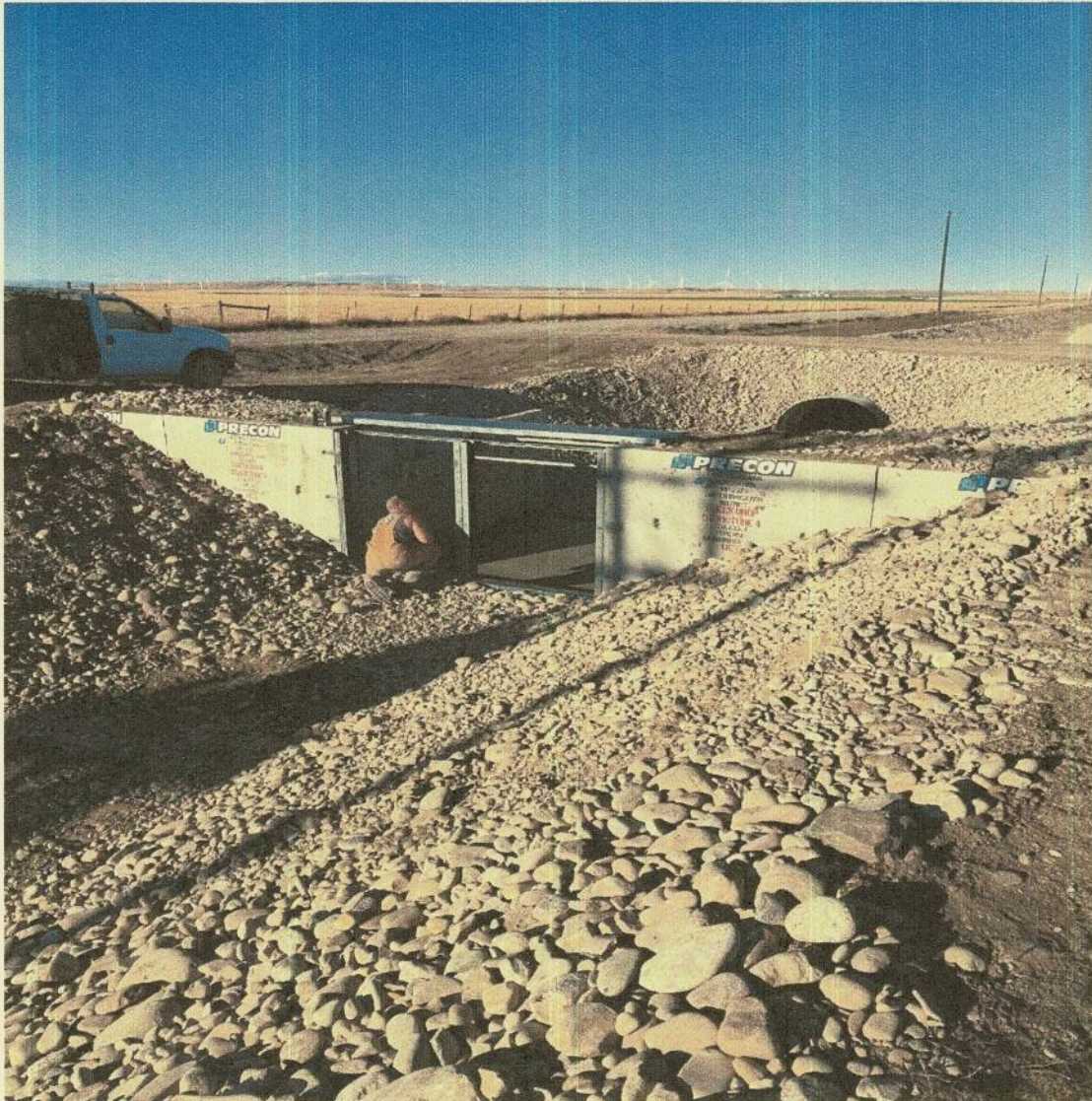


**UNITED IRRIGATION DISTRICT**

**ANNUAL MEETING**

**MARCH 18, 2026**



**2025 ANNUAL REPORT AND FINANCIAL STATEMENT**

# **UNITED IRRIGATION DISTRICT**

## **ANNUAL REPORT**

### **YEAR ENDING DECEMBER 31, 2025**

**Annual Meeting: Wednesday, March 18, 2026, 1:00 P.M.  
Glenwood,  
Glenwood Community Hall, Alberta**

# UNITED IRRIGATION DISTRICT

## BOARD OF DIRECTORS

Duane Nelson	Chairman
Daniel Hunsperger	Vice-Chairman
Jim Woolf	Director (until April 2025)
Nicholas Barfuss	Director
Craig B. Smith	Director
Brandon Wynder	Director (since April 2025)

