

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

**December 31, 2020**

## **Management's Responsibility**

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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 11, 2021



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General Manager



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Finance Supervisor



To the Board of Directors of TransAlta Tri Leisure Centre:

## Opinion

We have audited the financial statements of TransAlta Tri Leisure Centre (the "Centre"), which comprise the statement of financial position as at December 31, 2020, and the statements of operations, change in net financial assets, cash flows and the related 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 Centre as at December 31, 2020, and 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 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 the 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 related 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.

## 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 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.

Leduc, Alberta

March 11, 2021


Chartered Professional Accountants

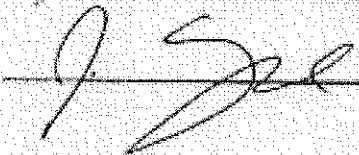
**TransAlta Tri Leisure Centre**  
**Statement of Financial Position**  
*As at December 31, 2020*

	2020	2019
<b>Financial assets</b>		
Cash (Note 3)	1,885,687	200,294
Accounts receivable (Note 4)	139,705	294,901
Investments	-	2,300,000
	<b>1,825,392</b>	<b>2,795,255</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 6)	223,684	430,704
Lease deposits	10,824	10,824
Deferred revenue (Note 7)	722,687	956,860
	<b>957,195</b>	<b>1,398,388</b>
<b>Net financial assets</b>	<b>868,197</b>	<b>1,396,867</b>
<b>Non-financial assets</b>		
Tangible capital assets (Schedule II)	2,077,029	2,331,387
Inventory for consumption	57,313	33,067
Prepaid expenses and deposits	70,603	79,214
	<b>2,214,945</b>	<b>2,443,668</b>
<b>Accumulated surplus (Schedule I)</b>	<b>3,083,142</b>	<b>3,840,535</b>

Contingencies (Note 14)

Approved on behalf of the Board:

 Director

 Director

**TransAlta Tri Leisure Centre**  
**Statement of Operations**

*For the year ended December 31, 2020*

	<b>2020 Budget (Note 13)</b>	<b>2020</b>	<b>2019</b>
<b>Revenue</b>			
Partnership contributions - operating (Note 8)	1,980,758	<b>2,214,617</b>	1,930,239
Pass fees	2,983,047	<b>1,256,388</b>	3,231,725
Rental	1,184,312	<b>627,213</b>	1,128,139
Program fees	1,202,416	<b>504,104</b>	1,254,724
Corporate sponsors and donations	335,100	<b>285,437</b>	324,530
Miscellaneous	115,000	<b>161,986</b>	122,501
Lease	319,258	<b>111,061</b>	335,690
Interest	30,000	<b>35,242</b>	60,520
Advertising	36,600	<b>22,909</b>	31,295
Management services	125,000	<b>7,129</b>	120,000
Commissions	23,900	<b>6,989</b>	22,721
	<b>8,335,391</b>	<b>5,233,075</b>	<b>8,562,084</b>
<b>Expenses</b>			
Maintenance	2,664,087	<b>2,181,552</b>	2,866,359
Administration	2,334,079	<b>1,731,617</b>	2,170,393
Aquatics	1,646,645	<b>1,046,533</b>	1,709,600
Fields, arena and events	501,384	<b>570,693</b>	614,376
Wellness	559,980	<b>488,638</b>	605,044
Children's programs	368,423	<b>195,515</b>	352,592
Stony Plain pool	260,793	<b>8,624</b>	270,824
	<b>8,335,391</b>	<b>6,223,172</b>	<b>8,589,188</b>
<b>Deficiency of revenue before other revenue</b>	-	<b>(990,097)</b>	(27,104)
<b>Other revenue</b>			
Partnership contributions - capital (Note 8)	320,077	<b>142,665</b>	256,035
Government assistance (Note 9)	-	<b>90,039</b>	-
	<b>320,077</b>	<b>232,704</b>	<b>256,035</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>320,077</b>	<b>(757,393)</b>	<b>228,931</b>
<b>Accumulated surplus, beginning of year</b>	<b>3,840,535</b>	<b>3,840,535</b>	<b>3,611,604</b>
<b>Accumulated surplus, end of year</b>	<b>4,160,612</b>	<b>3,083,142</b>	<b>3,840,535</b>

