

Audited Financial Statements of

School District No. 38 (Richmond)

And Independent Auditors' Report thereon

June 30, 2025

School District No. 38 (Richmond)

June 30, 2025

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School District No. 38 (Richmond)

MANAGEMENT REPORT

Version: 2519-1773-8791

Management's Responsibility for the Financial Statements.

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

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

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

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

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

On behalf of School District No. 38 (Richmond)



Signature of the Chairperson of the Board of Education

SEPT. 24, 2025

Date Signed



Signature of the Superintendent

SEPT. 24, 2025

Date Signed



Signature of the Secretary Treasurer

SEPT. 24, 2025

Date Signed



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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of School District No. 38 (Richmond), (the "Entity"), which comprise:

- the statement of financial position as at June 30, 2025
- the statement of operations for the year then ended
- the statement of changes in net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies (hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements as at and for the year ended June 30, 2025 of the Entity are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

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

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



Emphasis of Matter – Financial Reporting Framework

We draw attention to Note 2(a) to the financial statements which describes the applicable financial reporting framework and the significant differences between the financial reporting framework and Canadian public sector accounting standards.

Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. Other information comprises:

- Unaudited Schedules 1-4 attached to the audited financial statements.
- Information, other than the financial statements and auditor's report thereon, included in the Financial Statement Discussion and Analysis document; and

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

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

We obtained the information, other than the financial statements and auditor's report thereon, included in the Financial Statement Discussion and Analysis document and the Unaudited Schedules 1-4 attached to the audited financial statements as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with the financial reporting provisions of Section 23.1 of the Budget and Transparency and Accountability Act of the Province of British Columbia and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



District No. 38 (Richmond)
Page 4

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
September 24, 2025

School District No. 38 (Richmond)

Statement 1

Statement of Financial Position

As at June 30, 2025

	2025 Actual	2024 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents (Note 3)	93,367,494	158,774,436
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	6,989,261	182,755
Other (Note 4)	6,549,759	3,509,545
Portfolio Investments (Note 5)	782,071	659,252
Total Financial Assets	107,688,585	163,125,988
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education and Child Care	34,058	-
Due to Province - Other	1,666	-
Other (Note 6)	36,790,103	32,022,965
Unearned Revenue (Note 7)	11,388,941	14,922,296
Deferred Revenue (Note 8)	9,608,330	9,552,242
Deferred Capital Revenue (Note 9)	315,431,441	303,824,280
Employee Future Benefits (Note 10)	16,337,139	15,046,958
Asset Retirement Obligation (Note 18)	24,119,672	24,175,727
Capital Lease Obligations (Note 11)	3,365,935	4,118,342
Total Liabilities	417,077,285	403,662,810
Net Debt	(309,388,700)	(240,536,822)
Non-Financial Assets		
Tangible Capital Assets (Note 12)	504,552,276	413,179,506
Prepaid Expenses	895,094	594,443
Total Non-Financial Assets	505,447,370	413,773,949
Accumulated Surplus (Deficit) (Note 20)	196,058,670	173,237,127

Contractual Obligations (Note 24)

Contingent Liabilities (Note 17)

Approved by the Board

Signature of the Chairperson of the Board of Education

SEPT. 24, 2025

Date Signed

Signature of the Superintendent

SEPT. 24, 2025

Date Signed

Signature of the Secretary Treasurer

SEPT. 24, 2025

Date Signed

School District No. 38 (Richmond)

Statement 2

Statement of Operations

Year Ended June 30, 2025

	2025 Budget (Note 16)	2025 Actual	2024 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	318,801,925	321,748,288	299,711,347
Other	52,800	77,936	80,586
Municipal Grants Spent on Sites		18,487,169	
Federal Grants	1,749,140	1,475,836	1,559,503
Tuition	18,544,632	17,844,512	20,621,325
Other Revenue (Note 21)	9,824,804	10,228,049	9,507,766
Rentals and Leases	1,813,622	2,025,377	1,779,538
Investment Income	3,661,896	4,152,610	6,116,361
Amortization of Deferred Capital Revenue	12,189,174	12,320,825	11,315,766
Total Revenue	366,637,993	388,360,602	350,692,192
Expenses (Note 19)			
Instruction	304,410,305	300,031,513	281,881,066
District Administration	10,008,126	9,235,422	7,950,828
Operations and Maintenance	52,521,283	53,946,541	51,942,896
Transportation and Housing	2,055,594	2,092,941	1,934,490
Debt Services	258,413	232,642	217,608
Total Expense	369,253,721	365,539,059	343,926,888
Surplus (Deficit) for the year	(2,615,728)	22,821,543	6,765,304
Accumulated Surplus (Deficit) from Operations, beginning of year		173,237,127	166,471,823
Accumulated Surplus (Deficit) from Operations, end of year		196,058,670	173,237,127

School District No. 38 (Richmond)

Statement 4

Statement of Changes in Net Debt

Year Ended June 30, 2025

	2025 Budget (Note 16)	2025 Actual	2024 Actual
	\$	\$	\$
Surplus (Deficit) for the year	<u>(2,615,728)</u>	<u>22,821,543</u>	<u>6,765,304</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets		(110,997,350)	(38,118,010)
Amortization of Tangible Capital Assets		19,624,580	18,801,181
Total Effect of change in Tangible Capital Assets	<u>-</u>	<u>(91,372,770)</u>	<u>(19,316,829)</u>
Acquisition of Prepaid Expenses		(895,094)	(594,443)
Use of Prepaid Expenses		594,443	742,245
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>(300,651)</u>	<u>147,802</u>
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>(2,615,728)</u>	<u>(68,851,878)</u>	<u>(12,403,723)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		<u>(68,851,878)</u>	<u>(12,403,723)</u>
Net Debt, beginning of year		<u>(240,536,822)</u>	<u>(228,133,099)</u>
Net Debt, end of year		<u><u>(309,388,700)</u></u>	<u><u>(240,536,822)</u></u>

School District No. 38 (Richmond)

Statement 5

Statement of Cash Flows
Year Ended June 30, 2025

	2025 Actual	2024 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	22,821,543	6,765,304
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(9,846,720)	578,011
Prepaid Expenses	(300,651)	147,802
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	4,802,860	3,609,073
Unearned Revenue	(3,533,355)	(2,442,250)
Deferred Revenue	56,088	1,365,868
Employee Future Benefits	1,290,181	1,150,724
Asset Retirement Obligations	(56,055)	-
Amortization of Tangible Capital Assets	19,624,580	18,801,181
Amortization of Deferred Capital Revenue	(12,320,825)	(11,315,766)
Recognition of Deferred Capital Revenue Spent on Sites	(22,029,276)	-
Total Operating Transactions	508,370	18,659,947
Capital Transactions		
Tangible Capital Assets Purchased	(82,021,111)	(20,931,434)
Tangible Capital Assets -WIP Purchased	(27,969,695)	(14,952,672)
Total Capital Transactions	(109,990,806)	(35,884,106)
Financing Transactions		
Capital Revenue Received	45,957,262	31,723,169
Capital Lease Payments	(1,758,949)	(2,577,772)
Total Financing Transactions	44,198,313	29,145,397
Investing Transactions		
Investments in Portfolio Investments	(122,819)	82,652
Total Investing Transactions	(122,819)	82,652
Net Increase (Decrease) in Cash and Cash Equivalents	(65,406,942)	12,003,890
Cash and Cash Equivalents, beginning of year (Note 3)	158,774,436	146,770,546
Cash and Cash Equivalents, end of year	93,367,494	158,774,436
Cash and Cash Equivalents, end of year, is made up of:		
Cash (Note 3)	30,346,650	24,152,439
Cash Equivalents (Note 3)	63,020,844	134,621,997
	93,367,494	158,774,436
Supplementary Cash Flow Information (Note 23)		

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 1 AUTHORITY AND PURPOSE

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

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

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

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

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

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

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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

a) Basis of Accounting (Continued)

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

Year-ended June 30, 2024 - increase in annual surplus by \$20,407,403.

