



**FINANCIAL STATEMENTS
AND
ANNUAL REPORT
For the year ended
DECEMBER 31, 2025**

The Board of Directors invites you
to attend the annual meeting
Wednesday, April 15, 2026 at 9:30 a.m.
Tater's Hall
217 5th Street N, Vauxhall

**FINANCIAL STATEMENTS AND ANNUAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2025**

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**DIRECTORS AND STAFF OF THE
BOW RIVER IRRIGATION DISTRICT**

BOARD OF DIRECTORS

Kale McMorris, Director - Div. #1
John Kolk, Director – Div. #2
James Larson, Vice-Chairman - Div. #3
John DeVries, Director - Div. #4

Joost Van Ham, Director – Div. #5
Kerby Redekop, Director - Div. #6
Walter Unruh, Chairman - Div. #7

STAFF

Administration/Engineering

Richard Phillips, P. Eng.	General Manager
Jessica Robbins, CPA, CA	Assistant General Manager
George Thiessen	Land Administrator
Dana Fleming	Landman
Muriel Golby	Accounts Payable
Anne Cazemier/Tina Neudorf	Accounts Receivable
Lori Van Hal	Receptionist
Darryl Row	Systems Administrator/Draftsman
Dylan Fletcher	Engineering Technologist
Evan Blindback	Draftsman
Kris Colley	Safety Officer

Operations/Maintenance

Bill Skelly	Superintendent of Maintenance
Daryl Brouwers	Operations Supervisor
Donnell Schlosser	Maintenance Supervisor
Adam Locke	Maintenance Crew Chief/Ditchrider
Marlin Hill	Survey Crew Chief
Mark Borle	Operations Assistant
Nicholas May	Headworks Operator
Louise Christie	Assistant Headworks Operator
Bryden Geremia	Ditchrider
Les Olson	Ditchrider
Kelly Howg	Ditchrider
Lonnie Howg	Ditchrider
Ray Friesen	Ditchrider
Richard Church	Ditchrider
Vince Row	Ditchrider
Cory Hull	Purchaser
Daniel Wiebe	Mechanic

Allan Friesen	Tandem Gravel Truck Operator
Curtis Johnson	Semi Tractor Operator
David Webster	Weed Control Operator
Ernie Crowson	Weed Control Operator/Welder
Armand Lautier	Equipment Operator
Jaarno Van Der Wielen	Equipment Operator
Keith Gertzen	Equipment Operator
Kelvin Wright	Equipment Operator
Kevin Jorgensen	Equipment Operator
Glen Andruschak	Equipment Operator
Westin Hlatky	Equipment Operator
Ivan Bolen	Labourer
Cory Bougie	Labourer
Jake Penner	Labourer
Isaak Wiebe	Labourer
Hunter Damberger	Labourer
Lanny Broderson	Groundskeeper

CHAIRMAN'S REPORT

To the irrigators of the Bow River Irrigation District:

Board Elections

James Larson was re-elected in Electoral Division 3. Joost Van Ham was elected in Electoral Division 5. Kerby Redekop was re-elected in Electoral Division 6 by acclamation.

Meetings

There were regular board meetings with ongoing business plus Deadhorse Reservoir and expansion discussions that were needed monthly. Semi-annual meetings of the GES (Governance Environmental Social) Committee were chaired by Kerby Redekop who will also give a report at the AGM. Board members attended meetings to take care of BRID business as required throughout the year.

AIDA Tours and Conference

Board members and management took part in tours in our district, other districts, and attended a conference in Calgary. These were opportunities to see what other districts have achieved, and network with all parts of the irrigation sector, as well as our fellow irrigators from the NW United States who came to tour irrigation in Southern Alberta.

Expansion

The board held 3 meetings across the district to listen to irrigators. A vote of 124 in favor and 90 opposed passed for an expansion. Details to be fair to all irrigators have been discussed at board meetings throughout the year. We considered price, timing, process, along with many other considerations.

The first phase will allow 15,000 acres for early irrigation development with the next 10,000 acres to come with the building of Deadhorse Reservoir. The first phase has set acre amounts allowed in 3 stages with tiered prices that will allow all potential land across the BRID to be developed as new acres are available. Pricing reflects demand for irrigation, increasing land values and recognizes our headworks irrigators and their uniqueness.

Appreciation

Special thanks to our Federal Government and its departments who continue to support our district. Thank you to MP David Bexte who met Richard and I this summer to discuss the needs of the BRID.

Our Provincial Government is also very supportive of the BRID. Premier Danielle Smith, Minister Sigurdson, Minister Schultz, Minister Schow, Minister Hunter, area MLAs and staff have recognized the importance of irrigation and its huge benefit to our area and province. Thank you.

Our thanks to the Irrigation Council and Glenn Logan, a former BRID director who is now serving on council.

Again, the management and staff at the BRID made the 2025 irrigation season go smoothly and efficiently. Your hard work and dedication to the role you have contributes to the success of our farms. Thank you so much.

My thanks to the board for their hard work and commitment this year. We, the board, thank irrigators for working with staff and management. This year you attended meetings and talked to the board and management to help us make informed decisions to benefit all irrigators in the BRID.

May all be blessed in 2026.

Respectfully submitted,

Walter Unruh
Chairman, Board of Directors

BOARD OF DIRECTORS REMUNERATION REPORT

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 \$589 per day. The board chairman receives an extra \$130 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 \$66 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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Directors' Fees	\$145,356	\$148,292	\$148,443	\$128,475	\$73,542
Miscellaneous	\$14,161	\$17,086	\$14,653	\$40,260	\$33,942
Total	\$159,517	\$165,378	\$163,096	\$168,735	\$107,484

<u>Director</u>	<u>Fees</u>	<u>Mileage</u>	<u>Expense</u>	<u>Total</u>
Kale McMorris	\$14,238	\$2,539	\$878	\$17,655
John Kolk	\$17,376	\$1,621	\$888	\$19,885
James Larson	\$14,855	\$3,140	\$1,156	\$19,151
John DeVries	\$16,492	\$1,293	\$1,667	\$19,452
Vic Van Dyk*	\$6,022	\$848	\$910	\$7,780
Joost Van Ham**	\$11,191	\$480	\$0	\$11,671
Kerby Redekop	\$18,168	\$359	\$865	\$19,392
Walter Unruh	\$26,963	\$2,107	\$1,300	\$30,370
Totals	\$125,305	\$12,387	\$7,664	\$145,356

*2 months vs. 12 months for other directors

**10 months vs. 12 months for other directors

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 2025:

N.W. 10-13-18-W4M

N.W. 21-14-21-W4M

N.E. 21-14-21-W4M

N.E. 36-11-18-W4M

No parcels were removed from the Bow River Irrigation District in 2025.

