



2015
FINANCIAL STATEMENT
AND
ANNUAL REPORT

The Board of Directors invites you
to attend the ANNUAL MEETING
Tuesday, March 15, 2016 at 1:30 p.m.

Vauxhall Legion Hall

Please bring this report with you.

Construction of Little Bow Outlet Structure



Completed Little Bow Outlet Structure



FINANCIAL STATEMENT AND ANNUAL REPORT 2015

“INDEX”

Directors and Staff of the BRID.....	Page 2
Chairman’s Report.....	Page 4
Board Remunerations Report	Page 6
Report on Adding and Removing Parcels	Page 7
General Manager’s Report.....	Page 8
Maintenance Report.....	Page 9
Operations Report.....	Page 11
District Rehabilitation Program (IRP) Report.....	Page 14
Notices and Announcements	Page 16
Agenda for March 15, 2016 Annual Meeting	Page 17
March 19, 2015 Previous Annual Meeting Minutes	Page 18
Financial Statements - October 31, 2015.....	Page 24
Management’s Responsibility	Page 25
Auditor’s Report	Page 26
Statement of Financial Position.....	Page 27
Statement of Operations and Change in Fund Balances.....	Page 28
Statement of Combined Cash Flows.....	Page 29
Notes to the Financial Statements	Page 30
Statement of Operating Expenses	Page 40
Form-Nomination for Director of the Bow River Irrigation District...Page 41	

**2015 DIRECTORS AND STAFF OF THE
BOW RIVER IRRIGATION DISTRICT
VAUXHALL, ALBERTA**

****BOARD OF DIRECTORS****

Harold Unruh, Chairman -District #6	John DeVries, Director -District #4
Ron Schlaht, Vice-Chairman -District #2	Vic VanDyk, Director -District #5
Glenn Logan, Director -District #1	Walter Unruh, Director -District #7
Dennis Orsten, Director -District #3 (retired)	James Larson, Director -District #3

****STAFF****

Administration/Engineering

Richard Phillips, P.Eng.	General Manager
Jessica Teasdale, CPA, CA	District Accountant
Rolf Schwabe	Executive Assistant
Glen Brown	Land Administrator
Ray Nickel	Landman
Muriel Golby	Accounts Payable
Edith Stevens	Accounts Receivable
Laurie Gallup	Receptionist/Secretary
Darryl Row	Computer Technologist/Draftsman
Lorne Pretzlaw	Engineering Technologist
Noel Going	Engineering Technologist
Evan Blindback	Draftsman/Engineering Technologist

Operations

Bill Skelly	Superintendent of Maintenance
Dave Cholka	Water Controller
Marlin Hill	Survey Crew Chief
Ernie Crowson	Weed Control Operator/Welder

West Division – Enchant/Badger Reservoir/Circle Hill Areas

Butch Porter	Divisional Supervisor
Kelly Howg	Ditchrider
Vince Row	Ditchrider
Conrad Cazemier	Ditchrider
Lonnie Howg	Ditchrider - Seasonal

East Division - Vauxhall/Hays Area

Denis Odland	Divisional Supervisor
Ray Friesen	Ditchrider
Ivan Bolen/ Richard Church	Ditchrider
Gerald Drist	Ditchrider – Seasonal
Stan Kurek	Ditchrider - Seasonal

Headworks Operators

Matt Coster	Operator
Louise Christie	Assistant Operator - Seasonal

Shop and Field Staff

Rod Lowen	Shop and Equipment Foreman
Adrian Oostlander	Inventory Storekeeper
Don Ackrill	Mechanic
Dennis Brouwers	Semi Tractor Operator
Allan Friesen	Tandem Gravel Truck Operator
Tim Gow	Equipment Operator
Dave Fraser	Equipment Operator
Keith Gertzen	Equipment Operator
Kevin Jorgensen	Equipment Operator
Kelvin Wright	Equipment Operator
Rob Zalik	Equipment Operator
Jaarno Van Der Wielen	Equipment Operator
George Thiessen	Equipment Operator
Koos Van Der Wielen	Buildings Maintenance Man
Art Carlson	Groundskeeper - Seasonal

(Staff hired casual/part-time on an as needed basis and released as work requirements dictate are not included on the above list.)

CHAIRMAN'S REPORT

To: The Irrigators of the Bow River Irrigation District

It is a pleasure to report to you again on what the Board has done this past year.

Protection for the BRID:

We are still very concerned about the threat of aquatic invasive species, mainly zebra and quagga mussels, which may be coming into our water systems. We donated \$20,000 to help train mussel sniffer dogs. Our provincial government has implemented a mandatory boat inspection for any boats coming into our province from the east or the south. Unfortunately, only the main highways have inspection points and even these are not always manned 24 hours a day. They did, however, find a number of boats that had mussels on them, and they were removed.

The three Bow River districts met with staff from Alberta Agriculture last January to develop an emergency response plan if mussels are found in our water systems. The Districts feel that such a discovery should be classified as a disaster – not an emergency. An emergency is when a truckload of chemical tips into a canal and immediate response is needed to contain the chemical. With mussels, however, when we discover even one mussel, there will probably be millions already over a wide range of water, as our water is constantly flowing. To take drastic measures, like shutting down a whole irrigation system, or even just one reservoir, will likely not contain the problem. By then, mussels will be half ways to the Hudson's Bay.

Water quality is becoming very important as agriculture strives to produce the safest food possible for consumers. We donated \$5,000 to a project called, "Safeguarding market access of crops by ensuring that Alberta's irrigation water meets increasingly stringent food safety demands". Monitoring of water will continue so that we know how safe our water is. Some of the commodity groups are already requesting proof of water quality.

Fraud is another area we have worked on to increase our protection. Directors and staff attended two workshops to learn how to identify fraud and how it can be prevented. A district fraud prevention policy was developed.

Government Involvement:

About 24 years ago our district was promised an extra water license of 52,000 acre feet. There was one condition on receiving it – our headworks canal needed to be enlarged. This work was completed 8-9 years ago already. All the public advertising has been done and there was insignificant resistance to us getting the license. We met with the appropriate people in Alberta Environment to encourage them to complete the process and sign the license. Yet, nothing; very frustrating. Still waiting for them to sign.

Some of us met with the new Minister of Agriculture and Forestry, Oneil Carlier. He is a very positive individual who was raised on a farm and has worked on

various irrigation projects in southern Alberta. He is a great support to our irrigation industry.

A couple of our Directors attended two Biodiversity Management Framework Workshops; part of the South Saskatchewan Regional Plan. It appears to be a complex plan with indicators that will be monitored and modeled and when certain triggers are activated, there will be management responses and action – all done to lessen the human footprint in the area. What complicates it even more is the nature of our area. It is ecologically very diverse, spanning four of Alberta's six Natural Regions; eleven of Alberta's 21 Natural Sub-regions of which five of these are found only in southern Alberta. The task of monitoring all of that and then setting up suitable indicators and triggers in such diversity is enormous. Irrigation has been in southern Alberta for over a hundred years. It is a human footprint that we think has enhanced the environment – not hurt it.

Other Items:

- Provided on-line payment for BRID bills.
- Formed a Conservation & Recreation Committee to determine places where we can enhance nature & where we can be helpful to the recreational users of our District works.
- Improved 3 boat launches & access points to Badger Reservoir.
- Took 3 tours of the District. Physically viewing situations brings great clarity.
- Changed auditors this year and are now using YPM.
- Auctioned to rent another half circle at the Y pastures & 2 circles at Lost Lake.
- Developed a long term lease agreement with the Hays Stock Grazing Co-op.
- Agreed to sell Vauxhall Stock Grazing Co-op the acreage north of Vauxhall that their shop & corrals are located on. They want to build a house on there for their lease rider.
- Met with the Western & Eastern Irrigation Districts to discuss common concerns on the Bow River.
- Donated the old boardroom building to the Taber Shooting Foundation.

