

MUNICIPAL FINANCIAL INFORMATION RETURN

For the Year Ending December 31, 2016

**Municipality Name:**

**CERTIFICATION**

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



Signature of Duly Authorized Signing Officer

Susanne Dziwenka May 2, 2017

Print Name

Date



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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying municipal financial information return of the Town of Rainbow Lake for the year ended December 31, 2016. The municipal financial information return has been prepared by management in accordance with the financial reporting provisions of 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 of 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 the Town of Rainbow Lake for the year ended December 31, 2016 is prepared, in all material respects, in accordance with the financial reporting provisions of 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*

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 the Town of Rainbow Lake for the year ended December 31, 2016 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.

### *Restriction on Use*

Our report is intended solely for the Town of Rainbow Lake and Alberta Municipal Affairs and should not be used by parties other than the Town of Rainbow Lake and Alberta Municipal Affairs.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants

April 18, 2017  
Edmonton, Canada

## FINANCIAL POSITION

## Schedule 9A

	Total
	1
<b>Assets</b>	0010
Cash and Temporary Investments .....	0020 985,876
Taxes and Grants in Place of Taxes Receivable.....	0030
. Current .....	0040
. Arrears .....	0050
. Allowance .....	0060
Receivable From Other Governments .....	0070
Loans Receivable .....	0080
Trade and Other Receivables .....	0090 447,133
Debt Charges Recoverable.....	0095
Inventories Held for Resale	0130
. Land .....	0140
. Other .....	0150
Long Term Investments	0170
. Federal Government .....	0180 442,232
. Provincial Government .....	0190 718,131
. Local Governments .....	0200
. Other .....	0210 4,911,593
Other Current Assets .....	0230
Other Long Term Assets .....	0240
	0250
<b>Total Financial Assets</b>	0260 7,504,965
	0270
<b>Liabilities</b>	0280
Temporary Loans Payable .....	0280
Payable To Other Governments .....	0290
Accounts Payable & Accrued Liabilities .....	0300 288,764
Deposit Liabilities .....	0310 71,096
Deferred Revenue .....	0340 960,526
Long Term Debt .....	0350 1,802,353
Other Current Liabilities .....	0360
Other Long Term Liabilities .....	0370
	0380
<b>Total Liabilities</b>	0390 3,122,739
	0395
<b>Net Financial Assets (Net Debt)</b>	0395 4,382,226
<b>Non Financial Assets</b>	
Tangible Capital Assets.....	0400 34,283,449
Inventory for Consumption.....	0410 13,525
Prepaid Expenses .....	0420 146,826
Other.....	0430
<b>Total Non-Financial Assets</b>	0440 34,443,800
<b>Accumulated Surplus</b>	0450 38,826,026

## CHANGE IN ACCUMULATED SURPLUS

## Schedule 9B

		Unrestricted	Restricted	Equity in TCA	Total
		1	2	3	4
Accumulated Surplus - Beginning of Year	0500	3,558,607	2,474,052	33,317,619	39,350,278
Net Revenue (Expense) .....	0505	-524,252			-524,252
Funds Designated For Future Use .....	0511	-253,575	253,575		
Restricted Funds - Used for Operations .....	0512				
Restricted Funds - Used for TCA .....	0513				
Current Year Funds Used for TCA .....	0514	-176,570		176,570	
Donated and Contributed TCA .....	0516				
Disposals of TCA .....	0517				
Annual Amortization Expense .....	0518	1,216,945		-1,216,945	
Long Term Debt - Issued .....	0519				
Long Term Debt - Repaid .....	0521	-203,852		203,852	
Capital Debt - Used for TCA .....	0522				
	0523				
Other Adjustments .....	0524				
Accumulated Surplus - End of Year .....	0525	3,617,303	2,727,627	32,481,096	38,826,026

