

MUNICIPAL FINANCIAL INFORMATION RETURN

For the Year Ending December 31, 2010

Municipality:

TOWN OF RAINBOW LAKE

Certification:

The informatin contained in this Financial Information Return is presented fairly to the best of my knowledge.

Signature of Duly Authorized Signing Officer

Print Name

Date

LIONEL L. LARCOMBE, Chartered Accountant
17315A - 108 Avenue, Edmonton, Alberta T5S-1G2 (780) 484-5271

AUDITOR'S REPORT

To the Mayor and Council of the Town of Rainbow Lake

Report on the Municipal Financial Information Return

I have audited the accompanying municipal financial information return of the Town of Rainbow Lake which comprise the statement of financial position as at December 31, 2010, and the statement of change in accumulated surplus for the year then ended and other explanatory information.

Management Responsibility for the Municipal Financial Information Return

Management is responsible for the preparation and fair presentation of this Municipal Financial Information Return in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of the Municipal Financial Information Return that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on this Municipal Financial Information Return based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Municipal Financial Information Return is free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the Municipal Financial Information Return. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the Municipal Financial Information Return, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Municipal Financial Information Return in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Municipal Financial Information Return.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the municipal financial information return presents fairly, in all material respects, the financial position and change in accumulated surplus of the Town of Rainbow Lake as at December 31, 2010 and the results of its operations for the year then ended in accordance with the accounting principles prescribed by the Minister of Municipal Affairs as provided for in section 277 of the Municipal Government Act of Alberta.

It is understood that this report, as requested by the Minister of Municipal Affairs, is to be used primarily for provincial statistical purposes. I have issued an audit report dated May 5, 2011 on the financial statements of the Town of Rainbow Lake for the year ended December 31, 2010 and reference should be made to those audited financial statements for complete information.

Edmonton, Alberta
April 5, 2011


LIONEL LARCOMBE
CHARTERED ACCOUNTANT

FINANCIAL POSITION

	Total
	1
Assets	0010
Cash and Temporary Investments	0020 2,358,025
Taxes and Grants in Place of Taxes Receivable.....	0030
. Current	0040 173,241
. Arrears	0050 26,436
. Allowance	0060
Receivable From Other Governments	0070 2,011,723
Loans Receivable	0080
Trade and Other Receivables	0090 313,410
Debt Charges Recoverable	0095
Inventories Held for Resale	0130
. Land	0140 200,486
. Other	0150
Long Term Investments	0170
. Federal Government	0180
. Provincial Government	0190
. Local Governments	0200
. Other	0210 22,610
Other Current Assets	0230
Other Long Term Assets	0240
Total Financial Assets	
	0250
	0260 5,105,931
Liabilities	0270
Temporary Loans Payable	0280
Payable To Other Governments	0290
Accounts Payable & Accrued Liabilities	0300 794,437
Deposit Liabilities	0310 104,375
Deferred Revenue	0340 995,003
Long Term Debt	0350 3,010,722
Other Current Liabilities	0360
Other Long Term Liabilities	0370
Total Liabilities	
	0380
	0390 4,904,537
Net Financial Assets (Net Debt)	
	0395 201,394
Non Financial Assets	
Tangible Capital Assets.....	0400 28,889,731
Inventory for Consumption.....	0410 15,965
Prepaid Expenses	0420 92,944
Other.....	0430
Total Non-Financial Assets	
	0440 28,998,640
Accumulated Surplus	
	0450 29,200,034

CHANGE IN ACCUMULATED SURPLUS

Schedule 9B

	Unrestricted	Restricted	Equity in TCA	Total
	1	2	3	4
Accumulated Surplus - Beginning of Year	0500 425,573	2,698,309	24,279,337	27,403,219
Net Revenue (Expense)	0505 1,796,815			1,796,815
Funds Designated For Future Use	0511 -627,274	627,274		
Restricted Funds - Used for Operations	0512 30,000	-30,000		
Restricted Funds - Used for TCA	0513	-787,858	787,858	
Current Year Funds Used for TCA	0514 -105,668		105,668	
Donated and Contributed TCA	0516 -1,860,433		1,860,433	
Disposals of TCA	0517 46,029		-46,029	
Annual Amortization Expense	0518 847,685		-847,685	
Long Term Debt - Issued	0519			
Long Term Debt - Repaid	0521 -172,307		172,307	
Capital Debt - Used for TCA	0522			
	0523			
Other Adjustments	0524			
Accumulated Surplus - End of Year	0525 380,420	2,507,725	26,311,889	29,200,034

