



**WESTERN IRRIGATION
DISTRICT
2013
ANNUAL REPORT**



ANNUAL MEETING

**April 2, 2014— 1:30 P.M.
Strathmore Travelodge
350 Ridge Road, Strathmore**

**PLEASE BRING THIS REPORT WITH YOU TO
THE MEETING**



FINANCIAL STATEMENT AND ANNUAL REPORT 2013

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Form 1 NOTICE OF ANNUAL MEETING

Irrigation Districts Act Forms Regulations (Section 45(2)(b))

Take Note that the annual meeting of the Irrigators of the Western Irrigation District will be held at the Strathmore Travelodge, Strathmore, Alberta on the 2nd day of April 2014 at 1:30 p.m. to:

- (a) Present annual reports of:
 - (i) the chair on behalf of the Board,
 - (ii) the manager,
 - (iii) the auditor of the district, and
 - (iv) the maintenance of irrigation works for the district, and,
- (b) to conduct any other business.

Erwin Braun P.L. (Eng)
General Manager

NOTICE OF ELECTION

Irrigation Districts Act (Section 53)
Local Authorities Election Act (Section 35, 46)

WESTERN IRRIGATION DISTRICT in the PROVINCE OF ALBERTA

Notice is hereby given that an election will be held for the filling of the following office(s):

Office(s)	Number of Vacancies	Division Number
Director	1	2
Director	1	5

Only those irrigators of the District can vote whose majority of irrigation acres fall within Electoral Division 2, which comprises Townships 22, 23 and 24 in Ranges 23 and 24 and Township 24 in Range 25 or within Electoral Division 5, which comprises Townships 25, 26 and 27 in Ranges 21, 22, 23 and 24.

Voting will take place on the 2nd day of April 2014 between the hours of 10:00 am and 8:00 pm. The voting station will be located at the Western Irrigation District office at 105-900 Pine Road, Strathmore, Alberta.

Erwin Braun P.L. (Eng)
Returning Officer

Voter Information for Poll

Irrigation Districts Act, Section 56:

- (2) A person is eligible to vote at an election of the district only if that person is
 - a) an irrigator recorded on the most recent assessment roll of the district as an irrigator of that district, or
 - b) appointed under a written authorization as an agent for a body corporate that is an irrigator of the district to vote on behalf of the body corporate.
- (3) An irrigator may cast only one vote at an election.
- (4) Notwithstanding subsection (3), an irrigator may also cast a vote on behalf of a body corporate if that irrigator is appointed as an agent for the body corporate in accordance with subsection (2)(b).
- (5) Where more than one irrigator is the owner of one or more parcels, the number of irrigators who may vote may not exceed the number of parcels.
- (6) An irrigator may vote in any voting subdivision of the district or electoral division, as the case may be, if
 - (a) the irrigator's name appears on the list of electors for the district or electoral division, or
 - (b) the irrigator makes a statement in the form prescribed in the regulations in the presence of an officer at the voting station that the irrigator is eligible to vote as an elector in the district or electoral division.

An Irrigator:

Section (1)(x): "irrigator" means an owner of a parcel with irrigation acres.

Section 57(3):

"an irrigator must vote in the electoral division in which that irrigator has irrigation acres, or if that irrigator has irrigation acres in more than one electoral division, the division in which the irrigator has the largest number of irrigation acres."

Note:

In the event there is only one nomination for an electoral division, the nominee becomes elected by acclamation and balloting becomes unnecessary.

Irrigators who are not sure which division applies to their lands, may check the listing of polling divisions contained in this announcement, or may contact the office of the Western Irrigation District.

CHAIRMAN'S REPORT

Thanks to Irrigation is the theme of the campaign launched by AIPA to promote the benefits of irrigation to Albertans. Thanks to Irrigation is an initiative of the Alberta Irrigation Projects Association of which the WID is a part of. The AIPA's goal is to increase the level of understanding of the value of irrigation to the Province of Alberta and ensure appropriate stewardship and conservation of water. It is important for Albertans to know that Thanks to Irrigation, Alberta's economy benefits over \$5 billion annually. Thanks to Irrigation, 1.6 million acres of irrigation development produce over 20% of the Provinces' gross agricultural production on 5% of Alberta's cultivated land. However, the value of irrigation goes beyond economics. It's the very lifeblood of southern Alberta as irrigation provides a source of safe drinking water, supports environmentally sensitive wildlife habitats and provides some of Alberta's best lakes and reservoirs for recreational use. Water is vital to life, the environment and the social and economic well-being of southern Alberta.

The Minister of Agriculture, Verlyn Olsen assisted in organizing an aerial tour of Southern Alberta this past year. Several MLA's and senior government officials joined District personnel and toured the irrigation systems. The tour also included local farms and industries that depend on irrigation. It was a valuable opportunity to showcase the value of irrigation to elected Members of the legislature.

The Province continues to support irrigation district rehabilitation work. The Irrigation Rehabilitation Program was committed to by the Province and will continue to allow the WID to improve the infrastructure. The WID is grateful to the Province for this support.

The WID Board has committed to the accelerated rehabilitation of the District Infrastructure. This improved infrastructure will assist in increasing water efficiency and improved service to the water user. Prudent management of the District funds will allow the rehabilitation to continue into the future. A ten year rehabilitation plan is continually reviewed and updated.

The WID is continuing to plan an acre expansion. Modelling is being done in cooperation with Alberta Agriculture to assess the potential expansion. The goal is to not increase risk to our irrigators, but to utilize the water savings that have occurred as a result of the increased rehabilitation.

The Province of Alberta has just completed gathering feedback on the South Saskatchewan Regional Plan. The Irrigation Industry has presented a response to the plan. It is important to note that Irrigators have responded to the Water of Life target of a 30% increase in efficiency and productivity.

The Great Flood of 2013 was the event of the past year. The storm water facilities such as the Shepard Diversion were utilized and WID works were relatively unaffected. The Town of Chestermere expressed appreciation to the WID for regulating the water during this event so there was no ill effects. It is an event such as this that really underscores the need for collaborative storm water initiatives.

I thank the Board of Directors and the Staff for helping make 2013 a successful year for the WID and look forward to continued success as we take on the challenges of the future.

Submitted on behalf of the Board of Directors,



Chairman

MISSION STATEMENT

To provide a reliable delivery system to water users in an efficient manner.

BOARD OF DIRECTORS:



Left to Right:

Director: Don Kathol **Chairman:** Dan Shute **Director:** Doug Brown

Director: Rick Page **Vice Chairman:** Henry Colpoys

Electoral Divisions of the Western Irrigation District

Division 1 – Doug Brown – Term expires 2016
Townships 21, 22, 23 and 24 in Ranges 20, 21 and 22

Division 2 – Henry Colpoys – Term expires 2014
Townships 22, 23 and 24 in Ranges 23 and 24 and Township 24 in Range 25

Division 3 – Rick Page – Term expires 2015
Townships 21, 22 and 23 in Ranges 25, 26, 27 and 28 and Township 23 in Range 29

Division 4 – Dan Shute – Term expires 2016
Township 24 in Ranges 26, 27 and 28 and Townships 25, 26 and 27 in Ranges 25, 26, 27 and 28

Division 5 – Don Kathol – Term expires 2014
Townships 25, 26 and 27 in Ranges 21, 22, 23 and 24

GENERAL MANAGER'S REPORT

The 2013 water season began with fairly high demand as the crops were seeded and warm temperatures occurred. Showers near the end of May slowed demand and the slow demand continued through the month of June. The great flood of 2013 occurred at the end of June. The rainfall event was in the foothills and mountains of the Bow River and its tributaries. The rainfall that fell on the WID was relatively minor. The WID system was operated so that minimal effect was had on the system. The Shepard Diversion was used to divert much of the storm water that entered the Western Headworks Canal. Shortly after the rainfall the diversion was opened again under normal operations. The water season ended with an average diversion. The Bow River flows remained strong all season due to the rainfall recharging the water shed with the heavy rainfall in June. The Diversion weir remained intact with the Harvie Passage closed to paddlers due to erosion in the river portion. The Harvie Passage will require rehabilitation before the public is allowed to use it.

The Flood Recovery Task Force has consulted the Irrigation Districts on the Bow River to discuss the mitigation alternatives. The flood mitigation measures could allow for collaborative and flexible water management arrangements on the Bow. It is hoped that contemplated projects that decrease flood risk also will benefit water users during times of drought. These discussions are also opportunities where the WID can collaboratively offer longer term water management opportunities.

The accelerated rehabilitation has resulted in the Secondary A Canal being completely rebuilt by the 2014 irrigation season. The WID continues to install buried pipelines where possible to replace deteriorated canals. The Stoodley pipeline was completed in the Spring of 2013 and utilized for the 2013 season.

The Langdon Reservoir expansion will take place in 2014 with the additional storage capacity in place for the 2015 water season. The reservoir expansion will double the live storage capacity of the reservoir to 12,000 acre feet. This expanded storage will reduce the risk of shortages to the water users in a dry year. The expanded reservoir is also being considered with the modelling that is being done to determine the WID acre expansion limit.

The WID has partnered with New North as a limited partner on the land in Chestermere. New North has sold its interest to Golden Triangle from Okotoks. This development is underway with Phase 1 being constructed. The total development site is approximately 70 acres and when completed will provide sites for 550 homes.

In closing, I extend a thank you to the Board of Directors for their continuing support. I also thank the staff for their continuing effort to provide a high level of service to the water users in the WID. Your enthusiasm, efforts and abilities are essential in the success of the WID.

Respectfully submitted,



General Manager

Operations & Maintenance Activities

Underdrain Replacement

In the summer of 2013 field staff identified a failed canal underdrain south of Rockyford. The rusted and collapsed culvert was in need of immediate replacement. The canal also required bank building to provide better access for District staff and enhance canal integrity. 36 m of 900 mm (36 inch) PVC pipe was installed under the canal to allow natural water flows to continue without jeopardizing the canal above. As work was conducted during the water season, communication with affected waterusers and landowners proved instrumental in the timely completion of this project.



Lateral Ditch Pipeline Drain Extension

WID entered into a landowner cost-share project to facilitate the installation of a new irrigation system. An existing pipeline drained into an open ditch for approximately 400 m and needed to be piped in order for the new pivot to cross properly. District forces tied in and installed new, 100 mm (4 inch) PVC and backfilled the old ditch, thereby giving unimpeded access to the land for irrigation. Project was completed in early summer 2013, near Gleichen.

Flume Replacement

A CSP culvert flume carrying water from the top of a hill downstream to irrigators required upgrade. This work was completed during the water season. The expired culvert was removed and approximately 100 m of 500 mm (20 inch) PVC, salvaged from previous capital works, was installed in its place. The open ditch downstream of new pipe was cleaned and de-silted.



