audited Financial Statements)

Salaries and Benefits

School District #38 (Richmond)							
Operating Fund - Salaries and Benefits							
as at June 30, 2024							
	2023/24	2023/24	2022/23	Variance from Budget		Variance from Prior Year	
	Actual	Budget	Actual	\$	%	\$	%
Teachers	108,943,772	110,891,415	95,722,095	(1,947,643)	-1.8%	13,221,677	13.8%
Principals and Vice Principals	14,843,847	14,604,331	13,548,423	239,516	1.6%	1,295,424	9.6%
Education Assistants	19,952,446	20,831,222	17,292,212	(878,776)	-4.2%	2,660,234	15.4%
Support Staff	24,308,869	24,640,785	22,037,389	(331,916)	-1.3%	2,271,480	10.3%
Other Professionals	7,030,073	7,243,161	6,403,064	(213,088)	-2.9%	627,009	9.8%
Substitutes	12,110,022	11,574,561	11,587,316	535,461	4.6%	522,706	4.5%
Total Salaries	187,189,029	189,785,475	166,590,499	(2,596,446)	-1.4%	20,598,530	12.4%
Employee Benefits	49,195,057	49,466,277	43,367,259	(271,220)	-0.5%	5,827,798	13.4%
Total Salaries and Benefits	236,384,086	239,251,752	209,957,758	(2,867,666)	-1.2%	26,426,328	12.6%

Teacher Salaries were \$1.95 million lower than budgeted due to staffing shortages for qualified teaching positions and recruitment challenges (\$1.59 million) which were covered by Teacher Teaching on Call (TTOC) and reflected in the substitute salaries and lower than expected maternity leave payouts (\$0.36 million).

Principal and Vice Principal Salaries were \$0.24 million higher than budgeted due to higher than anticipated paid medical leaves and various payouts.

Education Assistants Salaries were \$0.88 million lower than budgeted due to shortages of Education Assistants.

Support Staff Salaries were \$0.33 million lower than budgeted due to unfilled positions in maintenance and timing delays in filling available positions.

Other Professional Salaries were \$0.21 million lower than budgeted due to unfilled positions in finance and timing delays in filling available positions.

Substitute Salaries were \$0.54 million higher than budgeted due to the increased demand for TTOC to cover vacancies resulting from recruitment challenges in hiring enrolling and non-enrolling teaching positions above.

Employee Benefits were \$0.27 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, 2024							
	2023/24	2023/24	2022/23	Variance from Budget		Variance from Prior Year	
	Actual	Budget	Actual	\$	%	\$	%
Services	9,695,928	7,801,877	8,625,974	1,894,051	24.3%	1,069,954	12.4%
Student Transportation	8,403	15,022	14,189	(6,619)	-44.1%	(5,786)	-40.8%
Professional Dev and Travel	1,035,527	1,265,800	790,324	(230,273)	-18.2%	245,203	31.0%
Rentals and Leases	303,203	319,558	262,883	(16,355)	-5.1%	40,320	15.3%
Dues and Fees	144,889	154,387	127,904	(9,498)	-6.2%	16,985	13.3%
Insurance	683,419	671,334	591,255	12,085	1.8%	92,164	15.6%
Supplies	7,986,693	8,581,538	7,160,213	(594,845)	-6.9%	826,480	11.5%
Utilities	3,899,937	4,367,086	3,919,215	(467,149)	-10.7%	(19,278)	-0.5%
Total Services and Supplies	23,757,999	23,176,602	21,491,957	581,397	2.5%	2,266,042	10.5%

Services and supplies were \$0.58 million higher than budgeted due to general cost escalation and inflation.