*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, 2020*

	<i>2020 Budget (Note 13)</i>	<i>2020</i>	<i>2019</i>
<b>Excess (deficiency) of revenue over expenses</b>	320,077	<b>(757,393)</b>	228,931
Acquisition of tangible capital assets	(320,077)	<b>(142,665)</b>	(256,035)
Amortization of tangible capital assets	-	<b>397,023</b>	410,098
Acquisition of prepaid assets	-	<b>8,611</b>	(1,182)
Acquisition of inventory for consumption	-	<b>(34,246)</b>	(4,486)
<b>Change in net financial assets</b>	-	<b>(528,670)</b>	377,326
<b>Net financial assets, beginning of year</b>	1,396,867	<b>1,396,867</b>	1,019,541
<b>Net financial assets, end of year</b>	1,396,867	<b>868,197</b>	1,396,867

*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, 2020*

	<b>2020</b>	<b>2019</b>
<b>Cash provided by (used for) the following activities:</b>		
<b>Operating</b>		
Excess (deficiency) of revenue over expenses	<b>(757,393)</b>	228,931
Non-cash items:		
Amortization of tangible capital assets	<b>397,023</b>	410,098
Net change in non-cash operating working capital balances:		
Accounts receivable	<b>155,256</b>	(151,260)
Inventory for consumption	<b>(34,246)</b>	(4,486)
Prepaid expenses and deposits	<b>8,611</b>	(1,182)
Accounts payable and accrued liabilities	<b>(207,020)</b>	32,846
Deferred revenue	<b>(234,173)</b>	(158,414)
	<b>(671,942)</b>	356,533
<b>Capital</b>		
Acquisition of tangible capital assets <i>(Schedule II)</i>	<b>(142,665)</b>	(256,035)
<b>Investing</b>		
Purchase of investments	<b>(8,300,000)</b>	(9,400,000)
Maturity of investments	<b>10,600,000</b>	8,100,000
	<b>2,300,000</b>	(1,300,000)
<b>Increase (decrease) in cash and equivalents</b>	<b>1,485,393</b>	(1,199,502)
<b>Cash and equivalents, beginning of year</b>	<b>200,294</b>	1,399,796
<b>Cash and equivalents, end of year</b>	<b>1,685,687</b>	200,294

*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, 2020*

	<i>Unrestricted Surplus</i>	<i>Restricted Surplus</i>	<i>Equity in Tangible Capital Assets</i>	<i>2020</i>	<i>2019</i>
<b>Balance, beginning of year</b>	<b>601,506</b>	<b>907,642</b>	<b>2,331,387</b>	<b>3,840,535</b>	3,611,604
Excess (deficiency) of revenue over expenses	<b>(757,393)</b>	-	-	<b>(757,393)</b>	228,931
Purchases of tangible capital assets	<b>(142,665)</b>	-	<b>142,665</b>	-	-
Amortization	<b>397,023</b>	-	<b>(397,023)</b>	-	-
<b>Change in accumulated surplus</b>	<b>(503,035)</b>	-	<b>(254,358)</b>	<b>(757,393)</b>	228,931
<b>Balance, end of year</b>	<b>98,471</b>	<b>907,642</b>	<b>2,077,029</b>	<b>3,083,142</b>	3,840,535

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

**TransAlta Tri Leisure Centre**  
**Schedule II - Schedule of Tangible Capital Assets**  
*For the year ended December 31, 2020*

	<i>Construction in Progress</i>	<i>Land Improvements</i>	<i>Engineered Structures</i>	<i>Machinery &amp; Equipment</i>	<i>2020</i>	<i>2019</i>
<b>Cost:</b>						
Balance, beginning of year	-	435,799	1,768,193	2,894,324	5,098,316	4,842,281
Acquisition of tangible capital assets	-	-	-	142,665	142,665	256,035
Balance, end of year	-	435,799	1,768,193	3,036,989	5,240,981	5,098,316
<b>Accumulated amortization:</b>						
Balance, beginning of year	-	136,201	547,633	2,083,095	2,766,929	2,356,831
Annual amortization	-	17,625	91,150	288,248	397,023	410,098
Balance, end of year	-	153,826	638,783	2,371,343	3,163,952	2,766,929
<b>Net book value</b>	-	<b>281,973</b>	<b>1,129,410</b>	<b>665,646</b>	<b>2,077,029</b>	<b>2,331,387</b>
2019 net book value	-	299,598	1,220,560	811,229	2,331,387	

*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, 2020*

	<b>2020 Budget (Note 13)</b>	<b>2020</b>	<b>2019</b>
<b>Expenses by object</b>			
Salaries, wages and benefits	4,549,605	<b>3,163,361</b>	4,298,434
Utilities	902,000	<b>779,955</b>	957,118
Contracted services	1,115,576	<b>687,164</b>	985,661
Repairs and maintenance	748,500	<b>683,385</b>	999,734
Amortization of tangible capital assets	-	<b>397,023</b>	410,098
Administrative services	334,200	<b>244,917</b>	334,835
Materials, goods and services	431,730	<b>144,932</b>	386,792
Marketing and publications	130,000	<b>65,398</b>	134,389
Other	123,780	<b>57,037</b>	82,127
	<b>8,335,391</b>	<b>6,223,172</b>	<b>8,589,188</b>

