

Audited Financial Statements of

School District No. 38 (Richmond)

And Independent Auditors' Report thereon

June 30, 2022

School District No. 38 (Richmond)

June 30, 2022

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School District No. 38 (Richmond)

MANAGEMENT REPORT

Version: 5208-4462-2480

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.



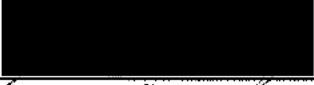
The preparation of financial statements necessarily involves the use of estimates based on management's judgment particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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)

	SEPT. 21, 2022
Signature of the Chairperson of the Board of Education	Date Signed
	SEPT. 21, 2022
Signature of the Superintendent	Date Signed
	SEPT. 21, 2022
Signature of the Secretary Treasurer	Date Signed



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INDEPENDENT AUDITORS' 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, 2022
- 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, 2022 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 "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' 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 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 Matter – Comparative Information

The financial statements for the year ended June 30, 2021 were audited by another auditor who expressed an unmodified opinion on those financial statements on September 22, 2021.

Other Information

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

- Information, other than the financial statements and auditors' report thereon, included in the Financial Statement Discussion and Analysis document
- Unaudited Financial Statement Presentation by Fund statements attached to the audited financial statements
- Unaudited Schedules 1-4 attached to the audited financial statements

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 auditors' report thereon, included in the Financial Statement Discussion and Analysis document, the unaudited Financial Statement Presentation by Fund statements and the Unaudited Schedules 1-4 attached to the audited financial statements as at the date of this auditors' 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 auditors' 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.

Auditors' 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 auditors' 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.
- 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 auditors' 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 auditors' 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 22, 2022

School District No. 38 (Richmond)

Statement of Financial Position

As at June 30, 2022

	2022 Actual	2021 Actual
	\$	\$
Financial Assets		
Cash and Cash Equivalents (Note 3)	140,484,877	145,873,456
Accounts Receivable		
Due from Province - Ministry of Education and Child Care	540,767	88,433
Other (Note 4)	3,849,534	3,643,861
Portfolio Investments (Note 5)	737,078	771,478
Total Financial Assets	<u>145,612,256</u>	<u>150,377,228</u>
Liabilities		
Accounts Payable and Accrued Liabilities		
Due to Province - Other	-	82,425
Other (Note 6)	26,969,613	28,767,431
Unearned Revenue (Note 7)	12,941,430	11,874,003
Deferred Revenue (Note 8)	7,807,115	7,337,491
Deferred Capital Revenue (Note 9)	266,748,724	246,761,487
Employee Future Benefits (Note 10)	13,162,661	12,842,605
Capital Lease Obligations (Note 11)	4,273,973	3,418,684
Total Liabilities	<u>331,903,516</u>	<u>311,084,126</u>
Net Debt	<u>(186,291,260)</u>	<u>(160,706,898)</u>
Non-Financial Assets		
Tangible Capital Assets (Note 12)	372,020,921	350,996,360
Prepaid Expenses	749,407	523,757
Total Non-Financial Assets	<u>372,770,328</u>	<u>351,520,117</u>
Accumulated Surplus (Deficit) (Note 19)	<u>186,479,068</u>	<u>190,813,219</u>

Contractual Obligations (Note 23)

Contingent Liabilities (Note 17)

Approved by the Board

[Redacted Signature]

SEPT. 21, 2022

Signature of the Chairperson of the Board of Education

Date Signed

[Redacted Signature]

SEPT. 21, 2022

Signature of the Superintendent

Date Signed

[Redacted Signature]

SEPT. 21, 2022

Signature of the Secretary/Treasurer

Date Signed

School District No. 38 (Richmond)

Statement of Operations
Year Ended June 30, 2022

	2022 Budget (Note 16)	2022 Actual	2021 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	242,610,311	242,386,298	239,961,811
Other	27,670	262,614	48,986
Federal Grants	1,712,790	1,629,732	1,645,264
Tuition	15,152,958	15,989,604	13,133,152
Other Revenue (Note 20)	4,502,478	5,386,963	3,406,219
Rentals and Leases	1,147,183	1,223,337	977,455
Investment Income	1,113,326	1,370,828	1,665,109
Gain (Loss) on Disposal of Tangible Capital Assets			12,913
Amortization of Deferred Capital Revenue	9,766,983	9,874,622	8,849,907
Total Revenue	276,033,699	278,123,998	269,700,816
Expenses (Note 18)			
Instruction	227,716,559	226,484,691	216,655,587
District Administration	7,343,790	7,295,024	7,515,593
Operations and Maintenance	46,089,974	46,761,650	47,131,224
Transportation and Housing	1,921,664	1,744,597	1,751,499
Debt Services	182,000	172,187	173,656
Total Expense	283,253,987	282,458,149	273,227,559
Surplus (Deficit) for the year	(7,220,288)	(4,334,151)	(3,526,743)
Accumulated Surplus (Deficit) from Operations, beginning of year		190,813,219	194,339,962
Accumulated Surplus (Deficit) from Operations, end of year		186,479,068	190,813,219

School District No. 38 (Richmond)

Statement of Changes in Net Debt

Year Ended June 30, 2022

	2022 Budget (Note 16)	2022 Actual	2021 Actual
	\$	\$	\$
Surplus (Deficit) for the year	<u>(7,220,288)</u>	<u>(4,334,151)</u>	<u>(3,526,743)</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets		(38,008,920)	(41,760,648)
Amortization of Tangible Capital Assets		16,984,359	15,827,132
Net carrying value of Tangible Capital Assets disposed of			1,507
Total Effect of change in Tangible Capital Assets	<u>-</u>	<u>(21,024,561)</u>	<u>(25,932,009)</u>
Acquisition of Prepaid Expenses		(749,407)	(523,757)
Use of Prepaid Expenses		523,757	469,798
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>(225,650)</u>	<u>(53,959)</u>
(Increase) Decrease in Net Debt, before Net Remeasurement Gains (Losses)	<u>(7,220,288)</u>	<u>(25,584,362)</u>	<u>(29,512,711)</u>
Net Remeasurement Gains (Losses)			
(Increase) Decrease in Net Debt		<u>(25,584,362)</u>	<u>(29,512,711)</u>
Net Debt, beginning of year		<u>(160,706,898)</u>	<u>(131,194,187)</u>
Net Debt, end of year		<u>(186,291,260)</u>	<u>(160,706,898)</u>

School District No. 38 (Richmond)

