



**SCHOOL DISTRICT 46
SUNSHINE COAST**

**FINANCIAL
STATEMENT
DISCUSSION AND ANALYSIS**

For the Year Ended June 30, 2023

September, 2023

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Introduction

The following is a discussion and analysis of the School District's financial performance for the fiscal year ending June 30, 2023. This report is a summary of the School District's financial activities based on currently known facts, decisions, or conditions. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. This report should be read in conjunction with the School District's financial statements for this same period.

Overview

The Board of Education's 2019 – 2023 Strategic Plan was developed through extensive community and stakeholder consultation, highlighting three circles of care; care for our students, care for our staff and care for our community. The Strategic Plan is available online at https://sd46.bc.ca/wp-content/uploads/SD46-Strategic-Plan-2019_digital.pdf.

Our financial discussion and outcomes are framed by this plan. The key outcomes achieved during the year are summarized below.

CIRCLE 1 - CARE FOR OUR STUDENTS

- Expertise and resources to support literacy learning – including access to Canadian and Indigenous Authors, Coastal Voices Writer's Anthology, the Coast Reads initiative, and many other initiatives.
- Students were offered creative experiential learning opportunities that build capacity for student leadership, service learning, and the deepening of cross-cultural understanding.
- The Indigenous Knowledge Keeper programming was rebuilt to develop local Cross-Cultural interactions among students and in classes and courses.
- The district continues to offer a range of early-learning programs including "SPARK! and Child Development Classes", 'Imagination Library', and 'KinderSPARK!' and 'SPARK! to Kindergarten' that supports families transitioning to kindergarten.
- In addition to the early years child care offered in Gibsons Elementary, this year the district has partnered with the YMCA to offer infant-toddler and preschool age care in the Sechelt Early Years Centre.
- The district continues to offer the "Seamless Day" child care program at West Sechelt Elementary, where Early Childhood Educators provide before and after school care to students in their kindergarten classroom. This year our district was awarded three additional "Seamless Day" programs located in Gibsons, Cedar Grove, and Kinnikinnick elementary schools. We have successfully licenced and staffed all Seamless Day programs for children before and after school each day.
- The district led the province by launching the second Just B4 preschool program in BC, with the opening of the Halfmoon Bay program last January. Less than a year later we were awarded a second Ministry grant to support Just B4 in Gibsons Elementary. We have now successfully licensed, staffed and opened this site.
- The district offered a dual credit Early Childhood Education program to grade 11 & 12 students during the 2023 calendar year in partnership with Northern Lights University.
- The Mental Health in School Grant was divided across the three pillars of the Mental Health in Schools Strategy: Compassionate Systems Leadership training, Capacity Building training, and Mental Health in Classroom initiatives including MDI/YDI pre/post lessons

with students.

- The district allocated \$100,000 to support food programs to ensure access to food for all students so that they can flourish at every level of their health, wellbeing, and learning.
- Funding was allocated to support student access to fine art programming, including ArtStarts programming at both elementary and secondary schools across the district.
- Students had an opportunity to participate in a “Fire Fighting Academy”, in partnership with the Sunshine Coast Fire Chiefs.
- A total of forty students participated in the two Train in Trades programs: Automotive Service and Culinary.
- Funding was allocated to the district’s environmental education and climate change action initiatives (Environmental Leads, outdoor classrooms, school yard gardens, nature play areas, climate marches, NEST programming, Outdoor Education at the high school level) and facilities upgrades (solar panels, LED lighting, waste management, LEED buildings), marking our commitment to care for the more-than-human world.
- The Spaces ePortfolio platform was launched this year in the district, and Sunshine Coast teachers have been using it in a range of capacities, including to provide resources, information, updates through blogging and as a tool for communicating student learning. A portion of the District Inclusion Technology Teacher’s time has been allocated to build universal supports for the developments SPACES.