June 30, 2024 - increase in accumulated surplus and decrease in deferred contributions by \$303,824,280.

Year-ended June 30, 2025 - increase in annual surplus by \$11,607,161.

June 30, 2025 - increase in accumulated surplus and decrease in deferred contributions by \$315,431,441.

b) Cash and Cash Equivalents

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

c) Accounts Receivable

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

d) Portfolio Investments

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

e) Unearned Revenue

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

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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

f) Deferred Revenue and Deferred Capital Revenue

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

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

g) Employee Future Benefits

i) Post-Employment Benefits:

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

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

ii) Pension Plans:

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

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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

h) Asset Retirement Obligations

A liability is recognized when, as at the financial reporting date:

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

The School District's asset retirement obligations include liability for the removal of asbestos and other hazardous material in several of the buildings owned by the School District. The estimated costs have been capitalized into the carrying amount of tangible capital assets and are being amortized on the same basis as the related tangible capital asset (see Note 2(j)).

Assumptions used in the calculations are reviewed annually.

i) Liability for Contaminated Sites

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

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

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

j) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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

j) Tangible Capital Assets (Continued)

- Donated tangible capital assets are recorded at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations.
- Buildings that are demolished or destroyed are written-off.
- Works of art, historic assets and other intangible assets are not recorded as assets in these financial statements.
- The cost, less residual value, of tangible capital assets (excluding sites), is amortized on a straight-line basis over the estimated useful life of the asset. It is management's responsibility to determine the appropriate useful lives for tangible capital assets. These useful lives are reviewed on a regular basis or if significant events initiate the need to revise. Estimated useful lives are as follows:

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

k) Capital Leases

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

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

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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

l) Prepaid Expenses

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

m) Funds and Reserves

Certain amounts, as approved by the Board, are set aside in accumulated surplus for future operating and capital purposes (see Note 20 - Accumulated Surplus). Transfers to and from funds and reserves are an adjustment to the respective fund when approved (see Note 14 - Interfund Transfers).

n) Revenue Recognition

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

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

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

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

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

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

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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

n) Revenue Recognition (Continued)

Revenue from transactions with performance obligations is recognized when (or as) the performance obligation is satisfied (by providing the promised goods or services to a payor).

Revenue from transactions with no performance obligations is recognized when the District:

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

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

o) Expenditures

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

Categories of Salaries

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

Allocation of Costs

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

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

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

p) Financial Instruments

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

Financial instruments consist of cash and cash equivalents, accounts receivable, portfolio investments, accounts payable, and accrued liabilities-other.

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

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

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

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

q) Measurement Uncertainty

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

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 3 CASH AND CASH EQUIVALENTS

	2025	2024
Cash – Operating Fund	\$25,520,267	\$18,894,480
Cash – Special Purpose Fund	4,826,383	5,257,959
Cash Equivalents – Special Purpose Fund	931	1,231
Central Deposit Investment	62,923,444	134,524,297
Investments held by Richmond Community Foundation	96,469	96,469
	<u>\$93,367,494</u>	<u>\$158,774,436</u>

During fiscal 2012, the School District transferred scholarship funds to the Richmond Community Foundation. Richmond Community Foundation will retain, invest and have disbursed scholarships on behalf of the School District, in exchange for an administration fee. The funds will be invested in pooled funds with the Foundation's other assets.

NOTE 4 ACCOUNTS RECEIVABLE - OTHER

	2025	2024
Due from Federal Government	\$3,445,900	\$1,073,434
Due from Benefit Carrier - unrestricted deposit account	2,740,768	2,232,656
Other	363,091	203,455
	<u>\$6,549,759</u>	<u>\$3,509,545</u>

The amount Due from Benefit Carrier - unrestricted deposit account represents surplus funds in excess of the required reserves held by the Benefit Carrier.

NOTE 5 PORTFOLIO INVESTMENTS

Guaranteed Investment Certificates (GIC's) included in portfolio investments are held with local banking institutions and earn average interest at 3.23% (2024 – 4.18%).

	2025	2024
GIC's	<u>\$782,071</u>	<u>\$659,252</u>

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

	2025	2024
Trade payables	\$8,999,599	\$7,265,989
Salaries and benefits payable	21,762,559	21,773,714
Accrued vacation pay	2,450,632	2,210,936
Other	3,577,313	772,326
	<u>\$36,790,103</u>	<u>\$32,022,965</u>

NOTE 7 UNEARNED REVENUE

	2025	2024
Balance, beginning of year	\$14,922,296	\$17,364,546
Fees received	14,311,157	18,179,075
Fees recognized as revenue	<u>(17,844,512)</u>	<u>(20,621,325)</u>
Balance, end of year	<u>\$11,388,941</u>	<u>\$14,922,296</u>

NOTE 8 DEFERRED REVENUE

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

	2025	2024
Balance, beginning of year	\$9,552,242	\$8,186,374
Changes for the year:		
Increase:		
Provincial grants - MECC	59,250,652	56,955,923
Federal grants	1,436,172	1,566,332
Other revenue	8,353,412	8,450,014
Investment income	43,312	73,745
	<u>69,083,548</u>	<u>67,046,014</u>
Decrease:		
Transfers to revenue	<u>(69,027,460)</u>	<u>(65,680,146)</u>
Balance, end of year	<u>\$9,608,330</u>	<u>\$9,552,242</u>

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 9 DEFERRED CAPITAL REVENUE

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

	2025	2024
Balance, beginning of year	\$303,824,280	\$283,416,877
Changes for the year:		
Increase:		
Transfer from Deferred Revenue - capital additions	15,505,343	15,333,869
Transfer from Deferred Revenue - work in progress	27,969,695	14,672,196
Settlement of Asset Retirement Obligation	46,642	-
Provincial grants - MECC	43,404,874	30,564,347
Other revenue	1,946,635	314,801
Investment income	605,753	844,021
	<u>89,478,942</u>	<u>61,729,234</u>
Decrease:		
Transfer to DCR - capital additions	(15,505,343)	(15,333,869)
Transfer to DCR - work in progress	(27,969,695)	(14,672,196)
Transfer to Revenue - site purchases	(22,029,276)	-
Transfer to Revenue – settlement of asset retirement obligation	(46,642)	-
Amortization	(12,320,825)	(11,315,766)
	<u>(77,871,781)</u>	<u>(41,321,831)</u>
Balance, end of year	<u>\$315,431,441</u>	<u>\$303,824,280</u>

NOTE 10 EMPLOYEE FUTURE BENEFITS

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

	2025	2024
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation - April 1	\$14,760,677	\$15,035,436
Service Cost	1,224,250	1,239,571
Interest Cost	643,207	612,999
Benefit Payments	(575,931)	(935,130)
Actuarial (Gain) Loss	(1,444,265)	(1,192,199)
Accrued Benefit Obligation - March 31	<u>\$14,607,938</u>	<u>\$14,760,677</u>

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 10 EMPLOYEE FUTURE BENEFITS *(Continued)*

	2025	2024
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	\$14,607,938	\$14,760,677
Market Value of Plan Assets - March 31	-	-
Funded Status - Deficit	(14,607,938)	(14,760,677)
Employer Contributions After Measurement Date	159,957	151,877
Benefit Expense After Measurement Date	(416,471)	(466,864)
Unamortized Net Actuarial Loss	(1,472,687)	28,706
Accrued Benefit Liability - June 30	<u>\$(16,337,139)</u>	<u>\$(15,046,958)</u>

Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability - July 1	\$15,046,958	\$13,896,234
Net Expense for Fiscal Year	1,874,192	2,021,520
Employer Contributions	(584,011)	(870,796)
Accrued Benefit Liability - June 30	<u>\$16,337,139</u>	<u>\$15,046,958</u>

Components of Net Benefit Expense		
Service Cost	\$1,188,646	\$1,235,741
Interest Cost	628,418	620,551
Amortization of Net Actuarial Loss	57,128	165,228
Net Benefit Expense	<u>\$1,874,192</u>	<u>\$2,021,520</u>

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

	2025	2024
Discount Rate - April 1	4.25%	4.00%
Discount Rate - March 31	4.00%	4.25%
Long Term Salary Growth - April 1	2.50% + seniority	2.50% + seniority
Long Term Salary Growth - March 31	2.50% + seniority	2.50% + seniority
EARS - March 31	11.9	10.4

The impact of changes in assumptions between the March 31, 2025, measurement date and June 30, 2025, reporting date have been considered and are not considered to be material.

The most recent valuation of the obligation was performed at March 31, 2025. The next valuation will be performed at March 31, 2028 for use at June 30, 2028. For the purposes of determining the financial position of the plans and the employee future benefit costs, a measurement date of March 31, adjusted for transactions to June 30, was adopted for all periods subsequent to July 1, 2004.

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 11 CAPITAL LEASE OBLIGATIONS

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

	2025	2024
Macquarie Financial, with interest at 1.51%, expired November 1, 2024	-	7,218
CSI EPC, with interest at 3.15%, expired December 31, 2024	-	33,009
CSI EPC, with interest at 3.15%, expired March 31, 2025	-	149,832
CSI EPC, with interest at 3.95%, expired December 31, 2024	-	79,789
CSI EPC, with interest at 3.00%, expired February 28, 2025	-	170,821
CSI EPC, with interest at 3.95%, expires July 31, 2025	19,161	50,783
CSI EPC, with interest at 4.01%, expires August 31, 2025	61,399	225,140
CSI EPC, with interest at 4.01%, expires August 31, 2025	242,798	650,907
CSI EPC, with interest at 4.01%, expires August 31, 2025	53,834	159,139
CSI EPC, with interest at 6.01%, expires November 30, 2025	20,542	46,078
CSI EPC, with interest at 6.06%, expires February 28, 2026	43,944	67,398
CSI EPC, with interest at 5.70%, expires March 31, 2026	112,230	194,542
CSI EPC, with interest at 5.90%, expires August 31, 2027	697,434	991,221
CSI EPC, with interest at 5.90%, expires March 31, 2028	119,806	155,531
CSI EPC, with interest at 5.90%, expires March 31, 2028	123,580	159,122
CSI EPC, with interest at 5.90%, expires May 31, 2029	188,941	233,001
CSI EPC, with interest at 5.90%, expires May 31, 2028	334,412	429,856
CSI EPC, with interest at 5.90%, expires May 31, 2028	245,024	314,956
CSI EPC, with interest at 5.58%, expires June 30, 2029	75,621	-
CSI EPC, with interest at 5.10%, expires August 31, 2029	130,001	-
CSI EPC, with interest at 5.10%, expires August 31, 2028	770,975	-
CSI EPC, with interest at 5.05%, expires December 31, 2028	126,233	-
	<u>\$3,365,935</u>	<u>\$4,118,342</u>

Repayments are due as follows:

	2025
2026	\$1,592,437
2027	1,123,523
2028	791,920
2029	129,075
Total minimum lease payments	<u>\$3,636,955</u>
Less amounts representing interest	<u>271,020</u>
Present value of net minimum capital lease payments	<u>\$3,365,935</u>

Total interest on leases for the year was \$232,642 (2024 - \$217,608).

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 12 TANGIBLE CAPITAL ASSETS

Net Book Value:

	Net Book Value 2025	Net Book Value 2024
Sites	\$114,459,036	\$55,169,613
Buildings	370,422,733	340,520,955
Furniture & Equipment	7,315,240	6,538,163
Vehicles	2,990,408	2,104,457
Computer Software	194,423	193,069
Computer Hardware	9,170,436	8,653,249
Total	\$504,552,276	\$413,179,506

June 30, 2025

Cost:	Opening Cost	Additions	Disposals/ Transfers	Total 2025
Sites	\$55,169,613	\$59,289,423	\$ -	\$114,459,036
Buildings	631,251,826	26,000,471	-	657,252,297
Buildings - WIP	11,261,212	27,969,695	(9,702,044)	29,528,863
Furniture & Equipment	12,199,799	2,034,603	(1,283,680)	12,950,722
Vehicles	4,055,916	1,322,431	(858,049)	4,520,298
Computer Software	440,748	88,607	(97,580)	431,775
Computer Hardware	17,536,064	3,994,164	(4,972,204)	16,558,024
Total	\$731,915,178	\$120,699,394	\$(16,913,557)	\$835,701,015

Accumulated Amortization:	Opening Accumulated Amortization	Additions	Disposals	Total 2025
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	301,992,083	14,366,344	-	316,358,427
Furniture & Equipment	5,661,636	1,257,526	(1,283,680)	5,635,482
Vehicles	1,951,459	436,480	(858,049)	1,529,890
Computer Software	247,679	87,253	(97,580)	237,352
Computer Hardware	8,882,815	3,476,977	(4,972,204)	7,387,588
Total	\$318,735,672	\$19,624,580	\$(7,211,513)	\$331,148,739

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 12 TANGIBLE CAPITAL ASSETS *(Continued)*

June 30, 2024

Cost:	Opening Cost	Additions	Disposals/ Transfers	Total 2024
Sites	\$55,169,613	\$ -	\$ -	\$55,169,613
Buildings	583,021,437	48,230,389	-	631,251,826
Buildings - WIP	25,979,515	14,952,672	(29,670,975)	11,261,212
Furniture & Equipment	11,932,588	1,060,767	(793,556)	12,199,799
Vehicles	4,043,087	398,679	(385,850)	4,055,916
Computer Software	436,033	97,178	(92,463)	440,748
Computer Hardware	18,021,710	3,049,300	(3,534,946)	17,536,064
Total	\$698,603,983	\$67,788,985	\$(34,477,790)	\$731,915,178

	Opening Accumulated Amortization	Additions	Disposals	Total 2024
Accumulated Amortization:				
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	288,521,163	13,470,920	-	301,992,083
Furniture & Equipment	5,248,572	1,206,620	(793,556)	5,661,636
Vehicles	1,924,690	412,619	(385,850)	1,951,459
Computer Software	252,464	87,678	(92,463)	247,679
Computer Hardware	8,794,417	3,623,344	(3,534,946)	8,882,815
Total	\$304,741,306	\$18,801,181	\$(4,806,815)	\$318,735,672

- Included in capital assets is equipment under capital lease with a cost of \$9,918,686 (2024 - \$12,817,092) and accumulated amortization of \$5,203,923 (2024 - \$6,522,223).
- Buildings - work in progress (WIP) having a value of \$29,528,863 (2024 - \$11,261,212) have not been amortized. Amortization of these assets will commence when the asset is put into service.

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 13 EMPLOYEE PENSION PLANS

The School District and its employees contribute to the Teachers' Pension Plan and Municipal Pension Plan, jointly trustee pension plans. The board of trustees for these plans, representing plan members and employers, are responsible for administering the pension plans, including investment of assets and administration of benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits provided are based on a formula. As at December 31, 2024, the Teachers' Pension Plan has about 52,000 active members and approximately 43,000 retired members. As at December 31, 2024, the Municipal Pension Plan has about 273,000 active members, including approximately 32,000 from school districts.

