



**FINANCIAL STATEMENTS  
AND  
ANNUAL REPORT  
For the year ended  
DECEMBER 31, 2022**

The Board of Directors invites you  
to attend the annual meeting  
**Tuesday, April 11, 2023 at 1:30 p.m.**  
**Enchant Community Hall**  
Please bring this report with you.

New Drop #3



Scope Dam  
Berm Construction



**FINANCIAL STATEMENTS AND ANNUAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**TABLE OF CONTENTS**

---

|   |                |
|---|----------------|
| <b>Directors and Staff of the BRID .....</b>                    | <b>Page 2</b>  |
| <b>Chairman’s Report .....</b>                                  | <b>Page 4</b>  |
| <b>Board of Directors Remuneration Report.....</b>              | <b>Page 6</b>  |
| <b>Board Electoral Division Boundaries.....</b>                 | <b>Page 7</b>  |
| <b>Report on Adding and Removing Parcels .....</b>              | <b>Page 8</b>  |
| <b>General Manager’s Report .....</b>                           | <b>Page 9</b>  |
| <b>Maintenance Report .....</b>                                 | <b>Page 10</b> |
| <b>Operations Report .....</b>                                  | <b>Page 12</b> |
| <b>Rehabilitation and Modernization Program Report.....</b>     | <b>Page 15</b> |
| <b>Agenda for April 11, 2023 Annual Meeting .....</b>           | <b>Page 17</b> |
| <b>March 10, 2022 Annual Meeting Minutes .....</b>              | <b>Page 18</b> |
| <b>Financial Statements – December 31, 2022 .....</b>           | <b>Page 25</b> |
| <b>Management Responsibility Statement .....</b>                | <b>Page 26</b> |
| <b>Independent Auditor’s Report .....</b>                       | <b>Page 27</b> |
| <b>Statement of Financial Position .....</b>                    | <b>Page 29</b> |
| <b>Statement of Operations and Change in Fund Balances.....</b> | <b>Page 30</b> |
| <b>Statement of Combined Cash Flows .....</b>                   | <b>Page 31</b> |
| <b>Notes to Financial Statements.....</b>                       | <b>Page 32</b> |
| <b>Schedule of Operating Expenses .....</b>                     | <b>Page 43</b> |

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

---

### **\*\*BOARD OF DIRECTORS\*\***

|                                      |                                  |
|--------------------------------------|----------------------------------|
| Walter Unruh, Chairman - Div. 7      | John DeVries, Director – Div. 4  |
| James Larson, Vice-Chairman - Div. 3 | Vic Van Dyk, Director – Div. 5   |
| Glenn Logan, Director – Div. 1       | Kerby Redekop, Director – Div. 6 |
| Richard Sander, Director – Div. 2    |                                  |

### **\*\*STAFF\*\***

#### **Administration/Engineering**

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

#### **Operations/Maintenance**

|                                |   |
|--------------------------------|---|
| Bill Skelly                    | Superintendent of Maintenance           |
| Rod Lowen                      | Shop and Equipment Foreman              |
| Daryl Brouwers                 | Operations Supervisor                   |
| Donnell Schlosser              | Maintenance Foreman                     |
| Marlin Hill                    | Survey Crew Chief                       |
| Mark Borle                     | Operations Assistant                    |
| Nicholas May                   | Headworks Operator                      |
| Louise Christie                | Assistant Headworks Operator – Seasonal |
| Adam Locke                     | Ditchrider                              |
| Bryden Geremia                 | Ditchrider                              |
| Conrad Cazemier                | 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            |
| Dennis Brouwers/Curtis Johnson | Semi Tractor Operator                   |
| Jared Willis                   | Weed Control Operator/Labourer          |

|                            |                              |
|----------------------------|------------------------------|
| Armand Lautier             | Equipment Operator           |
| Jaarno Van Der Wielen      | Equipment Operator           |
| Keith Gertzen              | Equipment Operator           |
| Kelvin Wright              | Equipment Operator           |
| Kevin Jorgensen            | Equipment Operator           |
| Rob Zalik /Glen Andruschak | Equipment Operator           |
| Westin Hlatky              | Equipment Operator           |
| Ernie Crowson              | Weed Control Operator/Welder |
| Ivan Bolen                 | Labourer                     |
| Miguel Hiebert             | Labourer                     |
| Neil Redekop               | Labourer                     |

(Staff hired casual or 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:

This year we returned to in-person board meetings which in my opinion are much more effective for doing our job as directors and management.

It was decided to change the year end from October 31<sup>st</sup> to December 31<sup>st</sup> resulting in a 14-month reporting period. Therefore, all comparisons of 2022 to previous years compare 14 months of expenses and revenues to 12 months of expenses and revenues.

James Larson was acclaimed as Director for his area. Elections were held in two other areas resulting in Vic Van Dyk being re-elected and Kerby Redekop being elected.

### Bicentennial Celebration

This summer the Town of Vauxhall and the BRID celebrated our 100-year anniversaries together. Many activities were enjoyed by all in Vauxhall. Thanks to the Town of Vauxhall, and those on our BRID board and staff who contributed to help make it a huge success even though it was delayed two years due to the pandemic.

### Developments and Revenues on BRID-owned Land

The BRID and Hays Grazing Association signed a new lease agreement on BRID-owned land in Hays. This gave Hays Grazing a long-term lease with low rates on the lease in north Hays. In return, the BRID was able to develop four pivots for cultivation and allow possible solar development on land formerly leased by Hays Grazing in south Hays.

The BRID set up our own solar panels at the Lost Lake pumpsite which started generating revenue on February 16<sup>th</sup>, 2022. This year the district's cultivation, grazing, surface and solar leases generated over \$1.6 million. The projected total lease income next year is \$2.1 million which works out to be \$7.26 per acre in the BRID. This benefits every irrigator from the lease revenue throughout the district to keep water rates lower.

### Water Quality

The BRID controls algae with timely applications of magnicide in canals but it can still get bad at times. With extra pipelining and improved operations we have been able to drastically drop the amount of water pumped out of Lost Lake into the main canal. We are looking at more ways to eliminate the need to pump into the main canal thus improving the quality of water downstream of the Lost Lake.

### Recreation and Habitat

Boat launches were improved and signage was updated at reservoirs and campsites throughout the district. A review and study of habitat sites is underway to see where more could be developed or improved. The pheasant festival had releases in the BRID for hunting in the fall.

Our irrigation district promotes areas for birds, wildlife, fish, campsites and parks. This allows the public and irrigators to go hunting, boating, fishing, hiking, bird watching, camping or we can just enjoy the wonderful environmental area we have here in the BRID.

### Conclusion

The Board would like to thank management and staff for their role in the BRID to maintain the district and help supply water to each irrigator. Thanks also to irrigators for communicating with staff for water orders and shut-offs for your farms. Thank you to the new Department of Agriculture and Irrigation for the support and interest you have shown to the BRID. Thanks also to our Government who has recognized irrigation's importance in Alberta. We have much to be thankful for! Blessings to all in 2023.

