



**SCHOOL DISTRICT 46
SUNSHINE COAST**

**FINANCIAL
STATEMENT
DISCUSSION AND ANALYSIS**

For the Year Ended June 30, 2024

September, 2024

Contents

Contents	2
Introduction.....	3
Overview of District Accomplishments	3
Circle 1 – Care for Our Students	3
Circle 2 – Care for Our Staff.....	4
Circle 3 – Care for Our Community.....	5
Enrolment and Staffing.....	6
Financial Highlights.....	7
Consolidated Summary.....	7
Operating Accounts	8
Restricted Surplus (Operating)	9
Special Purpose Accounts.....	9
Capital Accounts	9
Major Capital Projects	10
Minor Capital projects	10
Land Sales	10
Factors Bearing on School District’s Future & Other Significant Matters	11
COVID-19 Pandemic – Ongoing Impacts	11
Inflationary Pressures.....	12
Provincial Funding Model Review	12
Recruitment and Retention Challenges.....	12
Contacting Management.....	14

Introduction

The following is a discussion and analysis of the School District's financial performance for the fiscal year ending June 30, 2024. 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 – 2024 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.
- Co-creation of a new strategic plan through consultation and collaboration with rightsholders and community partners, focusing on one aspirational goal and nine strategies aimed at improving student learning, addressing equity gaps, and building system-wide cohesion. Implementation of the plan is set for September 2024.
- Completed a three-year Equity in Action project, aimed at raising awareness of inequities and identifying growth opportunities.
- Continuation of the Indigenous Knowledge Keeper programming, 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 and the Sechelt Early Years Centre, this year the district has partnered with the YMCA to offer infant-toddler and preschool age care in the West Sechelt Elementary Centre. The district has also started working with a project management team to build a new child care centre on school grounds at Madeira Park Elementary.
- The district continues to offer the "Seamless Day" child care programs at West Sechelt, Gibsons, Cedar Grove, and Kinnikinnick elementary schools, where Early Childhood Educators provide before and after school care to students in their kindergarten classroom.
- The district continues to offer Just B4 preschool programs at Halfmoon Bay Elementary and Gibsons Elementary.
- The district has more Board operated Seamless Day and Just B4 preschool programs than

any other district in the province, and actively shares learning to benefit communities who are new to providing child care.

- 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 implemented a central kitchen to support healthy, nutritious and sustainable food to students without stigma. The project started as a pilot supporting three schools and has now expanded to five schools for the coming year. Consistent and nutritious food programming has made a considerable difference to the health and well-being of students.
- Funding was allocated to support student access to fine art programming, including ArtStarts programming at both elementary and secondary schools across the district.
- The District offered a dual credit Early Childhood Education program
- Students had an opportunity to participate in a “Fire Fighting Academy”, in partnership with the Sunshine Coast Fire Chiefs.
- Students participated in the three Train in Trades programs: Automotive Service, Carpentry, and Culinary.
- The Engagement Project was piloted in the 2023/24 school year with Sunshine Coast Alternative staff, to address student attendance and engagement concerns across all levels. The district is expanding the project to include the District Inclusion Support Team and extend support to all schools.
- Funding was allocated to the district’s environmental education and climate change action initiatives, including supporting environmental Leads, outdoor classrooms, school yard gardens, nature play areas, and facilities upgrades, marking our commitment to care for students as well as the more-than-human world.
- Sunshine Coast teachers continue to use the Spaces ePortfolio platform in a range of capacities, including to provide resources, information, updates through blogging and as a tool for communicating student learning.

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.
- Support was provided to staff for the new reporting order through pedagogical shifts, resources, and the integration of Indigenous pedagogies, including the First Peoples Principles of Learning. Student self-assessment in Core Competencies was emphasized, supported by resources like specialized posters and templates, and a Learning and the Innovation website was launched as a resource hub.
- A Lead Teachers Group, consisting of one teacher from each school, met monthly to guide colleagues on the Reporting Order, with a focus on equity, inclusion, Indigenous education, and assessment.
- District-wide Literacy Lunch & Learn sessions for teachers were held, with a focus on equity and inclusion.
- 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 Teachers pilot programs were offered at a number of elementary and secondary schools to promote opportunities for leadership.
- The District Inclusion Support Team (DIST) program continues, and 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 during spring break and at other times in the year. The offerings include Positive Discipline in the Classroom and Professional Learning for Supporting Students with ASD.

