

PICKLEBALL MANITOBA INC.

Financial Statements

Year Ended December 31, 2025

PICKLEBALL MANITOBA INC.
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Year Ended December 31, 2025

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Pickleball Manitoba Inc.

We have reviewed the accompanying financial statements of Pickleball Manitoba Inc. (the Corporation) that comprise the statement of financial position as at December 31, 2025, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO), 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Pickleball Manitoba Inc. as at December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Other Matter

The financial information of Pickleball Manitoba Inc. for the year ended December 31, 2024 was compiled by management and is presented for comparative purposes only.

Winnipeg, MB
January 27, 2026

Thornton & Co.

CHARTERED PROFESSIONAL ACCOUNTANTS

PICKLEBALL MANITOBA INC.
Statement of Financial Position
December 31, 2025

	2025	2024
ASSETS		
CURRENT		
Cash	\$ 227,757	\$ 19,537
Term deposits <i>(Note 3)</i>	42,882	41,043
Accrued interest receivable	531	-
Accounts receivable	109,079	-
	\$ 380,249	\$ 60,580
 LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 21,089	\$ -
 NET ASSETS		
Unrestricted	359,160	60,580
	\$ 380,249	\$ 60,580

Approved on behalf of the Board of Directors:

_____ Director

_____ Director

See notes to financial statements

PICKLEBALL MANITOBA INC.
Statement of Operations
Year Ended December 31, 2025

	2025	2024
REVENUE		
Registration fees	\$ 235,548	\$ 27,544
Grants (<i>Note 4</i>)	159,650	-
Corporate sponsorships	125,900	7,550
Membership dues	22,325	18,973
Fundraising	21,185	1,708
Equipment sales	12,125	-
Interest income	2,371	-
Commissions	994	-
	<u>580,098</u>	<u>55,775</u>
EXPENSES		
Bus shuttle and parking	8,854	-
Business taxes, licenses and memberships	815	340
Computer and office supplies	7,108	-
Delivery and freight	32	-
Equipment and supplies	76,466	-
Facility rental	59,797	6,169
Fundraising expense	2,265	-
Instructor fees for clinics	918	579
Insurance	5,064	-
Interest and bank charges	178	70
Marketing	3,428	1,206
Player and volunteer merchandise	26,184	13,637
Professional fees	3,360	-
Reception costs	23,482	2,224
Referee fees	55,296	757
Registration fees	1,600	-
Supplies	6,671	6,239
	<u>281,518</u>	<u>31,221</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 298,580</u>	<u>\$ 24,554</u>

See notes to financial statements

PICKLEBALL MANITOBA INC.
Statement of Changes in Net Assets
Year Ended December 31, 2025

	2025	2024
NET ASSETS - BEGINNING OF YEAR	\$ 60,580	\$ 36,026
EXCESS OF REVENUE OVER EXPENSES	<u>298,580</u>	<u>24,554</u>
NET ASSETS - END OF YEAR	<u>\$ 359,160</u>	<u>\$ 60,580</u>

See notes to financial statements

PICKLEBALL MANITOBA INC.
Statement of Cash Flows
Year Ended December 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 298,580	\$ 24,554
Changes in non-cash working capital:		
Accounts receivable	(109,079)	-
Accrued interest receivable	(531)	-
Accounts payable and accrued liabilities	21,089	-
	(88,521)	-
INCREASE IN CASH FLOW	210,059	24,554
Cash - beginning of year	60,580	36,026
CASH - END OF YEAR	\$ 270,639	\$ 60,580
CASH CONSISTS OF:		
Cash	\$ 227,757	\$ 19,537
Term deposits (Note 3)	42,882	41,043
	\$ 270,639	\$ 60,580

PICKLEBALL MANITOBA INC.
Notes to Financial Statements
Year Ended December 31, 2025

1. NATURE AND PURPOSE OF OPERATIONS

Pickleball Manitoba Inc. (the "Corporation") is a not-for-profit corporation and is exempt from income tax under the Income Tax Act (Canada). The Corporation receives funding from membership dues, grants and corporate sponsorships and its purpose is to promote the sport of pickleball in Manitoba.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Revenue Recognition

The Corporation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Member registration fees are recognized as revenue in the fiscal year to which they relate.

Sponsorship revenue is recognized over the period in which the related benefits are provided.

Interest and other income are recognized as earned.

Use of Estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from these estimates, the impact of which would be recorded in future periods. Accounting estimates and underlying assumptions are reviewed on an ongoing basis.

Significant areas requiring the use of management estimates include the determination of certain accrued liabilities.

Financial Instruments

The financial instruments of the Corporation consist of cash, term deposits, accounts receivable and accounts payable and accrued liabilities.

