

Audited Financial Statements of

School District No. 38 (Richmond)

And Independent Auditors' Report thereon

June 30, 2023

School District No. 38 (Richmond)

June 30, 2023

Table of Contents

Management Report	1
Independent Auditors' Report	2-5
Statement of Financial Position - Statement 1	6
Statement of Operations - Statement 2	7
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Statement of Cash Flows - Statement 5	9
Notes to the Financial Statements	10-35
Schedule of Changes in Accumulated Surplus (Deficit) by Fund - Schedule 1 (Unaudited)	36
Schedule of Operating Operations - Schedule 2 (Unaudited)	37

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SEPT. 27, 2023

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SEPT. 27, 2023

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SEPT. 27, 2023

f the Secretary

INDEPENDENT AUDITOR'S REPORT

Opinion

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Emphasis of Matter – Comparative Information

Other Matter – Comparative Information

Other Information

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

Statement of Operations
 Year Ended June 30, 2023

	2023 Budget (Note 16)	2023 Actual	2022 Actual (Restated - Note 25)
	\$	\$	\$
Ministry of Education and Child Care	264,459,338	267,669,758	242,386,298
Federal Grants	1,750,320	1,705,717	1,629,732
Tuition	17,146,212	16,819,979	15,989,604
Other Revenue	6,534,516	7,785,110	5,386,963
Rentals and Leases	1,409,638	1,537,002	1,223,337
Investment Income	4,369,590	4,911,902	1,370,828
Amortization of Deferred Capital Revenue	10,540,754	10,531,945	9,874,622
Total Revenue	306,264,468	311,348,262	278,123,998
Expenses (Note 19)			
Instruction	249,680,948	249,205,481	226,484,691
District Administration	7,959,948	7,677,771	7,295,024

School District No. 38 (Richmond)

Statement of Changes in Net Debt
Year Ended June 30, 2023

	2023 Budget (Note 16)	2023 Actual	2022 Actual (Restated - Note 25)
	\$	\$	\$
Surplus (Deficit) for the year	<u>(706,660)</u>	<u>4,095,481</u>	<u>(4,334,151)</u>
Effect of change in Tangible Capital Assets			
Acquisition of Tangible Capital Assets	(46,558,660)	(39,830,613)	(38,008,920)
Amortization of Tangible Capital Assets	<u>18,272,501</u>	<u>18,061,858</u>	<u>16,984,359</u>

Use of Prepaid Expenses	-	749,407	523,757
Total Effect of change in Other Non-Financial Assets	<u>-</u>	<u>7,162</u>	<u>(225,650)</u>

(Increase) Decrease in Net Debt before Net Remanagement Gains (Losses) (28,002,810) (17,666,312) (25,584,362)

School District No. 38 (Richmond)

Statement of Cash Flows
Year Ended June 30, 2023

2023
Actual

2022
Actual

(Restated - Note 25)

Accounts Receivable
Prepaid Expenses
Increase (Decrease)

119,990
7,162

(658,007)
(225,650)

SCHOOL DISTRICT NO. 38 (RICHMOND)

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

NOTE 1 AUTHORITY AND PURPOSE

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**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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

**SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

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

j) Tangible Capital Assets (Continued)

- Donated tangible capital assets are recorded at their fair value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the

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

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

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

**SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

**SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

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

r) Future Changes in Accounting Policies

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
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-

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

YEAR ENDED JUNE 30, 2023

	<u>2023</u>	<u>2022</u>
Due from Federal Government	\$1,170,760	\$983,812
Due from Benefit Carrier - unrestricted deposit account	2,401,991	2,659,560
Other	368,453	206,162
	<u>\$3,941,204</u>	<u>\$3,849,534</u>

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

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

NOTE 7 UNEARNED REVENUE

	2023	2022
Balance, beginning of year	\$12,941,430	\$11,874,003
Fees received	21,243,095	17,057,031
Fees recognized as revenue	(16,819,979)	(15,989,604)
Balance, end of year	\$17,364,546	\$12,941,430

NOTE 8 DEFERRED REVENUE

Deferred revenue includes payment credits and contributions received that meet the definition of a

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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

**SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Reconciliation of Funded Status at End of Fiscal Year

Approved By: [Signature] School Board - March 21

2023

2022

\$15,025,426

\$15,020,606

**SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

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:

	<u>2023</u>	<u>2022</u>
De Lage Landen Financial Services Canada Inc., with interest at 6.23%, expired May 15, 2023	\$ -	\$413,607
Macquarie Financial, with interest at 1.51%, expires Dec.1, 2023	52,989	153,808
Macquarie Financial, with interest at 1.51%, expires March 1, 2024	90,263	205,838
Macquarie Financial, with interest at 1.51%, expires March 1, 2024	116,995	231,571
Macquarie Financial, with interest at 1.51%, expires September 1, 2024	49,694	101,913