GENERAL MANAGER'S REPORT

Water Operations

Water demand in 2025 was slightly above the average for the last 25 years but well below the average for the last 49 years. The previous sentence probably looks like a mistake to people who don't understand the amazing efficiency gains made in irrigation districts over the last 20 or 30 years, but it is correct. Our average diversion from Little Bow Reservoir from 1976 through 1999 was 297,000 acre feet, and from 2000 through 2024 it was 266,000 acre feet. Although the total volume diverted from Little Bow Reservoir was typical, the monthly demands were not, with generally high demand until mid-June, low demand in late June, high demand the first half of July, and then exceptionally low demand from mid-July through mid-August, with 11 new daily record low flows from July 16 to August 4. Demand was finally steadier and predictable from late August until the end of the season with demand slightly above average. Total reservoir storage at year end was above normal.

Scope Reservoir Irrigation Project

The BRID and the MD of Taber agreed to develop an irrigation project on MD – owned land adjacent to Scope Reservoir. The BRID will provide annual agreements to authorize the irrigation, and project costs and rental revenue will be shared equally between the MD and the BRID. We normally spill at least 10,000 acre feet of water from the main canal downstream of Scope and this project will use a portion of that excess water without impacting water supplies for other irrigators. Unavoidable operational inefficiencies in delivering water to the large irrigated area upstream of Scope results in more water in the reservoir than is needed to supply the much smaller downstream irrigated area, and more than is needed to supply all the land included in this project. The project will include 23 standard ¼ section pivots, with leases awarded through an auction.

Water Act Amendments

The province's water availability engagement that began in 2024 culminated with the introduction of Bill 7 in 2025 to amend the Water Act. The Alberta Irrigation Districts Association and irrigation districts were engaged throughout the process, providing suggestions and feedback on issues that impact irrigation. The Water Act amendments will simplify and clarify some relatively minor water uses and issues without changing fundamental principles that irrigation districts support.

Solar Development on BRID Lands

In late April Solar Krafte informed us that they would not be developing a proposed project on BRID land NW of Vauxhall, which they had been working on since 2017. They had previously developed the project on BRID land two miles north of Vauxhall, which has been operational since 2020. Proteus Power is still pursuing development of a project on BRID land east of Scope Reservoir, with construction unlikely to begin until 2028.

Water Licence Transfer

In January our water licence transfer to Cochrane for 750 acre feet at a cost of \$7,000 per acre foot was approved. The plebiscite in which our irrigators approved of this transfer allowed up to 825 acre feet to be transferred if the province required a holdback on the transfer, but there was no holdback.

Deadhorse Coulee Reservoir

The project is continuing to move forward, with the design completed, and the tender package will be ready this spring. The regulatory approval process and land acquisition are progressing, but we do not know how much longer either will take.

Respectfully submitted,

Richard Phillips, P.Eng.
General Manager

MAINTENANCE REPORT

The maintenance department of the BRID experienced a normal year. Due to scheduled Magnacide H treatments, we are experiencing fewer problems with aquatic weeds and algae. The cost of Magnacide H treatments was more normal this year due to timely rains and lower flows on the main canal.

Magnacide H Chemical Costs:

<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
\$746,994	\$651,274	\$1,000,060	\$762,593	\$738,067

The district relocated 375m of Drain A in the south Hays area due to severe erosion and channeling. Mainline steel fittings were changed to PVC fittings and farmer turnouts were changed to stainless risers on four pipelines.

The district with its own forces finished the bottom end of the BK-2-2 pipeline and installed pipe and turnouts on the BK-2 pipeline. Armour was removed and canal was backfilled on the BK-3 pipeline, all these pipelines are in the Circle Hill area. These projects consisted of the installation of PVC pipe, farm turnouts, domestic turnouts, structure removal and canal backfill. The district also removed crossings, structures and turnouts on the C-1 & Y-3 project in the Hays area.

The BRID spent approximately \$188,000 on special projects this year. Under the 2025 special projects program, the BRID replaced brooms and chains on 3 pipeline screen cleaners, upgraded controls on 3 main canal structures, and finished a bypass turnout below Drop 8 on main canal in Hays area.

The following is a list of routine maintenance performed by the BRID in 2025:

Canal Banks Sprayed with Boom or Spot Treated by Handgun	730	km
Ditch Channel Cleaned	11	km
Ditch Channel Cleaned with Herder (Cattails)	16	km
Ditch Banks Mowed	845	km
Ditch Banks Leveled	6	km
Ditch Banks Graveled	95	km
Ditch Banks Graded	85	km
Fence Installed, Removed, or Replaced	8	km
Rock, Gravel, and Armour Placement (including IRP projects)	6,575	m ³
Beaver Dams & Weed Jams Removed	59	units
Canal Washouts Repaired (Structures & Culverts)	39	units
Catwalks & Handrails Fabricated and Installed	8	units
Domestic Turnouts Installed or Repaired	1	unit
Drain Inlets Installed or Repaired	6	units
Farm Turnouts Installed in Laterals	4	units
Farm Turnouts Repaired	10	units
Farm or Lateral Crossings Replace or Repaired	11	units
Gates Repairs	7	units
Pipeline Repairs (above ground)	20	units
Pipeline Repairs (below ground)	25	units
Pipeline Turnouts Fabricated	57	units
Pipeline Turnouts Installed	2	units
Pipeline Turnouts Replaced	22	units
Road Crossings Installed or Repaired	2	units
Standpipes Installed or Repaired	1	unit
Structures Removed	1	unit
Structures Installed or Repaired	3	units
Texas Gates Cleaned, Installed, or Removed	3	units
Tile Line Repair	3	units
Turnouts Removed	2	units
Bridge Removed or Repaired	2	units

Respectfully submitted,

Bill Skelly
 Superintendent of Maintenance

OPERATIONS REPORT

WATER DIVERSIONS

Water diversions from the Bow River at Carseland began on April 15, 2025, and ceased on October 10, 2025. A total of 339,312 acre feet was diverted this season. McGregor, Travers, and Little Bow Reservoirs started the season with 358,300 acre feet total storage and ended the season at 375,000 acre feet storage.

Water diversions into our main canal at Little Bow Reservoir began on April 28, 2025 and ceased on October 10, 2025. A total of 270,391 acre feet of water was diverted into our main canal at Little Bow Reservoir in 2025, which is 4,725 acre feet above the 25-year average. The return flow was 50,977 acre feet, which was returned to the river through the District's drainage system.

