



WESTERN IRRIGATION DISTRICT 2014 ANNUAL REPORT



ANNUAL MEETING

April 8, 2015— 1:30 P.M.
Strathmore Travelodge
350 Ridge Road, Strathmore

PLEASE BRING THIS REPORT WITH YOU TO THE MEETING



WID

FINANCIAL STATEMENT AND ANNUAL REPORT 2014

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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 8th day of April 2015 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	3

Only those irrigators of the District can vote whose majority of irrigation acres fall within Electoral Division 3, which comprises Townships 21,22, 23 in Ranges 25, 26, 27 and 28 and Township 23 in Range 29.

Voting will take place on the 8th day of April 2015 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

The "Thanks to Irrigation" campaign gave opportunity in the past year to promote irrigation to our neighbors in Calgary. A partnership between the Alberta Irrigation Projects Association and the Calgary Farmers Market in 2014 was announced in June. Our Minister of Agriculture, Verlyn Olson, attended the event and helped promote that irrigation occupies only 5% of the land base in Alberta, but produces over 20% of the agriculture production. A "Thanks to Irrigation" display was put up at one of the main entrances to the Market, and stayed there throughout the year, promoting irrigation and welcoming people to the Market.

In August, radio ads invited people to have a cob of Taber corn as a gift from Alberta Irrigators. The Farmer's Market, the Calgary Food Bank and AIPA collaborated to deliver roasted corn and green shopping bags to eager Calgarians. Information about irrigation was distributed at the event. Volunteers from the Calgary Food Bank helped with the event and donations to the food bank totalled over \$2000. This was a positive event for everyone involved.

A tour of irrigation projects in Southern Alberta was organized this year. The tour included seven Wildrose MLAs and several staff members. The tour included a demo farm, Monsanto Canola Plant, a canal project, a power plant that is part of an irrigation system as well as the Gouw onion farm. The MLAs left with a much greater appreciation of the importance of irrigation in sustaining southern Alberta's communities and generating value-added wealth in the Province.

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.

In 2010 the WID Board committed to five years of accelerated rehabilitation of the District Infrastructure. The first five years of this accelerated rehabilitation is nearing completion. The investment environment and construction costs are favorable to continuing the accelerated rate of improving the infrastructure. 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 working with Alberta Agriculture to assess the risk of acreage expansion. Computer modelling indicates that essential components for increased acreage will require additional

reservoir storage as well as additional water licence. The WID is increasing reservoir storage with Langdon Reservoir expansion. A water licence application is being processed by AESRD.

The irrigation districts are working with the Government of Alberta to help prevent the invasion of mussels. These mussels are in lakes to the south and east of us and present a threat to our water. These mussels are transported by boats that have been in infested lakes and then enter our lakes or reservoirs. The good news is that no evidence of mussels has been found in our reservoirs. Monitoring is being done by WID staff and reported monthly. The Government of Alberta is working at setting up inspection stations at the borders as well as introducing much needed Legislation so that boat inspection is mandatory.

The WID helped organize a workshop on how to increase awareness and keep this menace out of Alberta. A meeting with the Environment Minister was also attended to discuss the issue of mussels.

A new board member was elected this year. We welcomed Ray Kettenbach to the Board and look forward to his contributions to the Board.

The WID cannot function without committed staff. This past year a celebration event was held to recognize 4 long term employees. Dennis Kiemeny, Don Brownlee, Cory Krahenbil and Wes Sproule were the focus of the event. The four people have a combined 116 years of service to the WID. The contribution of these people to the organization cannot be underestimated. Congratulations on your long term service awards gentlemen.

I thank the Board of Directors and the Staff for helping make 2014 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:

Vice Chairman: Henry Colpoys **Chairman:** Dan Shute **Director:** Ray Kettenbach
Director: Doug Brown **Director:** Rick Page

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 2017
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 – Ray Kettenbach – Term expires 2017
Townships 25, 26 and 27 in Ranges 21, 22, 23 and 24

General Manager`s Report

The 2014 season started slowly with late spring planting of crops. Showers through May and June kept water demand fairly low. Warm temperatures in July increased demand for water through to mid- August when demand slowed. The snow pack in the mountains along with showers kept the river flows adequate for diversions to continue without any shortages. The total diversion for the season ended up near to or slightly above normal.

The Diversion weir operated normally, however, the Harvie Passage was closed to paddlers due to damage in the 2013 flood. The Harvie Passage rehabilitation is in the design stage and will need to be rebuilt before the public is allowed to use it.

An agreement with the Government of Alberta and Trans Alta Utilities allowed for the Ghost Reservoir to be kept at a lower level during the flood risk stage of the year. The reservoir level was raised after the risk of flooding was over. The intent is to use the Ghost Reservoir to reduce the risk of flooding in Calgary in an event similar to the 2013 flood. Discussions are continuing regarding flood mitigation projects. These discussions are opportunities for the WID to offer expertise and advice in long term water management plans.

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

The Langdon Reservoir expansion began in 2014. The expansion will double the live storage capacity of the reservoir to 12,000 acre feet. The construction will be completed for the coming water season and is scheduled to be filled to the new level in May 2015. This expanded storage will reduce the risk of shortages to the water users in a dry year.

The WID is a limited partner with Golden Triangle Developments to develop the WID land in Chestermere. This development is underway with Phase 1 and 2 complete ready for home construction. The total development site is approximately 70 acres and when completed will provide sites for 550 homes.

In an effort to continue to provide better quality water in the District, the WID has partnered with the 5 municipalities, who contribute storm water to the system, to collaborate on a regional solution. The WID supports the collaborative process, as it fosters improved relationships that focus on finding integrative solutions and accommodating all interests. The WID is positive that a new stormwater management system developed in the region will have multiple social and environmental impacts. It will result in long term and sustained benefits to the irrigation system and the watershed it operates in, and to the irrigators, by improving water quality and quantity control.

In closing, I extend a thank you to the Board of Directors for their continued 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,

A handwritten signature in blue ink, appearing to be 'E. B.', is positioned above the title.

General Manager



Operations & Maintenance Activities



Delivery Replacement

A washed out, failed slide gate delivery and pipe was replaced with a new 600 mm (24 inch) screw gate and 12 m of CSP culvert into a pumping pond, near Langdon. The pond is located near the extreme end of a long, dilapidated system and is used to service nearly 300 acres of crop land. In addition, a CSP check pipe was installed upstream to assist in regulating flow and to service domestic needs elsewhere on the system. Work was completed in early summer 2014.

Pumpsite Upgrade

WID forces worked in co-operation with a landowner to replace an access crossing and pivot pumpwell on this project near Namaka. The existing infrastructure had served its purpose and required upgrade. A new 1800 mm (72 inch) CSP standpipe was installed as was 10 m of 1200 mm (48 inch) CSP. A fabricated steel box was affixed to the front of the pipe crossing to serve as a check to increase water depth. The area around the pumpwell was excavated as well, in an effort to create additional water storage. This work was conducted in late spring 2014.



