

**TransAlta Tri Leisure Centre Incorporated
as Tri Municipal Leisure Facility Corporation
Financial Statements**

December 31, 2019

Management's Responsibility

To the Board of Directors of the TransAlta Tri Leisure Centre:

The accompanying financial statements of the TransAlta Tri Leisure Centre (the "Centre") are the responsibility of management and have been approved by the Board.

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed entirely of individuals who are neither management nor employees of the Centre. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Board fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for the appointment of the Centre's external auditors.

MNP LLP is appointed by the Board to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

March 24, 2020



General Manager

Finance Supervisor

Independent Auditor's Report

To the Board of Directors of the TransAlta Tri Leisure Centre:

Opinion

We have audited the financial statements of the TransAlta Tri Leisure Centre (the "Centre"), which comprise the statement of financial position at December 31, 2019, the statements of operations, change in net financial assets, cash flows, and schedules I through IV 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 the TransAlta Tri Leisure Centre as at December 31, 2019, the results of its operations, change in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 Centre in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our 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.

Other Matter

The financial statements as at and for the year ended December 31, 2018 were audited by other auditors, who expressed an unqualified opinion on those statements in their report dated March 14, 2019.

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 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.

In preparing the financial statements, management is responsible for assessing the Centre's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Centre or to cease operations, or has no realistic alternative but to do so.

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

Independent Auditor's Report

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 judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk 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 Centre'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 Centre'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 Centre 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.

March 24, 2020
Leduc, Alberta

MNP LLP


Chartered Professional Accountants

TransAlta Tri Leisure Centre
Statement of Financial Position
As at December 31, 2019

	2019	2018
Financial assets		
Cash (Note 4)	200,294	1,399,796
Accounts receivable (Note 5)	294,961	143,701
Investments (Note 6)	2,300,000	1,000,000
	2,795,255	2,543,497
Liabilities		
Accounts payable and accrued liabilities (Note 8)	430,704	397,858
Lease deposits	10,824	10,824
Deferred revenue (Note 9)	956,860	1,115,274
	1,398,388	1,523,956
Net financial assets	1,396,867	1,019,541
Non-financial assets		
Tangible capital assets (Schedule II)	2,331,387	2,485,450
Inventory for consumption	33,067	28,581
Prepaid expenses and deposits	79,214	78,032
	2,443,668	2,592,063
Accumulated surplus (Schedule I)	3,840,535	3,611,804

Contingencies (Note 15)

Approved on behalf of the Board:


 _____ Director
 Lonnie Stewardson, Chair
 _____ Director

The accompanying notes are an integral part of these financial statements

TransAlta Tri Leisure Centre
Statement of Financial Position
As at December 31, 2019

	2019	2018
Financial assets		
Cash (Note 4)	200,294	1,399,796
Accounts receivable (Note 5)	294,961	143,701
Investments (Note 6)	2,300,000	1,000,000
	2,795,255	2,543,497
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Deferred revenue (Note 9)	956,860	1,115,274
	1,398,388	1,523,956
Net financial assets	1,396,867	1,019,541
Non-financial assets		
Tangible capital assets (Schedule II)	2,331,387	2,485,450
Inventory for consumption	33,067	28,581
Prepaid expenses and deposits	78,214	78,032
	2,443,668	2,592,063
Accumulated surplus (Schedule I)	3,840,535	3,611,604
Contingencies (Note 15)		

Approved on behalf of the Board:

 Director

DANIEL W. BEATON Director, Co-Chair
DW Beaton

The accompanying notes are an integral part of these financial statements

TransAlta Tri Leisure Centre
Statement of Operations
For the year ended December 31, 2019

