

Audited Financial Statements of

School District No. 38 (Richmond)

And Independent Auditors' Report thereon

June 30, 2021

School District No. 38 (Richmond)

June 30, 2021

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School District No. 38 (Richmond)

MANAGEMENT REPORT

Version: 1990-1244-8262

Management's Responsibility for the Financial Statements.

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

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

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

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

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

On behalf of School District No. 38 (Richmond)



Signature of the Chairperson of the Board of Education

SEPT. 22, 2021

Date Signed



Signature of the Superintendent

SEPT. 22, 2021

Date Signed



Signature of the Secretary Treasurer

SEPT. 22, 2021

Date Signed



Independent auditor's report

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

Our opinion

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

What we have audited

The Organization's financial statements comprise:

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

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence

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

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



Emphasis of matter – basis of accounting

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

Other information

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

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

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

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

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

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

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

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



Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Surrey, British Columbia
September 22, 2021

School District No. 38 (Richmond)

Statement of Financial Position

As at June 30, 2021

	2021 Actual	2020 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents (Note 3)	145,873,456	149,904,492
Accounts Receivable		
Due from Province - Ministry of Education	88,433	92,598
Other (Note 4)	3,643,861	3,273,839
Portfolio Investments (Note 5)	771,478	759,793
Total Financial Assets	150,377,228	154,030,722
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Ministry of Education		160,056
Due to Province - Other	82,425	
Other (Note 6)	28,767,431	27,180,525
Unearned Revenue (Note 7)	11,874,003	13,018,907
Deferred Revenue (Note 8)	7,337,491	7,468,261
Deferred Capital Revenue (Note 9)	246,761,487	220,098,761
Employee Future Benefits (Note 10)	12,842,605	12,249,605
Capital Lease Obligations (Note 11)	3,418,684	5,048,794
Total Liabilities	311,084,126	285,224,909
Net Debt	(160,706,898)	(131,194,187)
Non-Financial Assets		
Tangible Capital Assets (Note 12)	350,996,360	325,064,351
Prepaid Expenses	523,757	469,798
Total Non-Financial Assets	351,520,117	325,534,149
Accumulated Surplus (Deficit) (Note 19)	190,813,219	194,339,962
Contractual Obligations (Note 23)		
Contingent Liabilities (Note 17)		
Approved by the Board		
_____ Signature of the Chairperson of the Board of Education		SEPT. 22, 2021 Date Signed
_____ Signature of the Superintendent		SEPT. 22, 2021 Date Signed
_____ Signature of the Secretary/Treasurer		SEPT. 22, 2021 Date Signed

School District No. 38 (Richmond)Statement of Operations
Year Ended June 30, 2021

Statement 2

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

School District No. 38 (Richmond)

Statement of Changes in Net Debt

Year Ended June 30, 2021

Statement 4

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

School District No. 38 (Richmond)

Statement of Cash Flows

Year Ended June 30, 2021

Statement 5

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

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

NOTE 1 AUTHORITY AND PURPOSE

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

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

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Basis of Accounting (Continued)

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

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

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

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

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

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

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

b) Cash and Cash Equivalents

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

c) Accounts Receivable

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

d) Portfolio Investments

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

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

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

e) Unearned Revenue

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

f) Deferred Revenue and Deferred Capital Revenue

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

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

g) Employee Future Benefits

i) Post-Employment Benefits:

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

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

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

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

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

g) Employee Future Benefits (Continued)

ii) Pension Plans:

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

h) Liability for Contaminated Sites

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

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

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

i) Tangible Capital Assets

The following criteria apply:

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Tangible Capital Assets (Continued)

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

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

j) Capital Leases

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

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

k) Prepaid Expenses

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

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

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

l) Funds and Reserves

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

m) Revenue Recognition

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

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

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

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

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

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

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

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

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

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

n) Expenditures

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

Categories of Salaries

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

Allocation of Costs

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

o) Financial Instruments

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

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Financial Instruments (Continued)

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

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

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

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

p) Measurement Uncertainty

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

q) Future Changes in Accounting Policies

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q) Future Changes in Accounting Policies (Continued)

