



Financial Statement Discussion and Analysis

For the Year Ended June 30, 2025

September 16, 2025

Table of Contents

Introduction	2
Overview	2
Vision, Mission, and Values	2
Strategic Plan 2020-2025	3
Accounting Policies	4
Student Enrolment	5
Financial Highlights	6
Operating Fund	7
Special Purpose Funds	7
Capital Funds	7
Financial Analysis of the School District	9
Statement of Financial Position	9
Statement of Operations	11
Operating Fund	11
Special Purpose Funds	15
Capital Funds	17
Long Term Outlook	18
Contacting Management	21

Introduction

The following is a discussion and analysis of the School District's financial performance for the fiscal year ending June 30, 2025. 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 and dynamic learning community that fosters student engagement, creativity, and well-being in inclusive 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 hən̓q̓əmiṇ̓əm 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 is comprised of 48 schools, 38 elementary schools and 10 secondary schools, that collectively support the learning and success of over 24,000 students. Our schools offer a broad range of educational programs, services and support designed to meet the needs of all learners.

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.

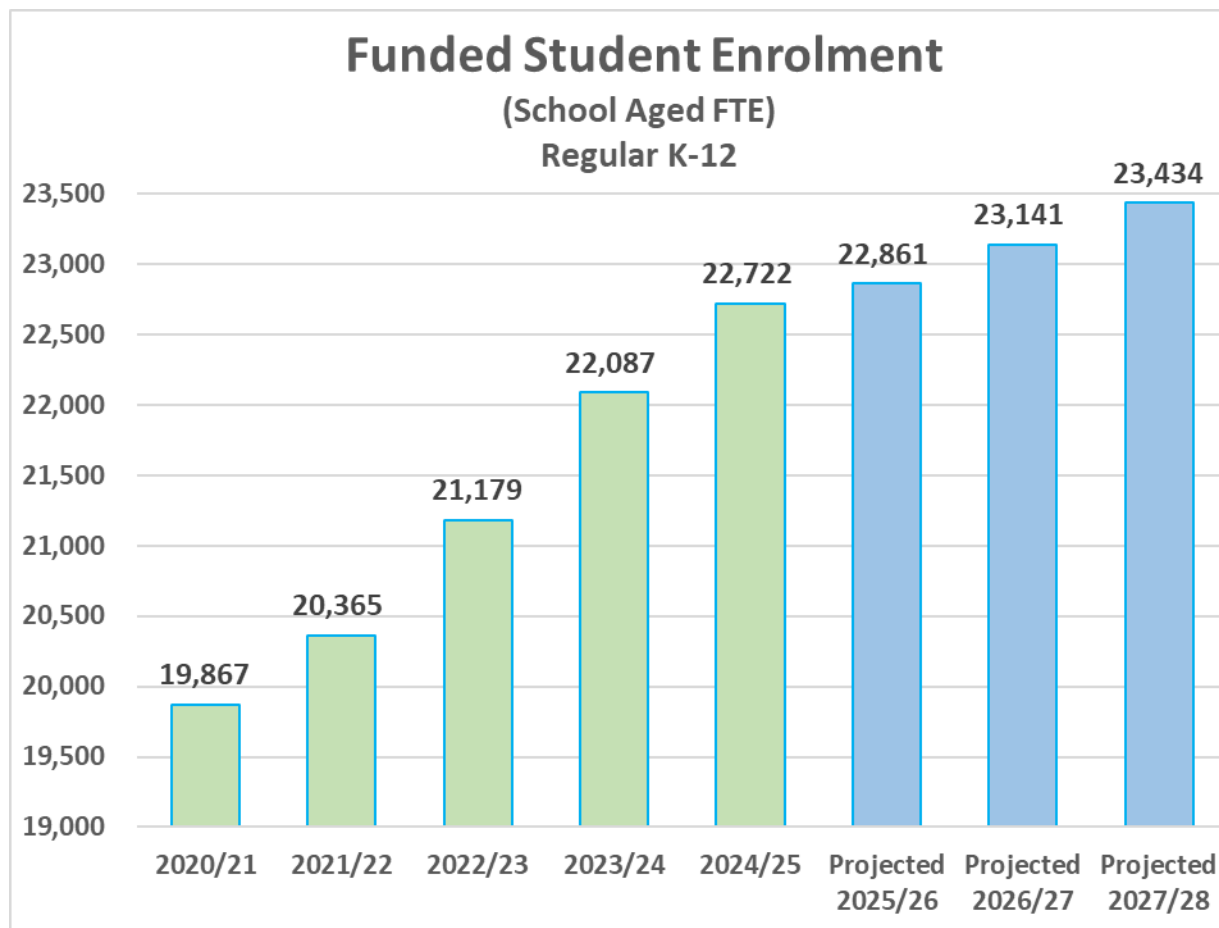
- Operating Fund - The operating fund includes operating grants and other revenues used to fund instructional programs, school and district administration, facilities, operations, maintenance, and transportation.
- Special Purpose Funds - Special purpose funds consist of targeted funding provided to 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:

