

Draft for discussion purposes only



**VORTEX WATER POLO INC.**

**Financial Statements**

**Year Ended August 31, 2025**

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To the Members of Vortex Water Polo Inc.:

### Opinion

We have audited the financial statements of Vortex Water Polo Inc. (the "Organization"), which comprise the statement of financial position as at August 31, 2025, and the statements of revenues and expenses and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at August 31, 2025, and the results of its 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 report. We are independent of the Organization 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.

### Other Matter

The financial statements of the Vortex Water Polo Inc. for the year ended August 31, 2024 were audited by Lazer Grant LLP of Winnipeg, Manitoba, Canada, prior to its merger with MNP LLP. Lazer Grant LLP expressed an unmodified opinion on those statements on May 26, 2025.

### 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 these 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 Organization'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 Organization'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 Organization 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.

We 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.

Winnipeg, Manitoba

Chartered Professional Accountants

**VORTEX WATER POLO INC.**  
**Statement of Financial Position**  
**August 31, 2025**

	2025	2024
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 120,200	\$ 152,677
Accounts receivable (Note 2)	4,067	17,892
Inventory	7,219	-
	<b>131,486</b>	170,569
<b>CAPITAL ASSETS (Note 4)</b>	<b>962</b>	1,786
	<b>\$ 132,448</b>	<b>\$ 172,355</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 45,390	\$ 97,131
Unearned revenue	24,694	-
	<b>70,084</b>	97,131
<b>NET ASSETS</b>		
Unrestricted	61,402	73,438
Invested in capital assets	962	1,786
	<b>62,364</b>	75,224
	<b>\$ 132,448</b>	<b>\$ 172,355</b>

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

**VORTEX WATER POLO INC.**  
**Statement of Revenues and Expenditures**  
**Year Ended August 31, 2025**

	2025	2024
<b>REVENUES</b>		
Registration fees	\$ 243,197	\$ 234,234
Tournament and travel fees	108,552	129,400
Merchandise sales	11,472	7,010
Grants and fundraising	678	3,546
	<b>363,899</b>	374,190
<b>EXPENSES</b> <i>(Schedule 1)</i>	<b>377,031</b>	371,484
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	<b>(13,132)</b>	2,706
<b>OTHER INCOME</b>		
Interest income	272	336
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$ (12,860)</b>	<b>\$ 3,042</b>

**VORTEX WATER POLO INC.**  
**Statement of Changes in Net Assets**  
**Year Ended August 31, 2025**

	Unrestricted	Invested in capital assets	2025	2024
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 73,438	\$ 1,786	\$ <b>75,224</b>	\$ 72,182
Excess (deficiency) of revenues over expenses	(12,860)	-	<b>(12,860)</b>	3,042
Amortization of capital assets	824	(824)	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ 61,402	\$ 962	\$ <b>62,364</b>	\$ 75,224

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**VORTEX WATER POLO INC.**

**Statement of Cash Flows**

**Year Ended August 31, 2025**

	2025	2024
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenses	\$ (12,860)	\$ 3,042
Item not affecting cash:		
Amortization	824	824
	<b>(12,036)</b>	<b>3,866</b>
Changes in non-cash working capital:		
Accounts receivable	13,825	(150)
Inventory	(7,219)	-
Accounts payable and accrued liabilities	(51,741)	76,861
Unearned revenue	24,694	-
	<b>(20,441)</b>	<b>76,711</b>
<b>INCREASE (DECREASE) IN CASH</b>	<b>(32,477)</b>	<b>80,577</b>
Cash - beginning of year	<b>152,677</b>	<b>72,100</b>
<b>CASH - END OF YEAR</b>	<b>\$ 120,200</b>	<b>\$ 152,677</b>

1. DESCRIPTION OF THE BUSINESS

Vortex Water Polo Inc. is an organization that provides fun and competitive water polo programs ranging from 8U to adults in Winnipeg, Manitoba. Vortex Water Polo Inc. is incorporated under the Manitoba Corporations Act as a non-profit organization.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Inventory

Inventory is measured at the lower of cost or net realizable value. Net realizable value is the estimated selling price with the cost being determined using a weighted-average cost formula.

Capital assets

Capital assets are stated at cost less accumulated amortization and are amortized over their estimated useful lives on a straight-line basis at the following rates:

Equipment	5 years
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The organization regularly reviews its capital assets to eliminate obsolete items.

One-half the normal rate of amortization is recorded in the year of acquisition.

(continues)

**VORTEX WATER POLO INC.**  
**Notes to Financial Statements**  
**Year Ended August 31, 2025**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

Vortex Water Polo Inc. follows the deferral method of accounting for contributions.

Restricted contributions, including government grants and capital contributions related to expenses of future periods, are deferred and recognized as revenue in the period in which the related expenses are incurred.

Unrestricted contributions, including Registration fees, Travel fees, Merchandise sales, grants, and fundraising are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

- a) Registration fees are recognized as revenue on a straight-line basis over the term of the program. Programs range from one month to a year.
- b) Travel fees are recognized as revenue at the time of the service.
- c) Merchandise sales revenue is recognized when the title passes to the customer, which generally coincides with the delivery and acceptance of goods.

3. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of August 31, 2025.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from customers. In order to reduce its credit risk, the organization reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The organization has a significant number of customers which minimizes concentration of credit risk.

Included in accounts receivable is an allowance for doubtful accounts of \$639 (2024 - \$7,815).

4. CAPITAL ASSETS

	2025		2024	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Equipment	\$ 4,121	\$ 3,159	\$ 4,121	\$ 2,335
Net book value	\$ 962		\$ 1,786	

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities are government remittances of \$2,216 (2024 - Nil).

**VORTEX WATER POLO INC.****Expenses (Schedule 1)****Year Ended August 31, 2025**

	<b>2025</b>	<b>2024</b>
Advertising and promotion	\$ <b>105</b>	\$ 698
Amortization	<b>824</b>	824
Bad debts	<b>3,545</b>	7,815
Consulting and coaching fees	<b>71,017</b>	89,292
Grants and fundraising to athletes	-	5,345
Interest and bank charges	<b>9,133</b>	8,095
Meals and entertainment	<b>9,206</b>	3,282
Memberships	<b>11,837</b>	4,827
Office	<b>3,141</b>	1,211
Pool rental fees	<b>91,992</b>	105,028
Professional fees	<b>12,147</b>	7,000
Supplies	<b>8,304</b>	6,564
Training	<b>231</b>	55
Travel	<b>108,665</b>	131,448
Wages and employee benefits	<b>46,884</b>	-
	<b>\$ 377,031</b>	<b>\$ 371,484</b>