



**SCHOOL DISTRICT 46
SUNSHINE COAST**

**FINANCIAL
STATEMENT
DISCUSSION AND ANALYSIS**

For the Year Ended June 30, 2025

September, 2025

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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, 2025. 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 2024 – 2029 Strategic Plan was developed through extensive consultation and collaboration with our Learning Community, including staff, students, families, rightsholders, and community partners. Guided by our vision, mission, affirmation, and values, the Strategic Plan emphasizes a single, aspirational student learning goal, centred on essential competencies, and supported by nine learning strands, which direct our daily practices, actions, and efforts. The plan is intended to guide decision-making, including budget development, to improve learning, address equity gaps, and strengthen system-wide cohesion.

The Core Competencies are woven together and inherently interconnected. While they are described separately in this report for clarity, they naturally overlap, support, and strengthen one another in practice. As described in the BC curriculum, the competencies are *interrelated and interdependent, developing together and shaping one another*. Students' growth in Communication, Thinking, and Personal and Social awareness is therefore integrated, mutually reinforcing, and central to their lifelong learning journey.

The Strategic Plan is available online at: <https://sd46.bc.ca/district-information/strategic-plan/>

Aspirational Goal:

*"We believe that when we create authentic and inclusive learning environments, we will enhance each student's development of the **Core Competencies** over time."*

CORE COMPETENCY – COMMUNICATION

- Funded learning opportunities and digital platforms (e.g., Spaces ePortfolio, assessment tools) to strengthen purposeful communication, collaboration, and student learning across the district.
- Supported collaboration through initiatives such as the Collaborating Learning Series, in-class coaching, for staff to engage in cross-district and community partnerships, emphasizing shared responsibility and valuing diverse perspectives.
- Provided expertise and resources to support literacy learning, including access to Canadian and Indigenous authors, the Coastal Voices Writer's Anthology, and the Coast Reads initiative.
- Funded cultural learning experiences such as National Indigenous Peoples Day, Black History Month, Lunar New Year, and international student activities, fostering cross-cultural understanding and inclusivity.
- Funded expanded access to fine arts programming, including ArtStarts opportunities at elementary and secondary schools.
- Piloted Learning Guide roles to work alongside principals in leading transformation aligned with the school growth plan and district strategic plan.
- Launched Early Learning Profile (ELP) Pilot to strengthen Thinking and Communication of primary students.

CORE COMPETENCY – THINKING

- Funded classroom resources, professional learning, and school-based grants to support collaborative inquiry, reflective practice, and school growth planning.
- Continued Indigenous Knowledge Keeper programming, supporting authentic classroom learning and building local cross-cultural relationships.
- Maintained funding for targeted supports for priority learners, including Indigenous students, students with IEPs, and youth in care, with additional resources through Indigenous Success Teachers and Support Workers, District Inclusion Support Team and Universal Design for Learning (UDL) resources.
- Supported career and applied learning through work experience, the Early Childhood Education dual credit program, Train in Trades programs (Automotive, Carpentry, ProCook), and the Fire Fighting Academy in partnership with the Sunshine Coast Fire Chiefs.
- Supported data-informed instruction through systems such as Clevr learner profiles, early literacy and numeracy assessments, formative data cycles, and Communities of Practice for continuous improvement.
- Supported “Journeys to High School”, a collaborative program co-designed with School’s Out United Way, Sunshine Coast Community Schools, and SD46, to help Indigenous Grade 7 students transition successfully into high school.
- Funded the Aspiring Leaders Program, fostering collaborative learning and leadership development through a Compassionate Systems Leadership approach.

CORE COMPETENCY – PERSONAL AND SOCIAL

- Supported initiatives and leadership opportunities that enable students to explore and share their identities, values, and strengths, while fostering peer mentoring, cultural engagement, and social responsibility through school, district, and regional events.
- Invested in resources and activities that promote environmental stewardship, empathy, health, and social responsibility, including Active Travel campaigns.
- Supported ongoing funding for Mental Health Literacy (MHL) in secondary schools, ensuring ongoing training and support for all staff through the Safe and Caring Schools Coordinator.
- Funded the Preventure Pilot Program, supporting early intervention in student mental health and substance use prevention.
- Expanded early learning and child care opportunities, including SPARK! programs, Child Development Classes, the Imagination Library, Seamless Day, Just B4 preschool, and licensed programs at Gibsons, Sechelt, and West Sechelt, with a new centre in development at Madeira Park. SD46 leads the province in Board-run early learning programs and shares expertise with other districts.
- Expanded the Engagement and Attendance Project to strengthen adult-student connections through tiered interventions and to enhance family involvement and communication.
- Funded a comprehensive Inclusion Review and continued support of the District Inclusion Support Team to strengthen inclusive education across the district.
- Continued funding of a central kitchen to provide healthy, nutritious, and stigma-free food programs, now expanded to seven schools and improving student health and readiness to learn.
- Allocated funding for drainage improvements at Madeira Park Elementary School to enhance student safety and ensure reliable access to outdoor learning and play areas.