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

The most recent actuarial valuation of the Teachers' Pension Plan as at December 31, 2023, indicated a \$4,572 million surplus for basic pension benefits and a balance of \$1,437 million in the rate stabilization account. The next valuation will be December 31, 2026.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2021 indicated a \$3,761 million funding surplus for basic pension benefits and a balance of \$3,185 million in the rate stabilization account. The next valuation as at December 31, 2024.

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

School District #38 (Richmond) paid \$24,759,516 (2024 - \$23,710,723) for employer contributions to these plans in the year ended June 30, 2025.

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 14 INTERFUND TRANSFERS

Interfund transfers between the operating, special purpose and capital funds for the year ended June 30, 2024, were as follows:

	Operating Fund		Special Purpose Funds		Capital Fund	
	2025	2024	2025	2024	2025	2024
Funding Local Capital Reserve-as permitted under						
School Act	\$(11,754,262)	\$(10,201,795)	\$ -	\$ -	\$11,754,262	\$10,201,795
Capital assets purchased	(779,126)	(686,269)	(945,996)	(914,132)	1,725,122	1,600,401
Settlement of Asset Retirement Obligation	(9,413)	-	-	-	9,413	-
	<u>\$(12,542,801)</u>	<u>\$(10,888,064)</u>	<u>\$(945,996)</u>	<u>\$(914,132)</u>	<u>\$13,488,797</u>	<u>\$11,802,196</u>

NOTE 15 RELATED PARTY TRANSACTIONS

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

NOTE 16 BUDGET FIGURES

Budget figures, included in the financial statements, are the School District's Amended Annual budget approved by the Board through the adoption of an Amended Annual Budget on February 19, 2025. Changes between the Annual Budget (approved by the Board on April 24, 2024) and the Amended Annual Budget are listed below:

	Annual Budget	Amended Budget	Change
Statement 2			
Total Revenue	\$357,526,671	\$366,637,993	\$9,111,322
Total Expense	360,560,436	369,253,721	8,693,285
Budgeted Surplus/(Deficit) for the year	<u>\$(3,033,765)</u>	<u>\$(2,615,728)</u>	<u>\$418,037</u>

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 16 BUDGET FIGURES *(Continued)*

	Annual Budget	Amended Budget	Change
Statement 4			
Surplus/(Deficit) for the year	\$(3,033,765)	\$(2,615,728)	\$418,037
Total Effect of change in Tangible Capital Assets	(41,528,745)	(37,827,839)	3,700,906
(Increase) Decrease in Net Financial Assets (Debt)	\$(44,562,510)	\$(40,443,567)	\$4,118,943

Significant changes between the annual and amended budget were:

Statement 2

Total Revenue

- Budgeted revenues were amended based on actual student enrolment, labour settlement funding, international student tuition fees revenue, investment income, increased classroom enhancement fund staffing grant, and classroom enhancement fund remedy grant.

Total Expense

- Budgeted expenses were amended based on revised projections/cost estimates and labour settlement provisions, the additional staffing costs for the classroom enhancement fund staffing and remedy grants.

NOTE 17 CONTINGENT LIABILITIES

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

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 18 ASSET RETIREMENT OBLIGATION

Legal liabilities exist for the removal and disposal of asbestos and other hazardous materials, such as lead piping, within some district owned buildings that will undergo major renovations or demolition in the future. A reasonable estimate of the fair value of the obligation has been recognized. The obligation was measured at current cost as the timing of future cash flows cannot be reasonably determined. These costs have been capitalized as part of the assets' carrying value and are amortized over the assets' estimated useful lives.

	2025	2024
Asset Retirement Obligation, beginning of year	\$24,175,727	\$24,175,727
Settlements during the year	(56,055)	-
Asset Retirement Obligation, end of year	<u>\$24,119,672</u>	<u>\$24,175,727</u>

NOTE 19 EXPENSE BY OBJECT

	2025	2024
Salaries and benefits	\$308,789,841	\$289,895,009
Services and supplies	36,891,996	35,013,090
Interest	232,642	217,608
Amortization	19,624,580	18,801,181
	<u>\$365,539,059</u>	<u>\$343,926,888</u>

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 20 ACCUMULATED SURPLUS

Accumulated surplus balances are comprised of:

	2025	2024
Invested in Tangible Capital Assets	\$165,099,168	\$104,118,793
Local Capital Internally Restricted by Board for:		
Capital Lease Obligations	7,443,425	8,933,102
Current Capital Projects	9,259,714	16,246,867
Future Capital Projects	-	22,753,924
Under Review by Board	4,341,563	4,480,391
Contingency Reserve	2,000,000	2,000,000
Subtotal Internally Restricted	23,044,702	54,414,284
Total Capital Fund Accumulated Surplus	\$188,143,870	\$158,533,077
Operating Fund - Internally Restricted/Appropriated by Board for:		
Restricted Due to Nature of Constraints:		
Collective Agreement Obligations	561,790	479,738
Targeted Funding	1,659,124	2,153,348
School Generated Funds	2,700,000	2,700,000
Restricted for Anticipated Unusual Expenses:		
Addressing Learning Impacts	-	1,500,000
Restricted for Multiple Years Operations:		
Support for Educational Plans	473,511	1,788,068
School Funds	982,639	2,180,147
Support for Operational Initiatives	1,086,056	1,741,948
Purchase Order Commitments	279,196	478,020
Subtotal Internally Restricted	\$7,742,316	\$13,021,269
Unrestricted Operating Surplus	172,484	1,682,781
Total Operating Fund Accumulated Surplus	\$7,914,800	\$14,704,050
Total Accumulated Surplus	\$196,058,670	\$173,237,127

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 21 OTHER REVENUE

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

	2025	2024
Operating Fund:		
Other School District/Education Authorities	\$611,327	\$527,100
Miscellaneous:		
Cafeteria	309,792	315,772
Miscellaneous	15,413	1,758
Child Care Fees	-	104,739
Sale of Capital Assets	36,443	125,757
Microsoft Class Action Settlement	517,374	-
Recognition of Unrestricted School		
Generated Funds	-	300,000
	<u>\$1,490,349</u>	<u>\$1,375,126</u>
Special Purpose Funds:		
School Generated Funds	\$8,166,546	\$7,165,926
Educational Trust Funds	454,696	438,422
Strong Start	9,436	9,628
Just B4	100,422	99,629
	<u>\$8,731,100</u>	<u>\$7,713,605</u>
Capital Fund:		
Sale of Land	\$ -	\$410,000
Long Range Facilities Plan	6,600	9,035
	<u>\$6,600</u>	<u>\$419,035</u>
Total Other Revenue	<u>\$10,228,049</u>	<u>\$9,507,766</u>

NOTE 22 ECONOMIC DEPENDENCE

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

NOTE 23 SUPPLEMENTARY CASH FLOW INFORMATION

During the year, the School District had acquired tangible capital assets under capital leases of \$1,006,544 (2024 - \$2,233,904).