The Lost Lake pumps returned 1,552 acre feet into the main canal. This year the Vauxhall Research Station recorded 243 mm of precipitation between April 1st and October 31st, which is 97% of the 25-year average.

COMPARISON OF PREVIOUS YEARS

Year	Carseland Diversion (acre feet)	Little Bow Diversion (acre feet)	Acres Irrigated	Irrigation Acres & Annual Acres with Systems	Precipitation at Vauxhall (April 1 to October 31)
2025	377,153	270,391	274,592	283,883	243 mm
2024	339,312	223,955	280,163	283,723	289 mm
2023	461,000	353,433	281,737	283,228	134 mm
2022	383,092	284,294	271,843	274,552	244 mm
2021	465,433	338,535	266,379	272,878	120 mm
2020	284,400	251,000	252,144	260,856	307 mm
2019	389,000	313,914	250,832	251,750	165 mm
2018	290,400	300,000	239,295	248,318	145 mm
2017	422,000	351,500	424,150	245,224	124 mm
2016	328,085	262,391	225,566	242,598	281 mm
2015	331,900	298,800	226,042	239,957	156 mm
2014	222,191	231,167	224,942	232,422	256 mm
2013	240,000	238,955	216,571	225,222	247 mm

The assessment roll at the close of the 2025 irrigation season was 294,573 acres. The expansion limit of the district is 295,000 acres.

Monthly Little Bow Diversions with comparison to 2024 and the last 25-Year Average (in acre feet):

	<u>2025</u>	<u>2024</u>	<u>25-Year Average</u>
April	4,066	0	2,902
May	52,811	17,105	33,822
June	63,075	45,961	51,455
July	62,084	82,551	86,557
August	39,620	48,341	50,414
September	37,389	23,551	32,010
October	11,346	6,445	8,507
	<hr/>	<hr/>	<hr/>
	270,391	223,955	265,666

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, the Retlaw Water Users Co-op, and small wildlife habitat projects controlled by the Alberta Conservation Association.

The BRID has agreements for uses other than irrigation under its amended license: agricultural, municipal, commercial and one habitat enhancement project.

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. 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:

CROP	ACRES	CROP	ACRES
Hard spring wheat	36,676	CPS wheat	3,031
Durum wheat	36,262	Grass seed	3,028
Barley	24,086	Oats	2,722
Canola – seed	18,877	Flax	2,648
Potatoes	18,310	Chickpeas	1,611
Dry beans	16,051	Hemp	1,490
Canola	13,354	Lentils	1,087
Corn silage	12,765	Faba beans	1,060
Grain corn	12,485	Summer fallow	811
Dry peas	10,664	Malt barley	666
Tame pasture	10,197	Green feed	627
Sugar beets	9,564	Fresh peas	389
Grass-timothy-brome	8,366	Onions	382
Alfalfa seed	6,298	Mustard	266
Winter wheat	5,810	Sorghum grass	262
Alfalfa hay	5,709	Native pasture	196
Barley silage	5,523	Misc. – yard	109
Soft wheat	4,384	Alfalfa silage	51
Rye	4,377	Miscellaneous	17
Triticale	3,672		
		Total	283,883

The methods of irrigation and acres of each are:

	% of Total	Acres
Pivot	95.8	272,053
Gravity (flood)	2.5	7,208
Wheel move/hand move	1.6	4,428
Subsurface drip	0.1	194
	100.0	283,883

Respectfully submitted,

Daryl Brouwers
Operations Supervisor

REHABILITATION AND MODERNIZATION PROGRAM REPORT

Rehabilitation and modernization of the BRID's irrigation works is funded partially 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.

Projects which do not include IRP in the description are being funded under the Alberta Irrigation Modernization program. Funding for this program includes a 30% grant from the province, with the district funding the remainder. The Canada Infrastructure Bank provides a loan for 50% of the total approved costs.

Brief descriptions of three projects constructed primarily last year, with construction continuing in 2025/2026, three that are now under construction, and one planned for next year follow.

Projects Constructed Primarily in the 2024/2025 Construction Season

<u>Project Description</u>	<u>Estimated Final Cost</u>
IRP 2400 BK-2-2 (Vauxhall Block) Pipeline	\$1,946,000
IRP 2403 BK-2 (Vauxhall Block) Pipeline Phase 1	\$2,450,000
BK-2 (Vauxhall Block) Pipeline Phase 2	\$9,400,000

Projects Under Construction in the 2025/2026 Construction Season

<u>Project Description</u>	<u>Cost Estimate</u>
IRP 2419 BK-1 (Vauxhall Block) Pipeline Phase 1	\$4,491,000
IRP 2420 Laterals C-1 and Y-3 (Hays Block) Rehabilitation	\$240,000
IRP 2421 Lomond Lateral Check Structures Gate Replacements	\$634,000

Projects Beginning Construction in the 2026/2027 Construction Season

<u>Project Description</u>	<u>Preliminary Cost Estimate</u>
IRP 2428 BK-1 (Vauxhall Block) Pipeline Phase 2	\$12,396,000

The BK-1, BK-2, and the BK-2-2 pipelines are part of a large project to replace Lateral B and all its sub-laterals (Laterals K-1 through K-11), with funding under both the IRP and AIM programs. The BK-2-2 pipeline pumps water from Lost Lake and was in partial operation in 2025, with final completion in 2025/2026 for full operation in 2026. Most of the BK-2 pipeline was installed in 2024/2025, and it will be completed in 2025/2026 for operation in the spring of 2026. Construction of the BK-1 pipeline began in the fall of 2025, with completion expected in the spring of 2027.