Accumulated Surplus (Schedule 2 and Note 20 of the Audited Financial Statements)

School District #38 (Richmond)				
Operating Fund - Accumulated Surplus				
as at June 30, 2024				
	2023/24	2022/23	Variance from Prior Year	
	Actual	Actual	\$	%
Internally Restricted Surplus				
Restricted Due to the Nature of Constraints on the Funds				
Contractual Obligations	479,738	395,919	83,819	21.2%
Targeted Funding	2,153,348	1,614,120	539,228	33.4%
School Generated Funds	2,700,000	2,400,000	300,000	12.5%
	5,333,086	4,410,039	923,047	20.9%
Restricted for Anticipated Unusual Expenses				
Addressing Learning Impacts	1,500,000	1,000,000	500,000	50.0%
Emergency Preparedness Initiatives	-	1,860,000	(1,860,000)	-100.0%
	1,500,000	2,860,000	(1,360,000)	-47.6%
Restricted for Operations Spanning Multiple School Years				
Support for Educational Plans	1,788,068	2,025,462	(237,394)	-11.7%
School Funds	2,180,147	2,193,554	(13,407)	-0.6%
Support for Operational Initiatives	1,741,948	1,736,571	5,377	0.3%
Purchase Order Commitments	478,020	446,173	31,847	7.1%
	6,188,183	6,401,760	(213,577)	-3.3%
Total Internally Restricted Operating Fund Surplus	13,021,269	13,671,799	(650,530)	-4.8%
Unrestricted Operating Surplus (Deficit)	1,682,781	770,220	912,561	118.5%
Total Operating Fund Accumulated Surplus (Deficit)	14,704,050	14,442,019	262,031	1.8%

There are three categories of Internally Restricted Operating Surplus.

1. Restricted Due to the Nature of Constraints on the Fund (\$5.33 million). This includes contractual obligations, targeted funding, and school generated funds.
2. Restricted for Anticipated Unusual Expenses (\$1.50 million). This includes addressing learning impacts, which are variable in nature, and impacts of emerging events.
3. Restricted for Operations Spanning Multiple School Years (\$6.19 million). This includes schools and department carry-forwards, educational plans and operational initiatives spanning multiple years including technology, and purchase order commitments.

The unrestricted surplus of \$1.68 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, 2024						
	Opening Balance	Revenue Received	Expenses/ Transfers	Ending Balance	Variance	Comment
Ministry of Education and Child Care Funded						
Annual Facility Grant (AFG)	-	829,289	829,289	-	-	
Learning Improvement Fund (LIF)	73,536	865,171	915,980	22,727	(50,809)	
Strong Start	64,533	233,628	279,267	18,894	(45,639)	
Ready, Set, Learn	35,683	90,650	118,258	8,075	(27,608)	
Official Languages in Education French Programs (OLEP)	-	298,472	298,472	-	-	
Community LINK	-	849,718	849,718	-	-	
Classroom Enhancement - Staffing	-	43,024,547	43,024,547	-	-	
Classroom Enhancement - Remedy	-	453,420	453,420	-	-	
Classroom Enhancement - Overhead	-	5,298,621	5,298,621	-	-	
Mental Health in Schools	46,332	48,000	65,253	29,079	(17,253)	
Changing Results for Young Children	16,629	11,250	18,035	9,844	(6,785)	
Early Childhood Education Dual Credit	42,822	55,000	46,571	51,251	8,429	
Student & Family Affordability	515,667	809,000	552,476	772,191	256,524	
Just B4 Program	13,163	149,629	162,792	-	(13,163)	
Strengthening Early Years to Kindergarten (SEY2KT)	16,863	19,000	20,554	15,309	(1,554)	
Early Care & Learning (ECL)	11,015	175,000	186,015	-	(11,015)	
Feeding Futures School Food Program	-	2,372,391	1,873,278	499,113	499,113	new grant
Health Career Dual Credit Expansion	-	25,000	2,111	22,889	22,889	new grant
Provincial Resource Program	107,927	989,443	1,004,078	93,292	(14,635)	
Provincial Early Years	172,459	467,951	490,372	150,038	(22,421)	
Federal Funded						
LINC/SWIS	73,618	1,566,332	1,559,503	80,447	6,829	
Other						
Scholarships and Bursaries	1,079,950	70,216	23,359	1,126,807	46,857	
School Generated Funds	5,605,246	7,856,380	7,165,926	6,295,700	690,454	
Educational Trust Fund	310,931	487,906	442,251	356,586	45,655	
Total Special Purpose Funds	8,186,374	67,046,014	65,680,146	9,552,242	1,365,868	

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.