General Maintenance Projects



Ditch backfilling near Gleichen



Canal inlet structure near Keoma



Tree clearing by Carseland



Dugout excavation east of Strathmore



Canal bank repairs NE of Strathmore



Silt removal and slope protection NE of Strathmore



Rock drop near Namaka



Weed cutting NE of Strathmore



Bank mowing by Kathryn

NOTICE

As in previous years, the Western Irrigation District is permitted to implement a herbicide spray program, under specific conditions, in or within 30 horizontal metres of irrigation canals, laterals and drains owned by the District to attempt to control:

- Broadleaf weeds and brush.
- Aquatic & semi-aquatic vegetation.
- Noxious weeds.

In accordance with the Environmental Protection & Enhancement Act, application was made by the District and approval received to proceed with this annual program to apply herbicides.

Persons having specific concerns are encouraged to contact:

Jeremy Hemsing, P. Eng., Manager, Operations & Maintenance
403-934-3542, ext. 245

2013 MAINTENANCE ACTIVITY SUMMARY	
Ditch Cleaning/Rehab	18 km
Bank Leveling/Ditch Fill-In	13 km
Tree Clearing	5 km
Canal Fencing	3 km
Delivery Installations	14 units
Drop/Check Installations	8 units
Canal Crossing Installations	7 units
Pipelines	4 units
Dugouts	6 units
Weed/Brush Control - Cattail Cutting	85 km
Weed/Brush Control - Chemical Spraying	285 km
Weed/Brush Control - Bank Mowing	340 km

2013 DISTRICT EQUIPMENT FLEET	
2008	Peterbilt Tandem Gravel Truck with Pup
2013	Peterbilt Tandem Gravel Truck with Pup
2007	Sterling Tandem Lowbed Tractor with Lowbed/Jeep
2011	Hitachi ZX350 Excavator
2012	Hitachi ZX290 Excavator
2012	Hitachi ZX250 Excavator
2013	Caterpillar D6T Dozer
2013	Caterpillar D6T Dozer
1990	John Deere 970 Tractor
2007	John Deere 410G Backhoe
2008	John Deere 544J Loader
2010	John Deere 544K Loader
2009	John Deere CT322 Skidsteer
2002	Tandem Tip Trailer
2011	Dynaweld Backhoe Trailer
2011	Dodge 1 ton with gooseneck
2012	Dodge 1 ton with dump trailer

Water Operations

Water operations in 2013 benefited with an additional 11 km of “A” canal rebuilt and the addition of the 18 km Stoodley Pipeline (for specific details see O&M report).

Bow River diversion began on May 4th. Water was diverted into “A” canal system downstream of the Langdon Reservoir on May 2nd and into the B/C systems on May 7th. The first water order was delivered on May 11th.

The June floods of 2013, while causing major damage to our neighbors to the west and south, had little effect on the WID infrastructure. Headwork’s operator Jeff Maude, with the aid of the City of Calgary’s Shepard wasteway operating at full capacity (900 cfs) managed the storm water inflows to the canal through the City of Calgary and Rockyview County while maintaining Chestermere Lake levels and downstream water user requirements. The canal from the Bow River to Chestermere Lake, the Western Headworks’s Canal is owned by the province and operated by the WID.



Service Area	Water District Supervisor (WDS)	Phone Number
Chestermere	Jeff Maude	403-899-4638
Carseland	Don Brownlee	403-899-4641
Strathmore	Joey Mordy	403-325-4601
Gleichen/Cluny	Pat Smith	403-325-4642
Crowfoot	Eric Beingessner	403-325-4639
Rockyford	Wes Sproule	403-325-4640
Water Master	Brian Sander	403-325-0493

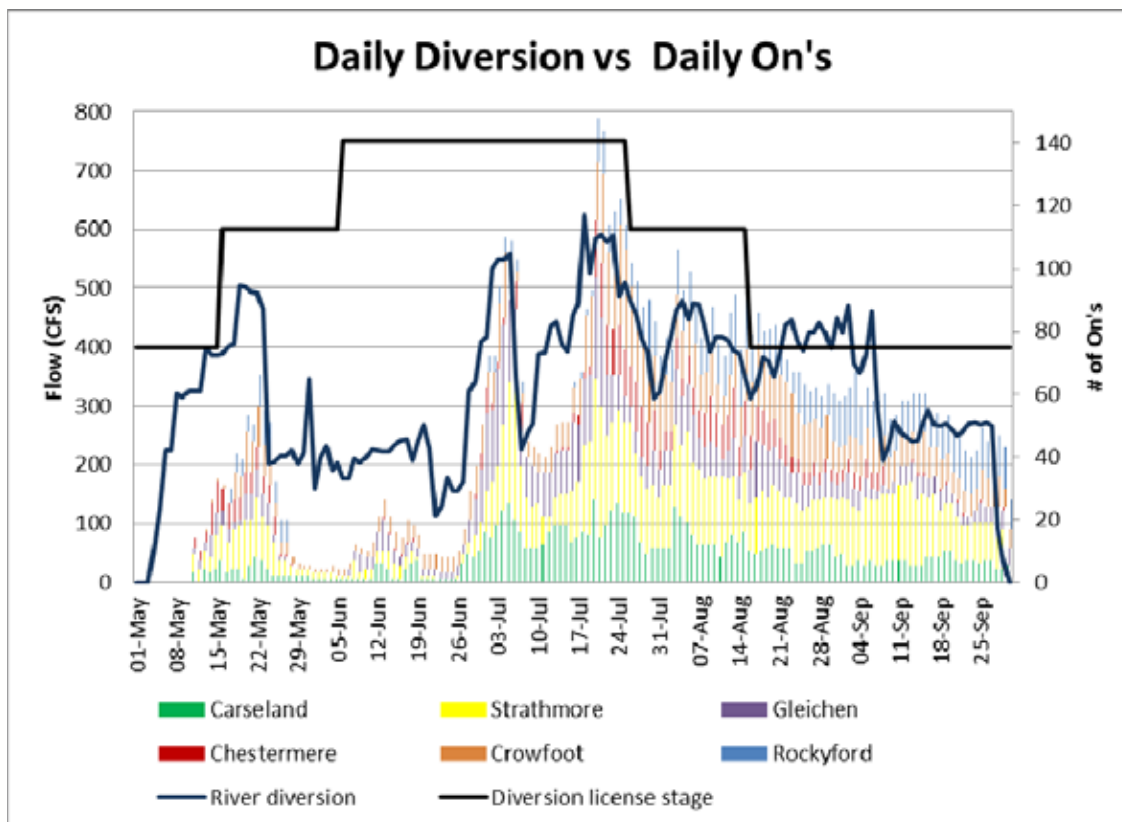
Water Usage:

The total diversion of water from the Bow River for 2013 was 99,473 ac/ft. The average daily diversion was 348 cubic feet per second (cfs) with a maximum diverted flow of 625 cfs. The WID's total water license is for 158,400 ac/ft.

Demand peaked in the form of number of irrigation systems on July 20th when there were 148 systems recorded as using water on that day. Water orders and associated diversion peaked in the month of July and remained steady into August and through September (see graph below).

Of the water diverted from the Bow River, approximately 27,000 ac/ft was diverted for irrigation, 7,200 ac/ft diverted for domestic use, 6,790 ac/ft for Ducks Unlimited and 6,420 ac/ft for conveyance contracts with system losses (evaporation and seepage) for the year estimated to be 4,500 ac/ft. Approximately 44,000 ac/ft was returned to the creeks and rivers in the form of return flows.

Irrigated crop acres for 2013 were 49,791 acres as recorded by the Water District Supervisor's, down slightly from 52,483 acres irrigated in 2012. The Strathmore weather station recorded a total of 280 mm of rainfall from May through September in 2013.



Irrigation Rehabilitation Program (IRP)

The Irrigation Rehabilitation Program (IRP) continued as a major source of funding for rehabilitation work within the District this year. The Program is funded 75% by the provincial government with the remaining 25% contributed by the District. The total funds contributed this year for rehabilitation work approved by Irrigation Council were:

▪ Provincial government	(75%)	\$1,936,443
▪ District	(25%)	\$645,481
▪ TOTAL	(100%)	\$2,581,924

2013 IRP Project Summary

1. IRP 2246 Secondary A Canal Range Road 231 to South Cluny



This project is the continued rehabilitation of the Secondary 'A' canal system. This Project starts at Range Road 231 and ends at the south Cluny pipeline. This completes the rehab of the secondary "A" canal to the South Cluny pipeline.

The canal design increased the canal capacity, improved accessibility and eliminated seepage. Richardson Bros. (Olds) Ltd. is the general contractor on this project. The 3.1km project started in the fall of 2013 and will be complete in the spring of 2014.

- Estimated Project Cost = \$2,020,000
- **Total Project Cost to November 30 = \$285,658**

2. IRP 2245 Secondary A Canal (Range Road 234 to TWP Road 232)

This project is the continued rehabilitation of the Secondary 'A' canal system. This Project starts at Range Road 234 and ends at TWP Road 232. This completes the rehabilitation of the secondary "A" canal to Hammer Hill. The canal design increased the canal capacity, improved accessibility and eliminated seepage. Richardson Bros. (Olds) Ltd. was the general contractor on this project. The 3.1km project started in the fall of 2012 and was completed in the spring of 2013.



- Estimated Project Cost = \$2,166,000
- **Total Project Cost to November 30 = \$1,990,016**

Other 2013 Projects

1. Secondary A Canal (Hammer Hill to Range Road 231)

This project is the continued rehabilitation of the Secondary 'A' canal system. This Project starts at Hammer Hill and ends at Range Road 231. The canal design increased the canal capacity, improved accessibility and eliminated seepage. The 6.1 km project started in the fall of 2013 and will be completed in the spring of 2014. Richardson Bros. (Olds) Ltd. is the general contractor on 4.1 km of this project. WID crews are responsible for 2.0 km of canal rehabilitation from Range Road 232 to Range Road 231.

- Estimated Project Cost = \$4,870,000
- **Total Project Cost to November 30 = \$1,185,785**



2. Secondary A Canal (TWP Road 234 to Range Road 234)



This project is the continued rehabilitation of the Secondary 'A' canal system. This Project starts at TWP Road 234 and ends at Range Road 234. The canal design increased the canal capacity, improved accessibility and eliminated seepage. Richardson Bros. (Olds) Ltd. was the general contractor on this project. The 9 km project started in the fall of 2012 and was completed in the spring of 2013.

- Estimated Project Cost = \$6,540,000
- **Total Project Cost to November 30 = \$6,504,228**

3. Stoodley Pipeline

This project is a closed PVC pipeline that replaces the existing lateral canal off of the secondary C canal system. This project starts TWP Road 264 and continues south and ends north of Nightingale. WID forces were responsible for the installation of approximately 18.1km of PVC pipeline of varying sizes 250mm (10 inch) to 700mm (30 inch). This project started in the fall of 2012 and was completed in the spring of 2013.

