

**TRANSALTA TRI LEISURE CENTRE  
INCORPORATED AS TRI-MUNICIPAL LEISURE  
FACILITY CORPORATION**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2016**



# HAWKINGS EPP DUMONT<sup>LLP</sup>

CHARTERED ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

To the Directors of the TransAlta Tri Leisure Centre

We have audited the accompanying financial statements of the TransAlta Tri Leisure Centre, which comprise the statement of financial position as at December 31, 2016, and the statements of operations and accumulated surplus, changes in net financial 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 public sector accounting standards, 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the TransAlta Tri Leisure Centre as at December 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Edmonton, Alberta  
March 9, 2017

Hawkings Epp Dumont LLP  
Chartered Accountants

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**MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL REPORTING**

To the Directors of the TransAlta Tri Leisure Centre

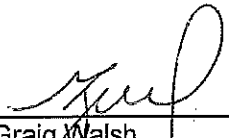
The integrity, relevance and comparability of the data in the accompanying financial statements are the responsibility of the Centre's administration.

The financial statements are prepared by the Centre's administration, in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. They necessarily include some amounts that are based on the best estimates and judgements of management.

To assist in its responsibility, the Centre's administration maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized, that assets are properly accounted for and safeguarded, and that financial records are reliable for preparation of financial statements.

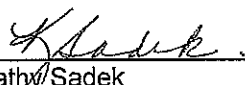
Hawkings Epp Dumont LLP, Chartered Accountants, appointed by the Board of Directors, conducted an audit of these financial statements in accordance with Canadian generally accepted auditing standards.

Spruce Grove, Alberta  
March 9, 2017



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Graig Walsh  
General Manager



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Kathy Sadek  
Manager of Finance, Customer and Corporate Services



**TRANSALTA TRI LEISURE CENTRE**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2016**

	<u>2016</u>	<u>2015</u>
<b>FINANCIAL ASSETS</b>		
Cash	\$ 906,410	\$ 699,294
Accounts receivable (Note 2)	139,795	169,436
Investments (Note 3)	<u>1,000,000</u>	<u>1,400,000</u>
	<u>2,046,205</u>	<u>2,268,730</u>
 <b>FINANCIAL LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 5)	650,411	910,267
Deferred revenue (Note 6)	478,355	549,233
Lease deposits	<u>15,824</u>	<u>15,824</u>
	<u>1,144,590</u>	<u>1,475,324</u>
 <b>NET FINANCIAL ASSETS</b>	 <u>901,615</u>	 <u>793,406</u>
 <b>NON-FINANCIAL ASSETS</b>		
Inventory for consumption	26,929	34,455
Prepaid expenses and deposits	74,865	34,520
Tangible capital assets (Schedule I)	<u>1,484,724</u>	<u>1,513,497</u>
	<u>1,586,518</u>	<u>1,582,472</u>
 <b>ACCUMULATED SURPLUS (Schedule II)</b>	 <u>\$ 2,488,133</u>	 <u>\$ 2,375,878</u>

**ON BEHALF OF THE BOARD:**

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

The accompanying notes are an integral part of these financial statements.

TRANSALTA TRI LEISURE CENTRE

SCHEDULE III

SCHEDULE OF OPERATING EXPENSES BY OBJECT

	<u>2016</u> (Budget) (Note 11)	<u>2016</u> (Actual)	<u>2015</u> (Actual)
Salaries, wages and benefits	\$ 5,049,898	\$ 4,510,958	\$ 4,605,138
Utilities	803,000	918,277	784,248
Repairs and maintenance	677,102	854,108	691,822
Materials, goods and services	324,008	599,313	413,491
Contracted services	458,718	591,627	321,509
Administrative services	362,625	339,028	472,512
Amortization	-	324,649	260,349
Loss on disposal of tangible capital assets	-	270,283	-
Marketing and publications	165,700	187,739	152,863
Other	<u>52,840</u>	<u>61,127</u>	<u>46,957</u>
	<u>\$ 7,893,891</u>	<u>\$ 8,657,109</u>	<u>\$ 7,748,889</u>

**TRANSALTA TRI LEISURE CENTRE**  
**CONSOLIDATED SCHEDULE OF SEGMENTED DISCLOSURE**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**SCHEDULE IV**

