

Financial Statement Discussion and Analysis

For the Year Ended June 30, 2021

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COVID-19 Pandemic

The novel coronavirus (COVID-19) outbreak was declared a pandemic by the World Health Organization in March 2020 and has had a significant financial, market and social dislocating impact worldwide. Under direction of the Provincial Health Officer, all schools suspended in-class instructions in March 2020 and the District remained open to continue to support students and families in a variety of ways. Parents were given the choice to send their children back to school on a gradual and part-time basis beginning June 1, 2020 and full-time beginning September 1, 2020 with new health and safety guidelines.

The ongoing impact of the pandemic presents uncertainty over the School District budget, government funding and future cash flows, and may have a significant impact on future operations including decreases in revenue, impairment of receivables, reduction in investment income and delays in completing capital project work. As the situation is dynamic and the ultimate duration and magnitude of the impact are not known, an estimate of the future financial effect on the District is not practicable at this time. The School District will need to continue assessing and mitigating risks associated with the pandemic and plan for contingencies.

Accounting Policies

The financial statements have been prepared in accordance with the of the Columbia supplemented by

issued by the Province of British Columbia Treasury Board. The Section requires that the financial statements be prepared in accordance with Canadian public sector accounting standards with some exceptions as reported in Note 2 of the financial statements.

The financial statements are reported as a consolidation of three funds: Operating, Special Purpose and Capital.

- Operating Fund The operating fund includes operating grants and other revenues used to fund instructional programs, school and district administration, facilities, operations, maintenance and transportation.
- stipulation or restriction as to its use other than a contribution or part of a contribution that is
 Capital Funds Capital funds include capital expenditures relating to equipment and facilities purchases and betterments. The funding source of these purchases and betterments.
- Capital Funds Capital funds include capital expenditures relating to equipment and facilities
 purchases and betterments. The funding source of these purchases and betterments
 determines which capital fund the expenditures relate to. Funding sources are Ministry of
 Education Bylaw Capital, Ministry of Education Restricted Capital, Other Provincially Restricted
 Capital, Land Capital and Local Capital.

Student Enrolment

The operations of the

89.0% of the

from the Ministry of Education. Of this, 72.3% is in the form of an Operating Grant which is based on enrolment levels and other student and geographical factors. 4.9% of revenue is generated from International Education, Continuing Education and Summer School programs, 3.3% associated with the recognition of deferred capital revenue, and the balance through other revenue programs such as special purpose funding, federal grants, rental and lease income, investment income and Continuing Education and summer school programs.

92.6% of the School operating expenditures are associated with salaries and benefits. The balance of expenditures is related to supplies and services including professional development, rentals and leases, dues and fees, insurance and utilities (Statement 2, Schedules 2, 3 and 4 and Note 21 of the Audited Financial Statements).

	Operating	Special Purpose	Capital	
	Fund	Funds	Fund	Total
	\$	\$	\$	\$
Revenues				
Provincial Grants				
Ministry of Education	192,862,941	47,098,870	-	239,961,811
Other	48,986	-	-	48,986
Federal Grants	-	1,645,264	-	1,645,264
Tuition	13,133,152	-	-	13,133,152
Other Revenue	661,227	2,744,992	-	3,406,219
Rentals and Leases	977,455	-	-	977,455
Investment Income	872,768	16,000	776,341	1,665,109
Gain (Loss) on Disposal of Tangible Capital Assets	-	-	12,913	12,913
Amortization of Deferred Capital Revenue	-	-	8,849,907	8,849,907
Total Revenue	208,556,529	51,505,126	9,639,161	269,700,816
Expenses				
Instruction	173,089,384	43,566,203	-	216,655,587
District Administration	6,681,873	833,720	-	7,515,593
Operations and Maintenance	25,310,215	5,833,751	15,987,258	47,131,224

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Financial Analysis of the School District

Statement of Financial Position

The Statement of Financial Position presents the financial position of an entity by reporting the amounts of assets, liabilities, net assets and accumulated surplus as of a specified date (Statement 1 of the Audited Financial Statements).

ended June 30, 2021 and 2020.

Financial Assets

Cash assets at June 30 are categorized as follows (Statement 1 and Note 3 of the Audited Financial

Statements):

Expenses (Schedules 2B and 2C and Note 18 of the Audited Financial Statements)

Salaries and Benefits

School District #38 (Richmond)
Operating Fund - Salaries and Benefits as at June 30, 2021

	2020/21	2020/21	2019/20	Variance from B	udget	Variance from Price	or Year
	Actual	Budget	Actual	\$	%	\$	%
Teachers	90,983,264	90,983,621	88,406,649	(357)	0.0%	2,576,615	2.9%
Principals and Vice Principals	13,277,993	13,369,298	13,005,265	(91,305)	-0.7%	272,728	2.1%
Education Assistants	14,505,185	14,989,738	13,131,962	(484,553)	-3.2%	1,373,223	10.5%
Support Staff	20,242,524	21,651,867	20,882,164	(1,409,343)	-6.5%	(639,640)	-3.1%
Other Professionals	(8.814 T.814	T.814 T.nals					

Teacher Salaries were within budgeted amount.

Principal and Vice Principal Salaries were \$0.09 million lower than budgeted amount due to higher than anticipated expenses for paid medical leaves.

Education Assistants Salaries were \$0.48 million lower than budgeted due to shortages of Education Assistants.

Support Staff Salaries were \$1.41 million lower than budgeted due to unfilled positions in technology services and timing delays in filling available positions.

Other Professionals Salaries were \$0.40 higher than budgeted amount due to various payouts.

Substitute Salaries were \$1.03 million lower than budgeted due to TTOC and casual staff shortages during the school year and reduced utilization of release time due to the COVID-19 pandemic.

Employee Benefits were \$0.41 million lower than budgeted due to overall lower salaries than budgeted.

Special Purpose Fund

Potential Future Financial Impact on the District

stakeholders with a general but more

public funds received by the School District.

If you have any questions about this financial report, please contact the Office of the Secretary Treasurer.



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