SCHOOL DISTRICT NO. 38 (RICHMOND)

YEAR ENDED JUNE 30, 2023

NOTE 12 TANGIBLE CAPITAL ASSETS

Net Book Value:

	Net Book Value 2023	Net Book Value 2022
Sites	\$55,169,613	\$55,169,613
Buildings	320,479,789	298,673,433
Furniture & Equipment	6,684,016	6,981,444
Vehicles	2,118,397	1,454,476
Computer Software	183,569	202,104
Computer Hardware	9,227,293	9,612,852
Total	\$393,862,677	\$372,093,922

June 30, 2023

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

NOTE 12 TANGIBLE CAPITAL ASSETS (Continued)

July 29, 2022

	Cost	Retirement (see Note 25)	Additions	Disposals	(WIP)	Total 2022 (Note 25)
Sites	\$55,169,613	\$ -	\$ -	\$ -	\$ -	\$55,169,613
Buildings	487,317,051	24,175,727	51,912,024	-	-	563,404,802
Buildings - WIP	31,065,744	-	25,131,957	-	(45,071,354)	11,126,347

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

SCHOOL DISTRICT NO. 38 (RICHMOND)

YEAR ENDED JUNE 30, 2023

NOTE 14 INTERFUND TRANSFERS

Interfund transfers between the operating, special purpose and capital funds for the year ended June 30, 2023, were as follows:

	Operating Fund		Special Purpose Funds		Capital Fund	
	2023	2022	2023	2022	2023	2022
Funding Local Capital Reserve						
as permitted under School Act	\$(7,344,583)	\$(2,838,125)	\$ -	\$ -	\$7,344,583	\$2,838,125
Capital assets purchased	(513,403)	(705,874)	(929,262)	(1,320,344)	1,442,665	2,026,218
	<u>\$(7,857,986)</u>	<u>\$(3,543,999)</u>	<u>\$(929,262)</u>	<u>\$(1,320,344)</u>	<u>\$8,787,248</u>	<u>\$4,864,343</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

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

YEAR ENDED JUNE 30, 2023

	Annual Budget	Amended Budget	Change
Deficit for the year	\$(6,441,475)	\$(706,660)	\$5,734,815

Capital Assets	(12,139,521)	(28,286,159)	(16,146,638)
(Increase) Decrease in Net Financial Assets (Debt)	\$(18,580,996)	\$(28,992,819)	\$(10,411,823)

Significant changes between the annual and amended budget were:

SCHOOL DISTRICT NO 38 (RICHMOND)

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 19 EXPENSE BY OBJECT

	2023	2022
Salaries and benefits	\$257,300,906	\$239,170,836
Services and supplies	31,679,027	26,130,767
Interest	210,990	172,187
Amortization	18,061,858	16,984,359
	<u>\$307,252,781</u>	<u>\$282,458,149</u>

NOTE 20 ACCUMULATED SURPLUS

Accumulated surplus balances are comprised of:

2023	2022
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Prior Period Adjustment-Asset Retirement Obligation
(Note 25)

-	(24,102,726)
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**SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

NOTE 21 OTHER REVENUE

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

2023

2022

Miscellaneous:

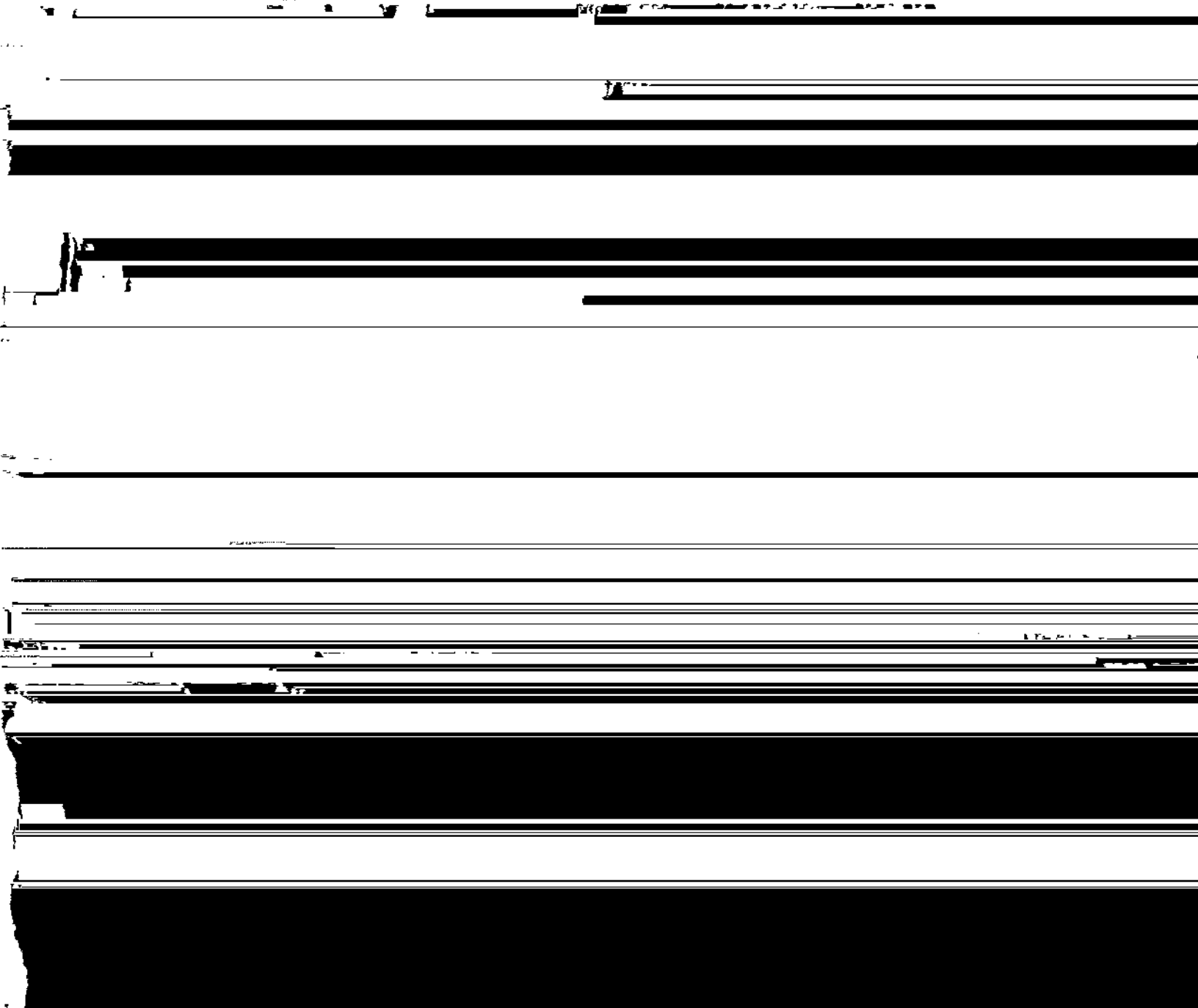
Cafeteria	289,082	268,332
Miscellaneous	1,957	1,692
Recognition of Unrestricted School Generated Funds	130,000	-
	<u>\$925,039</u>	<u>\$774,024</u>

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 24 CONTRACTUAL OBLIGATIONS

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

	2024	2025	2026
Approved Capital Projects -			



SCHOOL DISTRICT NO. 38 (RICHMOND)

YEAR ENDED JUNE 30, 2023

NOTE 27 COMPARATIVE FIGURES

Certain comparative figures have been restated where necessary to conform with the presentation

and disclosures in the current period.

SCHOOL DISTRICT NO. 38 (RICHMOND)
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

School District No. 38 (Richmond)

Schedule of Operating Operations

Year Ended June 30, 2023

Schedule 2 (Unaudited)

	2023 Budget	2023 Actual	2022 Actual
	\$	\$	\$
Revenues			
Provincial Grants			
Ministry of Education and Child Care	214,016,636	217,760,497	200,177,779
Other	54,100	386,849	262,614
Tuition	17,146,212	16,819,979	15,989,604
Other Revenue	757,356	925,039	774,024
Rentals and Leases	1,409,638	1,537,002	1,223,337
Investment Income	2,840,590	3,205,999	786,256

School District No. 38 (Richmond)

Schedule 2B (Unaudited)

Schedule of Operating Expense by Object
Year Ended June 30, 2023

	2023 Budget (Note 16) \$	2023 Actual \$	2022 Actual (Restated - Note 25) \$
Salaries			
Teachers	98,639,291	95,722,095	92,250,310
Principals and Vice Principals	13,508,870	13,548,423	13,701,742
Educational Assistants	17,752,293	17,292,212	16,201,765
Other Professionals	6,317,640	6,403,064	5,963,090
Substitutes	9,357,279	11,587,316	9,134,873
Total Salaries	<u>167,810,806</u>	<u>166,590,499</u>	<u>158,873,272</u>
Employee Benefits	42,306,571	43,367,259	39,212,925
Total Salaries and Benefits	<u>210,117,377</u>	<u>209,957,758</u>	<u>198,086,197</u>
Services and Supplies			
Services	7,019,356	8,625,974	7,070,381
Student Transportation	14,172	14,189	4,088
Professional Development and Travel	1,133,730	790,324	569,890
Rentals and Leases	293,286	262,883	254,137
Dues and Fees	146,681	127,904	126,444
Insurance	529,534	591,255	476,883
Supplies	7,889,591	7,160,213	6,764,518
Utilities	4,255,408	3,919,215	4,146,998
Total Services and Supplies	<u>21,281,758</u>	<u>21,491,957</u>	<u>19,413,339</u>
Total Operating Expense	<u>231,399,135</u>	<u>231,449,715</u>	<u>217,499,536</u>