Statement of Cash Flows
Year Ended June 30, 2022

	2022 Actual	2021 Actual
	\$	\$
Operating Transactions		
Surplus (Deficit) for the year	(4,334,151)	(3,526,743)
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(658,007)	(365,857)
Prepaid Expenses	(225,650)	(53,959)
Increase (Decrease)		
Accounts Payable and Accrued Liabilities	(1,880,243)	1,509,275
Unearned Revenue	1,067,427	(1,144,904)
Deferred Revenue	469,624	(130,770)
Employee Future Benefits	320,056	593,000
Loss (Gain) on Disposal of Tangible Capital Assets	-	(12,913)
Amortization of Tangible Capital Assets	16,984,359	15,827,132
Amortization of Deferred Capital Revenue	(9,874,622)	(8,849,907)
Total Operating Transactions	<u>1,868,793</u>	<u>3,844,354</u>
Capital Transactions		
Tangible Capital Assets Purchased	(9,238,178)	(8,542,102)
Tangible Capital Assets -WIP Purchased	(25,131,957)	(32,276,320)
District Portion of Proceeds on Disposal		14,420
Total Capital Transactions	<u>(34,370,135)</u>	<u>(40,804,002)</u>
Financing Transactions		
Capital Revenue Received	29,861,859	35,512,633
Capital Lease Payments	(2,783,496)	(2,572,336)
Total Financing Transactions	<u>27,078,363</u>	<u>32,940,297</u>
Investing Transactions		
Investments in Portfolio Investments	34,400	(11,685)
Total Investing Transactions	<u>34,400</u>	<u>(11,685)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(5,388,579)</u>	<u>(4,031,036)</u>
Cash and Cash Equivalents, beginning of year (Note 3)	<u>145,873,456</u>	<u>149,904,492</u>
Cash and Cash Equivalents, end of year	<u>140,484,877</u>	<u>145,873,456</u>
Cash and Cash Equivalents, end of year, is made up of:		
Cash (Note 3)	19,935,570	31,702,117
Cash Equivalents (Note 3)	120,549,307	114,171,339
	<u>140,484,877</u>	<u>145,873,456</u>
Supplementary Cash Flow Information (Note 22)		

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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(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.

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, 2022

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, 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

Year-ended June 30, 2022 - increase in annual surplus by \$19,987,237

June 30, 2022 - increase in accumulated surplus and decrease in deferred contributions by \$266,748,724

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.

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, 2022

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 (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 (EARSL) of active employees covered under the plan.

The most recent valuation of the obligation was performed at March 31, 2022 and projected to March 31, 2025. The next valuation will be performed at March 31, 2025 for use at June 30, 2025. 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, 2022

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, 2022

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, 2022

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, 2022

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, and accrued liabilities.

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, 2022

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. 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, 2022

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 awaiting guidance from the Ministry of Education and Child Care on the adoption of this standard.

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, 2022**

NOTE 3 CASH AND CASH EQUIVALENTS

	2022	2021
Cash – Operating Fund	\$15,980,977	\$28,039,224
Cash – Special Purpose Fund	3,954,593	3,662,892
Cash Equivalents – Special Purpose Fund	1,189	1,179
Central Deposit Investment	120,446,230	114,079,628
Investments held by Richmond Community Foundation	101,888	90,533
	\$140,484,877	\$145,873,456

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

	2022	2021
Due from Federal Government	\$983,812	\$978,761
Due from Benefit Carrier - unrestricted deposit account	2,659,560	2,475,607
Other	206,162	189,493
	\$3,849,534	\$3,643,861

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 1.14% (2021 – 0.49%).

	2022	2021
GIC’s	\$737,078	\$771,478
	\$737,078	\$771,478

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

	2022	2021
Trade payables	\$6,532,874	\$6,249,832
Salaries and benefits payable	16,781,772	18,514,101
Accrued vacation pay	3,186,255	3,479,513
Other	468,712	523,985
	\$26,969,613	\$28,767,431

NOTE 7 UNEARNED REVENUE

	2022	2021
Balance, beginning of year	\$11,874,003	\$13,018,907
Fees received	17,057,031	11,988,248
Fees recognized as revenue	(15,989,604)	(13,133,152)
	\$12,941,430	\$11,874,003

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.

	2022	2021
Balance, beginning of year	\$7,337,491	\$7,468,261
Changes for the year:		
Increase:		
Provincial grants - MECC	42,408,522	47,337,286
Federal grants	1,634,094	1,577,892
Other revenue	4,841,562	2,443,178
Investment income	12,315	16,000
	48,896,493	51,374,356
Decrease:		
Transfers to revenue	(48,426,869)	(51,505,126)
	\$7,807,115	\$7,337,491

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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.

	2022	2021
Balance, beginning of year	\$246,761,487	\$220,098,761
Changes for the year:		
Increase:		
Transfer from Deferred Revenue - capital additions	6,437,713	4,395,051
Transfer from Deferred Revenue - work in progress	21,487,483	30,831,177
Provincial grants - MECC	29,459,594	34,174,370
Provincial grants - Other	-	649,600
Other revenue	251,618	511,585
Investment income	150,647	177,078
	57,787,055	70,738,861
Decrease:		
Transfer to DCR - capital additions	(6,437,713)	(4,395,051)
Transfer to DCR – work in progress	(21,487,483)	(30,831,177)
Amortization	(9,874,622)	(8,849,907)
	(37,799,818)	(44,076,135)
Balance, end of year	\$266,748,724	\$246,761,487

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.

	2022	2021
Reconciliation of Accrued Benefit Obligation		
Accrued Benefit Obligation - April 1	\$12,985,339	\$13,171,381
Service Cost	1,243,781	1,243,279
Interest Cost	336,135	307,280
Benefit Payments	(853,297)	(1,128,853)
Decrease in Obligation due to Plan Amendment	(463,786)	-
Actuarial (Gain) Loss	2,590,514	(607,748)
Accrued Benefit Obligation - March 31	\$15,838,686	\$12,985,339

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 10 EMPLOYEE FUTURE BENEFITS (Continued)

	2022	2021
Reconciliation of Funded Status at End of Fiscal Year		
Accrued Benefit Obligation - March 31	\$15,838,686	\$12,985,339
Market Value of Plan Assets - March 31	-	-
Funded Status - Deficit	(15,838,686)	(12,985,339)
Employer Contributions After Measurement Date	543,110	207,125
Benefit Expense After Measurement Date	(445,030)	(394,979)
Unamortized Net Actuarial Loss	2,577,945	330,588
Accrued Benefit Liability - June 30	\$(13,162,661)	\$(12,842,605)
 Reconciliation of Change in Accrued Benefit Liability		
Accrued Benefit Liability - July 1	\$12,842,605	\$12,249,605
Net Expense for Fiscal Year	1,509,339	1,759,155
Employer Contributions	(1,189,283)	(1,166,155)
Accrued Benefit Liability - June 30	\$13,162,661	\$12,842,605
 Components of Net Benefit Expense		
Service Cost	\$1,248,877	\$1,243,404
Interest Cost	381,090	314,494
Immediate Recognition of Plan Amendment	(463,786)	-
Amortization of Net Actuarial Loss	343,158	201,257
Net Benefit Expense	\$1,509,339	\$1,759,155

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

	2022	2021
Discount Rate - April 1	2.50%	2.25%
Discount Rate - March 31	3.25%	2.50%
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	10.4	9.7

The impact of changes in assumptions between the March 31, 2022, measurement date and June 30, 2022, reporting date have been considered and are not considered to be material.

