Financial Statements of

MANITOBA SCHOOL BOARDS ASSOCIATION

And Independent Auditor's Report thereon

Year ended June 30, 2026

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INDEPENDENT AUDITOR'S REPORT

To the Members of Manitoba School Boards Association

Opinion

We have audited the financial statements of Manitoba School Boards Association (the Entity), which comprise:

- the statement of financial position as at June 30, 2026
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at June 30, 2026, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Winnipeg, Canada

October 20, 2026

MANITOBA SCHOOL BOARDS ASSOCIATION

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MANITOBA SCHOOL BOARDS ASSOCIATION

Statement of Financial Position

June 30, 2026, with comparative information for 2025

	2026	2025
Assets		
Current assets:		
Cash	$ 249,888	$ 103,310
Accounts and interest receivable	241,914	291,643
Receivable from Manitoba Schools Insurance - Property	128,393	–
Receivable from Manitoba Schools Insurance - Liability	55,805	–
Receivable from Manitoba School Boards Association Pension Plan for Non-Teaching Employees - Administration Fund	–	1,960
Prepaid expenses and deposits	145,733	319,255
	821,733	716,168
Investments (note 3)	3,705,008	4,048,417
Capital assets (note 4)	873,035	859,728
	$ 5,399,776	$ 5,624,313
Liabilities, Deferred Contributions and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 5)	$ 787,568	$ 543,340
Payables to Manitoba Schools Insurance - Property	–	64,790
Payables to Manitoba Schools Insurance - Liability	–	42,878
	787,568	651,008
Service recognition benefits obligation (note 6)	61,750	56,125
Deferred contributions (note 7):		
Expenses related to future periods	219,385	212,640
Net assets:		
Unrestricted	2,054,881	1,712,125
Internally restricted	1,403,157	2,132,687
Invested in capital assets	873,035	859,728
	4,331,073	4,704,540
	$ 5,399,776	$ 5,624,313

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MANITOBA SCHOOL BOARDS ASSOCIATION

Statement of Operations

Year ended June 30, 2026, with comparative information for 2025

	2026	2025
Revenue:		
Membership fees	$ 2,368,776	$ 2,411,326
Manitoba Schools Insurance administration (note 8)	1,076,822	876,192
Seminars and special events (schedule A)	418,330	194,990
Investment income	213,007	246,317
Province of Manitoba - project funding	124,285	–
Pension plan administration fee (note 8)	94,000	97,000
Negotiation spokesperson	28,000	38,000
Student accident insurance	10,000	10,000
Special projects grants - Safegrad/TADD	5,582	3,463
Child Nutrition Council Manitoba administration fee	3,000	3,000
Associate membership (schedule A)	500	500
	4,342,302	3,880,788
Expenses:		
Staff and administration (schedule B)	3,189,930	2,739,922
Association governance (schedule B)	840,241	216,368
Building administration (schedule B)	193,108	172,074
Association services (schedule B)	126,113	93,541
Seminars and special events (schedule A)	360,795	195,877
Special project grants - Safegrad/TADD	5,582	6,469
	4,715,769	3,424,251
Excess (deficiency) of revenue over expenses	$ (373,467)	$ 456,537

See accompanying notes to financial statements.

MANITOBA SCHOOL BOARDS ASSOCIATION

Statement of Changes in Net Assets

Year ended June 30, 2026, with comparative information for 2025

	Unrestricted	Internally restricted	Invested in capital assets	2026 Total	2025 Total
Net assets, beginning of year	$ 1,712,125	$ 2,132,687	$ 859,728	$ 4,704,540	$ 4,248,003
Excess (deficiency) of revenue over expenses	(297,958)	–	(75,509)	(373,467)	456,537
Transfer to unrestricted for membership fee rebate (note 2[e])	310,000	(310,000)	–	–	–
Transfer to unrestricted for special projects (note 2[e])	419,530	(419,530)	–	–	–
Capital asset additions funded from operations (note 2[e])	(88,816)	–	88,816	–	–
Net assets, end of year	$ 2,054,881	$ 1,403,157	$ 873,035	$ 4,331,073	$ 4,704,540

See accompanying notes to financial statements.

MANITOBA SCHOOL BOARDS ASSOCIATION

Statement of Cash Flows

Year ended June 30, 2026, with comparative information for 2025

	2026	2025
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses	$ (373,467)	$ 456,537
Adjustments for:		
Amortization	75,509	63,897
Unrealized gain on investments	(25,495)	(100,497)
Change in non-cash operating working capital	177,573	(31,281)
Change in deferred contributions related to future expenses, net	6,745	205,606
Change in service recognition benefits obligation	5,625	(20,875)
	(133,510)	573,387
Investing activities:		
Additions to capital assets	(88,816)	(533,534)
Change in investments, net	368,904	(37,490)
	280,088	(571,024)
Increase in cash	146,578	2,363
Cash, beginning of year	103,310	100,947
Cash, end of year	$ 249,888	$ 103,310

See accompanying notes to financial statements.