18,582
0,410
16,425
13,469
14,036
10,160
13,668
15,788
14,908
19,851
12,384
<u>19,681</u>

10,076
6,042
<u>13,357</u>
<u>19,475</u>

17,504
18,528
15,401
<u>11,433</u>

9,910
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School District No. 38 (Richmond)

Schedule of Special Purpose Operations

Year Ended June 30, 2023

Schedule 3 (Unaudited)

	2023 Budget (Note 16)	2023 Actual	2022 Actual (Restated - Note 25)
	\$	\$	\$
Revenues			
Provincial Grants			
Expenses			
Federal Grants	1,750,320	1,705,717	1,629,732
Other Revenue	5,777,160	6,835,011	4,576,302
Investment Income	29,000	9,481	12,315
Total Revenue	<u>57,999,283</u>	<u>58,459,480</u>	<u>48,426,869</u>
Expenses			
Instruction	55,472,930	55,816,435	45,032,657
District Administration	952,739	1,065,092	978,443
Operations and Maintenance	669,823	648,691	1,095,425
Special Purpose Surplus (Deficit) for the year	<u>903,791</u>	<u>929,262</u>	<u>1,320,344</u>
Net Transfers (to) from other funds	<u>(903,791)</u>	<u>(929,262)</u>	<u>(1,320,344)</u>

(audited)

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TOTAL
\$ 7,807,115
50,124,037
1,720,375
7,198,595
48,248
59,091,455
58,459,480
252,716
8,186,374
49,909,271
1,705,717
6,835,011
9,481
58,459,480
31,116,878
358,885
3,378,482
1,256,568
384,487
1,424,268
37,919,568
9,423,580
10,187,070
57,530,218
929,262
(929,262)
(929,262)

Schedule of Capital Operations

	Budget	Invested in Tangible	Level	Fund	Actual
	(Note 16)	Capital Assets	Capital	Balance	(Restated - Note 25)
	\$	\$	\$	\$	\$
Revenues					
Other Revenue			25,060	25,060	36,637
Investment Income	1,500,000		1,696,422	1,696,422	572,257
Amortization of Deferred Capital Revenue	10,540,754	10,531,945		10,531,945	9,874,622
Total Revenue	12,040,754	10,531,945	1,721,482	12,253,427	10,483,516
Expenses					
Operations and Maintenance				-	695,542

<u> </u>	<u> </u>
6,132	
<u>5,727</u>	
<u>1,859</u>	
9,335	
6,005	
3,403	
9,262	
9,429	
4,020	
<u>5,991</u>	
<u>7,445</u>	
<u>4,836</u>	
<u>4,836</u>	
4,468	
9,515	
<u>3,983</u>	
1,558	
<u>2,726</u>	
<u>4,284</u>	
1,858	
<u>4,836</u>	
<u>4,836</u>	
<u>1,306</u>	
<u>2,677</u>	

Year Ended June 30, 2023

	Buildings	Furniture and Equipment	Computer Software	Computer Hardware	Total
Work in Progress, beginning of year	\$ 11,126,347	\$	\$	\$	\$ 11,126,347
Changes for the Year					
Increase:					
Deferred Capital Revenue - Bylaw	16,251,240				16,251,240
Local Capital	3,557,919				3,557,919
	<u>19,809,159</u>	-	-	-	<u>19,809,159</u>
Decrease:					
Transferred to Tangible Capital Assets	4,955,991				4,955,991
	<u>4,955,991</u>	-	-	-	<u>4,955,991</u>
Net Changes for the Year	<u>14,853,168</u>	-	-	-	<u>14,853,168</u>

School District No. 38 (Richmond)

Schedule 4C (Unaudited)

Deferred Capital Revenue
Year Ended June 30, 2023

	Bylaw Capital	Other Provincial	Other Capital	Total Capital
	\$	\$	\$	\$
Deferred Capital Revenue, beginning of year	235,037,123	2,478,587	305,593	237,821,303
Changes for the Year				
Increase:				
Transferred from Deferred Revenue - Capital Additions	6,969,335	2,276,005		9,245,340
Transferred from Work in Progress	1,612,573			1,612,573

Decrease:				
Amortization of Deferred Capital Revenue	10,298,626	120,166	13,153	10,431,945

Net Changes for the Year

(1,806,718) 2,145,839 (13,153) 325,968

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