Respectfully submitted,

Walter Unruh  
Chairman, Board of Directors

**BOARD OF DIRECTORS REMUNERATION REPORT**  
**NOVEMBER 1, 2021 – DECEMBER 31, 2022**

---

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 \$534 per day. The board chairman receives an extra \$118 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 \$59 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:

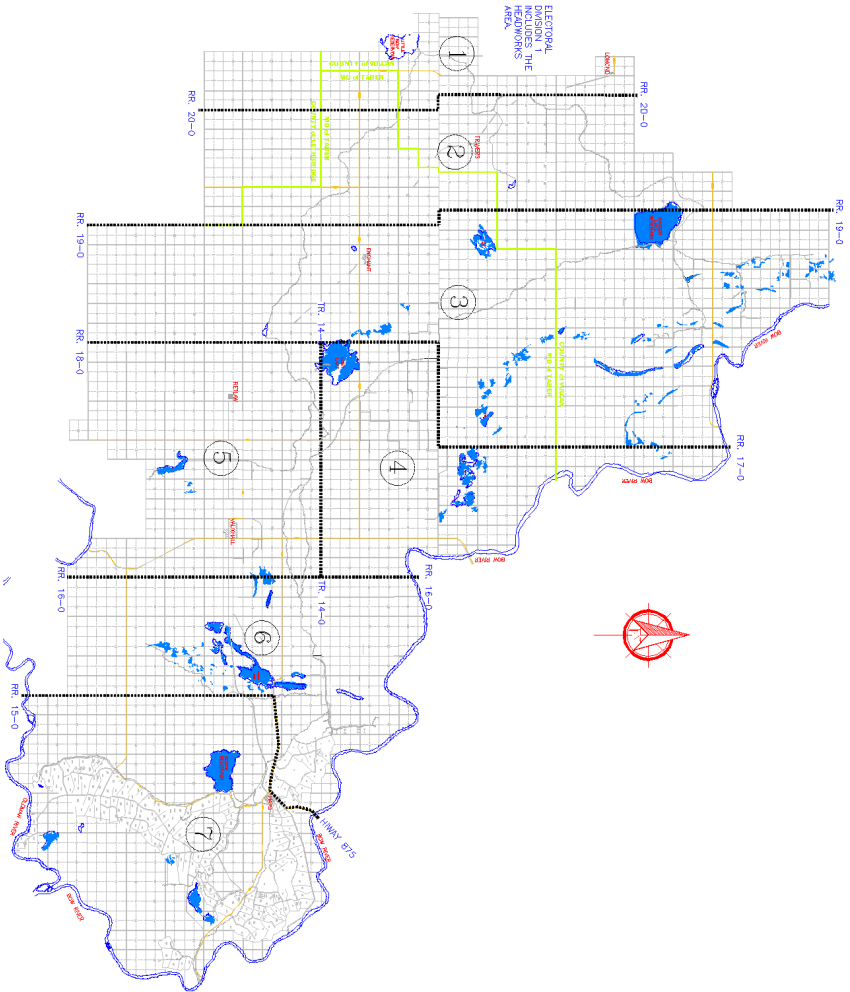
| <u>Year</u>     | <u>2022</u>      | <u>2021</u>      | <u>2020</u>      | <u>2019</u>      | <u>2018</u>     |
|-----------------|------------------|------------------|------------------|------------------|-----------------|
| Directors' Fees | \$128,475        | \$73,542         | \$111,285        | \$112,856        | \$77,664        |
| Miscellaneous   | \$40,260         | \$33,942         | \$27,877         | \$27,022         | \$15,362        |
| <b>TOTAL:</b>   | <b>\$168,734</b> | <b>\$107,484</b> | <b>\$139,162</b> | <b>\$139,878</b> | <b>\$93,026</b> |

| <u>Director</u> | <u>Fees</u>      | <u>Mileage</u> | <u>Expense</u> | <u>Total</u>     |
|-----------------|------------------|----------------|----------------|------------------|
| John DeVries    | \$17,867         | \$390          | \$240          | \$18,497         |
| James Larson    | \$16,088         | \$1,024        | \$260          | \$17,372         |
| Glenn Logan     | \$15,436         | \$1,060        | \$280          | \$16,776         |
| Kerby Redekop*  | \$9,612          | \$60           | \$180          | \$9,852          |
| Walter Unruh    | \$24,714         | \$1,707        | \$904          | \$27,324         |
| Vic Van Dyk     | \$17,628         | \$1,242        | \$280          | \$19,150         |
| Richard Sander  | \$18,640         | \$544          | \$320          | \$19,504         |
| <b>Totals:</b>  | <b>\$119,985</b> | <b>\$6,026</b> | <b>\$2,464</b> | <b>\$128,475</b> |

\* 9 months vs. 14 months for other directors



**BOARD ELECTORAL DIVISION BOUNDARIES**



## **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 2022:

S.E 36-19-22-W4M  
N.E 36-19-22-W4M  
N.E 35-19-22-W4M  
S.E. 20-12-16-W4M  
S.W. 20-12-16-W4M  
N.W. 20-12-16-W4M  
S.E. 1-16-19-W4M  
N.E. 4-15-20-W4M  
S.E. 9-15-20-W4M  
S.W. 36-14-20-W4M

No parcels were removed from the Bow River Irrigation District in 2022

## GENERAL MANAGER'S REPORT

---

### Water Operations

Water use last year was slightly above average, but it was a more interesting year than that indicates. There was a good mountain snowpack, but the melt was delayed due to cool temperatures so our early diversion from the river was lower than we hoped. Shortly after starting diversion from the river cold weather caused the canal to freeze over, causing a large ice jam to form near Queenstown. It caused a rapid rise in water level but flushed through without causing any damage.

Reservoir levels were lower June 1 than at the start of the year due to low river flow and high irrigation demand, but once the June rains began and the snow finally melted, we were able to fill reservoirs to normal levels. Water use was very high in April and May, low in June and July, and slightly above normal the rest of the year.

### Fiscal Year End

In 2022 we changed our fiscal year end from October 31 to December 31. Aligning the fiscal and calendar years will simplify administration and accounting. It does not impact any payment deadlines.

### Lost Lake Solar Project

Our solar project at Lost Lake began operation in February and produced more power than was used at the pumphouse in 2022. The volume of water pumped at Lost Lake has been decreasing as pipelines replace canals in the West Block. Last year's volume was the lowest ever, and less than a quarter of the volume we routinely pumped until 2010.

### Deadhorse Coulee Reservoir

Work has been progressing on the reservoir project including engineering and approvals applications. We are waiting for a decision on whether an environmental impact assessment will be required. Construction will not begin until at least 2024.

### Pipe Supply

Due to high demand for large pipe it will take longer than we hoped to complete modernization of the Lateral B/K (Vauxhall Block) systems under the AIM Program. We had projected completion in 2025, but it will probably take until at least 2027 to complete the work.

### Staff Changes

Dennis Brouwers, semi-tractor operator for 28 years and Rob Zalik, equipment operator for 15 years retired. Curtis Johnson and Glen Andruschak were hired to fill these vacancies.

Respectfully Submitted,

Richard Phillips, P.Eng.  
General Manager  
Bow River Irrigation District

## MAINTENANCE REPORT

---

The maintenance department of the BRID experienced a busy year. Before water was turned on in the spring, three turnouts were installed for new irrigation acres. With scheduled Magnacide H treatments, especially on the Main Canal, we experienced fewer problems with aquatic weeds and algae this year. Scheduled Magnacide H treatments will continue in the upcoming year on the canal system, including the Main Canal.

### Magnacide H Chemical Costs:

| <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|-------------|-------------|-------------|-------------|-------------|
| \$762,593   | \$738,067   | \$563,046   | \$693,046   | \$709,742   |

Three maintenance projects that were completed this year. The Lost Lake pipeline was extended, and two precast structures were installed on the south side of the Enchant highway, one with an inline screen cleaner. A pipeline was installed on BRID owned land for a new pivot on Parcel 204. The district installed 2 cisterns and backfilled the dugout on the Travers acreages.

The district changed steel mainline fittings to PVC fittings and changed farmer turnouts to stainless risers on six pipelines.