## FINANCIAL ACTIVITIES BY FUNCTION

## Schedule 9C

		Revenue	Expense
		1	2
<b>Total General</b>	0700	2,498,238	
<b>Function</b>	0710		1150
General Government	0720		1160
Council and Other Legislative .....	0730		1170 63,563
General Administration .....	0740	537	1180 620,112
Other General Government.....	0750		1190
Protective Services	0760		1200
Police .....	0770		1210
Fire .....	0780	306,984	1220 366,084
Disaster and Emergency Measures .....	0790		1230
Ambulance and First Aid .....	0800		1240
Bylaws Enforcement .....	0810	133,786	1250 149,262
Other Protective Services.....	0820		1260
Transportation	0830		1270
Common and Equipment Pool .....	0840	50,279	1280 333,197
Roads, Streets, Walks, Lighting .....	0850		1290 394,732
Airport .....	0860	100,672	1300 583,453
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	545,761	1350 951,932
Wastewater Treatment and Disposal .....	0920	185,522	1360 94,767
Waste Management .....	0930	119,151	1370 107,867
Other Environmental Use and Protection .....	0940		1380
Public Health and Welfare	0950		1390
Family and Community Support .....	0960	71,959	1400 147,393
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	43,412	1450 71,003
Economic/Agricultural Development .....	1020		1460 26,502
Subdivision Land and Development .....	1030		1470
Public Housing Operations .....	1040		1480
Land, Housing and Building Rentals .....	1050	4,200	1490 150,650
Other Planning and Development.....	1060		1500
Recreation and Culture	1070		1510
Recreation Boards .....	1080		1520
Parks and Recreation .....	1090		1530
Culture: Libraries, Museums, Halls .....	1100		1540 47,346
Convention Centres .....	1110		1550
Other Recreation and Culture.....	1120	90,027	1560 648,098
Other Utilities	1125		1565
Gas .....	1126	554,563	1566 424,986
Electric .....	1127	65,148	1567 113,544
Other .....	1130		1570
<b>Total Revenue/Expense</b>	1140	4,770,239	1580 5,294,491
<b>Net Revenue/Expense</b>			1590 -524,252

## FINANCIAL ACTIVITIES BY TYPE / OBJECT

Schedule 9D

		Total 1
Revenues	1700	
Taxation and Grants in Place	1710	
Property (Net Municipal)	1720	1,382,643
Business	1730	
Business Revitalization Zone	1740	
Special	1750	
Well Drilling	1760	
Local Improvement	1770	
Sales To Other Governments	1790	
Sales and User Charges	1800	1,683,756
Penalties and Costs on Taxes	1810	24,923
Licenses and Permits	1820	8,441
Fines	1830	
Franchise and Concession Contracts	1840	158,232
Returns on Investments	1850	123,376
Rentals	1860	111,120
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	
Provincial Government Unconditional Transfers	1910	301,240
Provincial Government Conditional Transfers	1920	110,107
Local Government Transfers	1930	796,400
Transfers From Local Boards and Agencies	1940	
Developer Agreements and Levies	1960	
Other Revenues	1970	70,001
Total Revenue	1980	4,770,239
Expenses	1990	
Salaries, Wages, and Benefits	2000	1,347,806
Contracted and General Services	2010	1,299,517
Purchases from Other Governments	2020	
Materials, Goods, Supplies, and Utilities	2030	1,309,480
Provision For Allowances	2040	797
Transfers to Other Governments	2050	
Transfers to Local Boards and Agencies	2060	7,250
Transfers to Individuals and Organizations	2070	
Bank Charges and Short Term Interest	2080	22,986
Interest on Operating Long Term Debt	2090	
Interest on Capital Long Term Debt	2100	89,710
Amortization of Tangible Capital Assets	2110	1,216,945
Net Loss on Sale of Tangible Capital Assets	2125	
Write Down of Tangible Capital Assets	2127	
Other Expenditures	2130	
Total Expenses	2140	5,294,491
Net Revenue (Expense)	2150	-524,252