CIRCLE 3 – CARE FOR OUR COMMUNITY

- The facilities department completed interior renovations at Elphinstone Secondary and began a major renovation project at Chatelech Secondary; invested in field maintenance to raise the quality level of our fields; switched to LED lights at multiple sites throughout the district; completed exterior painting at a number of sites; replaced aging infrastructure (PA systems) at Langdale Elementary and Pender Harbour Secondary; installed a VOIP phone system at Davis Bay Elementary; replaced accessibility lift at Heritage Learning Centre, and; replaced bike racks at various sites to support active travel.
- Continuation of Active Travel Fall and Spring Campaigns that 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	Variance	
				vs. Prev Year	vs. Budget
School Age	3407.00	3442.00	3482.38	75.38	40.38
Adult	1.00	1.00	2.50	1.50	1.5
Total	3408.00	3443.00	3484.88	76.88	41.88

STAFFING

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

	Previous Year	Current Year	Variance
Teachers (FTE)	231.6	236.3	4.7
Educational Assistants	93.5	93.8	0.3
Support Staff	90.9	89.2	-1.7
Principals and Vice Principals	19	18	-1.0
Other Professionals**	15.4	17.4	2.0
Total Staffing	450.4	454.7	4.3

* EDAS is the Employment Data and Analysis System

** Directors of Instruction are reported in the Principal and Vice -Principal salary line in the financial statements but shown here in Other Professionals

Financial Highlights

CONSOLIDATED SUMMARY

91% 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. 4% 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 (e.g.: 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	\$60,747,435	\$61,926,216	\$1,178,781
Expenses	64,432,127	62,578,775	1,844,352
Net Change for the Year	\$(3,684,692)	\$(652,559)	\$3,023,133

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

The Actual Net Change outcome occurs as a result of several factors, including:

- In the operating fund, there were unexpected revenues and underspend of some expense budgets, some of which are restricted to "carry forward" into the following year. These restricted surplus items are detailed below in the Restricted Surplus section. The full description of Operating Fund impacts is highlighted below in the Operating Accounts Section.
- Roughly \$(400,000) of the net change for the year related to the Capital Fund and is generated by the difference between amortization (depreciation of assets) expense and amortization of Deferred Capital Revenue. Deferred Capital relates to 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. See Note 2 for additional information.

OPERATING ACCOUNTS

Our actual financial outcome for the 2023/24 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	\$125,000	Variance is 0.62% of budget.
Teacher Salaries - Average TTOC Estimate	56,000	
Support Staff	318,000	Unfilled DSS positions and Maintenance transfers to AFG
Principals/Other Professionals	(52,000)	Technology Reconfig., Accrued Vacation
Substitutes:		
Teacher Sick Leave	(95,000)	
Support Staff Sick Leave	44,000	
Long-term Sick Leave	166,000	
Other Absences	(43,000)	Discretionary Days, Other Leaves
Benefits:		
Average Benefit Cost Estimates	45,000	
Related to Unfilled Positions	65,000	
Benefit 'Premium Holiday'	20,000	
Other:		
Financial Provision	1,100,000	2% of revenue - per surplus policy
Departmental Services & Supplies	26,000	
Utilities	(51,000)	Increased ventilation, inflation
Revenue:		
Ministry of Education	310,000	
Miscellaneous Revenue	6,000	
Rentals and Leases	58,000	
Investment Income	316,000	
Total	\$2,413,571	

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 \$2,788,961:

School Surpluses		\$ 545,356
Subsequent Year Budget Allocation		1,369,587
Teacher Pro-D	\$ 126,943	
CUPE Pro-D	<u>103,853</u>	
Contractual Obligations		230,796
Indigenous Education	472,220	
English as a Second Dialect	66,794	
BC Education Plan	4,462	
Musical Instruments	<u>99,746</u>	
District Programs		643,222
Total Restricted Surplus		<u><u>\$ 2,788,961</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 and the district has started working with a project management team. Additional funding has been secured and the District has been granted an extension to undertake the archaeology work requested by the shíshálh Nation. The District hopes to break ground once an Archaeological Impact Assessment has been completed and building permits are approved.

MINOR CAPITAL PROJECTS

The School District received approval for \$1,864,384 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
- ***Playground Equipment Program (PEP) – Kinnikinnick Accessible Playground***
The School District received \$195,000 to provide a universally accessible playground at Kinnikinnick Elementary.
- ***Kitchen Equipment and Upgrade (FIP) – SD 46***
The School District received \$45,000 to update kitchen equipment across the district.
- ***Energy Upgrades (CNCP) – Charging Infrastructure/Charging Station***
The School District received \$65,000 for E-Bus charging infrastructure.
- ***Bus Acquisition Program (BUS) – SD 46***
The School District purchased two (2) electric busses and received funding approval from the Ministry of Education to purchase six (6) additional electric busses and one propane inclusion support bus.

