WINNIPEG SCHOOL DIVISION

Financial Statements of

THE WINNIPEG SCHOOL DIVISION CHILDREN'S HERITAGE EDUCATION ENDOWMENT FUND

And Independent Auditor's Report thereon

Year ended December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the Winnipeg School Division

Opinion

We have audited the financial statements of Children's Heritage Education Endowment Fund (the Entity), which comprise:

- the statement of financial position as at December 31, 2025
- the statement of revenue and expenditures and unappropriated surplus for the year then ended
- the statement of appropriated surplus 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 December 31, 2025, 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.

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

June 15, 2026

THE WINNIPEG SCHOOL DIVISION
CHILDREN'S HERITAGE EDUCATION ENDOWMENT FUND
Statement of Financial Position

December 31, 2025, with comparative information for 2024

	2025	2024
Assets		
Current assets:		
Cash	$ 591,421	$ 259,732
Accounts receivable	11,033	74,249
Interest and dividends receivable	431	432
	602,885	334,413
Investments (schedule 1):		
Fixed income investments	569,495	58,200
Equity	5,016,225	5,350,395
	5,585,720	5,408,595
	$ 6,188,605	$ 5,743,008
Liabilities and Surplus		
Current liabilities:		
Accounts payable	$ 16,190	$ 17,095
Due to related parties	–	6,364
	16,190	23,459
Deferred revenue	373,791	136,352
Specific purpose funds (schedule 2)	695,608	679,131
Surplus:		
Unappropriated surplus	128,743	60,290
Contributed surplus	1,000,000	1,000,000
Appropriated surplus	3,974,273	3,843,776
	5,103,016	4,904,066
	$ 6,188,605	$ 5,743,008

See accompanying notes to financial statements.

THE WINNIPEG SCHOOL DIVISION
CHILDREN'S HERITAGE EDUCATION ENDOWMENT FUND

Statement of Revenue and Expenditures and Unappropriated Surplus

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Revenue:		
Donations	$ 1,701,913	$ 2,010,412
Dividends	339,830	795,550
Realized gain on sale of investments	–	14,469
Unrealized increase in fair value of investments	110,733	–
	2,152,476	2,820,431
Expenditures:		
Program	1,691,843	2,004,412
Playground equipment, multi-cultural enrichment and other	180,163	185,054
General	46,788	48,955
Unrealized decrease in fair value of investments	–	159,484
Realized loss on sale of investments	34,732	–
	1,953,526	2,397,905
Excess of revenue over expenditures	198,950	422,526
Unappropriated surplus, beginning of year	60,290	18,876
Transfer to appropriated surplus	(130,497)	(381,112)
Unappropriated surplus, end of year	$ 128,743	$ 60,290

See accompanying notes to financial statements.

THE WINNIPEG SCHOOL DIVISION
CHILDREN'S HERITAGE EDUCATION ENDOWMENT FUND
Statement of Appropriated Surplus

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Appropriated surplus, beginning of year	$ 3,843,776	$ 3,462,664
Transfer to appropriated surplus	130,497	381,112
Appropriated surplus, end of year	$ 3,974,273	$ 3,843,776

See accompanying notes to financial statements.

THE WINNIPEG SCHOOL DIVISION
CHILDREN'S HERITAGE EDUCATION ENDOWMENT FUND
Statement of Cash Flows

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenditures	$ 198,950	$ 422,526
Items not affecting cash:		
Reinvested stock dividends on equity investments	(339,830)	(795,549)
Unrealized loss on investments	(110,051)	159,655
Loss (gain) on sale of investments	34,732	(14,469)
Increase (decrease) in deferred revenue	237,439	(218,714)
Increase in specific purpose funds	4,500	64,567
Change in non-cash working capital:		
Accounts receivable	63,218	(60,850)
Accounts payable	(905)	2,452
	88,053	(440,382)
Financing activities:		
Change in due to related parties	(6,364)	200
Investing activities:		
Proceeds on maturity and sale of investment	250,000	200,000
Increase (decrease) in cash	331,689	(240,182)
Cash, beginning of year	259,732	499,914
Cash, end of year	$ 591,421	$ 259,732
Supplementary cash flow information:		
Interest received	$ 15,139	$ 19,595

See accompanying notes to financial statements.

Fund description:

The Children's Heritage Education Endowment Fund (the "Fund") of The Winnipeg School Division (the "Division") was established in 1980 through By-Law No. 860 to further purchases of playground equipment, multi-cultural enrichment and other activities specified by a committee of the Division. The funding provided by the Division to establish this Fund is recorded as contributed surplus.

1. Significant accounting policies:

The financial statements of the Fund are prepared in accordance with the Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO) in Part III of the CPA Handbook.

(a) 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 Fund has elected to carry all investments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expenses 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.