## REVENUE AND EXPENSE SUPPLEMENTARY DETAIL

## Schedule 9E

		Revenue		Expenses	
		Sales and	Provincial	Annual	Capital Long
		User	Capital	Amortization	Term Debt
		Charges	Transfers	Expense	Interest Expense
		1	2	3	4
General Government	2200				
Council and Other Legislative .....	2210				
General Administration .....	2220	365		40,521	
Other General Government.....	2230				
Protective Services	2240				
Police .....	2250				
Fire .....	2260	18,469	59,828	22,715	
Disaster and Emergency Measures .....	2270				
Ambulance and First Aid .....	2280				
Bylaws Enforcement .....	2290	126,964		7,308	
Other Protective Services.....	2300				
Transportation	2310				
Common and Equipment Pool .....	2320			48,462	
Roads, Streets, Walks, Lighting .....	2330		50,279	86,675	
Airport .....	2340	48,417		327,320	
Public Transit .....	2350				
Storm Sewers and Drainage .....	2360				
Other Transportation .....	2370				
Environmental Use and Protection	2380				
Water Supply and Distribution .....	2390	536,640		456,075	47,149
Wastewater Treatment and Disposal .....	2400	185,521		34,574	27,361
Waste Management .....	2410	119,151			
Other Environmental Use and Protection .....	2420				
Public Health and Welfare	2430				
Family and Community Support .....	2440	29,943		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	10			
Economic/Agricultural Development .....	2500				
Subdivision Land and Development .....	2510				
Public Housing Operations .....	2520				
Land, Housing and Building Rentals .....	2530			20,191	
Other Planning and Development.....	2540				
Recreation and Culture	2550				
Recreation Boards .....	2560				
Parks and Recreation .....	2570	7,432		130,867	15,200
Culture: Libraries, Museums, Halls .....	2580				
Convention Centres .....	2590				
Other Recreation and Culture.....	2600				
Other Utilities	2605				
Gas .....	2606	545,696		22,642	
Electric .....	2607	65,148		5,509	
Other .....	2610				
Total	2620	1,683,756	110,107	1,216,945	89,710



## 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
General Government	2700				
Council and Other Legislative .....	2710				
General Administration .....	2720				
Other General Government.....	2730				
Protective Services	2740				
Police .....	2750				
Fire .....	2760	86,132			
Disaster and Emergency Measures .....	2770				
Ambulance and First Aid .....	2780				
Bylaws Enforcement .....	2790				
Other Protective Services.....	2800				
Transportation	2810				
Common and Equipment Pool .....	2820				
Roads, Streets, Walks, Lighting .....	2830	20,745			
Airport .....	2840				
Public Transit .....	2850				
Storm Sewers and Drainage .....	2860	29,534			
Other Transportation .....	2870				
Environmental Use and Protection	2880				
Water Supply and Distribution .....	2890				75,429
Wastewater Treatment and Disposal .....	2900				49,447
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				
Land, Housing and Building Rentals .....	3030	40,159			
Other Planning and Development.....	3040				
Recreation and Culture	3050				
Recreation Boards .....	3060				
Parks and Recreation .....	3070				78,575
Culture: Libraries, Museums, Halls .....	3080				
Convention Centres .....	3090				
Other Recreation and Culture.....	3100				
Other Utilities	3105				
Gas .....	3106				
Electric .....	3107				
Other .....	3110				401
Total	3120	176,570			203,852