The district, with its own forces, installed the H & H-7-2 pipelines in the Enchant area and some of the pipe on the O pipeline in the Hays area. These projects consisted of the installation of a precast inlet structure, PVC pipeline, farm turnouts, domestic turnouts, structure removal and canal backfill. Armour was placed on the Lateral H-1 as part of the H-1 pipeline project in the Vauxhall area.

The BRID spent approximately \$226,222 on Special Projects this year. Under the 2022 Special Projects program the BRID rebuilt screens and brooms on 8 pipeline screen cleaners, upgraded control hardware on seven Main Canal structures and upgrade automation on Badger Lake inlet gate.

## MAINTENANCE REPORT

---

Following is a list of routine maintenance performed by the BRID in 2022:

|  |        |                |
|--|--------|----------------|
| Canal banks sprayed with boom or spot treated by handgun   | 420    | km             |
| Ditch channel cleaned                                      | 56     | km             |
| Ditch banks mowed  | 450    | km             |
| Ditch banks leveled  | 5      | km             |
| Ditch banks graveled                                       | 28     | km             |
| Ditch banks graded   | 91     | km             |
| Fence installed, removed, or replaced                      | 3      | km             |
| Rock, gravel, and armour placement (includes IRP projects) | 11,536 | m <sup>3</sup> |
| Beaver dams & weed jams removed                            | 22     | units          |
| Canal washouts repaired (structures & culverts)            | 38     | units          |
| Catwalks & handrails fabricated and installed              | 5      | units          |
| Domestic turnouts installed                                | 1      | units          |
| Drain inlets installed                                     | 1      | units          |
| Farm turnouts installed in laterals                        | 9      | units          |
| Farm turnouts repaired                                     | 7      | units          |
| Farm or lateral crossings replaced or repaired             | 5      | units          |
| Gates repaired   | 6      | units          |
| Pipeline repairs (above ground)                            | 21     | units          |
| Pipeline repairs (below ground)                            | 14     | units          |
| Pipeline turnouts fabricated                               | 77     | units          |
| Pipeline turnouts installed                                | 13     | units          |
| Pipeline turnouts replaced                                 | 30     | units          |
| Road crossings installed or repaired                       | 8      | units          |
| Rock weir installed or repaired                            | 2      | units          |
| Standpipes installed or repaired                           | 2      | units          |
| Structures removed   | 1      | units          |
| Structures installed or repaired                           | 1      | units          |
| Texas gates cleaned, installed, or removed                 | 8      | units          |
| Tile line repair   | 2      | units          |
| Turnouts removed   | 5      | units          |
| Turnout screen fabricated                                  | 2      | units          |

Respectfully submitted,

Bill Skelly  
Superintendent of Maintenance

## OPERATIONS REPORT

---

### Water Diversions

Water diversions from the Bow River at Carseland began on April 13, 2022 and ceased on October 21, 2022. A total of 383,092 acre feet was diverted this season. McGregor, Travers, and Little Bow Reservoirs started the season with 320,000 acre feet total storage and ended the season at 325,000 acre feet storage.

Water diversions into our main canal at Little Bow Reservoir began on April 22, 2022 and ceased on October 12, 2022. A total of 284,294 acre feet of water was diverted into our main canal at Little Bow Reservoir in 2022, which is 17,317 acre feet above the 25-year average. The return flow was 44,644 acre feet, which was returned to the river through the district's drainage system.

The Lost Lake pumps returned 1,951 acre feet into the main canal. This year the Vauxhall Research Station recorded 244 mm of precipitation between April 1<sup>st</sup> and October 31<sup>st</sup>, which is 100% of the 25-year average.

### COMPARISION OF PREVIOUS YEARS

| Year | Carseland<br>Diversion<br>(acre feet) | Little Bow<br>Diversion<br>(acre feet) | Acres<br>Irrigated | Irrigation<br>Acres &<br>Annual Acres<br>with Systems | Precipitation<br>@ Vauxhall<br>(April 1 to<br>October 31) |
|------|---------------------------------------|--|--------------------|---|---|
| 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                                | 242,150            | 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  |
| 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  |

The assessment roll at the close of the 2022 irrigation season was 288,171.15 acres. The expansion limit of the district is 295,000 acres.

Monthly Little Bow diversions with comparison to 2021 and the last 25-year average (in acre feet):

|           | <u>2022</u>   | <u>2021</u>   | <u>25-Year average</u> |
|-----------|---------------|---------------|------------------------|
| April     | 12,395        | 11,998        | 2,614                  |
| May       | 56,571        | 36,590        | 33,598                 |
| June      | 36,987        | 96,087        | 50,800                 |
| July      | 72,387        | 107,193       | 86,640                 |
| August    | 56,968        | 42,342        | 51,111                 |
| September | 34,161        | 31,831        | 33,136                 |
| October   | <u>14,825</u> | <u>12,494</u> | <u>9,079</u>           |
|           | 284,294       | 338,535       | 266,977                |

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, and small wildlife habitat projects controlled by the Alberta Conservation Association.

The BRID has agreements for uses other than irrigation under its amended licence: 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:

| <b>CROP</b>         | <b>ACRES</b> | <b>CROP</b>         | <b>ACRES</b>   |
|---------------------|--------------|---------------------|----------------|
| Hard Spring Wheat   | 49,573       | Faba Beans          | 1,012          |
| Durum Wheat         | 30,741       | Green Feed          | 727            |
| Canola              | 21,226       | Mustard             | 695            |
| Canola-Seed         | 18,769       | Malt Barley         | 517            |
| Barley              | 16,950       | Grass seed          | 466            |
| Potatoes            | 15,585       | Triticale           | 398            |
| Dry Beans           | 14,065       | Mint                | 270            |
| Sugar Beets         | 10,928       | Fresh Peas          | 270            |
| Dry Peas            | 10,378       | Native Pasture      | 260            |
| Alfalfa             | 9,596        | None                | 205            |
| Tame Pasture        | 9,450        | Sunflower           | 181            |
| Corn Silage         | 9,303        | Alfalfa Silage      | 131            |
| Grain Corn          | 8,016        | Quinoa              | 130            |
| Grass-Timothy-Brome | 6,983        | Seed Potatoes       | 124            |
| Winter Wheat        | 6,574        | Lentils             | 121            |
| Alfalfa Seed        | 5,756        | Sorghum Sudan Grass | 112            |
| Barley Silage       | 5,120        | Summer Fallow       | 104            |
| Flax                | 4,860        | Misc.               | 102            |
| Rye                 | 4,784        | ChickPeas           | 100            |
| Soft Wheat          | 2,929        | Hops                | 89             |
| Oats                | 2,764        | Market Gardens      | 53             |
| CPS Wheat           | 2,515        | Misc-Yard           | 13             |
| Hemp                | 1,609        | <b>Total:</b>       | <b>274,552</b> |

The methods of irrigation and acres of each are:

|                 | <b>% of Total</b> | <b>Acres</b>   |
|-----------------|-------------------|----------------|
| Pivot           | 94.8              | 260,311        |
| Gravity (Flood) | 3.1               | 8,416          |
| Wheel/Hand Move | 2.0               | 5,631          |
| Subsurface Drip | 0.1               | 194            |
|                 | <b>100</b>        | <b>274,552</b> |

Respectfully  
Submitted,

Daryl Brouwers  
Operations Assistant



## 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 projects that were completed last year, those that are now under construction, and those that are planned for next year follow. A map of project locations can be found at [https://brid.ca/files/current\\_3yearplan\\_map.pdf](https://brid.ca/files/current_3yearplan_map.pdf).

