

Portage Regional Economic
Development Inc.
Financial Information
For the Year Ended December 31, 2023

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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



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Compilation Engagement Report

To the Directors of Portage Regional Economic Development Inc.

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, 2023 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
April 24, 2024

Portage Regional Economic Development Inc.
Statement of Financial Position

December 31	2023	2022
Assets		
Current		
Cash	\$ 34,323	\$ 15,134
Restricted funds	200,000	200,000
Prepaid expenses	39,095	-
Accounts receivable	77,065	19,097
	<u>350,483</u>	<u>234,231</u>
Capital Assets (Note 3)	<u>1,576</u>	<u>2,200</u>
	<u>\$ 352,059</u>	<u>\$ 236,431</u>
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 87,822	\$ 4,154
Net Assets		
Invested in Capital Assets	1,576	2,200
Internally Restricted (Note 6)	200,000	200,000
Unrestricted	62,661	30,077
	<u>264,237</u>	<u>232,277</u>
	<u>\$ 352,059</u>	<u>\$ 236,431</u>

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	2023 Total	2022 Total
Balance, beginning of the year	\$ 2,200	\$ 200,000	\$ 30,077	\$ 232,277	\$ 261,107
Excess (deficiency) of revenues over expenses	(624)	-	32,584	31,960	(28,830)
Balance, end of the year	\$ 1,576	\$ 200,000	\$ 62,661	\$ 264,237	\$ 232,277

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)	2023	2022
Revenue			
CanExport/FDI grant	\$ 56,250	\$ 54,555	\$ 17,500
City of Portage la Prairie	188,885	188,886	162,214
GST rebate	2,036	-	-
Merchandise sales	-	1,720	-
Prior year surplus utilization (Note 5)	12,900	-	-
Provincial grant	75,000	56,250	-
Rural Municipality of Portage	80,950	80,951	69,606
Tourism grant	15,838	39,000	4,000
	<u>431,859</u>	<u>421,362</u>	<u>253,320</u>
Expenses			
Amortization	500	624	878
Computer hardware and software	2,331	1,208	1,291
Grant expense - FDI	150,000	73,751	28,500
Insurance	20	20	19
Interest and bank charges	200	-	63
Lease	15,000	15,000	15,000
Marketing and advertising	12,500	6,791	10,572
Meetings and hosting	5,000	5,998	4,315
Miscellaneous	500	246	167
Professional fees	7,500	5,999	6,813
Salaries and benefits	181,293	185,447	181,222
Subscriptions	1,800	1,461	1,352
Supplies and postage	1,000	398	336
Telephone	1,380	2,276	2,795
Tourism	26,000	50,749	15,881
Tourism grant expense	15,835	29,971	5,863
Training and travel	11,000	9,463	7,081
	<u>431,859</u>	<u>389,402</u>	<u>282,148</u>
Excess (deficiency) of revenues over expenses	\$ -	\$ 31,960	\$ (28,828)

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

Portage Regional Economic Development Inc.

Notes to Financial Information

December 31, 2023

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
 - deferred revenue
-

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

	2023		2022	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer and office equipment	\$ 5,152	\$ 3,868	\$ 5,152	\$ 3,317
Signs	1,393	1,101	1,393	1,028
	6,545	4,969	6,545	4,345
		\$ 1,576		\$ 2,200

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, 2023

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 budgeted deficit for the 2023 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 2023 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 2023 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:

	<u>2023</u>	<u>2022</u>
Capital Reserve	\$ 140,000	\$ 140,000
Economic Development Reserve	60,000	60,000
	<u>\$ 200,000</u>	<u>\$ 200,000</u>