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 24 CONTRACTUAL OBLIGATIONS

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

	2026	2027	2028
Approved Capital Projects - Unperformed Portion	\$31,028,810	\$18,600,000	\$1,851,408

NOTE 25 RISK MANAGEMENT

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

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

a) Credit risk:

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

The School District is exposed to credit risk in the event of non-performance by a debtor. This risk is mitigated as most amount receivables are due from the provincial and federal governments and are collectible. It is management's opinion that the School District is not exposed to significant credit risk associated with its cash deposits and investments as they are placed in recognized British Columbia institutions and the School District invests solely in guaranteed investment certificates and term deposits.

b) Market risk:

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

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

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

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

NOTE 25 RISK MANAGEMENT *(Continued)*

c) Liquidity risk

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

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

Risk Management and insurance services for all School Districts in British Columbia are provided by the Risk Management Branch of the Ministry of Finance. There have been no changes to risk exposure from 2023 related to credit, market, or liquidity risks.

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

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

FINANCIAL STATEMENT PRESENTATION – BY FUND (UNAUDITED)

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

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

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

	Operating Fund	Special Purpose Funds	Capital Fund	Total June 30, 2025	Total June 30, 2024
	\$	\$	\$	\$	\$
Financial Assets					
Cash and Cash Equivalents	88,443,711	4,923,783	-	93,367,494	158,774,436
Accounts Receivable					
Due from Province - MECC	10,627	49,243	6,929,391	6,989,261	182,755
Other	5,977,767	571,992	-	6,549,759	3,509,545
Portfolio Investments	-	782,071	-	782,071	659,252
Total Financial Assets	94,432,105	6,327,089	6,929,391	107,688,585	163,125,988
Liabilities					
Accounts Payable and Accrued Liabilities					
Due to Province - MECC	34,058	-	-	34,058	-
Due to Province - Other	1,666	-	-	1,666	-
Other	34,249,008	545,563	1,995,532	36,790,103	32,022,965
Due To/From	25,401,587	(3,826,804)	(21,574,783)	-	-
Unearned Revenue	11,388,941	-	-	11,388,941	14,922,296
Deferred Revenue	-	9,608,330	-	9,608,330	9,552,242
Deferred Capital Revenue	-	-	315,431,441	315,431,441	303,824,280
Employee Future Benefits	16,337,139	-	-	16,337,139	15,046,958
Asset Retirement Obligation	-	-	24,119,672	24,119,672	24,175,727
Capital Lease Obligations	-	-	3,365,935	3,365,935	4,118,342
Total Liabilities	87,412,399	6,327,089	323,337,797	417,077,285	403,662,810
Net Financial Assets (Debt)	7,019,706	-	(316,408,406)	(309,388,700)	(240,536,822)
Non-Financial Assets					
Tangible Capital Assets	-	-	504,552,276	504,552,276	413,179,506
Prepaid Expenses	895,094	-	-	895,094	594,443
Total Non-Financial Assets	895,094	-	504,552,276	505,447,370	413,773,949
Accumulated Surplus (Deficit)	7,914,800	-	188,143,870	196,058,670	173,237,127

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

FINANCIAL STATEMENT PRESENTATION – BY FUND (UNAUDITED)

ii) Statement of Operations by Fund

	2025 Budget (Total)	Operating Fund	Special Purpose Funds	Capital Fund	2025 Actual Total	2024 Actual Total
	\$	\$	\$	\$	\$	\$
Revenues						
Provincial Grants						
Ministry of Education and Child Care	318,801,925	259,394,184	58,811,997	3,542,107	321,748,288	299,711,347
Other	52,800	77,936	-	-	77,936	80,586
Municipal Grants Spent on Sites	-	-	-	18,487,169	18,487,169	-
Federal Grants	1,749,140	-	1,475,836	-	1,475,836	1,559,503
Tuition	18,544,632	17,844,512	-	-	17,844,512	20,621,325
Other Revenue	9,824,804	1,490,349	8,731,100	6,600	10,228,049	9,507,766
Rentals and Leases	1,813,622	2,025,377	-	-	2,025,377	1,779,538
Investment Income	3,661,896	2,521,566	8,527	1,622,517	4,152,610	6,116,361
Amortization of Deferred Capital Revenue	12,189,174	-	-	12,320,825	12,320,825	11,315,766
Total Revenue	366,637,993	283,353,924	69,027,460	35,979,218	388,360,602	350,692,192
Expenses						
Instruction	304,410,305	233,376,827	66,654,686	-	300,031,513	281,881,066
District Administration	10,008,126	8,381,727	853,695	-	9,235,422	7,950,828
Operations and Maintenance	52,521,283	34,185,358	573,083	19,188,100	53,946,541	51,942,896
Transportation and Housing	2,055,594	1,656,461	-	436,480	2,092,941	1,934,490
Debt Services	258,413	-	-	232,642	232,642	217,608
Total Expense	369,253,721	277,600,373	68,081,464	19,857,222	365,539,059	343,926,888
Surplus (Deficit) for the year	(2,615,728)	5,753,551	945,996	16,121,996	22,821,543	6,765,304
Accumulated Surplus (Deficit) from Operations, beginning of year		14,704,050	-	158,533,077	173,237,127	166,471,823
Interfund Transfers (Note 14)		(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	173,237,127

School District No. 38 (Richmond)

Schedule 1 (Unaudited)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2025

	Operating Fund	Special Purpose Fund	Capital Fund	2025 Actual	2024 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	14,704,050		158,533,077	173,237,127	166,471,823
Changes for the year					
Surplus (Deficit) for the year	5,753,551	945,996	16,121,996	22,821,543	6,765,304
Interfund Transfers	(779,126)	(945,996)	1,725,122	-	-
Tangible Capital Assets Purchased	(11,754,262)		11,754,262	-	-
Local Capital	(9,413)		9,413	-	-
Other					
Net Changes for the year	(6,789,250)	-	29,610,793	22,821,543	6,765,304
Accumulated Surplus (Deficit), end of year - Statement 2	7,914,800	-	188,143,870	196,058,670	173,237,127

School District No. 38 (Richmond)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2025

	2025 Budget (Note 16)	2025 Actual	2024 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	258,208,342	259,394,184	243,331,497
Other	52,800	77,936	80,586
Tuition	18,544,632	17,844,512	20,621,325
Other Revenue	1,435,804	1,490,349	1,375,126
Rentals and Leases	1,813,622	2,025,377	1,779,538
Investment Income	2,293,800	2,521,566	4,104,108
Total Revenue	282,349,000	283,353,924	271,292,180
Expenses			
Instruction	235,964,479	233,376,827	218,587,344
District Administration	9,067,681	8,381,727	7,082,623
Operations and Maintenance	32,697,647	34,185,358	32,950,247
Transportation and Housing	1,619,193	1,656,461	1,521,871
Total Expense	279,349,000	277,600,373	260,142,085
Operating Surplus (Deficit) for the year	3,000,000	5,753,551	11,150,095
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	-	(779,126)	(686,269)
Local Capital	(3,000,000)	(11,754,262)	(10,201,795)
Other	-	(9,413)	-
Total Net Transfers	(3,000,000)	(12,542,801)	(10,888,064)
Total Operating Surplus (Deficit), for the year	-	(6,789,250)	262,031
Operating Surplus (Deficit), beginning of year		14,704,050	14,442,019
Operating Surplus (Deficit), end of year		7,914,800	14,704,050
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 20)		7,742,316	13,021,269
Unrestricted		172,484	1,682,781
Total Operating Surplus (Deficit), end of year		7,914,800	14,704,050

School District No. 38 (Richmond)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2025