General Maintenance Projects



Weed cutting near Rockyford



Bank mowing north of Strathmore



Spring washout repair east of Strathmore



Yard and garden dugout excavation west of Strathmore



Weed cutting on drain south of Strathmore



Dugout excavation



Aquatic weed control near Carseland

Silt removal NE of Strathmore



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 meters 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 Hensing, P. Eng., Manager, Operations & Maintenance
403-934-3542, ext. 245

2014 Maintenance Activity Summary

Ditch Cleaning/Rehabilitation	16 km
Bank Leveling/ditch fill-in	4 km
Tree Clearing	3 km
Canal Fencing	3 km
Delivery Installations	10 units
Drop/Check Installations	5 units
Canal Crossing Installations	2 units
Pipelines	2 units
Dugouts	4 units
Weed/Brush control - Cattail Cutting	80 km
Weed/Brush control - Chemical Spraying	256 km
Weed/Brush control - Bank Mowing	380 km

2014 District Equipment Fleet

2013	Peterbilt Tandem Gravel Truck with Pup
2014	Peterbilt Tandem Gravel Truck with Pup
2014	Peterbilt Tandem Lowbed Tractor With Lowbed/Jeep
2014	John Deere 350 Excavator
2012	Hitachi ZX250 Excavator
2012	Hitachi ZX290 Excavator
2013	Caterpillar D6T Dozer
2013	Caterpillar D6N Dozer
1990	John Deere 970 Tractor
2014	John Deere 410G Backhoe
2014	John Deere 624K Loader
2010	John Deere 544K Loader
2009	John Deere 322CT Skidsteer
2002	Tandem Tip Trailer
2011	Tandem Backhoe Trailer
2011	Dodge 1 ton with gooseneck
2012	Dodge 1 ton with dump trailer

Water Operations



Water operations in 2014 benefited with the final 11 km of “A” canal rebuilt and the addition of the 14 km Sheepcamp Pipeline (for specific details see O&M report).

Bow River diversion began on May 5th. Water was diverted into the “A” canal system downstream of the Langdon Reservoir on May 12th, into the B system on May 8th and into the C system May 16th. The first water order was delivered on May 15th.

A focus this year was the irrigation districts increased awareness on prevention and control of various aquatic invasive species and weeds in 2014. Zebra and Quagga mussels, flowering rush and purple loosestrife are three notable ones with high importance to the WID. Each offer a different level of threat to the district and the environment. You can find more information on these invasive species and ways that you can help keep them in check on our website.

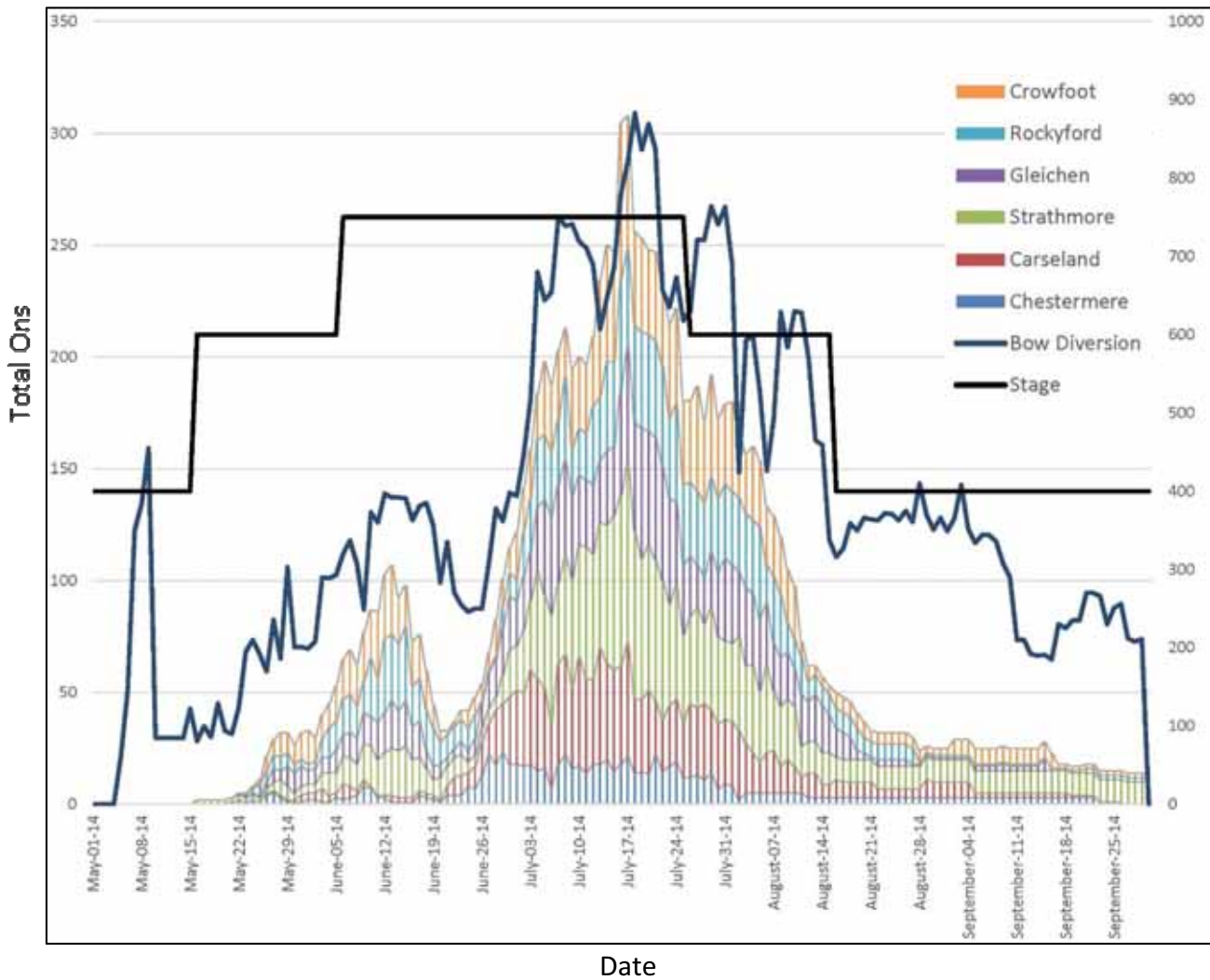
Service Area	Water District Supervisor (WDS)	Phone Number
Chestermere	Derrick McGougan	403-899-4638
Carseland	Don Brownlee	403-899-4641
Strathmore	J.R. Dunbar	403-325-4601
Gleichen/Cluny	Joey Mordy	403-325-4642
Crowfoot	Eric Beingessner	403-325-4639
Rockyford	Wes Sproule	403-325-4640
Water Master	Brian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

Water Usage

According to WID records, the total water diverted from the Bow River in 2014 was 113,666 ac/ft. The average daily diversion was 387 cubic feet per second (cfs) with a maximum daily diversion of 883 cfs and a minimum of 60 cfs. The WID’s water license is for 158,000 ac/ft in total.

