

MUNICIPAL FINANCIAL INFORMATION RETURN

For the Year Ending December 31, 2011

**Municipality Name:**

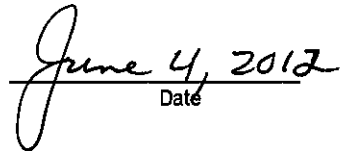
Town of Rainbow Lake

**CERTIFICATION**

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

  
Signature of Duly Authorized Signing Officer

  
Print Name

  
Date



**KPMG LLP**  
**Chartered Accountants**  
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Canada

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## INDEPENDENT AUDITORS' REPORT

To the Mayor and Members of Council of Town of Rainbow Lake

We have audited the accompanying municipal financial information return of Town of Rainbow Lake for the year ended December 31, 2011. The municipal financial information return has been prepared by management based on the financial reporting provisions included in Section 277 of the Alberta Municipal Government Act and the accounting principles described in the Municipal Financial Information Return Manual prepared by Alberta Municipal Affairs.

### *Management's Responsibility for the Municipal Financial Information Return*

Management is responsible for the preparation of the municipal financial information return in accordance with the financial reporting provisions included in Section 277 of the Alberta Municipal Government Act and the accounting principles described in the Municipal Financial Information Return Manual prepared by Alberta Municipal Affairs, 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.

### *Auditors' Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the municipal financial information return. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the municipal financial information return, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation 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 estimates made by management, as well as evaluating the overall presentation of the municipal financial information return.

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



*Opinion*

In our opinion, the municipal financial information return for Town of Rainbow Lake for the year ended December 31, 2011 is prepared, in all material respects, in accordance with the financial reporting provisions included in Section 277 of the Alberta Municipal Government Act and the accounting principles described in the Municipal Financial Information Return Manual prepared by Alberta Municipal Affairs.

*Basis of Accounting and Restriction on Use*

Without modifying our opinion, we draw attention to the financial reporting provisions included in Section 277 of the Alberta Municipal Government Act and the accounting principles described in the Municipal Financial Information Return Manual prepared by Alberta Municipal Affairs, which describe the basis of accounting. The municipal financial information return for Town of Rainbow Lake for the year ended December 31, 2011 has been prepared as requested by the Minister of Alberta Municipal Affairs and is to be used primarily for statistical purposes. As a result, the municipal financial information return may not be suitable for another purpose. Our report is intended solely for Town of Rainbow Lake and Alberta Municipal Affairs and should not be used by parties other than Town of Rainbow Lake and Alberta Municipal Affairs.

*KPMG LLP*

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Chartered Accountants

May 30, 2012  
Edmonton, Canada

	Total 1
<b>Assets</b>	0010
Cash and Temporary Investments .....	0020 2,626,891
Taxes and Grants in Place of Taxes Receivable .....	0030
. Current .....	0040 107,621
. Arrears .....	0050 94,289
. Allowance .....	0080
Receivable From Other Governments .....	0070 200,246
Loans Receivable .....	0080
Trade and Other Receivables .....	0090 372,761
Debt Charges Recoverable.....	0095
Inventories Held for Resale	0130
. Land .....	0140 200,485
. Other .....	0150
Long Term Investments	0170
. Federal Government .....	0180 657,139
. Provincial Government .....	0190 657,678
. Local Governments .....	0200
. Other .....	0210 493,672
Other Current Assets .....	0230
Other Long Term Assets .....	0240
<b>Total Financial Assets</b>	0250
	0260 5,410,782
<b>Liabilities</b>	0270
Temporary Loans Payable .....	0280
Payable To Other Governments .....	0290
Accounts Payable & Accrued Liabilities .....	0300 645,636
Deposit Liabilities .....	0310 95,161
Deferred Revenue .....	0340 1,072,930
Long Term Debt .....	0350 2,793,967
Other Current Liabilities .....	0360
Other Long Term Liabilities .....	0370
<b>Total Liabilities</b>	0380
	0390 4,607,694
<b>Net Financial Assets (Net Debt)</b>	0395 803,088
<b>Non Financial Assets</b>	
Tangible Capital Assets.....	0400 28,756,065
Inventory for Consumption.....	0410 17,620
Prepaid Expenses .....	0420 144,694
Other.....	0430
<b>Total Non-Financial Assets</b>	0440 28,918,379
<b>Accumulated Surplus</b>	0450 29,721,467