Question:

When we implemented the 24" water limit in 2002, an important part of the discussion was to provide the flood irrigation water users an opportunity to buy extra water if they would need it. No one has needed it in the last 13 years. Can we delete that option from our bylaw?

Conclusion:

Thank you to all of our water users, staff and departments of government that we work with. We have had another great year. We wish you all a successful year in 2016.

Respectfully submitted,

Harold Unruh
Chair, Board of Directors

**BOARD OF DIRECTORS REMUNERATIONS REPORT
NOVEMBER 1, 2014 - OCTOBER 31, 2015**

Members of the Board of Directors of the Bow River Irrigation District receive remuneration for their time spent in attendance at meetings, and compensation for whatever expenses are incurred in attending those meetings, such as meals and mileage. For attendance at meetings, directors receive \$325 per day. The board chairman receives an extra \$50 per day for each board meeting and for each day of official district business when specifically performing duties of board chairman. The board member who reviews the monthly bank reconciliations and investment summaries receives an extra \$25 per day for each board meeting.

The following is a listing of fees incurred through operations of the Board of Directors of the Bow River Irrigation District:

<u>Year</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Directors' Fees	\$60,638	\$61,903	\$62,739	\$55,144	\$53,146
Miscellaneous	<u>\$20,213</u>	<u>\$10,734</u>	<u>\$12,558</u>	<u>\$6,673</u>	<u>\$7,729</u>
TOTAL:	<u>\$80,851</u>	<u>\$72,638</u>	<u>\$75,297</u>	<u>\$61,817</u>	<u>\$60,875</u>

<u>Director</u>	<u>Fees</u>	<u>Mileage</u>	<u>Expense</u>	<u>Total</u>
John DeVries	\$ 5,525	\$ 195	\$ 676	\$ 6,396
James Larson*	4,225	421	0	4,646
Glenn Logan	2,275	280	0	2,555
Dennis Orsten*	1,300	260	0	1,560
Ron Schlaht	7,625	1,445	0	9,070
Harold Unruh	12,375	640	603	13,618
Walter Unruh	10,725	1,504	611	12,840
Vic Van Dyk	<u>7,150</u>	<u>421</u>	<u>2,382</u>	<u>9,953</u>
TOTAL:	<u>\$51,200</u>	<u>\$5,166</u>	<u>\$4,272</u>	<u>\$60,638</u>

**James Larson replaced Dennis Orsten in March 2015*

REPORT ON ADDING AND REMOVING PARCELS

Section 46(1)(d) of the IRRIGATION DISTRICTS ACT states that each district must report all parcels added to or removed from the district; the following parcels have been added to the Bow River Irrigation District in 2015:

S.E. 36-14-20-W4M
N.E. 36-14-20-W4M
S.E. 18-12-15-W4M
S.W. 18-12-15-W4M
N.W. 18-12-15-W4M
N.E. 18-12-15-W4M
S.E. 4-14-19-W4M
S.E. 3-14-18-W4M
N.W. 21-12-16-W4M
N.E. 21-12-16-W4M
S.W. 28-12-16-W4M
N.E. 35-14-18-W4M
N.W. 13-15-18-W4M
S.W. 24-15-18-W4M
S.E. 6-13-15-W4M
S.E. 25-15-18-W4M
N.W. 25-15-18-W4M
N.W. 27-12-17-W4M
S.W. 34-12-17-W4M
N.W. 34-12-17-W4M
S.W. 32-13-19-W4M
East ½ S.E. 10-12-17-W4M
S.W. 35-12-17-W4M
N.W. 6-13-15-W4M
N.W. 30-14-19-W4M

No parcels were removed from the Bow River Irrigation District in the year 2015.

GENERAL MANAGER'S REPORT

To the Board of Directors and Irrigators of the Bow River Irrigation District

Water Operations

2015 was an exceptionally dry year in much of the district, but we had no problem providing adequate water to our irrigators. The total precipitation at Vauxhall was only 32% of average for May and June, and only 53% of average from May 1st through August 31st, which was comparable to 2001. We finally got a decent rain on September 6th, whereas 2001 stayed dry through the fall. We diverted 332,000 acre feet from the river this year which is only about 10% above the long term average, and McGregor and Travers reservoirs are at normal winter levels. In 2001, with 20% fewer irrigated acres than in 2015, we diverted 388,000 acre feet from the river and the reservoirs were over 100,000 acre feet below normal levels at the end of the season.

There are several reasons for the big improvement from 2001 to 2015, but the shift from flood irrigation and wheel moves to pivots, and the replacement of canals with pipelines, are significant. The area irrigated by flood has decreased 53% and the area irrigated by wheel moves has decreased 74% since 2001. In 2001 we had 230 km of pipelines, and in 2015 we had 529 km of pipelines, which is just over half of our total distribution system.

Headworks Rehabilitation

Work is progressing well on the contracts to complete the upgrades at Little Bow and Travers dams. The new outlet structure to our main canal at Little Bow is finished, the old one has been removed, and the dam itself is nearly finished and will be completed by spring. The canal between Travers and Little Bow reservoirs has been enlarged, and the crossing structure will be completed by spring. Little Bow Reservoir was drawn down nearly 4 metres below the normal winter level in the fall of 2015 to facilitate this work. Because Little Bow is a small reservoir, this drawdown has a minor impact on our total storage. The new campground at Little Bow has been completed, but it will not be open until 2017. Campers and boaters should be very happy with the new campground and boat launch. Next winter the existing outlet structure at Travers will be removed, and everything will be completed for the spring of 2017, with Travers and Little Bow then functioning as a single reservoir.

Staff Changes

There were several staff changes in 2015. Don Ackrill (Mechanic) and Lorne Pretzlaw (Engineering Technologist) retired after 35 year careers at the BRID, and Dave Cholka (Water Controller) retired after 19 years. Ivan Bolen switched positions from ditchrider to labourer. New staff include Conrad Cazemier and Richard Church as ditchriders and Evan Blindback as a draftsman/engineering technologist.

Respectfully submitted,

Richard J. Phillips, P. Eng.
General Manager

MAINTENANCE REPORT

The maintenance department of the BRID experienced a normal year. Before water was turned on in the spring, four turnouts were installed for new irrigation acres. Aquatic weeds and algae continue to be the biggest problem the district faces. Regular scheduled Magnacide H treatments will continue in the upcoming year on the canal system.

Magnacide H Chemical Costs:

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$323,367	\$315,702	\$163,178	\$163,270	\$184,940

Three precast turnout structures were installed on the Y pastures to provide irrigation for the seven new pivots that were installed this spring. The septic field was replaced on one of the acreages in the Vauxhall area and a domestic pipeline was installed to the Lion’s Park Campground just outside of Vauxhall.

Through the Irrigation Rehabilitation Program (IRP), the district with its own forces undertook the rehabilitation of Lateral D-4 in the Enchant area, and Lateral M, M-1 & O-2 in the Hays area. These projects consisted of PVC pipeline, precast concrete inlet structures, turnout installations and self-cleaning screen cleaners.

The district also rehabilitated Lateral D-5 in the Vauxhall area with its own funds from the Irrigation Works Reserve. This project consisted of a PVC pipeline tying into an existing concrete pipeline, turnout installations and an inline screen cleaner.