	Administration	Maintenance	Aquatics	Fields, Arena, and Events	Wellness	Children's Programs	Unallocated	Total
<b>REVENUE</b>								
Pass fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,949,400	\$ 2,949,400
Partnership contributions - operating	-	-	-	-	-	-	2,124,516	2,124,516
Program fees	-	-	636,819	-	226,261	298,206	-	1,161,286
Rental	-	-	-	1,173,986	-	-	-	1,173,986
Corporate sponsors and donations	309,164	-	-	-	-	-	-	309,164
Lease	295,195	-	-	-	-	-	-	295,195
Other	209,300	-	-	-	-	-	-	209,300
	<u>813,659</u>	<u>-</u>	<u>636,819</u>	<u>1,173,986</u>	<u>226,261</u>	<u>298,206</u>	<u>5,073,916</u>	<u>8,222,847</u>
<b>EXPENSES</b>								
Salaries, wages and benefits	1,597,180	656,798	1,291,154	266,750	440,788	258,288	-	4,510,958
Utilities	-	918,277	-	-	-	-	-	918,277
Repairs and maintenance	-	576,659	74,446	192,098	10,905	-	-	854,108
Materials, goods and supplies	103,426	138,707	50,140	242,200	33,920	30,920	-	599,313
Contracted services	187,925	316,952	-	7,260	79,490	-	-	591,627
Administrative services	339,028	-	-	-	-	-	-	339,028
Amortization	39,722	57,911	23,819	116,219	86,978	-	-	324,649
Loss on disposal of tangible capital assets	270,283	-	-	-	-	-	-	270,283
Marketing and publications	187,739	-	-	-	-	-	-	187,739
Other	38,811	2,359	8,749	1,521	8,342	1,345	-	61,127
	<u>2,764,114</u>	<u>2,667,663</u>	<u>1,448,308</u>	<u>826,048</u>	<u>660,423</u>	<u>290,553</u>	<u>-</u>	<u>8,657,109</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES \$(1,950,455)</b>	<u><b>\$ (1,950,455)</b></u>	<u><b>\$ (2,667,663)</b></u>	<u><b>\$ (811,489)</b></u>	<u><b>\$ 347,938</b></u>	<u><b>\$ (434,162)</b></u>	<u><b>\$ 7,653</b></u>	<u><b>\$ 5,073,916</b></u>	<u><b>\$ (434,262)</b></u>

The accompanying notes are an integral part of these financial statements.

TRANSALTA TRI LEISURE CENTRE  
**CONSOLIDATED SCHEDULE OF SEGMENTED DISCLOSURE**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**SCHEDULE V**

	Administration	Maintenance	Aquatics	Fields, Arena, and Events	Wellness	Children's Programs	Unallocated	Total
<b>REVENUE</b>								
Pass fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,918,831	\$ 2,918,831
Partnership contributions - operating	-	-	-	-	-	-	1,872,781	1,872,781
Program fees	-	-	621,035	-	246,317	279,486	-	1,146,838
Rental	-	-	-	976,807	-	-	-	976,807
Corporate sponsors and donations	321,109	-	-	-	-	-	-	321,109
Lease revenue	286,912	-	-	-	-	-	-	286,912
Other	238,651	-	-	-	-	-	-	238,651
	<u>846,672</u>	<u>-</u>	<u>621,035</u>	<u>976,807</u>	<u>246,317</u>	<u>279,486</u>	<u>4,791,612</u>	<u>7,761,929</u>
<b>EXPENSES</b>								
Salaries, wages and benefits	1,385,674	1,032,426	1,258,565	282,901	406,857	238,715	-	4,605,138
Utilities	-	784,248	-	-	-	-	-	784,248
Repairs and maintenance	-	476,479	67,382	136,201	11,760	-	-	691,822
Administrative services	472,512	-	-	-	-	-	-	472,512
Materials, goods and supplies	102,302	192,415	39,529	11,151	41,745	26,349	-	413,491
Contracted services	125,790	107,957	-	4,366	83,396	-	-	321,509
Amortization	38,663	55,103	5,527	85,698	75,358	-	-	260,349
Marketing and publications	152,863	-	-	-	-	-	-	152,863
Other	23,163	3,302	5,283	115	12,679	2,415	-	46,957
	<u>2,300,967</u>	<u>2,651,930</u>	<u>1,376,286</u>	<u>520,432</u>	<u>631,795</u>	<u>267,479</u>	<u>-</u>	<u>7,748,889</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES \$(1,454,295)</b>		<b>\$(2,651,930)</b>	<b>\$ (755,251)</b>	<b>\$ 456,375</b>	<b>\$ (385,478)</b>	<b>\$ 12,007</b>	<b>\$ 4,791,612</b>	<b>\$ 13,040</b>

The accompanying notes are an integral part of these financial statements.