(b) Appropriated surplus:

The Fund's policy is to restrict expenditures in the year to 5 percent of the average market value of Fund assets for the prior three years. This restriction does not however apply to unallocated monies carried forward from prior years and unspent monies related to previously approved projects. Gross revenue less donations for specific purposes earned which is in excess of the payout restriction for the following year, is transferred to appropriated surplus from unappropriated surplus. When a loss is incurred by the Fund, the gross loss less donations for specific purposes, plus the payout restriction for the following year, is transferred from the appropriated surplus to unappropriated surplus.

As at December 31, 2025, an amount of $221,691 (2024 - $114,638) has been carried-forward from projects approved for funding. There is a two year time limit for funds to be expended on approved projects.

1. Significant accounting policies (continued):

(c) Foreign currency translation:

The fair value of foreign currency denominated investments included in the statement of financial position is translated into Canadian dollars at year end rates of exchange. Gains and losses arising from translation are included in excess of revenue over expenditures.

Foreign currency denominated transactions are translated into Canadian dollars at the rates of exchange in effect on the dates of the related transactions.

(d) Deferred revenue:

Donations received for specific purposes are deferred and recorded as revenue at the time the applicable expenditure is made.

(e) Income taxes:

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

(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. Actual results could differ from those estimates.

2. Related party transactions:

The Fund had a combined payable to the Division and Winnipeg School Division Pension Fund for Employees other than Teachers of nil as at December 31, 2025 (2024 - $6,364).

3. Financial instruments:

The Fund's exposure across all risk parameters including market, credit and liquidity remained within all risk limits set out in the Fund's Statement of Investment Policies and Procedures.

3. Financial instruments (continued):

(a) Fair value:

The fair value of accounts receivable, interest and dividends receivable, accounts payable and due to related parties approximates their carrying value due to their short-term to maturity.

The fair value of investments is disclosed in the attached schedule.

(b) Liquidity:

100 percent (2024 - 100 percent) of the Fund's investments are traded in public markets and are liquid. These include equity and fixed income securities.

(c) Credit risk:

The Fund's fixed income investments are primarily in Canadian-issued instruments. There were no significant concentrations of credit risk in the portfolio in either 2025 or 2024.

(d) Interest rate risk:

Interest rate risk is the risk that the market value of the Fund's investments will fluctuate due to changes in market interest rates. To properly manage the Fund's interest rate risk, appropriate guidelines on the weighting and duration for the bonds and other fixed income investments are set and monitored. The Fund's investments in fixed income securities is sensitive to interest rate movements.

(e) Other price risk:

The Fund's investments in equities are sensitive to market fluctuations.

To properly manage the Fund's other price risk, appropriate guidelines on asset diversification to address specific security, geographic, sector and investment manager risks are set and monitored. A decline of 10 percent in equity values will impact the Fund's equity investments by an approximate loss of $501,622 (2024 - $535,040).

THE WINNIPEG SCHOOL DIVISION
CHILDREN'S HERITAGE EDUCATION ENDOWMENT FUND
Schedule 1 - Investments

December 31, 2025, with comparative information for 2024

	Interest rate	Par value	2025 Fair value	2024 Fair value
Fixed Investments:				
Bank of Montreal GIC:				
July 05, 2027	4.75%	$ 11,000	$ 11,000	$ 11,000
April 25, 2030	3.70%	100,000	102,544	–
April 27, 2026	3.35%	100,000	102,304	–
April 25, 2029	3.49%	100,000	102,400	–
April 25, 2028	3.45%	100,000	102,372	–
April 26, 2027	3.44%	100,000	102,356	–
Province of British Columbia Bonds:				
November 19, 2027	6.15%	15,000	15,971	16,276
June 18, 2029	5.70%	28,000	30,548	30,924
Total fixed investments		$ 554,000	$ 569,495	$ 58,200

	No. of units	2025 Fair value	2024 Fair value
Equity investments:			
Leith Wheeler Pooled	426,426	$ 5,016,225	$ 5,350,395

THE WINNIPEG SCHOOL DIVISION
CHILDREN'S HERITAGE FUND
Schedule 2 - Statement of Specific Purpose Funds
Year ended December 31, 2025