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

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

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

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

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

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

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

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

NOTE 3 CASH AND CASH EQUIVALENTS

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

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

NOTE 4 ACCOUNTS RECEIVABLE - OTHER

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

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

NOTE 5 PORTFOLIO INVESTMENTS

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

	2021	2020
GIC’s	\$771,478	\$759,793
	\$771,478	\$759,793

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

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

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

NOTE 7 UNEARNED REVENUE

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

NOTE 8 DEFERRED REVENUE

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

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

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

NOTE 9 DEFERRED CAPITAL REVENUE

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

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

NOTE 10 EMPLOYEE FUTURE BENEFITS

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

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

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

NOTE 10 EMPLOYEE FUTURE BENEFITS (Continued)

Reconciliation of Funded Status at End of Fiscal Year

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

Reconciliation of Change in Accrued Benefit Liability

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

Components of Net Benefit Expense

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

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

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

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

NOTE 11 CAPITAL LEASE OBLIGATIONS

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

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

Repayments are due as follows:

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

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

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

NOTE 12 TANGIBLE CAPITAL ASSETS

Net Book Value:

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

June 30, 2021

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

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

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

NOTE 12 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2020

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

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

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

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

NOTE 13 EMPLOYEE PENSION PLANS

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

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

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

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

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

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

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

NOTE 14 INTERFUND TRANSFERS

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

	Operating Fund		Special Purpose Funds		Capital Fund	
	2021	2020	2021	2020	2021	2020
Funding Local Capital Reserve as permitted under School Act	\$(5,696,429)	\$(10,330,909)	\$-	\$-	\$5,696,429	\$10,330,909
Capital assets purchased	(446,798)	(806,525)	(1,271,452)	(948,531)	1,718,250	1,755,056
	<u>\$(6,143,227)</u>	<u>\$(11,137,434)</u>	<u>\$(1,271,452)</u>	<u>\$(948,531)</u>	<u>\$7,414,679</u>	<u>\$12,085,965</u>

NOTE 15 RELATED PARTY TRANSACTIONS

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

NOTE 16 BUDGET FIGURES

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

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

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

NOTE 16 BUDGET FIGURES (Continued)

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

Significant changes between the annual and amended budget were:

Statement 2

Total Revenue

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

Total Expense

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

NOTE 17 CONTINGENT LIABILITIES

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

NOTE 18 EXPENSE BY OBJECT

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

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

NOTE 19 ACCUMULATED SURPLUS

Accumulated surplus balances are comprised of:

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

NOTE 20 OTHER REVENUE

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

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

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

NOTE 21 ECONOMIC DEPENDENCE

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

NOTE 22 SUPPLEMENTARY CASH FLOW INFORMATION

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

NOTE 23 CONTRACTUAL OBLIGATIONS

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

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

NOTE 24 RISK MANAGEMENT

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

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

a) Credit risk:

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

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

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

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

NOTE 24 RISK MANAGEMENT *(Continued)*

b) **Market risk:**

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

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

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

c) **Liquidity risk**

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

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

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

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

FINANCIAL STATEMENT PRESENTATION – BY FUND (UNAUDITED)

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

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

i) Statement of Financial Position by Fund

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

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

FINANCIAL STATEMENT PRESENTATION – BY FUND (UNAUDITED)

ii) **Statement of Operations by Fund**

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

School District No. 38 (Richmond)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2021

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

School District No. 38 (Richmond)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2021

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

School District No. 38 (Richmond)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2021

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

School District No. 38 (Richmond)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2021

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

School District No. 38 (Richmond)

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

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

School District No. 38 (Richmond)

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

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

School District No. 38 (Richmond)

Schedule of Special Purpose Operations

Year Ended June 30, 2021

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

School District No. 38 (Richmond)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2021