Demand peaked in the form of number of irrigation systems on July 17th when there were 317 systems recorded as using water on that day. Water orders and associated diversion peaked in the month of July and slowly declined through August. September saw little overall water usage mostly due to crop damage from frequent and severe weather.

Bow Diversion vs. Total Ons



Of the water diverted from the Bow River, approximately 39,800 ac/ft was diverted for irrigation, 7,850 ac/ft diverted for domestic use, 6,680 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 5,200 ac/ft. Approximately 48,000 ac/ft was returned to the creeks and rivers in the form of return flows.

Irrigated crop acres for 2014 were 60,587 acres, as recorded by the Water District Supervisor's, up significantly from 49,791 acres irrigated in 2013. The Strathmore weather station recorded a total of 251 mm of rainfall from May through September in 2014.

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 by 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 was:

<i>Provincial Government</i>	<i>75%</i>	<i>\$1,955,640</i>
<i>District</i>	<i>25%</i>	<i>\$651,880</i>
<i>Total</i>	<i>100%</i>	<i>\$2,607,520</i>

2014 IRP Project Summary

IRP 2108 Sublateral 84T4, 84T 4A Cemetery Hill Rehabilitation



This project is a closed PVC pipeline that replaced the existing lateral canal off of the Secondary C Canal system. This project starts south of Secondary C Canal and west of Range Road 234 and continues south and ends north of Township Road 264 northwest of Rockyford. WID forces are responsible for the installation of

approximately 3.4 km of PVC pipeline of varying sizes 200 mm (8 inch) to 500 mm (20 inch). This project started in the fall of 2014 and will be completed in the spring of 2015.

Estimated project cost

\$880,000

Total project cost to November 30

\$580,360

IRP 2278 – Secondary A Canal - Sublateral 81F11

This project is a closed PVC pipeline that replaces the existing lateral canal off of the Secondary A Canal system. This project starts south of Secondary A Canal south of Township Road 234 and continues south and ends south of Township Road 232. WID forces are responsible for the installation of approximately 4.3 km of PVC pipeline of varying sizes 100 mm (4 inch) to 400 mm (16 inch). This project started in the fall of 2014 and will be completed in the spring of 2015.



Estimated project cost
\$760,000
Total project cost to November 30
\$222,898

IRP 2279 North Cluny Lateral 83H6

This project is a closed PVC pipeline that replaces the existing lateral canal off of the North Cluny system. This project starts south of Township Road 232 and continues north and ends at Range Road 221. WID forces are responsible for the installation of approximately 3.6 km of PVC pipeline of varying sizes 100 mm (4 inch) to 500 mm (20inch). This project started in the fall of 2014 and will be completed in the spring of 2015.

Estimated project cost
\$1,030,000
Total project cost to November 30
\$127,125



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. was the general contractor on this project. The 3.1 km project started in the fall of 2013 and was completed in the spring of 2014.



Estimated project cost
\$2,020,000
Total project cost to November 30
\$1,888,617

Other Projects for 2014

Secondary C Canal Rohl Spillway to Range Road 265

This project is the continued rehabilitation of the Secondary 'C' Canal system. This Project starts at Rohl Spillway and ends at Range Road 265. The canal design increased the canal capacity, improves accessibility and eliminated seepage. The 9.1 km project started in the fall of 2014 and will be completed in the spring of 2015. Morgan Construction and Environmental Ltd. is the general contractor on 6.0 km of this project. WID crews were responsible for 3.1 km of canal rehabilitation from Rohl Spillway to Township Road 260.



Estimated project cost
\$6,770,000
Total project cost to November 30
\$2,453,734

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 was to be completed in the spring of 2014. Richardson Bros. (Olds) Ltd. is the general contractor on 4.1 km of this project. WID crews were 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
\$4,040,654

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 Township 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 250 mm (10 inch) to 700 mm (30 inch). This project started in the fall of 2013 and was completed in the spring of 2014.

Estimated project cost
\$3,230,000
Total project cost to November 30
\$3,372,954

Langdon Reservoir Expansion

This project is the expansion of the storage capacity of the existing reservoir capacity to provide total storage capacity of 12,600 ac/ft. Construction of the reservoir started in the summer of 2014 and is scheduled for completion in the spring of 2015. Contour Earthmoving Ltd. is the general contractor for this project.

Estimated project cost
\$13,700,000
Total project cost to November 30
\$9,968,175



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 2012 - 2015

YEAR	PROJECT	SECTION	STATUS
2012	Lateral 884S1(Stoodley Pipeline)	Sec. 1,2,13,23,24 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	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