CIRCLE 2 - CARE FOR OUR STAFF

- Continued work with *Ensouling our Schools* on professional development days to support all staff. By helping our staff understand how Indigenous worldviews inform personal development, mental health, trauma informed practice, our students will more deeply understand themselves and flourish.
- Compassionate Systems Leadership training was offered this year to the Ed Leadership Team, trustees, aspiring leaders, Inclusion Support Services Team, counsellors and inclusion support teachers.
- The District Wellness Grants were offered again this year to staff communities within our district. The grants are designed to help us support one another in a community of care.
- Lead EA’s and Lead Teachers pilot programs were offered at a number of elementary and secondary schools to promote opportunities for leadership.
- This is the third year of the District Inclusion Support Team (DIST) pilot. The DIST is comprised of a very skilled team of Inclusion Support Teacher Coordinators, Family Navigators and Educational Assistants, and has proven to be a highly successful structure that supports inclusive education throughout the district. The model holds students at the centre while building capacity in teachers and school staff and supports the research that the biggest impact on student wellbeing and success is the classroom teacher.
- The district continues to offer a variety of in-services, after-school, and online professional development opportunities in the areas of literacy, numeracy, digital literacy, early years connections, and curriculum assessment and reporting. Support staff are offered a variety of professional development opportunities in the second week of the spring break. The offerings include Positive Discipline in the Classroom and CPI training.

CIRCLE 3 - CARE FOR OUR COMMUNITY

- Daytime custodial continued in the 2022/2023 school year.
- The facilities department invested in field equipment and seed blends to raise the quality level of our fields; is switching to LED lights throughout the district for energy efficiency; is updating roofing at a number of sites; installed a new playground at Kinnikinnick Elementary; and, is completing interior renovations at Chatelech Secondary.
- Continuation of Active Travel Fall and Spring Campaigns aim to create a culture that values and prioritizes the health and well-being of staff, students and families, while simultaneously addressing broader environmental and community concerns.
- Funds were made available to provide opportunities for cultural activities for international students.

Enrolment and Staffing

The operations of the School District are dependent on continued grant funding from the Ministry of Education primarily based on student enrolment, students identified with special needs and other demographic and geographical factors. Expenditures are primarily associated with staffing and related compensation and benefits. Student enrolment and staffing levels are reflected below.

ENROLMENT

Provincial grant funding is primarily based on student enrolment, unique student needs, and unique geographical requirements, with additional funding for adult education. School District student enrolment is summarized as follows;

	Previous Year	Budget	Actual	vs. Prev Year	vs. Budget
School Age	3355.13	3378.00	3407.00	51.87	29.00
Adult	2.00	-	1.00	-1.00	1.00
Total	3357.13	3378.00	3408.00	50.87	30.00

STAFFING

Staffing is the most significant operational expenditure of school districts. The Staffing budget data was extracted from October provincial employee reporting (EDAS*) and is summarized in Full Time Equivalent (FTE) terms, as follows:

	Previous Year	Current Year	Variance
Teachers (FTE)	226.4	231.6	5.2
Educational Assistants	88.5	93.5	5.0
Support Staff	87.4	90.9	3.5
Principals and Vice Principals	20	20	-
Other Professionals	13.2	13.2	-
Total Staffing	435.5	449.2	13.7

The increase in staffing levels is mainly attributable to increases in enrolment and some supplemental grants.

* EDAS is the Employment Data and Analysis System

Financial Highlights

CONSOLIDATED SUMMARY

95% of the School District's revenue comes in the form of an Operating Grant from the provincial government which is based on enrolment levels and other student and geographical factors. 3% of revenue is associated with the recognition of deferred capital revenue, and the balance through other revenue programs such as international education, services provided to School District No. 93, special purpose funding (eg: school generated funds), facility rental and lease income, and investment income.

81% of the School District's consolidated expenditures are associated with salaries and benefits. The balance of expenditures are related to amortization of capital assets and supplies and services including transportation, utilities, professional development and maintenance.