*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, 2020*

	<i>Administration</i>	<i>Maintenance</i>	<i>Aquatics</i>	<i>Fields, Arena, and Events</i>	<i>Wellness</i>	<i>Children's Programs</i>	<i>Stony Plain Pool</i>	<i>Unallocated</i>	<i>2020 Total</i>
<b>Revenue</b>									
Partnership contributions	-	-	-	-	-	-	-	2,357,282	2,357,282
Pass fees	-	-	-	-	-	-	-	1,256,388	1,256,388
Rental	-	-	-	627,098	-	-	115	-	627,213
Program fees	-	-	292,875	-	53,199	158,030	-	-	504,104
Corporate sponsors and donations	285,437	-	-	-	-	-	-	-	285,437
Other	226,694	-	-	-	-	-	432	90,039	317,165
Lease	111,061	-	-	-	-	-	-	-	111,061
Management services	-	-	-	-	-	-	7,129	-	7,129
	<b>623,192</b>	<b>-</b>	<b>292,875</b>	<b>627,098</b>	<b>53,199</b>	<b>158,030</b>	<b>7,676</b>	<b>3,703,709</b>	<b>5,465,779</b>
<b>Expenses</b>									
Salaries, wages, and benefits	1,075,848	374,305	935,801	220,349	371,182	177,878	7,998	-	3,163,361
Utilities	-	779,955	-	-	-	-	-	-	779,955
Contracted services	204,845	446,142	-	8,291	14,836	13,050	-	-	687,164
Repairs and maintenance	-	496,039	55,774	122,858	8,714	-	-	-	683,385
Amortization of tangible capital assets	46,153	22,207	27,828	214,498	86,337	-	-	-	397,023
Administrative services	244,291	-	-	-	-	-	626	-	244,917
Materials, goods and services	56,643	58,710	15,404	4,506	5,780	3,889	-	-	144,932
Marketing and publications	65,398	-	-	-	-	-	-	-	65,398
Other	38,439	4,194	11,726	191	1,789	698	-	-	57,037
	<b>1,731,617</b>	<b>2,181,552</b>	<b>1,046,533</b>	<b>570,693</b>	<b>488,638</b>	<b>195,515</b>	<b>8,624</b>	<b>-</b>	<b>6,223,172</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>(1,108,425)</b>	<b>(2,181,552)</b>	<b>(753,658)</b>	<b>56,405</b>	<b>(435,439)</b>	<b>(37,485)</b>	<b>(948)</b>	<b>3,703,709</b>	<b>(757,393)</b>

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, 2020*

	<i>Administration</i>	<i>Maintenance</i>	<i>Aquatics</i>	<i>Fields, Arena, and Events</i>	<i>Wellness</i>	<i>Children's Programs</i>	<i>Stony Plain Pool</i>	<i>Unallocated</i>	<i>2019 Total</i>
<b>Revenue</b>									
Pass fees	-	-	-	-	-	-	30,797	3,200,928	3,231,725
Partnership contributions	-	-	-	-	-	-	-	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
Other	237,037	-	-	-	-	-	-	-	237,037
Management services	-	-	-	-	-	-	120,000	-	120,000
	<b>897,257</b>	<b>-</b>	<b>674,775</b>	<b>1,102,342</b>	<b>126,092</b>	<b>347,020</b>	<b>283,431</b>	<b>5,387,202</b>	<b>8,818,119</b>
<b>Expenses</b>									
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 of tangible capital assets	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
	<b>2,170,393</b>	<b>2,866,359</b>	<b>1,709,600</b>	<b>614,376</b>	<b>605,044</b>	<b>352,592</b>	<b>270,824</b>	<b>-</b>	<b>8,589,188</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>(1,273,136)</b>	<b>(2,866,359)</b>	<b>(1,034,825)</b>	<b>487,966</b>	<b>(478,952)</b>	<b>(5,572)</b>	<b>12,607</b>	<b>5,387,202</b>	<b>228,931</b>

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, 2020

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## 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.

## 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 & 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**

Inventory held for consumption is 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.

## 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, 2020.

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, 2020 there is no liability for contaminated sites.

### ***Government assistance***

The Centre recognizes government assistance when there is a reasonable assurance that it will comply with the conditions required to qualify for the assistance, and that the assistance will be received.