**CHANGE IN ACCUMULATED SURPLUS**

**Schedule 9B**

	Unrestricted	Restricted	Equity in TCA	Total
	1	2	3	4
Accumulated Surplus - Beginning of Year	0500 380,420	2,507,725	26,311,889	29,200,034
Net Revenue (Expense)	0505 521,433			521,433
Funds Designated For Future Use	0511			
Restricted Funds - Used for Operations	0512 45,000	-45,000		
Restricted Funds - Used for TCA	0513	-43,926	43,926	
Current Year Funds Used for TCA	0514 -696,861		696,861	
Donated and Contributed TCA	0516			
Disposals of TCA	0517			
Annual Amortization Expense	0518 874,453		-874,453	
Long Term Debt - Issued	0519			
Long Term Debt - Repaid	0521 -216,755		216,755	
Capital Debt - Used for TCA	0522			
	0523			
Other Adjustments	0524 99,248		-99,248	
Accumulated Surplus - End of Year	0525 1,006,938	2,418,799	26,295,730	29,721,467

FINANCIAL ACTIVITIES BY FUNCTION

Schedule 9C

	Revenue		Expense
	1		2
<b>Total General</b>	0700	2,135,655	
<b>Function</b>	0710		1150
<b>General Government</b>	0720		1160
Council and Other Legislative .....	0730		1170
General Administration .....	0740	17,956	1180
Other General Government.....	0750		1190
<b>Protective Services</b>	0760		1200
Police .....	0770		1210
Fire .....	0780	29,581	1220
Disaster and Emergency Measures .....	0790		1230
Ambulance and First Aid .....	0800		1240
Bylaws Enforcement .....	0810	167,043	1250
Other Protective Services.....	0820		1260
<b>Transportation</b>	0830		1270
Common and Equipment Pool .....	0840	80	1280
Roads, Streets, Walks, Lighting .....	0850	133,595	1290
Airport .....	0860	338,722	1300
Public Transit .....	0870		1310
Storm Sewers and Drainage .....	0880		1320
Other Transportation .....	0890		1330
<b>Environmental Use and Protection</b>	0900		1340
Water Supply and Distribution .....	0910	829,068	1350
Wastewater Treatment and Disposal .....	0920	419,298	1360
Waste Management .....	0930	96,794	1370
Other Environmental Use and Protection .....	0940		1380
<b>Public Health and Welfare</b>	0950		1390
Family and Community Support .....	0960	33,787	1400
Day Care .....	0970		1410
Cemeteries and Crematoriums .....	0980		1420
Other Public Health and Welfare .....	0990		1430
<b>Planning and Development</b>	1000		1440
Land Use Planning, Zoning and Development .....	1010	2,280	1450
Economic/Agricultural Development .....	1020		1460
Subdivision Land and Development .....	1030	1,366	1470
Public Housing Operations .....	1040		1480
Land, Housing and Building Rentals .....	1050	17,765	1490
Other Planning and Development.....	1060		1500
<b>Recreation and Culture</b>	1070		1510
Recreation Boards .....	1080		1520
Parks and Recreation .....	1090	288,543	1530
Culture: Libraries, Museums, Halls .....	1100	32,931	1540
Convention Centres .....	1110		1550
Other Recreation and Culture.....	1120	136,925	1560
<b>Other Utilities</b>	1125		1565
Gas .....	1126	831,384	1566
Electric .....	1127		1567
<b>Other</b> .....	1130		1570
<b>Total Revenue/Expense</b>	1140	5,532,773	1580
<b>Net Revenue/Expense</b>			1590
			521,433

