

MUNICIPAL FINANCIAL INFORMATION RETURN

For the Year Ending December 31, 2013

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

DAN FLETCHER
Print Name

30/04/2014
Date



KPMG LLP
Chartered Accountants
10125 – 102 Street
Edmonton AB T5J 3V8
Canada

Telephone (780) 429-7300
Fax (780) 429-7379
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Mayor and Members of Council o 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, 2013. 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, 2013 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, 2013 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 or Alberta Municipal Affairs.

A handwritten signature in black ink that reads 'KPMG LLP' with a long horizontal line underneath.

Chartered Accountants

April 29, 2014
Edmonton, Canada

FINANCIAL POSITION

Schedule 9A

	Total	
	1	
Assets	0010	
Cash and Temporary Investments	0020	
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	614,129
Debt Charges Recoverable	0095	
Inventories Held for Resale	0130	
. Land	0140	178,254
. Other	0150	
Long Term Investments	0170	
. Federal Government	0180	675,153
. Provincial Government	0190	981,312
. Local Governments	0200	
. Other	0210	3,242,538
Other Current Assets	0230	
Other Long Term Assets	0240	
	0250	
Total Financial Assets	0260	5,691,386
Liabilities	0270	
Temporary Loans Payable	0280	
Payable To Other Governments	0290	
Accounts Payable & Accrued Liabilities	0300	368,621
Deposit Liabilities	0310	97,225
Deferred Revenue	0340	697,838
Long Term Debt	0350	2,386,097
Other Current Liabilities	0360	48,431
Other Long Term Liabilities	0370	
	0380	
Total Liabilities	0390	3,598,212
Net Financial Assets (Net Debt)	0395	2,093,174
Non Financial Assets		
Tangible Capital Assets	0400	27,694,048
Inventory for Consumption	0410	14,434
Prepaid Expenses	0420	212,378
Other	0430	
Total Non-Financial Assets	0440	27,920,860
Accumulated Surplus	0450	30,014,034

CHANGE IN ACCUMULATED SURPLUS

Schedule 9B

		Unrestricted	Restricted	Equity in TCA	Total
		1	2	3	4
Accumulated Surplus - Beginning of Year	0500	696,094	3,464,946	26,002,478	30,163,518
Net Revenue (Expense)	0505	-149,484			-149,484
Funds Designated For Future Use.....	0511				
Restricted Funds - Used for Operations.....	0512				
Restricted Funds - Used for TCA.....	0513				
Current Year Funds Used for TCA	0514	-44,823		44,823	
Donated and Contributed TCA.....	0516				
Disposals of TCA.....	0517				
Annual Amortization Expense.....	0518	912,868		-912,868	
Long Term Debt - Issued.....	0519				
Long Term Debt - Repaid.....	0521	-294,439		294,439	
Capital Debt - Used for TCA.....	0522				
	0523				
Other Adjustments.....	0524	1,108,810	-1,108,810		
Accumulated Surplus - End of Year.....	0525	2,229,026	2,356,136	25,428,872	30,014,034

FINANCIAL ACTIVITIES BY FUNCTION

Schedule 9C

	Revenue	Expense
	1	2
Total General	0700 2,165,694	
Function	0710	1150
General Government	0720	1160
Council and Other Legislative	0730	1170 69,176
General Administration	0740 97,273	1180 592,482
Other General Government.....	0750	1190
Protective Services	0760	1200
Police	0770	1210
Fire	0780 13,425	1220 92,595
Disaster and Emergency Measures	0790	1230
Ambulance and First Aid	0800	1240
Bylaws Enforcement	0810 39,346	1250 142,355
Other Protective Services.....	0820	1260
Transportation	0830	1270
Common and Equipment Pool	0840 66,027	1280 283,104
Roads, Streets, Walks, Lighting	0850	1290 400,096
Airport	0860 99,890	1300 459,380
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 790,154	1350 1,131,798
Wastewater Treatment and Disposal	0920 292,971	1360 67,305
Waste Management	0930 135,449	1370 136,330
Other Environmental Use and Protection	0940	1380
Public Health and Welfare	0950	1390
Family and Community Support	0960 51,162	1400 63,753
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 7,905	1450 62,721
Economic/Agricultural Development	1020 51,006	1460 18,989
Subdivision Land and Development	1030	1470
Public Housing Operations	1040	1480
Land, Housing and Building Rentals	1050 3,476	1490 186,614
Other Planning and Development.....	1060	1500
Recreation and Culture	1070	1510
Recreation Boards	1080	1520
Parks and Recreation	1090 240,531	1530 668,407
Culture: Libraries, Museums, Halls	1100 20,337	1540 14,794
Convention Centres	1110	1550
Other Recreation and Culture.....	1120	1560
Other Utilities	1125	1565
Gas	1126 756,001	1566 589,430
Electric	1127 151,450	1567 152,252
Other	1130	1570
Total Revenue/Expense	1140 4,982,097	1580 5,131,581
Net Revenue/Expense		1590 -149,484