### ***Financial instruments***

A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The financial assets and liabilities portray these rights and obligations in the financial statements. The Centre recognizes a financial instrument when it becomes a party to a financial instrument contract.

Financial instruments consist of cash, investments, accounts receivable, accounts payable and accrued liabilities. Unless otherwise noted, 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.



**TransAlta Tri Leisure Centre**  
**Notes to the Financial Statements**

*For the year ended December 31, 2020*

**3. Cash**

	<i>2020</i>	<i>2019</i>
Petty cash and floats	<b>6,300</b>	6,900
Cash	<b>1,679,387</b>	193,394
	<b>1,685,687</b>	200,294

**4. Accounts receivable**

	<i>2020</i>	<i>2019</i>
Trade	<b>120,300</b>	284,113
Government assistance	<b>15,000</b>	-
Goods and Services Tax	<b>4,405</b>	4,057
Accrued interest	-	6,791
	<b>139,705</b>	294,961

**5. Bank indebtedness**

The Centre has an unsecured revolving demand operating credit facility with TD Canada Trust to a maximum of \$150,000 (2019 - \$150,000), bearing interest at prime plus 1.0%. As at December 31, 2020, the prime rate was 2.45% (2019 - 3.95%).

As of December 31, 2020 the Centre had drawn \$nil (2019 - \$nil) on the line of credit.

**6. Accounts payable and accrued liabilities**

	<i>2020</i>	<i>2019</i>
Salaries and vacation	<b>140,504</b>	228,095
Trade and other	<b>83,180</b>	202,609
	<b>223,684</b>	430,704

**7. Deferred revenue**

	<i>2019</i>	<i>Additions</i>	<i>Revenue Recognized</i>	<i>2020</i>
Partnership contributions	379,787	495,077	(541,026)	<b>333,838</b>
Pass and program fee pre-registration	374,171	2,043,280	(2,224,537)	<b>192,914</b>
Corporate sponsorships	132,698	234,000	(230,824)	<b>135,874</b>
Gift certificates	59,704	12,024	(11,667)	<b>60,061</b>
Other	10,500	-	(10,500)	-
	956,860	2,784,381	(3,018,554)	<b>722,687</b>

**TransAlta Tri Leisure Centre**  
**Notes to the Financial Statements**

*For the year ended December 31, 2020*

**8. 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. 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:

	<b>2020</b>		<b>2019</b>	
	<b>Operating</b>	<b>Capital</b>	<b>Operating</b>	<b>Capital</b>
City of Spruce Grove	1,101,538	70,676	1,083,080	126,839
Parkland County	562,050	36,323	556,625	65,187
Town of Stony Plain	551,029	35,666	546,569	64,009
	<b>2,214,617</b>	<b>142,665</b>	<b>2,186,274</b>	<b>256,035</b>

**9. Government assistance**

During the year, the Centre received \$5,000 and accrued a receivable for an additional \$15,000 related to the Province of Alberta's Small and Medium Enterprise Relaunch Grant. The grant offers financial assistance to organizations in Alberta that were ordered to close or curtail operations, and that experienced a revenue reduction as a result of the COVID-19 pandemic.

During the year, the Centre received \$45,039 related to the Canada Emergency Commercial Rent Assistance (CECRA) program. The program provided relief for small businesses who experienced financial hardship due to COVID-19 and was forgivable as of December 31, 2020 provided that the organization has been and remains in compliance with all program requirements. As at December 31, 2020, the Centre has met these requirements.

During the year, the Centre received \$25,000 related to the Temporary Wage Subsidy for Employers (TWSE). Under the TWSE program, organizations experiencing significant revenue reductions during the COVID-19 pandemic are eligible to receive a subsidy for a portion of employee wages or deductions paid during those periods.

**TransAlta Tri Leisure Centre**  
**Notes to the Financial Statements**

*For the year ended December 31, 2020*

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**10. 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 274,151 members and 420 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 2020 were \$185,115 (2019 - \$151,751). Total current service contributions by the employees of the Centre to the Local Authorities Pension Plan in 2020 were \$167,848 (2019 - \$143,934).

At December 31, 2019, the date of the most recent actuarial valuation, the LAPP disclosed an actuarial surplus of \$7,913,261,000 (2018 - \$3,469,347,000).

**11. 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.

**12. 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.

**13. 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 \$397,023 (2019 - \$410,098).

**TransAlta Tri Leisure Centre**  
**Notes to the Financial Statements**

*For the year ended December 31, 2020*

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**14. 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.

**15. Significant event**

On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 (coronavirus) a pandemic. This has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the centre as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the full extent of the impact is unknown, the Centre has experienced a significant decrease in operating revenues due to facility closures as a result of the COVID-19 pandemic.