	Annual Facility Grant	Learning Improvement Fund	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OIEP	CommunityLINK	Classroom Enhancement Fund - Overhead
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	287,295	1,078,475	5,355,731	46,300	117,969	20,445	78,046	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education	829,133	669,476		2,000,513	224,000	93,100	299,563	772,476	4,841,324
Federal Grants									
Other			10,750	2,000,513	8,668				
Investment Income			15,045						
Less: Allocated to Revenue Recovered	829,133	669,476	25,795	2,000,513	232,668	93,100	299,563	772,476	4,841,324
Deferred Revenue, end of year	-	667,522	79,175	2,236,511	211,694	113,123	266,290	822,501	4,841,324
		289,249	1,025,895	5,119,733	67,324	97,946	53,718	28,021	-
Revenues									
Provincial Grants - Ministry of Education	829,133	667,522		2,000,513	202,976	113,123	266,290	822,501	4,841,324
Federal Grants									
Other Revenue			64,130	2,236,511	8,668				
Investment Income			15,045						
Expenses									
Salaries									
Teachers									
Principals and Vice Principals					47,645				238,899
Educational Assistants									2,241,188
Support Staff		564,739			159,354			331,357	524,880
Other Professionals									206,241
Substitutes									356,865
Employee Benefits		564,739							3,768,073
Services and Supplies	61,756	102,783			42,413				925,790
	61,756	667,522	79,175	2,236,511	9,877	33,524	140,598	403,389	2,379
			79,175	2,236,511	211,644	113,123	258,472	822,501	4,696,242
Net Revenue (Expense) before Interfund Transfers	767,377	-	-	-	-	-	7,818	-	145,082
Interfund Transfers									
Tangible Capital Assets Purchased	(767,377)	-	-	-	-	-	(7,818)	-	(145,082)
Net Revenue (Expense)	(767,377)	-	-	-	-	-	(7,818)	-	(145,082)

School District No. 38 (Richmond)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2021

	Classroom Enhancement Fund - Staffing	Classroom Enhancement Fund - Remedies	Mental Health in Schools	Changing Results for Young Children	Safe Return to School Grant	Federal Safe Return to Class Fund	Provincial Resource Program	Provincial Early Years	Community Literacy
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	75,812	-	-	-	-	87,132	3,162	10,000
Add: Restricted Grants									
Provincial Grants - Ministry of Education	29,092,042	131,328	48,000	6,000	1,456,347	7,854,839	728,814	408,694	-
Federal Grants	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	-	-	-
Less: Allocated to Revenue									
Recovered	29,092,042	131,328	48,000	6,000	1,456,347	7,854,839	728,814	408,694	-
Deferred Revenue, end of year	-	75,812	23,641	6,000	1,456,347	7,854,839	39,876	2,162	10,000
	-	-	24,359	-	-	-	208,173	185,787	-
Revenues									
Provincial Grants - Ministry of Education	29,092,042	131,328	23,641	6,000	1,456,347	7,854,839	567,897	223,907	-
Federal Grants	-	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	-	-	-
Expenses									
Salaries	-	87,235	-	-	705,061	373,140	-	-	-
Teachers	-	87,235	-	-	705,061	4,853,488	402,054	144,687	-
Principals and Vice Principals	-	-	-	-	-	1,002,141	95,827	31,281	-
Educational Assistants	-	16,499	-	-	104,079	1,787,497	70,016	47,939	-
Support Staff	-	-	23,641	6,000	587,477	7,643,126	567,897	223,907	10,000
Other Professionals	-	-	23,641	6,000	1,396,617	-	-	-	-
Substitutes	-	103,754	23,641	-	-	-	-	-	-
Employee Benefits	-	-	-	-	-	-	-	-	-
Services and Supplies	-	-	-	-	-	-	-	-	-
Net Revenue (Expense) before Interfund Transfers	-	27,574	-	-	59,730	211,713	-	-	-
Interfund Transfers									
Tangible Capital Assets Purchased	-	(27,574)	-	-	(59,730)	(211,713)	-	-	-
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 38 (Richmond)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2021