Description	Budget	Actual	Variance
Revenue	56,335,596	57,124,646	789,050
Expenses	61,177,461	58,132,792	3,044,669
Net Change for the Year	(4,841,865)	(1,008,146)	3,832,923

The Budget column reflects the planned use of a portion of the accumulated surplus and payments toward debt.

The Actual net change outcome occurs primarily as a result of unexpected revenue and underspend of expense budgets, some of which are restricted to "carry forward" into the following year, such as school budgets and employment contract obligations.

Additional items that contribute to the current year's surplus are summarized in this section.

OPERATING ACCOUNTS

Our actual financial outcome for the 2022/23 school year is consistent with expectations based on monthly Board reporting. The influences that contribute to our realized unrestricted operating surplus include are detailed below, at approximate amounts:

	Impact on Unrestricted Surplus	Notes
Salaries:		
Teacher Salaries - Average Cost Estimate	101,000	Variance is 0.55% of budget.
Teacher Salaries - Unfilled Positions	144,000	Indigenous Ed unfilled 1.2
Teacher Salaries - Average TTOC Estimate	(90,000)	4% of \$1.78 million in TTOCs
Support Staff - Unfilled Positions & Estimates	419,000	Unfilled custodial and DSS positions
Principals/Other Professionals	(18,000)	
Substitutes:		Pro-D: \$210k, Schools: \$190k (restricted)
Teacher Sick Leave	(106,000)	
Support Staff Sick Leave	15,000	
Long-term Sick Leave	65,000	
Other Absences	(37,000)	Discretionary Days, Other Leaves
Benefits:		
Average Benefit Cost Estimates	301,000	3.6% Variance on total \$8.2 million
Related to Unfilled Positions	165,000	
Benefit 'Premium Holiday'	206,000	
Other:		
Financial Provision	1,100,000	2% of revenue - per surplus policy
Departmental Services & Supplies	(208,000)	Contracting related to unfilled positions, psych ed assessments
Utilities	(95,000)	increased ventilation, inflation
Miscellaneous	106,000	
Revenue:		
Ministry of Education	103,000	Includes ITA
Miscellaneous Revenue	23,045	Includes CSF and International
Rentals and Leases	27,000	
Investment Income	198,000	
Total	2,419,045	

RESTRICTED SURPLUS (OPERATING)

The District restricts a portion of its surplus for spending in subsequent years, as part of its multi-year approach to allocation of resources. The following schedule designates the current year's restricted surplus of \$3,242,201:

School Surpluses		\$ 1,155,865
Subsequent Year Budget Allocation		1,088,391
Teacher Pro-D	\$ 107,500	
CUPE Pro-D	<u>102,371</u>	
Contractual Obligations		209,871
Indigenous Education	504,296	
English as a Second Dialect	66,826	
English Language Learning	356	
BC Ed Plan	24,451	
Strat Plan	41,000	
Musical Instruments	103,722	
Careers Program Facilities	<u>30,000</u>	
District Programs		770,651
Total Restricted Surplus		<u><u>\$ 3,224,778</u></u>

SPECIAL PURPOSE ACCOUNTS

Special purpose funds are utilized to capture funding designated for specific purposes and balances can be deferred to subsequent years for the intended use. Grant revenues are only recognized as expenses are incurred. Any unused grants or funds remaining at the end of the year are treated as deferred revenue.

CAPITAL ACCOUNTS

Funding for capital expenditures is sourced primarily through the Ministry of Education with incremental funding provided through locally generated capital funds.

MAJOR CAPITAL PROJECTS

There was one major capital project in progress during the year:

- ***Madeira Park Childcare*** – Development work continues on the Madeira Park Childcare project. Additional funding has been secured and the District has been granted an extension to undertake the archaeology work requested by the shishálh Nation. The District hopes to break ground once an Archaeological Impact Assessment has been completed and a suitable contractor has been retained.