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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:

	2022	2021
De Lage Landen Financial Services Canada Inc., with interest at 5.89%, expired March 1, 2022	\$-	\$69,669
De Lage Landen Financial Services Canada Inc., with interest at 6.23%, expires August 15, 2023	413,607	699,175
Macquarie Financial, with interest at 1.51%, expires Dec.1, 2023	153,808	253,119
Macquarie Financial, with interest at 1.51%, expires March 1, 2024	205,838	319,683
Macquarie Financial, with interest at 1.51%, expires March 1, 2024	231,571	344,433
Macquarie Financial, with interest at 1.51%, expires September 1, 2024	101,913	153,352
Macquarie Financial, with interest at 1.51%, expires November 1, 2024	81,797	118,252
Macquarie Financial, with interest at .005%, expires June 1, 2024	29,240	45,947
Macquarie Financial, with interest at .005%, expires September 1, 2024	63,069	94,601
CSI EPC, with interest at 2.69%, expired October 1, 2021	-	10,532
CSI EPC, with interest at 5.84%, expires December 1, 2021	14,245	37,558
CSI EPC, with interest at 5.50%, expired February 1, 2022	-	16,069
CSI EPC, with interest at 4.60%, expires February 1, 2024	104,766	160,487
CSI EPC, with interest at 3.57%, expired June 30, 2022	-	773,209
CSI EPC, with interest at 3.98%, expired June 30, 2022	-	143,139
CSI EPC, with interest at 5.16%, expires November 30, 2022	13,985	34,330
CSI EPC, with interest at 3.91%, expires March 31, 2024	101,003	145,129
CSI EPC, with interest at 2.67%, expires May 31, 2024	345,527	-
CSI EPC, with interest at 2.67%, expires August 31, 2024	628,611	-
CSI EPC, with interest at 3.15%, expires May 30, 2024	273,346	-
CSI EPC, with interest at 3.15%, expires December 31, 2024	99,802	-
CSI EPC, with interest at 3.15%, expires March 31, 2025	524,135	-
	<u>\$4,273,973</u>	<u>\$3,418,684</u>

Repayments are due as follows:

	2022
2023	\$2,170,388
2024	1,765,525
2025	499,250
Total minimum lease payments	\$4,435,163
Less amounts representing interest	161,190
Present value of net minimum capital lease payments	<u>\$4,273,973</u>

Total interest on leases for the year was \$172,187 (2021 - \$173,656).

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 12 TANGIBLE CAPITAL ASSETS

Net Book Value:

	Net Book Value 2022	Net Book Value 2021
Sites	\$55,169,613	\$55,169,613
Buildings	298,600,432	278,413,885
Furniture & Equipment	6,981,444	6,580,188
Vehicles	1,454,476	1,599,184
Computer Software	202,104	235,505
Computer Hardware	9,612,852	8,997,985
Total	\$372,020,921	\$350,996,360

June 30, 2022

Cost:	Opening Cost	Additions	Disposals/ Transfers	Total 2022
Sites	\$55,169,613	\$ -	\$ -	\$55,169,613
Buildings	487,317,051	51,912,024	-	539,229,075
Buildings - WIP	31,065,744	25,131,957	(45,071,354)	11,126,347
Furniture & Equipment	11,579,281	1,572,530	(1,305,584)	11,846,227
Vehicles	3,561,501	214,850	(300,036)	3,476,315
Computer Software	562,304	64,661	(208,640)	418,325
Computer Hardware	16,311,597	4,184,252	(1,789,272)	18,706,577
Total	\$605,567,091	\$83,080,274	\$(48,674,886)	\$639,972,479

Accumulated Amortization:	Opening Accumulated Amortization	Additions	Disposals	Total 2022
Sites	\$ -	\$ -	\$ -	\$ -
Buildings	239,968,910	11,786,080	-	251,754,990
Furniture & Equipment	4,999,093	1,171,274	(1,305,584)	4,864,783
Vehicles	1,962,317	359,558	(300,036)	2,021,839
Computer Software	326,799	98,062	(208,640)	216,221
Computer Hardware	7,313,612	3,569,385	(1,789,272)	9,093,725
Total	\$254,570,731	\$16,984,359	\$(3,603,532)	\$267,951,558

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 12 TANGIBLE CAPITAL ASSETS (Continued)

June 30, 2021

Cost:	Opening Cost	Additions	Disposals	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

- Included in capital assets is equipment under capital lease with a cost of \$13,088,521 (2021 - \$10,551,201) and accumulated amortization of \$6,146,937 (2021 - \$4,958,982).
- Buildings - work in progress (WIP) having a value of \$11,126,345 (2021 - \$31,065,744) 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, 2022

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, 2021, the Teachers' Pension Plan has about 50,000 active members and approximately 40,000 retired members. As at December 31, 2021, the Municipal Pension Plan has about 227,000 active members, including approximately 29,000 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, 2020, indicated a \$1,584 million surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2023.

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 \$19,907,640 (2021 - \$19,476,933) for employer contributions to these plans in the year ended June 30, 2022.