	2025 Budget (Note 16)	2025 Actual	2024 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	252,588,106	253,125,948	235,480,681
Other Ministry of Education and Child Care Grants			
Pay Equity	2,215,706	2,215,706	2,215,706
Funding for Graduated Adults	331,443	676,396	424,298
Student Transportation Fund	21,608	21,608	21,608
Support Staff Benefits Grant	230,836	230,836	230,836
FSA Scorer Grant	27,292	27,292	28,792
Labour Settlement Funding	2,523,122	2,826,169	4,024,349
Integrated Child and Youth Teams	270,229	270,229	902,227
Premiere Awards	-	-	3,000
Total Provincial Grants - Ministry of Education and Child Care	258,208,342	259,394,184	243,331,497
Provincial Grants - Other	52,800	77,936	80,586
Tuition			
Summer School Fees	376,890	376,890	254,260
Continuing Education	1,365,492	1,523,481	1,183,105
International and Out of Province Students	16,802,250	15,944,141	19,183,960
Total Tuition	18,544,632	17,844,512	20,621,325
Other Revenues			
Other School District/Education Authorities	612,430	611,327	527,100
Miscellaneous			
Cafeteria	305,000	309,792	315,772
Miscellaneous	1,000	15,413	1,758
Microsoft Class Action Settlement	517,374	517,374	-
Recognition of Unrestricted School Generated Funds	-	-	300,000
Child Care Fees	-	-	104,739
Sale of Capital Assets	-	36,443	125,757
Total Other Revenue	1,435,804	1,490,349	1,375,126
Rentals and Leases	1,813,622	2,025,377	1,779,538
Investment Income	2,293,800	2,521,566	4,104,108
Total Operating Revenue	282,349,000	283,353,924	271,292,180

School District No. 38 (Richmond)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2025

	2025 Budget (Note 16)	2025 Actual	2024 Actual
	\$	\$	\$
Salaries			
Teachers	116,683,302	115,583,296	108,943,772
Principals and Vice Principals	15,245,382	15,677,224	14,843,847
Educational Assistants	22,586,240	21,702,857	19,952,446
Support Staff	25,875,394	26,153,279	24,308,869
Other Professionals	7,765,708	8,046,468	7,030,073
Substitutes	12,548,271	13,822,384	12,110,022
Total Salaries	200,704,297	200,985,508	187,189,029
Employee Benefits	54,476,784	52,407,641	49,195,057
Total Salaries and Benefits	255,181,081	253,393,149	236,384,086
Services and Supplies			
Services	7,985,429	8,548,985	9,695,928
Student Transportation	15,623	12,441	8,403
Professional Development and Travel	1,386,235	1,416,934	1,035,527
Rentals and Leases	320,456	328,960	303,203
Dues and Fees	160,527	152,900	144,889
Insurance	884,857	806,533	683,419
Supplies	9,054,077	8,818,302	7,986,693
Utilities	4,360,715	4,122,169	3,899,937
Total Services and Supplies	24,167,919	24,207,224	23,757,999
Total Operating Expense	279,349,000	277,600,373	260,142,085

School District No. 38 (Richmond)

Operating Expense by Function, Program and Object

Year Ended June 30, 2025

Schedule 2C (Unaudited)

	Teachers Salaries	Principals and Vice Principals Salaries	Educational Assistants Salaries	Support Staff Salaries	Other Professionals Salaries	Substitutes Salaries	Total Salaries
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	88,499,889	3,048,397		1,480,737		9,669,984	102,699,007
1.03 Career Programs	234,692			586,882			821,574
1.07 Library Services	2,039,838			725,808			2,765,646
1.08 Counselling	3,721,835						3,721,835
1.10 Inclusive Education	9,506,973		21,543,805	122,669	394,202	2,010,236	33,577,885
1.20 Early Learning and Child Care				24,607			24,607
1.30 English Language Learning	5,549,029			201,865			5,750,894
1.31 Indigenous Education	403,947			40,376			444,323
1.41 School Administration		11,990,164		5,960,220		517,103	18,467,487
1.60 Summer School	1,067,822	164,218	159,052	52,950		44,979	1,489,021
1.61 Continuing Education	616,129	307,980		101,166	111,835	367,569	1,504,679
1.62 International and Out of Province Students	3,943,142			209,891	944,619	10,483	5,108,135
1.64 Other				38,692			38,692
Total Function 1	115,583,296	15,510,759	21,702,857	9,545,863	1,450,656	12,620,354	176,413,785
4 District Administration							
4.11 Educational Administration				326,397	2,565,748		2,892,145
4.40 School District Governance					229,634		229,634
4.41 Business Administration		166,465		1,161,941	1,915,797	3,465	3,247,668
Total Function 4	-	166,465	-	1,488,338	4,711,179	3,465	6,369,447
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				279,643	1,884,633	89	2,164,365
5.50 Maintenance Operations				12,860,810		1,166,774	14,027,584
5.52 Maintenance of Grounds				1,089,393			1,089,393
5.56 Utilities							-
Total Function 5	-	-	-	14,229,846	1,884,633	1,166,863	17,281,342
7 Transportation and Housing							
7.70 Student Transportation				889,232		31,702	920,934
Total Function 7	-	-	-	889,232	-	31,702	920,934
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	115,583,296	15,677,224	21,702,857	26,153,279	8,046,468	13,822,384	200,985,508

School District No. 38 (Richmond)

Operating Expense by Function, Program and Object
Year Ended June 30, 2025

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2025 Actual	2025 Budget (Note 16)	2024 Actual
	\$	\$	\$	\$	\$	\$	\$
1 Instruction							
1.02 Regular Instruction	102,699,007	27,563,182	130,262,189	4,301,940	134,564,129	136,810,618	127,011,459
1.03 Career Programs	821,574	231,814	1,053,388	495,930	1,549,318	1,580,945	1,403,525
1.07 Library Services	2,765,646	700,370	3,466,016	422,971	3,888,987	3,848,723	3,258,871
1.08 Counseling	3,721,835	858,592	4,580,427	5,936	4,586,363	3,791,592	4,080,936
1.10 Inclusive Education	33,577,885	9,313,698	42,891,583	988,681	43,880,264	42,899,683	39,265,466
1.20 Early Learning and Child Care	24,607	6,509	31,116		31,116	30,130	150,058
1.30 English Language Learning	5,750,894	1,388,537	7,139,431	48,918	7,188,349	8,684,518	6,275,731
1.31 Indigenous Education	444,323	119,145	563,468	105,039	668,507	613,659	535,763
1.41 School Administration	18,467,487	4,305,257	22,772,744	375,888	23,148,632	23,168,074	22,113,025
1.60 Summer School	1,489,021	299,233	1,788,254	56,779	1,845,033	1,765,480	1,505,012
1.61 Continuing Education	1,504,679	284,395	1,789,074	205,513	1,994,587	2,088,833	1,711,275
1.62 International and Out of Province Students	5,108,135	1,291,710	6,399,845	3,567,212	9,967,057	10,619,547	11,266,069
1.64 Other	38,692	15,460	54,152	10,333	64,485	62,677	10,154
Total Function 1	176,413,785	46,377,902	222,791,687	10,585,140	233,376,827	235,964,479	218,587,344
4 District Administration							
4.11 Educational Administration	2,892,145	605,979	3,498,124	304,542	3,802,666	4,089,255	3,061,106
4.40 School District Governance	229,634	12,775	242,409	135,777	378,186	466,912	373,975
4.41 Business Administration	3,247,668	738,714	3,986,382	214,493	4,200,875	4,511,514	3,647,542
Total Function 4	6,369,447	1,357,468	7,726,915	654,812	8,381,727	9,067,681	7,082,623
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	2,164,365	497,538	2,661,903	1,130,941	3,792,844	4,086,529	3,683,942
5.50 Maintenance Operations	14,027,584	3,626,866	17,654,450	6,980,468	24,634,918	22,688,411	23,993,484
5.52 Maintenance of Grounds	1,089,393	247,279	1,336,672	298,755	1,635,427	1,561,992	1,372,884
5.56 Utilities	-	-	-	4,122,169	4,122,169	4,360,715	3,899,937
Total Function 5	17,281,342	4,371,683	21,653,025	12,532,333	34,185,358	32,697,647	32,950,247
7 Transportation and Housing							
7.70 Student Transportation	920,934	300,588	1,221,522	434,939	1,656,461	1,619,193	1,521,871
Total Function 7	920,934	300,588	1,221,522	434,939	1,656,461	1,619,193	1,521,871
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	200,985,508	52,407,641	253,393,149	24,207,224	277,600,373	279,349,000	260,142,085