FINANCIAL ACTIVITIES BY TYPE / OBJECT

Schedule 9D

		Total 1
Revenues	1700	
Taxation and Grants in Place	1710	
Property (Net Municipal) .....	1720	1,121,186
Business .....	1730	
Business Revitalization Zone .....	1740	
Special .....	1750	
Well Drilling .....	1760	
Local Improvement .....	1770	
Sales To Other Governments .....	1790	
Sales and User Charges .....	1800	2,258,227
Penalties and Costs on Taxes .....	1810	48,469
Licenses and Permits .....	1820	1,826
Fines .....	1830	47,163
Franchise and Concession Contracts .....	1840	76,791
Returns on Investments .....	1850	53,868
Rentals .....	1860	143,833
Insurance Proceeds .....	1870	
Net Gain on Sale of Tangible Capital Assets .....	1880	
Contributed and Donated Assets .....	1885	
Federal Government Unconditional Transfers .....	1890	
Federal Government Conditional Transfers .....	1900	243,436
Provincial Government Unconditional Transfers .....	1910	59,289
Provincial Government Conditional Transfers .....	1920	576,180
Local Government Transfers .....	1930	796,400
Transfers From Local Boards and Agencies .....	1940	
Developer Agreements and Levies .....	1960	
Other Revenues .....	1970	106,105
<b>Total Revenue</b>	1980	<b>5,532,773</b>
Expenses	1990	
Salaries, Wages, and Benefits .....	2000	1,139,499
Contracted and General Services .....	2010	1,534,324
Purchases from Other Governments .....	2020	
Materials, Goods, Supplies, and Utilities .....	2030	1,272,421
Provision For Allowances .....	2040	
Transfers to Other Governments .....	2050	
Transfers to Local Boards and Agencies .....	2060	3,000
Transfers to Individuals and Organizations .....	2070	11,000
Bank Charges and Short Term Interest .....	2080	8,905
Interest on Operating Long Term Debt .....	2090	
Interest on Capital Long Term Debt .....	2100	167,738
Amortization of Tangible Capital Assets .....	2110	874,453
Net Loss on Sale of Tangible Capital Assets .....	2125	
Write Down of Tangible Capital Assets .....	2127	
Other Expenditures .....	2130	
<b>Total Expenses</b>	2140	<b>5,011,340</b>
<b>Net Revenue (Expense)</b>	2150	<b>521,433</b>

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
<b>General Government</b>	2200				
Council and Other Legislative .....	2210				
General Administration .....	2220	681		23,097	
Other General Government.....	2230				
<b>Protective Services</b>	2240				
Police .....	2250				
Fire .....	2260	500		40,549	
Disaster and Emergency Measures .....	2270				
Ambulance and First Aid .....	2280				
Bylaws Enforcement .....	2290	139,880		5,758	
Other Protective Services.....	2300				
<b>Transportation</b>	2310				
Common and Equipment Pool .....	2320	80		36,429	
Roads, Streets, Walks, Lighting .....	2330			80,250	
Airport .....	2340	79,825	133,594	73,238	
Public Transit .....	2350				
Storm Sewers and Drainage .....	2360				
Other Transportation .....	2370				
<b>Environmental Use and Protection</b>	2380				
Water Supply and Distribution .....	2390	704,952	102,153	431,995	129,756
Wastewater Treatment and Disposal .....	2400	266,148	131,187	14,625	5,472
Waste Management .....	2410	96,794			
Other Environmental Use and Protection .....	2420				
<b>Public Health and Welfare</b>	2430				
Family and Community Support .....	2440	2,220		14,086	
Day Care .....	2450				
Cemeteries and Crematoriums .....	2460				
Other Public Health and Welfare .....	2470				
<b>Planning and Development</b>	2480				
Land Use Planning, Zoning and Development .....	2490	453			
Economic/Agricultural Development .....	2500				
Subdivision Land and Development .....	2510				
Public Housing Operations .....	2520				
Land, Housing and Building Rentals .....	2530			11,378	
Other Planning and Development.....	2540				
<b>Recreation and Culture</b>	2550				
Recreation Boards .....	2560				
Parks and Recreation .....	2570	6,805	209,246	112,512	32,510
Culture: Libraries, Museums, Halls .....	2580				
Convention Centres .....	2590				
Other Recreation and Culture.....	2600	136,731		7,894	
<b>Other Utilities</b>	2605				
Gas .....	2606	823,158		22,642	
Electric .....	2607				
<b>Other</b> .....	2610				
<b>Total</b>	2620	2,258,227	576,180	874,453	167,738