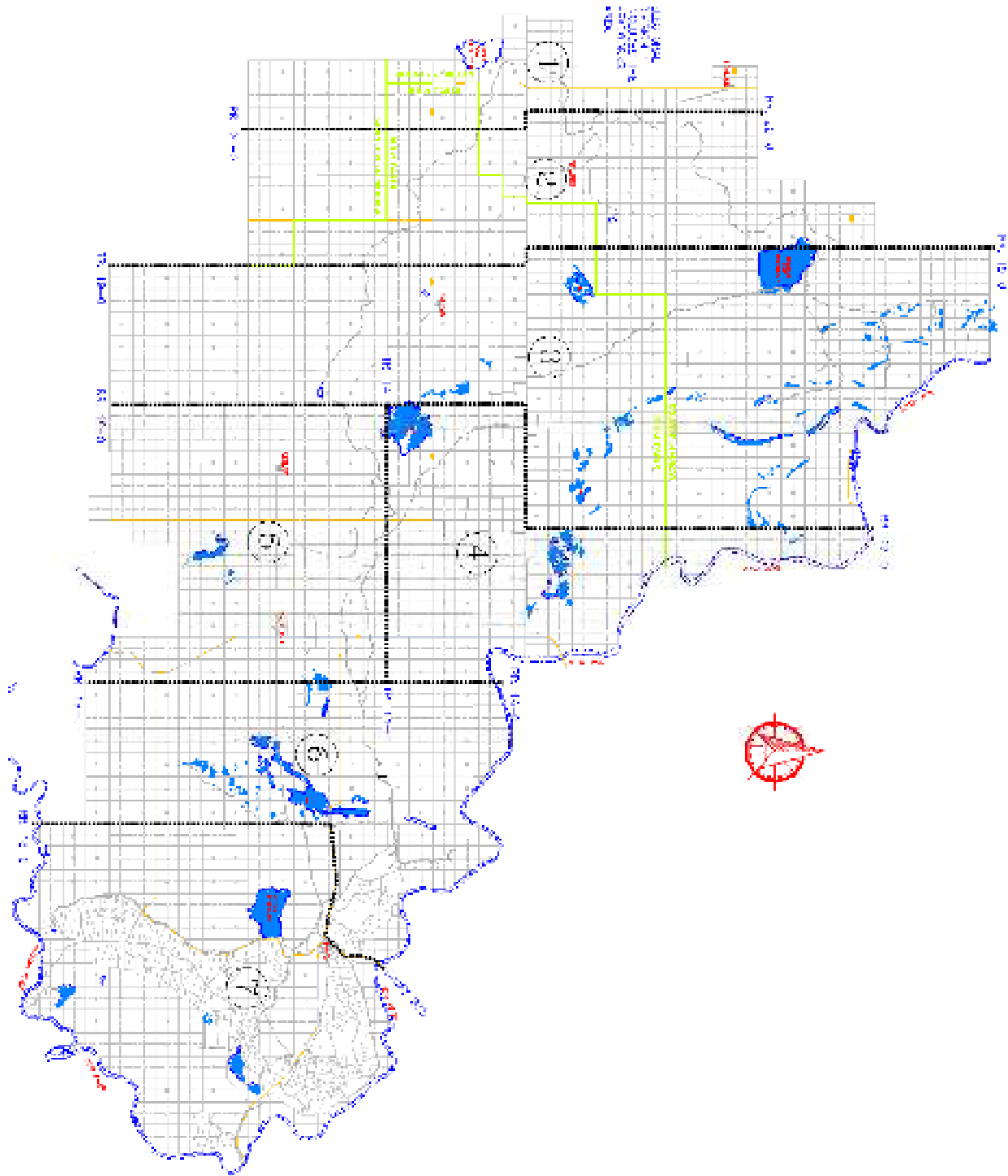
The Laterals C-1 and Y-3 project includes eliminating these small laterals by relocating turnouts to existing pipelines with excess capacity due to the conversion of flood irrigation to pivots since they were installed. There are three large check structures on the Lomond Lateral with old radial gates in poor condition which require replacement with new automated overshot gates.

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, engineering consultants, Irrigation Council, the Irrigation Secretariat, Alberta Agriculture and Irrigation, and the Canada Infrastructure Bank.

Respectfully submitted,

Richard Phillips, P. Eng.
General Manager

BOARD ELECTORAL DIVISION BOUNDARIES



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

**WEDNESDAY, APRIL 15, 2026, 9:30 A.M
TATER'S HALL**

AGENDA

1. Welcoming Remarks - General Manager - Richard Phillips, P. Eng.
2. Appointment of a Meeting Chairperson
3. Adoption of Agenda
4. Approval of the Minutes of the last Annual Meeting: April 16, 2025
5. Business from the Minutes of Last Year's Meeting
6. Auditor's Report and Review of Financial Statements for the Year Ended December 31, 2025
- Assistant General Manager - Jessica Robbins, CPA, CA
7. Chairman of the Board's Report - Chairman – Walter Unruh
8. General Manager's Report - General Manager- Richard Phillips, P. Eng.
9. Annual Maintenance of Irrigation Works Report
- Superintendent of Maintenance - Bill Skelly
10. Presentations
11. New Business
12. Recognition
13. Adjournment

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

**WEDNESDAY, APRIL 16, 2025 - 1:30 PM
VAUXHALL COMMUNITY HALL**

MINUTES

Following are the minutes of the Annual General Meeting of the Board of Directors and irrigators of the Bow River Irrigation District, held on Wednesday, April 16, 2025 at the Vauxhall Community Hall at 1:30 pm.

Attendance included 31 irrigators, 7 board members, 3 BRID staff members, 3 representatives from Irrigation Council, 1 representative from MPE Engineering Ltd., 1 representative from the MD of Taber, and 1 representative from MWG Chartered Professional Accountants for a total of 47 attendees.

The meeting was called to order at 1:35 pm by General Manager Richard Phillips.

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

In opening the meeting, Richard Phillips welcomed all attendees. He asked all attendees to write their names on the sign-in sheet near the entrance when they leave if they hadn't already done so.

2) Appointment of a Meeting Chairperson

Richard Phillips introduced John Kolk, Director, whom the board had previously appointed as Chairperson for the meeting.

3) Adoption of Agenda

John Kolk welcomed all attendees. He then introduced the BRID board members: Walter Unruh, Kerby Redekop, Joost Van Ham, John DeVries, James Larson and Kale McMorris; and BRID management: Richard Phillips, P.Eng., and Jessica Robbins, CPA, CA.

John Kolk asked meeting attendees to review the annual meeting agenda and asked if there were any additions to the agenda. There were no additions to the agenda. John Kolk requested a motion to accept the agenda.

Moved by Rick Stamp that the agenda be accepted as presented.

CARRIED

4) Approval of the Minutes from the Previous Annual Meeting; April 11, 2024

John Kolk requested that attendees review the minutes of the previous year's annual meeting on pages 19 through 25 of the report and asked if there were any errors, omissions or corrections

required. None were noted. A motion to accept the minutes from the April 11, 2024 annual meeting was requested.

Moved by John DeGroot that the minutes from the April 11, 2024 annual meeting as printed and circulated in the 2024 annual report be accepted.

CARRIED

5) Business from the Minutes of the Previous Annual Meeting

John Kolk asked if there was any business from the minutes of the previous year's annual meeting. No business from the minutes of the previous year's annual meeting was brought forward.

