

Portage Regional Economic  
Development Inc.  
Financial Information  
For the Year Ended December 31, 2021

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## Compilation Engagement Report

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On the basis of information provided by management, we have compiled the statement of financial position of Portage Regional Economic Development Inc. as at December 31, 2021 and the statements of operations and changes in net assets for the year then ended, and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information (the financial information).

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, Compilation Engagements, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

Chartered Professional Accountants

Brandon, Manitoba  
March 25, 2022

Portage Regional Economic Development Inc.  
Statement of Financial Position

December 31	2021	2020
<b>Assets</b>		
Current		
Cash	\$ 53,902	\$ 155,904
Restricted funds	200,000	170,000
Accounts receivable	8,129	1,318
	262,031	327,222
Capital Assets (Note 3)	3,077	1,014
	\$ 265,108	\$ 328,236
<b>Liabilities and Net Assets</b>		
Current		
Accounts payable and accrued liabilities (Note 4)	\$ 4,002	\$ 3,501
Net Assets		
Invested in Capital Assets	3,077	1,014
Internally Restricted (Note 6)	200,000	170,000
Unrestricted	58,029	153,721
	261,106	324,735
	\$ 265,108	\$ 328,236

The accompanying notes are an integral part of this financial information.

Portage Regional Economic Development Inc.  
Statement of Changes in Net Assets

For the year ended December 31	Invested in Capital Assets	Internally Restricted	Unrestricted	2021 Total	2020 Total
Balance, beginning of the year	\$ 1,014	\$ 170,000	\$ 153,721	\$ 324,739	\$ 265,954
Excess (deficiency) of revenues over expenses	(1,238)	-	(62,391)	(63,629)	58,785
Interfund Transfers	3,301	30,000	(33,301)	-	-
Balance, end of the year	\$ 3,077	\$ 200,000	\$ 58,029	\$ 261,110	\$ 324,739

The accompanying notes are an integral part of this financial information.

**Portage Regional Economic Development Inc.  
Statement of Operations**

For the year ended December 31	Budget (Note 5)	2021	2020
<b>Revenue</b>			
City of Portage la Prairie	\$ 119,119	\$ 119,107	\$ 150,150
CanExport/FDI grant	11,390	5,000	-
Rural Municipality of Portage	51,051	51,051	50,050
Tourism grant	-	15,000	27,744
Prior year surplus utilization (Note 5)	153,721	-	-
	335,281	190,158	227,944
<b>Expenses</b>			
Amortization	400	1,238	333
Computer hardware and software	3,000	567	345
Grant expense - FDI	22,780	12,360	-
Insurance	20	18	18
Interest and bank charges	200	50	11
Labour force with PCI	5,000	21	2,675
Lease	15,000	15,000	15,000
Marketing and advertising	15,000	4,214	3,049
Meetings and hosting	5,000	1,218	1,543
Miscellaneous	878	156	-
Office furniture and equipment	-	-	444
Professional fees	7,500	5,206	7,369
Repairs and Maintenance	-	6,842	-
Salaries and benefits	172,500	165,146	109,595
Subscriptions	1,950	1,121	1,282
Supplies and postage	1,000	466	650
Telephone	2,800	2,089	1,379
Tourism	25,182	18,614	24,625
Tourism grant expense	20,000	17,236	-
Training and travel	8,000	2,225	841
Transfer to Economic Strategy Reserve (Note 5)	30,000	-	-
	336,210	253,787	169,159
<b>Excess (deficiency) of revenues over expenses</b>	<b>\$ (929)</b>	<b>\$ (63,629)</b>	<b>\$ 58,785</b>

The accompanying notes are an integral part of this financial information.

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# Portage Regional Economic Development Inc.

## Notes to Financial Information

December 31, 2021

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### 1. Basis of Accounting

The basis of accounting applied in the preparation of the financial information is on the historical cost basis, reflecting cash transactions with the addition of:

- accounts receivable
  - property, plant and equipment amortized over their useful life
  - accounts payable and accrued liabilities
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### 2. Incorporation and Nature of the Entity

Portage Regional Economic Development Inc. ("the Entity") was incorporated without share capital under the laws of Manitoba. The Entity is principally involved in promoting, encouraging and assisting the economic development in Portage la Prairie and the surrounding area.

The Entity's general operations are currently funded 70% (2020 - 75%) by grants from the City of Portage la Prairie and 30% (2020 - 25%) by grants from the Rural Municipality of Portage la Prairie. The Entity may from time to time apply for additional grant funding from other sources to fund specific program expenditures.

The Entity is a registered not-for-profit organization under Section 149(1) of the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

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### 3. Tangible Capital Assets

	2021		2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer and office equipment	\$ 5,152	\$ 2,531	\$ 1,851	\$ 1,407
Signs	1,393	937	1,393	823
	6,545	3,468	3,244	2,230
		\$ 3,077		\$ 1,014

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### 4. Economic Dependence

The continuation of the Entity's operations are dependent upon funding received from the City of Portage la Prairie and the Rural Municipality of Portage la Prairie.

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Portage Regional Economic Development Inc.  
Notes to Financial Information

December 31, 2021

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5. Budget Presentation

For budget purposes the Entity has a common practice of utilizing prior year surplus funds to offset current year deficits when required. The deficit for the 2021 fiscal year is funded by surpluses realized in the 2018 - 2020 fiscal years, as shown in the budgeted column on the Statement of Operations. These prior year surpluses are reflected in net assets on the Statement of Financial Position and have not been included as income on the Statement of Operations for the 2021 fiscal year.

Additionally, for budget purposes the Entity has a common practice of reflecting transfers to reserve funds as budgeted expenses in the year of transfer. For actual operations of the 2021 fiscal year this amount has been reflected on the Statement of Changes in Net Assets as an interfund transfer.

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6. Reserve Funds Breakdown

A portion of revenue from Portage Regional Economic Development's operations is transferred into Reserve Funds with the approval of the Board of Directors. The reserve funds include the following:

	2021	2020
Capital Reserve	\$ 140,000	\$ 170,000
Economic Development Reserve	60,000	-
	<u>\$ 200,000</u>	<u>\$ 170,000</u>

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