TANGIBLE CAPITAL ASSETS SUPPLEMENTARY DETAIL

Schedule 9F

		Tangible Capital Assets		Capital Long Term Debt	
		Purchased	Donated or Contributed	Principal Additions	Principal Reductions
		1	2	3	4
<b>General Government</b>	2700				
Council and Other Legislative .....	2710				
General Administration .....	2720				
Other General Government.....	2730				
<b>Protective Services</b>	2740				
Police .....	2750				
Fire .....	2760				
Disaster and Emergency Measures .....	2770				
Ambulance and First Aid .....	2780				
Bylaws Enforcement .....	2790				
Other Protective Services.....	2800				
<b>Transportation</b>	2810				
Common and Equipment Pool .....	2820				
Roads, Streets, Walks, Lighting .....	2830	133,595			
Airport .....	2840	197,010			
Public Transit .....	2850				
Storm Sewers and Drainage .....	2860				
Other Transportation .....	2870				
<b>Environmental Use and Protection</b>	2880				
Water Supply and Distribution .....	2890	85,950			133,948
Wastewater Treatment and Disposal .....	2900	114,986			20,379
Waste Management .....	2910				
Other Environmental Use and Protection .....	2920				
<b>Public Health and Welfare</b>	2930				
Family and Community Support .....	2940				
Day Care .....	2950				
Cemeteries and Crematoriums .....	2960				
Other Public Health and Welfare .....	2970				
<b>Planning and Development</b>	2980				
Land Use Planning, Zoning and Development .....	2990				
Economic/Agricultural Development .....	3000				
Subdivision Land and Development .....	3010				
Public Housing Operations .....	3020				
Land, Housing and Building Rentals .....	3030				
Other Planning and Development.....	3040				
<b>Recreation and Culture</b>	3050				
Recreation Boards .....	3060				
Parks and Recreation .....	3070	209,246			62,428
Culture: Libraries, Museums, Halls .....	3080				
Convention Centres .....	3090				
Other Recreation and Culture.....	3100				
<b>Other Utilities</b>	3105				
Gas .....	3106				
Electric .....	3107				
<b>Other</b> .....	3110				
<b>Total</b>	3120	740,787			216,755

CHANGE IN TANGIBLE CAPITAL ASSETS

Schedule 9G

		Balance at Beginning of Year 1	Additions 2	Reductions 3	Balance at End of Year 4
<b>Tangible Capital Assets - Cost</b>					
Engineered Structures	3200				
Roadway Systems.....	3201	1,207,935	8,500		1,216,435
Light Rail Transit Systems.....	3202				
Water Systems.....	3203	21,186,962			21,186,962
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	673,465			673,465
Total Engineered Structures .....	3210	24,361,450	8,500		24,369,950
Construction In Progress.....	3219	2,140,970	455,855		2,596,825
Buildings .....	3220	9,543,751	49,425		9,593,176
Machinery and Equipment .....	3230	1,346,191	227,007		1,573,198
Land .....	3240	510,917			510,917
Land Improvements.....	3245	1,012,465			1,012,465
Vehicles .....	3250	1,030,454			1,030,454
<b>Total Capital Property Cost</b>	3260	<b>39,946,198</b>	<b>740,787</b>		<b>40,686,985</b>
<b>Accumulated Amortization</b>					
Engineered Structures	3270				
Roadway Systems	3271	588,173	80,250		668,423
Light Rail Transit Systems	3272				
Water Systems	3273	4,444,321	431,996		4,876,317
Wastewater Systems	3274	554,620	14,625		569,245
Storm Systems	3275				
Fibre Optics	3276	86,046	6,540		92,586
Electricity Systems	3277				
Gas Distribution Systems	3278	384,539	18,707		403,246
Engineered Structures .....	3280	6,057,699	552,118		6,609,817
Buildings .....	3290	2,755,298	197,613		2,952,911
Machinery and Equipment .....	3300	802,500	63,024		865,524
Land .....	3310				
Land Improvements.....	3315	781,468	23,791		805,259
Vehicles .....	3320	659,502	37,907		697,409
<b>Total Accumulated Amortization</b>	3330	<b>11,056,467</b>	<b>874,453</b>		<b>11,930,920</b>
<b>Net Book Value of Capital Property</b>	3340	<b>28,889,731</b>			<b>28,756,065</b>
<b>Capital Long Term Debt (Net)</b>	3350	<b>2,577,841</b>			<b>2,460,335</b>
<b>Equity in Tangible Capital Assets</b>	3400	<b>26,311,890</b>			<b>26,295,730</b>

