

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

December 31, 2022

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 9, 2023



General Manager



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, 2022, 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, 2022, 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 9, 2023

MNP LLP

Chartered Professional Accountants

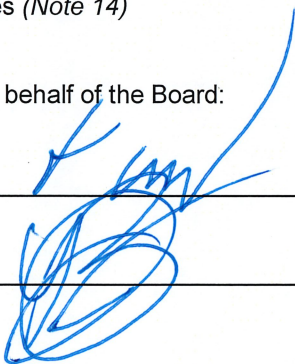
TransAlta Tri Leisure Centre
Statement of Financial Position

As at December 31, 2022

	2022	2021
Financial assets		
Cash (Note 3)	1,191,918	1,184,738
Accounts receivable (Note 4)	329,586	221,376
	1,521,504	1,406,114
Liabilities		
Accounts payable and accrued liabilities (Note 6)	392,683	359,368
Lease deposits	-	10,824
Deferred revenue (Note 7)	525,981	483,174
	918,664	853,366
Net financial assets	602,840	552,748
Non-financial assets		
Tangible capital assets (Schedule II)	1,582,011	1,799,605
Inventory for consumption	76,081	64,657
Prepaid expenses and deposits	88,615	81,896
	1,746,707	1,946,158
Accumulated surplus (Schedule I)	2,349,547	2,498,906

Contingencies (Note 14)

Approved on behalf of the Board:



 _____ Director

_____ Director

The accompanying notes are an integral part of these financial statements

TransAlta Tri Leisure Centre
Statement of Operations

For the year ended December 31, 2022

	2022 Budget (Note 13)	2022	2021
Revenue			
Pass fees	2,300,000	2,374,363	1,046,828
Partnership contributions - operating (Note 8)	1,995,537	2,360,412	2,322,436
Program fees	1,187,872	1,109,118	618,963
Rental	970,800	1,063,060	759,564
Corporate sponsors and donations	326,900	285,387	277,102
Lease	241,388	224,366	226,852
Miscellaneous	97,000	150,301	185,038
Management services	125,000	140,000	39,426
Advertising	24,500	47,647	11,523
Interest	35,000	32,446	6,187
Commissions	15,000	27,457	5,367
	7,318,997	7,814,557	5,499,286
Expenses			
Maintenance	2,338,360	2,619,022	2,080,014
Administration	2,066,240	1,919,141	1,681,114
Aquatics	1,548,355	1,662,587	1,044,540
Fields, arena and events	417,640	729,953	715,851
Wellness	490,078	472,012	370,971
Children's programs	326,222	348,988	247,956
Stony Plain pool	257,067	305,346	186,121
	7,443,962	8,057,049	6,326,567
Deficiency of revenue before other revenue	(124,965)	(242,492)	(827,281)
Other revenue			
Partnership contributions - capital (Note 8)	93,184	93,133	59,506
Government transfers - capital	-	-	166,651
Government assistance (Note 9)	-	-	16,888
	93,184	93,133	243,045
Deficiency of revenue over expenses	(31,781)	(149,359)	(584,236)
Accumulated surplus, beginning of year	2,498,906	2,498,906	3,083,142
Accumulated surplus, end of year	2,467,125	2,349,547	2,498,906

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, 2022

	2022 Budget (Note 13)	2022	2021
Deficiency of revenue over expenses	(31,781)	(149,359)	(584,236)
Acquisition of tangible capital assets	(93,184)	(93,133)	(59,506)
Amortization of tangible capital assets	-	310,727	336,930
Acquisition of prepaid assets	-	(6,719)	(11,293)
Use of (acquisition) of inventory for consumption	-	(11,424)	2,656
Change in net financial assets	(124,965)	50,092	(315,449)
Net financial assets, beginning of year	552,748	552,748	868,197
Net financial assets, end of year	427,783	602,840	552,748