The BRID spent approximately \$259,000 on Special Projects this year. Under the 2015 Special Projects program the BRID installed four side sweep screen cleaners, one inline screen cleaner, two wrap around screens, three drop leaf gates, automated two structures, and installed a precast concrete check.

Under the domestic relocation program, the district completed three farmer initiated projects at a total cost of \$8,885. The BRID provides \$3,000 towards each domestic relocation, to maximum of 10 relocations per year on existing canals or pipelines.

Under the canal relocation program, the district undertook and completed one farmer initiated project at a total cost of \$38,016. The BRID provides 75% of the cost for these relocations to a maximum of \$60,000 per parcel.

Canal Relocation Projects completed in 2015 were as follows:

Location	BRID Contribution	Farmer Contribution	Total Costs
Drain 2746 (Vaux.) NE 22-14-16-4	\$28,512	\$9,504	\$38,016

Following is a list of routine maintenance performed by the BRID in 2015:

Canal Banks Sprayed with Boom or Spot Treated by Hand Gun	362	km
Ditch Cleaned with Herder (Cattails)	70	km
Ditch Banks Mowed	642	km
Ditch Banks Leveled	8	km
Ditch Banks Grass Seeded	5	km
Ditch Banks Graveled	34	km
Ditch Banks Graded	109	km
Ditch Closed	2	km
Ditch Channel Dragging	3	km
Fence Installed, Removed or Replaced	2	km
Rock, Gravel and Armour Placement (includes IRP projects)	7,660	m ³
Structures Repaired	5	units
Structures Removed	3	units
Farm Turnouts Installed in Laterals	11	units
Farm Turnouts Repaired	9	units
Turnouts Removed	6	units
Pipeline Turnouts Installed	11	units
Domestic Turnouts Installed	3	units
Standpipes Installed or Repaired	5	units
Farm or Lateral Crossings Replace or Repaired	2	units
Road Crossings Installed or Repaired	6	units
Bridges Installed or Replaced	1	unit
Canal Washouts Repaired (Structures & Culverts)	9	units
Beaver Dams & Weed Jams Removed	4	units
Drain Inlets Installed	7	units
Pipeline Turnouts Fabricated	52	units
Pipeline Screens Fabricated and Installed	6	units
Catwalks & Handrails Fabricated and Installed	12	units
Tile line Repair	2	units
Texas Gates Installed or Removed	4	units
Pipeline Repairs (above ground)	45	units
Pipeline Repairs (below ground)	10	units
Pipeline Screen Modifications	3	units

Respectfully submitted,

Bill Skelly
 Superintendent of Maintenance

OPERATIONS REPORT

Water Diversions

Water diversions from the Bow River at Carseland began on April 19th, 2015 and ceased on October 7th, 2015. A total of 331,900 acre feet was diverted this season. McGregor, Travers and Little Bow Reservoirs started the season with 315,000 acre feet total storage and ended the season at 307,000 acre feet storage.

Water diversions into our main canal at Little Bow Reservoir began on April 28th, 2015 and ceased on October 9th, 2015. Water use was above normal until mid-July, and below normal for the rest of the year. A total of 298,800 acre feet of water was diverted into our main canal at Little Bow Reservoir in 2015 with 68,800 acre feet returned to the river through the District's drainage system. The return flow included 16,000 acre feet of intentional spill in the fall to draw the reservoirs down to winter levels, as well as any runoff from rainfall that enters our drains.

The Lost Lake pumps returned 9,233 acre feet into the main canal. This year the Vauxhall Research Station recorded 156 mm of precipitation between April 1st and October 31st, which is 61% of the average. For the period from April 1st to September 30th, this was the fourth driest year in the last 40 years.

COMPARISION OF PREVIOUS YEARS:

Year	Carseland Diversion (acre feet)	Little Bow Diversion (acre feet)	*Acres Irrigated	Irrigation Acres & Annual Acres with Systems	Precipitation @ Vauxhall (April 1 to October 31)
2015	331,900	298,800	238,656	239,957	156 mm
2014	222,191	231,167	224,942	232,422	256 mm
2013	240,000	238,995	216,571	225,222	247 mm
2012	260,000	230,618	208,217	217,218	305 mm
2011	151,700	214,666	202,478	216,375	289 mm
2010	156,116	163,603	182,483	216,285	363 mm
2009	295,557	244,573	211,577	215,183	282 mm
2008	238,000	217,179	206,283	213,951	314 mm
2007	256,518	247,527	201,286	211,060	250 mm
2006	210,741	208,567	198,111	208,378	299 mm
2005	182,819	204,713	192,899	206,452	521 mm
2004	230,817	221,575	203,007		208 mm

**Prior to 2005, acres irrigated included all acres under an irrigation system whereas beginning in 2005 only the acres actually irrigated are included.*

Monthly Little Bow Diversions with comparison to 2014 and the last 25 Year Average (in acre feet):

	<u>2015</u>	<u>2014</u>	<u>25 Year Average</u>
April	3,443	0	1,449
May	53,871	22,154	31,687
June	78,040	40,699	51,787
July	81,991	87,752	85,829
August	43,043	44,107	49,822
September	29,574	28,372	35,057
October	8,876	8,083	8,566
Total	<u>298,838</u>	<u>231,167</u>	<u>264,197</u>

These totals include all water uses downstream of Little Bow Reservoir, as well as water which is not used, and spilled as return flow.

In addition to irrigation, the BRID supplied water to farmsteads, acreages, small livestock operations, grazing associations, the East Sundial Water Users and the Retlaw Water Users Co-op, drilling rigs and small wildlife habitat projects controlled by the Alberta Conservation Association.

The BRID has agreements for uses other than irrigation under its amended licence: two agricultural users (intensive feeding operations), one colony and one gravel washing operation.

Water was also conveyed to many other users, who have their own water licences. These include the communities of Hays, Vauxhall and Enchant (through the Vauxhall and District Regional Water System), and Lomond; the Vauxhall Agricultural Research Station and numerous livestock operations. The District conveyed licensed industrial water used by Prairie Gold Produce. Our district also conveyed water for several wildlife habitat projects controlled by Ducks Unlimited, and for use by recreation areas and parks including the Vauxhall and Enchant golf courses and the Enchant Park.

Crop Records

Crops on parcels with irrigation systems

<u>CROP TYPE</u>	<u>AREA</u> <u>(Acres)</u>	<u>CROP TYPE</u>	<u>AREA</u> <u>(Acres)</u>
Hard Spring Wheat	53,475	Winter Wheat	1,372
Canola	21,430	Oats	1,302
Barley	17,464	Fresh Peas	1,291
Alfalfa Hay	15,989	Summer Fallow	1,021
Alfalfa Seed	14,758	Lentils	865
Durum Wheat	12,452	Grass Hay	857
Dry Beans	12,079	Sunflowers	849
Tame Pasture	10,902	CPS Wheat	569
Canola Seed	9,438	Soft Wheat	510
Sugar Beets	9,346	Mint	497
Potatoes	8,701	Native Pasture	419
Flax	8,503	Triticale	354
Grain Corn	7,300	Dill	264
Hemp	6,138	Mustard	244
Dry Peas	5,805	Soybeans	203
Corn Silage	4,756	Grass Seed	142
Timothy Hay	2,301	Yards	130
Faba Beans	2,090	Rye	87
Barley Silage	2,064	Sorghum Sudan Grass	65
Green Feed	1,967	Canary Seed	31
Brome Hay	1,913	Nursey	8
		Market Gardens	6
		TOTAL	239,957

The methods of irrigation and acres of each are:

	% of Total:	Acres:
Pivot	89.8%	215,399
Wheel Move/Hand Move Sprinklers	4.6%	11,058
Gravity (Flood)	5.6%	13,500
	100.0%	239,957

DISTRICT REHABILITATION PROGRAM REPORT

Rehabilitation of the BRID's irrigation works is funded primarily through the provincial government's Irrigation Rehabilitation Program (IRP), which requires the district to provide 25% of the cost, with the government providing the remaining 75%. IRP funds are used only on projects which are approved by Irrigation Council. Funds added to the district's IRP account in 2015 for rehabilitation projects were as follows:

2015 IRP Base Funds

Provincial Government Contribution (75%)	\$2,909,770
<u>BRID Contribution (25%)</u>	<u>\$969,923</u>
TOTAL:	\$3,879,692

Brief descriptions of projects which were completed last year, those which are now under construction, and those which are planned for next year follow. All of the canals listed here are being replaced with pipelines:

Projects Completed in the 2014/2015 Construction Season

<u>Project Description</u>	<u>Estimated Final Cost</u>
IRP 2236 Laterals M & M-1 (Hays Block) Rehabilitation	\$1,715,000
IRP 2264 Lateral D-4 (West Block) Rehabilitation	\$1,530,000
IRP 2281 Structure Automation & Flow Measurement 2014	\$164,000
Lateral D-5 (Vauxhall Block) Rehabilitation – this project was funded from our Irrigation Works Reserve	\$925,000

Projects to be Completed in the 2015/2016 Construction Season

<u>Project Description</u>	<u>Approved Cost</u>
IRP 2297 Lateral C-7 (Hays Block) Rehabilitation	\$1,150,000
IRP 2299 Laterals H-6-3 (West Block) and K-11-A, K-11-B, K-11-C, K-11-D & K-11-E (Vauxhall Block) Rehabilitation	\$3,013,000
IRP 2309 Badger Reservoir Dam Safety Review	\$ 60,000
IRP 2317 Aerial Photography 2015	\$30,000

Projects to be Completed in the 2016/2017 Construction Season

<u>Project Description</u>	<u>Preliminary Cost Estimate</u>
IRP 2319 Lateral B (West Block) Engineering and Phase 1 Construction	\$2,789,000

Under Section 164 of the Irrigation Districts Act, the District is able to be exempted from sections of the act dealing with claims for seepage damage by submitting five year plans which specify canals to be rehabilitated with seepage control included. Lateral M and Lateral K-11-A are included in the 2013 to 2017 plan. Pipelines will eliminate seepage on these systems.

I wish to thank all those involved in the projects which have been completed and which are underway, including the BRID staff, the Board of Directors, the irrigators, contractors, suppliers, Irrigation Council, the Irrigation Secretariat, and Alberta Agriculture and Forestry.

Respectfully submitted,

Richard J. Phillips, P. Eng.

General Manager
Bow River Irrigation District

NOTICES AND ANNOUNCEMENTS

2016 Board Elections

Elections for three (3) electoral divisions are scheduled for Tuesday, March 22, 2016 (providing there are enough nominees to hold an election).

The electoral divisions up for election this year are:

Division #3:	Current Director James Larson
Division #5:	Current Director Vic VanDyk
Division #6:	Current Director Harold Unruh

Electoral Division 3 - Term Expires 2019

Includes all parcels of land with irrigation acres recorded on the assessment roll of the Bow River Irrigation District situated within Range 18 West of the Fourth Meridian and within Townships 15, 16, and 17 Range 17 West of the Fourth Meridian.

Electoral Division 5 - Term Expires 2019

Includes all parcels of land with irrigation acres recorded on the assessment roll of the Bow River Irrigation District situated within Townships 11, 12 and 13, Range 16 and 17 West of the Fourth Meridian.

Electoral Division 6 - Term Expires 2019

Includes all parcels of land with irrigation acres recorded on the assessment roll of the Bow River Irrigation District situated within Range 15 West of the Fourth Meridian, and also that portion of Townships 13 and 14, Range 14 West of the Fourth Meridian described as lying north of Highway #524 and west of Highway #875.

Nominations will close at 4:00 p.m. Tuesday, March 1, 2016.

Long Term Irrigators

As of the 2015 irrigation season, the following are recognized as **40 year irrigators**:

Chris & Deanna Nelson Peter & Glenna Pepneck Mel Williamson

As of the 2015 irrigation season, the following are recognized as **50 year irrigators**:

Keith Wolfer P & F Farms Ltd.

**ANNUAL MEETING OF THE BOARD OF DIRECTORS
AND WATER USERS OF THE
BOW RIVER IRRIGATION DISTRICT**

**TUESDAY, MARCH 15, 2016
VAUXHALL LEGION HALL, 1:30 PM**

"AGENDA"

1. Welcoming Remarks - General Manager - Mr. Richard Phillips, P. Eng.
2. Appointment of a Meeting Chairperson
3. Adoption of Agenda
4. Approval of the Minutes of the last Annual Meeting: March 19, 2015
5. Business from the Minutes of Last Year's Meeting
6. Auditor's Report and Review of Financial Statements
Period Ending October 31, 2015
- District Accountant - Mrs. Jessica Teasdale, CPA, CA
7. Chairman of the Board's Report - Chairman - Mr. Harold Unruh
8. General Manager's Report - General Manager- Mr. Richard Phillips, P. Eng.
9. Annual Maintenance of Irrigation Works Report
- Superintendent of Maintenance - Mr. Bill Skelly
10. Presentations
11. New Business
12. Recognition
13. Adjournment

**ANNUAL MEETING OF THE BOARD OF DIRECTORS
AND WATER USERS OF THE
BOW RIVER IRRIGATION DISTRICT**

THURSDAY, MARCH 19, 2015 VAUXHALL LEGION HALL

MINUTES

Following are the minutes of the Annual Meeting of the Board of Directors and the irrigators of the Bow River Irrigation District, held on Thursday, March 19, 2015 in the Vauxhall Legion Hall.

Attendance included 12 irrigators, 5 Board members, 5 BRID staff, 1 representative from Irrigation Council, 2 representatives from Alberta Treasury Branches, 6 Provincial Government staff, 1 private individual and 2 representatives from MNP for a total of 34 attendees.

The meeting was called to order at 1:35 PM by the General Manager, Mr. Richard Phillips.

1. Welcoming Remarks – Mr. Richard Phillips, P. Eng., General Manager

In opening the meeting, Mr. Phillips introduced the provincial representatives, auditors, Alberta Treasury Branch representatives, BRID staff and welcomed all the irrigators to the meeting. The irrigators were then asked to introduce themselves.

It was reported to the irrigators that the 2015 Board elections saw 2 incumbents, Glenn Logan and Walter Unruh, return to the Board of Directors by acclamation. Dennis Orsten of Area #3 retired and James Larson was elected by acclamation to fill the vacancy.

2. Appointment of a Meeting Chairperson

Mr. Phillips then introduced Mr. Ron Schlaht, Vice-Chairman of the Board, whom the Board had previously appointed as Chairman for the meeting.

3. Adoption of Agenda

At this time, Mr. Ron Schlaht invited everyone to review the agenda as noted on Page 19 of the annual report sent to all irrigators and asked if there were any items to be added. He then requested a motion to accept the agenda.

Moved by Mr. Nick Kuipers to approve the agenda as printed in the Annual Report.

CARRIED

4. Approval of the Minutes of Last Year's Meeting

The minutes of the March 11, 2014 annual meeting, on pages 20 through 27 of the annual report, were reviewed. Mr. Schlaht inquired whether there were any errors or omissions.