1. General:

Manitoba School Boards Association (the "Association") is governed by the *Manitoba School Boards Association Act* and its objectives are to promote and advance the cause of education in the Province of Manitoba. The Association also administers the Manitoba School Boards Association Pension Plan for Non-Teaching Employees of Public School Boards in Manitoba and Manitoba Schools Insurance, which are self-insurance programs to participating school divisions in Manitoba, and the Manitoba School Boards Association Universal Standards Trust Fund which assists participating school divisions in paying legal costs related to labour relation matters. The funds of these organizations are held in trust by the Association and are not reflected on the statement of financial position of the Association; however, the investment income earned on the Manitoba Schools Insurance programs is included in the statement of operations (note 8).

2. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Revenue recognition:

The Association follows the deferral method of accounting for contributions, which include government grants and donations.

Unrestricted contributions, grants and donations are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions and grants are recognized as revenue in the year in which the related expenses are recognized.

(b) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Association has elected to carry all investments at fair value.

2. Significant accounting policies (continued):

(b) Financial instruments (continued):

Unrealized gains and losses on investments, representing the change in the difference between the fair value and the cost of investments at the beginning and end of each year is reflected in investment income in the statement of operations. Fair value of investments is determined based on period end quoted market prices.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

(c) Income taxes:

The Association is a not-for-profit organization under the *Income Tax Act* and accordingly is exempt from income taxes, providing certain requirements of the *Income Tax Act* are met.

(d) Capital assets:

Capital assets are stated at cost. Amortization is provided on the straight-line basis using the following annual rates:

Asset	Rate
Building	5%
Office furnishings	10%
Computer equipment	25%

(e) Internally restricted net assets:

Internally restricted net assets represent an appropriation from operations and are calculated annually by policy established by the Association. Based on criteria outlined in the policy, the unrestricted net assets balance at the end of the year, prior to the appropriation, is compared to six months of current year's operating expenditures, with the excess being appropriated as internally restricted net assets. The disposition and use of internally restricted net assets is determined annually at the Provincial Executive’s discretion.

2. Significant accounting policies (continued):

(e) Internally restricted net assets (continued):

During fiscal 2026, the Provincial Executive approved the transfer of $310,000 (2025 - $175,000) and $419,530 (2025 - $28,549) of internally restricted net assets to unrestricted net assets to reduce membership fees required from the school divisions and to cover special project expenditures incurred by the Association, respectively.

An amount of nil (2025 - $414,298) was transferred from unrestricted net assets to internally restricted net assets at June 30, 2026 in accordance with the policy.

Included in the capital assets transfers of $88,816 (2025 - $533,534) is an amount of nil (2025 - $451,940) relating to the approved lower-level renovation project at 191 Provencher.

(f) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Significant items subject to such estimates and assumptions include the carrying amount of capital assets and service recognition benefits obligation. Actual results could differ from those estimates.

3. Investments:

	2026	2025
Guaranteed investment certificates	$ 360,760	$ 723,407
Corporate bonds	550,601	1,234,205
Equities	884,376	334,313
Mutual funds:		
Fixed income	687,602	1,479,221
Money market	751,190	277,271
Private credit	150,212	–
Real estate	155,875	–
Infrastructure	164,392	–
	$ 3,705,008	$ 4,048,417

The guaranteed investment certificates and bonds mature between fiscal 2027 and fiscal 2032. These guaranteed investment certificates and bonds bear interest at a weighted average rate of 3.47 percent at June 30, 2026 (2025 – 3.07 percent).

4. Capital assets:

	Cost	Accumulated amortization	2026 Net book value	2025 Net book value
Land	$ 50,000	$ –	$ 50,000	$ 50,000
Building	1,584,137	857,769	726,368	736,721
Office furnishings	441,445	396,009	45,436	42,693
Computer equipment	711,827	660,596	51,231	30,314
	$ 2,787,409	$ 1,914,374	$ 873,035	$ 859,728

5. Pension costs and obligations:

Certain retired employees of the Association are members of Teachers' Retirement Allowances Fund - Manitoba School Boards Association Trust account (TRAF pension liability) which is a defined benefit pension plan. Benefits from this plan are based on years of service and either career earnings or final average earnings. The date of the most recent actuarial valuation is January 1, 2024. Contributions to this plan are based on the recommendations of the actuary and meet the funding requirements of the regulatory authorities. Pension fund assets of the defined benefit plan as at January 1, 2024 were $5,000 and the present value of accrued pension benefits attributed to services rendered to January 1, 2024 was $90,000. The TRAF pension liability of $85,000 (2025 - $85,000) at June 30, 2026 is included in accounts payable and accrued.

All employees of the Association who have completed one year of service are members of the Manitoba School Boards Association Pension Plan for Non-Teaching Employees which is a defined contribution pension plan.

Employer contributions made to the plans during the year aggregated $180,659 (2025 - $160,094).