	2019 Budget (Note 14)	2019	2018
Revenue			
Pass fees	2,933,047	2,975,690	3,013,778
Partnership contributions - operating (Note 10)	2,019,948	2,186,274	1,725,095
Program fees	1,173,453	1,254,724	1,205,229
Rental	1,229,512	1,128,139	1,185,404
Lease	331,118	335,690	324,692
Corporate sponsors and donations	316,100	324,530	312,338
Management services	120,000	120,000	120,000
Miscellaneous	111,000	122,501	170,989
Interest	30,000	60,520	50,941
Advertising	30,400	31,295	34,874
Commissions	26,400	22,721	25,221
	8,320,978	8,562,084	8,168,561
Expenses			
Maintenance	2,782,754	2,866,359	2,581,270
Administration	2,200,089	2,170,393	2,262,001
Aquatics	1,601,838	1,709,600	1,567,211
Fields, arena and events	530,212	614,376	689,173
Wellness	571,663	605,044	623,981
Children's programs	380,122	352,592	330,653
Stony Plain pool	254,300	270,824	258,227
	8,320,978	8,589,188	8,312,516
Deficiency of revenue before other	-	(27,104)	(143,955)
Other revenue			
Partnership contributions - capital (Note 10)	277,517	256,035	126,423
Government transfers - capital	-	-	50,000
Contributed tangible capital assets (Note 10)	-	-	906,555
	277,517	256,035	1,082,978
Excess of revenue over expenses	277,517	228,931	939,023
Accumulated surplus, beginning of year	3,611,604	3,611,604	2,672,581
Accumulated surplus, end of year	3,889,121	3,840,535	3,611,604

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, 2019

	2019 Budget (Note 14)	2019	2018
Excess of revenue over expenses	277,517	228,931	939,023
Acquisition of tangible capital assets	(277,517)	(256,035)	(176,423)
Contributed tangible capital assets	-	-	(906,555)
Amortization of tangible capital assets	-	410,098	375,439
Acquisition of prepaid assets	-	(1,182)	(9,195)
Acquisition of inventory for consumption	-	(4,486)	(7,529)
Change in net financial assets	-	377,326	214,760
Net financial assets, beginning of year	1,019,541	1,019,541	804,781
Net financial assets, end of year	1,019,541	1,396,867	1,019,541

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, 2019

	2019	2018
Cash provided by (used for) the following activities:		
Operating		
Excess of revenue over expenses	228,931	939,023
Non-cash items:		
Amortization of tangible capital assets	410,098	375,439
Contributed tangible capital assets	-	(906,555)
Net change in non-cash operating working capital balances:		
Accounts receivable	(151,260)	(84,973)
Inventory for consumption	(4,486)	(7,529)
Prepaid expenses and deposits	(1,182)	(9,195)
Accounts payable and accrued liabilities	32,846	(89,920)
Deferred revenue	(158,414)	515,536
	356,533	731,826
Capital		
Acquisition of tangible capital assets <i>(Schedule II)</i>	(256,035)	(176,423)
Investing		
Purchase of investments	(9,400,000)	(1,000,000)
Maturity of investments	8,100,000	1,200,000
	(1,300,000)	200,000
Increase (decrease) in cash and equivalents	(1,199,502)	755,403
Cash and equivalents, beginning of year	1,399,796	644,393
Cash and equivalents, end of year	200,294	1,399,796

The accompanying notes are an integral part of these financial statements

TransAlta Tri Leisure Centre
Schedule I - Schedule of Changes in Accumulated Surplus
For the year ended December 31, 2019

	Unrestricted Surplus	Restricted Surplus	Equity in Tangible Capital Assets	2019	2018
Balance, beginning of year	320,478	805,676	2,485,450	3,611,604	2,672,581
Excess of revenue over expenses	228,931	-	-	228,931	939,023
Transfers between funds	(101,966)	101,966	-	-	-
Purchases of tangible capital assets	(256,035)	-	256,035	-	-
Amortization	410,098	-	(410,098)	-	-
Change in accumulated surplus	281,028	101,966	(154,063)	228,931	939,023
Balance, end of year	601,506	907,642	2,331,387	3,840,535	3,611,604

The accompanying notes are an integral part of these financial statements

TransAlta Tri
Schedule II - Schedule of Tangible
For the year ended

	Construction in Progress	Land Improvements	Engineered Structures	Machinery & Equipment	2018
Cost:					
Balance, beginning of year	909,735	435,799	858,458	2,638,289	4,842,281
Acquisition of tangible capital assets	-	-	-	256,035	256,035
Disposals of tangible capital assets	-	-	-	-	-
Contributed tangible capital assets	-	-	-	-	-
Construction in progress	(909,735)	-	909,735	-	-
Balance, end of year	-	435,799	1,768,193	2,894,324	5,098,316
Accumulated amortization:					
Balance, beginning of year	-	118,578	452,267	1,785,986	2,356,831
Annual amortization	-	17,623	95,366	297,109	410,068
Accumulated amortization on disposals	-	-	-	-	-
Balance, end of year	-	136,201	547,633	2,083,095	2,766,929
Net book value	-	299,598	1,220,560	811,229	2,331,387
2018 net book value	909,735	317,221	406,191	852,303	2,485,450