- Estimated Project Cost = \$4,600,000
- **Total Project Cost to November 30 = \$4,286,707**



4. Sheepcamp Pipeline

This project is a closed PVC pipeline that replaces the existing lateral canal off of the secondary C canal system. This project starts at TWP Road 264 and continues north and east ending west of Highway 21. WID forces are responsible for the installation of approximately 16.0 km of PVC pipeline of varying sizes 250mm (10 inch) to 700mm (30 inch). This project started in the fall of 2013 and will be completed in the spring of 2014.

- Estimated Project Cost = \$3,230,000
- **Total Project Cost to November 30 = \$1,413,458**



5. Stoodley & Sheepcamp Pump Station

The project is part of the Stoodley & Sheepcamp pipeline rehabilitation projects. This project is located along Secondary C canal at TWP Road 264 and will service both the Stoodley and Sheepcamp pipelines. The pumps and pump controls were constructed by Watertronics Ltd. Construction of the pump station began in the winter of 2012 and was completed in the spring of 2013.

- Estimated Project Cost = \$2,400,000
- **Total Project Cost to November 30 = \$1,444,464**



6. Cluny Gravel Pit

The District opened a gravel pit north of the Town of Cluny. The gravel produced from this pit will provided granular materials for future District maintenance and rehabilitation projects. The initial phase of mining production produced 150,000 tonne of material to be used on WID rehabilitation and maintenance projects. Smith Trucking Ltd. was awarded the processing for the initial phase of the mining. The gravel pit is estimated to have an estimated life of approximately 20 years.

- Estimated Project Cost = \$1,669,000
- **Total Project Cost to November 30 = \$915,161**



7. Langdon Reservoir Expansion

The District began preliminary design and planning for the expansion of Langdon reservoir in 2013. The expansion of Langdon reservoir will provide a total storage of 12,600 acre-feet. A tender was let for the extension of the outlet structure. Robin Hanson Construction Ltd. was the successful bidder. This project is scheduled to be constructed in the summer/winter of 2014/2015. Discussions are ongoing to finalize design and construction details.

- Estimated Project Cost = \$14,400,000

Seepage Control Plan 2012-2015

The Western Irrigation District has prepared a Seepage Control Plan for the Years 2012 through 2015 in accordance with Section 164(1) of the Irrigation Districts Act. Currently the program is ahead of schedule.

The Plan addresses seepage in the following areas:

Table 1: Seepage projects from 2011 to 2015

YEAR	PROJECT	SECTION	STATUS
2011	Lateral 84T (Secondary C Canal East C Pipeline)	Sec. 33, 34, 35 T26 R23 W4 Sec. 4, 5, 6, 7, 8, 9, 17 T27 R22 W4 Sec. 1, 2, 3 T27 R23 W4	Complete
2012	Lateral 84S1 (Stoodley Pipeline)	Sec. 1, 12, 13, 23, 24 T26 R25 W4 Sec. 23, 26, 35, 36 T25 R25 W4	Complete
2013	Lateral 84TW1 (Sheepcamp Pipeline)	Sec. 25, 34, 35, 36 T26 R25 W4 Sec. 1 T27 R25 W4 Sec. 28, 29, 31, 32, 33 T26 R24 W4	Not Complete
2014	Lateral 81F11(Secondary A Pipeline)	Sec. 5, 6, 7, 8, 18 T23 R23 W4	Not Complete
2014	Lateral 84 (Secondary C Canal)	Sec. 6, 7, 18, 19 T24 R23 W4	Not Complete
2015	Lateral 84T4 (Secondary C Pipeline)	Sec. 20, 28, 29, 32 T26 R23 W4	Not Complete

2013 CROP DATA SUMMARY

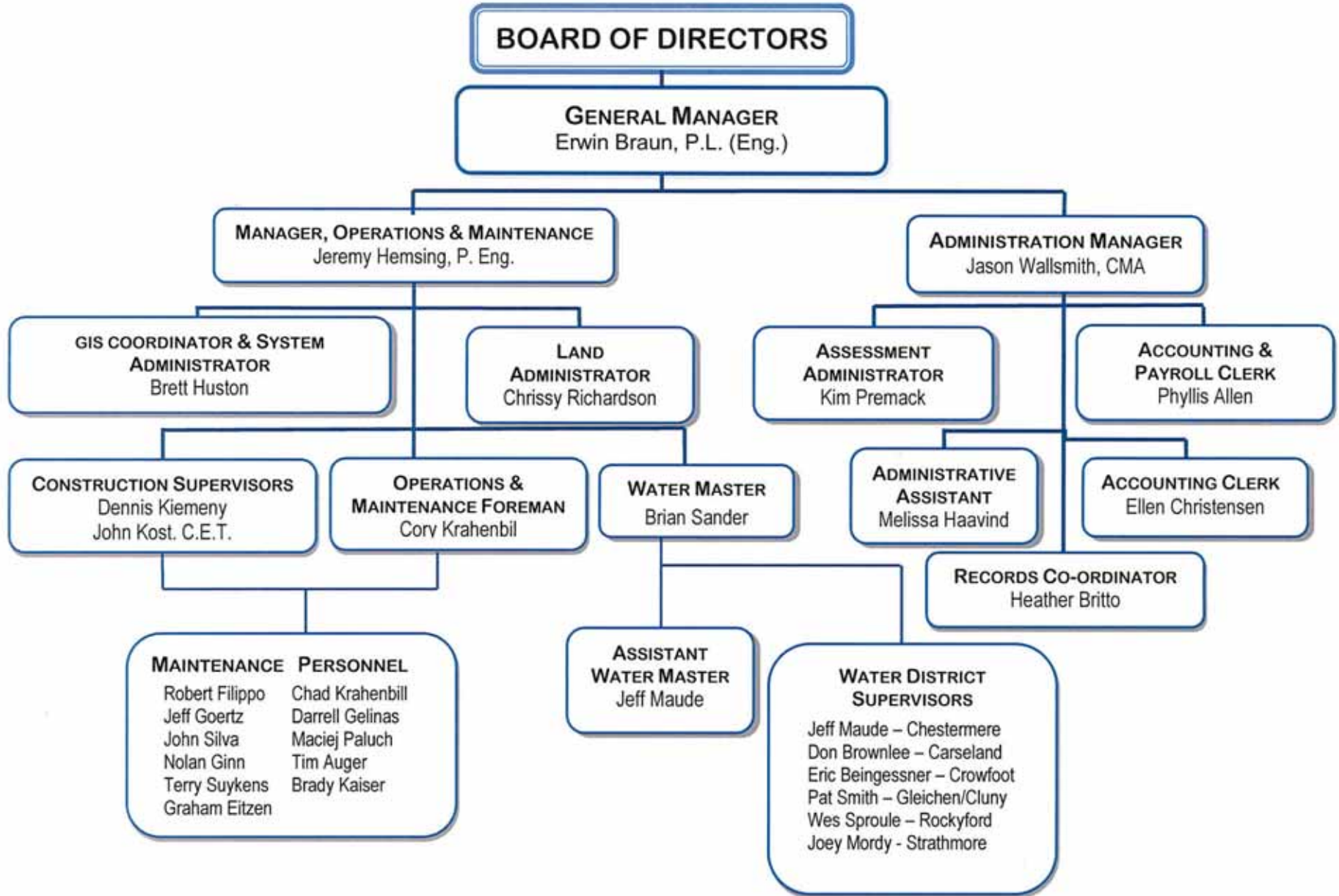
Crop Name	Irrigated Acres	Non-Irrigated Acres	Total Acres
ALFALFA 2 CUT	7,362	3,862	11,224
ALFALFA HAY	758	581	1,339
MALT BARLEY	135	0	135
BARLEY	8,841	7,328	16,168
BARLEY SILAGE	1,799	1,379	3,178
CANOLA	9,861	5,209	15,070
GRAIN CORN	348	0	348
CORN SILAGE	130	0	130
SUMMER FALLOW	0	76	76
GREEN FEED	0	133	133
GRASS SEED	210	0	210
GRASS HAY	1,557	1,227	2,784
MARKET GARDENS	229	75	304
NON CROP	12	181	193
NURSERY	1,045	538	1,583
OATS	130	156	286
NATIVE PASTURE	1,293	1,653	2,946
TAME PASTURE	3,305	2,596	5,901
DRY PEAS	569	856	1,425
SEED POTATOES	562	140	702
RYE	130	0	130
TURF SOD	2,202	432	2,634
TIMOTHY HAY	400	35	435
CPS WHEAT	4,013	2,236	6,249
DURUM WHEAT	0	25	25
HARD SPRING WHEAT	3,615	3,229	6,844
SOFT WHEAT	130	268	398
WINTER WHEAT	1,243	30	1,273
SLEEPING ACRES			12,633
TOTAL	49,878	32,244	94,754

**PARCELS ADDED TO/REMOVED FROM
WESTERN IRRIGATION DISTRICT
FISCAL 2013**

Name	Legal Description	Action
Pollyco (Strathmore) Land Corporation	N 13-24-25 W4M	Remove
PMC (Strathmore) Corp.	NW 13-24-25 W4M	Remove
Pollyco (Strathmore) Land Corporation	NW 13-24-25 W4M	Remove
United Acquisition II Corp. & Rencor Developments (Strathmore) Inc.	SW 13-24-25 W4M	Remove
Pollyco (Strathmore) Land Corporation	SE 13-24-25 W4M	Remove
705370 Alberta Ltd.	NW 16-26-26 W4M	Add
705370 Alberta Ltd.	SW 21-26-26 W4M	Add
Hutterian Brethren Church of Wheatland	Section 30-25-23 W4M	Add
Hutterian Brethren Church of Wheatland	N 1/2 27-25-23 W4M	Remove
Hutterian Brethren Church of Wheatland	SE 4-25-25 W4M	Remove
Spliedt, Adrian	NE 23-22-22 W4M	Add
Maynard, Tyler Joseph & Cidnee Jade	NW 18-22-21 W4M	Remove
705370 Alberta Ltd.	NE 25-22-26 W4M	Add
705370 Alberta Ltd.	SE 25-22-26 W4M	Remove
Sauvé, Denny Dean & Illona Alexis	NE 11-23-23 W4M	Remove
Sauvé, Denny Dean & Illona Alexis	SE 11-23-23 W4M	Remove
Sauvé, Harvey Gordon	NW 11-23-23 W4M	Remove

WESTERN IRRIGATION DISTRICT ORGANIZATIONAL CHART

As of November 2013



**Minutes of the Annual Meeting of the Water Users of the
Western Irrigation District held in Strathmore, Alberta
Wednesday, April 3, 2013**

PRESENT:

DIRECTORS:

Henry Colpoys
Dan Shute
Doug Brown
Don Kathol
Rick Page

STAFF:

Erwin Braun, General Manager
Jeremy Hemsing, Manager of Operations & Maintenance
Lucie Montford, Administration Manager
Jason Wallsmith, Administration Manager
Melissa Haavind, Administrative Assistant & Recording Secretary

AUDITORS:

Farrah Williams and Sam Miller from Gregory, Harriman & Associates LLP

**CALL TO ORDER &
INTRODUCTIONS**

Erwin Braun called the meeting to order at 1:40 pm and welcomed everyone to the Fiscal 2012 Annual Meeting. Dan Shute introduced the Board Members, as well as other guests including representatives from Alberta Agriculture & Rural Development, Alberta Environment & Water, and Irrigation Council. Lucie Montford introduced Staff present. Approximately 24 water users were in attendance.