	Educational Trust Fund	LINC/ SWIS	TOTAL
Deferred Revenue, beginning of year	\$ 186,124	\$ 121,770	\$ 7,468,261
Add: Restricted Grants			
Provincial Grants - Ministry of Education			47,455,136
Federal Grants		1,577,892	1,577,892
Other	423,247		2,443,178
Investment Income	955		16,000
Less: Allocated to Revenue Recovered			
Deferred Revenue, end of year	424,202	1,577,892	51,492,206
	426,638	1,645,264	51,505,126
	<u>183,688</u>	<u>54,398</u>	<u>7,337,491</u>
Revenues			
Provincial Grants - Ministry of Education			47,098,870
Federal Grants		1,645,264	1,645,264
Other Revenue	425,683		2,744,992
Investment Income	955		16,000
	<u>426,638</u>	<u>1,645,264</u>	<u>51,505,126</u>
Expenses			
Salaries			26,759,612
Teachers			238,899
Principals and Vice Principals			3,313,330
Educational Assistants			3,329,474
Support Staff		571,113	297,287
Other Professionals		91,046	2,056,970
Substitutes		334,649	34,995,572
Employee Benefits		996,808	7,944,594
Services and Supplies		229,207	6,293,508
	<u>426,638</u>	<u>367,091</u>	<u>50,233,674</u>
	<u>426,638</u>	<u>1,593,106</u>	<u>1,271,452</u>
Net Revenue (Expense) before Interfund Transfers			
Interfund Transfers			(1,271,452)
Tangible Capital Assets Purchased		(52,158)	(1,271,452)
		<u>(52,158)</u>	<u>(1,271,452)</u>
Net Revenue (Expense)			

School District No. 38 (Richmond)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2021

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

School District No. 38 (Richmond)

Tangible Capital Assets
Year Ended June 30, 2021

Schedule 4A (Unaudited)

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	55,169,613	445,965,448	10,458,008	3,680,675	1,271,718	17,745,619	534,291,081
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw	3,887,399		250,000				4,137,399
Deferred Capital Revenue - Other	227,685		29,967			48,285	257,652
Operating Fund		767,377				504,075	446,798
Special Purpose Funds		72,777	1,272,176	150,704	114,428	818,716	1,271,452
Local Capital						942,226	2,428,801
Additions under Capital Lease							942,226
Transferred from Work in Progress	36,396,365						36,396,365
Decrease:							
Disposed of	-	41,351,603	1,930,656	150,704	114,428	2,313,302	45,880,693
Deemed Disposals				30,143			30,143
Disposals			829,383	239,735	823,842	3,747,324	5,640,284
Disposals			829,383	269,878	823,842	3,747,324	5,670,427
Cost, end of year	55,169,613	487,317,051	11,579,281	3,561,501	562,304	16,311,597	574,501,347
Work in Progress, end of year	31,065,744						31,065,744
Cost and Work in Progress, end of year	55,169,613	518,382,795	11,579,281	3,561,501	562,304	16,311,597	605,567,091
Accumulated Amortization, beginning of year							
Changes for the Year							
Increase: Amortization for the Year	229,319,010		4,726,611	1,862,418	967,239	7,537,241	244,412,519
Decrease:							
Disposed of	10,649,900		1,101,865	368,270	183,402	3,523,695	15,827,132
Deemed Disposals				28,636			28,636
Disposals			829,383	239,735	823,842	3,747,324	5,640,284
Disposals			829,383	268,371	823,842	3,747,324	5,668,920
Accumulated Amortization, end of year	239,968,910		4,999,093	1,962,317	326,799	7,313,612	254,570,731
Tangible Capital Assets - Net	55,169,613	278,413,885	6,580,188	1,599,184	235,505	8,997,985	350,996,360

School District No. 38 (Richmond)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2021

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

School District No. 38 (Richmond)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2021

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

School District No. 38 (Richmond)

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

	Bylaw Capital	MEd Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	5,491,529	104,613	29,994	11,787,812	-	17,413,948
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education	34,174,370		649,600			34,174,370
Provincial Grants - Other		1,526		511,585		511,585
Investment Income		1,526	649,600	687,137		1,77,078
Decrease:						
Transferred to DCR - Capital Additions	4,137,399		257,652			4,395,051
Transferred to DCR - Work in Progress	30,831,177					30,831,177
	34,968,576	-	257,652	-	-	35,226,228
Net Changes for the Year	(794,206)	1,526	391,948	687,137	-	286,405
Balance, end of year	4,697,323	106,139	421,942	12,474,949	-	17,700,353