	2024/25 Actual	2024/25 Budget	2023/24 Actual	Variance from Budget		Variance from Prior Year	
				FTE	%	FTE	%
School Aged	22,722.000	22,676.750	22,087.125	45.250	0.200%	634.875	2.874%
Adult	55.625	57.750	58.563	(2.125)	-3.680%	(2.938)	-5.017%
Total FTE	22,777.625	22,734.500	22,145.688	43.125	0.190%	631.937	2.854%



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 but at a steadier pace.

Financial Highlights

The School District's revenue is heavily reliant on funding from the Provincial Government. 82.8% of the School District's revenue comes from the Ministry of Education and Child Care (MECC). Of this, 73.2% is in the form of an Operating Grant which is based on enrolment levels and other student and geographical factors. 4.6% 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.

91.3% 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	259,394,184	58,811,997	3,542,107	321,748,288
Other	77,936	-	-	77,936
Municipal Grants Spent on Sites	-	-	18,487,169	18,487,169
Federal Grants	-	1,475,836	-	1,475,836
Tuition	17,844,512	-	-	17,844,512
Other Revenue	1,490,349	8,731,100	6,600	10,228,049
Rentals and Leases	2,025,377	-	-	2,025,377
Investment Income	2,521,566	8,527	1,622,517	4,152,610
Amortization of Deferred Capital Revenue	-	-	12,320,825	12,320,825
Total Revenue	283,353,924	69,027,460	35,979,218	388,360,602
Expenses				
Instruction	233,376,827	66,654,686	-	300,031,513
District Administration	8,381,727	853,695	-	9,235,422
Operations and Maintenance	34,185,358	573,083	19,188,100	53,946,541
Transportation and Housing	1,656,461	-	436,480	2,092,941
Debt Services	-	-	232,642	232,642
Total Expense	277,600,373	68,081,464	19,857,222	365,539,059
Surplus (Deficit) for the year	5,753,551	945,996	16,121,996	22,821,543
Accumulated Surplus (Deficit) from Operations, beginning of year	14,704,050	-	158,533,077	173,237,127
Interfund Transfers	(12,542,801)	(945,996)	13,488,797	-
Accumulated Surplus (Deficit) from Operations, end of year	7,914,800	-	188,143,870	196,058,670

Operating Fund

Our actual financial outcome for the 2024/25 fiscal year is consistent with projections reported to the Finance and Legal Committee. The 2024/25 current year operating unrestricted surplus is \$0.17 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, 2025					
	2024/25 Actual	2024/25 Budget	2023/24 Actual	Variance from Budget	Variance from Prior Year
Total Revenue	283,353,924	282,349,000	271,292,180	1,004,924	12,061,744
Total Expenses	277,600,373	279,349,000	260,142,085	(1,748,627)	17,458,288
Net Change	5,753,551	3,000,000	11,150,095	2,753,551	(5,396,544)
Total Net Transfers	12,542,801	3,000,000	10,888,064	9,542,801	1,654,737
Total Net Change	(6,789,250)	-	262,031	(6,789,250)	(7,051,281)
Accumulated Surplus, Opening Balance	14,704,050	14,704,050	14,442,019	-	262,031
Accumulated Surplus, Ending Balance	7,914,800	14,704,050	14,704,050	(6,789,250)	(6,789,250)
Internally Restricted Surplus	7,742,316	13,021,269	13,021,269	(5,278,953)	(5,278,953)
Unrestricted Surplus	172,484	1,682,781	1,682,781	(1,510,297)	(1,510,297)
	7,914,800	14,704,050	14,704,050	(6,789,250)	(6,789,250)