ANNOUNCEMENTS

The Board welcomed the return of Dan Shute and Doug Brown as Directors for Division 4 and Division 1 by acclamation.

MEETING CHAIRMAN

Dan Shute called for nominations for Chairman of the meeting.

MOVED by Gail Cleeve and SECONDED by Vern Bretin THAT Glenn Koester be appointed Chairman.

CARRIED

**RECORDING
SECRETARY**

Erwin Braun nominated Melissa Haavind. Glenn Koester declared Melissa Haavind the Recording Secretary.

ADOPTION OF AGENDA

Glenn Koester asked the audience to review the proposed agenda.

MOVED by Vern Hoff and SECONDED by John Kalbhen THAT the agenda be adopted as presented.

CARRIED

**ADOPTION OF MINUTES
2012 ANNUAL MEETING**

Glenn Koester requested the audience review the Minutes from the April 4, 2012 Annual Meeting.

MOVED by Vern Bretin and SECONDED by Bill Larsen THAT the Minutes of the April 4, 2012 Annual Meeting be adopted as presented.

CARRIED

CHAIRMAN'S REPORT

Dan Shute presented the Chairman's Report, stating that the WID and Alberta Irrigation Projects Association (AIPA) launched a campaign in March 2012 to increase awareness of the benefits provided by the irrigation, for all Albertans. The "Thanks to Irrigation" campaign included billboards in Calgary were an opportunity for many urban folks to see the crops that are grown, reservoirs that are enjoyed, wildlife habitat created and rural communities sustained with drinking water, all Thanks to Irrigation.

Mr. Shute summarized that it is a priority for the WID to continue the accelerated rehabilitation work of the WID to continue the accelerated rehabilitation work to the District infrastructure. Approximately one third of the canal system has been completed.

Mr. Shute thanked Lucie Montford for all her contribution to the District and wished her a very long, happy and well deserved retirement. Mr. Shute also thanked the Board of Directors and the Staff for helping make 2012 a successful year for the WID and look forward to continued success as we take on the challenges of the future.

Glenn Koester asked if there were any questions.

MOVED by Dan Shute and SECONDED by Karl Reinhart THAT the Chairman's Report be adopted as presented.

CARRIED

MANAGER'S REPORT

Erwin Braun presented the Manager's Report outlining the cooler temperatures during the early part of the growing season that resulted in very low water demand at the start of the year. The warmer temperatures in July and August caused a demand to increase and the total diversion ended up to be average compared to the long term.

Mr. Braun stated that WID continues to monitor and record diversions to individual users and the information will be shared with the user in coming years to provide water use information. This monitoring will assist the District in the future to ensure a high level of service and reliable secure water supply in the future.

Mr. Braun highlighted the accelerated rehabilitation program continued in 2012 with the rehabilitation of another reach of Secondary A Canal. The Secondary A Canal will be completely rehabilitated from Chestermere Lake to the South Cluny Pipeline, greatly increasing the efficiency of the system. Water will be better managed with new structures and will reduced losses from seepage.

Mr. Braun stated that the Langdon Reservoir is scheduled to be expanded by 6,000 acre feet of live storage. This additional capacity will provide water security for times when the river flows are low and the allowable diversion is less than the irrigation demand. While river flows are still the main supply for the District, additional storage will reduce the potential shortfalls while providing an opportunity to expand the Districts acreage limit. The construction of the reservoir is scheduled to start in 2014.

Erwin thanked the Board of Directors for their continuing support and gave special thanks to the staff for their continuing effort to provide a high level of service to the water users in the WID.

Glenn Koester asked if there were any questions.

MOVED by Erwin Braun and SECONDED by Gordon Hilton THAT the General Manager's Report be adopted as presented.

CARRIED

AUDITOR'S REPORT

Farah Williams and Sam Miller of Gregory, Harriman & Associates LLP presented the Auditor's report for fiscal 2012.

Farah Williams presented the financial statements, summarizing the balance sheet and income statement. Ms. Williams stated the auditor's report was clean and it was presented in accordance with Canadian Generally Accepted Auditing Standards.

Sam Miller summarized the statement of operations, revenue and other earnings, highlighting the investments.

Ms. Williams asked if there were any questions or comments.

MOVED by Barrie Clayton and SECONDED by Vern Bretin THAT the Auditor's Report for Fiscal 2012 be adopted as presented.

CARRIED

MAINTENANCE REPORT

Jeremy Hemsing, Manager of Operations and Maintenance, presented the Operations Report for fiscal 2012, and reviewed the 2012 water season. Mr. Hemsing reviewed the annual total Bow River diversion and summarized the snow pack monitoring stations. He then explained SCADA (Supervisory Control and Data Acquisition) and the location of the measuring units. This system will enable WID to better control and monitor the water flow at any time. We can tie into this by radio control so we can access these sites to see how much water is flowing and have better control over the water. The District uses the RAM system to track the water usage in the District and will report that back to the water users. It's a goal to improve the efficiency and conserve water. Please give your water supervisor a minimum 48 hours notice to turn on the water and minimum 24 hours to turn off the water.

The 2012 Maintenance Activity Summary Chart was displayed with the activity accomplished throughout the year. Mr. Hemsing ended by showing the rehabilitation plan for the next three years.

MOVED by Henry Colpoys and SECONDED by Gail Cleeve THAT the 2012 Operations & Maintenance Report be adopted as presented.

CARRIED

EXTRA ITEMS

Erwin Braun presented the Extra Items on the agenda.

WID OVERVIEW

Mr. Braun summarized the District's revenues and financial statement in a powerpoint presentation to show the past year's revenue.

Mr. Braun highlighted the evolving opportunities such as water conservation, expanding irrigation, water for lease, off-stream water storage, wetland compensation, stormwater and recreational access to WID water bodies.

Mr. Braun summarized Alberta Irrigation Projects Association's promotional campaign "Thanks to Irrigation". The Alberta Irrigation Projects Association wants to increase the urban Albertans awareness of the benefits of irrigation. Benefits include 60 lakes and reservoirs, water supply for 40 communities and sustainable wetlands.

Questions were asked and discussions followed on the 2012 Annual Meeting Presentations.

ADJOURNMENT

MOVED by Vern Bretin and SECONDED by John Kalbhen THAT the meeting be adjourned at 3:30 pm.

Chairman

General Manager



**GREGORY,
HARRIMAN
& ASSOCIATES LLP**

WESTERN IRRIGATION DISTRICT

**Financial Statements
November 30, 2013**

WESTERN IRRIGATION DISTRICT

NOVEMBER 30, 2013

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**GREGORY,
HARRIMAN
& ASSOCIATES LLP**

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the Western Irrigation District

We have audited the accompanying financial statements of Western Irrigation District (the "District"), which comprise the statement of financial position as at November 30, 2013 and the statements of operations, changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

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

Opinion

In our opinion the financial statements present fairly, in all material respects, the financial position of Western Irrigation District as at November 30, 2013 and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPPO).

Other Matters

Without modifying our opinion, we draw attention to Note 1 to the financial statements which describes that Western Irrigation District adopted Canadian accounting standards for not-for-profit organizations (ASNFPPO) on December 1, 2012 with a transition date of December 1, 2011. The adoption of ASNFPPO had no impact on the previously reported assets, liabilities and fund balances, and, accordingly, no adjustments have been recorded in the comparative statement of financial position, statement of operations and changes in fund balances and the cash flow statement. Certain disclosures included in these financial statements reflect the new disclosure requirements of ASNFPPO.