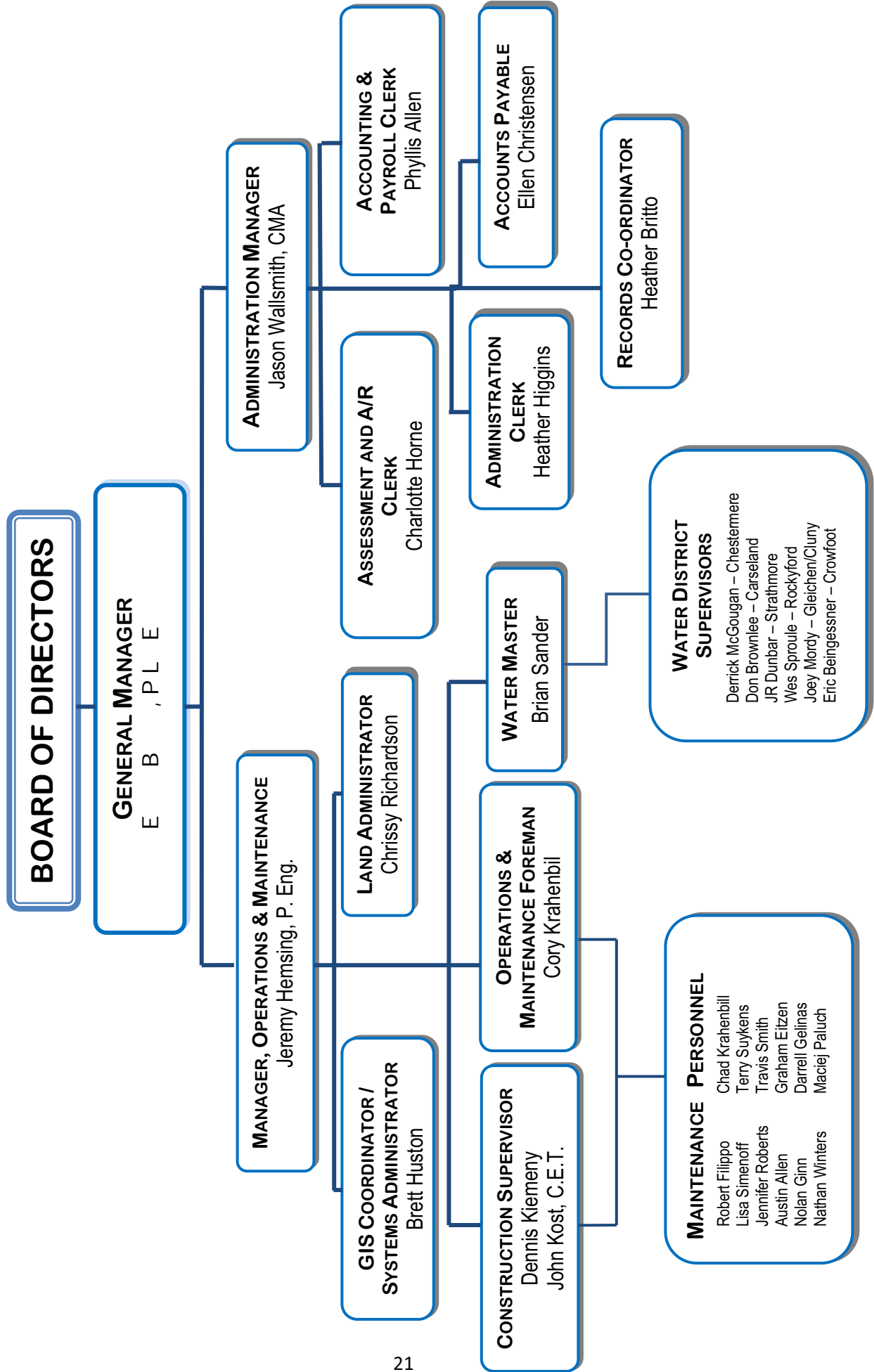
2014 Crop Data Summary

Crop Name	Irrigated Acres	Non-Irrigated Acres	Total Acres
ALFALFA 2 CUT	9,020	3,344	12,364
ALFALFA HAY	1,028	771	1,799
MALT BARLEY	0	50	50
BARLEY	8,527	3,658	12,185
BARLEY SILAGE	3,293	912	4,205
DRY BEANS	380	0	380
BARLEY SILAGE UNDERSEED	796	150	946
CANOLA	12,424	3,165	15,589
CARROTS	0	55	55
GRAIN CORN	218	223	441
CORN SILAGE	364	0	364
FABA BEANS	125	0	125
SUMMER FALLOW	76	90	166
GREEN FEED	0	24	24
GRASS SEED	0	5	5
FLAX	460	0	460
GRASS HAY	1,817	1,047	2,864
MISC.	0	35	35
MARKET GARDENS	60	244	304
NON CROP	12	91	103
NURSEY	582	1,053	1,635
OATS	176	270	446
NATIVE PASTURE	1,427	1,569	2,996
TAME PASTURE	3,397	2,392	5,789
DRY PEAS	651	170	821
SEED POTATOES	702	0	702
POTATO	130	0	130
TURF SOD	1,998	680	2,678
TIMOTHY HAY	1,077	35	1,112
CPS WHEAT	6,118	795	6,913
DURUM WHEAT	220	392	612
HARD SPRING WHEAT	4,134	796	4,930
SOFT WHEAT	581	0	581
WINTER WHEAT	795	0	795
SLEEPING ACRES		12,002	12,002
TOTAL	60,587	34,018	94,605



WESTERN IRRIGATION DISTRICT

AS OF NOVEMBER 2014



Minutes of April 2nd, 2014 Annual Meeting

PRESENT:

DIRECTORS:

Henry Colpoys
Dan Shute
Doug Brown
Ray Kettenbach

STAFF:

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

AUDITORS:

Shelley Harriman, Farrah Williams and Sam Miller of Gregory Harriman & Associates LLP

CALL TO ORDER & INTRODUCTIONS

Dan Shute called the meeting to order at 1:45 p.m. and welcomed everyone to the Fiscal 2013 Annual Meeting. He introduced the Board Members, Staff present, as well as other guests including representatives from Alberta Agriculture & Rural Development, Alberta Environment & Water and Irrigation Council. Approximately 19 water users were in attendance.

ANNOUNCEMENTS

The Board welcomes Ray Kettenbach as Director for Division 5 by acclamation and the return of Henry Colpoys for Division 2 by acclamation.

MEETING CHAIRMAN

Dan Shute called for nominations for Chairman of the meeting.

MOVED by Vern Hoff THAT John Scheer be appointed Chairman, seconded by Bruce Walker.

CARRIED

RECORDING SECRETARY

John Scheer called for nominations for Recording Secretary.

Erwin Braun nominated Melissa Haavind. John Scheer declared Melissa Haavind the Recording Secretary.

ADOPTION OF
AGENDA

John Scheer asked the audience to review the proposed agenda.

**MOVED by Vern Bretin and SECONDED by Jay Anderson that the agenda be adopted.
CARRIED**

ADOPTION OF MINTUES
2013 Annual Meeting

John Scheer requested that the audience review the Minutes from April 3, 2013 Annual Meeting.

MOVED by Vern Bretin and SECONDED by Vern Hoff THAT the Minutes of April 3, 2013 Annual Meeting be adopted as presented.

CARRIED

CHAIRMAN'S REPORT

Dan Shute presented the Chairman's Report, stating that the "Thanks to Irrigation" is the theme of the campaign launched by Alberta Irrigation Projects Association (AIPA) to promote the benefits of irrigation to Albertans.

Mr. Shute stated that 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.

Mr. Shute summarized that 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. It is an event such as this that really underscores the need for collaborative storm water initiatives.

Mr. Shute thanked 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.

MOVED by John Kalbhen and SECONDED by Vern Bretin THAT the Chairman's Report be adopted as presented.

CARRIED

MANAGER'S REPORT

Mr. Braun summarized the 2013 water season that began with a 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 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. The Flood Recovery Task Force has consulted the Irrigation Districts on the Bow River to discuss the mitigation alternatives.

Mr. Braun stated the accelerated rehabilitation has resulted 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.

Mr. Braun stated that the Langdon Reservoir expansion will take place in 2014 with the additional storage capacity in place of the 2015 water season. Mr. Braun also mentioned 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.

Mr. Braun thanked the Board of Directors for their continuing support. He also thanked the staff for their continuing effort to provide a high level of service to the water users in the WID.

MOVED by Erwin Braun and SECONDED by Jay Anderson THAT the Chairman's Report be adopted as presented.

CARRIED

AUDITOR'S REPORT

Shelley Harriman, Farrah Williams and Sam Miller of Gregory, Harriman & Associates LLP presented the Auditor's report for the Fiscal 2013.

Shelley Harriman 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 and other earnings, highlighting the investments.

Farrah Williams summarized the statement of revenue and expenses.