### **Projects Completed in the 2021/2022 Construction Season**

| <u>Project Description</u>             | <u>Estimated Final Cost</u> |
|--|-----------------------------|
| IRP 2372 Main Canal Drop 3 Replacement | \$2,850,000                 |
| IRP 2383 Scope Dam Upgrades            | \$435,000                   |
| IRP 2386 Aerial Photography            | \$36,000                    |
| Lateral H-7-2 (West Block) Pipeline    | \$367,000                   |
| Lateral H (West Block) Pipeline        | \$2,355,000                 |

### **Projects to be Completed in the 2022/2023 Construction Season**

| <u>Project Description</u>              | <u>Cost Estimate</u> |
|---|----------------------|
| Lateral O (Hays Block) Pipeline         | \$4,500,000          |
| B-K-3 (Vauxhall Block) Pipeline Phase 1 | \$3,000,000          |

### **Projects to be Completed in the 2023/2024 Construction Season**

| <u>Project Description</u>              | <u>Preliminary Cost Estimate</u> |
|---|----------------------------------|
| B-K-3 (Vauxhall Block) Pipeline Phase 2 | \$6,500,000                      |
| B-K-2-2 (Vauxhall Block) Pipeline       | \$1,800,000                      |

Drop 3 is the largest drop structure on our main canal, and the third one to be replaced in the last four years. The rest of the main canal drop structures are in better condition and should not require replacement for many years.

A recent dam safety review of Scope Dam determined that the downstream slope was too steep where the dam is highest, and that the riprap needed repair. A berm was constructed at the toe of the dam in the coulee to flatten the slope, and additional rock riprap was placed on the dam.

The Lateral O (Hays Block) pipeline includes a new check structure on the main canal at the inlet to Scope Reservoir. The pipeline was installed over two years due to pipe supply issues and delays for approval to work on Crown land.

The B-K-3 pipeline is the first of three large pipelines which will be constructed to replace Lateral B and all its sub-laterals. Due to pipe supply issues a portion is being installed in 2022/2023 and the remainder will be installed next winter. In addition to the three large pipelines, a smaller pipeline will also be installed. It is designated as B-K-2-2, and will be installed next winter.

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  
Bow River Irrigation District

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

**TUESDAY, APRIL 11, 2023, 1:30 P.M  
ENCHANT COMMUNITY 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: March 10, 2022
5. Business from the Minutes of Last Year's Meeting
6. Auditor's Report and Review of Financial Statements  
Period Ending December 31, 2022  
- Assistant General Manager-Finance & HR- 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**

**THURSDAY, MARCH 10, 2022 - 1:30 PM**

---

**MINUTES**

Following are the minutes of the Annual Meeting of the Board of Directors and irrigators of the Bow River Irrigation District, held virtually on Thursday, March 10, 2022.

Attendance included 29 irrigators, 6 board members, 5 BRID staff members, 3 representatives from ATB, 3 representatives from Irrigation Council, 1 representative from the Alberta Irrigation Districts Association, and 1 representative from MPE Engineering Ltd. for a total of 48 attendees.

The meeting was called to order at 1:32 P.M. by General Manager Richard Phillips.

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

In opening the meeting, Richard Phillips welcomed all attendees and said there would be no introductions from meeting attendees this year due to the meeting being held virtually. He said that the 2022 board elections saw James Larson (electoral division 3) returned to the board by acclamation. He said that elections are being held on March 15, 2022 for two other electoral divisions. The candidates for division 5 are Vic Van Dyk, the incumbent, and Richard Ferguson. The candidates for division 6, which has been vacant for many months, are Kerby Redekop and Ivan Locke.

Jessica Robbins, Assistant General Manager – Finance & Human Resources, reviewed the protocols for meeting attendees to follow.

**2) Appointment of a Meeting Chairperson**

Richard Phillips introduced John DeVries, Director, whom the board had previously appointed as Chairman of the annual general meeting.

**3) Adoption of Agenda**

John DeVries welcomed all attendees and introduced BRID board members and staff who were in attendance. He asked that attendees review the annual meeting agenda and asked if anyone wished to add items. As there were none, he requested a motion to accept the agenda.

**Moved** by Lucas Bennen that the agenda be accepted as printed.

**CARRIED**

**4) Approval of the Minutes of the last Annual Meeting: March 9, 2021**

John DeVries requested that attendees review the minutes of the last year's annual meeting on pages 19 through 27 of the report and asked if there were

any errors, omissions or corrections required. None were noted. A motion to accept the minutes of the March 9, 2021 annual meeting was requested.

**Moved** by Glenn Logan that the minutes of the March 9, 2021 annual meeting as printed and circulated in the 2021 annual report be accepted.

**CARRIED**

**5) Business from the Minutes of last year's Annual Meeting**

John DeVries asked if there was any business from the minutes of last year's annual meeting.

Doug Stanko asked if more details could be provided regarding the solar projects being constructed in the district. He said the financial statements don't show the amount earned on solar projects alone.

Richard Phillips said that there is one solar project currently operating on BRID-owned land. There are options for two other projects. Construction is expected to begin on one project in October of 2022, which will be located north west of Vauxhall. The other potential project is located near Scope Dam in the Hays area and construction is not certain on this project.

Doug Stanko asked if the solar projects are on irrigated land.

Richard Phillips said that the BRID-owned land for the project north west of Vauxhall is all dryland, and also includes some privately-owned land. The footprint of the project in the Hays area has not been determined yet but the majority of it will be on dryland. The irrigated land that could be part of the footprint is irrigated grass. The project that is operational was constructed on land that was mostly irrigated grass.

Doug Stanko said that he thought water rights shouldn't be moved off of land for non-farming operations.

Richard Phillips said that the land the operational project was built on was poor quality irrigated land. The project expected to begin in October is dryland not suitable for irrigation, and the land in the Hays area is not good irrigable land so it hasn't been irrigated. Soil tests were done to determine suitable for irrigation. The BRID is careful about putting up projects on land that is not suitable for agriculture.

Jessica Robbins said that solar lease revenue is included in net lease revenue on the statement of operations. This year the BRID received a little over \$120,000 for the solar project that is operational.

John DeVries asked if there were any more questions regarding the minutes from last year's annual meeting. None were noted.

**6) Presentation of the Financial Statements for the year ended October 31, 2021**

Assistant General Manager – Finance & Human Resources, Jessica Robbins, CPA, CA

Jessica Robbins presented the financial statements for the year ended October 31, 2021, noting the following:

- The expansion continued through 2021, which resulted in increased water rates revenue and increased contributions from farmers.
- Only one IRP contribution was made compared to two contributions in the prior year.
- Funding was received through the AIM program. The district contributes 20% of costs, the Government of Alberta contributes 30% of costs and the Canada Infrastructure Bank contributes a loan for the remaining 50% of costs, which the district will have to repay when the projects are completed. The balance of the loan was nearly \$4.5M as of October 31, 2021.
- The cost of magnicide was up due to more treatments being done as it was a hot, dry year.
- Nearly \$12M was added to irrigation works.
- Interest rates were low, so fewer long-term investments were made.

Jessica Robbins said that the board has agreed to change the fiscal year end of the BRID from October 31 to December 31. The current year will be a 14-month year ending December 31, 2022 with the first new 12-month year beginning January 1, 2023.

John DeVries invited any questions relating to the review of the financial statements. None were noted. A motion to accept the financial statements for the year ended October 31, 2021 was requested.