**TRANSALTA TRI LEISURE CENTRE**  
**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2016**

**PURPOSE OF ORGANIZATION**

The TransAlta Tri Leisure Centre (the "Centre") is a recreational leisure facility owned by the Town of Stony Plain, Parkland County and the City of Spruce Grove (the "co-venturers"). The Centre was incorporated on December 19, 2001 under the *Companies Act* (Alberta) as a not-for-profit Part IX corporation to operate and manage the facility and is exempt from taxes.

**1. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are the representations of management prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations, excluding PS 4200 - PS 4270 series of the standards, established by the Public Sector Accounting Board. Significant aspects of these accounting policies are as follows:

(a) Basis of Accounting

Revenues are accounted for in the period in which transactions or events occurred that gave rise to the revenues. Expenses are accounted for in the period the goods or services are acquired or a liability is incurred.

Funds from external parties restricted by agreement of legislation are accounted for as deferred revenue until used for the purpose specified.

Program pre-registration revenue for programs scheduled in the subsequent year are deferred until that program has commenced.

Partnership contributions and grants are recognized as revenue in the period in which the events giving rise to the transfer occurred, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

(b) Cash

Cash consists of cash on hand and bank balances.

(c) Investments

Investments consist of guaranteed investment certificates that are recorded at amortized cost.

(d) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

Land improvements	30 years
Engineered structures	10 to 30 years
Machinery and equipment	5 to 25 years

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and are also recorded as revenue.

Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

The Centre does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

Works of art for display are not recorded as tangible capital assets but are disclosed.



**TRANSALTA TRI LEISURE CENTRE**  
**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

(e) Inventory Consumption

Inventories for consumption are valued at the lower of cost and net realizable value with cost determined by the first in, first out method.

(f) Accumulated Surplus

Accumulated surpluses are established at the discretion of the Board to set aside funds for future operating and capital expenditures. Transfers to and/or from reserves are reflected as an adjustment to the respective fund.

Restricted surplus consists of funds restricted by the Board that have been restricted for the purpose of tangible capital asset acquisitions and major unexpected maintenance projects.

Equity in tangible capital assets consists of the net investment in total capital assets after deducting the portion financed by third parties.

(g) Pension Expenses

Contributions for current and past service pension benefits are recorded as expenses in the year in which they become due.

(h) Measurement Uncertainty

The preparation of the consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Where measurement uncertainty exists, the consolidated financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

**2. ACCOUNTS RECEIVABLE**

	<u><b>2016</b></u>	<u><b>2015</b></u>
Trade	\$ 119,730	\$ 166,973
Goods and Services Tax rebate	16,900	714
Interest	<u>3,165</u>	<u>1,749</u>
	<u><b>\$ 139,795</b></u>	<u><b>\$ 169,436</b></u>

**3. INVESTMENTS**

	<u><b>2016</b></u>	<u><b>2015</b></u>
Guaranteed investment certificates	<u><b>\$ 1,000,000</b></u>	<u><b>\$ 1,400,000</b></u>

Guaranteed investment certificates bearing interest at 1.05% (2015 - 0.8%) and maturing on March 13, 2017.

**TRANSALTA TRI LEISURE CENTRE**  
**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2016**

**4. CREDIT FACILITY**

The Centre has an unsecured demand revolving operating credit facility to a maximum of \$150,000 bearing interest at prime plus 1.00% per annum. The credit facility was not drawn upon as of December 31, 2016.

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>2016</u>	<u>2015</u>
Trade and other	\$ 417,307	\$ 679,928
Salaries and vacation	<u>233,104</u>	<u>230,339</u>
	<u>\$ 650,411</u>	<u>\$ 910,267</u>

**6. DEFERRED REVENUE**

Deferred revenue consists of the following amounts, which have been collected for services that will be provided in the future. These amounts are recognized as revenue when the services have been provided.