MOVED by Vern Bretin and SECONDED by Ray Kettenbach THAT the Auditor's Report for Fiscal 2013 be adopted as presented.

CARRIED

MAINTENANCE REPORT

Jeremy Hemsing, Manager of Operations and Maintenance, presented the Operations Report for fiscal 2013, and reviewed the 2013 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 2013 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 Vern Bretin and SECONDED by Dennis Kiemeny THAT the 2013 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". WID will also be partnering with Calgary Farmer's Market. So when people are buying their produce at the Farmer's Market they can thank irrigation.

Mr. Braun stated that WID is involved with the Flood Mitigation Task Force to discuss the 2013 flood and the impacts for the Districts. Water modelling workshops have been held where various mitigation measures are being modelled and discussed with the stakeholders. Mr. Braun presented pictures of the flood.

Questions were asked and discussions followed the 2013 Annual Meeting Presentations.

ADJOURNMENT

MOVED by Vern Hoff and SECONDED by Gordon Hilton THAT the meeting be adjourned at 3:45 pm

CARRIED

Chairman

General Manager



**GREGORY,
HARRIMAN
& ASSOCIATES LLP**

WESTERN IRRIGATION DISTRICT

**Financial Statements
November 30, 2014**

WESTERN IRRIGATION DISTRICT

NOVEMBER 30, 2014

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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, 2014 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, 2014 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).

Strathmore, Alberta
February 18, 2015

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

**WESTERN IRRIGATION DISTRICT
STATEMENT OF FINANCIAL POSITION
AS AT NOVEMBER 30, 2014**

	UNRESTRICTED FUND		RESTRICTED FUNDS		COMBINED	
	OPERATING	DISTRICT CAPITAL	IRRIGATION WORKS			
	2014	2013	2014	2013	2014	2013
CURRENT ASSETS						
Cash (Notes 4, 19)	1,129,815	720,178			13,225,032	12,977,662
Accounts receivable (Note 5)	1,789,319	1,730,865			1,789,319	1,730,865
Interest receivable (Note 6)	-	-	617,677	936,161	617,677	936,161
Short term investments (Note 7)	134,278	71,994	22,711,049	31,472,984	22,711,049	31,472,984
Inventory (Note 8)	14,787	38,650	846,717	857,746	980,995	929,740
Prepaid expenses	-	-	-	-	14,787	38,650
Funds held in trust (Note 9)	3,367,957	1,666,413	(2,959,519)	(1,533,298)	-	250,667
Interfund receivables (payables)	6,436,156	4,228,100	30,385,860	41,697,841	(408,438)	-
			2,516,843	2,410,788	39,338,859	48,336,729
OTHER ASSETS						
Loan receivable (Note 10)	-	-	8,500	9,500	8,500	9,500
Preliminary costs pending (Notes 11, 32)	-	-	146,429	372,869	146,429	372,869
Water rights (Note 12)	-	-	51,975	51,975	51,975	51,975
Deferred development costs (Note 13)	-	-	1,231,141	943,998	1,231,141	943,998
Other intangible asset (Note 14)	-	-	63,902	76,212	63,902	76,212
Investments (Note 15, 16)	38,168	28,412	31,897,975	35,461,325	31,948,022	35,501,050
	38,168	28,412	33,399,922	36,915,879	33,449,969	36,955,604
PROPERTY AND EQUIPMENT						
Property and equipment (Note 17)	-	-	6,793,339	3,706,472	6,842,775	3,855,927
Irrigation works (Note 18)	-	-	65,698,245	52,636,848	141,910,141	127,611,332
	-	-	72,491,584	56,343,320	148,752,916	131,467,259
	6,474,324	4,256,512	136,277,366	134,957,040	221,541,744	216,759,592
TOTAL ASSETS						
	2,020,780	1,123,533	480,088	156,209	2,500,868	1,284,467
CURRENT LIABILITIES						
Accounts payable and accrued liabilities (Note 20)	1,946,206	1,050,311	-	-	1,946,206	1,050,311
Goods and Services Tax liability	74,574	73,222	-	-	74,574	73,222
Capital levy trust (Note 21)	-	-	81,178	87,637	81,178	87,637
Holdbacks payable (Note 22)	-	-	394,838	64,500	394,838	69,225
Current portion of deferred revenue (Note 23)	-	-	4,072	4,072	4,072	4,072
	2,020,780	1,123,533	480,088	156,209	2,500,868	1,284,467
OTHER LIABILITIES						
Deferred revenue (Note 23)	-	-	24,067	26,547	24,067	26,547
Asset retirement obligation (Note 24)	-	-	370,188	457,428	370,188	457,428
	-	-	394,255	483,975	394,255	483,975
TOTAL LIABILITIES						
	2,020,780	1,123,533	874,343	640,184	2,895,123	1,768,442
FUND BALANCES						
Invested in property and equipment (Note 25)	-	-	72,237,273	56,014,079	76,261,332	75,123,939
Externally restricted (Note 26)	-	-	-	-	2,528,722	2,417,376
Internally restricted (Note 27)	-	-	63,165,750	78,302,777	63,165,750	78,302,777
Unrestricted	4,453,544	3,132,979	-	-	4,453,544	3,132,979
	4,453,544	3,132,979	135,403,023	134,316,856	218,646,621	214,991,150
TOTAL LIABILITIES AND FUND BALANCES						
	6,474,324	4,256,512	136,277,366	134,957,040	221,541,744	216,759,592
Economic Dependence (Note 2)						
Contingent Liabilities (Note 32)						
Environmental Contingencies (Note 33)						