LAND SALES

There were no sales of land during the year.

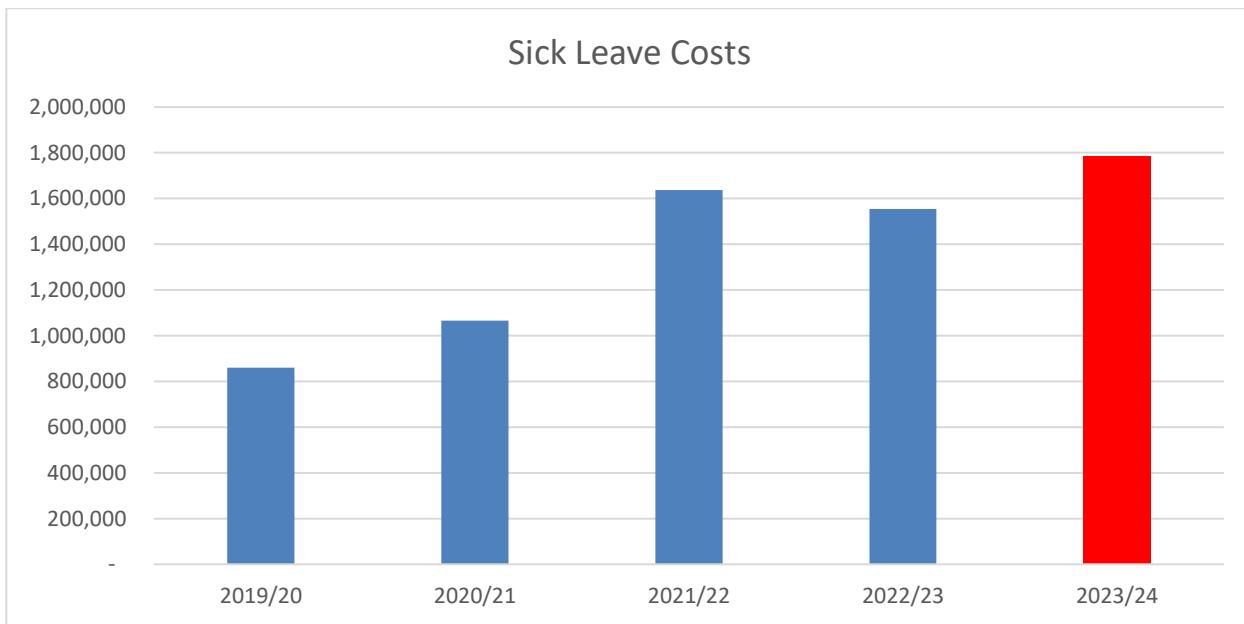
Factors Bearing on School District's Future & Other Significant Matters

2024-2029 STRATEGIC PLAN

As mentioned above, the district will embark on the implementation of a new strategic plan, which was developed through consultation and collaboration with rightsholders and community partners. This plan focuses on one aspirational goal and will utilize nine strategies, aimed at improving student learning, addressing equity gaps, and building system-wide cohesion. Implementation of the plan has already begun and will have far-reaching impacts on operational plans for the foreseeable future.

COVID-19 PANDEMIC – ONGOING IMPACTS

As reported earlier, the District anticipates ongoing operational impacts relating to the pandemic proceeding into the 2024/25 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 monitoring their daily health have resulted in higher usage of this employee benefit. Although there have been improvements in the 2023/24 year, the challenging labour market continued to prevent the recruitment of robust support staff on-call staff lists and frequent inability to replace absent employees in some support staff employee groups. It is likely that the cost of sick leave would be significantly higher if we were able to fully replace all absent employees. 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 most 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 direct labour costs related to unionized contract settlements and enrolment increases. Minimal increases have also been provided to avoid compression issues in exempt employee groups.

Double-digit benefit cost increases, Worksafe policy changes, fuel, services and supplies required to maintain high quality operations have experienced significant inflation in the past year. Without additional funding, these higher operating costs will cause service levels to 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 several 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 living, including housing costs, and the availability of housing that is affordable, on the Sunshine Coast. This phenomenon is particularly acute in the realm of casual and on-call positions. Although there has been progress in this area, difficulty in filling certain roles has resulted in a significant number of casual support staff 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.

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.

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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