	<u>2015</u>	<u>Additions</u>	<u>Revenue Recognized</u>	<u>2016</u>
Pass and program fee pre-registration	\$ 381,098	\$ 3,981,121	\$(4,084,018)	\$ 278,201
Corporate sponsorships	138,854	321,024	(309,164)	150,714
Gift certificates	29,281	29,218	(26,668)	31,831
Concerts	-	136,948	(119,339)	17,609
Community Facility Enhancement program	<u>-</u>	<u>50,000</u>	<u>(50,000)</u>	<u>-</u>
	<u>\$ 549,233</u>	<u>\$ 4,518,311</u>	<u>\$ (4,589,189)</u>	<u>\$ 478,355</u>

**7. PARTNERSHIP CONTRIBUTIONS**

Contributions received from partner municipalities (local governments) are as follows:

	2016		2015	
	Operating	Capital	Operating	Capital
City of Spruce Grove	\$ 964,955	\$ 225,518	\$ 850,617	\$ 113,868
Parkland County	604,637	141,309	532,993	71,349
Town of Stony Plain	<u>554,924</u>	<u>129,690</u>	<u>489,171</u>	<u>65,483</u>
	<u>\$ 2,124,516</u>	<u>\$ 496,517</u>	<u>\$ 1,872,781</u>	<u>\$ 250,700</u>

**TRANSALTA TRI LEISURE CENTRE**  
**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2016**

**8. LOCAL AUTHORITIES PENSION PLAN**

Employees of the Centre participate in the Local Authorities Pension Plan (LAPP), which is covered by the *Public Sector Pension Plans Act*. LAPP is financed by employer and employee contributions and investment earnings of the LAPP Fund.

The Centre is required to make current service contributions to LAPP of 11.39% of pensionable earnings up to the Canada Pension Plan year's maximum pensionable earnings and 15.84% for the excess. Employees of the Centre are required to make current service contributions of 10.39% of pensionable earnings up to the year's maximum pensionable earnings and 14.84% on pensionable earnings above this amount.

Total current and past service contributions made by the Centre to LAPP in 2016 were \$227,479 (2015 - \$217,755). Total current and past service contributions made by the employees of the Centre to the LAPP in 2016 were \$209,023 (2015 - \$199,927).

At December 31, 2015, LAPP disclosed an actuarial deficit of \$923,416 million (2014 - \$2.455 billion).

**9. FINANCIAL INSTRUMENTS**

The Centre's financial instruments consist of cash, investments, accounts receivable, and accounts payable and accrued liabilities. It is management's opinion that the Centre is not exposed to significant interest, currency, or credit risk arising from these financial instruments.

The Centre is subject to credit risk with respect to accounts receivables. Credit risk arises from the possibility that the Centre's customers or sponsors may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of customers minimizes the Centre's credit risk.

Unless otherwise noted, the fair values of these financial instruments approximate their carrying values.

**TRANSALTA TRI LEISURE CENTRE**  
**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2016**

**10. SEGMENTED INFORMATION**

The Centre provides a wide range of services to its patrons. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and activities they encompass are as follows:

(a) Administration

The Administration department relates to the revenues and expenses that relate to the operations of the Centre itself and cannot be directly attributed to a specific segment. Revenue in this area consists of contributions from the partners, rental of meeting rooms, lease of space in the Centre, corporate sponsorship from the advertisements within the building, locker rentals, proshop sales, and other miscellaneous sources of income.

(b) Maintenance

The operations and maintenance department is responsible for the overall upkeep of the facility and to provide the utilities for the Centre. Expenses in this segment cannot be attributed to any of the other segments.

(c) Aquatics

The aquatics department includes activities in the pool such as swimming programs. The department must also provide staff in order to meet safety requirements and to run the programs.

(d) Fields, Arena and Events

The fields, arena and events department is responsible for the rentals of the indoor soccer fields, arenas, and all other events. They are also responsible for maintaining these areas for patron use.

(e) Wellness

The wellness department is responsible for running drop in and registered fitness programs. They are also responsible for staffing and maintaining the fitness equipment and weight rooms.

(f) Children's Programs

The children's programs department is responsible for child minding, birthday parties, camps for children hosted at the Centre, and other programs geared specifically to children.

For each reported segment, revenues and expenses represent amounts that are directly attributable to the segment, except for pass revenue. Pass fees and partnership contributions cannot be reasonably allocated because they are generated by a wide range of activities. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1. For additional information see Schedule of Segmented Disclosure (Schedule IV and V).