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, 2022

	2022	2021
Cash provided by (used for) the following activities:		
Operating		
Deficiency of revenue over expenses	(149,359)	(584,236)
Non-cash items:		
Amortization of tangible capital assets	310,727	336,930
Release of lease deposits	(10,824)	-
Net change in non-cash operating working capital balances:		
Accounts receivable	(108,210)	(81,671)
Inventory for consumption	(11,424)	2,656
Prepaid expenses and deposits	(6,719)	(11,293)
Accounts payable and accrued liabilities	33,315	135,684
Deferred revenue	42,807	(239,513)
	100,313	(441,443)
Capital		
Acquisition of tangible capital assets <i>(Schedule II)</i>	(93,133)	(59,506)
Investing		
Purchase of investments	(2,000,000)	-
Maturity of investments	2,000,000	-
	-	-
Increase (decrease) in cash and equivalents	7,180	(500,949)
Cash and equivalents, beginning of year	1,184,738	1,685,687
Cash and equivalents, end of year	1,191,918	1,184,738

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, 2022

	<i>Unrestricted Surplus</i>	<i>Restricted Surplus</i>	<i>Equity in Tangible Capital Assets</i>	<i>2022</i>	<i>2021</i>
Balance, beginning of year	-	699,301	1,799,605	2,498,906	3,083,142
Deficiency of revenue over expenses	(149,359)	-	-	(149,359)	(584,236)
Purchases of tangible capital assets	(93,133)	-	93,133	-	-
Funds used for infrastructure projects	141,698	(141,698)	-	-	-
Amortization	310,727	-	(310,727)	-	-
Change in accumulated surplus	209,933	(141,698)	(217,594)	(149,359)	(584,236)
Balance, end of year	209,933	557,603	1,582,011	2,349,547	2,498,906

Included in the Restricted Surplus is \$223,177 that has been earmarked for Infrastructure projects slated to be completed in 2023, which comprises the remaining funds approved in the Infrastructure budget for the year ended December 31, 2022.

TransAlta Tri Leisure Centre
Schedule II - Schedule of Tangible Capital Assets
For the year ended December 31, 2022

	<i>Construction in Progress</i>	<i>Land Improvements</i>	<i>Engineered Structures</i>	<i>Machinery & Equipment</i>	<i>2022</i>	<i>2021</i>
Cost:						
Balance, beginning of year	-	435,799	1,768,193	2,544,878	4,748,870	5,240,981
Acquisition of tangible capital assets	-	-	-	93,133	93,133	59,506
Disposals of tangible capital assets	-	-	-	-	-	(551,617)
Balance, end of year	-	435,799	1,768,193	2,638,011	4,842,003	4,748,870
Accumulated amortization:						
Balance, beginning of year	-	171,449	729,618	2,048,198	2,949,265	3,163,952
Annual amortization	-	17,623	87,475	205,629	310,727	336,930
Accumulated amortization on disposals	-	-	-	-	-	(551,617)
Balance, end of year	-	189,072	817,093	2,253,827	3,259,992	2,949,265
Net book value	-	246,727	951,100	384,184	1,582,011	1,799,605

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, 2022

	2022 Budget (Note 13)	2022	2021
Expenses by object			
Salaries, wages and benefits	4,259,242	4,121,720	3,076,828
Utilities	962,000	996,854	851,982
Repairs and maintenance	478,400	952,749	841,705
Contracted services	909,704	856,923	767,130
Materials, goods and services	327,175	344,511	153,126
Administrative services	340,101	331,430	221,454
Amortization of tangible capital assets	-	310,727	336,930
Marketing and publications	71,700	74,871	50,561
Other	95,640	67,264	26,851
	7,443,962	8,057,049	6,326,567