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 \$9.55 million. Revenue of \$69.08 million and spending of \$69.02 million resulted in a balance to be carried forward of \$9.61 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:

- 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 December 2025)
- F.A. Tomsett Elementary School Prefabricated Module Classroom Additions (scheduled for completion April 2026)
- Alfred B. Dixon Elementary School Seismic Upgrade (scheduled for completion in May 2026)
- John G. Diefenbaker Elementary School Seismic Replacement (scheduled for completion September 2028)
- New City Centre Elementary School Renovations (scheduled for completion in September 2026)
- Childcare Facility – Garden City Elementary School (scheduled for completion in September 2025)
- Childcare Facility – Spul'u'kwuks Elementary School (scheduled for completion in September 2025)

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, 2025 and 2024.

	June 30, 2025	June 30, 2024	Variance	
			\$	%
Financial Assets				
Cash and Cash Equivalents	93,367,494	158,774,436	(65,406,942)	-41.19%
Accounts Receivable				
Due from Province - Ministry of Education and Child Care	6,989,261	182,755	6,806,506	3724.39%
Other	6,549,759	3,509,545	3,040,214	86.63%
Portfolio Investments	782,071	659,252	122,819	18.63%
Total Financial Assets	107,688,585	163,125,988	(55,437,403)	-33.98%
Liabilities				
Accounts Payable and Accrued Liabilities				
Due to Province - Ministry of Education and Child Care	34,058	-	34,058	
Due to Province - Other	1,666	-	1,666	
Other	36,790,103	32,022,965	4,767,138	14.89%
Unearned Revenue	11,388,941	14,922,296	(3,533,355)	-23.68%
Deferred Revenue	9,608,330	9,552,242	56,088	0.59%
Deferred Capital Revenue	315,431,441	303,824,280	11,607,161	3.82%
Employee Future Benefits	16,337,139	15,046,958	1,290,181	8.57%
Asset Retirement Obligations	24,119,672	24,175,727	(56,055)	-0.23%
Capital Lease Obligations	3,365,935	4,118,342	(752,407)	-18.27%
Total Liabilities	417,077,285	403,662,810	13,414,475	3.32%
Net Financial Assets (Debt)	(309,388,700)	(240,536,822)	(68,851,878)	28.62%
Non-Financial Assets				
Tangible Capital Assets	504,552,276	413,179,506	91,372,770	22.11%
Prepaid Expenses	895,094	594,443	300,651	50.58%
Total Non-Financial Assets	505,447,370	413,773,949	91,673,421	22.16%
Accumulated Surplus (Deficit)	196,058,670	173,237,127	22,821,543	13.17%
Accumulated Surplus - Capital	188,143,870	158,533,077	29,610,793	18.68%
Accumulated Surplus - Operations	7,914,800	14,704,050	(6,789,250)	-46.17%
Total Accumulated Surplus	196,058,670	173,237,127	22,821,543	13.17%

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

	June 30, 2025	June 30, 2024	Variance
Cash in Bank	30,346,650	24,152,439	6,194,211
Cash Equivalent - Special Purpose Funds	931	1,231	(300)
Central Deposit Program - Ministry of Finance	62,923,444	134,524,297	(71,600,853)
Investment held by Richmond Community Foundation	96,469	96,469	-
	93,367,494	158,774,436	(65,406,942)

Cash decreased \$65.4 million over the prior year due to the purchase of a site for a new K-7 School in City Centre and increased accounts receivable and prepaid expenses, increased deferred revenues, increased accounts payable, decreased unearned revenues flowing from International Education payments received in advance for the 2025/26 school year, and the current year surplus.