## STAFF

Fred W. Rice	District Manager
Steve Lybbert	Ditchrider/Operator
Neil Allred	Ditchrider/Operator
Viera Ducky	Office Manager
Byran Cahoon	Operator/Construction
Robert Lybbert	Operator/Labour
Tim Correia	Labour/Mechanic

## Engineer for the District – 2025

Wilde Brothers Engineering Ltd. – Darin Wilde

## Auditor for the District – 2025

Skoien Professional Corporation – Hakon Skoien

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

Wednesday, March 18, 2026, 1:00 P.M.

Glenwood Community Hall, Glenwood, Alberta

**AGENDA**

1. Welcome and Opening Remarks – Mr. Duane Nelson, Chairman, Board of Directors
2. Appointment of the Meeting Chairperson
3. Adoption of Agenda
4. Reading and Approval of the Minutes of the last Annual Meeting: March 26, 2025
5. Business Arising from the Minutes: March 26, 2025
6. Auditor's Report: Skoien Professional Corporation – Hakon Skoien
7. Board of Directors and Manager's Report: Duane Nelson, Fred Rice
8. Operations/Maintenance/Rehabilitation/Seepage Control Report
9. New Business - 226.75 assessed acres were sold in 2025
  - ordering irrigation water - Ditchriders needs to know the on and off time for irrigation water
  - feasibility study for Proposed Belly River Reservoir
  - other concerns and questions from the ratepayers
10. AIDA – Janelle Villeneuve's Water Quality report
11. Irrigation Council & Irrigation Secretariat
12. AGI – CAP program – Jollin Charest or Marie Oxley
13. Steve Leavitt – Complete In-field Monitoring
14. AGI - Snowpack report and water level in reservoirs
15. Adjournment

UNITED IRRIGATION DISTRICT  
Wednesday, March 26, 2025  
ANNUAL MEETING MINUTES

These are the Minutes of the Annual General Meeting of the United Irrigation District held in Hill Spring, Alberta, at the Hill Spring Community Hall on Wednesday, March 26, 2025, commencing at 1:00 p.m.

The following were in attendance:

UNITED IRRIGATION DISTRICT:

Duane Nelson	- Chairman
Daniel Hunsperger	- Vice-Chairman
Jim Woolf	- Board Member
Craig B. Smith	- Board Member
Nicholas Barfuss	- Board Member
Fred Rice	- District Manager
Viera Ducky	- Office Manager
Steve Lybbert	- Ditchrider
Neil Allred	- Ditchrider

Skoien Professional Corporation

Hakon Skoien

Wilde Brothers Engineering

Darin Wilde

GUESTS:

Irrigation Council

Willemijn Appels

Alberta Agriculture and Irrigation (AGI)

Jennifer Nitschelm – Irrigation Secretariat

Eric Ankutowicz

Tanner Philipps

Janelle Villeneuve

Dennis Matis

Troy Ormann

Lawrence Wegwitz

Total attendance – 15 water users, 9 guests, 4 employees, and 5 Board members

Duane Nelson, Chairman of the Board of Directors, called the meeting to order at 1:00 p.m. and welcomed those in attendance. He then asked everybody to introduce themselves.

NOMINATION FOR CHAIRMAN

The Board of Directors had appointed Nicholas Barfuss, Board member, before the meeting to act as the meeting chairman.

ADOPTION OF THE AGENDA

Water quality testing by Janelle Villeneuve was added to the agenda.

Nicholas Barfuss called for a motion to adopt the agenda. Darcy Hofer MOVED to adopt the agenda; Larry Lybbert SECONDED the motion. ...CARRIED

MINUTES OF THE 2024 ANNUAL MEETING

Craig B. Smith read the minutes from March 20, 2024.

Robert Wynder MOVED to accept the Minutes; SECONDED by Chad Folsom. ...CARRIED

AUDITOR’S REPORT

The Auditor’s Report was read by Hakon Skoien of Skoien Professional Corporation. He presented the Financial Statements for the year ending December 31, 2024. It was noted that the audit was successful and clean, we did a good job, and the auditor has no concerns about the financial statements.