Moved by Mr. John VanderWaal to approve the minutes of the March 11, 2014 annual meeting as printed and circulated in the 2013 annual report.

CARRIED

5. Business From the Minutes of Last Year's Meeting

Mr. Ron Schlaht inquired whether there was any business from the minutes of last year's meeting.

There was no business from the minutes of last year's meeting.

6. Auditor's Report and Review of Financial Statements

Period Ending October 31, 2013- District Accountant – Mrs. Jessica Teasdale, CA

Mr. Ron Schlaht introduced Mrs. Jessica Teasdale, CA.

Mrs. Jessica Teasdale directed attention to the Financial Statements starting on page 31 of the Annual Report. The 2014 year-end statements were then reviewed.

Mr. Ron Schlaht invited any questions relating to the Review of Financial Statements.

Q. Mr. John Kolk asked about the entry into riskier investments that was discussed at last year's Annual General Meeting.

A. This will be addressed in the Chairman's Report.

Moved by Mr. Henry Wiebe that the financial statements and auditor's report for the year ending October 31, 2014, be accepted as presented.

CARRIED

7. Chairman of the Board's Report – Chairman – Mr. Harold Unruh.

Mr. Harold Unruh introduced the Board of Directors in attendance and then presented a summary of his written report as it appeared in the annual report sent to all irrigators. Items presented were:

- Y Pastures development and lease auctions
- Two leases auctioned this year with rates lower this year than last year

- Aquatic Invasive Species:
 - o Staff and Directors attended Emergency Plan meeting on March 4, 2015
 - o Legislation for boat inspections has been introduced, will probably be passed before election
 - o Some chemical controls are available, others still need licensing
 - o Serious threat to Irrigation District and Irrigators
- 52,000 acre feet license application
- Environmental awareness and habitat development initiatives
- Bus tour of the Headworks was held again in 2014
- Change in Long Term Irrigators Awards
- Investment Policy:
 - o Four million dollars total was invested with four institutions, with up to 40% exposure to equities markets. One institution guaranteed the principal. These investments were made with a long term outlook.

Mr. Unruh concluded by thanking ARD, Alberta Environment, Alberta Transportation, irrigators and staff for their efforts and cooperation and wished all a good 2015.

Mr. Ron Schlaht invited any questions relating to the Chairman's report.

Moved by Mr. Jan Bennen that the Chairman's Report for 2014 be approved.

CARRIED

8. General Manager's Report – Mr. Richard Phillips, P. Eng., General Manager
 Mr. Richard Phillips presented the General Manager's report as written in the 2014 annual report. In addition, Mr. Phillips presented the activities of the Alberta Irrigation Projects Association, on which he continues to serve on the executive committee. They had a busy year promoting irrigation in Alberta. The public relations campaign included radio advertising, a successful partnership with the Calgary Farmers' Market, participation in Aggie Days in Calgary, and many other activities. The AIPA has also taken an active role in supporting and funding efforts to keep invasive mussels out of Alberta.

On the political front, we once again provided a tour of irrigation districts for MLA's and met with cabinet ministers, and the executive committee spent an hour with Jim Prentice when he was on the campaign trail to review the importance of irrigation and to discuss what is needed in the future to provide effective water management in Alberta. Our new premier understands and supports irrigation.

Mr. Ron Schlaht invited any questions relating to the General Manager's Report.

- Q. Mr. John Kolk asked: “What process was left in the 52,000 acre feet license application, and was there an estimate of when it would be issued?”
- A. Our First Nation consultations are adequate, our public consultations are adequate, Mr. Phillips feels the process is moving along, but has no idea when license will be issued.

Moved by Mr. James Larson that the report of the General Manager be accepted as presented.

CARRIED

9. Annual Maintenance of Irrigation Works Report – Mr. Bill Skelly - Superintendent of Maintenance

Mr. Bill Skelly reviewed the Annual Maintenance Report as outlined in the 2014 Annual Report. In addition, Mr. Skelly reported that the BRID welding shop was fabricating all the pipeline turnouts and pipeline inlet screens.

Mr. Ron Schlaht invited any questions relating to the Superintendent of Maintenance’s Report.

- Q. Mr. John VanderWaal asked” “Why the increase in weed issues last year?”
- A. Low flows in canals due to low demand at times contributed to algae growth.
- Q. Mr. Jan Bennen asked: “Is it possible to flush canals during low demand periods in order to reduce algae?”
- A. This may be possible, and has been discussed by staff.

Moved by Mr. Brian Witdouck to accept the annual maintenance report as presented.

CARRIED

10. Presentations

The following reports were presented: 2014 Water Operations Report – Mr. Dave Cholka, Water Controller

Mr. Ron Schlaht invited any questions relating to the Water Controller’s Report.

- Q. Mr. Jan Bennen asked: “In low snowpack years, are the BRID reservoirs able to meet demand for one year?”
- A. Yes
- Q. Mr. John Kolk asked why there was a difference in the irrigated acres and the crop type totals.
- A. Irrigated acres includes unused acres on land parcels.

Mr. Ron Schlaht invited any further questions relating to the 2014 Water Operations Report. No further questions were raised.

- Irrigation Rehabilitation Program Reports-Mr. Richard Phillips, P. Eng., General Manager.

Mr. Ron Schlaht invited any questions relating to the Irrigation Rehabilitation Program Report.

Q. Mr. John Kolk asked: “What percentage of our system was open canal versus pipelines?”

A. About ½ of our system is open canal and ½ is pipeline. There are several canal systems that are still feasible to change to pipeline.

Mr. Ron Schlaht introduced Ms. Adele Harding from Alberta Agriculture. Ms. Harding administers the Growing Forward program, which provides grants implementing irrigation efficiencies. No pre-approval is required, and it applies to equipment purchased after April 1, 2013. An application needs to be filled out, along with a Long Term Irrigation Management Plan, both of which are available online. Copies of invoices and receipts will need to be provided for reimbursement of 40% of costs up to \$5,000.00. An irrigator is only allowed to apply once during the five year program cycle. There may be other programs that an irrigator may apply for. Her office phone number is 403-381-5531.

11. New Business

Mr. Ron Schlaht opened the floor to new business.

Mr. Art Carlson wished to thank the District on behalf of the Vauxhall Fish and Game Club for the domestic turnout that was installed on their land, and on behalf of the Taber Shooting Foundation for the donation of the old board room building.

12. Awards

Mr. Harold Unruh, Chairman of the Board, read a list of irrigators receiving long term irrigator awards, with a presentation made to those in attendance:

FORTY (40) YEAR AWARDS (embroidered hat)

- David and Marjorie Armstrong	-Lyle and Dixie Crowson
-Lloyd and Martha Crowson	-Kelly Howg
-Diane Howg	-Malcolm and Carol Jones
-Robert Mossey	-George Senneker
-Isabel Volesky	

FIFTY (50) YEAR AWARDS (embroidered hat)

- Hugh Bell
- Louis and Jeanette Kondor
- Anne Skretting

FIFTEEN (15) YEARS OF SERVICE ON THE BRID BOARD (Framed Artwork)

- Glenn Logan

APPRECIATION FOR SERVICE ON THE BRID BOARD UPON RETIREMENT

- Dennis Orsten received a plaque acknowledging 11 years of service on the BRID board

13. Adjournment

The meeting was adjourned at 3:00PM on a motion by Mr. Henry Wiebe.

CARRIED

BOW RIVER IRRIGATION DISTRICT

FINANCIAL STATEMENTS

OCTOBER 31, 2015

Management’s Responsibility	25
Auditor’s Report.....	26
Statement of Financial Position.....	27
Statement of Operations and Changes in Fund Balances	28
Statement of Combined Cash Flows	29
Notes to the Financial Statements	30
Schedule of Operating Expenses	40

MANAGEMENT RESPONSIBILITY STATEMENT

The financial statements are the responsibility of the management of the Bow River Irrigation District.