6. Service recognition benefits obligation:

The Association has an obligation to provide service recognition benefits to employees equal to $500 per completed year of service. Only employees who have attained a combination of years of service and age equal to at least eighty at the time of their termination (or death) or are at least sixty years of age are entitled to these service recognition benefits. Management has estimated the Association's liability for these benefits at June 30, 2026 to be $61,750 (2025 - $56,125).

7. Deferred contributions:

Expenses related to future periods are comprised of the following:

	2026	2025
Province of Manitoba – Student Safety in Public Schools Initiatives	$ 141,166	$ –
Province of Manitoba – Recruitment and Retention Strategy for French Language Teachers	43,429	–
Provincial Dialogue Sponsorship	6,000	6,000
Safegrad/TADD	1,183	–
CSBA Congress revenues	–	206,640
Canadian Educational Negotiators revenues	27,607	–
	$ 219,385	$ 212,640

The change in expenses related to future periods is as follows:

	2026	2025
Balance, beginning of year	$ 212,640	$ 7,034
Add amounts received during the year	499,967	206,640
Less amounts recognized as revenue in the year	(493,222)	(1,034)
Balance, end of year	$ 219,385	$ 212,640

8. Related party transactions:

The Association's revenue from the administration of Manitoba Schools Insurance and Manitoba School Boards Association Pension Plan for Non-Teaching Employees consists of the following:

	2026	2025
Investment income earned on monies in the program while they are held in trust by the Association	$ 621,087	$ 349,031
Administration fee (5% of retained premiums)	100,000	100,000
Loss-prevention administration	355,735	427,161
Manitoba School Boards Association Pension Plan for Non-Teaching Employees administration fee	94,000	97,000
	$ 1,170,822	$ 973,192

These transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by the related parties.

9. Financial risks:

The Association's financial instruments consist primarily of cash, receivables, investments, and accounts payable and accrued liabilities. The Association is exposed to various risks through its financial instruments and manages these risks through its operating and investment activities. The Association pools its investments with the Association’s related entities and investments are made according to an Investment Policy approved by the Provincial Executive. The primary objectives of the Investment Policy are to preserve capital, maintain appropriate liquidity, achieve a reasonable rate of return, and meet the cash flow requirements of the Association.

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Association is exposed to interest rate risk through its holdings of guaranteed investment certificates, corporate bonds and fixed-income investments.

Other price risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. The Association is exposed to market risk through its investment portfolio, which includes equity, fixed-income and alternative investments. The Association monitors its investment holdings and diversifies its portfolio in accordance with the approved Investment Policy. The Association's exposure to foreign currency risk is not significant. The Association does not use derivative financial instruments or engage in hedging activities.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association's credit risk arises primarily from cash, investments and receivables. The Association mitigates this risk through diversification of investments and by dealing with reputable financial institutions and counterparties. Management does not believe the Association is exposed to significant concentrations of credit risk.

Liquidity risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting obligations associated with its financial liabilities. The Association manages liquidity risk by maintaining sufficient cash and highly liquid investments to meet its operating requirements and financial obligations as they become due.

Schedule A

MANITOBA SCHOOL BOARDS ASSOCIATION

Seminars and Special Events

Year ended June 30, 2026, with comparative information for 2025

	2026	2025
Revenue:		
Manitoba School Boards Association convention registration and other special events	$ 418,330	$ 194,990
Expenses:		
Manitoba School Boards Association convention registration and other special events	360,795	195,877
Seminars and special events, net	$ 57,535	$ (887)

Associate Membership

Year ended June 30, 2026, with comparative information for 2025

	2026	2025
Revenue:		
Annual membership fees	$ 500	$ 500
Associate membership	$ 500	$ 500

Schedule B

MANITOBA SCHOOL BOARDS ASSOCIATION

Expenses

Year ended June 30, 2026, with comparative information for 2025

	2026	2025
Association governance:		
CSBA membership fees	$ 18,761	$ 17,365
Executive and committee meetings	45,849	48,042
Regional and support meetings	35,370	21,937
Remuneration	76,399	90,305
Province of Manitoba – Student Safety in Public Schools Initiatives	108,834	–
Province of Manitoba – Recruitment and Retention Strategy for French Language Teachers	15,451	–
Special projects	522,949	29,549
Travel	16,628	9,170
	$ 840,241	$ 216,368
Association services:		
Central provincial bargaining	$ –	$ 76,773
Communications	54,341	7,840
Professional Development	46,526	–
Provincial Bargaining	6,694	–
Publication	1,052	428
Sponsorships	11,500	1,500
Student leadership awards	6,000	7,000
	$ 126,113	$ 93,541
Staffing and administration:		
Membership fees and subscriptions	$ 23,096	$ 23,068
Office operations	164,700	113,623
Professional services	76,063	86,277
Salaries and benefits	2,823,196	2,396,347
Staff professional development	46,532	53,270
Staff travel, meetings	56,343	67,337
	$ 3,189,930	$ 2,739,922
Building administration:		
Building operations and maintenance	$ 110,502	$ 98,906
Insurance	7,097	9,271
Amortization	75,509	63,897
	$ 193,108	$ 172,074