School District No. 38 (Richmond)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2025

	2025 Budget (Note 16)	2025 Actual	2024 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	60,593,583	58,811,997	56,379,850
Federal Grants	1,749,140	1,475,836	1,559,503
Other Revenue	8,389,000	8,731,100	7,713,605
Investment Income	21,000	8,527	27,188
Total Revenue	<u>70,752,723</u>	<u>69,027,460</u>	<u>65,680,146</u>
Expenses			
Instruction	68,445,826	66,654,686	63,293,722
District Administration	940,445	853,695	868,205
Operations and Maintenance	462,661	573,083	604,087
Total Expense	<u>69,848,932</u>	<u>68,081,464</u>	<u>64,766,014</u>
Special Purpose Surplus (Deficit) for the year	<u>903,791</u>	<u>945,996</u>	<u>914,132</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(903,791)	(945,996)	(914,132)
Total Net Transfers	<u>(903,791)</u>	<u>(945,996)</u>	<u>(914,132)</u>
Total Special Purpose Surplus (Deficit) for the year	<u>-</u>	<u>-</u>	<u>-</u>
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		<u>-</u>	<u>-</u>

School District No. 38 (Richmond)
Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2025

	Annual Facility Grant	Learning Improvement Fund	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OLEP	Community/Link Fund - Overhead	Classroom Enhancement
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	22,727	1,126,807	6,295,700	18,894	8,075	-	-	-
Add:									
Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	829,289	879,303			224,000	93,100	382,342	869,538	5,522,243
Federal Grants									
Other			40,735	7,714,712	9,436				
Investment Income									
Less:									
Allocated to Revenue	829,289	879,303	40,735	7,714,712	233,436	93,100	382,342	869,538	5,522,243
Recovered		902,030	5,950	8,166,546	252,330	63,465	346,778	869,538	5,522,243
Deferred Revenue, end of year	-	-	1,161,592	5,843,866	-	37,710	35,564	-	-
Revenues									
Provincial Grants - Ministry of Education and Child Care									
Federal Grants	829,289	902,030			242,894	63,465	346,778	869,538	5,522,243
Other Revenue				8,166,546	9,436				
Investment Income			5,950						
Expenses									
Salaries			5,950	8,166,546	252,330	63,465	346,778	869,538	5,522,243
Teachers									
Principals and Vice Principals					5,715	5,715	87,906		27,811
Educational Assistants								416,940	2,485,062
Support Staff		745,849				45,872			492,767
Other Professionals									394,441
Substitutes							12,389		774,792
Employee Benefits		745,849	-	-	179,144	51,587	100,295	416,940	4,174,873
Services and Supplies	70,578	156,181		64,356	6,747	6,747	21,098	121,522	1,202,288
	70,578	902,030	5,950	8,166,546	8,830	5,131	225,385	331,076	
			5,950	8,166,546	252,330	63,465	346,778	869,538	5,377,161
Net Revenue (Expense) before Interfund Transfers	758,711	-	-	-	-	-	-	-	145,082
Interfund Transfers									
Tangible Capital Assets Purchased	(758,711)								(145,082)
	(758,711)	-	-	-	-	-	-	-	(145,082)
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 38 (Richmond)
Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2025

	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	Mental Health in Schools	Changing Results for Young Children	Early Childhood Education Dual Credit Program	Student & Family Affordability	JUST B4	SEY2KT (Early Years to Kindergarten)	ECL (Early Care & Learning)
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	-	29,079	9,844	51,251	772,191	-	15,309	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	44,682,306	413,136	48,000	11,250	45,000		50,000	19,000	175,000
Federal Grants									
Other							100,422		
Investment Income									
Less: Allocated to Revenue	44,682,306	413,136	48,000	11,250	45,000	-	150,422	19,000	175,000
Recovered	44,682,306	413,136	65,995	21,094	44,331	454,152	150,422	29,723	175,000
Deferred Revenue, end of year	-	-	11,084	-	51,920	318,039	-	4,586	-
Revenues									
Provincial Grants - Ministry of Education and Child Care	44,682,306	413,136	65,995	21,094	44,331	454,152	50,000	29,723	175,000
Federal Grants									
Other Revenue							100,422		
Investment Income									
Expenses									
Salaries									
Teachers	35,019,919								
Principals and Vice Principals				12,145			71,681	20,906	142,177
Educational Assistants							38,481		
Support Staff									
Other Professionals									
Substitutes		302,550							
Employee Benefits	35,019,919	302,550	-	12,145	-	-	110,162	20,906	142,177
Services and Supplies	9,662,387	63,680		2,672			37,352	4,553	30,542
		21,434	65,995	6,277	44,331	454,152	2,908	4,264	2,281
	44,682,306	387,664	65,995	21,094	44,331	454,152	150,422	29,723	175,000
Net Revenue (Expense) before Interfund Transfers	-	25,472	-	-	-	-	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased		(25,472)							
	-	(25,472)	-	-	-	-	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 38 (Richmond)
Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2025

	Feeding Futures Fund	Health Career Grants	Dual Credit Program Expansion	Professional Learning Grant	Provincial Resource Program	Provincial Early Years	Educational Trust Fund	LINC/ SWIS	National School Food Program
Deferred Revenue, beginning of year	\$ 499,113	\$ 22,889	\$ -	\$ -	\$ 93,292	\$ 150,038	\$ 356,586	\$ 80,447	\$ -
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	2,410,619	25,000		208,468	1,048,332	1,518,959			39,097
Federal Grants									
Other									
Investment Income							528,842	1,436,172	
							2,577		
Less: Allocated to Revenue	2,410,619	25,000	-	208,468	1,048,332	1,518,959	531,419	1,436,172	39,097
Recovered	1,984,793	6,184	-	-	941,009	1,128,940	457,273	1,475,836	39,097
					93,292	150,038			
Deferred Revenue, end of year	924,939	41,705	-	208,468	107,323	390,019	430,732	40,783	-
Revenues									
Provincial Grants - Ministry of Education and Child Care	1,984,793	6,184			941,009	1,128,940		1,475,836	39,097
Federal Grants									
Other Revenue							454,696		
Investment Income							2,577		
Expenses									
Salaries									
Teachers									
Principals and Vice Principals					566,860	380,940		170,955	
Educational Assistants									
Support Staff					24,568	64,982		709,588	
Other Professionals	92,866								
Substitutes								150,915	
Employee Benefits	92,866	-	-	-	591,428	445,922	-	1,031,458	-
Services and Supplies	22,289				161,500	113,524		287,780	
					186,210	569,494	457,273	141,738	39,097
	1,869,638	6,184	-	-	939,138	1,128,940	457,273	1,460,976	39,097
	1,984,793	6,184	-	-					
Net Revenue (Expense) before Interfund Transfers	-	-	-	-	1,871	-	-	14,860	-
Interfund Transfers									
Tangible Capital Assets Purchased					(1,871)			(14,860)	
	-	-	-	-	(1,871)	-	-	(14,860)	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 38 (Richmond)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2025