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 14 INTERFUND TRANSFERS

Interfund transfers between the operating, special purpose and capital funds for the year ended June 30, 2022, were as follows:

	Operating Fund		Special Purpose Funds		Capital Fund	
	2022	2021	2022	2021	2022	2021
Funding Local Capital Reserve as permitted under School Act	\$(2,838,125)	\$(5,696,429)	\$-	\$-	\$2,838,125	\$5,696,429
Capital assets purchased	(705,874)	(446,798)	(1,320,344)	(1,271,452)	2,026,218	1,718,250
	<u>\$(3,543,999)</u>	<u>\$(6,143,227)</u>	<u>\$(1,320,344)</u>	<u>\$(1,271,452)</u>	<u>\$4,864,343</u>	<u>\$7,414,679</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 23, 2022. Changes between the Annual Budget (approved by the Board on May 26, 2021) and the Amended Annual Budget are listed below:

	Annual Budget	Amended Budget	Change
Statement 2			
Total Revenue	\$266,075,295	\$276,033,699	\$9,958,404
Total Expense	273,987,296	283,253,987	9,266,691
Budgeted Deficit for the year	<u>\$(7,912,001)</u>	<u>\$(7,220,288)</u>	<u>\$691,713</u>

**SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

NOTE 16 BUDGET FIGURES (Continued)

	Annual Budget	Amended Budget	Change
Statement 4			
Deficit for the year	\$(7,912,001)	\$(7,220,288)	\$691,713
Total Effect of change in Tangible Capital Assets	(10,162,604)	(17,293,357)	(7,130,753)
(Increase) Decrease in Net Financial Assets (Debt)	<u>\$(18,074,605)</u>	<u>\$(24,513,645)</u>	<u>\$(6,439,040)</u>

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

	2022	2021
Salaries and benefits	\$239,170,836	\$235,071,001
Services and supplies	26,130,767	22,155,770
Interest	172,187	173,656
Amortization	16,984,359	15,827,132
	<u>\$282,458,149</u>	<u>\$273,227,559</u>

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 19 ACCUMULATED SURPLUS

Accumulated surplus balances are comprised of:

	2022	2021
Invested in Tangible Capital Assets	\$120,635,237	\$118,516,539
Local Capital Internally Restricted by Board for:		
Restricted - Capital Leases	7,414,800	7,308,000
Restricted - Current Capital Projects	24,890,590	11,920,747
Restricted - Future Capital Projects	14,798,889	32,857,158
Restricted - Under Review by Board	3,625,187	3,266,488
Restricted - Contingency Reserves	2,000,000	2,000,000
Subtotal Internally Restricted	52,729,466	57,352,393
Capital Surplus	\$173,364,703	\$175,868,932
Internally Restricted (Appropriated) by Board for:		
2022/23 Budget Appropriation	1,896,023	3,600,134
2021/22 Online Learning K-9	-	597,050
School/Department Account Balances	6,998,016	6,840,291
Outstanding Purchase Orders	262,963	338,747
School Generated Funds	2,270,000	2,270,000
Subtotal Internally Restricted	\$11,427,002	\$13,646,222
Unrestricted Operating Surplus	1,687,363	1,298,065
Total Operating Surplus, Restricted and Unrestricted	\$13,114,365	\$14,944,287
Total Accumulated Surplus	\$186,479,068	\$190,813,219

NOTE 20 OTHER REVENUE

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

	2022	2021
Operating Fund:		
Other School District/Education Authorities	\$504,000	\$504,000
Miscellaneous:		
Cafeteria	268,332	146,661
Miscellaneous	1,692	10,566
	\$774,024	\$661,227
Special Purpose Funds:		
School Generated Funds	4,158,072	2,236,511
Scholarships and Bursaries	4,122	64,130
Educational Trust Funds	404,589	425,683
Strong Start	9,519	8,668
Community Literacy	-	10,000
	\$4,576,302	\$2,744,992
Capital Fund:		
Sale of Vehicles	23,000	-
Long Range Facilities Plan	13,637	-
	\$36,637	\$-
Total Other Revenue	\$5,386,963	\$3,406,219

**SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

NOTE 21 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 22 SUPPLEMENTARY CASH FLOW INFORMATION

During the year, the School District had acquired tangible capital assets under capital leases of \$3,638,785 (2021 - \$946,227).

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.

	2023	2024	2025
Approved Capital Projects - Unperformed Portion	\$18,931,957	\$4,760,200	\$297,000

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, 2022

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 2021 related to credit, market or liquidity risks.

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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, 2022	Total June 30, 2021
	\$	\$	\$	\$	\$
Financial Assets					
Cash and Cash Equivalents	136,427,207	4,057,670	-	140,484,877	145,873,456
Accounts Receivable					
Due from Province - MECC	784	539,983	-	540,767	88,433
Other	3,328,319	521,215	-	3,849,534	3,643,861
Portfolio Investments	-	737,078	-	737,078	771,478
Total Financial Assets	139,756,310	5,855,946	-	145,612,256	150,377,228
Liabilities					
Accounts Payable and Accrued Liabilities					
Due to Province - Other	-	-	-	-	82,425
Other	26,265,123	153,162	551,328	26,969,613	28,767,431
Due To/From	75,022,138	(2,104,331)	(72,917,807)	-	-
Unearned Revenue	12,941,430	-	-	12,941,430	11,874,003
Deferred Revenue	-	7,807,115	-	7,807,115	7,337,491
Deferred Capital Revenue	-	-	266,748,724	266,748,724	246,761,487
Employee Future Benefits	13,162,661	-	-	13,162,661	12,842,605
Capital Lease Obligations	-	-	4,273,973	4,273,973	3,418,684
Total Liabilities	127,391,352	5,855,946	198,656,218	331,903,516	311,084,126
Net Financial Assets (Debt)	12,364,958	-	(198,656,218)	(186,291,260)	(160,706,898)
Non-Financial Assets					
Tangible Capital Assets	-	-	372,020,921	372,020,921	350,996,360
Prepaid Expenses	749,407	-	-	749,407	523,757
Total Non-Financial Assets	749,407	-	372,020,921	372,770,328	351,520,117
Accumulated Surplus (Deficit)	13,114,365	-	173,364,703	186,479,068	190,813,219

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

FINANCIAL STATEMENT PRESENTATION – BY FUND (UNAUDITED)

ii) Statement of Operations by Fund

	2022				2022	2021
	Budget	Operating	Special Purpose	Capital	Actual	Actual
	(Total)	Fund	Funds	Fund	Total	Total
	\$	\$	\$	\$	\$	\$
Revenues						
Provincial Grants						
Ministry of Education and Child Care	242,610,311	200,177,778	42,208,520	-	242,386,298	239,961,811
Other	27,670	262,614	-	-	262,614	48,986
Federal Grants	1,712,790	-	1,629,732	-	1,629,732	1,645,264
Tuition	15,152,958	15,989,604	-	-	15,989,604	13,133,152
Other Revenue	4,502,478	774,024	4,576,302	36,637	5,386,963	3,406,219
Rentals and Leases	1,147,183	1,223,337	-	-	1,223,337	977,455
Investment Income	1,113,326	786,256	12,315	572,257	1,370,828	1,665,109
Gain (Loss) on Disposal of Tangible Capital Assets	-	-	-	-	-	12,913
Amortization of Deferred Capital Revenue	9,766,983	-	-	9,874,622	9,874,622	8,849,907
Total Revenue	276,033,699	219,213,613	48,426,869	10,483,516	278,123,998	269,700,816
Expenses						
Instruction	227,716,559	181,452,034	45,032,657	-	226,484,691	216,655,587
District Administration	7,343,790	6,316,581	978,443	-	7,295,024	7,515,593
Operations and Maintenance	46,089,974	28,345,883	1,095,425	17,320,342	46,761,650	47,131,224
Transportation and Housing	1,921,664	1,385,038	-	359,559	1,744,597	1,751,499
Debt Services	182,000	-	-	172,187	172,187	173,656
Total Expense	283,253,987	217,499,536	47,106,525	17,852,088	282,458,149	273,227,559
Surplus (Deficit) for the year	(7,220,288)	1,714,077	1,320,344	(7,368,572)	(4,334,151)	(3,526,743)
Accumulated Surplus (Deficit) from Operations, beginning of year		14,944,287	-	175,868,932	190,813,219	194,339,962
Interfund Transfers (Note 14)		(3,543,999)	(1,320,344)	4,864,343	-	-
Accumulated Surplus (Deficit) from Operations, end of year		13,114,365	-	173,364,703	186,479,068	190,813,219