The Corporation initially measures all financial assets and liabilities at fair value and subsequently at cost or amortized cost.

3. TERM DEPOSITS

The Corporation holds Guaranteed Investment Certificates (GICs) with its financial institution, bearing the following interest rates and maturity dates:

	2025	2024
3.40% interest, matures September 18, 2026	\$ 21,990	\$ -
2.90% interest, matures September 24, 2026	20,893	-
3.40% interest, matured	-	21,043
2.90% interest, matured	-	20,000
	\$ 42,883	\$ 41,043

PICKLEBALL MANITOBA INC.
Notes to Financial Statements
Year Ended December 31, 2025

4. GRANTS

	2025	2024
Pickleball Canada	\$ 100,000	\$ -
Winnipeg Economic Development & Tourism	54,400	-
Province of Manitoba	5,250	-
	\$ 159,650	\$ -

5. FINANCIAL INSTRUMENTS

The Corporation is exposed to various risks through its financial instruments. The following analysis provides a measure of such risk exposure and concentrations.

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 Corporation is exposed to credit risk arising from its financial assets, which include cash, term deposits and accounts receivable. Cash and term deposits are held with a Canadian financial institution and as a result management believes the risk of loss to be remote. Management believes that risk with respect to accounts receivable is limited. Credit risk is managed by reviewing accounts receivable aging and following up on outstanding amounts.

Liquidity risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation is exposed to liquidity risk mainly in respect of its accounts payable and accrued liabilities, and its receipt of funds from its members and external funders. The Corporation is not exposed to significant liquidity risk as it has adequate liquid assets to meet these obligations as they become due.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency rate risk, interest rate risk and other price risk. The Corporation is only exposed to interest rate risk.

Interest rate risk

Interest rate risk is the risk that the value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates. The Corporation is exposed to interest rate risk directly with respect to its GICs. Exposure to interest rate risk is limited, as interest rates are fixed with short-term maturities.

Change in risk

Unless otherwise noted, it is management's opinion that there have been no significant changes in the risk profile of the financial instruments of the Corporation from that of the prior year.

6. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

PICKLEBALL MANITOBA INC.

Operations
(Schedule 1)

Year Ended December 31, 2025

	2025	2024
REVENUES		
Membership dues	\$ 22,325	\$ 18,973
Interest income	2,371	-
Clinic registration fees	1,920	-
	<u>26,616</u>	<u>18,973</u>
EXPENSES		
Business taxes, licenses and memberships	815	340
Delivery, freight and express	32	-
Equipment and supplies	258	-
Instructor fees for clinics	918	579
Interest and bank charges	176	70
Marketing	1,272	1,206
Professional fees	3,360	-
Reception costs	-	2,224
	<u>6,831</u>	<u>4,419</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 19,785</u>	<u>\$ 14,554</u>

PICKLEBALL MANITOBA INC.

**Provincials
(Schedule 2)**

Year Ended December 31, 2025

	2025	2024
REVENUE		
Registration fees	\$ 36,848	\$ 27,544
Grants	10,000	-
Corporate sponsorships	3,900	7,550
Fundraising	-	1,708
	<u>50,748</u>	<u>36,802</u>
EXPENSES		
Facility rental	8,495	6,169
Player and volunteer merchandise	9,790	13,637
Referee fees	884	757
Supplies	6,671	6,239
	<u>25,840</u>	<u>26,802</u>
EXCESS OF REVENUE OVER EXPENSES	\$ 24,908	\$ 10,000

PICKLEBALL MANITOBA INC.

Nationals
(Schedule 3)

Year Ended December 31, 2025

	2025	2024
REVENUE		
Registration fees	\$ 185,080	\$ -
Grants	149,650	-
Corporate sponsorships	122,000	-
Fundraising	21,185	-
Equipment sales	12,125	-
PTC registration fees	9,400	-
Commissions earned	994	-
	<u>500,434</u>	<u>-</u>
EXPENSES		
Bus shuttle and parking	8,854	-
Computer and office supplies	7,108	-
Equipment and supplies	76,209	-
Facility rental	50,105	-
Fundraising expense	2,265	-
Insurance	4,543	-
Marketing	2,157	-
Player and volunteer merchandise	16,394	-
Reception costs	23,482	-
Referee fees	54,412	-
Registration fees	1,600	-
	<u>247,129</u>	<u>-</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 253,305</u>	<u>\$ -</u>

PICKLEBALL MANITOBA INC.
High School Tournament
(Schedule 4)
Year Ended December 31, 2025

	2025	2024
REVENUE		
Registration fees	\$ 2,300	\$ -
EXPENSES		
Facility rental	1,197	-
Insurance	521	-
	1,718	-
EXCESS OF REVENUE OVER EXPENSES	\$ 582	\$ -