The accompanying notes are an integral part of these financial statements

TransAlta Tri Leisure Centre
Schedule III - Schedule of Expenses by Object
For the year ended December 31, 2019

	2019 Budget (Note 14)	2019	2018
Expenses by object			
Salaries, wages and benefits	4,366,331	4,298,434	4,199,396
Repairs and maintenance	863,700	999,734	606,702
Contracted services	1,149,500	985,661	991,329
Utilities	893,000	957,118	1,030,408
Amortization of tangible capital assets	-	410,098	375,439
Materials, goods and services	528,667	386,792	544,679
Administrative services	329,550	334,835	323,959
Marketing and publications	128,500	134,389	148,236
Other	61,730	82,127	92,368
	8,320,978	8,589,188	8,312,516

The accompanying notes are an integral part of these financial statements

TransAlta Tri Leisure Centre
Schedule IV - Schedule of Segmented Disclosure
For the year ended December 31, 2019

	Administration	Maintenance	Aquatics	Fields, Arena, and Events	Wellness	Children's Programs	Stony Plain Pool	Unallocated	2019 Total
Revenue									
Pass fees	-	-	-	-	-	-	30,797	2,944,893	2,975,690
Partnership contributions - operating	-	-	-	-	-	-	-	2,186,274	2,186,274
Program fees	-	-	674,775	-	126,092	347,020	106,837	-	1,254,724
Rental	-	-	-	1,102,342	-	-	25,797	-	1,128,139
Lease	335,690	-	-	-	-	-	-	-	335,690
Corporate sponsors and donations	324,530	-	-	-	-	-	-	-	324,530
Management services	-	-	-	-	-	-	120,000	-	120,000
Other	237,037	-	-	-	-	-	-	-	237,037
	897,257	-	674,775	1,102,342	126,092	347,020	283,431	5,131,167	8,562,084
Expenses									
Salaries, wages, and benefits	1,216,212	334,061	1,495,531	263,955	458,362	280,058	250,255	-	4,298,434
Utilities	-	957,118	-	-	-	-	-	-	957,118
Contracted services	260,858	633,428	-	6,418	37,538	47,419	-	-	985,661
Repairs and maintenance	-	796,839	108,032	86,420	8,430	13	-	-	999,734
Materials, goods and services	113,789	121,030	60,917	27,260	19,844	23,753	20,199	-	386,792
Amortization	54,117	22,207	28,138	229,698	75,938	-	-	-	410,098
Administrative services	334,465	-	-	-	-	-	370	-	334,835
Marketing and publications	134,389	-	-	-	-	-	-	-	134,389
Other	56,563	1,676	16,982	625	4,932	1,349	-	-	82,127
	2,170,393	2,866,359	1,709,600	614,376	605,044	352,592	270,824	-	8,589,188
Excess (deficiency) of revenue over expenses	(1,273,136)	(2,866,359)	(1,034,825)	487,966	(478,952)	(5,572)	12,607	5,131,167	(27,104)

The accompanying notes are an integral part of these financial statements

TransAlta Tri Leisure Centre
Schedule IV - Schedule of Segmented Disclosure
For the year ended December 31, 2019