In the opinion of the Skoien Professional Corporation, the financial statements are presented fairly and free from issues, in all material respects, the financial position of the organization as of December 31, 2024, follows Canadian accounting standards for Not-For-Profit organizations.

Fiscal year 2024 was a profitable year for the UID, and the Board has decided to transfer more funds into an Internally Restricted Fund for future use. The auditor mentioned that we had a very healthy Balance Sheet as well.

On page three – Statement of Financial Position, and on page four-Statement of Operations, we can read what the district did in 2024:

- The CIB loan for Modernization projects at National Bank was paid off in January 2024
- The UID spent \$929,555 into next years’ funding from our own funds, working on IRP#2378 F Lateral project
- Depreciation value of irrigation works in 2024 was \$15,344,041
- 362 new assessed acres were sold to farmers
- We have received \$262,084 as the farmer’s contribution to the capital project on F4 Lateral
- \$14,392 under other income is from our solar panels

Larry Gibb congratulated the Board for paying the CIB loan.

Hakon noted that our irrigation rates are set just right. If we did not have extra income from the sale of assessed acres and recovery from equipment and labour while working on the IRP project, there would be hardly any surplus in 2024.

As the auditor mentioned, it was a good fiscal year for the district, and he appreciates working with our district.

Jason Layton MOVED to accept the Auditor’s Report, SECONDED by James Hofer. ...CARRIED

MANAGER AND CHAIRMAN REPORT

The Board of Directors and Manager’s report was read by Board Chairman Duane Nelson. He also mentioned the email we just received this morning from Paul Elser, Water Infrastructure and Operations Branch Director at Alberta Agriculture and Irrigation, regarding the Proposed Belly River Reservoir. He mentioned that they are just currently putting the finishing touches on the Request for Proposal for the Belly River Reservoir Feasibility and Waterton St. Mary

Headworks Optimization Study, and are planning to submit it for proposals in April. They have been provided funding for this study within the current budget, and the study is planned to take approximately two years to complete.

#### OPERATIONS/MAINTENANCE/REHABILITATION/SEEPAGE CONTROL REPORT

The Operation and Maintenance Report, the Seepage Control Plan, and the IRP Work Report were read by Fred Rice, District Manager.

Jeremy Tschetter MOVED to accept the Board of Directors and Manager's Report and Operations/Maintenance/Rehabilitation/Seepage Control Plan; SECONDED by Larry Lybbert.  
...CARRIED

#### NEW BUSINESS

- As it was already mentioned, the UID sold 362 assessed acres last year, and we have received a request for the purchase of another 170.28 assessed acres, which were already approved by the Board
- The UID bought a new water measuring program instead of the DDIT program and implemented it in 2024 with success. To efficiently use this program, communication between farmers and Ditchriders is crucial, and Nick emphasized how important it is to let Ditchriders know the on and off times for irrigation water.

#### AIDA update

Margo Redelback from the Alberta Irrigation District Association(AIDA) was not able to attend our Annual meeting, but she sent us an email with an update for our irrigators about Federal and Provincial Government Relations. Budget 2025 committed \$19 million of funding towards the Irrigation Rehabilitation Program(IRP).

In fall 2024, Alberta Environment and Protected Areas(EPA) launched an open engagement on provincial water availability-they opened the Water Act. There was a very short timeline, but the AIDA managed to quickly convene its members, address several concerns, present and discussed their suggestions to the Minister of Agriculture and Irrigation and made the white paper publicly available. The AIDA extended its appreciation to the UID and our irrigators for supporting their call to action on this important issue. In response to concerns from irrigators, organizations and the public, EPA extended the engagement timeline.

#### Irrigation Secretariat

Jennifer Nitschelm attended our AGM, but she said there is nothing significant to report on. Jim asked her about the formula used for IRP funding, and Jennifer explained it.

#### Irrigation Council – Willemijn Appels

Ms. Appels mentioned that the government will contribute 19 million to the Irrigation Rehabilitation Program in 2025 and possibly for the next three years. She also encouraged farmers to nominate for two vacant Irrigation Council positions.