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	3482.38	3493.13	3519.31	36.93	26.00
Adult	2.50	2.00	5.13	2.63	3.13
Total	3484.88	3495.13	3524.44	39.56	29.13

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)	236.3	240.6	4.3
Educational Assistants	93.8	94.5	.7
Support Staff	89.2	93.9	4.7
Principals and Vice Principals	18	19	1.0
Other Professionals**	17.4	18.4	1.0
Total Staffing	454.7	466.4	11.7

* 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. 5% 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	\$64,033,714	\$65,630,460	\$1,596,746
Expenses	67,253,588	65,655,673	1,597,915
Net Change for the Year	\$(3,219,874)	\$ (25,213)	\$3,194,661

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 \$(350,000) 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 2024/25 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:

2024/25 Unrestricted Surplus	\$2,537,833	
Financial Provision	<u>1,100,000</u>	2% of revenue - per surplus policy
Surplus from Operations	<u>\$1,437,833</u>	

	Impact on Unrestricted Surplus	Notes
Revenue:		
Ministry of Education	\$50,000	Mid-year funding
Miscellaneous Revenue	75,000	
Rentals and Leases	30,000	
Investment Income	250,000	
Salaries:		
Teacher Salaries - Average Cost Estimate	100,000	Variance is 1% of budget
Teacher Salaries - Average TTOC Estimate	(40,000)	
Support Staff	335,000	Unfilled DSS and SCAS positions, Maintenance EE's off on leave
Substitutes:		
Teacher Sick Leave	(50,000)	
Support Staff Sick Leave	30,000	
Long-term Sick Leave	570,000	
Other Absences	(40,000)	Discretionary Days, Other Leaves
Benefits:		
Benefit Cost Estimates (Teacher)	(130,000)	Significant increase due to PBC cost
Benefit Cost Estimates (PVP)	(32,000)	Significant increase due to PBC cost
Maternity Leave Benefit (Teacher)	(7,000)	
Other:		
Departmental Services & Supplies	220,000	
Utilities	80,000	
Miscellaneous	<u>(3,167)</u>	
Surplus from Operations	<u>\$1,437,833</u>	

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 \$3,046,551:

School Surpluses		\$ 810,187
Subsequent Year Budget Allocation		1,313,571
Teacher Pro-D	\$ 156,349	
CUPE Pro-D	<u>100,563</u>	
Contractual Obligations		256,912
Indigenous Education	402,155	
English as a Second Dialect/Language Learning	36,254	
BC Education Plan	9,532	
Musical Instruments	93,947	
Technology	50,000	
Indigenous Ed Council	<u>69,223</u>	
District Programs		661,111
Total Restricted Surplus		<u><u>\$ 3,041,781</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

Madeira Park Childcare

The Madeira Park Childcare project will provide dedicated early learning spaces on the school site, supporting access to high-quality childcare in the Pender Harbour area. This new facility is being developed in alignment with the Ministry's ChildCareBC initiative and is part of a coordinated site redevelopment that also includes drainage improvements and a new community school building.

A Construction Management (CM) firm has now been selected, and we are working closely with them to secure the remaining approvals required before construction can begin. These include archaeological permitting and approval of a development variance permit (DVP) to address site-wide parking requirements. Construction is expected to begin in Fall 2025, once all pre-construction conditions have been met.

Madeira Park Elementary – Drainage Improvement Project

Madeira Park Elementary has long experienced drainage challenges due to its low elevation, proximity to an underground creek, and exposure to tidal influences during the rainy season. These conditions have resulted in frequent flooding and persistent standing water on the school field, impacting its usability and limiting outdoor learning and play opportunities.

In 2024, environmental consultants conducted testing of standing water on site and detected elevated levels of naturally occurring bacteria, including E. coli. While health authorities confirmed the risk to students was low and limited to direct ingestion of standing water, the results underscored the need for a long-term infrastructure solution. In response, staff worked urgently to secure funding, retain consultants, and begin design of a comprehensive drainage upgrade.

The proposed solution includes reconstructing the existing underground channel using modern materials, raising the overall site elevation to reduce tidal impacts, and installing a network of drains to improve surface water management. Final design revisions are now underway, with a focus on completing archaeological work prior to construction. The project is being carefully coordinated with two other initiatives on the site—the community school replacement and the new childcare facility—to ensure an integrated approach and avoid duplication of work.

MINOR CAPITAL PROJECTS

The School District received approval for two (2) Minor Capital projects and commenced work on these during the year:

- ***Food Program Infrastructure Program (FIP) -***
The School District received \$55,000 to update kitchen equipment in the central kitchen and in selected schools throughout the district.
- ***Carbon Neutral Capital Program (CNCP) – Pender Harbour Lighting***
The School District received \$200,000 to upgrade the lighting efficiency and quality at the school through the addition of LED lighting throughout.