Cash, held in the bank for current operational needs, totals \$30.3 million. \$62.9 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 2.95% (as at June 30, 2025).

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

	June 30, 2025	June 30, 2024	Variance
Obligations			
Accounts Payable-Ministry of Education and Child Care	34,058	-	34,058
Accounts Payable-Other	1,666	-	1,666
Trade Payables	8,999,599	7,265,989	1,733,610
Salaries and Benefits Payables	21,762,559	21,773,714	(11,155)
Accrued Vacation Pay	2,450,632	2,210,936	239,696
Other Payable	3,577,313	772,326	2,804,987
Unearned Revenue - International Student Programs	10,215,028	13,769,305	(3,554,277)
Unearned Revenue - Other	1,173,913	1,152,991	20,922
Deferred Revenue - Special Purpose Funds	9,608,330	9,552,242	56,088
Deferred Capital Revenue	3,463,940	23,057,636	(19,593,696)
Local Capital	23,044,702	54,414,284	(31,369,582)
Employee Future Benefits	16,337,139	15,046,958	1,290,181
	100,668,879	149,016,381	(48,347,502)
Assets			
Accounts Receivable - Ministry of Education and Child Care	(6,989,261)	(182,755)	(6,806,506)
Accounts Receivable - Other	(6,549,759)	(3,509,545)	(3,040,214)
Prepaid Expenses	(895,094)	(594,443)	(300,651)
Portfolio Investments	(782,071)	(659,252)	(122,819)
	(15,216,185)	(4,945,995)	(10,270,190)
Accumulated Surplus - Operations	7,914,800	14,704,050	(6,789,250)
	93,367,494	158,774,436	(65,406,942)

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, 2025							
	2024/25 Actual	2024/25 Budget	2023/24 Actual	Variance from Budget		Variance from Prior Year	
				\$	%	\$	%
Ministry of Education and Child Care Grants	259,394,184	258,208,342	243,331,497	1,185,842	0.5%	16,062,687	6.6%
Other Provincial Grants	77,936	52,800	80,586	25,136	47.6%	(2,650)	-3.3%
Tuition	17,844,512	18,544,632	20,621,325	(700,120)	-3.8%	(2,776,813)	-13.5%
Other Revenue	1,490,349	1,435,804	1,375,126	54,545	3.8%	115,223	8.4%
Rentals and Leases	2,025,377	1,813,622	1,779,538	211,755	11.7%	245,839	13.8%
Investment Income	2,521,566	2,293,800	4,104,108	227,766	9.9%	(1,582,542)	-38.6%
Total Operating Revenue	283,353,924	282,349,000	271,292,180	1,004,924	0.4%	12,061,744	4.4%

Ministry of Education and Child Care Grants were \$1.18 million higher than budgeted. This is due to the increased enrolment in the February and May student count (\$0.54 million), graduated adults (\$0.34 million), and additional labour settlement funding (\$0.30 million).

Other Provincial Grants were within budgeted amounts.

Tuition was \$0.70 million lower than budgeted. This is due to lower than anticipated long-term international student enrolment.

Other Revenue was within budgeted amounts.

Rentals and Leases were \$0.21 million higher than budgeted. This is due to higher daycare and facilities rental revenue than anticipated.

Investment Income was \$0.23 million higher than budgeted. This is due to interest rates remaining relatively stable compared to the conservative forecast in the amended budget.

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, 2025							
	2024/25 Actual	2024/25 Budget	2023/24 Actual	Variance from Budget		Variance from Prior Year	
				\$	%	\$	%
Teachers	115,583,296	116,683,302	108,943,772	(1,100,006)	-0.9%	6,639,524	6.1%
Principals and Vice Principals	15,677,224	15,245,382	14,843,847	431,842	2.8%	833,377	5.6%
Education Assistants	21,702,857	22,586,240	19,952,446	(883,383)	-3.9%	1,750,411	8.8%
Support Staff	26,153,279	25,875,394	24,308,869	277,885	1.1%	1,844,410	7.6%
Other Professionals	8,046,468	7,765,708	7,030,073	280,760	3.6%	1,016,395	14.5%
Substitutes	13,822,384	12,548,271	12,110,022	1,274,113	10.2%	1,712,362	14.1%
Total Salaries	200,985,508	200,704,297	187,189,029	281,211	0.1%	13,796,479	7.4%
Employee Benefits	52,407,641	54,476,784	49,195,057	(2,069,143)	-3.8%	3,212,584	6.5%
Total Salaries and Benefits	253,393,149	255,181,081	236,384,086	(1,787,932)	-0.7%	17,009,063	7.2%