## 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	1,276,437			1,276,437
Light Rail Transit Systems.....	3202				
Water Systems.....	3203	22,460,055			22,460,055
Wastewater Systems.....	3204	2,374,478			2,374,478
Storm Systems.....	3205				
Fibre Optics.....	3206				
Electricity Systems.....	3207	196,192			196,192
Gas Distribution Systems.....	3208	673,464			673,464
Total Engineered Structures .....	3210	26,980,626			26,980,626
Construction In Progress.....	3219		39,828		39,828
Buildings .....	3220	10,763,858	40,159		10,804,017
Machinery and Equipment .....	3230	2,001,798	96,583		2,098,381
Land .....	3240	689,103			689,103
Land Improvements.....	3245	8,626,489			8,626,489
Vehicles .....	3250	1,078,134			1,078,134
<b>Total Capital Property Cost</b>	3260	50,140,008	176,570		50,316,578
<b>Accumulated Amortization</b>					
Engineered Structures	3270				
Roadway Systems	3271	994,122	86,675		1,080,797
Light Rail Transit Systems	3272				
Water Systems	3273	6,645,376	448,970		7,094,346
Wastewater Systems	3274	682,027	34,575		716,602
Storm Systems	3275				
Fibre Optics	3276				
Electricity Systems	3277	115,167	4,155		119,322
Gas Distribution Systems	3278	478,076	18,707		496,783
Engineered Structures .....	3280	8,914,768	593,082		9,507,850
Buildings .....	3290	3,803,529	230,339		4,033,868
Machinery and Equipment .....	3300	1,116,089	86,824		1,202,913
Land .....	3310				
Land Improvements.....	3315	275,748	272,936		548,684
Vehicles .....	3320	706,050	33,764		739,814
<b>Total Accumulated Amortization</b>	3330	14,816,184	1,216,945		16,033,129
<b>Net Book Value of Capital Property</b>	3340	35,323,824			34,283,449
<b>Capital Long Term Debt (Net)</b>	3350				1,802,353
<b>Equity in Tangible Capital Assets</b>	3400	35,323,824			32,481,096

**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		258,427	258,427
Supported by Special Levies .....	3420			
Supported by Utility Rates .....	3430		1,543,926	1,543,926
Other .....	3440			
<b>Total Long Term Debt Principal Balance</b>	3450		1,802,353	1,802,353

**LONG TERM DEBT SOURCES**

**Schedule 9I**

		Operating Purposes 1	Capital Purposes 2	Total 3
Alberta Capital Finance Authority.....	3500		1,802,353	1,802,353
Canada Mortgage and Housing Corporation .....	3520			
Mortgage Borrowing .....	3600			
Other .....	3610			
<b>Total Long Term Debt Principal Balance</b>	3620		1,802,353	1,802,353

**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		212,621	212,621
Current + 2 .....	3720		223,043	223,043
Current + 3 .....	3730		233,535	233,535
Current + 4 .....	3740		150,070	150,070
Current + 5 .....	3750		157,126	157,126
Thereafter .....	3760		825,958	825,958
<b>Total Principal</b>	3770		1,802,353	1,802,353
<b>Interest by Year</b>	3780			
Current + 1 .....	3790		81,417	81,417
Current + 2 .....	3800		71,396	71,396
Current + 3 .....	3810		60,904	60,904
Current + 4 .....	3820		51,004	51,004
Current + 5 .....	3830		43,948	43,948
Thereafter .....	3840		102,608	102,608
<b>Total Interest</b>	3850		411,277	411,277

# 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	979,173	11,669	990,842
Non-Residential	3920			
Land and Improvements (Excluding M & E) .....	3935	652,284	10,822	663,106
Machinery and Equipment .....	3950			
Linear Property .....	3960	23,864		23,864
Railway .....	3970			
Farm Land .....	3980			
Adjustments to Property Taxes .....	3990			
Total Property Taxes and Grants In Place	4000	1,655,321	22,491	1,677,812
Requisition Transfers	4010			
Education				
Residential/Farm Land .....	4031			138,950
Non-Residential .....	4035			125,046
Seniors Lodges .....	4090			31,173
Other .....	4100			
Adjustments to Requisition Transfers .....	4110			
Total Requisition Transfers	4120			295,169
Net Municipal Property Taxes and Grants In Place	4130			1,382,643

# GRANTS IN PLACE OF TAXES

## Schedule 9L

		Property Taxes 1	Business Taxes 2	Other Taxes 3	Total 4
Federal Government .....	4200				
Provincial Government .....	4210	22,491			22,491
Local Government .....	4220				
Other .....	4230				
Total	4240	22,491			22,491

**DEBT LIMIT****Schedule 9AA**

1

Debt Limit .....	5700	6,990,198
Total Debt .....	5710	1,802,353
Debt Service Limit .....	5720	1,165,033
Total Debt Service Costs .....	5730	294,439

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

2,006,205