6) Presentation of the Financial Statements for the Year Ended December 31, 2024

Jessica Robbins, CPA, CA, Assistant General Manger

Jessica Robbins presented the financial statements for the year ended December 31, 2024, noting the following:

- The water rate was increased from \$17.50/acre to \$19.00/acre, so there was an increase in revenue from 2023 to 2024.
- Earnings from investments increased mainly due to a large unrealized gain on portfolio investments.
- IRP funding increased in 2024.
- Magnacide expense decreased due to less being used this year.
- Large cash outflows are expected in the next several years related to the construction of Deadhorse Reservoir, so more money has been moved from long term investments into short term investments and cash.
- Expenditures continue to be made on Alberta Irrigation Modernization program projects. The loan balance from Canada Infrastructure Bank makes up a large portion of the district's liabilities.
- The surplus from operations was over \$300,000.

John Kolk invited any questions regarding the review of the financial statements. No questions were noted.

Moved by John VanderWaal that the financial statements for the year ended December 31, 2024 be accepted as presented.

CARRIED

7) Chairman of the Board's Report – Walter Unruh, Chairman of the Board

Walter Unruh presented the chairman of the board's report, noting the following:

- Elections were held in two areas in 2024. Kale McMorris was elected by acclamation in electoral division 1. Walter Unruh returned to the board by acclamation in electoral division 7.

- The board and management attended more meetings primarily due to the Alberta Government's Water Availability Engagement process.
- There were several functions held to help promote irrigation in 2024, including a tour of the district for BRID irrigators, a tour for U of C staff, and a tour for the Federal Department of Fisheries and Oceans.
- The Minister of Agriculture and Irrigations, RJ Sigurdson, made an announcement regarding an increase to IRP funding in Vauxhall in April of 2024.
- BRID management, Richard Phillips and Jessica Robbins, have been doing a great job handling the extra workload due to ongoing projects and functions.
- Board members do a good job of representing their areas at board meetings as well as working together for the district as a whole.
- The board works diligently to make sure water is used diligently and as efficiently as possible.

John Kolk invited questions regarding the chairman of the board's report. None were noted.

Moved by Murray Reynolds that the chairman of the board's report be accepted as presented.

CARRIED

8) General Manager's Report – Richard Phillips, P. Eng., General Manager

Richard Phillips presented the general manager's report, noting the following:

- At the end of 2023, our reservoirs were 88% of normal winter storage. By early June of 2024 they were full, and at the end of the year they were at nearly normal winter storage levels. McGregor Reservoir was kept a little low on purpose because some work was done on erosion control over the winter. Travers Reservoir was kept a little higher than normal to compensate for this.
- There was a bit of a fear that the drought from 2023 would persist in 2024, so the Alberta Government brought major water users together and drew up Memorandums of Understanding just in case, but they did not need to be used in the Bow River basin.
- Work continues on the Deadhorse Reservoir project.
- A study was done regarding the capacity of the main canal at Carseland. The district is encouraging the province to expand the canal to gain more capacity, and a temporary license was issued this year to increase the diversion rate by approximately 5%.
- The water availability engagement last year was unexpected. There was the potential for the province to decrease water license allocations, but irrigation districts gave recommendations on how to improve water management without taking away license allocations. They are now doing away with holdbacks on water license transfers, which was one of the recommendations.
- A feasibility study regarding the potential Eyremore Dam is being completed this year. The Bow River currently has no provincially owned onstream water storage like the Oldman River does.
- The staff at BRID do a great job.

John Kolk invited questions regarding the general manager's report.

Albert Dalton said that Lateral A can't handle any more water and asked if any more bridges will be put in. Richard Phillips said that canal is at capacity and one bridge continues to be assessed in conjunction with the MD of Taber to determine if it needs to be replaced, although Lateral A wouldn't be able to carry more water even if the bridge is replaced. Some culverts could be twinned, and freeboard could be increased for the canal to be able to carry more water.

John Kolk invited any further questions regarding the general manager's report. None were noted.

Moved by Ron Huvenaars that the general manager's report be accepted as presented.

CARRIED

9) Maintenance of the Irrigation Works Report – Bill Skelly, Superintendent of Maintenance
Bill Skelly presented the maintenance of the irrigation works report, noting the following:

- Some rock was fixed at Badger Reservoir that had been damaged due to high winds.
- We continued to replace steel fittings with PVC. This is being done before they fail.
- We continue to build pipeline turnouts in the BRID welding shop.
- Drop 8 was modified as part of the special projects program.
- We installed approximately 11km of pipe ourselves.

John Kolk invited questions regarding the maintenance of the irrigation works report. None were noted.

Moved by Kevin Witdouck that the maintenance of the irrigation works report be accepted as presented.

CARRIED

10) Presentations

Operations Report – Jessica Robbins, CPA, CA, Assistant General Manager

Jessica Robbins presented the report, noting the following:

- Headworks reservoir storage was approximately 316,000 acre-feet at the end of the 2024 irrigation season.
- Diversions at the Carseland Weir began on April 13, 2024 and ended on October 10, 2024, with 339,312 acre-feet being diverted. Approximately 223,955 acre-feet was diverted into the main canal from Little Bow Reservoir.
- The return flow was 50,190 acre-feet in 2024, up from 32,922 acre-feet in 2023.
- Pivots accounted for 95.6% of irrigation in 2024, with 271,180 acres being wetted under pivots.
- The snow pillow at various mountain sites are currently lower than average.

John Kolk invited questions regarding the operations report.

Ron Huvenaars asked what the current year snow pillow means for water allocation this year. Richard Phillips said that we've seen worse snowpacks going into the irrigation season. In 2023, the snow pillow wasn't very good and then it melted very quickly. He said that 18 inches will be the normal allocation going forward, but average use across the district is 15-16 inches in a dry year. We could also use reservoir storage in a dry year if necessary, as was done in 2023.

District Rehabilitation Program Report – Richard Phillips, P. Eng., General Manager

Richard Phillips presented the report, noting the following:

Completed projects:

- Under AIM, BK-3 (Vauxhall Block) Pipeline Phase 2 was completed.
- Under IRP, BK-2-2 (Vauxhall Block) Pipeline was completed.

Current projects:

- Under IRP, BK-2 (Vauxhall Block) Pipeline Phase 1 is in progress.
- Under AIM, BK-2 (Vauxhall Block) Pipeline Phase 2 is in progress.

John Kolk invited questions regarding the district rehabilitation report.

John VanderWaal asked what the difference is between AIM and IRP. Richard Phillips said that IRP is long term and has been ongoing for many years. The provincial government contributes 75% of the cost and the districts contributes 25% of the cost. AIM is a one-time program with limited projects and budget. The provincial government contributes 30%, the district contributes 20% and the remaining 50% comes as a loan from the Canada Infrastructure Bank that the district will have to repay.