**Moved** by Lucas Bennen that the financial statements for the year ended October 31, 2021 be accepted as presented.

**CARRIED**

**7) Chairman of the Board's report – Walter Unruh**

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

- With COVID-19 prevailing, precautions were taken to make sure the district operated safely.
- The severe drought in 2021 helped to show the true value of irrigation. The decision to treat canals with more magnicide proved to be effective, as did the new trash boom at the BRID's headworks.
- Many projects are progressing in the district: pipelines including the Lomond Lateral, studies and planning for Deadhorse Reservoir, possible solar projects, and irrigation development in Hays.
- The electoral division 6 director, Laus Stiekema, resigned after being on the board for two years. The time he served was much appreciated.

- The board tried to maximize the return on district assets. The Enchant Camp was sold and it was agreed that all acreages deemed to be non-essential would be sold as well. The capital asset charge was raised from \$1,500/acre to \$3,000/acre.
- Thank you to management and staff of the BRID for doing a good job in a dry year, and to the irrigators for their part in helping this irrigation season go well. Thank you as well to Alberta Agriculture, Food and Rural Economic Development.

John DeVries asked if there were any questions for the chairman of the board. None were noted. A motion to accept the chairman's report was requested.

**Moved** by David Cailliau that the chairman of the board's report be accepted.

**CARRIED**

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

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

- This was a hot, dry summer which resulted in high water use. Reservoirs were above normal winter levels at the end of the season and storage was actually increased. Demand was high at Little Bow Reservoir through July, but it was slightly lower than average through the rest of the season.
- Total diversion was the seventh highest on record, with an all time high of 2,500 cfs being diverted out of Little Bow Reservoir on July 16<sup>th</sup> and 17<sup>th</sup>. However, there was lots of room for more demand as we were operating at less than 75% of design capacity.
- Measurements showed that there was 465,000 acre feet diverted at Carseland but there was likely a problem with this measurement as the gauge being used was inoperable all summer so calculations were relied on. It is estimated that 5-10% less water was used than 465,000 acre feet. The total water license allocation is 543,000 acre feet which includes 490,000 of BRID license and the remainder being for other water users.
- Progress is being made on Deadhorse Reservoir. Engineering is progressing which includes drilling to assess seepage potential and the adequacy of the foundation. Further investigations continued into the fall of 2021. Drilling is now most likely complete and preliminary designs will begin soon. Construction is estimated to begin in 2023 if all goes well. Regulatory approval will be sought at the appropriate time when we are further into the design phase.
- The Alberta Irrigation Modernization program was announced in 2020 and it has received lots of media coverage. It has been increased to a \$933M program, with two more districts and several new projects being added. BRID still has its projects that were submitted originally. The media is suggesting that AIM is an expansion program, but it is a program that may allow for future

expansion due to water saved through modernization. Thirty percent of the AIM program costs are funded by the Government of Alberta, 50% of the costs are funded by a loan from the Canada Infrastructure Bank that the district will have to repay, and the 20% of the costs are funded upfront by the district. It is a reasonable expectation that the district may expand again once the modernization projects are completed in an estimated 3 years, but that will be decided by the board and voted on by the irrigators through a plebiscite. It is estimated that the reservoir plus the modernization projects would provide for another 25,000 acres of expansion.

- A solar project has been completed at Lost Lake to run the pumphouse there. When power isn't being used by the pumphouse it is being sold into the grid. It is expected that the power produced by this project will balance the power consumption at Lost Lake. The district received a grant for a portion of the costs for this project.
- There were several staff changes in 2021 including the retirement of three long-term employees: Butch Porter, maintenance supervisor, 38 years; Rolf Schwabe, executive assistant, 34 years, and Noel Going, engineering technologist, 33 years. In addition, Denis Odland, water supervisor went on permanent leave after 41 years. Three staff members changed positions, with Nicholas May moving from mechanic to headworks operator, Daryl Brouwers moving from operations assistant to operations supervisor, and Mark Borle moving from ditchrider to operations assistant. New staff include Armand Lautier, equipment operator; Dylan Fletcher, engineering technologist; Daniel Wiebe, mechanic; Donnell Schlosser, maintenance foreman; and Bryden Geremia, ditchrider.

John DeVries invited any questions relating to the general manager's report.

David Cailliau asked if the results of the soil testing for Deadhorse Reservoir were positive enough to construct the dam.

Richard Phillips said that lab testing is not completely finished but that there were no real concerns with the foundation. In general, the soils look good. There is an area near the main canal where some dirt was backfilled so it may need to be removed. There is some sand but not at a depth that is concerning for seepage. Nothing from the testing indicates that the dam cannot be built.

Keith Jones asked if there is a public listing of the projects being done under the AIM program.

Richard Phillips said that the BRID's list of projects was covered in the 2021 annual report. There are a few projects from other districts that have not been disclosed yet, but the majority of the projects from all districts can be found on the Alberta Water Portal.



John DeVries invited further questions relating to the general manager's report. None were noted. A motion to accept the general manager's report was requested.

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

**CARRIED**

**9) Maintenance of Irrigation Works Report – Superintendent of Maintenance Bill Skelly**

Bill Skelly presented the maintenance report, noting the following:

- Six new turnouts were installed for new irrigation this year.
- More magnacide was used this year as the main canal was treated and flows were higher than usual. The cost increased more than \$195,000 was spent on magnacide over the previous year. Stock has been replenished so there is lots for the coming water season.
- Special projects included upgrading screens and brooms, building pipeline screens, installing emergency drain outs, electric gates and pipeline screen cleaners. Approximately \$234,000 was spent on special projects.
- A pipeline was installed to reroute tile drain seepage near the main canal.
- Steel fittings continue to be replaced with PVC, and steel risers are being replaced with stainless steel risers. This is being done on 3 pipelines so that there are no major leaks.
- In the spring and fall, several laterals and drains were filled with drifting top soil. Landowners are reminded that they are responsible for removing their top soil from canals.
- The welding shop is busy building pipeline turnouts and screen as most of those items are built in-house.
- Over 13.4 km of pipe was installed in the district this year.

John DeVries invited any questions relating to the maintenance report. None were noted.

**Moved** by Jacob Bennen that the annual maintenance of irrigation works report be accepted as presented.

**CARRIED**

**10) Presentations – Richard Phillips & Daryl Brouwers**

2021 Operations Report – Daryl Brouwers, Operations Supervisor  
Daryl Brouwers presented the report, noting the following:

- Headworks reservoir storage was approximately 329,000 acre-feet at the end of the 2021 irrigation season.
- Diversions at the Carseland Weir began on April 16, 2021 and ended on October 8, 2021, with 465,00 acre-feet being diverted. Approximately 339,000 acre-feet was diverted into the main canal from Little Bow Reservoir.

- The return flow was 48,000 acre-feet in 2021, down from 63,000 acre-feet in 2020.
- Pivots accounted for 95% of irrigation in 2021, with 258,500 acres being wetted under pivots.
- The snow pillows at various mountain sites are currently higher than average.

John DeVries invited questions relating to the operations report. None were noted.

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

Richard Phillips presented the report, noting the following:

Completed projects:

- Lateral H/H-1 was completed under IRP.
- The B-5-C and Drain B pipelines, as well as the Lost Lake North channel were completed under the AIM program.
- Approximately 13km of the Lomond Lateral, which included a new check structure, was rehabilitated under the AIM program.

Current projects:

- Drop 3 is being replaced under IRP.
- Lateral H-7-2 and Lateral H concrete are being replaced with pipelines under the AIM program.
- Lateral O near Hays is being phased over two years under the AIM program. It includes a new check structure that functions as an inlet structure for Scope Dam that is being constructed.