School District No. 38 (Richmond)

Schedule of Changes in Accumulated Surplus (Deficit) by Fund
Year Ended June 30, 2022

Schedule 1 (Unaudited)

	Operating Fund	Special Purpose Fund	Capital Fund	2022 Actual	2021 Actual
	\$	\$	\$	\$	\$
Accumulated Surplus (Deficit), beginning of year	14,944,287		175,868,932	190,813,219	194,339,962
Changes for the year					
Surplus (Deficit) for the year	1,714,077	1,320,344	(7,368,572)	(4,334,151)	(3,526,743)
Interfund Transfers					
Tangible Capital Assets Purchased	(705,874)	(1,320,344)	2,026,218	-	-
Local Capital	(2,838,125)		2,838,125	-	-
Net Changes for the year	<u>(1,829,922)</u>	<u>-</u>	<u>(2,504,229)</u>	<u>(4,334,151)</u>	<u>(3,526,743)</u>
Accumulated Surplus (Deficit), end of year - Statement 2	<u>13,114,365</u>	<u>-</u>	<u>173,364,703</u>	<u>186,479,068</u>	<u>190,813,219</u>

School District No. 38 (Richmond)

Schedule 2 (Unaudited)

Schedule of Operating Operations

Year Ended June 30, 2022

	2022 Budget (Note 16)	2022 Actual	2021 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	199,884,423	200,177,778	192,862,941
Other	27,670	262,614	48,986
Tuition	15,152,958	15,989,604	13,133,152
Other Revenue	763,278	774,024	661,227
Rentals and Leases	1,147,183	1,223,337	977,455
Investment Income	552,526	786,256	872,768
Total Revenue	<u>217,528,038</u>	<u>219,213,613</u>	<u>208,556,529</u>
Expenses			
Instruction	182,296,096	181,452,034	173,089,384
District Administration	6,473,967	6,316,581	6,681,873
Operations and Maintenance	28,456,190	28,345,883	25,310,215
Transportation and Housing	1,545,419	1,385,038	1,383,229
Total Expense	<u>218,771,672</u>	<u>217,499,536</u>	<u>206,464,701</u>
Operating Surplus (Deficit) for the year	<u>(1,243,634)</u>	<u>1,714,077</u>	<u>2,091,828</u>
Budgeted Appropriation (Retirement) of Surplus (Deficit)	<u>3,600,134</u>		
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased		(705,874)	(446,798)
Local Capital	(2,356,500)	(2,838,125)	(5,696,429)
Total Net Transfers	<u>(2,356,500)</u>	<u>(3,543,999)</u>	<u>(6,143,227)</u>
Total Operating Surplus (Deficit), for the year	<u>-</u>	<u>(1,829,922)</u>	<u>(4,051,399)</u>
Operating Surplus (Deficit), beginning of year		14,944,287	18,995,686
Operating Surplus (Deficit), end of year		<u>13,114,365</u>	<u>14,944,287</u>
Operating Surplus (Deficit), end of year			
Internally Restricted (Note 19)		11,427,002	13,646,222
Unrestricted		1,687,363	1,298,065
Total Operating Surplus (Deficit), end of year		<u>13,114,365</u>	<u>14,944,287</u>

School District No. 38 (Richmond)

Schedule 2A (Unaudited)

Schedule of Operating Revenue by Source

Year Ended June 30, 2022

	2022 Budget (Note 16)	2022 Actual	2021 Actual
	\$	\$	\$
Provincial Grants - Ministry of Education and Child Care			
Operating Grant, Ministry of Education and Child Care	196,653,847	196,756,452	183,472,569
Other Ministry of Education and Child Care Grants			
Pay Equity	2,215,706	2,215,706	2,215,706
Funding for Graduated Adults	246,150	431,951	612,868
Student Transportation Fund	21,608	21,608	21,608
Support Staff Benefits Grant	219,746	224,695	219,746
Teachers' Labour Settlement Funding			5,816,048
Early Career Mentorship Funding			470,000
FSA Scorer Grant	27,292	27,292	27,292
K-12 ICY Clinical Counsellor Funding	495,970	495,970	-
Other Misc and One-Time Grants	4,104	4,104	7,104
Total Provincial Grants - Ministry of Education and Child Care	199,884,423	200,177,778	192,862,941
Provincial Grants - Other	27,670	262,614	48,986
Tuition			
Summer School Fees	195,140	195,140	280,681
Continuing Education	867,368	911,830	860,763
International and Out of Province Students	14,090,450	14,882,634	11,991,708
Total Tuition	15,152,958	15,989,604	13,133,152
Other Revenues			
Other School District/Education Authorities	504,000	504,000	504,000
Miscellaneous			
Cafeteria	257,278	268,332	146,661
Miscellaneous	2,000	1,692	10,566
Total Other Revenue	763,278	774,024	661,227
Rentals and Leases	1,147,183	1,223,337	977,455
Investment Income	552,526	786,256	872,768
Total Operating Revenue	217,528,038	219,213,613	208,556,529

School District No. 38 (Richmond)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object

Year Ended June 30, 2022

	2022 Budget (Note 16)	2022 Actual	2021 Actual
	\$	\$	\$
Salaries			
Teachers	93,164,185	92,250,310	90,983,264
Principals and Vice Principals	13,319,147	13,701,742	13,277,993
Educational Assistants	16,555,650	16,201,765	14,505,185
Support Staff	22,009,096	21,621,492	20,242,524
Other Professionals	5,953,736	5,963,090	6,493,908
Substitutes	8,800,118	9,134,873	7,203,406
Total Salaries	159,801,932	158,873,272	152,706,280
Employee Benefits	39,868,898	39,212,925	38,424,555
Total Salaries and Benefits	199,670,830	198,086,197	191,130,835
Services and Supplies			
Services	6,638,375	7,070,381	5,873,115
Student Transportation	12,155	4,088	-
Professional Development and Travel	825,128	569,890	516,516
Rentals and Leases	279,466	254,137	227,225
Dues and Fees	136,743	126,444	115,993
Insurance	522,749	476,883	495,023
Supplies	6,423,814	6,764,518	4,978,976
Utilities	4,262,412	4,146,998	3,127,018
Total Services and Supplies	19,100,842	19,413,339	15,333,866
Total Operating Expense	218,771,672	217,499,536	206,464,701