FINANCIAL ACTIVITIES BY TYPE / OBJECT

Schedule 9D

	Total	
	1	
Revenues	1700	
Taxation and Grants in Place	1710	
Property (Net Municipal)	1720	1,157,203
Business	1730	
Business Revitalization Zone	1740	
Special	1750	
Well Drilling	1760	
Local Improvement	1770	
Sales To Other Governments	1790	
Sales and User Charges	1800	2,254,274
Penalties and Costs on Taxes	1810	9,946
Licenses and Permits	1820	10,056
Fines	1830	
Franchise and Concession Contracts	1840	91,456
Returns on Investments	1850	111,892
Rentals	1860	162,066
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	2,500
Provincial Government Unconditional Transfers	1910	148,176
Provincial Government Conditional Transfers	1920	92,436
Local Government Transfers	1930	792,789
Transfers From Local Boards and Agencies	1940	
Developer Agreements and Levies	1960	
Other Revenues	1970	149,303
Total Revenue	1980	4,982,097
Expenses	1990	
Salaries, Wages, and Benefits	2000	1,240,946
Contracted and General Services	2010	1,561,955
Purchases from Other Governments	2020	
Materials, Goods, Supplies, and Utilities	2030	1,270,616
Provision For Allowances	2040	
Transfers to Other Governments	2050	
Transfers to Local Boards and Agencies	2060	4,000
Transfers to Individuals and Organizations	2070	
Bank Charges and Short Term Interest	2080	24,561
Interest on Operating Long Term Debt	2090	
Interest on Capital Long Term Debt	2100	116,635
Amortization of Tangible Capital Assets	2110	912,868
Net Loss on Sale of Tangible Capital Assets	2125	
Write Down of Tangible Capital Assets	2127	
Other Expenditures	2130	
Total Expenses	2140	5,131,581
Net Revenue (Expense)	2150	-149,484

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			33,649	
General Administration	2220			20,540	
Other General Government.....	2230	530			
Protective Services	2240				
Police	2250				
Fire	2260	500		0	
Disaster and Emergency Measures	2270				
Ambulance and First Aid	2280				
Bylaws Enforcement	2290	34,410		6,747	
Other Protective Services.....	2300				
Transportation	2310				
Common and Equipment Pool	2320	60		47,237	
Roads, Streets, Walks, Lighting	2330			80,675	
Airport	2340	84,180		74,503	
Public Transit	2350				
Storm Sewers and Drainage	2360				
Other Transportation	2370				
Environmental Use and Protection	2380				
Water Supply and Distribution	2390	790,154		439,821	91,784
Wastewater Treatment and Disposal	2400	292,971		26,823	
Waste Management	2410	135,449			
Other Environmental Use and Protection	2420				
Public Health and Welfare	2430				
Family and Community Support	2440	10,535			
Day Care	2450			14,086	
Cemeteries and Crematoriums	2460				
Other Public Health and Welfare	2470				
Planning and Development	2480				
Land Use Planning, Zoning and Development	2490				
Economic/Agricultural Development	2500				
Subdivision Land and Development	2510				
Public Housing Operations	2520				
Land, Housing and Building Rentals	2530			15,815	
Other Planning and Development.....	2540				
Recreation and Culture	2550				
Recreation Boards	2560				
Parks and Recreation	2570	6,398	92,436	122,436	24,850
Culture: Libraries, Museums, Halls	2580				
Convention Centres	2590				
Other Recreation and Culture.....	2600				
Other Utilities	2605				
Gas	2606	747,905		22,642	
Electric	2607	151,182		7,894	
Other	2610				
Total	2620	2,254,274	92,436	912,868	116,635

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	93,387			
Protective Services	2740				
Police	2750				
Fire	2760				
Disaster and Emergency Measures	2770				
Ambulance and First Aid	2780				
Bylaws Enforcement	2790	2,592			
Other Protective Services.....	2800				
Transportation	2810				
Common and Equipment Pool	2820				
Roads, Streets, Walks, Lighting	2830				
Airport	2840				
Public Transit	2850				
Storm Sewers and Drainage	2860				
Other Transportation	2870				
Environmental Use and Protection	2880				
Water Supply and Distribution	2890	1,190			156,464
Wastewater Treatment and Disposal	2900	1,190			8,794
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				
Other Planning and Development.....	3040				
Recreation and Culture	3050				
Recreation Boards	3060				
Parks and Recreation	3070	172,457			65,368
Culture: Libraries, Museums, Halls	3080				
Convention Centres	3090				
Other Recreation and Culture.....	3100				
Other Utilities	3105				
Gas	3106				
Electric	3107				
Other	3110				
Total	3120	270,816			230,625