Special Purpose Fund	Designated Use
Official Languages in Education French Programs (OLEP)	Support French Immersion and Core French programs.
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.
Early Childhood Education Dual Credit	Support personalized learning and transition pathways from K-12 to post-secondary study for the early childhood education program.
Student & Family Affordability	Increase food security for students and their families, and support students, parents, and guardians with affordability concerns (one-time funding).
Just B4 Program	Support increased opportunities for childcare programs on school grounds.
Strengthening Early Years to Kindergarten (SEY2KT)	Support the transition of children from community based early learning to kindergarten in schools.
Early Care & Learning	Support the expansion of childcare on school grounds.
Feeding Futures School Food Program	Support to increase food security for students by expanding or creating school food programs.
Health Career Dual Credit Expansion	Support personalized learning and transition pathways from K-12 to post-secondary study focused on health careers aligned with regional workforce demands.
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 Years	Support diverse and struggling learners.
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.
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 20 of the Audited Financial Statements)

Capital Fund Balances are as follows:

School District #38 (Richmond)			
Capital Funds			
as at June 30, 2024			
	June 30, 2024	June 30, 2023	Variance
Ministry of Education and Child Care Restricted Funds			
Bylaw	4,684,933	3,354,152	1,330,781
Other	118,682	112,336	6,346
Other Provincial Restricted Funds	2,314,768	3,087,267	(772,499)
Land Capital	15,939,255	14,786,779	1,152,476
Capital Funds Balance	23,057,638	21,340,534	1,717,104

Ministry of Education and Child Care Restricted Funds: These funds are held on behalf of the Ministry of Education and Child Care. The available Bylaw balance of \$4.68 million is funding balances committed for the completion of various projects, including seismic upgrade, and building envelope completions.

Other Provincial Restricted Funds: These funds are from the Ministry of Children and Family Development 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, 2024			
	June 30, 2024	June 30, 2023	Variance
Restricted			
Capital Lease Obligations	8,933,102	8,583,102	350,000
Current Capital Projects	16,246,867	19,952,023	(3,705,156)
Future Capital Projects	22,753,924	14,498,889	8,255,035
Contingency Reserves	2,000,000	2,000,000	-
Under Review by Board	4,480,391	3,847,395	632,996
Local Capital Fund Balance	54,414,284	48,881,409	5,532,875

The June 30, 2024 local capital balance of \$54.41 million incorporates \$49.93 million of restricted funds and \$4.48 million under review by the Board. Additional funds could be restricted in the future with Board approval for identified projects requiring local capital funding.

Long Term Outlook

In order to effectively manage the District's financial resources, it is crucial to pay close attention to various factors that may have the potential to significantly influence the District's strategic priorities and goals. By proactively addressing these factors diligently, the District can ensure its continued success and sustainability.

Critical Need for City Centre Schools

There is an urgency to address the shortage of educational infrastructure in Richmond City Centre to meet the critical needs of the community and citizens of the City. In the City Centre area, there are four elementary schools: Brighthouse, Cook, Talmey and Tomsett. These schools are currently operating beyond their capacity. Student enrolment in the four City Centre Elementary schools grew by 15% in 2022 and 12% in 2023. The momentum of the growth is expected to persist due to the concentration of approximately 85% of Richmond's recently approved and active housing development applications in the City Centre area. Significant space pressure due to enrolment growth is anticipated at these schools for the foreseeable future.

The District's Long Range Facilities Plan and Five-year Capital Plan provide the framework for new schools and school expansions to accommodate enrolment growth projections within the City Centre area. The Ministry has recently approved the school expansion program for Brighthouse and Cook Elementary Schools with targeted completion in September 2024. In addition, the Ministry provided approval to Talmey Elementary School classroom additions with targeted completion in September 2025. These expansion projects will add approximately 270 seats by September 2024 and 150 seats by September 2025.

To accommodate future projected enrolment growth, two new City Centre schools are required in addition to the approved expansions, with the first new school required by September 2029 and the second new school required by September 2033. The capital funding requests for site acquisition and building construction were included in the district's Five-year Capital Plan submission to the Ministry in June 2023. Capital support from the province is urgently needed to effectively address the space shortages in Richmond City Centre.

