

Audited Financial Statements of

School District No. 38 (Richmond)

And Independent Auditors' Report thereon

June 30, 2021



pwc

Emphasis of matter – basis of accounting

significant differences between such basis of accounting and Canadian public sector accounting standards



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

School District No. 38 (Richmond)

Statement of Financial Position

As at June 30, 2021

Statement 1

	2021 Actual	2020 Actual
Financial Assets		
Cash and Cash Equivalents (Note 2)	145,877,456	140,004,400
Accounts Receivable		
Due from Province - Ministry of Education	88,433	92,598
Other (Note 4)	2,642,861	2,072,820
	771,478	759,793
	<u>150,377,228</u>	<u>154,030,722</u>
Liabilities		
Accounts Payable		
Due to Province - Ministry of Education		160,056
Due to Province - Other	82,425	
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	<u>311,084,126</u>	<u>285,224,909</u>
Net Debt	<u>(160,706,898)</u>	<u>(131,194,187)</u>

School District No. 38 (Richmond)

Statement of Operations
Year Ended June 30, 2021

Statement 2

	2021 Budget	2021 Actual	2020 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
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	10,954,804
Other Revenue (Note 20)	4,819,258	3,406,219	7,066,842
Investment Income	1,631,722	1,665,109	2,799,724
Gain (Loss) on Disposal of Tangible Capital Assets		12,913	(81,910)

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	(8,525,312)	(3,526,743)	6,707,444
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(50,389,928)	(41,760,648)	(37,435,941)

Net carrying value of Tangible Capital Assets disposed of
Total Effect of change in Tangible Capital Assets

	1,507	81,910
(34,183,010)	(25,932,009)	(22,189,504)

School District No. 38 (Richmond)

Statement of Cash Flows
 Year Ended June 30, 2021

	2021 Actual	2020 Actual
	\$	\$
Operating Transactions		
Revenue	6,542,843	6,500,444
Expenses	(6,500,444)	(6,500,444)
Net Change in Cash	42,399	0
Changes in Non-Cash Working Capital		
Decrease (Increase)		
Accounts Receivable	(365,857)	(379,336)
Prepaid Expenses	(53,959)	540,555
Increase (Decrease)	(419,816)	(16,227)
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
Net Change in Non-Cash Working Capital	(1,104,447)	(1,320,487)
Net Change in Cash	42,399	0

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS

NOTE 1 AUTHORITY AND PURPOSE

The School District established on April 17, 1946 operates under authority of the School Act of

DATE OF PRINTING: _____

SCHOOL DISTRICT NO. 38 (RICHMOND)

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:

**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.

SCHOOL DISTRICT NO. 38 (RICHMOND)

NOTE

YEAR ENDED JUNE 30, 2021

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

g) Employee Future Benefits (Continued)

ii) Pension Plans:

The School District's pension plan is a defined contribution plan. The plan is subject to the provisions of the Pension Benefits Act, R.S.O. 1990, Chapter 248, which requires the School District to contribute to the plan an amount equal to the amount that would be payable to the employee under the plan if the employee were to terminate employment on the date of the contribution. The plan is a defined contribution plan and the School District's contribution is based on the employee's salary and years of service.

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

i) Tangible Capital Assets (Continued)

- Tangible capital assets are written down to residual value when conditions indicate they

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

NOTE 2: **STATEMENT OF FINANCIAL POSITION - CONTINUING DISCLOSURE**

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

1) 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)

[REDACTED]

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

SCHOOL DISTRICT NO. 38 (RICHMOND)

NOTED FOR FINANCIAL STATEMENTS

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 comprehensive income and losses. Upon settlement, the

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

NOTES TO FINANCIAL STATEMENTS
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

q) Future Changes in Accounting Policies (Continued)

Liabilities are recognized for statutory, contractual or legal obligations associated with the

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

NOTE 3 CASH AND CASH EQUIVALENTS

	<u>2021</u>	<u>2020</u>
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
	<u>\$145,873,456</u>	<u>\$149,904,492</u>

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

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - OTHER

	<u>2021</u>	<u>2020</u>
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
	<u>\$28,767,431</u>	<u>\$27,180,525</u>

NOTE 7 UNEARNED REVENUE

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

Deferred revenue includes unspent grants and contributions received that meet the description of a

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

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
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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	220,598	1,120,507