Strathmore, Alberta
February 19, 2014

Gregory, Harriman & Assoc.
Gregory, Harriman & Associates LLP

**WESTERN IRRIGATION DISTRICT
STATEMENT OF FINANCIAL POSITION
AS AT NOVEMBER 30, 2013**

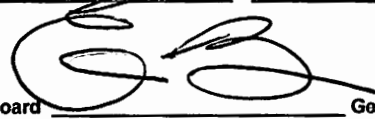
	UNRESTRICTED FUND		RESTRICTED FUNDS				COMBINED	
	OPERATING		DISTRICT CAPITAL		IRRIGATION WORKS		2013	2012 <i>Restated</i>
	2013	2012	2013	2012 <i>Restated</i>	2013	2012		
CURRENT ASSETS								
Cash (Notes 5, 20)	720,178	1,934,554	9,713,581	8,384,816	2,543,903	1,966,803	12,977,662	12,286,173
Accounts receivable (Note 6)	1,730,865	1,636,313	-	-	-	-	1,730,865	1,636,313
Interest receivable (Note 7)	-	-	936,161	1,051,026	-	-	936,161	1,051,026
Short term investments (Note 8)	-	-	31,472,984	17,018,227	-	-	31,472,984	17,018,227
Inventory (Note 9)	71,994	90,223	857,746	-	-	-	929,740	90,223
Prepaid expenses	38,650	8,107	-	-	-	-	38,650	8,107
Funds held in trust (Note 10)	-	-	250,667	400,000	-	-	250,667	400,000
Interfund receivables (payables)	1,666,413	2,012,782	(1,533,298)	(1,233,942)	(133,115)	(778,840)	-	-
	<u>4,228,100</u>	<u>5,681,979</u>	<u>41,697,841</u>	<u>25,620,127</u>	<u>2,410,788</u>	<u>1,187,963</u>	<u>48,336,729</u>	<u>32,490,069</u>
OTHER ASSETS								
Loan receivable (Note 11)	-	-	9,500	10,500	-	-	9,500	10,500
Preliminary costs pending (Notes 12, 32)	-	-	372,869	249,490	-	-	372,869	249,490
Water rights (Note 13)	-	-	51,975	51,975	-	-	51,975	51,975
Deferred development costs (Note 14)	-	-	943,998	682,378	-	-	943,998	682,378
Other intangible asset (Note 15)	-	-	76,212	88,523	-	-	76,212	88,523
Investments (Note 16, 17)	28,412	21,851	35,461,325	60,229,779	11,313	11,038	35,501,050	60,262,668
	<u>28,412</u>	<u>21,851</u>	<u>36,915,879</u>	<u>61,312,645</u>	<u>11,313</u>	<u>11,038</u>	<u>36,955,604</u>	<u>61,345,534</u>
PROPERTY AND EQUIPMENT								
Property and equipment (Note 18)	-	-	3,706,472	3,485,231	149,455	149,455	3,855,927	3,634,686
Irrigation works (Note 19)	-	-	52,636,848	40,463,645	74,974,484	74,921,121	127,611,332	115,384,766
	<u>-</u>	<u>-</u>	<u>56,343,320</u>	<u>43,948,876</u>	<u>75,123,939</u>	<u>75,070,576</u>	<u>131,467,259</u>	<u>119,019,452</u>
TOTAL ASSETS	<u>4,256,512</u>	<u>5,703,830</u>	<u>134,957,040</u>	<u>130,881,648</u>	<u>77,546,040</u>	<u>76,269,577</u>	<u>216,759,592</u>	<u>212,855,055</u>
CURRENT LIABILITIES								
Accounts payable and accrued liabilities (Note 21)	1,050,311	2,087,873	-	-	-	-	1,050,311	2,087,873
Goods and Services Tax liability	73,222	56,063	-	-	-	-	73,222	56,063
Capital levy trust (Note 22)	-	-	87,637	75,559	-	-	87,637	75,559
Progress estimates payable and holdbacks	-	-	64,500	5,918	4,725	71,820	69,225	77,738
Current portion of deferred revenues (Note 23)	-	-	4,072	4,622	-	-	4,072	4,622
	<u>1,123,533</u>	<u>2,143,936</u>	<u>156,209</u>	<u>86,099</u>	<u>4,725</u>	<u>71,820</u>	<u>1,284,467</u>	<u>2,301,855</u>
OTHER LIABILITIES								
Deferred revenues, net (Note 23)	-	-	26,547	30,228	-	-	26,547	30,228
Asset retirement obligation (Note 24, 35)	-	-	457,428	289,735	-	-	457,428	289,735
	<u>-</u>	<u>-</u>	<u>483,975</u>	<u>319,963</u>	<u>-</u>	<u>-</u>	<u>483,975</u>	<u>319,963</u>
TOTAL LIABILITIES	<u>1,123,533</u>	<u>2,143,936</u>	<u>640,184</u>	<u>406,062</u>	<u>4,725</u>	<u>71,820</u>	<u>1,768,442</u>	<u>2,621,818</u>
FUND BALANCES								
Invested in property and equipment (Note 25, 35)	-	-	56,014,079	43,799,639	75,123,939	75,070,576	131,138,018	118,870,215
Externally restricted (Note 26)	-	-	-	-	2,417,376	1,127,181	2,417,376	1,127,181
Internally restricted (Note 27)	-	-	78,302,777	86,675,947	-	-	78,302,777	86,675,947
Unrestricted	3,132,979	3,559,894	-	-	-	-	3,132,979	3,559,894
	<u>3,132,979</u>	<u>3,559,894</u>	<u>134,316,856</u>	<u>130,475,586</u>	<u>77,541,315</u>	<u>76,197,757</u>	<u>214,991,150</u>	<u>210,233,237</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>4,256,512</u>	<u>5,703,830</u>	<u>134,957,040</u>	<u>130,881,648</u>	<u>77,546,040</u>	<u>76,269,577</u>	<u>216,759,592</u>	<u>212,855,055</u>

Economic Dependence (Note 3)
Contingent Liabilities (Note 32)
Environmental Contingencies (Note 33)
Prior Period Adjustment (Note 35)

APPROVED BY: _____



Chairman of the Board



General Manager

The accompanying notes form an integral part of these financial statements.
Gregory, Harriman & Associates LLP

WESTERN IRRIGATION DISTRICT
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED NOVEMBER 30, 2013

	UNRESTRICTED FUND		RESTRICTED FUNDS					
	<i>OPERATING</i>		<i>DISTRICT CAPITAL</i>		<i>IRRIGATION WORKS</i>		<i>TOTAL RESTRICTED</i>	
	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>
			<i>Restated</i>		<i>Restated</i>		<i>Restated</i>	
REVENUE								
Irrigation rates, net (Note 28)	1,840,265	1,654,263	-	-	-	-	-	-
Domestic and miscellaneous	951,387	850,385	-	-	-	-	-	-
Storm water	490,885	414,152	-	-	-	-	-	-
Penalties	8,533	7,676	-	-	-	-	-	-
TOTAL WATER EARNINGS	3,291,070	2,926,476	-	-	-	-	-	-
OTHER EARNINGS								
Government contributions	-	-	-	-	1,936,443	2,196,848	1,936,443	2,196,848
Interest revenue	41,324	41,849	2,506,246	3,027,126	26,988	27,832	2,533,234	3,054,958
Gravel revenue	-	-	67,734	158,410	-	-	67,734	158,410
Farm, land and building rentals	-	-	142,165	132,917	-	-	142,165	132,917
Gain on sale of land	-	-	129,632	161,138	-	-	129,632	161,138
Gain (loss) on sale of assets	-	-	137,652	6,847	-	-	137,652	6,847
Realized gain (loss) on investments	-	-	1,231,233	380,060	-	-	1,231,233	380,060
Unrealized gain (loss) on investments (Notes 16, 17)	-	-	(219,356)	(1,073,060)	-	-	(219,356)	(1,073,060)
Capital asset charges	-	-	70,300	11,900	-	-	70,300	11,900
Commitment fee (Note 29)	-	-	-	750,000	-	-	-	750,000
Fees and other income	194,307	113,032	262	262	-	-	262	262
Miscellaneous	3,253	13,120	-	-	-	-	-	-
Government grants (Note 30)	-	6,551	-	-	-	-	-	-
Inventory adjustment	33,526	28,635	7,650	-	-	-	7,650	-
TOTAL OTHER EARNINGS	272,410	203,187	4,073,518	3,555,600	1,963,431	2,224,680	6,036,949	5,780,280
	3,563,480	3,129,663	4,073,518	3,555,600	1,963,431	2,224,680	6,036,949	5,780,280
EXPENSES								
Amortization of property and equipment (Note 4)	-	-	1,282,743	1,141,492	1,265,354	1,247,771	2,548,097	2,389,263
Amortization of intangible asset (Note 15)	-	-	12,311	12,311	-	-	12,311	12,311
Depletion of resource properties	-	-	-	5,855	-	-	-	5,855
Commissions expense	-	-	81,680	38,503	-	-	81,680	38,503
Land development costs	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Bursary expense	-	-	1,000	1,000	-	-	1,000	1,000
Operating and administrative (Schedule 1)	2,026,257	1,927,676	-	-	-	-	-	-
Property taxes	-	-	3,482	2,672	-	-	3,482	2,672
Accretion expense (Note 24, 35)	-	-	169,689	8,439	-	-	169,689	8,439
	2,026,257	1,927,676	1,550,905	1,210,272	1,265,354	1,247,771	2,816,259	2,458,043
EXCESS OF REVENUE OVER EXPENSES	1,537,223	1,201,987	2,522,613	2,345,328	698,077	976,909	3,220,690	3,322,237
Fund balances at beginning of year (Note 35)	3,559,894	3,825,211	130,475,586	127,395,237	76,197,757	74,488,565	206,673,343	201,883,802
Interfund transfers (Note 27)	(1,318,657)	(735,021)	1,318,657	735,021	-	-	1,318,657	735,021
Irrigation provision (Note 26, 27)	(645,481)	(732,283)	-	-	645,481	732,283	645,481	732,283
FUND BALANCES AT END OF YEAR	3,132,979	3,559,894	134,316,856	130,475,586	77,541,315	76,197,757	211,858,171	206,673,343

The accompanying notes form an integral part of these financial statements.
Gregory, Harriman & Associates LLP

**WESTERN IRRIGATION DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED NOVEMBER 30, 2013**

	<i>OPERATING</i>		<i>DISTRICT CAPITAL</i>		<i>IRRIGATION WORKS</i>		TOTALS	
	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES								
Cash receipts	3,773,973	4,334,387	634,169	(63,786)	1,290,717	1,926,679	5,698,859	6,197,280
Cash paid to suppliers and employees	(3,058,974)	(1,752,269)	(1,164,811)	(9,226)	(67,095)	71,820	(4,290,880)	(1,689,675)
Interest received	41,324	41,849	2,621,115	3,179,133	26,988	27,832	2,689,427	3,248,814
Cash flows from operating activities	<u>756,323</u>	<u>2,623,967</u>	<u>2,090,473</u>	<u>3,106,121</u>	<u>1,250,610</u>	<u>2,026,331</u>	<u>4,097,406</u>	<u>7,756,419</u>
CASH FLOWS FROM INVESTING ACTIVITIES								
Purchases of property and equipment	-	-	(14,210,107)	(10,288,723)	(1,318,716)	(3,912,646)	(15,528,823)	(14,201,369)
Purchase of other intangible asset	-	-	-	-	-	-	-	-
Proceeds from sale of assets	-	-	766,138	537,475	-	-	766,138	537,475
Sales (purchase) of investments	(6,561)	(4,276)	11,401,103	8,687,247	(275)	(269)	11,394,267	8,682,702
Funds held in trust	-	-	149,333	(400,000)	-	-	149,333	(400,000)
Preliminary costs pending	-	-	(123,379)	(123,877)	-	-	(123,379)	(123,877)
Cash flows from investing activities	<u>(6,561)</u>	<u>(4,276)</u>	<u>(2,016,912)</u>	<u>(1,587,878)</u>	<u>(1,318,991)</u>	<u>(3,912,915)</u>	<u>(3,342,464)</u>	<u>(5,505,069)</u>
CASH FLOWS FROM FINANCING ACTIVITIES								
Irrigation provision	(645,481)	(732,283)	-	-	645,481	732,283	-	-
Trust funds received	-	-	12,078	(27,723)	-	-	12,078	(27,723)
Cash flows from financing activities	<u>(645,481)</u>	<u>(732,283)</u>	<u>12,078</u>	<u>(27,723)</u>	<u>645,481</u>	<u>732,283</u>	<u>12,078</u>	<u>(27,723)</u>
NET CASH INCREASE (DECREASE)	<u>104,281</u>	<u>1,887,408</u>	<u>85,639</u>	<u>1,490,520</u>	<u>577,100</u>	<u>(1,154,301)</u>	<u>767,020</u>	<u>2,223,627</u>
Cash, opening balance	1,934,554	782,167	8,309,285	6,083,744	1,966,803	3,121,104	12,210,642	9,987,015
Interfund balance adjustments	(1,318,657)	(735,021)	1,318,657	735,021	-	-	-	-
CASH, CLOSING BALANCE	<u>720,178</u>	<u>1,934,554</u>	<u>9,713,581</u>	<u>8,309,285</u>	<u>2,543,903</u>	<u>1,966,803</u>	<u>12,977,662</u>	<u>12,210,642</u>
CASH REPRESENTED BY:								
Cash on hand and in banks <i>(Note 5)</i>	720,178	1,934,554	9,713,581	8,309,285	2,543,903	1,966,803	12,977,662	12,210,642
TOTAL CASH	<u>720,178</u>	<u>1,934,554</u>	<u>9,713,581</u>	<u>8,309,285</u>	<u>2,543,903</u>	<u>1,966,803</u>	<u>12,977,662</u>	<u>12,210,642</u>