Jake Rozendaal asked if Lateral R in Hays will be rehabilitated in the future. Richard Phillips said that other projects are taking priority right now and that maintenance is done as required on Lateral R.

Jake Rozendaal asked if Lateral R could be lined to reduce seepage. Richard Phillips said that lining could be used, but the problem is that a long-term plan will need to be determined regarding whether it will be converted to pipeline or kept as a canal.

11) New Business

John Kolk invited irrigators to bring forward any new business.

Albert Dalton asked if there are still delays in getting pipe. Richard Phillips said that all districts are working together to make sure that we all get the pipe we need for our projects.

Kevin Witdouck asked if the price of new irrigation acres has been determined. John Kolk said that an exact price has not been decided on, but that the board decided it will likely be in the range of \$4,000-\$5,000 per acre.

Ryan Bos asked when water will be turned on this year. John Kolk said that water will be turned on in the first week of May.

John Kolk asked if there was any new business. No further new business was brought forward.

12) Recognition

John DeVries said that Vic Van Dyk retired from the board and that he had been a valuable director.

John DeVries presented James Larson with a pin for 10 years on the board.

John Kolk thanked the South Country Co-op for providing coffee and donuts for the meeting.

13) Adjournment

The meeting was adjourned at 2:58 pm on a motion by Jake Rozendaal.

**BOW RIVER IRRIGATION DISTRICT
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

These financial statements have been prepared from information provided by management. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The District maintains systems of internal accounting and administrative controls that are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the District's assets are properly accounted for and adequately safeguarded.

The elected Board of Directors (the Board) of the District is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board meets periodically with management and the external auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Board approves the financial statements. The Board approves the appointment of the external auditors and reviews the monthly financial reports.

The financial statements have been audited by Shawn Cook Professional Corporation, Chartered Professional Accountants, the external auditor, in accordance with Canadian generally accepted auditing standards on behalf of the Board. Shawn Cook Professional Corporation has full and free access to the Board.



General Manager

Vauxhall, Alberta
March 25, 2026



INDEPENDENT AUDITOR'S REPORT

To the Members of Bow River Irrigation District

Opinion

We have audited the financial statements of Bow River Irrigation District (the "District"), which comprise the statement of financial position as at December 31, 2025, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the District as at December 31, 2025, and the results of its operations and changes in fund balances and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the District in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the District's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the District or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the District's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report to the Members of Bow River Irrigation District *(continued)*

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Shawn Cook
Professional Corporation

Lethbridge, Alberta
March 25, 2026

Chartered Professional Accountants



BOW RIVER IRRIGATION DISTRICT

Statement of Financial Position

As at December 31, 2025

	General Fund	Irrigation Works	December 31, 2025	December 31, 2024
ASSETS				
CURRENT ASSETS				
Cash	2,788,240	25,036,730	27,824,970	15,274,145
Short-term investments (Note 3)	-	28,131,253	28,131,253	28,093,391
Accounts receivable (Note 4)	226,496	2,871,682	3,098,178	7,934,291
Materials and supplies, at cost	1,556,494	-	1,556,494	1,585,998
Prepaid expenses	272,494	-	272,494	224,835
Work in process	-	21,530,297	21,530,297	16,127,689
Due from funds	538,979	-	538,979	2,812,442
	<u>5,382,703</u>	<u>77,569,962</u>	<u>82,952,665</u>	<u>72,102,791</u>
LONG-TERM INVESTMENTS (Note 3)	-	32,629,655	32,629,655	30,243,392
PROPERTY AND EQUIPMENT (Note 5)	4,204,484	-	4,204,484	4,617,069
IRRIGATION WORKS (Note 5)	-	124,609,553	124,609,553	127,334,867
	<u>9,587,187</u>	<u>234,809,170</u>	<u>244,396,357</u>	<u>234,298,119</u>
LIABILITIES AND FUND BALANCES				
CURRENT LIABILITIES				
Accounts payable and deferred revenue (Note 10)	827,021	475,776	1,302,797	3,258,480
Due to funds	-	538,979	538,979	2,812,442
	<u>827,021</u>	<u>1,014,755</u>	<u>1,841,776</u>	<u>6,120,922</u>
LONG-TERM DEBT (Note 11)	-	20,089,060	20,089,060	18,246,557
	<u>827,021</u>	<u>21,103,815</u>	<u>21,930,836</u>	<u>24,367,479</u>
COMMITMENTS (Note 12)				
CONTINGENCIES (Note 13)				
FUND BALANCES				
Invested in property and equipment (Note 5)	4,204,484	124,609,553	128,814,037	131,951,936
Externally restricted (Note 6)	-	12,001,816	12,001,816	9,690,029
Internally restricted (Note 6)	-	77,093,986	77,093,986	64,504,757
Unrestricted	4,555,682	-	4,555,682	3,783,918
	<u>8,760,166</u>	<u>213,705,355</u>	<u>222,465,521</u>	<u>209,930,640</u>
	<u>9,587,187</u>	<u>234,809,170</u>	<u>244,396,357</u>	<u>234,298,119</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 December 31, 2025

	General Fund	Irrigation Works	2025	2024
REVENUE				
WATER EARNINGS				
Irrigation rates (Note 7)	6,335,729	-	6,335,729	5,660,496
Water supply rentals	162,119	-	162,119	146,309
Sale of excess and domestic water	104,170	-	104,170	100,190
Discounts and penalties, net	121,985	-	121,985	14,753
	6,724,003	-	6,724,003	5,921,748
LEASE REVENUE, NET	2,235,115	-	2,235,115	1,890,891
INVESTMENT INCOME	115,863	3,313,802	3,429,665	3,145,434
UNREALIZED (LOSS) GAIN ON INVESTMENTS	-	(118,791)	(118,791)	701,087
PROVINCE OF ALBERTA	-	4,092,054	4,092,054	6,260,303
CONTRIBUTIONS FROM FARMERS	-	2,881,058	2,881,058	3,093,796
WATER LICENSE TRANSFER (Note 9)	5,250,000	-	5,250,000	-
MISCELLANEOUS	75,191	-	75,191	80,005
	14,400,172	10,168,123	24,568,295	21,093,264
EXPENSES				
OPERATING EXPENSES (SCHEDULE 1)	5,965,278	231,467	6,196,745	5,815,779
REIMBURSEMENT FOR ABANDONED WORK	-	-	-	95,720.00
AMORTIZATION OF IRRIGATION WORKS	-	5,836,669	5,836,669	6,002,901
	5,965,278	6,068,136	12,033,414	11,914,400
EXCESS OF REVENUE OVER EXPENSES	8,434,894	4,099,987	12,534,881	9,178,864
PROVISION FOR IRRIGATION WORKS (Note 8)	(8,075,715)	8,075,715	-	-
	359,179	12,175,702	12,534,881	9,178,864
FUND BALANCES, beginning of year	8,400,987	201,529,653	209,930,640	200,751,776
FUND BALANCES, end of year	8,760,166	213,705,355	222,465,521	209,930,640