Future projects:

- The B/K block will be rehabilitated with pipelines under the AIM program.
- A safety review was done for Scope Dam and it was determined that a downstream slope where the dam is high is too steep, so it will be improved under IRP this year, and the rock riprap will be improved.

John DeVries invited questions relating to the district rehabilitation program report. None were noted.

**11. New Business**

John DeVries asked if anyone had new business. No new business was brought forward.

**12. Recognition**

John DeVries said that there were no items of recognition this year.

**13. Adjournment**

The meeting was adjourned at 2:30 P.M. on a motion by Ron Huvenaars.

**CARRIED**

**BOW RIVER IRRIGATION DISTRICT**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

|  |         |
|--|---------|
| Management Responsibility Statement .....                  | Page 26 |
| Independent Auditor's Report .....                         | Page 27 |
| Statement of Financial Position .....                      | Page 29 |
| Statement of Operations and Changes in Fund Balances ..... | Page 30 |
| Statement of Combined Cash Flows .....                     | Page 31 |
| Notes to Financial Statements .....                        | Page 32 |
| Schedule of Operating Expenses .....                       | Page 43 |

## **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



## **INDEPENDENT AUDITOR'S REPORT**

To the Irrigators 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, 2022, and the statements of operations and 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, 2022, and the results of its operations and changes in fund balances and 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.

### **Other Matter**

The financial statements for the year ended October 31, 2021 were audited by another auditor who expressed an unmodified opinion on those financial statements on January 26, 2022.

### **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 ASNPO, 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.

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:

*(continues)*

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

- 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 22, 2023

Chartered Professional Accountants



**BOW RIVER IRRIGATION DISTRICT****Statement of Financial Position****As at December 31, 2022**

|  | General<br>Fund | Irrigation<br>Works | December 31,<br>2022 | October 31,<br>2021 |
|--|-----------------|---------------------|----------------------|---------------------|
| <b>ASSETS</b>                                  |                 |                     |                      |                     |
| <b>CURRENT ASSETS</b>                          |                 |                     |                      |                     |
| Cash   | 6,716,939       | 14,601,078          | 21,318,017           | 41,232,852          |
| Short-term investments (Note 3)                | -               | 9,022,000           | 9,022,000            | 6,754,029           |
| Accounts receivable (Note 4)                   | 319,547         | 2,169,013           | 2,488,560            | 4,758,555           |
| Materials and supplies, at cost                | 1,674,490       | -                   | 1,674,490            | 1,011,098           |
| Prepaid expenses                               | 168,770         | -                   | 168,770              | 121,090             |
| Work in process                                | -               | 7,746,894           | 7,746,894            | 3,178,819           |
| Due from funds                                 | -               | 3,503,986           | 3,503,986            | 1,332,451           |
|  | 8,879,746       | 37,042,971          | 45,922,717           | 58,388,894          |
| <b>LONG-TERM INVESTMENTS (Note 3)</b>          | -               | 40,254,180          | 40,254,180           | 14,562,574          |
| <b>PROPERTY AND EQUIPMENT (Note 5)</b>         | 3,846,516       | -                   | 3,846,516            | 3,875,609           |
| <b>IRRIGATION WORKS (Note 5)</b>               | -               | 124,876,121         | 124,876,121          | 121,315,516         |
|  | 12,726,262      | 202,173,272         | 214,899,534          | 198,142,593         |
| <b>LIABILITIES AND FUND BALANCES</b>           |                 |                     |                      |                     |
| <b>CURRENT LIABILITIES</b>                     |                 |                     |                      |                     |
| Accounts payable and deferred revenue (Note 9) | 1,136,243       | 8,146,352           | 9,282,595            | 5,873,304           |
| Due to funds                                   | 3,503,986       | -                   | 3,503,986            | 1,332,451           |
|  | 4,640,229       | 8,146,352           | 12,786,581           | 7,205,755           |
| <b>LONG-TERM DEBT (Note 10)</b>                | -               | 8,758,996           | 8,758,996            | 4,398,152           |
|  | 4,640,229       | 16,905,348          | 21,545,577           | 11,603,907          |
| <b>COMMITMENTS (Note 11)</b>                   |                 |                     |                      |                     |
| <b>CONTINGENCIES (Note 12)</b>                 |                 |                     |                      |                     |
| <b>FUND BALANCES</b>                           |                 |                     |                      |                     |
| Invested in capital assets (Note 5)            | 3,846,516       | 124,876,121         | 128,722,637          | 125,191,125         |
| Externally restricted (Note 6)                 | -               | 2,263,416           | 2,263,416            | 2,959,695           |
| Internally restricted (Note 6)                 | -               | 58,128,387          | 58,128,387           | 54,288,039          |
| Unrestricted                                   | 4,239,517       | -                   | 4,239,517            | 4,099,827           |
|  | 8,086,033       | 185,267,924         | 193,353,957          | 186,538,686         |
|  | 12,726,262      | 202,173,272         | 214,899,534          | 198,142,593         |

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 14-Month Period Ended December 31, 2022**

|   | General<br>Fund  | Irrigation<br>Works | 2022<br>(14 months) | 2021<br>(12 months) |
|---|------------------|---------------------|---------------------|---------------------|
| <b>REVENUE</b>                          |                  |                     |                     |                     |
| WATER EARNINGS                          |                  |                     |                     |                     |
| Irrigation rates (Note 7)               | 5,103,405        | -                   | 5,103,405           | 4,611,368           |
| Water supply rentals                    | 96,417           | -                   | 96,417              | 83,104              |
| Sale of excess and domestic water       | 90,450           | -                   | 90,450              | 86,720              |
| Discounts and penalties, net            | 11,879           | -                   | 11,879              | 8,147               |
|   | <u>5,302,151</u> | <u>-</u>            | <u>5,302,151</u>    | <u>4,789,339</u>    |
| LEASE REVENUE, NET                      | 1,579,663        | -                   | 1,579,663           | 1,394,083           |
| INVESTMENT INCOME                       | 48,853           | 1,885,019           | 1,933,872           | 1,162,255           |
| UNREALIZED (LOSS) GAIN ON INVESTMENTS   | -                | (756,148)           | (756,148)           | 283,340             |
| PROVINCE OF ALBERTA                     | -                | 4,705,518           | 4,705,518           | 4,534,856           |
| CONTRIBUTIONS FROM FARMERS              | -                | 5,734,545           | 5,734,545           | 16,671,005          |
| MISCELLANEOUS                           | 49,550           | -                   | 49,550              | 50,648              |
|   | <u>6,980,217</u> | <u>11,568,934</u>   | <u>18,549,151</u>   | <u>28,885,526</u>   |
| <b>EXPENSES</b>                         |                  |                     |                     |                     |
| OPERATING EXPENSES (SCHEDULE 1)         | 5,396,128        | 169,369             | 5,565,497           | 4,591,272           |
| AMORTIZATION OF IRRIGATION WORKS        | -                | 6,168,383           | 6,168,383           | 6,029,373           |
|   | <u>5,396,128</u> | <u>6,337,752</u>    | <u>11,733,880</u>   | <u>10,620,645</u>   |
| EXCESS OF REVENUE OVER EXPENSES         | 1,584,089        | 5,231,182           | 6,815,271           | 18,264,881          |
| PROVISION FOR IRRIGATION WORKS (Note 8) | (1,473,492)      | 1,473,492           | -                   | -                   |
|   | <u>110,597</u>   | <u>6,704,674</u>    | <u>6,815,271</u>    | <u>18,264,881</u>   |
| FUND BALANCES, beginning of year        | <u>7,975,436</u> | <u>178,563,250</u>  | <u>186,538,686</u>  | <u>168,273,805</u>  |
| FUND BALANCES, end of year              | <u>8,086,033</u> | <u>185,267,924</u>  | <u>193,353,957</u>  | <u>186,538,686</u>  |