	Balance, beginning of year	Donations	Interest Income	Scholarship expenditure	Balance, end of year
ARG Ainslie Rimmer Award	$ -	$ 100	$ -	$ (100)	$ -
Cash for Kids-Various Schools	1,301	-	47	-	1,348
CGC Award of Merit Scholar	23,336	3,970	846	(1,965)	26,187
CHL Art Bryant Memorial Scholarship	6,395	-	224	(750)	5,869
CHL Bill Scott Athletic Award	6,629	-	235	(500)	6,364
CHL Brian David Schellenberg	92,290	-	3,257	(4,000)	91,547
CHL Medicine Shoppe 660 Osborne Award	17,957	1,000	12	(1,000)	17,969
CHL Nariman Ayed Music Award	1,797	-	61	(500)	1,358
CHL-B Sokalski-H Hood Nominee	1,966	500	78	(475)	2,069
CHL-Bulldog Football Alumni	8,303	-	305	-	8,608
CHL-Golden Rule Citizen/Com Ser	3,684	-	133	(250)	3,567
CHL-Karkota Fighting Spirit	3,566	-	125	(400)	3,291
CHL-M A Truczka Memorial French	1,064	-	38	-	1,102
CHL-Principal Scholarship Award	859	-	28	(400)	487
CHL-W J Madder Scholarship	14,926	-	537	(250)	15,213
DMC Todd Memorial Scholarship	94,840	-	3,243	(5,000)	93,083
Dr. Davinder Jassal Scholarship	18	2,000	13	(2,000)	31
ELM Clara Hughes Olympic Award	4,631	-	157	(500)	4,288
GBL Alumni Book Award	5,368	-	194	-	5,562
GBL Dhuq'mar Award	147	2,000	14	(2,000)	161
GBL Dr. C.T. Ethans Memorial Sc	2,360	-	75	(500)	1,935
GBL Judith Dueck New Cdn	20,919	10,000	1,025	(2,000)	29,944
GBL Our Stories of Hope Project	14	-	476	-	490
GBL Peter Pura Memorial Prize	-	1,000	10	(800)	210
GBL The Captain Barry Leipsic	1,328	11,000	83	(10,000)	2,411
GPK Dora & Albert Diamond Sch.	12,644	-	438	(1,000)	12,082
GPK Eddie Badescu Inclusion	1,471	-	44	(500)	1,015
GPK Leslie Snell Memorial Fund	35,119	-	1,259	(500)	35,878
Grand & Toy Quest for Excellence Scholarship	-	1,000	-	(1,000)	-
Hard of Hearing Fund	621	-	23	-	644
HJM Bridge Music Outreach Pgm	124,311	40,000	4,354	(37,182)	131,483
HJM Falcon Service & Leadership Award (Abundance/Huynh)	13,052	700	4	(700)	13,056
HJM Soudarat Kousonsavath Scholarship	1,167	-	32	(500)	699
IBK Isaac Brock Alumni Award	1,411	-	51	-	1,462
INW Pets and People Award	46	1,000	6	(1,000)	52
Jack Smyth Scholarship Fund	2,765	-	72	(2,000)	837
KEL Alice Osborne Memorial	2,839	-	92	(500)	2,431
KEL Elizabeth Schacter Memorial	1,836	679	67	(250)	2,332
KEL-Grant Hermanson Award	4,594	-	155	(500)	4,249
KPC Keewatin Prairie Rick Drost Memorial Scholarship	3,048	-	108	(100)	3,056
KPC Keewatin Prairie Yae Yamashita Book Award	2,003	-	70	(100)	1,973
LSK Lord Selkirk Award	461	-	12	(204)	269
LUX Margaret Cundall and Nancy Adkins Literacy Fund for Luxton School	267	-	663	-	930
NIJ Niji Mahkwa Grade 8 Award	1,404	-	51	-	1,455
NSP Bernadette Agpalza Mem. Schlr.	-	500	1	(500)	1
NSP Point Douglas Citizenship	569	3,000	49	(2,750)	868
NSP Rob Altemeyer Achievement	3,366	1,735	159	(1,250)	4,010
Platinum Jets Award	138	4,000	39	(3,500)	677
SIS Rygiel Sisler Scholar.	3,092	-	107	(250)	2,949
SIS Sisler C. Vivier Schlr	-	984	6	-	990
SIS The Debbie Yeboah Books and Ball	-	250	6	(500)	(244)
SIS The Lorne Richards Physics	500	-	9	(500)	9
Staff Fundraising	-	-	76	-	76
STJ Capt. Curtis Cyr Memorial Bursary	-	492	2	(500)	(6)
STJ Class of '77 Scholarship	3,881	-	131	(500)	3,512
STJ Frances Brown Atwell Award	5,647	-	197	(400)	5,444
STJ George Bates Resiliency Award	47	1,000	12	(1,000)	59
STJ John Loxley-Pollock Schlr	11,517	2,047	409	(1,000)	12,973
STJ Murray Leslie Firman & Joan Julia Firman Scholarship	820	-	28	(100)	748
STJ Safiniuk Athletic Scholarship	28,882	-	1,025	(1,000)	28,907
STJ Scarfe Memorial Scholarship	1,127	-	36	(250)	913
STJ Teplitsky-Marantz Memorial	3,910	-	137	(250)	3,797
STJ-Anne Ross Scholarship	2,315	1,000	78	(1,000)	2,393
STJ-Theresa Barbara Konyk Schlr	12,251	-	424	(1,000)	11,675
TVH Manuel Sousa Award for Excellence in Photography	12,582	-	579	(400)	12,761
WAEC William Grulkey Scholarship	10,914	1,100	366	(2,200)	10,180
WEL Webster Scholarship Fund	5,989	-	216	-	6,205
Wpg Hawkeyes FBall-SIS	21,671	-	837	-	22,508
Wpg Hawkeyes FBall-STJ DMCI TVH	27,102	-	1,048	(1,000)	27,150
You Drug Mart	54	-	2	-	56
	$ 679,131	$ 91,057	$ 24,696	$ (99,276)	$ 695,608