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, 2022

	<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>2022 Total</i>
Revenue									
Partnership contributions	-	-	-	-	-	-	-	2,453,545	2,453,545
Pass fees	-	-	-	-	-	-	55,005	2,319,358	2,374,363
Program fees	-	-	600,979	-	71,644	335,155	101,340	-	1,109,118
Rental	-	-	113,995	924,711	-	-	24,354	-	1,063,060
Corporate sponsors and donations	285,387	-	-	-	-	-	-	-	285,387
Other	257,851	-	-	-	-	-	-	-	257,851
Lease	224,366	-	-	-	-	-	-	-	224,366
Management services	-	-	-	-	-	-	140,000	-	140,000
	767,604	-	714,974	924,711	71,644	335,155	320,699	4,772,903	7,907,690
Expenses									
Salaries, wages, and benefits	1,136,254	358,061	1,467,317	290,815	343,521	280,654	245,098	-	4,121,720
Utilities	-	996,854	-	-	-	-	-	-	996,854
Repairs and maintenance	1,179	560,111	98,589	279,587	5,245	25	8,013	-	952,749
Contracted services	222,177	592,448	-	10,149	12,809	19,340	-	-	856,923
Materials, goods and services	74,008	89,207	59,263	3,778	22,097	43,923	52,235	-	344,511
Administrative services	331,430	-	-	-	-	-	-	-	331,430
Amortization of tangible capital assets	31,342	22,207	25,602	145,534	86,042	-	-	-	310,727
Marketing and publications	74,871	-	-	-	-	-	-	-	74,871
Other	47,880	134	11,816	90	2,298	5,046	-	-	67,264
	1,919,141	2,619,022	1,662,587	729,953	472,012	348,988	305,346	-	8,057,049
Excess (deficiency) of revenue over expenses	(1,151,537)	(2,619,022)	(947,613)	194,758	(400,368)	(13,833)	15,353	4,772,903	(149,359)

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, 2022

	<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>2021 Total</i>
Revenue									
Partnership contributions	-	-	-	-	-	-	-	2,381,942	2,381,942
Pass fees	-	-	-	-	-	-	33,494	1,013,334	1,046,828
Rental	-	-	85,761	638,181	-	-	35,622	-	759,564
Program fees	-	-	320,626	-	49,562	171,196	77,579	-	618,963
Other	208,115	-	-	-	-	-	-	183,539	391,654
Corporate sponsors and donations	277,102	-	-	-	-	-	-	-	277,102
Lease	226,852	-	-	-	-	-	-	-	226,852
Management services	-	-	-	-	-	-	39,426	-	39,426
	712,069	-	406,387	638,181	49,562	171,196	186,121	3,578,815	5,742,331
Expenses									
Salaries, wages, and benefits	982,725	300,685	914,614	205,438	265,260	238,766	169,340	-	3,076,828
Utilities	-	851,982	-	-	-	-	-	-	851,982
Repairs and maintenance	3,878	449,690	67,989	317,927	2,221	-	-	-	841,705
Contracted services	306,278	420,523	-	16,653	17,217	6,459	-	-	767,130
Amortization of tangible capital assets	31,958	22,207	24,521	174,622	83,622	-	-	-	336,930
Administrative services	221,408	-	-	-	-	-	46	-	221,454
Materials, goods and services	66,689	34,605	29,154	1,188	2,325	2,430	16,735	-	153,126
Marketing and publications	50,561	-	-	-	-	-	-	-	50,561
Other	17,617	322	8,262	23	326	301	-	-	26,851
	1,681,114	2,080,014	1,044,540	715,851	370,971	247,956	186,121	-	6,326,567
Excess (deficiency) of revenue over expenses	(969,045)	(2,080,014)	(638,153)	(77,670)	(321,409)	(76,760)	-	3,578,815	(584,236)

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, 2022

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 and balances with banks.

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, 2022.

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, 2022 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, 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.

Financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of items in the cost or amortized cost upon initial recognition. The gain or loss arising from derecognition of a financial instrument is recognized in the Statement of Operations. Impairment losses such as write-offs are reported in the Statement of Operations.

