

WESTLOCK COMMUNITY FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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FOR THE YEAR ENDED DECEMBER 31, 2022

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**WESTLOCK COMMUNITY FOUNDATION
DECEMBER 31, 2022**

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the Westlock Community Foundation have been prepared by management, which is responsible for the reliability, integrity and objectivity of the information provided. The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. When necessary, the statements include amounts that are based on informed judgments and estimates by management, giving appropriate consideration to reasonable limits of materiality.

In discharging the responsibility for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, management maintains the necessary system of internal controls designed to provide assurance that transactions are authorized, assets are safeguarded and proper records are maintained. These controls include written policies and procedure manuals, and accountability for performance within appropriate and well-defined areas of responsibility. The Foundation's management recognizes its responsibility for conducting the Foundation's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate to charitable foundations.

The auditors annually provide an independent, objective audit for the purpose of expressing an opinion on the financial statements in accordance with Canadian generally accepted auditing standards.

Westlock Community Foundation

Katie Robertson, Executive Director

Westlock, Alberta

June 28, 2023

Edward Cheung, CPA, CA*
Scott T. Mockford, CPA, CA*
Allen Lee, CPA, CMA*
Jason Bondarevich, CPA, CA*
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INDEPENDENT AUDITOR'S REPORT

To the Directors of
Westlock Community Foundation:

Opinion

We have audited the financial statements of Westlock Community Foundation (the "Foundation"), which comprise the statement of financial position as at December 31, 2022, and the statements of change in fund balances, operations, 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 Westlock Community Foundation as at December 31, 2022, 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 Foundation 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.

Responsibilities of Management and Those Charged with Governance 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, 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 these financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

INDEPENDENT AUDITOR'S REPORT CONTINUED

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.

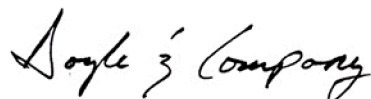
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

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 Foundation'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 Foundation'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 Foundation 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.

June 28, 2023
11210 - 107 Avenue NW
Edmonton, Alberta T5H 0Y1



Chartered Professional Accountants

WESTLOCK COMMUNITY FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

	2022 \$
ASSETS	
CURRENT ASSETS	
Cash	3,052,315
Investments (Note 4)	1,000,000
	4,052,315
LIABILITIES	
LIABILITIES	-
FUND BALANCES	
UNRESTRICTED	4,052,315

Approved by the Board:

_____ Director

_____ Director

WESTLOCK COMMUNITY FOUNDATION
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022
	\$
FUND BALANCES - Beginning of year	-
Excess of revenue over expenses for the year	4,052,315
FUND BALANCES - End of year	4,052,315

The accompanying notes form part of these financial statements.

WESTLOCK COMMUNITY FOUNDATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022
	\$
REVENUE	
Donations	4,030,952
Interest income	23,469
	4,054,421
EXPENSES	
Professional services	1,843
Supplies	263
	2,106
EXCESS OF REVENUE OVER EXPENSES	4,052,315

The accompanying notes form part of these financial statements.

WESTLOCK COMMUNITY FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022
	\$
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from donations	4,054,421
Cash paid to suppliers	(2,106)
	4,052,315
CASH FLOWS FROM INVESTING ACTIVITIES	-
INCREASE IN CASH DURING THE YEAR	4,052,315
CASH - Beginning of year	-
CASH - End of year	4,052,315

The accompanying notes form part of these financial statements.

WESTLOCK COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

NATURE OF FOUNDATION

The Westlock Community Foundation ("the Foundation") is a not-for-profit organization incorporated in December 2021 under The Canada Not-for-profit Corporation Act. The Foundation is a registered charity and is classified as a public foundation for purposes of the Income Tax Act.

The Foundation fulfills its mission by influencing the future direction of the region where it will invest in the community's health and wellness, arts and culture, education, environmental sustainability, leisure and recreation and ongoing economic prosperity.

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations. The significant accounting policies are described below:

a) Cash and cash equivalents

Cash and cash equivalents include bank balances, bank deposits, and other highly liquid interest-bearing instruments with a Canadian financial institution.

b) Fund Accounting

The Foundation follows the restricted fund method of accounting. Under this method, operations require separate disclosure of fund balances attributable to internal or external restrictions. The purpose of the operating fund is to fund budgeted administrative costs. The operating fund can be both unrestricted and internally restricted. Unrestricted net assets can be used at the discretion of the Foundation's management, under the direction of the Board of Directors. During the year, the Foundation used only the operating fund.

c) Revenue Recognition

The Foundation follows the restricted fund method of accounting for contributions. Restricted contributions are recognized as revenue in the related fund when amounts can be reasonably estimated and collection is ensured. Restricted contributions and other revenues contributed to or raised for the operating fund are deferred and recognized in the year in which the related expenses are incurred. Unrestricted contributions, and donations are recognized in the corresponding fund as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income comprises interest from cash, short-term investments and investments, distributions from investment trusts, realized gains and losses on the sales of investments, and the unrealized appreciation and depreciation in the fair value of the securities. Realized gains or losses are recognized in the period the securities are sold. Dividends and interest from the securities are recognized as revenue when received.

WESTLOCK COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

d) Financial Instruments

(i) Measurement of financial instruments

The Foundation initially measures all of its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The Foundation subsequently measures all of its financial assets and liabilities at amortized cost, except in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and long term investments.

(ii) Impairment

Financial assets measured at cost or amortized cost are tested for impairment, at the end of each year, to determine whether there are indicators that the asset may be impaired. The amount of the write-down, if any, is recognized in operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account. The reversal may be recorded provided it is no greater than the amount that had been previously reported as a reduction in the asset and it does not exceed the original cost. The amount of the reversal is recognized in operations.

2. 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 amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the revenue or expenses in the period in which they become known. Actual results could differ from those estimates.

3. Financial Instruments and Concentration of Risk

Market risk

Market risk is the potential for financial loss to the Foundation from changes in the values of its financial instruments due to changes in interest rates, currency exchange rates or equity prices. The investments of the Foundation are subject to normal market fluctuations and to the risk inherent in investment in capital markets.

Currency risk

Currency risk is the risk that the value of the financial instruments denominated in currencies other than the functional currency of the Foundation will fluctuate due to changes in foreign exchange rates. The Foundation is exposed to currency risk on its foreign market fixed income financial instruments as the prices denominated in foreign currencies are converted to the Foundation's functional currency in determining fair value. The financial instrument manager reduces currency risk by maintaining a geographically diversified portfolio.

WESTLOCK COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022

3. **Financial Instruments and Concentration of Risk - Continued**

Interest rate risk

Interest rate risk is the risk that changes in interest rates will affect future cash flows or fair values of financial instruments held by the Foundation. Interest rate risk arises when the Foundation invests in interest-bearing financial instruments, and therefore the Foundation is exposed to interest rate risk on its fixed income portfolio.

Liquidity Risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting its obligations associated with financial liabilities. The Foundation manages its liquidity risk by monitoring its operating requirements and cash forecasts to ensure it has sufficient funds to fulfil its financial obligations.

4. **Investments**

Funds contributed to the Foundation for its charitable purposes are managed externally in accordance with the investment policies of the Foundation. Substantially all Foundation investments are in Canadian instruments and are low to moderate risk investments.

Investments consist of a fixed income GIC maturing 2023, interest rate of 4.90%