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, 2014

	UNRESTRICTED FUND		RESTRICTED FUNDS			
	OPERATING		DISTRICT CAPITAL	IRRIGATION WORKS	TOTAL RESTRICTED	
	2014	2013	2014	2013	2014	2013
REVENUE						
Irrigation rates, net (Note 28)	1,843,913	1,840,265	-	-	-	-
Domestic and miscellaneous	943,767	951,387	-	-	-	-
Storm water	762,362	490,885	-	-	-	-
Penalties	16,085	8,533	-	-	-	-
TOTAL WATER EARNINGS	3,566,127	3,291,070	-	-	-	-
OTHER EARNINGS						
Government contributions	-	-	-	1,936,443	1,955,641	1,936,443
Interest revenue	30,829	41,324	1,874,485	2,506,246	1,914,897	2,533,234
Gravel revenue	-	-	687,093	67,734	687,093	67,734
Farm, land and building rentals	-	-	140,255	142,165	140,255	142,165
Gain (loss) on sale of land	-	-	44,625	129,632	(55,394)	129,632
Gain (loss) on sale of assets	-	-	151,404	137,652	151,404	137,652
Realized gain (loss) on investments	-	-	(9,707)	1,231,233	(9,707)	1,231,233
Unrealized gain (loss) on investments (Notes 15, 16)	-	-	125,466	(219,356)	125,466	(219,356)
Capital asset charges	-	-	93,600	70,300	93,600	70,300
Commitment fee (Note 29)	-	-	-	-	-	-
Fees and other income	80,639	194,307	262	262	262	262
Miscellaneous	3,344	3,253	19	-	19	-
Inventory adjustment	77,621	33,526	2,571	7,650	2,571	7,650
TOTAL OTHER EARNINGS	192,433	272,410	3,110,073	4,073,518	5,006,107	6,036,949
	3,758,560	3,563,480	3,110,073	4,073,518	5,006,107	6,036,949
EXPENSES						
Amortization of property and equipment (Note 3)	-	-	1,514,635	1,282,743	2,813,810	2,548,097
Amortization of intangible asset (Note 14)	-	-	12,311	12,311	12,311	12,311
Depletion of resource properties	-	-	3,454	1,996	3,454	1,996
Commissions expense	-	-	36,820	81,680	36,820	81,680
Land development costs	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Bursary expense	-	-	1,000	1,000	1,000	1,000
Operating and administrative (Schedule 1)	2,325,597	2,026,257	-	-	-	-
Property taxes	-	-	3,444	3,482	3,444	3,482
Accretion expense/(recovery) (Note 24)	-	-	(87,240)	167,693	(87,240)	167,693
	2,325,597	2,026,257	1,484,424	1,550,905	2,783,599	2,816,259
EXCESS OF REVENUE OVER EXPENSES	1,432,963	1,537,223	1,625,649	2,522,613	2,222,508	3,220,690
Fund balances at beginning of year	3,132,979	3,559,894	134,316,856	130,475,586	211,858,171	206,673,343
Interfund transfers (Note 27)	539,482	(1,318,657)	(539,482)	1,318,657	(539,482)	1,318,657
Irrigation provision (Note 26, 27)	(651,880)	(645,481)	-	-	651,880	645,481
FUND BALANCES AT END OF YEAR	4,453,544	3,132,979	135,403,023	134,316,856	214,193,077	211,858,171

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, 2014

	OPERATING		DISTRICT CAPITAL		IRRIGATION WORKS		TOTALS	
	2014	2013	2014	2013	2014	2013	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES								
Cash receipts	1,967,733	3,773,973	2,676,288	634,169	2,230,965	1,290,717	6,874,986	5,698,859
Cash paid to suppliers and employees	(1,466,771)	(3,058,974)	(316,358)	(1,164,811)	(4,725)	(67,095)	(1,787,854)	(4,290,880)
Interest received	30,829	41,324	2,192,968	2,621,115	40,412	26,988	2,264,209	2,689,427
Cash flows from operating activities	531,791	756,323	4,552,898	2,090,473	2,266,652	1,250,610	7,351,341	4,097,406
CASH FLOWS FROM INVESTING ACTIVITIES								
Purchases of property and equipment	-	-	(18,127,511)	(14,210,107)	(2,536,588)	(1,318,716)	(20,664,099)	(15,528,823)
Purchase of other intangible asset	-	-	-	-	-	-	-	-
Proceeds from sale of assets	-	-	637,958	766,138	-	-	637,958	766,138
Sales (purchase) of investments	(9,756)	(6,561)	12,461,843	11,401,103	(566)	(275)	12,451,521	11,394,267
Funds held in trust	-	-	250,668	149,333	-	-	250,668	149,333
Preliminary costs pending	-	-	226,440	(123,379)	-	-	226,440	(123,379)
Cash flows from investing activities	(9,756)	(6,561)	(4,550,602)	(2,016,912)	(2,537,154)	(1,318,991)	(7,097,512)	(3,342,464)
CASH FLOWS FROM FINANCING ACTIVITIES								
Irrigation provision	(651,880)	(645,481)	-	-	651,880	645,481	-	-
Trust funds received	-	-	(6,459)	12,078	-	-	(6,459)	12,078
Cash flows from financing activities	(651,880)	(645,481)	(6,459)	12,078	651,880	645,481	(6,459)	12,078
NET CASH INCREASE (DECREASE)	(129,845)	104,281	(4,163)	85,639	381,378	577,100	247,370	767,020
Cash, opening balance	720,178	1,934,554	9,713,581	8,309,285	2,543,903	1,966,803	12,977,662	12,210,642
Interfund balance adjustments	539,482	(1,318,657)	(539,482)	1,318,657	-	-	-	-
CASH, CLOSING BALANCE	1,129,815	720,178	9,169,936	9,713,581	2,925,281	2,543,903	13,225,032	12,977,662
CASH REPRESENTED BY:								
Cash on hand and in banks (Note 4)	1,129,815	720,178	9,169,936	9,713,581	2,925,281	2,543,903	13,225,032	12,977,662
TOTAL CASH	1,129,815	720,178	9,169,936	9,713,581	2,925,281	2,543,903	13,225,032	12,977,662

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, 2014

	DEPARTMENTS			TOTALS	
	OPERATIONS AND MAINTENANCE	WATER DELIVERY	GENERAL AND ADMINISTRATION	2014	2013
Advertising, publications, ratepayers meetings	-	-	22,798	22,798	13,338
Association fees	-	-	32,468	32,468	27,261
Board of Directors expenditures	-	-	59,684	59,684	47,011
Building maintenance	52,806	-	-	52,806	52,781
Computer expense	-	-	77,115	77,115	51,611
Crop, flood and property damage	108	-	-	108	-
Equipment and easement rental	120,570	-	-	120,570	5,866
Equipment maintenance, gas, oil, grease	575,947	48,089	-	624,036	572,330
Gravel pit expenses	42,117	-	-	42,117	-
Insurance	44,038	9,748	18,866	72,652	87,152
Interest and bank charges	-	-	1,042	1,042	882
Land titles charges and classification	-	-	556	556	2,049
Materials and supplies, office supplies	134,547	38,839	4,032	177,418	191,170
Miscellaneous	-	-	-	-	4,589
Payroll service charges	-	-	3,852	3,852	3,551
Postage, freight and courier	-	-	6,035	6,035	3,824
Professional fees	-	32,964	147,260	180,224	241,980
Public relations	-	-	77,951	77,951	63,524
Safety supplies	10,111	1,868	1,619	13,598	9,034
Salaries and wages	1,653,806	323,901	711,217	2,688,924	2,631,486
Small tools and equipment	6,551	2,000	-	8,551	5,869
Stationary, printing, photocopies, fax	-	-	15,224	15,224	13,181
Telephone	13,444	6,845	11,723	32,012	37,986
Travel and staff training	2,474	710	7,890	11,074	7,940
Utilities	46,299	39,751	-	86,050	53,378
Vegetation and pest control	-	194,185	-	194,185	140,580
Welding supplies	-	616	-	616	959
	2,702,818	699,516	1,199,332	4,601,666	4,269,332
Transfer as asset to irrigation works (Note 31)	(2,270,586)	(5,483)	-	(2,276,069)	(2,243,075)
	432,232	694,033	1,199,332	2,325,597	2,026,257

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, 2014**

Note 1 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 2 Economic Dependence

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

Note 3 Significant Accounting Policies and Reporting Practices

Basis of Presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Basis of Accounting

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

The Operating Fund accounts for the assets, liabilities, revenues and expenses relating to 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 funds. 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 3 Significant Accounting Policies and Reporting Practices ... continued

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.