TransAlta Tri Leisure Centre
Notes to the Financial Statements

For the year ended December 31, 2022

3. Cash

	<i>2022</i>	<i>2021</i>
Petty cash and floats	4,800	8,677
Cash	1,187,118	1,176,061
	1,191,918	1,184,738

4. Accounts receivable

	<i>2022</i>	<i>2021</i>
Trade	329,586	221,376

5. Bank indebtedness

The Centre has an unsecured revolving demand operating credit facility with TD Canada Trust to a maximum of \$150,000 (2021 - \$150,000), bearing interest at prime plus 1.0%. As at December 31, 2022, the prime rate was 6.45% (2021 - 2.45%).

As of December 31, 2022 the Centre had drawn \$nil (2021 - \$nil) on the line of credit.

6. Accounts payable and accrued liabilities

	<i>2022</i>	<i>2021</i>
Trade and other	186,067	186,784
Salaries and vacation	191,155	165,593
Goods and Services Tax	15,461	6,991
	392,683	359,368

7. Deferred revenue

	<i>2021</i>	<i>Additions</i>	<i>Revenue Recognized</i>	<i>2022</i>
Partnership contributions	93,184	364,875	(458,059)	-
Pass and program fee pre-registration	200,780	2,936,754	(2,929,801)	207,733
Corporate sponsorships	106,466	249,918	(245,550)	110,834
Gift certificates	69,541	27,069	(19,516)	77,094
Other	13,203	130,320	(13,203)	130,320
	483,174	3,708,936	(3,666,129)	525,981

TransAlta Tri Leisure Centre
Notes to the Financial Statements

For the year ended December 31, 2022

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:

	2022		2021	
	Operating	Capital	Operating	Capital
City of Spruce Grove	1,169,342	46,138	1,150,646	29,455
Parkland County	600,964	23,712	591,181	15,175
Town of Stony Plain	590,106	23,283	580,609	14,876
	2,360,412	93,133	2,322,436	59,506

9. Government assistance

During the year, the Centre received \$nil (2021 - \$10,000) 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 \$nil (2021 - \$4,888) related to the Alberta Child Care Grant. The grant offers financial assistance to licensed daycare, out-of-school care and preschool programs to support the recruitment, retention and professional development of their certified educators.

During the year, the Centre received \$nil (2021 - \$2,000) related to the Restrictions Exemption Program Implementation Grant. The grant provided a one-time payment to eligible businesses, cooperatives and non-profit organizations that chose to implement the Restrictions Exemption Program.

TransAlta Tri Leisure Centre
Notes to the Financial Statements

For the year ended December 31, 2022

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 281,764 members and 435 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 8.45% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 12.80% on pensionable earnings above this amount. Employees of the Centre are required to make current service contributions of 7.45% of pensionable salary up to the year's maximum pensionable salary and 11.80% on pensionable salary above this amount.

Total current service contributions by the Centre to the LAPP in 2022 were \$139,573 (2021 - \$154,900). Total current service contributions by the employees of the Centre to the Local Authorities Pension Plan in 2022 were \$124,677 (2021 - \$141,727).

At December 31, 2021, the date of the most recent actuarial valuation, the LAPP disclosed an actuarial surplus of \$11,992,000,000 (2020 - \$4,961,337,000).

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; however, one customer accounts for 11% of the accounts receivable balance (2021 - no significant exposure to any individual customer).

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 \$310,727 (2021 - \$336,930).

TransAlta Tri Leisure Centre
Notes to the Financial Statements

For the year ended December 31, 2022

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. Economic dependence

The Centre receives a significant portion of its operational and capital funding through contribution arrangements with the Town of Stony Plain, Parkland County and the City of Spruce Grove. The ability of the Centre to continue operations, at current service levels, will rely on a continued commitment of support from the Municipalities.

16. 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 historically experienced a significant decrease in operating revenues due to facility closures and capacity restrictions as a result of the COVID-19 pandemic.