**BOW RIVER IRRIGATION DISTRICT**  
**Statement of Combined Cash Flows**  
**For the 14-Month Period Ended December 31, 2022**

|  | December 31,<br>2022     | October 31,<br>2021      |
|--|--------------------------|--------------------------|
| CASH PROVIDED BY (USED IN):                          |                          |                          |
| OPERATING ACTIVITIES                                 |                          |                          |
| Excess of revenue over expenses                      | 6,815,271                | 18,264,881               |
| Items not involving cash:                            |                          |                          |
| Amortization of property and equipment               | 661,585                  | 549,057                  |
| Amortization of irrigation works                     | 6,168,383                | 6,029,373                |
| Gain on sale of property and equipment               | (867,713)                | (1,249,799)              |
|  | <u>12,777,526</u>        | <u>23,593,512</u>        |
| Net change in non-cash working capital balances      |                          |                          |
| Accounts receivable                                  | 2,269,995                | (2,789,370)              |
| Materials and supplies, at cost                      | (663,392)                | 96,136                   |
| Prepaid expenses                                     | (47,680)                 | (910)                    |
| Accounts payable and deferred revenue                | <u>3,409,291</u>         | <u>356,245</u>           |
|  | <u>17,745,740</u>        | <u>21,255,613</u>        |
| INVESTING ACTIVITIES                                 |                          |                          |
| Purchase of property and equipment                   | (641,929)                | (692,347)                |
| Proceeds on disposal of capital assets               | 877,150                  | 1,342,866                |
| Expenditures on irrigation works                     | (9,728,988)              | (11,691,158)             |
| Change in work in process                            | (4,568,075)              | (918,411)                |
| Change in long-term investments                      | <u>(25,691,606)</u>      | <u>3,535,509</u>         |
|  | <u>(39,753,448)</u>      | <u>(4,025,389)</u>       |
| FINANCING ACTIVITIES                                 |                          |                          |
| Change in long-term debt                             | <u>4,360,844</u>         | <u>4,398,152</u>         |
| NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS | <u>(17,646,864)</u>      | <u>17,230,224</u>        |
| CASH AND CASH EQUIVALENTS, beginning of year         | <u>47,986,881</u>        | <u>30,756,657</u>        |
| CASH AND CASH EQUIVALENTS, end of year               | <u><u>30,340,017</u></u> | <u><u>47,986,881</u></u> |
| CASH AND CASH EQUIVALENTS COMPRISE:                  |                          |                          |
| Cash   | 21,318,017               | 41,232,852               |
| Short-term investments                               | <u>9,022,000</u>         | <u>6,754,029</u>         |
|  | <u><u>30,340,017</u></u> | <u><u>47,986,881</u></u> |

# **BOW RIVER IRRIGATION DISTRICT**

## **Notes to Financial Statements**

**For the 14-Month Period Ended December 31, 2022**

---

### **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 14-Month Period Ended December 31, 2022**

---

**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 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%  |
| 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 14-Month Period Ended December 31, 2022**

---

**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. 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 14-Month Period Ended December 31, 2022**

---

#### **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 14-Month Period Ended December 31, 2022**

**3. Investments**

|   | 2022        | 2021        |
|---|-------------|-------------|
| Managed portfolios (cost - \$4,698,855) | 4,651,289   | 5,134,493   |
| GICs                                    | 43,215,580  | 14,677,462  |
| Fixed income (cost - \$1,529,153)       | 1,409,311   | 1,504,648   |
|   | 49,276,180  | 21,316,603  |
| Less: short term                        | (9,022,000) | (6,754,029) |
| Long term investments                   | 40,254,180  | 14,562,574  |

Short-term investments totalling \$9,022,000 (2021 - \$6,754,029) mature in the next year. They include GICs, term deposits and bonds at interest rates varying from 1.11% to 5.24%. Long term investments totalling \$40,254,180 (2021 - \$14,562,574) mature in one to seven years. They includes GICs, term deposits and bonds at varying interest rates from 1.15% to 5.36% and equities.

**4. Accounts Receivable**

|                         | 2022      | 2021      |
|-------------------------|-----------|-----------|
| Water rates and charges | 226,696   | 3,291,977 |
| Leases                  | 48,648    | 288,211   |
| Sundry                  | 44,203    | 416,694   |
| AIM program funding     | 974,271   | -         |
| Accrued interest        | 1,194,742 | 846,673   |
|                         | 2,488,560 | 4,843,555 |

**BOW RIVER IRRIGATION DISTRICT**  
**Notes to Financial Statements**  
**For the 14-Month Period Ended December 31, 2022**

**5. Property and Equipment**

| <u>General</u>      | 2022             |                             | 2021             |                  |
|---------------------|------------------|-----------------------------|------------------|------------------|
|                     | Cost             | Accumulated<br>Amortization | Net              | Net              |
| Office shop complex | 2,485,769        | 1,228,223                   | 1,257,546        | 1,191,341        |
| Trucks              | 2,459,588        | 1,556,245                   | 903,343          | 681,827          |
| Power equipment     | 3,427,682        | 2,091,540                   | 1,336,142        | 1,619,566        |
| Computers           | 301,853          | 260,873                     | 40,980           | 57,855           |
| Other equipment     | 1,145,571        | 837,066                     | 308,505          | 325,020          |
|                     | <u>9,820,463</u> | <u>5,973,947</u>            | <u>3,846,516</u> | <u>3,875,609</u> |

| <u>Irrigation Works</u>                | 2022               | 2021               |
|--|--------------------|--------------------|
| Irrigation works opening balance       | 261,429,679        | 249,738,521        |
| Additions to irrigation works          |                    |                    |
| Land                                   | -                  | -                  |
| External goods and services            | 8,426,894          | 10,136,211         |
| Internal (District) goods and services | 1,302,094          | 1,554,947          |
| Irrigation works at end of year        | <u>271,158,667</u> | <u>261,429,679</u> |
| Amortization opening balance           | 140,114,163        | 134,084,790        |
| Disposals                              | -                  | -                  |
| Current year amortization              | <u>6,168,383</u>   | <u>6,029,373</u>   |
| Amortization at end of year            | <u>146,282,546</u> | <u>140,114,163</u> |
| Irrigation works closing balance       | <u>124,876,121</u> | <u>121,315,516</u> |

**BOW RIVER IRRIGATION DISTRICT**  
**Notes to Financial Statements**  
**For the 14-Month Period Ended December 31, 2022**

**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     |            | 2022       | 2021       |
|-------------------------------------|------------|--------------|------------|------------|------------|
|                                     | District   | Right of Way | Cost Share |            |            |
| Opening fund balance                | 54,288,039 | 31,376       | 2,928,319  | 57,247,734 | 44,686,351 |
| <u>Add:</u>                         |            |              |            |            |            |
| Contributions new parcels           | 5,591,490  | -            | -          | 5,591,490  | 16,823,865 |
| Province of Alberta                 | 2,775,041  | -            | 1,930,477  | 4,705,518  | 4,534,856  |
| District                            | 1,473,492  | -            | 643,492    | 2,116,984  | 2,470,088  |
| Contributions from farmers          | 146,055    | -            | -          | 146,055    | 292,891    |
| Investment earnings                 | 1,844,454  | 779          | 39,786     | 1,885,019  | 1,136,209  |
| Unrealized (loss) gain              | (756,148)  | -            | -          | (756,148)  | 283,340    |
|                                     | 65,362,423 | 32,155       | 5,542,074  | 70,936,652 | 70,227,600 |
| <u>Deduct:</u>                      |            |              |            |            |            |
| Additions to capital works (Note 5) | 6,453,958  | -            | 3,275,030  | 9,728,988  | 11,691,158 |
| Operating fees                      | 133,586    | -            | 35,783     | 169,369    | 207,913    |
| Payments to water users             | 3,000      | -            | -          | 3,000      | 445,751    |
| Transfer to cost share              | 643,492    | -            | -          | 643,492    | 635,044    |
|                                     | 58,128,387 | 32,155       | 2,231,261  | 60,391,803 | 57,247,734 |