MINOR CAPITAL PROJECTS

The School District received approval for \$1,744,384 in Minor Capital funding and commenced work on four projects during the year:

- ***School Enhancement Program (SEP) – Various Roofing Upgrades***
Cedar Grove Elementary, Chatelech Secondary, Pender Harbour Elementary are included in this project - \$700,000 received
- ***Carbon Neutral Capital Program (CNCP)– Roberts Creek Electrical Upgrades***
The School District received \$400,000 for electrical upgrades at Roberts Creek Elementary
- ***Carbon Neutral Capital Program (CNCP) – Elphinstone Electrical Upgrades***
The School District received \$50,000 to upgrade the lighting efficiency and quality at the school through the addition of LED lighting throughout.
- ***Playground Equipment Program (PEP) – Kinnikinnick Accessible Playground***
The School District received \$195,000 to provide a universally accessible playground at Kinnikinnick Elementary.
- ***Bus Acquisition Program (BUS) – SD 46***
The School District received \$399,384 to procure 2 X district busses with 4 wheelchair spaces

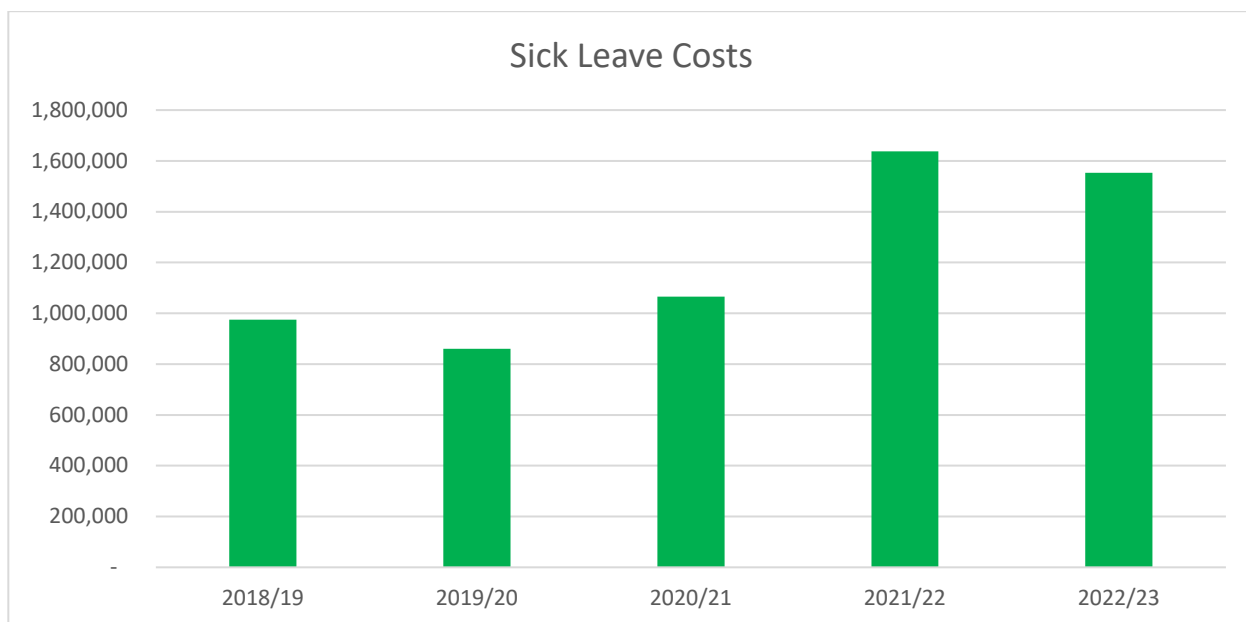
LAND SALES

There were no sales of land during the year.