The accompanying notes form an integral part of these financial statements.
Gregory, Harriman & Associates LLP

WESTERN IRRIGATION DISTRICT
SCHEDULE 1 - OPERATING AND ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED NOVEMBER 30, 2013

	DEPARTMENTS			TOTALS	
	<i>OPERATIONS AND MAINTENANCE</i>	<i>WATER DELIVERY</i>	<i>GENERAL AND ADMINISTRATION</i>	2013	2012
Advertising, publications, ratepayers meetings	-	-	13,338	13,338	14,166
Association fees	-	-	27,261	27,261	21,221
Board of Directors expenditures	-	-	47,011	47,011	56,219
Building maintenance	52,781	-	-	52,781	67,483
Computer expense	-	-	51,611	51,611	54,557
Crop, flood and property damage	-	-	-	-	-
Equipment and easement rental	5,866	-	-	5,866	60,660
Equipment maintenance, gas, oil, grease	512,755	59,575	-	572,330	479,558
Insurance	53,592	12,112	21,448	87,152	85,146
Interest and bank charges	-	-	882	882	619
Land titles charges and classification	-	-	2,049	2,049	2,460
Materials and supplies, office supplies	137,282	47,822	6,066	191,170	219,376
Miscellaneous	4,589	-	-	4,589	-
Payroll service charges	-	-	3,551	3,551	3,984
Postage, freight and courier	-	-	3,824	3,824	5,742
Professional fees	-	56,058	185,922	241,980	321,202
Public relations	-	-	63,524	63,524	29,832
Safety supplies	8,984	50	-	9,034	12,021
Salaries and wages	1,595,635	318,369	717,482	2,631,486	2,566,819
Small tools and equipment	5,254	615	-	5,869	9,477
Stationary, printing, photocopies, fax	-	-	13,181	13,181	16,814
Telephone	13,733	7,104	17,149	37,986	29,019
Travel and staff training	2,270	462	5,208	7,940	6,577
Utilities	44,642	8,736	-	53,378	46,698
Vegetation and pest control	-	140,580	-	140,580	167,327
Welding supplies	-	959	-	959	1,289
	<u>2,437,383</u>	<u>652,442</u>	<u>1,179,507</u>	<u>4,269,332</u>	<u>4,278,266</u>
Transfer as asset to irrigation works (Note 31)	(2,230,797)	(5,933)	(6,345)	(2,243,075)	(2,350,590)
	<u>206,586</u>	<u>646,509</u>	<u>1,173,162</u>	<u>2,026,257</u>	<u>1,927,676</u>

The accompanying notes form an integral part of these financial statements.
Gregory, Harriman & Associates LLP

**WESTERN IRRIGATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
NOVEMBER 30, 2013**

Note 1 First Time Adoption of Canadian Accounting Standards for Not-for-Profit Organizations

During the year the District adopted Canadian accounting standards for not-for-profit organizations (ASNFPO). These financial statements are the first prepared in accordance with these standards. The adoption of ASNFPO has no impact on fund balances as at December 1, 2011 or revenue and expenditures or cash flows for the year ended November 30, 2012, as previously reported in accordance with pre-changeover Canadian generally accepted accounting principles.

Note 2 Purpose of the Organization

The Western Irrigation District (the "District") is charged with the responsibility of efficient and economical distribution of water for users of the District. The Western Irrigation District operated under the authority of the Irrigation Act, Chapter I-11, Revised Statutes of Alberta 1980, as amended, until it was replaced by the Irrigation Districts Act, Chapter I -11, which was proclaimed in force on May 1, 2000.

Note 3 Economic Dependence

The District utilizes contributions from the Province of Alberta for rehabilitation of the irrigation works of the District.

Note 4 Significant Accounting Policies and Reporting Practices

Fund Accounting

The District follows the restricted fund method of accounting for contributions.

The Operating Fund accounts for the District's administrative activities. This fund reports unrestricted resources and the transactions relating to them.

The District Capital Fund reports the assets, investments, liabilities, revenue and expenses related to the District's land, buildings and equipment.

The Irrigation Works Fund accounts for capital receipts for new irrigation works and interest earnings arising from such monies. Costs incurred in constructing new irrigation works and in replacing and rehabilitating existing structures are provided for from the fund. The Province of Alberta contributes 75% of expenditures approved by the Irrigation Council and the District contributes 25%.

... continues

Note 4 Significant Accounting Policies and Reporting Practices ... continued

Short Term Investments

Short term investments are investments in term deposits and Guaranteed Investment Certificates and are valued at cost plus accrued interest. Investments maturing prior to November 30, 2014 have been classified as short term investments.

Investments Subject to Significant Influence

The District has elected to record investments in companies subject to significant influence using the equity method. Using this method, the investment is initially recorded at cost and the carrying value adjusted thereafter to include the District's pro rata share of post-acquisition earnings of the investee.

Inventories

Inventories of materials and supplies are valued using the average cost method, which most accurately reflects the flow through of the physical inventory item. Gravel inventory is measured based on the lower of cost and net realizable value.

Capitalization

Additions to the District irrigation works are capitalized when the materials utilized exceed \$12,000 per structure. For any addition representing a rebuilding of a canal or ditch, the cost of materials must exceed \$12,000 to be capitalized. Whenever any concrete structure is installed on the distribution system, and it is a replacement of an existing structure, the value of the structure to be replaced is to be 20% of all costs associated with the new structure being installed.

Other property and equipment purchased are recorded at cost. Costs of other property and equipment must exceed \$5,000 to be capitalized.

Amortization and Depletion

The buildings and equipment are recorded at cost and are amortized at fixed rates applied to diminishing balances. The rates can be summarized as follows:

Computers	50%
Trucks	20%
Office equipment	20%
Other equipment and furniture	20%
Power equipment	20%
Buildings and dwellings	5%
Shop and office complex	5%
Industrial subdivision costs	3%

Irrigation works are amortized on a straight-line basis over their estimated average useful lives of 75 years.

... continues

Note 4**Significant Accounting Policies and Reporting Practices ... continued**

Depletion of the resource property is calculated using the unit of production method, which is calculated using the quantity of gravel actually extracted and processed, compared with the best estimate of gravel reserves remaining and site restoration costs.

Income Tax

The District is exempt from income taxation under Section 149 (1) (e) of the Income Tax Act.

Goods and Services Tax

The District is part of the Alberta Crown and is listed as a tax-exempt Government of Alberta agency, and is therefore included in the Province's constitutional tax immunity. As a result, the District pays no income taxes or Goods and Services Tax on purchases, but is still required to collect and remit Goods and Services Tax on services provided.

Asset Retirement Obligation

Asset retirement obligations, related to the gravel pits, include the legal obligation the District will be required to spend to reclaim the gravel pit sites. The current asset retirement obligation, which is equal to the initially estimated fair value of the total asset retirement obligation, is capitalized as part of the cost of the gravel pit. Changes in the estimated obligation resulting from revisions to estimated timing or amount of undiscounted cash flows are recognized as a change in the asset retirement obligation.

The future site restoration costs are calculated as the total undiscounted amount of estimated cash flows required to reclaim the gravel pit, which has been discounted using the credit-adjusted risk free rate of 3.0% (rate of interest on monetary assets that are essentially free of default risk, adjusted for the effect of an entity's credit standing). Increases in the site restoration obligation resulting from the passage of time are recorded as accretion of the asset retirement obligation in the Statement of Operations and Changes in Fund Balances.

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Note 4**Significant Accounting Policies and Reporting Practices ... continued***Employee Future Benefits*

The District and its eligible employees participate in the Local Authorities Pension Plan (LAPP). This is a multi-employer, contributory defined benefit pension plan, for which specific information concerning the District's interest in the assets and liabilities is not readily available. The Alberta Pensions Services Corporation (APS) administers the plan, with the employee and District's contributions to the LAPP determined by the plan rules. The required contributions are determined by actuarial valuations conducted at least on a triennial basis. These valuations are made in accordance with legislative requirements and with the recommendations of the Canadian Institute of Actuaries for the valuation of a pension plan. Commencing December 1, 2000, the District prospectively applied the new accounting recommendations for employee future benefits, and is accounting for the plan, as though it were a defined contribution plan. There were no transitional assets or obligations at the time the change was made.

Pension cost of the LAPP is disclosed as part of salaries and wages. The expense for this pension plan is equivalent to the annual contributions of \$170,998 for the year ended November 30, 2013 (2012 - \$158,776).

Revenue Recognition

Irrigation, maintenance and charge out fees are recognized as revenue in the year to which they relate.

Capital contributions are recognized in revenue as grants or contributions, as appropriate, when received, and form part of the balance reported as invested in capital assets.

The percentage of completion method is used to recognize revenue on the properties that the District is developing. Revenue is recognized as the development activity progresses based on the stage of completion reached. Revenue is recognized when the sale is final, and in amounts proportionate to the actual costs incurred to date over the estimated total costs to complete the project.

Measurement Uncertainty

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The precise value of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of approximations, which have been made using careful judgment. Actual results could differ from those approximations.

A significant area requiring the use of management estimates was the inventory valuation. The value of the inventory was determined using the average cost method at November 30, 2013. Significant changes in the market value of the inventory could result in impairment of the inventory.

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Note 4 Significant Accounting Policies and Reporting Practices ... continued

A significant area requiring the use of management estimates was the estimated useful life of the gravel pits. The estimated useful life is determined using the estimated gravel reserves and the average annual amount of gravel quarried. Significant changes in the amount of gravel quarried per year could result in changes to the expected useful life of the gravel pit.

Note 5 Cash

	2013	2012
<hr/>		
<i>Operating</i>		
Petty cash	\$ 1,000	\$ 1,000
Credit card prepaid balance	6,000	6,000
Bank account balance	713,178	1,927,554
	<hr/> 720,178	<hr/> 1,934,554
<i>District Capital</i>		
Cash held for reinvestment	300,909	211,218
Credit Union special grant account, interest rate of Prime minus 1.5%	6,395,555	5,213,087
Credit Union land bank account, interest rate of Prime minus 1.5%	2,929,508	2,884,980
Credit Union capital trust levy bank account, interest rate of Prime minus 1.5%	87,609	75,531
Credit Union Wheatland County commitment fee, interest rate of Prime minus 1.5%	-	-
	<hr/> 9,713,581	<hr/> 8,384,816
<i>Irrigation Works</i>		
Bank account balance, interest rate of Prime minus 1.5%	2,543,903	1,966,803
	<hr/> <hr/> \$ 12,977,662	<hr/> <hr/> \$ 12,210,642

A portion of the cash balance for District Capital, \$87,609 (2012 - \$75,531), is restricted in accordance with the terms of the Capital Levy Trust, as documented in Note 22.