Teacher Salaries were \$1.10 million lower than budgeted due to staffing shortages for qualified teaching positions and recruitment challenges (\$0.78 million) which were covered by Teacher Teaching on Call (TTOC) and 3.0 FTE unfilled non-enrolling teacher positions (\$0.32 million).

Principal and Vice Principal Salaries were \$0.43 million higher than budgeted due to higher than anticipated paid medical and other leaves.

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

Support Staff Salaries were \$0.28 million higher than budgeted due to a portion of the 2024/25 Integrated Child and Youth Team grant being received and appropriated in 2023/24.

Other Professional Salaries were \$0.28 million higher than budgeted due to a portion of the 2024/25 Integrated Child and Youth Team grant being received and appropriated in 2023/24.

Substitute Salaries were \$1.27 million higher than budgeted due to the increased demand for TTOCs to cover vacancies resulting from recruitment challenges in hiring enrolling and non-enrolling teaching positions and increased TTOCs and support staff to cover vacancies resulting from staff absenteeism due to illness and other leaves.

Employee Benefits were \$2.07 million lower than budgeted due to overall lower salaries than budgeted for teachers and education assistants and benefit usage being lower than forecasted in the amended budget.

Services and Supplies

School District #38 (Richmond) Operating Fund - Services and Supplies as at June 30, 2025							
	2024/25	2024/25	2023/24	Variance from Budget		Variance from Prior Year	
	Actual	Budget	Actual	\$	%	\$	%
Services	8,548,985	7,985,429	9,695,928	563,556	7.1%	(1,146,943)	-11.8%
Student Transportation	12,441	15,623	8,403	(3,182)	-20.4%	4,038	48.1%
Professional Dev and Travel	1,416,934	1,386,235	1,035,527	30,699	2.2%	381,407	36.8%
Rentals and Leases	328,960	320,456	303,203	8,504	2.7%	25,757	8.5%
Dues and Fees	152,900	160,527	144,889	(7,627)	-4.8%	8,011	5.5%
Insurance	806,533	884,857	683,419	(78,324)	-8.9%	123,114	18.0%
Supplies	8,818,302	9,054,077	7,986,693	(235,775)	-2.6%	831,609	10.4%
Utilities	4,122,169	4,360,715	3,899,937	(238,546)	-5.5%	222,232	5.7%
Total Services and Supplies	24,207,224	24,167,919	23,757,999	39,305	0.2%	449,225	1.9%

Services and supplies were within budgeted amounts.

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

School District #38 (Richmond) Operating Fund - Accumulated Surplus as at June 30, 2025				
	2024/25	2023/24	Variance from Prior Year	
	Actual	Actual	\$	%
Internally Restricted Surplus				
Restricted Due to the Nature of Constraints on the Funds				
Contractual Obligations	561,790	479,738	82,052	17.1%
Targeted Funding	1,659,124	2,153,348	(494,224)	-23.0%
School Generated Funds	2,700,000	2,700,000	-	0.0%
	4,920,914	5,333,086	(412,172)	-7.7%
Restricted for Anticipated Unusual Expenses				
Addressing Learning Impacts	-	1,500,000	(1,500,000)	-100.0%
	-	1,500,000	(1,500,000)	-100.0%
Restricted for Operations Spanning Multiple School Years				
Support for Educational Plans	473,511	1,788,068	(1,314,557)	-73.5%
School Funds	982,639	2,180,147	(1,197,508)	-54.9%
Support for Operational Initiatives	1,086,056	1,741,948	(655,892)	-37.7%
Purchase Order Commitments	279,196	478,020	(198,824)	-41.6%
	2,821,402	6,188,183	(3,366,781)	-54.4%
Total Internally Restricted Operating Fund Surplus	7,742,316	13,021,269	(5,278,953)	-40.5%
Unrestricted Operating Surplus (Deficit)	172,484	1,682,781	(1,510,297)	-89.8%
Total Operating Fund Accumulated Surplus (Deficit)	7,914,800	14,704,050	(6,789,250)	-46.2%