FINANCIAL ACTIVITIES BY FUNCTION

Schedule 9C

	Revenue		Expense	
	1		2	
Total General	0700	2,123,536		
Function	0710		1150	
General Government	0720		1160	
Council and Other Legislative	0730		1170	89,136
General Administration	0740	4,902	1180	350,922
Other General Government.....	0750		1190	
Protective Services	0760		1200	
Police	0770		1210	
Fire	0780	60,500	1220	197,565
Disaster and Emergency Measures	0790		1230	
Ambulance and First Aid	0800		1240	
Bylaws Enforcement	0810	100,095	1250	187,860
Other Protective Services.....	0820		1260	
Transportation	0830		1270	
Common and Equipment Pool	0840	24,950	1280	339,756
Roads, Streets, Walks, Lighting	0850	23,535	1290	286,287
Airport	0860	531,339	1300	263,985
Public Transit	0870		1310	
Storm Sewers and Drainage	0880		1320	
Other Transportation	0890		1330	
Environmental Use and Protection	0900		1340	
Water Supply and Distribution	0910	1,388,444	1350	1,073,251
Wastewater Treatment and Disposal	0920	997,111	1360	60,497
Waste Management	0930	87,979	1370	133,784
Other Environmental Use and Protection	0940		1380	
Public Health and Welfare	0950		1390	
Family and Community Support	0960	38,795	1400	37,864
Day Care	0970		1410	
Cemeteries and Crematoriums	0980		1420	
Other Public Health and Welfare	0990		1430	
Planning and Development	1000		1440	
Land Use Planning, Zoning and Development	1010	1,023	1450	81,364
Economic/Agricultural Development	1020		1460	18,074
Subdivision Land and Development	1030	5,566	1470	6,075
Public Housing Operations	1040		1480	
Land, Housing and Building Rentals	1050	2,905	1490	187,863
Other Planning and Development.....	1060	21,464	1500	
Recreation and Culture	1070		1510	
Recreation Boards	1080		1520	
Parks and Recreation	1090	76,627	1530	495,503
Culture: Libraries, Museums, Halls	1100	1,590	1540	22,457
Convention Centres	1110		1550	
Other Recreation and Culture.....	1120	137,655	1560	140,294
Other Utilities	1125		1565	
Gas	1126	862,107	1566	674,742
Electric	1127		1567	
Other	1130		1570	
Total Revenue/Expense	1140	6,490,123	1580	4,647,279
Net Revenue/Expense			1590	1,842,844

FINANCIAL ACTIVITIES BY TYPE / OBJECT

Schedule 9D

		Total
		1
Revenues	1700	
Taxation and Grants in Place	1710	
Property (Net Municipal)	1720	1,239,563
Business	1730	
Business Revitalization Zone	1740	
Special	1750	
Well Drilling	1760	
Local Improvement	1770	23,535
Sales To Other Governments	1790	
Sales and User Charges	1800	2,193,191
Penalties and Costs on Taxes	1810	59,917
Licenses and Permits	1820	25,481
Fines	1830	
Franchise and Concession Contracts	1840	69,011
Returns on Investments	1850	31,616
Rentals	1860	123,170
Insurance Proceeds	1870	12,565
Net Gain on Sale of Tangible Capital Assets	1880	
Contributed and Donated Assets	1885	1,860,433
Federal Government Unconditional Transfers	1890	
Federal Government Conditional Transfers	1900	4,115
Provincial Government Unconditional Transfers	1910	
Provincial Government Conditional Transfers	1920	76,492
Local Government Transfers	1930	724,017
Transfers From Local Boards and Agencies	1940	21,464
Developer Agreements and Levies	1960	8,486
Other Revenues	1970	17,067
Total Revenue	1980	6,490,123
Expenses	1990	
Salaries, Wages, and Benefits	2000	1,082,505
Contracted and General Services	2010	1,257,960
Purchases from Other Governments	2020	
Materials, Goods, Supplies, and Utilities	2030	1,264,554
Provision For Allowances	2040	
Transfers to Other Governments	2050	
Transfers to Local Boards and Agencies	2060	3,000
Transfers to Individuals and Organizations	2070	
Bank Charges and Short Term Interest	2080	4,140
Interest on Operating Long Term Debt	2090	
Interest on Capital Long Term Debt	2100	164,971
Amortization of Tangible Capital Assets	2110	847,685
Net Loss on Sale of Tangible Capital Assets	2125	21,464
Write Down of Tangible Capital Assets	2127	
Other Expenditures	2130	47,029
Total Expenses	2140	4,693,308
Net Revenue (Expense)	2150	1,796,815