BOW RIVER IRRIGATION DISTRICT
Statement of Combined Cash Flows
For the Year Ended December 31, 2025

	2025	2024
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Excess of revenue over expenses	12,534,881	9,178,864
Items not involving cash:		
Amortization of property and equipment	585,492	646,542
Amortization of irrigation works	5,836,669	6,002,901
Gain on sale of property and equipment	(820,761)	(452,760)
	<u>18,136,281</u>	<u>15,375,547</u>
Net change in non-cash working capital balances		
Accounts receivable	4,836,113	(4,545,624)
Materials and supplies, at cost	29,504	(357,992)
Prepaid expenses	(47,659)	(24,200)
Accounts payable and deferred revenue	(1,955,683)	(2,167,957)
	<u>20,998,556</u>	<u>8,279,774</u>
INVESTING ACTIVITIES		
Purchase of property and equipment	(400,114)	(1,298,378)
Proceeds on disposal of property and equipment	1,047,968	474,542
Expenditures on irrigation works	(3,111,355)	(9,405,153)
Change in work in process	(5,402,608)	(3,614,046)
Change in long-term investments	(2,386,263)	5,515,128
	<u>(10,252,372)</u>	<u>(8,327,907)</u>
FINANCING ACTIVITIES		
Change in long-term debt	1,842,503	5,399,662
NET INCREASE IN CASH AND CASH EQUIVALENTS	12,588,687	5,351,529
CASH AND CASH EQUIVALENTS, beginning of year	<u>43,367,536</u>	<u>38,016,007</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>55,956,223</u></u>	<u><u>43,367,536</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash	27,824,970	15,274,145
Short-term investments	28,131,253	28,093,391
	<u><u>55,956,223</u></u>	<u><u>43,367,536</u></u>

BOW RIVER IRRIGATION DISTRICT

Notes to Financial Statements

For the Year Ended December 31, 2025

1. Purpose of the Organization

The Bow River Irrigation District (District) is charged with the responsibility of efficient and economical distribution of water to users in the District and operates as a corporation 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. It also includes funds provided by the Province of Alberta and loaned by the Canada Infrastructure Bank for the Alberta Irrigation Modernization program. The Province contributes 30%, the CIB loans 50% and the District contributes 20%.

BOW RIVER IRRIGATION DISTRICT

Notes to Financial Statements

For the Year Ended December 31, 2025

2. Accounting Policies (continued)

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.

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 property 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%
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.

BOW RIVER IRRIGATION DISTRICT

Notes to Financial Statements

For the Year Ended December 31, 2025

2. Accounting Policies (continued)

Pension

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

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. Certain areas subject to estimates and assumptions include the useful lives of property and equipment, useful lives of irrigation works, and provisions for impairment of accounts receivable. 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 December 31, 2025

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 December 31, 2025

3. Investments

	<u>2025</u>	<u>2024</u>
Managed portfolios (cost - \$5,506,909)	6,070,339	5,546,055
GICs	44,363,124	52,393,391
Fixed income (cost - \$10,317,178)	10,327,445	397,337
	<u>60,760,908</u>	<u>58,336,783</u>
Less: short term	<u>(28,131,253)</u>	<u>(28,093,391)</u>
Long term investments	<u><u>32,629,655</u></u>	<u><u>30,243,392</u></u>

Short-term investments totalling \$28,131,253 (2024 - \$28,093,391) mature in the next year. They include GICs, term deposits and bonds at interest rates varying from 1.70% to 5.18%. Long term investments totalling \$32,629,655 (2024 - \$30,243,392) mature in one to six years. They includes GICs, term deposits and bonds at varying interest rates from 2.90% to 4.82% and equities.

4. Accounts Receivable

	<u>2025</u>	<u>2024</u>
Water rates and charges	146,400	274,856
Leases	25,943	38,116
Sundry	57,022	90,506
AIM program funding	1,091,204	5,570,094
Accrued interest	<u>1,777,609</u>	<u>1,960,719</u>
	<u><u>3,098,178</u></u>	<u><u>7,934,291</u></u>

BOW RIVER IRRIGATION DISTRICT

Notes to Financial Statements

For the Year Ended December 31, 2025

5. Property and Equipment

<u>General</u>	2025		2024	
	Cost	Accumulated Amortization	Net	Net
Office shop complex	2,531,251	1,340,729	1,190,522	1,227,343
Trucks	2,623,281	1,837,811	785,470	712,994
Power equipment	3,756,314	2,274,565	1,481,749	1,901,146
Computers	327,568	292,256	35,312	38,977
Other equipment	1,415,056	703,625	711,431	736,609
	<u>10,653,470</u>	<u>6,448,986</u>	<u>4,204,484</u>	<u>4,617,069</u>

<u>Irrigation Works</u>	2025	2024
Irrigation works opening balance	285,739,660	276,334,507
Additions to irrigation works		
Land	237,608	-
External goods and services	1,894,702	6,788,657
Internal (District) goods and services	979,045	2,616,496
Irrigation works at end of year	<u>288,851,015</u>	<u>285,739,660</u>
Amortization opening balance	158,404,793	152,401,892
Current year amortization	<u>5,836,669</u>	<u>6,002,901</u>
Amortization at end of year	<u>164,241,462</u>	<u>158,404,793</u>
Irrigation works closing balance	<u>124,609,553</u>	<u>127,334,867</u>

BOW RIVER IRRIGATION DISTRICT
Notes to Financial Statements
For the Year Ended December 31, 2025

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		2025	2024
	District	Right of Way	Cost Share			
Opening fund balance	64,504,757	35,615	9,654,414		74,194,786	68,725,728
<u>Add:</u>						
Contributions new parcels	2,945,970	-	-		2,945,970	3,022,020
Province of Alberta	996,909	-	3,095,145		4,092,054	6,260,303
District	7,044,000	-	1,031,715		8,075,715	2,034,042
Contributions from farmers	93,473	-	-		93,473	96,183
Investment earnings	3,023,620	1,147	289,035		3,313,802	3,062,543
Unrealized gain	-	-	-		-	701,087
	78,608,729	36,762	14,070,309		92,715,800	83,901,906
<u>Deduct:</u>						
Additions to capital works (Note 5)	768,492	-	2,105,255		2,873,747	9,405,153
Purchase of land	237,608	-	-		237,608	-
Operating fees	231,467	-	-		231,467	181,840
Payments to water users	158,385	-	-		158,385	24,407
Reimbursement for abandoned work	-	-	-		-	95,720
Unrealized loss	118,791	-	-		118,791	-
	77,093,986	36,762	11,965,054		89,095,802	74,194,786