There are two categories of Internally Restricted Operating Surplus.

1. Restricted Due to the Nature of Constraints on the Fund (\$4.92 million). This includes contractual obligations, targeted funding, and school generated funds.
2. Restricted for Operations Spanning Multiple School Years (\$2.82 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 \$0.17 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, 2025						
	Opening Balance	Revenue Received	Expenses/ Transfers	Ending Balance	Variance	Comment
<u>Ministry of Education and Child Care Funded</u>						
Annual Facility Grant (AFG)	-	829,289	829,289	-	-	
Learning Improvement Fund (LIF)	22,727	879,303	902,030	-	(22,727)	
Strong Start	18,894	233,436	252,330	-	(18,894)	
Ready, Set, Learn	8,075	93,100	63,465	37,710	29,635	
Official Languages in Education French Programs (OLEP)	-	382,342	346,778	35,564	35,564	
Community LINK	-	869,538	869,538	-	-	
Classroom Enhancement - Staffing	-	44,682,306	44,682,306	-	-	
Classroom Enhancement - Remedy	-	413,136	413,136	-	-	
Classroom Enhancement - Overhead	-	5,522,243	5,522,243	-	-	
Mental Health in Schools	29,079	48,000	65,995	11,084	(17,995)	
Changing Results for Young Children	9,844	11,250	21,094	-	(9,844)	
Early Childhood Education Dual Credit	51,251	45,000	44,331	51,920	669	
Student & Family Affordability	772,191	-	454,152	318,039	(454,152)	
Just B4 Program	-	150,422	150,422	-	-	
Strengthening Early Years to Kindergarten (SEY2KT)	15,309	19,000	29,723	4,586	(10,723)	
Early Care & Learning (ECL)	-	175,000	175,000	-	-	
Feeding Futures School Food Program	499,113	2,410,619	1,984,793	924,939	425,826	
Health Career Dual Credit Expansion	22,889	25,000	6,184	41,705	18,816	
Professional Learning Grant	-	208,468	-	208,468	208,468	new grant
Provincial Resource Program	93,292	955,040	941,009	107,323	14,031	
Provincial Early Years	150,038	1,368,921	1,128,940	390,019	239,981	
National School Food Program	-	39,097	39,097	-	-	new grant
<u>Federal Funded</u>						
LINC/SWIS	80,447	1,436,172	1,475,836	40,783	(39,664)	
<u>Other</u>						
Scholarships and Bursaries	1,126,807	40,735	5,950	1,161,592	34,785	
School Generated Funds	6,295,700	7,714,712	8,166,546	5,843,866	(451,834)	
Educational Trust Fund	356,586	531,419	457,273	430,732	74,146	
Total Special Purpose Funds	9,552,242	69,083,548	69,027,460	9,608,330	56,088	

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.

Special Purpose Fund	Designated Use
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.
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.
Professional Learning	Support professional learning opportunities to classroom teachers and support staff in the areas of evidence-based: literacy instruction, early literacy screening, and/or literacy interventions.
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.
National School Food Program	Support to complement Feeding Futures School Food Program through agreement between BC Government and Government of Canada.
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, 2025			
	June 30, 2025	June 30, 2024	Variance
Ministry of Education and Child Care Restricted Funds			
Bylaw	2,929,873	4,684,933	(1,755,060)
Other	186,732	118,682	68,050
Other Provincial Restricted Funds	347,339	2,314,768	(1,967,429)
Land Capital	-	15,939,255	(15,939,255)
Capital Funds Balance	3,463,944	23,057,638	(19,593,694)

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 \$2.93 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 from land capital were used to acquire a new city centre school site in 2024/25.