Note 6 Accounts Receivable

	2013	2012
<hr/>		
<i>Operating</i>		
Water rates and charges	\$ 1,709,063	\$ 1,439,411
Sundry debtors	21,802	196,902
	<hr/> \$ 1,730,865	<hr/> \$ 1,636,313

Note 7 Interest Receivable

	2013	2012
<i>District Capital</i>		
Interest receivable on investments	\$ 936,161	\$ 1,051,026
	\$ 936,161	\$ 1,051,026

Note 8 Short Term Investments

	2013	2012
<i>District Capital</i>		
Investments maturing in the next fiscal year (Note 16)	\$ 31,472,984	\$ 17,018,227
	\$ 31,472,984	\$ 17,018,227

Note 9 Inventory

	2013	2012
<i>Operating</i>		
Supplies and materials	\$ 71,994	\$ 90,223
Gravel	857,746	-
	\$ 929,740	\$ 90,223

Note 10 Funds Held in Trust

Funds held in trust of \$250,667 represent funds held with the District's lawyer in relation to the purchase of land in the current year. The land purchased relates to the Langdon Reservoir Expansion and the related purchase transactions were finalized in January 2014.

Note 11 Loan Receivable

The loan of \$9,500 (2012 - \$10,500) is a result of the sale of land to the Town of Chestermere. The loan will be repaid over the next 10 years with 9 annual payments of \$1,000 and one \$500 payment in the form of issuing a bursary. There is no interest and the funds shall be utilized for the purpose of the bursary.

Note 12 Preliminary Costs Pending

The expenditures of \$372,869 (2012 - \$249,490) represent preliminary costs incurred by the District on irrigation works projects that have not been submitted to Irrigation Council for cost shared funding, as well as projects funded from District Capital not having final board approval; as of November 30, 2013. If the projects are submitted for funding and approved, these costs will be recovered from the cost shared program.

Note 13 Water Rights

This amount represents irrigated acre water rights purchased. The rights are accounted for at cost. They are held with the intent to resell and therefore the value of the rights will not be amortized.

	2013	2012
<i>District Capital</i>		
189 Irrigated Acres (2012 – 189 Acres)	\$ 51,975	\$ 51,975
	\$ 51,975	\$ 51,975

Note 14 Deferred Development Costs

These amounts represent material, labour, equipment charges and all other costs incurred to develop land for sale. These costs will be recovered when the land is sold to third parties.

	2013	2012
<i>Orchard Park</i>		
Phase II	\$ 54,863	\$ 54,863
Phase III	250,842	250,842
<i>Other Developments</i>		
CSMI	255,877	-
Regional Water Storage Study	205,549	205,549
Regional Water Storage Project	92,381	92,381
Other	84,486	78,743
	\$ 943,998	\$ 682,378

Note 15 **Other Intangible Asset**

			2013	2012
	Cost	Accumulated Amortization	Net	Net
<i>District Capital</i>				
Digital data	\$ 123,103	\$ 46,891	\$ 76,212	\$ 88,523
	\$ 123,103	\$ 34,581	\$ 76,212	\$ 88,523

These costs were incurred for the purposes of developing a web based video promoting the District's irrigation activities in addition to aerial photographs. The web based video costs are shared with two other irrigation districts. The digital data costs have been capitalized and are being amortized straight-line over 10 years.

Note 16**Investments**

Long term investments held with the Calgary Co-operative Association, United Farmers of Alberta, Common Shares with the Chinook Credit Union Ltd. and partnership interest in the Kinniburgh South Limited Partnership are carried at the lower of cost and market value.

Other long term investments are held for trading and are accounted for and reported using the fair market value as at November 30, 2013.

	2013	2012
<i>Operating</i>		
Calgary Co-operative Association equity	\$ 1,011	\$ 914
United Farmers of Alberta equity	16,953	10,744
Chinook Credit Union Ltd. common shares	10,448	10,193
	28,412	21,851
<i>District Capital</i>		
Credential Fixed income securities with coupons ranging from 1.700% to 6.140% and maturing between December 1, 2013 and November 30, 2018	5,094,419	4,227,909
Chinook Credit Union term deposits with interest rates ranging from 2.000% to 4.150% and maturing between December 1, 2013 and August 23, 2015	46,495,791	52,290,284
ATB Fixed income securities with interest rates ranging from 2.250% to 2.700% and maturing between August 7, 2015 and August 23, 2016	8,011,000	-
Credential Fixed income securities with coupons ranging from 2.350% to 8.100% and maturing between December 1, 2018 and November 30, 2023	520,775	613,780
Chinook Credit Union term deposit maturing between December 1, 2016 and November 30, 2021	-	-
Credential Fixed income securities with coupons ranging from 2.990% to 6.250% and maturing between December 1, 2023 and June 1, 2037	319,399	377,817
Money market	-	1,110,000
Common shares	2,201,923	16,440,434
Mutual funds	1,822,633	-
Real estate trust units	-	-
Trust units	-	-
Preferred shares	375,965	586,137
Exchange traded funds	1,028,560	525,720
Other securities	89,572	95,423
Chinook Credit Union Ltd. common shares	9,846	9,606
Kinniburgh South Limited Partnership (<i>Note 17</i>)	964,426	970,896
Less: Investments maturing in the next fiscal year (<i>Note 8</i>)	(31,472,984)	(17,018,227)
	35,461,325	60,229,779
<i>Irrigation Works</i>		
Chinook Credit Union Ltd. common shares	11,313	11,038
	\$ 35,501,050	\$ 60,626,668

Note 17 Related Party Transactions

In 2009 the District sold land for \$1,000,000 to the Kinniburgh South Limited Partnership in exchange for 10 Class B Units which represents 49.95% ownership of outstanding shares. As an investment subject to significant influence, it is being accounted for using the equity method.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The following is a summary of the District's related party transactions:

	2013	2012
<i>Statement of Financial Position</i>		
Investments	\$ 964,426	\$ 970,896

Note 18 Property and Equipment

	2013		2012	
	Cost	Accumulated Amortization	Net	Net
<i>District Capital</i>				
Land and farm property	\$ 811,405	\$ -	\$ 811,405	\$ 806,707
Resource property	591,419	102,833	416,586	121,274
Computers	371,645	350,072	21,573	17,198
Trucks	672,548	263,676	408,872	496,330
Office equipment	41,523	33,160	8,363	10,453
Other equipment and furniture	152,101	86,240	65,861	15,452
Power equipment	2,866,628	1,313,365	1,553,263	1,651,263
Buildings and dwellings	-	-	-	-
Shop and office complex	955,275	622,403	332,872	350,392
Industrial subdivision costs	40,304	24,627	15,677	16,162
	6,502,848	2,796,376	3,706,472	3,485,231
<i>Irrigation Works</i>				
Land	149,455	-	149,455	149,455
	\$ 6,652,303	\$ 2,796,376	\$ 3,855,927	\$ 3,634,686

Note 19 Irrigation Works

Irrigation works transferred from the Canadian Pacific Railway Company in 1944, were taken into account at their amortized values, as estimated by District officials. Subsequent additions and betterments to these assets are shown in the accounts at cost. These assets are being amortized over their estimated average useful lives of 75 years on a straight-line basis.

Commencing in 1998, irrigation works constructed without the use of Irrigation Council cost shared funds, have been capitalized as part of the District Capital Fund.

	2013		2012	
	Cost	Accumulated Amortization	Net	Net
<i>District Capital</i>				
Irrigation works	\$ 55,253,518	\$ 2,616,670	\$ 52,636,848	\$ 40,463,645
<i>Irrigation Works</i>				
Irrigation works	116,393,469	41,418,986	74,974,484	74,921,121
	\$171,646,987	\$ 44,035,656	\$127,611,332	\$115,384,766

Note 20 Bank Loans and Overdraft

The bank overdraft and operating loans with a limit of \$1,000,000 are secured by a general security agreement over assets. The borrowings were approved in By-Law 322. Interest is charged monthly on any outstanding balance at the Chinook Credit Union Ltd. Prime Rate minus 0.50%. At this time, no funds have been utilized.

The District has outstanding, a letter of guarantee to the Town of Strathmore in the amount of \$100,000 for the Orchard Park Development.

Note 21 Accounts Payable and Accrued Liabilities

	2013	2012
<i>Operating</i>		
Accounts payable and accrued liabilities	\$ 885,841	\$ 1,925,340
Vacation payable	163,054	156,867
Accrued payroll	1,416	5,666
	\$ 1,050,311	\$ 2,087,873

Note 22 Capital Levy Trust

The amount of \$87,637 (2012 - \$75,559), which includes cash as well as the related credit union share value held, represents the Capital Levies paid by various municipalities in accordance with the Storm Water Discharge agreements signed with them. These funds can only be spent with the concurrence of the District and the affected municipality, and only on capital projects that will be of benefit to both parties.

Note 23 Deferred Revenue

Ducks Unlimited has entered into a lease agreement with the District for the lease of certain lands. In accordance with the terms of this lease agreement, in respect of land known as Craigantler Syphon, the District received a \$42,000 lump sum payment in 1987, and this amount is being recognized as revenue in equal amounts over 30 years.

The District also has a lease agreement with Ducks Unlimited for the lease of George Freeman Marshland. The term of the lease is for 30 years commencing January 1, 2003, and expires January 1, 2032. The District received a lump sum payment of \$29,854 in 2003, and this amount is being recognized as revenue in equal amounts over 30 years.

In a lease agreement with Pheasants Forever Calgary Chapter, the District received a lump sum payment of \$15,000 in 2003, which is being recognized over 15 years.

The District has subdivided and developed land in the Strathmore area. The District recognizes revenue, using the percentage of completion method described in Note 4, as each lot is sold. The District has also received payments on other properties for which the sales had not yet been finalized. These land sales have now been finalized and there is no deferred land sale revenue as at November 30, 2013.

	2013	2012
<i>District Capital</i>		
Craigantler Syphon	\$ 4,200	\$ 5,600
George Freeman Marshland	18,907	19,903
Pheasants Forever	4,000	5,000
Annual leases on properties	20	1,247
Other leases	3,492	3,100
Deferred revenue from land sales	-	-
	30,619	34,850
Less: Current portion	(4,072)	(4,622)
	\$ 26,547	\$ 30,228

Note 24 Asset Retirement Obligation

The following table presents the reconciliation of the beginning and ending aggregate carrying amount of the asset retirement obligation associated with the restoration of the gravel pits:

	2013	2012
Asset retirement obligation, beginning of year	\$ 289,735	\$ 153,118
Prior period opening balance adjustment (<i>Note 35</i>)	-	128,178
Accretion expense (<i>Note 35</i>)	169,689	8,439
Asset retirement obligation, end of year	\$ 457,428	\$ 289,735

No expenditures for reclamation have been made to date. The total undiscounted amount to settle the Asset Retirement Obligation, based on managements' best estimate, is estimated to be \$1,220,139 (2012 - \$304,810). While it is anticipated that some expenditures will be incurred during the life of the operation to which they relate, a significant component of this expenditure will only be incurred at the end of the pit life. In determining the carrying value of the Asset Retirement Obligation, the company has assumed a long term inflation rate of 3.53%, a credit-adjusted risk-free discount rate of 3%, and a weighted average useful life of production facilities and equipment of 14 and 17 years. Elements of uncertainty in estimating this amount include, changes in the projected pit life, reclamation expenditures incurred during ongoing operations and reclamation and remediation requirements and alternatives.

