

Portage Regional Economic  
Development Inc.  
Financial Information  
For the Year Ended December 31, 2022

Portage Regional Economic Development Inc.  
Financial Information  
For the Year Ended December 31, 2022

---

Contents

Compilation Engagement Report	1
Financial Information	
Statement of Financial Position	2
Statement of Changes in Net Assets	3
Statement of Operations	4
Notes to Financial Information	5



Tel: 204 727 0671  
Fax: 1 833 888 1678  
Toll Free: 800 775 3328  
www.bdo.ca

BDO Canada LLP  
148 - 10<sup>th</sup> Street  
Brandon MB R7A 4E6 Canada

---

## Compilation Engagement Report

---

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, 2022 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.

*BDO Canada LLP*

Chartered Professional Accountants

Brandon, Manitoba  
April 26, 2023

Portage Regional Economic Development Inc.  
Statement of Financial Position

December 31	2022	2021
<b>Assets</b>		
Current		
Cash	\$ 15,134	\$ 53,902
Restricted funds	200,000	200,000
Accounts receivable	19,098	8,128
	234,232	262,030
Capital Assets (Note 3)	2,200	3,078
	\$ 236,432	\$ 265,108
<b>Liabilities and Net Assets</b>		
Current		
Accounts payable and accrued liabilities (Note 4)	\$ 4,155	\$ 4,001
Net Assets		
Invested in Capital Assets	2,200	3,078
Internally Restricted (Note 6)	200,000	200,000
Unrestricted	30,077	58,029
	232,277	261,107
	\$ 236,432	\$ 265,108

The accompanying notes are an integral part of the 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	2022 Total	2021 Total
Balance, beginning of the year	\$ 3,078	\$ 200,000	\$ 58,029	\$ 261,107	\$ 324,734
Excess (deficiency) of revenues over expenses	(878)	-	(27,952)	(28,830)	(63,627)
Balance, end of the year	\$ 2,200	\$ 200,000	\$ 30,077	\$ 232,277	\$ 261,107

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

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

For the year ended December 31	Budget (Note 5)	2022	2021
<b>Revenue</b>			
CanExport/FDI grant	\$ 15,000	\$ 17,500	\$ 5,000
City of Portage la Prairie	162,414	162,214	119,107
Transfer from reserve	15,000	-	-
Prior year surplus utilization (Note 5)	31,000	-	-
Rural Municipality of Portage	69,606	69,606	51,051
Tourism grant	22,698	4,000	15,000
	<u>315,718</u>	<u>253,320</u>	<u>190,158</u>
<b>Expenses</b>			
Amortization	500	878	1,238
Computer hardware and software	3,000	1,291	567
Grant expense - FDI	27,500	28,500	12,360
Insurance	20	19	18
Interest and bank charges	200	63	50
Labour force with PCI	1,500	-	21
Lease	15,000	15,000	15,000
Marketing and advertising	12,500	10,572	4,214
Meetings and hosting	5,000	4,315	1,218
Miscellaneous	500	167	156
Professional fees	7,500	6,813	5,206
Repairs and maintenance	-	-	6,842
Salaries and benefits	181,000	181,224	165,144
Subscriptions	1,800	1,352	1,121
Supplies and postage	1,000	336	466
Telephone	1,500	2,795	2,089
Tourism	31,000	15,881	18,614
Tourism grant expense	17,698	5,863	17,236
Training and travel	8,500	7,081	2,225
	<u>315,718</u>	<u>282,150</u>	<u>253,785</u>
<b>Deficiency of revenues over expenses</b>	<b>\$ -</b>	<b>\$ (28,830)</b>	<b>\$ (63,627)</b>

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

---

## Portage Regional Economic Development Inc. Notes to Financial Information

December 31, 2022

---

### 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
- 

### 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% by grants from the City of Portage la Prairie and 30% 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.

---

### 3. Capital Assets

	2022		2021	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer and office equipment	\$ 5,152	\$ 3,317	\$ 5,152	\$ 2,530
Signs	1,393	1,028	1,393	937
	6,545	4,345	6,545	3,467
		\$ 2,200		\$ 3,078

---

### 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.

---

---

Portage Regional Economic Development Inc.  
Notes to Financial Information

December 31, 2022

---

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 2022 fiscal year is funded by surpluses realized in the 2018 - 2021 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 2022 fiscal year.

Additionally, for budget purposes the Entity has a common practice of reflecting transfers to reserve funds as budgeted revenue or expenses in the year of transfer. For actual operations of the 2022 fiscal year this amount has been reflected on the Statement of Changes in Net Assets as an interfund transfer.

---

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:

	2022	2021
Capital Reserve	\$ 140,000	\$ 140,000
Economic Development Reserve	60,000	60,000
	<u>\$ 200,000</u>	<u>\$ 200,000</u>

---