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, 2025			
	June 30, 2025	June 30, 2024	Variance
Restricted			
Capital Lease Obligations	7,443,425	8,933,102	(1,489,677)
Current Capital Projects	9,259,714	16,246,867	(6,987,153)
Future Capital Projects	-	22,753,924	(22,753,924)
Contingency Reserves	2,000,000	2,000,000	-
Under Review by Board	4,341,563	4,480,391	(138,828)
Local Capital Fund Balance	23,044,702	54,414,284	(31,369,582)

The June 30, 2025 local capital balance of \$23.04 million incorporates \$18.70 million of restricted funds and \$4.34 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

It is important for the school district to regularly review and assess high-level operational and organizational risks to ensure risk mitigation and response strategies are in place should such events occur. This ongoing oversight is essential to maintaining long-term operational sustainability and ensuring the district's capacity to fulfil the board's core mandate, delivering high quality public education to all students, is not compromised.

Ministry K-12 Education Funding

Approximately 90% of the district's operating revenue is received from the Ministry of Education and Child Care in the form of operating grants. The current K-12 education funding model is primarily based on a per-student rate allocation formula. While operating grants have increased in recent years, to reflect the costs associated with provincial labour settlements that incorporate salary increases into per-student funding rates, significant structural funding gaps remain for the K-12 education sector.

The Ministry's funding formula does not account for several material compensation-related cost drivers, including step increments on salary grids for teachers, administrators, professional staff, and management staff. Additionally, the funding model does not provide funding to offset rising statutory benefit costs such as mandatory employer contributions to the Canada Pension Plan (CPP), Employment Insurance (EI), and Employer Health Tax (EHT). These statutory costs have increased consistently over the past several years and are expected to continue rising in line with overall salary growth.

Further financial pressure arises from escalating costs related to extended health and dental benefits, WorkSafeBC premiums, and other non-statutory employee benefits. These costs are projected to increase over the next three years, placing additional strain on district operations.

In addition to compensation related pressures, the district continues to face significant inflationary increases in the cost of goods and services. Operational expenditures such as utilities, software licensing, building maintenance, classroom materials, transportation, and contracted services have all experienced sustained cost escalation. Many of these increases exceed general inflation and are not offset by corresponding increases in operating grants.

School districts are required to absorb these unfunded compensation and non-compensation cost increases within their existing operating allocations. As a result, these ongoing cost pressures continue to erode budget flexibility and increase the risk of service-level impacts. The district remains committed to rigorous financial stewardship and will continue to monitor these risks closely, using prudent fiscal planning to ensure that staffing obligations and operational needs can be met without compromising the delivery of high-quality educational programs and services.

International Education Tuition Revenue

The International Education Program continues to play a significant role in supporting the district's programs by providing an important source of discretionary revenue. However, this revenue stream is inherently vulnerable to external factors and requires active oversight and strategic planning to ensure long-term stability.

Increased global uncertainty, driven by evolving geopolitical conditions and shifting international relations, has introduced additional risk to international education enrolment. While demand for

Canadian education remains strong, instability in some regions may affect student and family interest, visa processing, and long-term enrolment trends. These factors may result in less predictable enrolment for the international programs.

At the federal level, recent changes to Immigration, Refugees and Citizenship Canada (IRCC) policies, such as the introduction of study permit caps, more stringent eligibility requirements, and variable processing timelines, have increased enrolment uncertainty across the K-12 sector. These measures, while designed to manage system-wide pressures, have introduced challenges for school districts, particularly a downward pressure on international student enrolment.

Locally, the program continues to face operational constraints, including limited homestay availability, rising cost of living for students and families, and space limitations within some schools. While enrolment currently remains strong from East Asia countries, the Richmond International Education (RIE) Department continues their effort to diversify recruitment efforts and program offerings.