**BOW RIVER IRRIGATION DISTRICT**  
**Notes to Financial Statements**  
**For the 14-Month Period Ended December 31, 2022**

---

**7. Irrigation Rates**

|                                    |  | 2022             |
|------------------------------------|--|------------------|
| Irrigation rates, net, consist of: |  |                  |
| 287,347.09 acres                   | at \$17.50 per acre                    | 5,028,575        |
| 579.63 acres                       | at \$437.50 per parcel minimum         | 25,814           |
|                                    | 59 parcels at 25 acres minimum         |                  |
| 240.93 acres                       | at \$21.00 per acre, terminable        | 5,060            |
|                                    |  | 5,059,449        |
| 1,226.01 acres                     | at \$21.00 per acre, annual            | 25,746           |
| 540.00 acres                       | at \$19.00 per acre, annual            | 10,260           |
| 20.00 acres                        | at \$437.50 per parcel minimum, annual | 8,750            |
|                                    | Less prior year adjustments            | (800)            |
|                                    |  | <u>5,103,405</u> |

**8. Provision for Irrigation Works**

|                                    | 2022             | 2021             |
|------------------------------------|------------------|------------------|
| Contribution to cost share reserve | 643,492          | 635,044          |
| Transfer to reserves               | 830,000          | 1,200,000        |
|                                    | <u>1,473,492</u> | <u>1,835,044</u> |

## **BOW RIVER IRRIGATION DISTRICT**

### **Notes to Financial Statements**

**For the 14-Month Period Ended December 31, 2022**

---

#### **9. Accounts Payable and Deferred Revenue**

Included in accounts payable is deferred revenue of \$7,438,004 representing deposits on expansion acres and goods and services taxes payable of \$132,796.

#### **10. 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, 2022 was \$8,758,996 (2021 - \$4,398,152).

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.

#### **11. Commitments**

The District has commitments in an estimated amount of \$568,804 (2021 - \$1,068,958) in respect of uncompleted work on approved cost sharing projects.

#### **12. 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 14-Month Period Ended December 31, 2022**

---

#### **13. 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 12.80% for the excess. Total current service contributions by the employees of the District to LAPP in 2022 were \$283,803 (2021 - \$257,129) and the contributions made by the District to the plan in 2022 were \$312,100 (2021 - \$279,717). At December 31, 2021 the Plan served about 281,764 people (2020 - 275,863) and 435 employers (2020 - 433) and it disclosed an actuarial surplus of \$11.9 billion (2020 - \$5.0 billion).

#### **14. 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 \$40,254,180 (2021 - \$14,562,574).

##### **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.

**BOW RIVER IRRIGATION DISTRICT**  
**Notes to Financial Statements**  
**For the 14-Month Period Ended December 31, 2022**

---

**15. Related Parties**

During the year the District received revenues of \$143,176 for irrigation water rates 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.

**16. Change of Fiscal Year End**

The Board of Directors and management elected to change the fiscal year end of the District from October 31 to December 31 to align the fiscal year with the calendar year. As a result, the current reporting year covers a period spanning 14 months while the comparative information from the prior year covers a period spanning 12 months.

**17. 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 14-Month Period Ended December 31, 2022

Schedule 1

|                                      | 2022<br>(14 months)     |                  |                | 2021<br>(12 months) |                  |
|--------------------------------------|-------------------------|------------------|----------------|---------------------|------------------|
|                                      | Maintenance & Equipment | Water Delivery   | Administration | Total               | Total            |
| <b>EXPENSES</b>                      |                         |                  |                |                     |                  |
| Salaries and wages                   | 2,117,064               | 498,779          | 1,077,532      | 3,693,375           | 3,023,897        |
| Employee benefits                    | 425,902                 | 112,225          | 223,898        | 762,025             | 646,536          |
| Equipment operations & maintenance   | 820,629                 | -                | 1,989          | 822,618             | 641,877          |
| Materials and supplies               | 440,552                 | 85               | 97,489         | 538,126             | 657,039          |
| Amortization                         | 641,144                 | -                | 20,441         | 661,585             | 549,057          |
| Weed and pest control                | 53,876                  | 763,024          | -              | 816,900             | 772,457          |
| Delivery pumps                       | 2,955                   | 11,314           | -              | 14,269              | 103,800          |
| Contracted services                  | -                       | -                | 15,757         | 15,757              | 85,070           |
| Association fees                     | -                       | 2,867            | 134,934        | 137,801             | 114,095          |
| Board of Directors fees and expenses | -                       | -                | 161,437        | 161,437             | 107,485          |
| Insurance                            | 85,428                  | -                | 13,145         | 98,573              | 81,938           |
| Equipment rent                       | 190,400                 | -                | -              | 190,400             | 174,578          |
| Professional fees                    | -                       | -                | 29,981         | 29,981              | 25,551           |
| Telephone                            | -                       | 9,021            | 19,317         | 28,338              | 16,970           |
| Miscellaneous                        | 856                     | 1,624            | 15,384         | 17,864              | 18,903           |
| Conference and seminars              | 1,038                   | 1,897            | 2,841          | 5,776               | 3,360            |
| Postage                              | -                       | -                | 9,792          | 9,792               | 8,079            |
| Advertising                          | -                       | -                | 65,404         | 65,404              | 19,214           |
| Land titles charge                   | -                       | -                | 1,606          | 1,606               | 2,054            |
| Gain on disposal of equipment        | -                       | -                | (867,713)      | (867,713)           | (1,249,799)      |
| Bank charges                         | -                       | -                | 5,784          | 5,784               | 2,847            |
| Travel                               | 685                     | -                | 1,120          | 1,805               | 642              |
| Allowance for doubtful accounts      | -                       | -                | -              | -                   | 7,350            |
| Custom work recoveries               | (9,671)                 | -                | -              | (9,671)             | (4,902)          |
| Building occupancy costs, net        | 20,287                  | -                | -              | 20,287              | 10,654           |
| Labour recoveries                    | (275,581)               | (118,962)        | (265,122)      | (659,665)           | (638,600)        |
| Equipment recoveries                 | (1,329,547)             | 127,816          | 35,405         | (1,166,326)         | (796,793)        |
| General Fund operating expenses      | 3,186,017               | 1,409,690        | 800,421        | 5,396,128           | 4,383,359        |
| Irrigation Works operating expenses  | -                       | -                | 169,369        | 169,369             | 207,913          |
| <b>TOTAL</b>                         | <b>3,186,017</b>        | <b>1,409,690</b> | <b>969,790</b> | <b>5,565,497</b>    | <b>4,591,272</b> |





Main Canal Sloughing below Drop #3



Headworks Canal Ice Jam



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

|  |                   |                       |  |
|--|-------------------|-----------------------|--|
| CANADA   |                   | POSTES                |  |
| POST   |                   | CANADA                |  |
|  |                   |                       |  |
| Postage paid   |                   | Port payé             |  |
|   | Personalized Mail | Courrier personnalisé |  |
|  |                   | 1619873               |  |