	Administration	Maintenance	Aquatics	Fields, Arena, and Events	Wellness	Children's Programs	Stony Plain Pool	Unallocated	2018 Total
Revenue									
Pass fees	-	-	-	-	-	-	30,609	2,983,169	3,013,778
Partnership contributions - operating	-	-	-	-	-	-	-	1,725,095	1,725,095
Program fees	-	-	635,887	-	160,864	317,699	90,779	-	1,205,229
Rental	-	-	-	1,157,301	-	-	28,103	-	1,185,404
Lease	324,692	-	-	-	-	-	-	-	324,692
Corporate sponsors and donations	312,338	-	-	-	-	-	-	-	312,338
Management services	-	-	-	-	-	-	120,000	-	120,000
Other	277,470	-	-	-	-	-	4,555	-	282,025
	914,500	-	635,887	1,157,301	160,864	317,699	274,046	4,708,264	8,168,561
Expenses									
Salaries, wages, and benefits	1,251,111	324,064	1,397,693	267,446	460,945	277,232	220,905	-	4,199,396
Utilities	-	1,030,408	-	-	-	-	-	-	1,030,408
Contracted services	309,694	580,460	-	10,457	48,107	42,611	-	-	991,329
Repairs and maintenance	-	408,957	73,775	113,444	10,526	-	-	-	606,702
Materials, goods and services	117,357	150,382	52,043	163,753	15,576	8,246	37,322	-	544,679
Amortization	46,948	86,105	24,380	133,150	84,856	-	-	-	375,439
Administrative services	323,959	-	-	-	-	-	-	-	323,959
Marketing and publications	148,236	-	-	-	-	-	-	-	148,236
Other	64,696	894	19,320	923	3,971	2,564	-	-	92,368
	2,262,001	2,581,270	1,567,211	689,173	623,981	330,653	258,227	-	8,312,516
Excess (deficiency) of revenue over expenses	(1,347,501)	(2,581,270)	(931,324)	468,128	(463,117)	(12,954)	15,819	4,708,264	(143,955)

The accompanying notes are an integral part of these financial statements

TransAlta Tri Leisure Centre Notes to the Financial Statements

For the year ended December 31, 2019

1. 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 "Municipalities"). The Centre was incorporated on December 19, 2001 under the Alberta *Companies Act* as a not-for-profit Part IX corporation to operate and manage the facility. The Centre is exempt from income taxes.

2. Significant accounting policies

These financial statements are the representations of management prepared in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Centre are as follows:

Basis of accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Revenue recognition

Revenue is accounted for in the period in which transactions or events occurred that gave rise to the revenue. Funds from external parties restricted by agreement or 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.

Cash

Cash includes cash on hand, balances with banks and short-term investments with maturities of three months or less.

Investments

Investments consist of guaranteed investment certificates, recorded at amortized cost.

Segments

The Centre conducts its business through a number of reportable segments. These operating segments are established by senior management to facilitate the achievement of the Centre's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

Pension expenses

The Centre participates in a multi-employer defined benefit pension plan. The plan is accounted for as a defined contribution plan.

TransAlta Tri Leisure Centre
Notes to the Financial Statements

For the year ended December 31, 2019

2. Significant accounting policies (continued)

Non-financial assets

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations.

i. 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 using the straight-line method over the estimated useful life as follows:

Land improvements	20-30 years
Engineered structures	10-30 years
Machinery and equipment	3-25 years

Assets under construction are not amortized until the asset is available for productive use.

ii. Contributions of tangible capital assets

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

iii. Inventory for consumption

Inventories held for consumption are recorded at the lower of cost and replacement cost.

iv. Cultural and historical tangible capital assets

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

v. Prepaid expenses and deposits

Prepaid expenses include pre-payments on goods and services which will be utilized in the following fiscal year.

Management uncertainty (use of estimates)

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

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of tangible capital assets.

TransAlta Tri Leisure Centre
Notes to the Financial Statements

For the year ended December 31, 2019

2. Significant accounting policies (continued)

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 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 less the portion financed by third parties.

Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Centre is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2019.

At each financial reporting date, the Centre reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The Centre continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

At December 31, 2019 there is no liability for contaminated sites.

3. Change in accounting policy

Effective January 1, 2019, the Centre adopted the recommendations relating to PS 3430, *Restructuring Transactions*, as set out in the Canadian public sector accounting standards. Pursuant to the recommendations, the change was applied retrospectively, and prior periods have not been restated. There was no effect on the Centre's financial statements of adopting this change in accounting policy.