These financial statements have been prepared from information provided by management. Financial statements are not precise since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects.

The elected Board of Directors of the Bow River Irrigation District is responsible for ensuring that management fulfils its responsibilities for financial statements. The Board carries out its responsibility principally through the Audit Committee.

The Board meets annually with management and the external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, and to satisfy itself that each party is properly discharging its responsibilities. The Board also considers the engagement or re-appointment of the external auditors. The Board reviews the monthly financial reports.

The financial statements have been audited by Young Parkyn McNab LLP, Chartered Accountants, the external auditors, in accordance with Canadian generally accepted auditing standards on behalf of the Board. Young Parkyn McNab LLP has full and free access to the Board.



General Manager

January 27, 2016

Young Parkyn McNab LLP

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Irrigators of
Bow River Irrigation District

We have audited the accompanying financial statements of Bow River Irrigation District, which comprise the statements of financial position as at October 31, 2015 and the statements of operations and changes in fund balances and cash flows for the year then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements 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 financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Bow River Irrigation District as at October 31, 2015, and the results of its operations, changes in fund balances and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matter

The financial statements of Bow River Irrigation District for the year ended October 31, 2014 were audited by another accounting firm who expressed an unmodified opinion on those statements on March 19, 2015.

Lethbridge, Alberta
January 27, 2016

Young Parkyn McNab LLP
Chartered Accountants

BOW RIVER IRRIGATION DISTRICT
Statement of Financial Position
As at October 31, 2015

	General Fund	Irrigation Works	2015	2014
ASSETS				
CURRENT ASSETS				
Cash	2,502,488	660,770	3,163,258	4,744,292
Short-term investments (Note 3)	1,500,361	20,197,255	21,697,616	21,903,557
Accounts receivable (Note 4)	684,670	207,427	892,097	1,200,174
Materials and supplies, at cost	913,638	-	913,638	710,261
Prepaid expenses	78,763	-	78,763	39,330
Work in process	-	1,989,997	1,989,997	2,136,293
Due from funds	-	371,620	371,620	1,013,404
	<u>5,679,920</u>	<u>23,427,069</u>	<u>29,106,989</u>	<u>31,747,311</u>
LONG-TERM INVESTMENTS (Note 3)	291,792	8,317,329	8,609,121	6,064,962
PROPERTY AND EQUIPMENT (Note 5)	3,154,740	-	3,154,740	3,108,432
IRRIGATION WORKS (Note 5)	-	110,935,889	110,935,889	109,364,767
	<u>9,126,452</u>	<u>142,680,287</u>	<u>151,806,739</u>	<u>150,285,472</u>
LIABILITIES AND FUND BALANCES				
CURRENT LIABILITIES				
Accounts payable and deferred revenue (Note 9)	881,097	2,409,937	3,291,034	3,790,749
Due to funds	371,620	-	371,620	1,013,404
	<u>1,252,717</u>	<u>2,409,937</u>	<u>3,662,654</u>	<u>4,804,153</u>
COMMITMENTS (Note 10)				
CONTINGENCIES (Note 11)				
FUND BALANCES				
Invested in capital assets (Note 5)	3,154,740	110,935,889	114,090,629	112,473,199
Externally restricted (Note 6)	-	4,604,584	4,604,584	4,137,453
Internally restricted (Note 6)	-	24,729,877	24,729,877	24,162,973
Unrestricted	4,718,995	-	4,718,995	4,707,694
	<u>7,873,735</u>	<u>140,270,350</u>	<u>148,144,085</u>	<u>145,481,319</u>
	<u>9,126,452</u>	<u>142,680,287</u>	<u>151,806,739</u>	<u>150,285,472</u>

The accompanying notes and schedules are part of these financial statements.


 General Manager


 Chairman of the Board

BOW RIVER IRRIGATION DISTRICT
Statement of Operations and Changes in Fund Balances
For the Year Ended October 31, 2015

	General Fund	Irrigation Works	2015	2014
REVENUE				
WATER EARNINGS				
Irrigation rates (Note 7)	4,153,543	-	4,153,543	4,103,222
Water supply rentals	89,516	-	89,516	111,681
Sale of excess and domestic water	68,800	-	68,800	64,960
Discounts and penalties, net	-176,135	-	-176,135	-161,476
	<u>4,135,724</u>	<u>-</u>	<u>4,135,724</u>	<u>4,118,387</u>
LEASE REVENUE, NET	871,639	-	871,639	627,939
INTEREST EARNINGS	55,714	446,809	502,523	519,548
UNREALIZED GAIN (LOSS) ON INVESTMENTS	-	-95,093	-95,093	11,269
PROVINCE OF ALBERTA	-	2,909,770	2,909,770	3,185,862
CONTRIBUTIONS FROM FARMERS	-	3,211,760	3,211,760	11,847,794
MISCELLANEOUS	86,268	-	86,268	53,050
	<u>5,149,345</u>	<u>6,473,246</u>	<u>11,622,591</u>	<u>20,363,849</u>
EXPENSES				
OPERATING EXPENSES (SCHEDULE 1)	3,721,813	-	3,721,813	3,393,131
AMORTIZATION OF IRRIGATION WORKS	-	5,228,375	5,228,375	5,019,015
CONSULTING FEES (REVENUE)	-	9,637	9,637	-81,028
	<u>3,721,813</u>	<u>5,238,012</u>	<u>8,959,825</u>	<u>8,331,118</u>
EXCESS OF REVENUE OVER EXPENSES	1,427,532	1,235,234	2,662,766	12,032,731
PROVISION FOR IRRIGATION WORKS (Note 8)	-1,369,923	1,369,923	-	-
	<u>57,609</u>	<u>2,605,157</u>	<u>2,662,766</u>	<u>12,032,731</u>
FUND BALANCES, beginning of year	7,816,126	137,665,193	145,481,319	133,448,588
FUND BALANCES, end of year	<u>7,873,735</u>	<u>140,270,350</u>	<u>148,144,085</u>	<u>145,481,319</u>

BOW RIVER IRRIGATION DISTRICT
Statement of Combined Cash Flows
For the Year Ended October 31, 2015

	2015	2014
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Excess of revenue over expenses	2,662,766	12,032,731
Items not involving cash:		
Amortization of property and equipment	359,047	343,748
Amortization of irrigation works	5,228,375	5,019,015
Loss on sale of property and equipment	3,985	3,437
	<u>8,254,173</u>	<u>17,398,931</u>
Net change in non-cash working capital balances		
Accounts receivable	308,077	-49,320
Materials and supplies, at cost	-203,377	-151,470
Prepaid expenses	-39,433	-219
Accounts payable and deferred revenue	-499,715	524,149
	<u>7,819,725</u>	<u>17,722,071</u>
INVESTING ACTIVITIES		
Purchase of property and equipment	-413,735	-178,095
Proceeds on disposal of capital assets	4,395	5,466
Expenditures on irrigation works	-6,799,497	-5,665,446
Change in work in process	146,296	-1,009,185
Change in long-term investments	-2,544,159	-2,047,472
	<u>-9,606,700</u>	<u>-8,894,732</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	-1,786,975	8,827,339
CASH AND CASH EQUIVALENTS, beginning of year	<u>26,647,849</u>	<u>17,820,510</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>24,860,874</u></u>	<u><u>26,647,849</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash	3,163,258	4,744,292
Short-term investments	21,697,616	21,903,557
	<u>24,860,874</u>	<u>26,647,849</u>

BOW RIVER IRRIGATION DISTRICT

Notes to Financial Statements

For the Year Ended October 31, 2015

1. Purpose of the Organization

The Bow River Irrigation District is charged with the responsibility of efficient and economical distribution of water to users in the District and operates as a not-for-profit organization under the Irrigation Districts Act, Chapter 1-11, Revised Statutes of Alberta 2000.