School District No. 38 (Richmond)

Operating Expense by Function, Program and Object
Year Ended June 30, 2022

	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	70,633,042	2,377,028		1,160,227		6,252,334	80,422,631
1.03 Career Programs	204,950			477,430			682,380
1.07 Library Services	1,472,401			623,666			2,096,067
1.08 Counselling	2,411,678						2,411,678
1.10 Special Education	6,831,412		16,201,765			1,222,075	24,255,252
1.30 English Language Learning	5,981,110			151,120			6,132,230
1.31 Indigenous Education	256,291			27,672			283,963
1.41 School Administration	10,355,644			4,558,346		386,649	15,300,639
1.60 Summer School	757,497	133,867					891,364
1.61 Continuing Education	603,761	650,548		173,044	97,390	297,246	1,821,989
1.62 International and Out of Province Students	3,098,168	18,731		176,338	709,324	5,285	4,007,846
1.64 Other							
Total Function 1	92,250,310	13,535,818	16,201,765	7,347,843	806,714	8,163,589	138,306,039
4 District Administration							
4.11 Educational Administration				187,916	1,845,534	730	2,034,180
4.40 School District Governance					200,827		200,827
4.41 Business Administration		165,924		896,416	1,543,304	317	2,605,961
Total Function 4	-	165,924	-	1,084,332	3,589,665	1,047	4,840,968
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration				335,059	1,566,711	798	1,902,568
5.50 Maintenance Operations				11,187,091		931,655	12,118,746
5.52 Maintenance of Grounds				875,205			875,205
5.56 Utilities							
Total Function 5	-	-	-	12,397,355	1,566,711	932,453	14,896,519
7 Transportation and Housing							
7.70 Student Transportation				791,962		37,784	829,746
Total Function 7	-	-	-	791,962	-	37,784	829,746
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	92,250,310	13,701,742	16,201,765	21,621,492	5,963,090	9,134,873	158,873,272

School District No. 38 (Richmond)

Operating Expense by Function, Program and Object
Year Ended June 30, 2022

	Total Salaries	Employee Benefits	Total Salaries and Benefits	Services and Supplies	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$	\$	\$	(Note 16)	\$
1 Instruction							
1.02 Regular Instruction	80,422,631	21,251,138	101,673,769	2,873,389	104,547,158	106,357,096	101,863,292
1.03 Career Programs	682,380	161,293	843,673	293,789	1,137,462	1,341,539	1,017,913
1.07 Library Services	2,096,067	483,319	2,579,386	358,904	2,938,290	2,953,875	2,985,502
1.08 Counselling	2,411,678	543,013	2,954,691	1,924	2,956,615	2,997,384	3,179,335
1.10 Special Education	24,255,252	6,093,027	30,348,279	640,395	30,988,674	30,529,652	28,392,930
1.30 English Language Learning	6,132,230	1,546,896	7,678,626	9,501	7,688,127	7,895,955	7,793,260
1.31 Indigenous Education	283,963	77,167	361,130	58,275	419,405	424,967	465,364
1.41 School Administration	15,300,639	3,289,518	18,590,157	310,438	18,900,595	19,445,481	18,269,998
1.60 Summer School	891,364	165,593	1,056,957	44,259	1,101,216	1,057,585	1,044,990
1.61 Continuing Education	1,821,989	316,544	2,138,533	204,427	2,342,960	2,082,782	1,838,988
1.62 International and Out of Province Students	4,007,846	932,430	4,940,276	3,481,725	8,422,001	7,199,966	6,228,566
1.64 Other	-	-	-	9,531	9,531	9,814	9,246
Total Function 1	138,306,039	34,859,438	173,165,477	8,286,557	181,452,034	182,296,096	173,089,384
4 District Administration							
4.11 Educational Administration	2,034,180	366,422	2,400,602	247,298	2,647,900	2,702,725	3,219,283
4.40 School District Governance	200,827	12,381	213,208	119,714	332,922	353,279	302,677
4.41 Business Administration	2,605,961	534,467	3,140,428	195,331	3,335,759	3,417,963	3,159,913
Total Function 4	4,840,968	913,270	5,754,238	562,343	6,316,581	6,473,967	6,681,873
5 Operations and Maintenance							
5.41 Operations and Maintenance Administration	1,902,568	384,742	2,287,310	849,973	3,137,283	3,441,969	3,080,207
5.50 Maintenance Operations	12,118,746	2,653,653	14,772,399	4,971,667	19,744,066	19,536,784	17,863,427
5.52 Maintenance of Grounds	875,205	184,617	1,059,822	257,714	1,317,536	1,215,025	1,239,563
5.56 Utilities	-	-	-	4,146,998	4,146,998	4,262,412	3,127,018
Total Function 5	14,896,519	3,223,012	18,119,531	10,226,352	28,345,883	28,456,190	25,310,215
7 Transportation and Housing							
7.70 Student Transportation	829,746	217,205	1,046,951	338,087	1,385,038	1,545,419	1,383,229
Total Function 7	829,746	217,205	1,046,951	338,087	1,385,038	1,545,419	1,383,229
9 Debt Services							
Total Function 9	-	-	-	-	-	-	-
Total Functions 1 - 9	158,873,272	39,212,925	198,086,197	19,413,339	217,499,536	218,771,672	206,464,701

School District No. 38 (Richmond)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

Year Ended June 30, 2022

	2022 Budget (Note 16)	2022 Actual	2021 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	42,725,888	42,208,520	47,098,870
Federal Grants	1,712,790	1,629,732	1,645,264
Other Revenue	3,739,200	4,576,302	2,744,992
Investment Income	10,800	12,315	16,000
Total Revenue	<u>48,188,678</u>	<u>48,426,869</u>	<u>51,505,126</u>
Expenses			
Instruction	45,420,463	45,032,657	43,566,203
District Administration	869,823	978,443	833,720
Operations and Maintenance	1,012,245	1,095,425	5,833,751
Total Expense	<u>47,302,531</u>	<u>47,106,525</u>	<u>50,233,674</u>
Special Purpose Surplus (Deficit) for the year	<u>886,147</u>	<u>1,320,344</u>	<u>1,271,452</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(886,147)	(1,320,344)	(1,271,452)
Total Net Transfers	<u>(886,147)</u>	<u>(1,320,344)</u>	<u>(1,271,452)</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, 2022