**TRANSALTA TRI LEISURE CENTRE**  
**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2016**

**11. RECONCILIATION OF OPERATING RESULTS TO BUDGETING SYSTEM**

The Centre compiles a budget on a modified accrual basis. The budget expensed all tangible capital asset purchases rather than including amortization expense. The reconciliation below adjusts excess of revenue over expenses to align with the Centre's budgeting process. It should not be used as a replacement for the statement of operations and accumulated surplus. Users should note that this information may not be appropriate for their purposes.

	<u>2016</u> Budget	<u>2016</u> Actual	<u>2015</u> Actual
Excess of Revenue over Expenses	\$ 496,517	\$ 112,255	\$ 263,740
Add:			
Amortization of tangible capital assets	-	324,649	260,350
Deduct:			
Acquisition of tangible capital assets	<u>(496,517)</u>	<u>(566,159)</u>	<u>(542,088)</u>
Results of Operations	<u>\$ -</u>	<u>\$ (129,255)</u>	<u>\$ (17,998)</u>

**12. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were approved by the Board.

**TRANSALTA TRI LEISURE CENTRE**  
**STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>2016</u> (Budget) (Note 11)	<u>2016</u> (Actual)	<u>2015</u> (Actual)
<b>REVENUE</b>			
Pass fees	\$ 2,985,000	\$ 2,949,400	\$ 2,918,831
Partnership contributions - operating (Note 7)	2,124,516	2,124,516	1,872,781
Program fees	1,018,098	1,161,286	1,146,838
Rental	952,040	1,173,986	976,807
Corporate sponsors and donations	300,650	309,164	321,109
Lease	296,587	295,195	286,912
Miscellaneous	135,150	143,764	181,297
Interest	28,000	25,008	26,917
Advertising	39,000	20,481	19,245
Commissions	14,850	20,047	11,192
	<u>7,893,891</u>	<u>8,222,847</u>	<u>7,761,929</u>
<b>EXPENSES</b>			
Administration	2,484,900	2,764,115	2,300,967
Maintenance	2,660,010	2,667,665	2,651,929
Aquatics	1,384,165	1,448,309	1,376,286
Fields, arena and events	588,154	826,048	520,431
Wellness	535,792	660,423	631,796
Children's programs	240,870	290,549	267,480
	<u>7,893,891</u>	<u>8,657,109</u>	<u>7,748,889</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE OTHER REVENUE</b>	<u>-</u>	<u>(434,262)</u>	<u>13,040</u>
<b>OTHER REVENUE</b>			
Partnership contributions - capital (Note 7)	496,517	496,517	250,700
Government transfers - capital (Note 6)	-	50,000	-
	<u>496,517</u>	<u>546,517</u>	<u>250,700</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	496,517	112,255	263,740
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<u>2,375,878</u>	<u>2,375,878</u>	<u>2,112,138</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u>\$ 2,872,395</u>	<u>\$ 2,488,133</u>	<u>\$ 2,375,878</u>

The accompanying notes are an integral part of these financial statements.

**TRANSALTA TRI LEISURE CENTRE**  
**STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>2016</u> (Budget) (Note 11)	<u>2016</u> (Actual)	<u>2015</u> (Actual)
<b>EXCESS OF REVENUE OVER EXPENSES</b>	\$ 496,517	\$ 112,255	\$ 263,740
Acquisition of tangible capital assets	(496,517)	(566,159)	(542,088)
Amortization of tangible capital assets	-	324,649	260,349
Loss on disposal of tangible capital assets	-	<u>270,283</u>	-
	-	<u>141,028</u>	<u>(17,999)</u>
Use of inventory for consumption	-	7,526	(24,211)
Use of prepaid expenses	-	<u>(40,345)</u>	<u>13,100</u>
	-	<u>(32,819)</u>	<u>(11,111)</u>
<b>INCREASE IN NET ASSETS</b>	-	108,209	(29,110)
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<u>793,406</u>	<u>793,406</u>	<u>822,516</u>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<u>\$ 793,406</u>	<u>\$ 901,615</u>	<u>\$ 793,406</u>

The accompanying notes are an integral part of these financial statements.