BOW RIVER IRRIGATION DISTRICT
Notes to Financial Statements
For the Year Ended December 31, 2025

7. Irrigation Rates

Irrigation rates, net, consist of:	2025
286,111.48 acres at \$19.00 per acre	5,436,118
7,358.89 acres at \$17.50 per acre	128,781
522.20 acres at \$475.00 per parcel minimum 53 parcels at 25 acres minimum	25,175
240.93 acres at \$23.00 per acre, terminable	5,541
	5,595,615
2,409.41 acres at \$23.00 per acre, annual	55,416
37.00 parcels at \$475.00 per parcel minimum, annual	17,612
Over-irrigation charges	667,085
	6,335,729

8. Provision for Irrigation Works

	2025	2024
Contribution to cost share reserve	1,031,715	1,034,042
Transfer to reserves	7,044,000	1,000,000
	8,075,715	2,034,042

BOW RIVER IRRIGATION DISTRICT

Notes to Financial Statements

For the Year Ended December 31, 2025

9. Water License Transfer Income

The District received \$5,250,000 for transferring 750 acre-feet of the District's water license allocation to the Town of Cochrane, after being approved by the irrigators of the District through a plebiscite.

10. Accounts Payable and Deferred Revenue

Included in accounts payable is deferred revenue of \$178,188 representing deposits on expansion acres and goods and services taxes payable of \$261,184.

11. Long Term Debt

On December 18, 2020, the District entered into a funding agreement with Irrigating Alberta Inc. ("IAI"). Funding will be provided to the District through a Canadian Infrastructure Bank ("CIB") loan and a grant from the Province of Alberta. The funds are to be used for the development and construction of the Modernization Projects and Reservoir Projects.

In accordance with the terms of the funding agreement, IAI has agreed to the sources of funds to be made available to the District in the maximum initial amount of \$102,975,000 and is comprised of: 30% (\$30,892,500) contributed by a grant from the Province of Alberta; and 50% (\$51,487,500) will be from a CIB loan. The District will be responsible for the remaining 20% (\$20,595,000) of the approved projects. The loan will accrue interest at 1.0% per annum for 35 years to be repaid by incremental revenues. The funds can be drawn on up to 102 months after the effective date (December 18, 2020) with a possible 18 month extension. The outstanding balance of the loan as at December 31, 2025 was \$20,089,060 (2024 - \$18,246,557).

Security on the loan consists of a general security agreement on the incremental revenues attributable to these projects. These revenues include capital asset charges, new surcharges, fees and other operating revenues. The District is only liable to IAI for its proportionate share and does not guarantee any portion related to the other Districts who have separate loans.

12. Commitments

The District has commitments in an estimated amount of \$21,252 (2024 - \$6,605) in respect of uncompleted work on approved cost sharing projects.

13. Contingencies

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.

BOW RIVER IRRIGATION DISTRICT

Notes to Financial Statements

For the Year Ended December 31, 2025

14. 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 8.45% of pensionable earnings up to the Canada Pension Plan's Maximum Pensionable Earnings and 11.65% for the excess. Total current service contributions by the employees of the District to LAPP in 2025 were \$265,366 (2024 - \$258,538) and the contributions made by the District to the plan in 2025 were \$297,148 (2024 - \$289,769). At December 31, 2024 the Plan served about 316,938 people (2023 - 304,451) and 453 employers (2023 - 444) and it disclosed an actuarial surplus of \$19.6 billion (2023 - \$15.1 billion).

15. 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.

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 \$32,629,655 (2024 - \$30,243,392).

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.

Currency risk

The District has limited exposure to currency risk as most all of the District's transactions are denominated in Canadian dollars.

BOW RIVER IRRIGATION DISTRICT

Notes to Financial Statements

For the Year Ended December 31, 2025

16. Related Parties

During the year the District received revenues of \$258,136 for irrigation water rates and 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.

17. Approval of Financial Statements

These financial statements were approved by management and the Board of Directors.

18. Comparative Figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

BOW RIVER IRRIGATION DISTRICT
Schedule of Operating Expenses
For the Year Ended December 31, 2025

Schedule 1

	2025			2024	
	Maintenance & Equipment	Water Delivery	Administration	Total	Total
EXPENSES					
Salaries and wages	1,954,419	605,846	1,101,784	3,662,049	3,482,713
Employee benefits	408,557	113,810	234,131	756,498	747,316
Equipment operations & maintenance	796,265	-	668	796,933	700,438
Materials and supplies	539,686	1,017	174,918	715,621	570,153
Amortization	569,080	-	16,412	585,492	646,542
Weed and pest control	37,220	753,884	-	791,104	715,676
Delivery pumps	4,158	144,032	-	148,190	107,436
Contracted services	75,643	-	13,134	88,777	154,915
Association fees	-	23,678	114,448	138,126	140,483
Board of Directors fees and expenses	-	-	159,517	159,517	165,378
Insurance	94,375	-	10,948	105,323	97,883
Equipment rent	-	-	-	-	86,800
Professional fees	-	-	62,347	62,347	24,900
Telephone	-	8,683	12,333	21,016	20,785
Miscellaneous	3,695	2,503	21,341	27,539	14,549
Conference and seminars	300	-	7,429	7,729	7,387
Postage	-	-	9,114	9,114	10,674
Advertising	-	-	24,302	24,302	31,045
Land titles charge	-	-	723	723	26,201
Gain on disposal of equipment	-	-	(820,761)	(820,761)	(452,760)
Bank charges	-	-	8,273	8,273	6,381
Travel	561	-	1,359	1,920	2,356
Custom work recoveries	(4,622)	-	-	(4,622)	(3,927)
Building occupancy costs, net	139,143	-	-	139,143	108,549
Labour recoveries	(216,927)	(122,654)	(236,272)	(575,853)	(632,960)
Equipment recoveries	(1,052,160)	152,731	16,207	(883,222)	(1,144,974)
General Fund operating expenses	3,349,393	1,683,530	932,355	5,965,278	5,633,939
Irrigation Works operating expenses	-	-	231,467	231,467	181,840
TOTAL	3,349,393	1,683,530	1,163,822	6,196,745	5,815,779