**LONG TERM DEBT SUPPORT**

**Schedule 9H**

	Operating Purposes 1	Capital Purposes 2	Total 3
<b>Long Term Debt Support</b>	3405		
Supported by General Tax Levies .....	3410	617,725	617,725
Supported by Special Levies .....	3420		
Supported by Utility Rates .....	3430	2,176,242	2,176,242
Other .....	3440		
<b>Total Long Term Debt Principal Balance</b>	3450	2,793,967	2,793,967

**LONG TERM DEBT SOURCES**

**Schedule 9I**

	Operating Purposes 1	Capital Purposes 2	Total 3
Alberta Capital Finance Authority.....	3500	2,793,967	2,793,967
Canada Mortgage and Housing Corporation .....	3520		
Mortgage Borrowing .....	3600		
Other .....	3610		
<b>Total Long Term Debt Principal Balance</b>	3620	2,793,967	2,793,967

**FUTURE LONG TERM DEBT REPAYMENTS**

**Schedule 9J**

	Operating Purposes 1	Capital Purposes 2	Total 3
<b>Principal Repayments by Year</b>	3700		
Current + 1 .....	3710	230,626	230,626
Current + 2 .....	3720	177,244	177,244
Current + 3 .....	3730	185,581	185,581
Current + 4 .....	3740	194,311	194,311
Current + 5 .....	3750	203,451	203,451
Thereafter .....	3760	1,802,754	1,802,754
<b>Total Principal</b>	3770	2,793,967	2,793,967
<b>Interest by Year</b>	3780		
Current + 1 .....	3790	132,136	132,136
Current + 2 .....	3800	117,195	117,195
Current + 3 .....	3810	108,858	108,858
Current + 4 .....	3820	100,128	100,128
Current + 5 .....	3830	90,988	90,988
Thereafter .....	3840	411,277	411,277
<b>Total Interest</b>	3850	960,582	960,582

**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	944,615	13,034
Non-Residential	3920		
Land and Improvements (Excluding M & E).....	3935	413,236	12,590
Machinery and Equipment .....	3950		
Linear Property .....	3960	20,257	20,257
Railway .....	3970		
Farm Land .....	3980		
Adjustments to Property Taxes .....	3990		
<b>Total Property Taxes and Grants In Place</b>	4000	<b>1,378,108</b>	<b>25,624</b>
Requisition Transfers			4010
Education			
Residential/Farm Land .....			4031
Non-Residential .....			4035
Seniors Lodges .....			4090
Other .....			4100
Adjustments to Requisition Transfers .....			4110
<b>Total Requisition Transfers</b>			4120
<b>Net Municipal Property Taxes and Grants In Place</b>			4130

**GRANTS IN PLACE OF TAXES**

**Schedule 9L**

	Property Taxes 1	Business Taxes 2	Other Taxes 3	Total 4
Federal Government .....	4200			
Provincial Government .....	4210	25,624		25,624
Local Government .....	4220			
Other .....	4230			
<b>Total</b>	4240	<b>25,624</b>		<b>25,624</b>

**DEBT LIMIT**

**Schedule 9AA**

	1
Debt Limit .....	5700 7,073,485
Total Debt .....	5710 2,793,967
Debt Service Limit .....	5720 1,178,914
Total Debt Service Costs .....	5730 392,761

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

3,010,722

EDIT LIST - PLEASE REVIEW AND CORRECT ANY ERRORS NOTED BELOW

Please ensure the correct breakdown of Non-Residential Property taxes has been recorded under line 3920

Please ensure the correct breakdown of Non-Residential Property taxes has been recorded under line 3920