The District is considered a tax-exempt Government of Alberta agency and as a result pays no income taxes or Goods and Services Tax (GST) on purchases but is still required to collect and remit GST.

2. Accounting Policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations including the following significant accounting policies:

Fund Accounting

The activities of the District have been disclosed as two distinct funds – the General Fund and the Irrigation Works Fund:

General Fund – Discloses the water management and delivery operations and land lease operations of the District, as well as certain special projects as designated by the Board of Directors from time to time. The general fund includes management of equipment and personnel, the costs of which are billed to the irrigation works fund to the extent they relate to construction activities.

Irrigation Works Fund – Discloses receipts and expenditures for new irrigation works and interest earned on such monies. Costs incurred in constructing new irrigation works and in replacing and rehabilitating existing structures are provided for from this fund. It includes funds provided by the Province of Alberta for the Irrigation Rehabilitation Program. The Province contributes 75% of the funds for this program and the District contributes 25%. This IRP fund can only be used for projects approved by Irrigation Council.

Revenue Recognition

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

BOW RIVER IRRIGATION DISTRICT
Notes to Financial Statements
For the Year Ended October 31, 2015

2. Accounting Policies (continued)

Cash and Cash Equivalents

The District considers cash on hand, in banks and term deposits that mature within twelve months of year-end as cash and cash equivalents.

Inventory

Purchased materials and supplies inventory are valued at the lower of cost or net realizable value with cost determined by the average cost method.

Work in progress is stated at cost and capitalized as specific projects are completed.

Property and Equipment

Property and equipment are recorded at cost. Amortization of buildings and equipment is provided using the declining balance method at rates intended to amortize the cost of these assets over their estimated useful lives. The annual rates are as follows:

Office shop complex	3%
Buildings	5%
Other equipment	10%
Power equipment	15%
Trucks	20%
Computer equipment	25%

Irrigation works assets are recorded at cost to the District. Items capitalized include the cost of easements and rights of way purchased. Irrigation works are amortized on a straight-line basis over their estimated average useful lives of 40 years.

Pension

Expenditures: Employee benefits include pension costs which comprise the cost of pension obligations earned by employees during the year.

BOW RIVER IRRIGATION DISTRICT

Notes to Financial Statements

For the Year Ended October 31, 2015

2. Accounting Policies (continued)

Measurement Uncertainty

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts 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 reporting period. Actual results could differ from those estimates. Management has estimated the average useful life of irrigation works in the District to be 40 years. Amortization of irrigation works is based on this estimate.

Long-lived Assets

Long-lived assets consists of property, buildings and equipment and irrigation works. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The District performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may be unrecoverable. Impairment losses are recognized when undiscounted future cash flows from its use and disposal are less than the asset's carrying amount. Impairment is measured as the amount by which the asset's carrying value exceeds its fair value. Any impairment is included in income for the year.

Financial Instruments

The District recognizes its financial instruments when the District becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recognized at their fair value, including financial assets and liabilities originated.

At initial recognition, the District may irrevocably elect to subsequently measure any financial instrument at fair value. The District has not made an election during the year.

BOW RIVER IRRIGATION DISTRICT
Notes to Financial Statements
For the Year Ended October 31, 2015

2. Accounting Policies (continued)

The District subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market are subsequently measured at cost less impairment. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at amortized cost or cost.

Financial Asset Impairment

The District assesses impairment of all of its financial assets measured at cost or amortized cost. The District groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors; no asset is individually significant. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, the District determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the District reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The District reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment was recognized. The amount of the reversal is recognized in the excess of revenues over expenses in the year the reversal occurs.

BOW RIVER IRRIGATION DISTRICT
Notes to Financial Statements
For the Year Ended October 31, 2015

3. Investments

	2015	2014
Managed portfolios (cost - \$4,000,000)	3,908,798	-
GICs	24,221,273	25,457,209
Fixed income (cost - \$2,172,199)	2,176,666	2,511,310
	<u>30,306,737</u>	<u>27,968,519</u>
Less: short term	<u>-21,697,616</u>	<u>-21,903,557</u>
Long term investments	<u>8,609,121</u>	<u>6,064,962</u>

Short-term investments totalling \$21,697,616 (2014- \$21,903,557) mature in the next year. They include GICs, term deposits and bonds at interest rates varying from 1.50% to 4.95%. Long term investments totalling \$8,609,121 (2014 - \$6,064,962) mature in one to six years. They includes GICs, term deposits and bonds at varying interest rates from 1.70% to 5.85% and equities.

4. Accounts Receivable

	2015	2014
Water rates and charges	562,356	670,521
Leases	10,855	2,550
Sundry	116,812	249,521
Accrued interest	<u>202,074</u>	<u>277,582</u>
	<u>892,097</u>	<u>1,200,174</u>

BOW RIVER IRRIGATION DISTRICT
Notes to Financial Statements
For the Year Ended October 31, 2015

5. Property and Equipment

<u>General</u>	2015		2014	
	Cost	Accumulated Amortization	Net	Net
Office shop complex	2,346,687	944,567	1,402,120	1,445,484
Buildings	193,354	136,465	56,889	59,883
Trucks	1,650,168	1,307,137	343,031	336,577
Power equipment	2,429,550	1,432,867	996,683	862,893
Computers	253,453	201,758	51,695	65,822
Other equipment	977,354	673,032	304,322	337,773
	<u>7,850,566</u>	<u>4,695,826</u>	<u>3,154,740</u>	<u>3,108,432</u>
 <u>Irrigation Works</u>			<u>2015</u>	<u>2014</u>
Irrigation works opening balance			210,528,405	204,862,959
Additions to irrigation works				
External goods and services			5,230,624	3,795,022
Internal (District) goods and services			1,568,873	1,870,424
Irrigation works at end of year			<u>217,327,902</u>	<u>210,528,405</u>
Amortization opening balance			101,163,638	96,144,623
Disposals			-	-
Current year amortization			5,228,375	5,019,015
Amortization at end of year			<u>106,392,013</u>	<u>101,163,638</u>
Irrigation works closing balance			<u>110,935,889</u>	<u>109,364,767</u>

BOW RIVER IRRIGATION DISTRICT
Notes to Financial Statements
For the Year Ended October 31, 2015

6. Restricted Fund Balances

The District has funds contributed by Alberta Agriculture (externally restricted) and by the District (internally restricted) for use in addition to and/or rehabilitating irrigation works. The District also has funds contributed by Alberta Environment (externally restricted) to secure right of way for deficiencies existing prior to 1974.