LAND SALES

There were no sales of land during the year.

Factors Influencing our Future

Our district is navigating a period of significant change. Strategic priorities, inflationary pressures, new legislation, and evolving risks are shaping how we deliver high-quality education in a financially sustainable way.

STRATEGIC PLAN IMPLEMENTATION

We are in Year 2 of our 2024–2029 Strategic Plan, co-created with Indigenous rightsholders, students, staff, families, and community partners. The plan focuses on one aspirational goal—enhancing each student’s development of the Core Competencies—supported by nine learning strands. In the second year, work is shifting from launch activities to deeper integration across classrooms, schools, and district operations, with alignment supported through targeted professional learning, collaboration, and ongoing public progress reports to the Board of Education. A key priority for the coming year will be embedding student voice more deeply into implementation, ensuring that learners help shape how the plan comes to life in classrooms and across the district.

RISING COSTS VS. FLAT FUNDING

Inflation continues to outpace available funding. Most recent provincial increases have covered wage settlements only, with little or no provision for escalating costs in supplies, utilities, transportation, and other operational areas. At the same time, provincial expectations of school boards have expanded—through new programs, reporting requirements, and compliance obligations—without matching resources. This funding gap forces difficult choices and increases pressure on service levels and supports for students.

PROVINCIAL PUBLIC-SECTOR BARGAINING

The current round of provincial public sector bargaining will determine wage and benefit changes for unionized staff. While these agreements are negotiated centrally, any funding shortfalls will require the district to reallocate resources from other priorities. Past rounds have covered most direct wage increases but not all related costs, such as benefits, replacement staff, and salary compression for exempt employees.

CYBER-SECURITY

Cyber-security risks, including phishing, ransomware, and data breaches, are increasing in frequency and sophistication. Protecting sensitive student, staff, and financial data requires sustained investment in secure infrastructure, monitoring systems, and staff training. While expectations in this area are growing, there is no dedicated provincial funding, meaning investments must be made from existing budgets. A successful attack could disrupt educational services, compromise personal information, and lead to costly recovery efforts.

SICK LEAVE UTILIZATION & UNFUNDED LABOUR COST PRESSURES

The cost of short-term sick leave has risen significantly over the past five years, increasing from approximately \$600,000 in 2020/21 to over \$1.2 million in 2024/25. This trend reflects both higher utilization rates and increases in the average daily replacement cost. While occasional fluctuations occur, the overall trajectory has been sharply upward, placing additional strain on operating budgets.

At the same time, provincially negotiated collective agreements have increased wage and benefit costs for unionized staff. While government funding generally covers the direct wage components of these settlements, related costs—such as salary compression for exempt staff, benefit rate increases, and higher replacement costs—are typically unfunded. The combined effect is a growing financial pressure that must be absorbed within existing budgets, limiting flexibility to support other district priorities.



LEGISLATIVE & POLICY CHANGES

Several recent legislative and policy developments will directly impact district operations. Bill 40 requires every district to establish an Indigenous Education Council, with a legislated role in reviewing and approving budgets and plans for targeted Indigenous education funding. While the province has committed secretariat funding to support this work, there is uncertainty about how these funds can be used and whether they will be sufficient for full implementation. The Infrastructure Projects Act (Bill 15) shifts certain capital planning and site approval authority from boards of education to the Ministry of Infrastructure, potentially reducing local control over timelines, site selection, and project scope.

WorkSafeBC has introduced new regulatory requirements for hazardous substance emergency planning (effective February 2025) and revised first aid standards (effective November 2024), requiring additional documentation, training, and equipment with no dedicated funding. In addition, the province is moving toward more prescriptive expectations for expanding school-age child care, while current administrative funding of \$175,000 annually will end after the 2025/26 school year, creating a funding gap as responsibilities grow.

LEADERSHIP RECRUITMENT & RETENTION

Leadership roles in the district are becoming increasingly complex, with new legislative requirements, expanded program mandates, and heightened accountability across all areas of operations. The demands of implementing new initiatives, meeting evolving regulatory requirements, expanding child care services, and addressing a growing range of student and staff needs—particularly in the areas of mental health support and interpersonal conflict resolution in the age of social media—require leaders with broad skill sets and the capacity to navigate rapid change.

Strong leadership is essential to maintaining strategic direction, supporting school communities, and achieving student learning goals. The district will continue to focus on building internal leadership capacity, supporting succession planning, and fostering a healthy, sustainable work environment for current and future leaders.

THE BOTTOM LINE

Our ability to sustain programs and services will depend on balancing rising costs, new mandates, and critical risk management needs against flat or targeted funding. Strategic alignment, careful resource management, and continued advocacy will be essential to meeting student needs and protecting the long-term health of our public education system.

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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