**TRANSALTA TRI LEISURE CENTRE**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>2016</u>	<u>2015</u>
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 112,255	\$ 263,740
Non-cash items included in excess of revenue over expenses:		
Amortization of tangible capital assets	324,649	260,349
Loss on disposal of tangible capital assets	<u>270,283</u>	<u>-</u>
	<u>707,187</u>	<u>524,089</u>
Change in non-cash working capital balances related to operations:		
Accounts receivable	29,641	(19,340)
Inventory for consumption	7,526	(24,212)
Prepaid expenses and deposits	(40,345)	13,101
Accounts payable and accrued liabilities	(259,856)	387,052
Deferred revenue	<u>(70,878)</u>	<u>40,999</u>
	<u>(333,912)</u>	<u>397,600</u>
	<u>373,275</u>	<u>921,689</u>
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	<u>(566,159)</u>	<u>(542,088)</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	(1,000,000)	(1,400,000)
Maturity of investments	<u>1,400,000</u>	<u>1,000,000</u>
	<u>400,000</u>	<u>(400,000)</u>
<b>CHANGE IN CASH FOR THE YEAR</b>	<b>207,116</b>	<b>(20,399)</b>
<b>CASH, BEGINNING OF YEAR</b>	<u>699,294</u>	<u>719,693</u>
<b>CASH, END OF YEAR</b>	<u>\$ 906,410</u>	<u>\$ 699,294</u>



**TRANSALTA TRI LEISURE CENTRE**  
**SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

SCHEDULE I

	<u>Land Improvements</u>	<u>Engineered Structures</u>	<u>Machinery and Equipment</u>	<u>2016</u>	<u>2015</u>
<b>COST:</b>					
Balance, Beginning of Year	\$ 250,000	\$ 794,298	\$ 2,065,121	\$ 3,109,419	\$ 2,611,577
Additions	-	81,101	485,058	566,159	542,088
Disposals	-	(270,283)	(2,200)	(272,483)	(44,246)
Balance, End of Year	<u>250,000</u>	<u>605,116</u>	<u>2,547,979</u>	<u>3,403,095</u>	<u>3,109,419</u>
<b>ACCUMULATED AMORTIZATION:</b>					
Balance, Beginning of Year	74,999	275,897	1,245,026	1,595,922	1,379,819
Annual amortization	8,333	44,737	271,579	324,649	260,349
Disposals	-	-	(2,200)	(2,200)	(44,246)
Balance, End of Year	<u>83,332</u>	<u>320,634</u>	<u>1,514,405</u>	<u>1,918,371</u>	<u>1,595,922</u>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<u>\$ 166,668</u>	<u>\$ 284,482</u>	<u>\$ 1,033,574</u>	<u>\$ 1,484,724</u>	<u>\$ 1,513,497</u>

The accompanying notes are an integral part of these financial statements.

**TRANSALTA TRI LEISURE CENTRE**  
**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**SCHEDULE II**

	Equity in Tangible Capital Assets	Restricted	Unrestricted	Total
<b>BALANCE, BEGINNING OF YEAR</b>	<b>\$ 1,513,497</b>	<b>\$ 678,740</b>	<b>\$ 183,641</b>	<b>\$ 2,375,878</b>
Tangible capital asset purchases	566,159	-	(566,159)	-
Amortization of tangible capital assets	(324,649)	-	324,649	-
Loss on disposal of tangible capital assets	(270,283)	-	270,283	-
Interfund transfer	-	43,628	(43,628)	-
Excess of revenue over expenses	-	-	112,255	112,255
<b>BALANCE, END OF YEAR</b>	<b><u>\$ 1,484,724</u></b>	<b><u>\$ 722,368</u></b>	<b><u>\$ 281,041</u></b>	<b><u>\$ 2,488,133</u></b>

**FOR THE YEAR ENDED DECEMBER 31, 2015**

	Equity in Tangible Capital Assets	Restricted	Unrestricted	Total
<b>BALANCE, BEGINNING OF YEAR</b>	<b>\$ 1,231,758</b>	<b>\$ 678,740</b>	<b>\$ 201,640</b>	<b>\$ 2,112,138</b>
Tangible capital asset purchases	542,088	-	(542,088)	-
Amortization of tangible capital assets	(260,349)	-	260,349	-
Excess of revenue over expenses	-	-	263,740	263,740
<b>BALANCE, END OF YEAR</b>	<b><u>\$ 1,513,497</u></b>	<b><u>\$ 678,740</u></b>	<b><u>\$ 183,641</u></b>	<b><u>\$ 2,375,878</u></b>

The accompanying notes are an integral part of these financial statements.