The District began operating a new gravel pit in the current year. The balance of the Asset Retirement Obligation for the new pit of \$176,184 has been included in the current year accretion expense in addition to a recovery of accretion expense for the existing gravel pit of \$8,495.

During the year, the District's management provided new estimates of the future reclamation costs associated with the existing clay pit. The total of these estimates was lower than original figures, resulting in the recovery of accretion expenses previously claimed.

Note 25 Invested in Property and Equipment

	2013	2012 <i>Restated</i>
<hr/>		
<i>District Capital</i>		
Water rights (Note 13)	\$ 51,975	\$ 51,975
Other intangible asset (Note 15)	76,212	88,523
Property and equipment (Note 18)	3,706,472	3,485,231
Irrigation works (Note 19)	52,636,848	40,463,645
Asset retirement obligation (Note 24, 35)	(457,428)	(289,735)
	<hr/> 56,014,079	<hr/> 43,799,639
<hr/>		
<i>Irrigation Works</i>		
Property and equipment (Note 18)	149,455	149,455
Irrigation works (Note 19)	74,974,484	74,921,121
	<hr/> 75,123,939	<hr/> 75,070,576
<hr/>		
	<hr/> \$131,138,018	<hr/> \$118,870,215
<hr/>		

Note 26 Externally Restricted Funds

The net assets of the Irrigation Council Works Fund are restricted under the terms of the Irrigation Rehabilitation Funding Agreement. These funds can only be spent on projects approved by the Irrigation Council, and the costs are shared with the District. Once the District has transferred its 25% share of costs into the Irrigation Council Works Fund, and received the 75% matching deposit from the Irrigation Council, the cash is restricted from use on other projects.

Note 27 Internally Restricted Funds and Interfund Transfers

The Board has internally restricted funds for District Capital purchases of equipment and rehabilitation of irrigation works. This internally restricted balance also includes the amount recognized when the Commutation Fund was eliminated as a result of the new Irrigation Districts Act. The internally restricted funds are not available for general purposes without approval of the Board of Directors.

Interfund transfers are required to fund the cash outlays for capital asset acquisitions and loan principal payments as well as expenses requiring Board approval.

The irrigation provision reflects the District's required 25% contribution for the Irrigation Council cost shared projects, as described in Note 26.

Note 28 Irrigation Rates

Irrigation rates, net, consist of:

<u>Acres</u>		2013	2012
	<u>Assessment roll acres</u>		
82,987.5	irrigation acres at \$18.00 per acre, plus additional pressure and/or screening charges where applicable	\$ 1,580,182	\$ 1,420,927
688.0	minimum charge irrigation acres at \$450.00 per parcel	17,550	16,656
0.0	incentive irrigation acres at \$12.19 per acre, plus additional pressure and/or screening charges where applicable	-	-
8,804.5	terminable acres at \$19.75 per acre, plus additional pressure and/or screening charges where applicable	176,952	163,888
784.0	minimum charge terminable acres at \$493.75 per parcel	18,269	17,100
170.0	annual acres at \$19.75 per acre, plus additional pressure and/or screening charges where applicable	3,357	3,060
22.5	minimum charge annual acres at \$493.75 per parcel	494	450
694.0	annual acres – off creek at \$15.75 per acre, plus additional pressure and/or screening charges where applicable	10,930	9,716
145.0	annual acres – irrigation acres at \$18.00 per acre, plus additional pressure and/or screening charges where applicable	2,658	2,404
0.0	annual acres – incentive irrigation acres at \$12.19 per acre, plus additional pressure and/or screening charges where applicable	-	-

... continues

Note 28

Irrigation Rates ... continued

<u>Acres</u>	2013	2012
<u>Assessment roll acres</u>		
0.0 minimum charge annual acres – incentive irrigation acres at \$304.75 per parcel	-	-
1,480.0 sleeping acre annual agreement acres at \$19.75 per acre plus additional pressure and/or screening charges where applicable	29,873	20,062
95,775.5	\$ 1,840,265	\$ 1,654,263

Where water is supplied by way of pressure pipeline, the charge per acre for irrigation, terminable and annual acres is based on the water pressure supplied at an additional charge per acre, at a rate of \$0.31 per PSI as designed.

Where water is supplied by way of a system accommodated with a functioning automatic screen cleaner, the charge is \$0.50 per irrigation, terminable and annual acre.

Annual acres – sleeping acre annual agreement at \$19.25 per acre plus additional pressure and/or screening charge where applicable. This type of agreement ends December 2019.

Temporary suspended acres – agreements signed for irrigation acres within the District not being irrigated. These were then distributed in the form of sleeping acre annual agreements ending in 2019 (as noted above).

- a) A \$4.00 rate discount was applied to irrigators who were under terminable agreements and conveyed water via a creek if they converted to a special agreement in order to allow the District to accommodate permanent acre applications in process through the period in which the acreage cap for the District was met (95,000 acres).
- b) Further to this, the District offered the applications in process during this same period, a special annual agreement reflecting the rate for the type of agreement they would otherwise have entered into.

Note 29 Commitment Fee

In consideration of entering into an agreement with Rocky View County (“the County”) for the supply and conveyance of water, the District has received a commitment fee in the amount of \$750,000 from the County. The agreement is for the District to allocate 2,500 acre-feet of raw water to the County and to convey up to 2,500 acre-feet of raw water as required by the County as and when permitted. No water has been allocated to the County by November 30, 2013, however the commitment fee was required to satisfy the terms of the agreement to reserve the water allocation for the County.

Note 30 Government Grants

In 2008, the District received \$85,000,000 in a legal settlement with Her Majesty the Queen as represented by the Minister of Environment. The action Western Irrigation District claimed was alleging that a license issued to Canadian Pacific Railway (“CPR”) on September 3, 1921, continued to subsist in force while the water license issued to Western Irrigation District on July 2, 1963, for 160,400 acre feet of water was not in force even though it had the same priority as the CPR license. The action was settled by way of this grant, which is to be used for the constructing, rehabilitating and enhancing of irrigation works. The funds are required to be invested in a risk-free manner. The funds are invested appropriately and detailed in Note 16.

Note 31 Transfer as Asset to Irrigation Works

The Western Irrigation District has transferred \$2,243,075 (2012 - \$2,350,590) as an asset to infrastructure. This amount represents the recovery of District labour and equipment that has been incorporated into the capital cost of the irrigation works.

Note 32 Contingent Liabilities

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

At November 30, 2013, the District had expended \$372,869 (2012 - \$249,490) on irrigation works projects without approval of the Irrigation Council and District Capital projects without approval from the Board of Directors. Until formal approval is received from Irrigation Council for the balance of irrigation works expenditures paid by the District, the unapproved amounts cannot be cost shared with the Province of Alberta, as detailed in Notes 26 and 27.

Note 33 Environmental Contingencies

The District is vulnerable to lawsuits with respect to government regulations concerning environmental issues. As well, the operation of a gravel pit may have the potential to pollute ground water. The risk of these contingencies occurring, and the potential clean up costs of polluted ground water, has not been determined but could be material.

Note 34 Financial Instruments

The District initially measures its financial assets and financial liabilities at fair value. The District subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

The District, as part of its operations, carries a number of financial instruments. These financial instruments consist of cash, accounts receivable, interest receivable, short term investments, funds held in trust, loan receivable, long term investments, accounts payable and accrued liabilities, progress estimates payable and holdbacks, and capital trust levy. These financial instruments may be exposed to the following risks:

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. In seeking to minimize the risks from interest rate fluctuations, the District manages exposure through its normal operating and financing activities. The District's interest rate risk is reduced due to minimal debt held, the credit quality of the entities to which it provides services, as well as from the return on its investments and a diversified portfolio in which the investments are held.

The District provides its services to a large volume of customers and as a result, its credit risk is minimized. The District manages its portfolio investments based on its cash flow needs and with a view to optimizing its interest income.

Credit Concentration Risk

Credit risk arises from the possibility that the entities to which the District provides services may experience financial difficulty and be unable to fulfil their obligations. The District has potential exposure to financial risk that arises from the credit quality of the entities to which it provides services as well as the institutions with which it holds its cash and investments. The District believes that there is no unusual exposure associated with the collection of accounts receivable. Cash and investments are in place with major financial institutions and therefore the District does not believe it is subject to any significant concentration of credit risk with its investments.

... continues

Note 34 Financial Instruments ... continued

Fair Value

The fair value of cash, accounts receivable, interest receivable, short term investments, funds held in trust, accounts payable and accrued liabilities, and progress estimates payable and holdbacks, corresponds approximately to their carrying amount because of their short term maturity dates.

The carrying amount of the note receivable, loan receivable and long term investments approximates fair value because the coupons are close to the market rates.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The District is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

Note 35 Prior Period Adjustment

The District has restated its financial statements for the period ending November 30, 2012 in order to correct the balance of the Asset Retirement Obligation related to gravel pits. It was discovered in the current year that the estimate of reclamation costs used to determine the Asset Retirement Obligation was incorrect, resulting in an understatement of the Asset retirement Obligation balance at November 30, 2012. The following adjustments were required in order to correct the Asset Retirement Obligation balance.

	2012
<hr/>	
Adjustment to asset retirement obligation	
As previously reported	\$ 161,313
Adjustment to asset retirement obligation (Note 24)	128,422
<i>As restated</i>	<i>\$ 289,735</i>
<hr/>	
Adjustment to invested in property and equipment	
As previously reported	\$ 43,928,061
Adjustment to invested in property and equipment (Note 25)	(128,422)
<i>As restated</i>	<i>\$ 43,799,639</i>
<hr/>	
Adjustment to accretion expense	
As previously reported	\$ 8,195
Adjustment to accretion expense (Note 24)	244
<i>As restated</i>	<i>\$ 8,439</i>
<hr/>	
Adjustment to fund balances at beginning of year	
As previously reported	\$ 127,523,415
Adjustment to fund balances at beginning of year	(128,178)
<i>As restated</i>	<i>\$ 127,394,993</i>
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Note 36 **Comparative Figures**

Some of the comparative figures have been reclassified to conform to the current year's presentation.

Note 37 **Approval of Financial Statements**

The management of the Western Irrigation District approved these financial statements on February 19, 2014.