	TOTAL
	\$
Deferred Revenue, beginning of year	9,552,242
Add: Restricted Grants	
Provincial Grants - Ministry of Education and Child Care	59,493,982
Federal Grants	1,436,172
Other	8,553,412
Investment Income	43,312
	69,326,878
Less: Allocated to Revenue	69,027,460
Recovered	243,330
Deferred Revenue, end of year	9,608,330
Revenues	
Provincial Grants - Ministry of Education and Child Care	58,811,997
Federal Grants	1,475,836
Other Revenue	8,731,100
Investment Income	8,527
	69,027,460
Expenses	
Salaries	
Teachers	36,061,340
Principals and Vice Principals	373,994
Educational Assistants	3,944,548
Support Staff	1,330,386
Other Professionals	487,307
Substitutes	1,240,646
	43,438,221
Employee Benefits	11,958,471
Services and Supplies	12,684,772
	68,081,464
Net Revenue (Expense) before Interfund Transfers	945,996
Interfund Transfers	
Tangible Capital Assets Purchased	(945,996)
	(945,996)
Net Revenue (Expense)	-

School District No. 38 (Richmond)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2025

	2025 Budget (Note 16)	2025 Actual			2024 Actual
		Invested in Tangible Capital Assets	Local Capital	Fund Balance	
	\$	\$	\$	\$	\$
Revenues					
Provincial Grants					
Ministry of Education and Child Care		3,542,107		3,542,107	
Municipal Grants Spent on Sites		18,487,169		18,487,169	
Other Revenue			6,600	6,600	419,035
Investment Income	1,347,096		1,622,517	1,622,517	1,985,065
Amortization of Deferred Capital Revenue	12,189,174	12,320,825		12,320,825	11,315,766
Total Revenue	13,536,270	34,350,101	1,629,117	35,979,218	13,719,866
Expenses					
Amortization of Tangible Capital Assets					
Operations and Maintenance	19,360,975	19,188,100		19,188,100	18,388,562
Transportation and Housing	436,401	436,480		436,480	412,619
Debt Services					
Capital Lease Interest	258,413		232,642	232,642	217,608
Total Expense	20,055,789	19,624,580	232,642	19,857,222	19,018,789
Capital Surplus (Deficit) for the year	(6,519,519)	14,725,521	1,396,475	16,121,996	(5,298,923)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	903,791	1,725,122		1,725,122	1,600,401
Local Capital	3,000,000		11,754,262	11,754,262	10,201,795
Settlement of Asset Retirement Obligation		9,413		9,413	
Total Net Transfers	3,903,791	1,734,535	11,754,262	13,488,797	11,802,196
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		42,761,370	(42,761,370)	-	
Principal Payment					
Capital Lease		1,758,949	(1,758,949)	-	
Total Other Adjustments to Fund Balances		44,520,319	(44,520,319)	-	
Total Capital Surplus (Deficit) for the year	(2,615,728)	60,980,375	(31,369,582)	29,610,793	6,503,273
Capital Surplus (Deficit), beginning of year		104,118,793	54,414,284	158,533,077	152,029,804
Capital Surplus (Deficit), end of year		165,099,168	23,044,702	188,143,870	158,533,077

School District No. 38 (Richmond)

Tangible Capital Assets
Year Ended June 30, 2025

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	55,169,613	631,251,826	12,199,799	4,055,916	440,748	17,536,064	720,653,966
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	3,542,107	9,926,676	315,965	894,391			14,679,139
Deferred Capital Revenue - Other	18,487,169	4,368,311					22,855,480
Operating Fund		313,098	393,741			72,287	779,126
Special Purpose Funds		758,711	25,472			161,813	945,996
Local Capital	37,260,147	931,631	1,299,425	428,040	88,607	2,753,520	42,761,370
District Entered						1,006,544	1,006,544
Transferred from Work in Progress		9,702,044					9,702,044
	59,289,423	26,000,471	2,034,603	1,322,431	88,607	3,994,164	92,729,699
Decrease:							
Deemed Disposals			1,283,680	858,049	97,580	4,972,204	7,211,513
	-	-	1,283,680	858,049	97,580	4,972,204	7,211,513
Cost, end of year	114,459,036	657,252,297	12,950,722	4,520,298	431,775	16,558,024	806,172,152
Work in Progress, end of year		29,528,863					29,528,863
Cost and Work in Progress, end of year	114,459,036	686,781,160	12,950,722	4,520,298	431,775	16,558,024	835,701,015
Accumulated Amortization, beginning of year							
Changes for the Year							
Increase: Amortization for the Year							
Decrease:							
Deemed Disposals			5,661,636	1,951,459	247,679	8,882,815	318,735,672
		14,366,344	1,257,526	436,480	87,253	3,476,977	19,624,580
			1,283,680	858,049	97,580	4,972,204	7,211,513
		-	1,283,680	858,049	97,580	4,972,204	7,211,513
Accumulated Amortization, end of year		316,358,427	5,635,482	1,529,890	237,352	7,387,588	331,148,739
Tangible Capital Assets - Net	114,459,036	370,422,733	7,315,240	2,990,408	194,423	9,170,436	504,552,276

School District No. 38 (Richmond)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2025

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	11,261,212				11,261,212
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	27,969,695				27,969,695
	27,969,695	-	-	-	27,969,695
Decrease:					
Transferred to Tangible Capital Assets	9,702,044				9,702,044
	9,702,044	-	-	-	9,702,044
Net Changes for the Year	18,267,651	-	-	-	18,267,651
Work in Progress, end of year	29,528,863	-	-	-	29,528,863

School District No. 38 (Richmond)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2025

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	256,519,034	12,707,110	279,287	269,505,431
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	11,137,032	4,368,311		15,505,343
Transferred from Work in Progress	9,702,044			9,702,044
ARO Settlement	46,642			46,642
	20,885,718	4,368,311	-	25,254,029
Decrease:				
Amortization of Deferred Capital Revenue	11,885,812	421,860	13,153	12,320,825
	11,885,812	421,860	13,153	12,320,825
Net Changes for the Year	8,999,906	3,946,451	(13,153)	12,933,204
Deferred Capital Revenue, end of year	265,518,940	16,653,561	266,134	282,438,635
Work in Progress, beginning of year	11,261,211			11,261,211
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Work in Progress	27,969,695			27,969,695
	27,969,695	-	-	27,969,695
Decrease:				
Transferred to Deferred Capital Revenue	9,702,044			9,702,044
	9,702,044	-	-	9,702,044
Net Changes for the Year	18,267,651	-	-	18,267,651
Work in Progress, end of year	29,528,862	-	-	29,528,862
Total Deferred Capital Revenue, end of year	295,047,802	16,653,561	266,134	311,967,497

School District No. 38 (Richmond)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2025

	Bylaw Capital	MECC Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	4,684,933	118,682	2,314,768	15,939,255	-	23,057,638
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education and Child Care	41,003,992		2,400,882			43,404,874
Other				1,946,635		1,946,635
Investment Income	(63,576)	4,474		601,279		605,753
Transfer project surplus to MECC Restricted (from) Bylaw	40,940,416	63,576				-
		68,050	2,400,882	2,547,914	-	45,957,262
Decrease:						
Transferred to DCR - Capital Additions	11,137,032		4,368,311			15,505,343
Transferred to DCR - Work in Progress	27,969,695					27,969,695
Transferred to Revenue - Site Purchases	3,542,107			18,487,169		22,029,276
Transferred to Revenue - Settlement of Asset Retirement Obligation	46,642					46,642
	42,695,476	-	4,368,311	18,487,169	-	65,550,956
Net Changes for the Year	(1,755,060)	68,050	(1,967,429)	(15,939,255)	-	(19,593,694)
Balance, end of year	2,929,873	186,732	347,339	-	-	3,463,944