	Internal	External		2015	2014
	District	Right of Way	Cost Share		
Opening fund balance	24,162,973	31,874	4,105,579	28,300,426	16,949,711
<u>Add:</u>					
Contributions new parcels	3,121,632	-	-	3,121,632	11,416,316
Province of Alberta	-	-	2,909,770	2,909,770	3,185,862
District	1,369,923	-	969,923	2,339,846	2,523,908
Contributions from farmers	140,657	-	16,523	157,180	498,262
Interest earnings	405,092	302	41,415	446,809	428,254
Unrealized gain (loss)	-95,093	-	-	-95,093	11,269
	29,105,184	32,176	8,043,210	37,180,570	35,013,582
<u>Deduct:</u>					
Additions to capital works (Note 5)	3,328,695	-	3,470,802	6,799,497	5,665,446
Consulting fees (revenue)	9,637	-	-	9,637	-81,028
Payments to water users	29,318	-	-	29,318	41,021
Drain relocations	37,734	-	-	37,734	25,764
Transfer to cost share	969,923	-	-	969,923	1,061,954
	24,729,877	32,176	4,572,408	29,334,461	28,300,425

BOW RIVER IRRIGATION DISTRICT
Notes to Financial Statements
For the Year Ended October 31, 2015

7. Irrigation Rates

Irrigation rates, net, consist of:		<u>2015</u>
254,836.21 acres	at \$16.00 per acre	4,077,379
430.09 acres	at \$400.00 per parcel minimum 51 parcels at 25 acres minimum	20,400
240.93 acres	at \$19.00 per acre, terminable	<u>4,578</u>
		4,102,357
2,567.69 acres	at \$19.00 per acre, annual	48,786
39.12 acres	at \$400.00 per parcel minimum, annual	<u>2,400</u>
		<u><u>4,153,543</u></u>

8. Provision for Irrigation Works

	<u>2015</u>	<u>2014</u>
Contribution to cost share reserve	969,923	1,061,954
Transfer surplus to reserves	<u>400,000</u>	<u>400,000</u>
	<u><u>1,369,923</u></u>	<u><u>1,461,954</u></u>

BOW RIVER IRRIGATION DISTRICT

Notes to Financial Statements

For the Year Ended October 31, 2015

9. Accounts Payable and Deferred Revenue

Included in accounts payable is deferred revenue of \$1,892,417 representing deposits on expansion acres and goods and services taxes payable of \$177,714.

10. Uncompleted Project Commitments

The District has commitments in an estimated amount of \$589,058 (2014 - \$2,795,066) in respect of uncompleted work on approved cost sharing projects.

11. Contingent Liabilities

The District is involved in various minor litigation, regulatory and environmental matters in the ordinary course of business. In management's opinion, an adverse resolution of these matters would not have a material impact on operations or the District's financial position.

12. Local Authorities Pension Plan

Employees of the District participate in the Local Authorities Pension Plan (LAPP), which is covered by the Public Sector Pension Plans Act. It is financed by employer and employee contributions and investment earnings of the LAPP fund. The District is required to make current service contributions to the plan of 11.39% of pensionable earnings up to the Canada Pension Plan's Maximum Pensionable Earnings and 15.84% for the excess. Total current service contributions by the employees of the District to LAPP in 2015 were \$282,780 (2014 - \$254,229) and the contributions made by the District to the plan in 2015 were \$307,628 (2014 - \$276,689). At December 31, 2014 the Plan served about 237,612 people (2013 - 230,534) and 423 employers (2013 - 418) and it disclosed an actuarial deficiency of \$2.45 billion (2013 - \$4.86 billion).

13. Financial Instruments

The District as part of its operations carries a number of financial instruments. It is management's opinion that the District is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

BOW RIVER IRRIGATION DISTRICT
Notes to Financial Statements
For the Year Ended October 31, 2014

13. Financial Instruments (continued)

Fair value of financial instruments

The carrying value of current financial assets and liabilities approximates their fair values due to the short-term nature of these instruments.

The fair value of the District's long-term investments consisting of fixed income bonds, term deposits and equities are \$8,609,121 (2014 - \$6,064,962).

Credit concentration

The District does not have significant exposure to risk from any individual customer. The District conducts regular reviews of its existing customers' credit performance. The Irrigation Districts Act provides a mechanism to recover losses associated with non-payment of irrigation rates and rights.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The District does not have any specific exposure to interest rate risk.

14. Related Parties

During the year the District received revenues of \$116,509 for irrigation water rates and cultivation leases from members of the board of directors. These transactions are in the normal course of operations and are measured at the exchange amounts outlined in the District's by-laws.

15. Approval of Financial Statements

These financial statements were approved by management and the board of directors.

BOW RIVER IRRIGATION DISTRICT
Schedule of Operating Expenses
For the Year Ended October 31, 2015

Schedule 1

	2015				2014	
	Equipment Pool	Maintenance	Water Delivery	Administration	Total	Total
EXPENSES						
Salaries and wages	541,980	954,048	394,108	852,218	2,742,355	2,656,012
Employee benefits	125,578	206,287	76,018	190,830	598,712	561,893
Equipment operations & maintenance	644,606	-	-	899	645,505	630,030
Materials and supplies	1,787	332,258	11,155	64,247	409,448	485,638
Amortization	288,499	51,342	-	19,206	359,047	343,748
Weed and pest control	-	7,386	328,654	-	336,040	331,650
Delivery pumps	-	2,154	188,280	-	190,434	158,257
Insurance	31,113	25,818	-	7,081	64,011	61,940
Board of Directors fees and expenses	-	-	-	80,851	80,851	72,636
Association fees	-	-	-	80,179	80,179	90,739
Professional fees	-	-	-	20,750	20,750	32,358
Contracted services	-	-	-	6,230	6,230	8,402
Telephone	-	-	10,766	10,746	21,512	18,843
Equipment rent	-	15,331	-	-	15,331	22,009
Advertising	-	-	-	24,533	24,533	19,322
Conference and seminars	567	4,110	145	1,714	6,536	8,128
Land titles charge	-	-	-	2,639	2,639	3,654
Postage	-	-	-	6,500	6,500	7,463
Allowance for doubtful accounts	-	-	-	-	-	1,337
Travel	-	341	380	868	1,589	1,846
Bank charges	-	-	-	1,707	1,707	2,732
Loss on disposal of equipment	3,985	-	-	-	3,985	3,437
Labour recoveries	-114,366	-202,792	-109,976	-271,527	-698,661	-589,659
Equipment recoveries	-2,030,856	761,643	101,242	11,111	-1,156,860	-1,499,394
Building occupancy costs, net	-	-34,682	-	-	-34,682	-41,308
Custom work recoveries	-	-13,791	-	-	-13,791	-8,040
Miscellaneous	761	117	295	6,738	7,912	9,458
TOTAL 2015	-506,348	2,109,571	1,001,067	1,117,522	3,721,813	-
TOTAL 2014	-744,676	2,119,674	932,730	1,085,403	-	3,393,131



**FORM FOR NOMINATION
FOR DIRECTOR OF THE
BOW RIVER
IRRIGATION DISTRICT
IRRIGATION DISTRICTS
ACT (SECTION 58)**

We, the undersigned Irrigators in the Bow River Irrigation District,
hereby nominate:

Name (Please Print)

Resident Land Location

as candidate for the election now to be held for Electoral Division # ____.

WITNESSED by our hands this ____ day of _____, A.D. 2016.

To be signed by at least two (2) } _____
 }
 Irrigators of the Bow River }
 }
 Irrigation District who are } _____
 }
 eligible to vote. } _____

I hereby consent to being nominated as a candidate for election of Director for the Board of the Bow River Irrigation District, and hereby agree, if elected to serve as a member of the Board for the term for which I am elected.

To be signed by Candidate

NOTES:

NOTES:

NOTES:

NOTES:

NOTES:

NOTES:

Dragging a Chain in Drain A to Remove Weeds



Removing Cattails from a Canal



Bow River Irrigation District
P.O. Box 140
Vauxhall, AB T0K 2K0

CANADA		POSTES
POST		CANADA
Postage paid	Port payé	
Addressed	Médiaposte	
Admail	avec adresse	
		0001619873