REVENUE AND EXPENSE SUPPLEMENTARY DETAIL

Schedule 9E

		Revenue		Expenses	
		Sales and User Charges	Provincial Capital Transfers	Annual Amortization Expense	Capital Long Term Debt Interest Expense
		1	2	3	4
General Government	2200				
Council and Other Legislative	2210				
General Administration	2220	1,065		21,540	
Other General Government.....	2230				
Protective Services	2240				
Police	2250				
Fire	2260	11,500		41,731	
Disaster and Emergency Measures	2270				
Ambulance and First Aid	2280				
Bylaws Enforcement	2290	75,362		5,170	
Other Protective Services.....	2300				
Transportation	2310				
Common and Equipment Pool	2320	385		38,190	
Roads, Streets, Walks, Lighting	2330			79,825	3,544
Airport	2340	34,739	56,500	45,229	
Public Transit	2350				
Storm Sewers and Drainage	2360				
Other Transportation	2370				
Environmental Use and Protection	2380				
Water Supply and Distribution	2390	670,014	354,973	431,996	119,538
Wastewater Treatment and Disposal	2400	287,164	354,974	14,625	8,146
Waste Management	2410	87,979			
Other Environmental Use and Protection	2420				
Public Health and Welfare	2430				
Family and Community Support	2440	3,381		14,086	
Day Care	2450				
Cemeteries and Crematoriums	2460				
Other Public Health and Welfare	2470				
Planning and Development	2480				
Land Use Planning, Zoning and Development	2490	274			
Economic/Agricultural Development	2500				
Subdivision Land and Development	2510				
Public Housing Operations	2520			12,451	
Land, Housing and Building Rentals	2530				
Other Planning and Development.....	2540				
Recreation and Culture	2550				
Recreation Boards	2560				
Parks and Recreation	2570	22,467		112,323	33,743
Culture: Libraries, Museums, Halls	2580				
Convention Centres	2590				
Other Recreation and Culture.....	2600	137,655		7,893	
Other Utilities	2605				
Gas	2606	861,206		22,626	
Electric	2607				
Other	2610				
Total	2620	2,193,191	766,447	847,685	164,971

TANGIBLE CAPITAL ASSETS SUPPLEMENTARY DETAIL

Schedule 9F

		Tangible Capital Assets		Long Term Debt	
		Purchased	Donated or Contributed	Principal Additions	Principal Reductions
		1	2	3	4
General Government 2700					
Council and Other Legislative	2710				
General Administration	2720				
Other General Government	2730				
Protective Services 2740					
Police	2750				
Fire	2760	18,041			
Disaster and Emergency Measures	2770				
Ambulance and First Aid	2780				
Bylaws Enforcement	2790	51,761			
Other Protective Services	2800				
Transportation 2810					
Common and Equipment Pool	2820	25,585			
Roads, Streets, Walks, Lighting	2830				41,691
Airport	2840	49,522	440,541		
Public Transit	2850				
Storm Sewers and Drainage	2860				
Other Transportation	2870				
Environmental Use and Protection 2880					
Water Supply and Distribution	2890	360,538	709,946		137,579
Wastewater Treatment and Disposal	2900	360,538	709,946		28,207
Waste Management	2910				
Other Environmental Use and Protection	2920				
Public Health and Welfare 2930					
Family and Community Support	2940				
Day Care	2950				
Cemeteries and Crematoriums	2960				
Other Public Health and Welfare	2970				
Planning and Development 2980					
Land Use Planning, Zoning and Development	2990				
Economic/Agricultural Development	3000				
Subdivision Land and Development	3010				
Public Housing Operations	3020	23,761			
Land, Housing and Building Rentals	3030				
Other Planning and Development	3040				
Recreation and Culture 3050					
Recreation Boards	3060				
Parks and Recreation	3070	2,642			59,621
Culture: Libraries, Museums, Halls	3080				
Convention Centres	3090				
Other Recreation and Culture	3100				
Other Utilities 3105					
Gas	3106	1,139			
Electric	3107				
Other 3110					
Total	3120	893,527	1,860,433		267,098