Accrued Benefit Liability - June 30	\$12,842,605	\$12,749,605
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SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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

SCHOOL DISTRICT NO. 38 (RICHMOND)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

NOTE 12 TANGIBLE CAPITAL ASSETS

	Net Book Value 2021	Net Book Value 2020
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Buildings	278,413,885	251,832,227
Furniture & Equipment	6,580,188	5,731,397
Vehicles	1,500,184	1,818,257

**SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS**

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

**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.

**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:

<u>Operating Fund</u>		<u>Special Purpose Funds</u>		<u>Capital Fund</u>	
2021	2020	2021	2020	2021	2020

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	\$10,202,057	\$10,505,219	\$303,162

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:

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

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

SCHOOL DISTRICT NO. 38 (RICHMOND)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

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.

SCHOOL DISTRICT NO. 38 (RICHMOND)

BOARD OF FINANCIAL OFFICERS

[REDACTED]

BOARD FINANCIAL OFFICERS

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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 Budget (Total)	Operating Fund	Special Purpose Funds	Capital Fund	2021 Actual Total	2020 Actual Total
	\$	\$	\$	\$	\$	\$
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
Total	256,011,789	206,045,079	48,744,134	-	263,140,227	249,974,338

Schedule 1 (Unaudited)

021	2020
tual	Actual
\$	\$
1,339,962	187,632,518
(526,743)	6,707,444
-	-
(526,743)	6,707,444
1813,219	194,339,962

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			
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
	<u>91,208,967</u>	<u>93,375,317</u>	<u>93,554,275</u>
Operating Surplus (Deficit) for the year	(3,010,769)	2,091,828	11,899,106

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
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

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
Administrative	12,240,709	12,272,002	12,005,265

Professional	14,000,000	14,220,105	13,101,000
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Support Staff	21,651,867	20,242,524	20,882,164
Other Professionals	6,096,836	6,493,908	6,860,488

Substitutes	8,235,995	7,203,406	6,858,177
Total Salaries	156,277,355	152,706,290	149,114,705

	43	45	46	46	49	50	52	26	74	50	73	-	24	27	34	25	36	59	53	78	-	50	20	20	-	-	80
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School District No. 38 (Richmond)

Schedule 3 (Unaudited)

Schedule of Special Purpose Operations

	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	<u>54,022,342</u>	<u>51,505,126</u>	<u>46,159,161</u>
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	<u>52,904,965</u>	<u>50,233,674</u>	<u>45,210,630</u>
Special Purpose Surplus (Deficit) for the year	<u>1,117,377</u>	<u>1,271,452</u>	<u>948,531</u>
Net Transfers (to) from other funds			
Tangible Capital Assets Purchased	(1,117,377)	(1,271,452)	(948,531)
Total Net Transfers	<u>(1,117,377)</u>	<u>(1,271,452)</u>	<u>(948,531)</u>
Total Special Purpose Surplus (Deficit) for the year			
Special Purpose Surplus (Deficit), beginning of year			
Special Purpose Surplus (Deficit), end of year		-	-

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School District No. 38 (Richmond)

Schedule 4 (Unaudited)

Schedule of Capital Operations

Year Ended June 30, 2021

2021 Actual

	2021	Invested in Tangible	Local	Fund	2020
	Actual	Capital Assets	Capital	Balance	Actual
	\$	\$	\$	\$	\$
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		2,436,927	(2,436,927)		

1,081

6,399
7,652
5,798
1,452
3,801
2,226
5,365
1,693

1,143
1,284
1,427
1,347
5,744
7,091

2,519

7,132

3,636
3,284
8,920
3,731
5,360

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	26,105,700				26,105,700

Changes for the Year

Increase:

Deferred Capital Revenue - Bylaw	30,831,177				30,831,177
Local Capital	1,445,143				1,445,143

Decrease:

Transferred to Tangible Capital Assets	36,396,365				36,396,365
	36,396,365	-	-	-	36,396,365

Net Changes for the Year

	(4,120,045)	-	-	-	(4,120,045)
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School District No. 38 (Richmond)

Schedule 4C (Unaudited)

Deferred Capital Revenue

Year Ended June 30, 2021

Bylaw	Other	Other	Total
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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

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13,948

54,370
19,600
11,585
77,078
2,633
5,051
11,177
6,228
6,405
0,353