Factors Bearing on School District's Future & Other Significant Matters

COVID-19 PANDEMIC - ONGOING IMPACTS

As reported earlier, the District anticipates ongoing operational impacts relating to the pandemic proceeding into the 2023/24 school year and beyond. One area of related financial concern is the significant increased usage of sick leave provisions in collective agreements by employees. Both increased length of absences as well as increased vigilance by employees in completing daily health checks have resulted in increases in usage of this employee benefit. Exacerbating the issue is a challenging labour market, which has led to depletion of on-call staff lists and frequent inability to replace absent employees. It is likely that the cost of sick leave would be significantly higher if we were able to maintain sufficient on-call and TTOC staffing levels. Shown below is the past five years of sick leave costs.



Similarly, both custodial and utilities costs have remained higher than in prior years, without any additional funding to support these costs. Adding custodial staff to provide daytime cleaning at all sites results in reduced efficiency because cleaning cannot occur in all areas while classes are in session. Utilities costs are higher, despite mechanical and facility upgrades, as they are being operated below optimal efficiency levels to increase airflow and reduce risk of airborne virus transmission.

INFLATIONARY PRESSURES

Inflationary pressures have been an increasing area of concern in recent years. With a few small exceptions, overall operating funding has only been increased to address unionized contract settlements. Contractual increases to Principals and other Exempt staff, fuel, services and supplies

required to maintain high quality operations have experienced significant inflation in the past year. With fixed funding and higher operating costs, service levels may experience decline.

PROVINCIAL FUNDING MODEL REVIEW

The provincial government has completed Phase 1 of what had previously been communicated as a single-phase review of the funding allocation model. Although a review is certainly overdue, government has not committed any additional funds to support the initiative. This could result in a reallocation of funds between districts, with some “winning” and others “losing” scarce funds. Government has signaled a potential departure from the medical diagnosis model of funding allocation related to students with special needs, meaning there could be a departure from specific funding to address these student needs. In SD46, these funds comprise over 15% of operating grant revenues, which is much higher than most districts in the Province. The Board of Education of School District No. 46 (Sunshine Coast) remains circumspect of the outcome and potential impacts of Phase 2 of the funding model review. There has been no additional information released about this review since the Summer of 2019.

RECRUITMENT AND RETENTION CHALLENGES

Over the course of the past two years, our school district—like many others in the education sector—has been navigating an increasingly complex labour market. Recruitment and retention of quality staff have emerged as critical challenges that are affecting the operational stability of our organization.

One significant factor exacerbating this issue is the rising cost of housing on the Sunshine Coast. We have noted several instances where prospective and current employees either have declined job offers or have made the difficult decision to leave their positions due to the lack of affordable housing options in the area. This phenomenon is particularly acute in the realm of casual and on-call positions. The heightened difficulty in filling these roles has resulted in a growing number of unfilled absences, thus placing an additional strain on our existing staff and resources.

Moreover, the increased use of sick leave since 2020 and the resulting staff shortages have specific implications for maintaining high-functioning educational environments. When casual and on-call positions remain unfilled, it often necessitates pulling employees away from their regular duties to cover those absences. This creates a ripple effect that impacts not just the classrooms in immediate need, but also compromises the quality of educational programs and services elsewhere in the district. The redistribution of staff to cover gaps interferes with the continuity of curriculum delivery, hampers student engagement, and places additional workload on employees who are already fulfilling their own responsibilities.

While it's encouraging that both provincial and local governments are aware of and are working to address the housing crisis and labour market, it is prudent for us to acknowledge that solutions are likely to be incremental and may not offer immediate relief. Current projections suggest that we can expect these challenges to persist over the next several years.

Contacting Management

This financial report is designed to provide the School District's stakeholders with a general but more detailed overview of the school district's finances and to demonstrate increased accountability for the public funds received by the school district.

If you have questions about this financial report please contact the Office of the Secretary - Treasurer at 604-886-4484.



SCHOOL DISTRICT 46 SUNSHINE COAST

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