	Annual Facility Grant	Learning Improvement Fund	Scholarships and Bursaries	School Generated Funds	Strong Start	Ready, Set, Learn	OJEP	CommunityLINK Fund - Overhead	Classroom Enhancement
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Deferred Revenue, beginning of year	-	289,249	1,025,095	5,119,733	67,324	97,946	53,718	28,021	-
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	811,645	670,460			224,000	93,100	336,842	785,631	4,841,324
Federal Grants			20,210	4,354,328	9,519				
Other			11,483						
Investment Income									
Less: Allocated to Revenue	811,645	670,460	31,693	4,354,328	233,519	93,100	336,842	785,631	4,841,324
Recovered			15,605	4,158,072	235,453	118,771	327,420	766,673	4,841,324
Deferred Revenue, end of year	-	229,039	1,041,183	5,315,989	65,390	72,275	63,140	46,979	-
Revenues									
Provincial Grants - Ministry of Education and Child Care	811,645	730,670			225,934	118,771	327,420	766,673	4,841,324
Federal Grants									
Other Revenue			4,122	4,158,072	9,519				
Investment Income			11,483						
Expenses									
Salaries									
Teachers						48,974	96,112		204,972
Principals and Vice Principals									1,980,757
Educational Assistants									542,432
Support Staff		618,210			173,908	16,012			313,504
Other Professionals									563,350
Substitutes							4,347		3,605,015
Employee Benefits		618,210			173,908	64,986	100,459	299,536	1,091,227
Services and Supplies	70,578	112,460			49,189	15,762	23,122	76,392	390,745
	70,578	730,670	15,605	4,158,072	12,356	38,023	118,154	766,673	4,696,242
			15,605	4,158,072	235,453	118,771	241,735		
Net Revenue (Expense) before Interfund Transfers	741,067	-	-	-	-	-	85,685	-	143,082
Interfund Transfers									
Tangible Capital Assets Purchased	(741,067)						(85,685)		(145,082)
	(741,067)						(85,685)		(145,082)
Net Revenue (Expense)	-	-	-	-	-	-	-	-	-

School District No. 38 (Richmond)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2022

	Classroom Enhancement Fund - Staffing Fund - \$	Classroom Enhancement Fund - Remedies Fund - \$	Mental Health in Schools \$	Changing Results for Young Children \$	Safe Return to School/ Restart: Health & Safety Grant \$	Federal Safe Return to Class / Ventilation Fund \$	Just B4 Program \$	Provincial Resource Program \$	Provincial Early Years \$
Deferred Revenue, beginning of year	-	-	24,359	-	-	-	-	208,173	185,787
Add: Restricted Grants									
Provincial Grants - Ministry of Education and Child Care	32,344,010	178,164	113,395	6,000	465,970	408,318	25,000	841,174	460,470
Federal Grants									
Other									
Investment Income									
Less: Allocated to Revenue									
Recovered	32,344,010	178,164	113,395	6,000	465,970	408,318	25,000	841,174	460,470
Deferred Revenue, end of year	-	-	103,752	5,600	-	66,332	17,480	234,666	249,226
Revenues									
Provincial Grants - Ministry of Education and Child Care	32,344,010	178,164	34,002	400	465,970	341,986	7,520	710,593	303,438
Federal Grants									
Other Revenue									
Investment Income									
Expenses									
Salaries									
Teachers									
Principals and Vice Principals	26,004,165							373,777	107,355
Educational Assistants									
Support Staff									
Other Professionals									
Substitutes		34,052			398,172		5,870		
Employee Benefits	26,004,165	34,052			398,172		5,870	426,341	167,237
Services and Supplies	6,339,845	528			67,798		1,150	101,579	37,389
		137,995	34,002	400			500	181,738	98,812
	32,344,010	172,575	34,002	400	465,970		7,520	709,658	303,438
Net Revenue (Expense) before Interfund Transfers	-	5,589	-	-	-	341,986	-	935	-
Interfund Transfers									
Tangible Capital Assets Purchased		(5,589)				(341,986)		(935)	
Net Revenue (Expense)									

School District No. 38 (Richmond)

Changes in Special Purpose Funds and Expense by Object
Year Ended June 30, 2022

	Educational Trust Fund	LJINC/SWIS	TOTAL
	\$	\$	\$
Deferred Revenue, beginning of year	183,688	54,398	7,337,491
Add: Restricted Grants			
Provincial Grants - Ministry of Education and Child Care			42,605,503
Federal Grants		1,634,094	1,634,094
Other	457,505		4,841,562
Investment Income	832		12,315
Less: Allocated to Revenue			
Recovered	458,337	1,634,094	49,093,474
Deferred Revenue, end of year	405,421	1,629,732	48,426,869
	<u>236,604</u>	<u>58,760</u>	<u>7,807,115</u>
Revenues			
Provincial Grants - Ministry of Education and Child Care			42,208,520
Federal Grants		1,629,732	1,629,732
Other Revenue	404,589		4,576,302
Investment Income	832		12,315
	<u>405,421</u>	<u>1,629,732</u>	<u>48,426,869</u>
Expenses			
Salaries			26,630,383
Teachers			204,972
Principals and Vice Principals			3,088,423
Educational Assistants			1,249,201
Support Staff		594,323	417,555
Other Professionals		104,051	1,337,219
Substitutes		331,428	32,927,753
		<u>1,029,802</u>	<u>8,156,886</u>
Employee Benefits	405,421	240,445	6,021,886
Services and Supplies	405,421	359,485	47,106,525
	<u>405,421</u>	<u>1,629,732</u>	<u>1,320,344</u>
Net Revenue (Expense) before Interfund Transfers	-	-	(1,320,344)
Interfund Transfers			
Tangible Capital Assets Purchased			(1,320,344)
Net Revenue (Expense)	-	-	-

School District No. 38 (Richmond)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2022