Ministry K-12 Education Funding Model

In 2018, the Province appointed an independent review panel to undertake a review of how public education is funded in the province. The panel presented a final report on December 18, 2018, with 22 recommendations along three themes including equity, accountability and financial management.

The recommendations will be implemented through a two-phase approach, following the Ministry's modelling of funding allocations to implement the new funding model. The initial phase of implementing the new funding model led to adverse funding changes, notably in the transition of previous Employer Health Tax Grant and Carbon Tax Grant, during the 2019/20 school year. The District had incorporated these funding model adjustments in its subsequent year's budget.

In the second phase of implementation, the Ministry will continue working to modernize inclusive education policies, improve the delivery of online learning, and support students' transition to post-secondary and career-focused programs. The impact of the phase two implementation of the funding model is unknown at this time.

International Education

Richmond International Education (RIE) provides world class education options for students ages 5 to 18 with programs designed to support their personal and educational goals. The RIE program serves as a significant revenue source with a recovery of student enrolment following the global pandemic. The International Education Department remains dedicated to maintaining a diverse program to meet the students' needs. The program is expected to continue facing challenges such as homestay availability, geo-political shifts and competition. These challenges emphasize the need for a contingency fund to mitigate potential negative budget impacts due to unforeseen circumstances impacting RIE revenue.

Recruitment and Retention

The District will continue to address challenges in filling various staffing vacancies, including teaching positions, Educational Assistants, support staff and other professional staff. The recruitment challenges are mainly due to higher demand for various staffing positions as a result of enrolment growth in metro school districts, staffing shortages and competitive job markets.

Addressing these challenges remains a top priority for the district. In alignment with the Strategic Plan Priority Four, the Human Resource (HR) Department has implemented a variety of initiatives through a multi-pronged recruitment and retention strategy.

- Innovative recruitment approaches: implementing contracted positions of Teacher Teaching on Call (TTOC) to alleviate daily teacher shortages.
- Recruitment and attraction: improving recruitment branding, presence, social-media recruitment strategy, and outreach to attract and source high-quality applicants.
- Improving candidate experience: improving recruitment processes, interview guides, support and resources for management staff.
- Richmond Educational Assistant Program (REAP): the Continuing Education Department continues to offer the REAP, which serves as a source for EA candidates and contributes to the district's recruitment needs.
- Collaboration with education partners: the HR staff work collaboratively with education partners to address issues and achieve outcomes that support the District's priorities. This includes providing additional support for student learning needs and enhancing staff capacity to best meet learners' needs.

Inflationary Cost Pressures

Inflation can significantly impact the District's operating and capital expenditures. Rising costs of supplies and services have increased overall operating pressures, while inflationary pressures also manifest in higher employee benefit expenses, including enhanced health and dental care cost, as well as statutory benefit rate increases.

Additionally, increasing costs of construction materials and labour have led to higher budget estimates for both major and minor capital projects. This trend was evident in the higher cost estimates outlined in the District's Five-Year Capital plan submitted to the Ministry in June 2024.

To mitigate the negative effects of inflation on its financial results and budgets, the District engages in proactive financial planning. This includes regular forecasting for inflationary impacts, seeking operational efficiencies, exploring cost-saving measures, and carefully managing resources to ensure the continued delivery of quality education while minimizing financial strain.

Technology Infrastructure

Technology infrastructure and systems are essential for the District to facilitate effective educational practices and meeting the evolving needs of both of the educational and business functions. Key considerations for technology investment include upgrading and replacing network infrastructure and connectivity, addressing hardware and device requirements, acquiring software and digital resources, providing professional development, offering technology support, ensuring cybersecurity, and utilizing data analytics. The Learning and Business Technology Department is committed to maintaining a robust and efficient technology infrastructure and system that effectively supports both student learning and the District's operational needs.

Contacting Management

This financial report is designed to provide the School District's educational partners 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.



School District No. 38 (Richmond)
7811 Granville Avenue
Richmond, British Columbia
V6Y 3E3