4. Cash

	2019	2018
Petty cash and floats	6,900	6,926
Cash	193,394	1,392,870
	200,294	1,399,796

TransAlta Tri Leisure Centre
Notes to the Financial Statements

For the year ended December 31, 2019

5. Accounts receivable

	2019	2018
Trade	284,113	136,542
Goods and Services Tax	4,057	-
Accrued interest	6,791	7,159
	294,961	143,701

6. Investments

Guaranteed investment certificates bear interest at 1.88% and 1.91% (2018 - 1.95%) and mature in February 2020.

7. Bank indebtedness

The Centre has an unsecured revolving demand operating credit facility with TD Canada Trust to a maximum of \$150,000 (2018 - \$150,000), bearing interest at prime plus 1.0%. As at December 31, 2019, the prime rate was 3.95% (2018 - 3.95%).

As of December 31, 2019 the Centre had drawn \$0 (2018 - \$0) on the line of credit.

8. Accounts payable and accrued liabilities

	2019	2018
Salaries and vacation	228,095	228,989
Trade and other	202,609	159,453
Goods and Services Tax	-	9,416
	430,704	397,858

9. Deferred revenue

	2018	Additions	Revenue Recognized	2019
Partnership contributions	524,629	597,517	(742,359)	379,787
Pass and program fee pre-registration	416,758	4,187,827	(4,230,414)	374,171
Corporate sponsorships	123,463	333,765	(324,530)	132,698
Gift certificates	50,424	36,981	(27,701)	59,704
Other	-	10,500	-	10,500
	1,115,274	5,166,590	(5,325,004)	956,860

TransAlta Tri Leisure Centre
Notes to the Financial Statements

For the year ended December 31, 2019

10. Partnership contributions and related party transactions

These financial statements include transactions with related parties, as the Centre is related to the City of Spruce Grove, Parkland County, and the Town of Stony Plain, as well as key management personnel of the Centre and their close family members. Transactions with these entities and individuals are considered in the normal course of operations and are recorded at the exchange amount, which approximates fair value. During the prior year, the City of Spruce Grove contributed an outdoor rink at fair value of \$906,555; no such contributions occurred in 2019. At year-end, no amounts were due to or from the Centre related to related party transactions.

Contributions received from partner municipalities are as follows:

	2019		2018	
	Operating	Capital	Operating	Capital
City of Spruce Grove	1,083,081	126,839	854,612	62,630
Parkland County	556,625	65,187	439,209	32,187
Town of Stony Plain	546,569	64,009	431,274	31,606
	2,186,275	256,035	1,725,095	126,423

11. Local Authorities Pension Plan

Employees of the Centre participate in the Local Authorities Pension Plan ("LAPP"), which is one of the plans covered by the Alberta *Public Sector Pension Plans Act*. The LAPP serves about 265,813 members and 421 employers. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund.

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

The Centre is required to make current service contributions to the LAPP of 9.39% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 13.84% on pensionable earnings above this amount. Employees of the Centre are required to make current service contributions of 8.39% of pensionable salary up to the year's maximum pensionable salary and 12.84% on pensionable salary above this amount.

Total current service contributions by the Centre to the LAPP in 2019 were \$151,751 (2018 - \$167,019). Total current service contributions by the employees of the Centre to the Local Authorities Pension Plan in 2019 were \$143,934 (2018 - \$152,112).

At December 31, 2018, the date of the most recent actuarial valuation, the LAPP disclosed an actuarial surplus of \$3,469,347,000 (2017 - \$4,835,515,000).

TransAlta Tri Leisure Centre
Notes to the Financial Statements

For the year ended December 31, 2019

12. 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, other price risk, or liquidity risk arising from these financial instruments.

The Centre is subject to credit risk with respect to accounts receivable. 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.

13. Segments

The Centre provides a range of services to its patrons. For each reported segment, the revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 2.

Refer to Schedule IV - Schedule of Segmented Disclosure.

14. Budget information

The disclosed budget information has been approved by the Board. The Centre does not budget for amortization. Included in the actual expenses on the statement of operations is amortization of \$410,098 (2018 - \$375,439).

15. Contingencies

The Centre is a member of the Genesis Reciprocal Insurance Exchange ("GENESIS"). Under the terms of the membership, the Centre could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

16. Comparative figures

Certain of the comparative figures have been reclassified to conform with the current year's presentation.