To mitigate these risks, the RIE Department has adopted a number of strategies, including expanding recruitment into new and emerging markets, strengthening enrolment management practices to ensure alignment with school capacity, and maintaining high standards for agent oversight, student support, and program quality. The department will continue to collaborate with sector and government partners and monitor government policy development to ensure a timely response to regulatory and market changes.

Additionally, recognizing the importance of international tuition revenue in district operations, the board has established a dedicated contingency reserve to safeguard against potential revenue downturns. The purpose of this reserve is to support the district's ability to sustain operations and programming in the face of unforeseen external shocks or enrolment fluctuations.

Implementation of Long Range Facilities Plan

In March 2025, the board approved the district's Long Range Facilities Plan (LRFP), which provides a strategic framework to guide facility planning, capital investment, and enrolment management across the district. Based on enrolment and demographic analysis and informed by community consultation, the LRFP sets out priorities to ensure school facilities in Richmond remain aligned with evolving student needs, program delivery, and long-term operational sustainability.

A key priority is managing enrolment growth in the city centre area, which has seen a 42 per cent increase in student enrolment over the past four years, equivalent to over 600 additional students across the four elementary schools. This enrolment increase is largely due to the high-density development in the area. In response, the district successfully acquired a new city centre school site during the 2024/25 school year, a critical step in expanding neighbourhood school capacity and providing permanent solutions to address the educational space constraint in city centre.

The LRFP also focuses on optimizing facility utilization, particularly across secondary schools, where enrolment patterns are uneven across the district. Additionally, the LRFP recommends that the district undertake an evaluation of the long-term viability of alternate program locations. As the district continues to review utilization across all sites, it will engage program staff, students and education partners, to identify solutions that maintain program continuity and align with the district's long-term goals and objectives.

Despite strategic planning, a critical challenge to implementation is the availability of provincial capital funding support. The district continues to face significant seismic mitigation program needs. Currently,

22 schools, 18 elementary and four secondary schools, contain buildings that have been identified as having high seismic risk ratings. This represents over 10,000 student seats requiring structural upgrades. Timely investment in seismic projects is essential to ensuring the safety of students and staff, supporting the government's public safety goals and enhancing infrastructure resilience. The board has been advocating to the provincial government to accelerate funding commitments for seismic mitigation programs to meet these critical safety objectives.

The district is committed to implementing the LRFP and engaging with all levels of government to advance capital investment that aligns with the long-term needs of the Richmond learning community.

Cybersecurity Risk Management

Cybersecurity is a critical component of the district's risk management strategy, as the organization increasingly relies on digital infrastructure and tools in its operations and service deliveries. The district places high priority on the protection of personal data, the integrity of digital infrastructure, and the continuity of operations, as these are foundational in delivering educational and business services effectively.

The district has adopted a proactive and multi-layered approach to building cybersecurity resilience:

- Upgraded network security infrastructure: including next generation firewalls, intrusion detection systems, and endpoint protection to enable real-time monitoring and strengthen defenses.
- Implemented multi-factor authentication (MFA) for system access, significantly reducing the risks associated with potentially compromised credentials.
- Implemented cybersecurity awareness training sessions for all staff, including phishing simulations and guidance on secure data-handling practices.
- Engaged external cybersecurity services to conduct vulnerability assessments, continuous monitoring, and advisory support, aligned with the provincial cybersecurity risk management framework.

Policy 104-G(A), Acceptable Use of Student Personal Digital Devices, provides guidelines for responsible digital citizenship and reinforces protections for learning environments and student privacy.

In 2024/25, the board approved capital investment for the wireless network replacement and upgrade, including a system segmentation strategy, to improve both network performance and cybersecurity by isolating access for different user groups based on their needs and authorization.

Looking forward, the district will further enhance cybersecurity through the following strategies:

- Implementing extended threat detection tools and alert capacities consistent with government guidelines for proactive monitoring and event correction;
- Updating the incident response plan to establish structured, rapid response containment, and recovery protocols in the event of a cyber incident;
- Updating cloud-based applications for improved security architecture aligned with industry's best practice and government guidelines; and
- Continue offering professional development to promote cyber literacy, including privacy impact assessments, to foster a culture of data protection and information management.

Contacting Management

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



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