CHANGE IN TANGIBLE CAPITAL ASSETS

Schedule 9G

		Balance at Beginning of Year 1	Additions 2	Reductions 3	Balance at End of Year 4
Tangible Capital Assets - Cost					
Engineered Structures	3200				
Roadway Systems.....	3201	1,207,936			1,207,936
Light Rail Transit Systems.....	3202				
Water Systems.....	3203	21,186,963			21,186,963
Wastewater Systems.....	3204	1,096,896			1,096,896
Storm Systems.....	3205				
Fibre Optics.....	3206	196,192			196,192
Electricity Systems.....	3207				
Gas Distribution Systems.....	3208	672,329	1,136		673,465
Total Engineered Structures	3210	24,360,316	1,136		24,361,452
Construction In Progress.....	3219		2,140,970		2,140,970
Buildings	3220	9,463,490	80,261		9,543,751
Machinery and Equipment	3230	891,944	454,247		1,346,191
Land	3240	510,917			510,917
Land Improvements.....	3245	1,012,465			1,012,465
Vehicles	3250	1,016,490	77,346	63,382	1,030,454
Total Capital Property Cost	3260	37,255,622	2,753,960	63,382	39,946,200
Accumulated Amortization					
Engineered Structures	3270				
Roadway Systems	3271	508,348	79,825		588,173
Light Rail Transit Systems	3272				
Water Systems	3273	4,012,325	431,996		4,444,321
Wastewater Systems	3274	539,995	14,625		554,620
Storm Systems	3275				
Fibre Optics	3276	79,506	6,540		86,046
Electricity Systems	3277				
Gas Distribution Systems	3278	365,848	18,691		384,539
Engineered Structures	3280	5,506,022	551,677		6,057,699
Buildings	3290	2,551,820	203,478		2,755,298
Machinery and Equipment	3300	781,034	21,466		802,500
Land	3310				
Land Improvements.....	3315	757,677	23,791		781,468
Vehicles	3320	629,583	47,273	17,352	659,504
Total Accumulated Amortization	3330	10,226,136	847,685	17,352	11,056,469
Net Book Value of Capital Property	3340	27,029,486			28,889,731
Capital Long Term Debt (Net)	3350	2,750,149			2,577,842
Equity in Tangible Capital Assets	3400	24,279,337			26,311,889

LONG TERM DEBT SUPPORT

Schedule 9H

	Operating Purposes 1	Capital Purposes 2	Total 3
Long Term Debt Support	3405		
Supported by General Tax Levies	3410	680,153	680,153
Supported by Special Levies	3420		
Supported by Utility Rates	3430	2,330,569	2,330,569
Other	3440		
Total Long Term Debt Principal Balance	3450	3,010,722	3,010,722

LONG TERM DEBT SOURCES

Schedule 9I

	Operating Purposes 1	Capital Purposes 2	Total 3
Alberta Capital Finance Authority.....	3500	3,010,722	3,010,722
Canada Mortgage and Housing Corporation	3520		
Mortgage Borrowing	3600		
Other	3610		
Total Long Term Debt Principal Balance	3620	3,010,722	3,010,722

FUTURE LONG TERM DEBT REPAYMENTS

Schedule 9J

	Operating Purposes 1	Capital Purposes 2	Total 3
Principal Repayments by Year	3700		
Current + 1	3710	216,755	216,755
Current + 2	3720	230,625	230,625
Current + 3	3730	177,244	177,244
Current + 4	3740	185,581	185,581
Current + 5	3750	194,311	194,311
Thereafter	3760	2,006,206	2,006,206
Total Principal	3770	3,010,722	3,010,722
Interest by Year	3780		
Current + 1	3790	146,007	146,007
Current + 2	3800	132,136	132,136
Current + 3	3810	117,195	117,195
Current + 4	3820	108,858	108,858
Current + 5	3830	100,128	100,128
Thereafter	3840	502,264	502,264
Total Interest	3850	1,106,588	1,106,588

PROPERTY TAXES AND GRANTS IN PLACE

Schedule 9K

	Property Taxes 1	Grants - In Place 2	Total 3
Property Taxes	3900		
Residential Land and Improvements	3910	1,064,159	1,078,758
Non-Residential	3920		
Land and Improvements (Excluding M & E).....	3935	403,892	416,439
Machinery and Equipment	3950		
Linear Property	3960	26,233	26,233
Railway	3970		
Farm Land	3980		
Adjustments to Property Taxes	3990		
Total Property Taxes and Grants In Place	4000	1,494,284	1,521,430
Requisition Transfers		4010	
Education			
Residential/Farm Land		4031	169,359
Non-Residential		4035	94,312
Seniors Lodges		4090	18,196
Other		4100	
Adjustments to Requisition Transfers		4110	
Total Requisition Transfers		4120	281,867
Net Municipal Property Taxes and Grants In Place		4130	1,239,563

GRANTS IN PLACE OF TAXES

Schedule 9L

	Property Taxes 1	Business Taxes 2	Other Taxes 3	Total 4
Federal Government	4200			
Provincial Government	4210	27,146		27,146
Local Government	4220			
Other	4230			
Total	4240	27,146		27,146

DEBT LIMIT

Schedule 9AA

1

Debt Limit	5700	6,944,533
Total Debt	5710	3,010,721
Debt Service Limit	5720	1,157,422
Total Debt Service Costs	5730	362,762

Enter Prior year's Line 3450 Column 2 balance here:

3,277,820