	2022	2022 Actual			2021
	Budget (Note 16)	Invested in Tangible Capital Assets	Local Capital	Fund Balance	Actual
	\$	\$	\$	\$	\$
Revenues					
Other Revenue			36,637	36,637	-
Investment Income	550,000		572,257	572,257	776,341
Gain (Loss) on Disposal of Tangible Capital Assets				-	12,913
Amortization of Deferred Capital Revenue	9,766,983	9,874,622		9,874,622	8,849,907
Total Revenue	10,316,983	9,874,622	608,894	10,483,516	9,639,161
Expenses					
Operations and Maintenance			695,542	695,542	528,396
Amortization of Tangible Capital Assets					
Operations and Maintenance	16,621,539	16,624,800		16,624,800	15,458,862
Transportation and Housing	376,245	359,559		359,559	368,270
Debt Services					
Capital Lease Interest	182,000		172,187	172,187	173,656
Total Expense	17,179,784	16,984,359	867,729	17,852,088	16,529,184
Capital Surplus (Deficit) for the year	(6,862,801)	(7,109,737)	(258,835)	(7,368,572)	(6,890,023)
Net Transfers (to) from other funds					
Tangible Capital Assets Purchased	886,147	2,026,218		2,026,218	1,718,250
Local Capital	2,356,500		2,838,125	2,838,125	5,696,429
Total Net Transfers	3,242,647	2,026,218	2,838,125	4,864,343	7,414,679
Other Adjustments to Fund Balances					
Tangible Capital Assets Purchased from Local Capital		774,247	(774,247)	-	
Tangible Capital Assets WIP Purchased from Local Capital		3,644,474	(3,644,474)	-	
Principal Payment					
Capital Loan		2,783,496	(2,783,496)	-	
Total Other Adjustments to Fund Balances		7,202,217	(7,202,217)	-	
Total Capital Surplus (Deficit) for the year	(3,620,154)	2,118,698	(4,622,927)	(2,504,229)	524,656
Capital Surplus (Deficit), beginning of year		118,516,539	57,352,393	175,868,932	175,344,276
Capital Surplus (Deficit), end of year		120,635,237	52,729,466	173,364,703	175,868,932

School District No. 38 (Richmond)

Tangible Capital Assets

Year Ended June 30, 2022

	Sites	Buildings	Furniture and Equipment	Vehicles	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$	\$	\$
Cost, beginning of year	55,169,613	487,317,051	11,579,281	3,561,501	562,304	16,311,597	574,501,347
Changes for the Year							
Increase:							
Purchases from:							
Deferred Capital Revenue - Bylaw		4,926,619	215,000	214,850			5,356,469
Deferred Capital Revenue - Other		1,081,218	26				1,081,244
Operating Fund			623,462			82,412	705,874
Special Purpose Funds		741,067	347,575			231,702	1,320,344
Local Capital		91,766	386,467		64,661	231,353	774,247
Additions Under Capital Lease		45,071,354				3,638,785	3,638,785
Transferred from Work in Progress		51,912,024	1,572,530	214,850	64,661	4,184,252	45,071,354
Decrease:							
Deemed Disposals			1,305,584	300,036	208,640	1,789,272	3,603,532
Cost, end of year			1,305,584	300,036	208,640	1,789,272	3,603,532
Work in Progress, end of year	55,169,613	539,229,075	11,846,227	3,476,315	418,325	18,706,577	628,846,132
Cost and Work in Progress, end of year	55,169,613	550,355,422	11,846,227	3,476,315	418,325	18,706,577	11,126,347
Accumulated Amortization, beginning of year		239,968,910	4,999,093	1,962,317	326,799	7,313,612	254,570,731
Changes for the Year							
Increase: Amortization for the Year		11,786,080	1,171,274	359,558	98,062	3,569,385	16,984,359
Decrease:							
Deemed Disposals			1,305,584	300,036	208,640	1,789,272	3,603,532
Accumulated Amortization, end of year		251,754,990	4,864,783	2,021,839	216,221	9,093,725	267,951,558
Tangible Capital Assets - Net	55,169,613	298,600,432	6,981,444	1,454,476	202,104	9,612,852	372,020,921

School District No. 38 (Richmond)

Schedule 4B (Unaudited)

Tangible Capital Assets - Work in Progress

Year Ended June 30, 2022

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
	\$	\$	\$	\$	\$
Work in Progress, beginning of year	31,065,744				31,065,744
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	21,487,483				21,487,483
Local Capital	3,644,474				3,644,474
	<u>25,131,957</u>	-	-	-	<u>25,131,957</u>
Decrease:					
Transferred to Tangible Capital Assets	45,071,354				45,071,354
	<u>45,071,354</u>	-	-	-	<u>45,071,354</u>
Net Changes for the Year	<u>(19,939,397)</u>	-	-	-	<u>(19,939,397)</u>
Work in Progress, end of year	<u>11,126,347</u>	-	-	-	<u>11,126,347</u>

School District No. 38 (Richmond)

Schedule 4C (Unaudited)

Deferred Capital Revenue
Year Ended June 30, 2022

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	198,062,800	1,469,973	321,477	199,854,250
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	5,356,469	1,081,244		6,437,713
Transferred from Work in Progress	41,403,962			41,403,962
	46,760,431	1,081,244	-	47,841,675
Decrease:				
Amortization of Deferred Capital Revenue	9,786,108	72,630	15,884	9,874,622
	9,786,108	72,630	15,884	9,874,622
Net Changes for the Year	36,974,323	1,008,614	(15,884)	37,967,053
Deferred Capital Revenue, end of year	235,037,123	2,478,587	305,593	237,821,303
Work in Progress, beginning of year	29,206,884			29,206,884
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Work in Progress	21,487,483			21,487,483
	21,487,483	-	-	21,487,483
Decrease:				
Transferred to Deferred Capital Revenue	41,403,962			41,403,962
	41,403,962	-	-	41,403,962
Net Changes for the Year	(19,916,479)	-	-	(19,916,479)
Work in Progress, end of year	9,290,405	-	-	9,290,405
Total Deferred Capital Revenue, end of year	244,327,528	2,478,587	305,593	247,111,708

School District No. 38 (Richmond)

Changes in Unspent Deferred Capital Revenue

Year Ended June 30, 2022

	Bylaw Capital	MECC Restricted Capital	Other Provincial Capital	Land Capital	Other Capital	Total
	\$	\$	\$	\$	\$	\$
Balance, beginning of year	4,697,323	106,139	421,942	12,474,949	-	17,700,353
Changes for the Year						
Increase:						
Provincial Grants - Ministry of Education and Child Care	27,616,344		1,843,250			29,459,594
Other		1,257		251,618		251,618
Investment Income	27,616,344	1,257	1,843,250	401,008	-	29,861,859
Decrease:						
Transferred to DCR - Capital Additions	5,356,469		1,081,244			6,437,713
Transferred to DCR - Work in Progress	21,487,483					21,487,483
	26,843,952	-	1,081,244	-	-	27,925,196
Net Changes for the Year	772,392	1,257	762,006	401,008	-	1,936,663
Balance, end of year	5,469,715	107,396	1,183,948	12,875,957	-	19,637,016