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	1,216,436			1,216,436
Light Rail Transit Systems.....	3202				
Water Systems.....	3203	21,192,528	1,190		21,193,718
Wastewater Systems.....	3204	1,211,754	1,190		1,212,944
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	24,490,375	2,380		24,492,755
Construction In Progress.....	3219	2,358,901			2,358,901
Buildings	3220	9,977,249	92,436		10,069,685
Machinery and Equipment	3230	1,598,557	99,998		1,698,555
Land	3240	510,917			510,917
Land Improvements.....	3245	1,012,463	76,002		1,088,465
Vehicles	3250	1,196,576			1,196,576
Total Capital Property Cost	3260	41,145,038	270,816		41,415,854
Accumulated Amortization					
Engineered Structures	3270				
Roadway Systems	3271	749,098	80,675		829,772
Light Rail Transit Systems	3272				
Water Systems	3273	5,308,313	439,821		5,748,134
Wastewater Systems	3274	586,056	26,823		612,879
Storm Systems	3275				
Fibre Optics	3276				
Electricity Systems	3277	99,125	6,540		105,665
Gas Distribution Systems	3278	421,954	18,707		440,661
Engineered Structures	3280	7,164,545	572,566		7,737,111
Buildings	3290	3,148,617	207,273		3,355,890
Machinery and Equipment	3300	925,292	69,773		995,065
Land	3310				
Land Improvements.....	3315	829,050	26,325		855,375
Vehicles	3320	741,433	36,932		778,365
Total Accumulated Amortization	3330	12,808,937	912,869		13,721,806
Net Book Value of Capital Property	3340	28,336,101			27,694,048
Capital Long Term Debt (Net)	3350				2,265,176
Equity in Tangible Capital Assets	3400	28,336,101			25,428,872

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		483,911	483,911
Supported by Special Levies	3420			
Supported by Utility Rates	3430		1,902,186	1,902,186
Other	3440			
Total Long Term Debt Principal Balance	3450		2,386,097	2,386,097

LONG TERM DEBT SOURCES

Schedule 9I

		Operating Purposes 1	Capital Purposes 2	Total 3
Alberta Capital Finance Authority.....	3500		2,386,097	2,386,097
Canada Mortgage and Housing Corporation	3520			
Mortgage Borrowing	3600			
Other	3610			
Total Long Term Debt Principal Balance	3620		2,386,097	2,386,097

FUTURE LONG TERM DEBT REPAYMENTS

Schedule 9J

		Operating Purposes 1	Capital Purposes 2	Total 3
Principal Repayments by Year	3700			
Current + 1	3710		185,581	185,581
Current + 2	3720		194,311	194,311
Current + 3	3730		203,451	203,451
Current + 4	3740		213,022	213,022
Current + 5	3750		223,043	223,043
Thereafter	3760		1,366,689	1,366,689
Total Principal	3770		2,386,097	2,386,097
Interest by Year	3780			
Current + 1	3790		108,858	108,858
Current + 2	3800		100,128	100,128
Current + 3	3810		90,988	90,988
Current + 4	3820		81,417	81,417
Current + 5	3830		71,396	71,396
Thereafter	3840		258,465	258,465
Total Interest	3850		711,252	711,252

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 776,129	10,670	786,799
Non-Residential	3920		
Land and Improvements (Excluding M & E).....	3935 612,031	9,961	621,992
Machinery and Equipment	3950		
Linear Property	3960 20,756		20,756
Railway	3970		
Farm Land	3980		
Adjustments to Property Taxes	3990		
Total Property Taxes and Grants In Place	4000 1,408,916	20,631	1,429,547
Requisition Transfers		4010	
Education			
Residential/Farm Land		4031 150,200	
Non-Residential		4035 107,489	
Seniors Lodges		4090 14,655	
Other		4100	
Adjustments to Requisition Transfers		4110	
Total Requisition Transfers		4120 272,344	
Net Municipal Property Taxes and Grants In Place		4130 1,157,203	

GRANTS IN PLACE OF TAXES

Schedule 9L

	Property Taxes 1	Business Taxes 2	Other Taxes 3	Total 4
Federal Government	4200			
Provincial Government	4210 20,631			20,631
Local Government	4220			
Other	4230			
Total	4240 20,631			20,631

DEBT LIMIT**Schedule 9AA**

1

Debt Limit
Total Debt
Debt Service Limit
Total Debt Service Costs

5700	7,334,492
5710	2,386,097
5720	1,222,415
5730	294,439

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

2,563,341