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, 2015 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.

Inventory

Inventory 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.

..... continues

Note 3 Significant Accounting Policies and Reporting Practices ... continued

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.

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.

... continues

Note 3 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 \$172,120 for the year ended November 30, 2014 (2013 - \$170,998).

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 by management. Actual results could differ from those approximations.

Note 4 Cash

	2014	2013
<i>Operating</i>		
Petty cash	\$ 1,000	\$ 1,000
Credit card prepaid balance	6,000	6,000
Bank account balance	1,122,815	713,178
	<u>1,129,815</u>	<u>720,178</u>
<i>District Capital</i>		
Cash held for reinvestment	475,263	300,909
Credit Union special grant account, interest rate of Prime minus 1.5%	6,610,206	6,395,555
Credit Union land bank account, interest rate of Prime minus 1.5%	2,003,319	2,929,508
Credit Union capital trust levy bank account, interest rate of Prime minus 1.5%	81,148	87,609
Credit Union Wheatland County commitment fee, interest rate of Prime minus 1.5%	-	-
	<u>9,169,936</u>	<u>9,713,581</u>
<i>Irrigation Works</i>		
Bank account balance, interest rate of Prime minus 1.5%	2,925,281	2,543,903
	<u>\$ 13,225,032</u>	<u>\$ 12,977,662</u>

A portion of the cash balance for District Capital, \$81,148 (2013 - \$87,609), is restricted in accordance with the terms of the Capital Levy Trust, as documented in Note 21.

Note 5 Accounts Receivable

	2014	2013
<i>Operating</i>		
Water rates and charges	\$ 1,757,619	\$ 1,709,063
Sundry debtors	31,700	21,802
	<u>\$ 1,789,319</u>	<u>\$ 1,730,865</u>

Note 6 Interest Receivable

	2014	2013
<i>District Capital</i>		
Interest receivable on investments	\$ 617,677	\$ 936,161
	<u>\$ 617,677</u>	<u>\$ 936,161</u>

Note 7 Short Term Investments

	2014	2013
<i>District Capital</i>		
Investments maturing in the next fiscal year (Note 15)	\$ 22,711,049	\$ 31,472,984
	<u>\$ 22,711,049</u>	<u>\$ 31,472,984</u>

Note 8 Inventory

	2014		2013
<i>Operating</i>			
Supplies and materials	\$ 134,278	\$	71,994
<i>District Capital</i>			
Gravel	846,717		857,746
	\$ 980,995	\$	929,740

Note 9 Funds Held in Trust

Represent funds held by the District's lawyer in relation to the purchase of land. The land purchased relates to the Langdon Reservoir Expansion and transaction was finalized in 2014.

Note 10 Loan Receivable

The loan of \$8,500 (2013 - \$9,500) is a result of the sale of land to the Town of Chestermere. The loan will be repaid over the next nine years with eight 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 11 Preliminary Costs Pending

The expenditures of \$146,429 (2013 - \$372,869) 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, 2014. As projects are approved, costs will be recovered from the cost shared program.

Note 12 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.

	2014		2013
<i>District Capital</i>			
189 Irrigated Acres (2013 - 189 Acres)	\$ 51,975	\$	51,975
	\$ 51,975	\$	51,975

Note 13 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.

	2014	2013
<i>Orchard Park</i>		
Phase II	\$ 54,868	\$ 54,863
Phase III	256,137	250,842
<i>Other Developments</i>		
Co-operative Stormwater Management Initiative	551,960	255,877
Regional Water Reservoir Study	205,549	205,549
Regional Water Supply Project	92,381	92,381
Other	70,246	84,486
	\$ 1,231,141	\$ 943,998

Note 14 Other Intangible Asset

	2014		2013	
	Cost	Accumulated Amortization	Net	Net
<i>District Capital</i>				
Digital data	\$ 123,103	\$ 59,201	\$ 63,902	\$ 76,212

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 15 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, 2014.

	2014	2013
<i>Operating</i>		
Calgary Co-operative Association equity	\$ 1,053	\$ 1,011
United Farmers of Alberta equity	26,140	16,953
Chinook Credit Union Ltd. common shares	10,975	10,448
	<u>38,168</u>	<u>28,412</u>
<i>District Capital</i>		
Credential Fixed income securities with coupons ranging from 1.850% to 7.768% and maturing between December 1, 2014 and November 12, 2019	5,966,878	5,094,419
Chinook Credit Union Ltd. term deposits with interest rates ranging from 2.300% to 3.700% and maturing between January 30, 2015 and January 28, 2016	26,451,430	46,495,791
ATB Financial term deposits with interest rates ranging from 2.300% to 2.700% and maturing between August 7, 2015 and August 23, 2016	10,216,758	8,011,000
Credential Fixed income securities with coupons ranging from 2.350% to 5.828% and maturing between December 6, 2019 and June 2, 2024	2,360,145	520,775
Credential Fixed income securities with coupons ranging from 5.000% to 6.500% and maturing between March 8, 2029 and June 1, 2037	415,412	319,399
Common shares and equities	5,295,681	2,201,923
Mutual funds	1,928,408	1,822,633
Preferred shares	-	375,965
Exchange traded funds	1,016,600	1,028,560
Other securities	-	89,572
Chinook Credit Union Ltd. common shares	10,338	9,846
Kinniburgh South Limited Partnership (Note 16)	947,374	964,426
Less: Investments maturing in the next fiscal year (Note 7)	(22,711,049)	(31,472,984)
	<u>31,897,975</u>	<u>35,461,325</u>
<i>Irrigation Works</i>		
Chinook Credit Union Ltd. common shares	11,879	11,313
	<u>\$ 31,948,022</u>	<u>\$ 35,501,050</u>

Note 16 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:

	2014		2013	
<i>Statement of Financial Position</i>				
Investments	\$	947,374	\$	964,426
	\$	947,374	\$	964,426

Note 17 Property and Equipment

			2014		2013	
	Cost	Accumulated Amortization	Net	Net		
<i>District Capital</i>						
Land and Farm Property	\$ 3,735,276	-	\$ 3,735,276	\$ 811,405		
Resource Property	591,419	125,523	465,896	488,586		
Computers	217,425	201,641	15,784	21,573		
Trucks	648,492	289,437	359,055	408,872		
Office Equipment	21,941	10,682	11,259	8,363		
Other equipment and furniture	149,901	82,345	67,556	65,861		
Power equipment	3,035,232	1,228,155	1,807,077	1,553,263		
Buildings and dwellings	-	-	-	-		
Shop and office complex	955,275	639,046	316,229	332,872		
Industrial subdivision costs	40,304	25,097	15,207	15,677		
	9,395,265	2,601,926	6,793,339	3,706,472		
<i>Irrigation Works</i>						
Land	49,436	-	49,436	149,455		
	\$ 9,444,701	\$ 2,601,926	\$ 6,842,775	\$ 3,855,927		

Note 18 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.

			2014	2013
	Cost	Accumulated Amortization	Net	Net
<i>District Capital</i>				
Irrigation Works	\$ 69,235,416	\$ 3,537,171	\$ 65,698,245	\$ 52,636,848
<i>Irrigation Works</i>				
Irrigation Council Works	118,930,057	42,718,161	76,211,896	74,974,484
	\$ 188,165,473	\$ 46,255,332	\$ 141,910,141	\$ 127,611,332

Note 19 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 20 Accounts Payable and Accrued Liabilities

	2014	2013
<i>Operating</i>		
Accounts payable and accrued liabilities	\$ 1,778,011	\$ 885,841
Vacation payable	165,469	163,054
Accrued payroll	2,726	1,416
	\$ 1,946,206	\$ 1,050,311

Note 21 Capital Levy Trust

The amount of \$81,178 (2013 - \$87,637), 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 22 Holdbacks Payable

	2014	2013
<i>District Capital</i>		
Balance, beginning of period	\$ 64,500	\$ 5,918
Additions for the period	569,456	64,500
Holdback paid during period	(239,118)	(5,918)
Balance, end of period	394,838	64,500
<i>Irrigation Council Works</i>		
Balance, beginning of period	\$ 4,725	\$ 71,820
Additions for the period	138,928	4,725
Holdback paid during period	(143,653)	(71,820)
Balance, end of period	-	4,725
	\$ 394,838	\$ 69,225

Holdbacks payable represent a percentage of contractor invoices for which construction work has been completed that is being held from payment until receipt and acceptance of project completion reports. These funds will be paid after review and approval of the project completion reports.

As of November 30, 2014 the District Capital holdbacks primarily relates to the Langdon Reservoir Enhancement Project and the C-Canal Rehabilitation project.

Note 23 Deferred Revenue

The District has a lease agreement with Ducks Unlimited for the lease of certain lands. The term of the lease is for 30 years commencing in the year 1987, and expires in the year 2015. The District received a payment of \$42,000 in 1987, and this amount is being recognized as revenue in equal amounts over the term of the lease.

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 the term of the lease.

The District has a lease agreement with Pheasants Forever Calgary Chapter for the lease of certain lands. The term of the lease is for 15 years commencing March 1, 2003, and expires March 30, 2017. The District received a payment of \$15,000 in 2003, and this amount is being recognized as revenue in equal amounts over the term of the lease.

The District has subdivided and developed land in the Strathmore area. The District recognizes revenue, using the percentage of completion method described in Note 3, as each lot is sold.

	2014		2013
<i>District Capital</i>			
Craigtler Syphon	\$ 2,800	\$	4,200
George Freeman Marshland	17,912		18,907
Pheasants Forever	3,000		4,000
Other leases	4,427		3,512
	28,139		30,619
Less: Current portion	(4,072)		(4,072)
	\$ 24,067	\$	26,547

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:

	2014	2013
Asset retirement obligation, beginning of the year	\$ 457,428	\$ 289,735
Accretion expense/(recovery)	(87,240)	167,693
Asset retirement obligation, end of the year	370,188	457,428

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 \$510,737 (2013 - \$1,220,139). The useful life estimate of the Cluny Pit was reduced significantly based on new information regarding amounts of gravel to be quarried per year. The Carseland cost estimate was reduced as it was determined that there is enough clay at the site to complete the reclamation. 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 District has assumed a long term inflation rate of 0.84%, a credit-adjusted risk-free discount rate of 3%, and a weighted average useful life of production facilities and equipment of 13 and 16 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.

Note 25 Invested in Property and Equipment

	2014	2013
<i>District Capital</i>		
Water Rights (Note 12)	\$ 51,975	\$ 51,975
Other intangible asset (Note 14)	63,902	76,212
Property and equipment (Note 17)	6,793,339	3,706,472
Irrigation works (Note 18)	65,698,245	52,636,848
Asset retirement obligation (Note 24)	(370,188)	(457,428)
	72,237,273	56,014,079
<i>Irrigation Works</i>		
Property and equipment (Note 17)	49,436	149,455
Irrigation Works (Note 18)	76,211,896	74,974,484
	76,261,332	75,123,939
	\$ 148,498,605	\$ 131,138,018

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 24.

Note 28 Irrigation Rates

Irrigation rates, net, consist of:

Acres	2014	2013
Assessment roll acres		
83,101.5 irrigation acres at \$18.00 per acre, plus additional pressure and/or screening charges where applicable	\$ 1,590,919	\$ 1,580,182
688.0 minimum charge irrigation acres at \$450.00 per parcel	17,550	17,550
0.0 incentive irrigation acres at \$12.19 per acre, plus additional pressure and/or screening charges where applicable	-	-
8,490.5 terminable acres at \$19.75 per acre, plus additional pressure and/or screening charges where applicable	168,578	176,952
784.0 minimum charge terminable acres at \$493.75 per parcel	18,269	18,269
105.0 annual acres at \$19.75 per acre, plus additional pressure and/or screening charges where applicable	2,074	3,357
22.5 minimum charge annual acres at \$493.75 per parcel	494	494
694.0 annual acres - off creek at \$15.75 per acre plus additional pressure and/or screening charges where applicable	10,930	10,930
145.0 annual acres - irrigation acres at \$18.00 per acre, plus additional pressure and/or screening charges where applicable	2,658	2,658

... continues

Note 28 Irrigation Rates ... continued

0.0 annual acres - incentive irrigation acres at \$12.19 per acre plus additional pressure and/or screening charges where applicable	-	-
0.0 minimum charge annual acres - incentive irrigation acres at \$304.75 per parcel	-	-
1,610.0 sleeping acre annual agreement acres at \$19.75 per acre plus additional pressure and/or screening charges where applicable	32,441	29,873
95,640.5	\$ 1,843,913	\$ 1,840,265

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 \$19.75 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, 2014, 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 15.

Note 31 Transfer as Asset to Irrigation Works

The Western Irrigation District has transferred \$2,276,069 (2013 - \$2,243,075) 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, 2014, the District had expended \$146,429 (2013 - \$372,869) 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, capital levy trust and progress estimates payable and holdbacks. 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 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.

Fair Value

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

The carrying amount of the 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 Comparative Figures

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

Note 36 Approval of Financial Statements

The management of the Western Irrigation District approved these financial statements on February 18, 2015.