#### Alberta Agriculture and Irrigation (AGI)

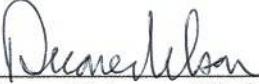
Dennis Matis, Operation and Infrastructure Manager at AGI, reported on the situation with the current snowpack and the situation with water in reservoirs. The snowpack is almost the same as last year. The water storage levels are not in a bad shape; St. Mary Reservoir is much better than

last year, and Waterton Dam is at its usual level.

Janelle Villeneuve, Water Quality Specialist, talked about water quality data. Samplings are collected four times a year, and all data are publicly available on the website. Our district is doing a good job with samplings.

Nicholas Barfuss thanked everyone for their attendance and participation.

Daniel Hunsperger MOVED that the meeting be adjourned at 2:45 P.M.

  
\_\_\_\_\_  
Duane Nelson – Chairman

  
\_\_\_\_\_  
Fred W. Rice – District Manager

## **BOARD OF DIRECTORS AND MANAGER'S REPORT**

This is our report on the operations of the UID for the year 2025. The year 2025 was a regular operational year.

The season started off with snowpack at the bottom quartiles for the Akamina and Belly River Headwaters, but the Waterton Reservoir was finally filled by July 22nd, 2025, because of significant rainfall in July.

Water diversion in our district started early on May 7, 2025, due to insufficient moisture and warm weather. We closed our canals on October 1st for the west part of the district due to extremely low flow in the Belly River and on October 10th for the east part of the district. The total amount diverted in 2025 was 25,747 acre-feet. 21,371 acre-feet from the Belly River and 4,376 acre-feet from the Waterton reservoir through the environment's canal. For comparison, in 2024, we diverted 21,004 acre-feet from the Belly River and 3,295 acre-feet from the Waterton Reservoir for a total of 24,299 acre-feet of water.

Looking forward to 2026, we are concerned about the lack of snowpack. The snowpack for St. Mary River is pretty bad, the Waterton River is holding & Belly River Headwaters is above last year's supply, but we are still hoping that spring snowfalls can greatly change the situation in our favour.

We are excited to let our UID irrigators and community members know that the Government of Alberta has awarded WSP Canada the contract to carry out a feasibility study on the proposed Belly River Reservoir and improvements to the Waterton–St. Mary Headworks System. The feasibility study is anticipated to take several years and will look at two key areas: (1) whether building a new reservoir on the Belly River makes sense for our district and region, and (2) how the Waterton–St. Mary canal system could be improved to better manage water storage and delivery.

Why this matters: Water security is vital to our farms, families, and communities. The UID has been working hard to advocate for projects that will help us face future challenges like drought and growing demand for water. This study is an important step in making sure southern Alberta has reliable water resources for years to come. This storage reservoir would not only help the UID, but also several other irrigation districts including but not limited to: Mountain View Irrigation District (MVID), Southwest Irrigation District, formerly known as Aetna & Leavitt (SWID), Magrath Irrigation District (MID), Raymond Irrigation District (RID), St. Mary Irrigation District (SMRID), Taber Irrigation District, now amalgamated with SMRID. We will continue to keep our irrigators informed as the study moves forward. Together, we are building a stronger, more resilient future for agriculture and our community.

Fred gave a presentation again recently at the Lethbridge Polytechnic Irrigation Conference.

The Board of Directors met in eleven regular board meetings in 2025. We welcomed Brandon Wynder as a new Board Member for three year term in 2025.

The 2025 AIDA Annual Conference was held in February in Calgary. Fred attended the conference.

In 2025, the UID sold 226.75 assessed acres throughout the district. A bylaw was passed in February 2025, and the new price is \$1,600 per assessed acre.

In 2025, the crew of the UID was working on the IRP # 2378 - F Lateral Open Ditch project Phase 3. We were able to complete about 1,400 meters. There was one structure and one turnout installed; one field crossing and two road crossings were completed.

In 2025, the UID had the same Ditchriders, Neil Allred for the west block of the district in the Hill Spring area and Steve Lybbert for the east block of the district in the Glenwood area.

The UID purchased a new Hitachi 300 Excavator in January 2025, and we sold our JD 240DLC Excavator. We upgraded a couple of our gravel trucks with two 2016 Western Stars. In December 2025, the UID also purchased a 2015 Chevrolet Silverado 1-ton.

Our district continued to cooperate with Alberta Agriculture and Irrigation. The cooperation continued with Alberta Environment and Protected Area in 2025, as well as in an effort to educate the boating public about the danger of aquatic invasive species coming into the waterways of Alberta.

We express appreciation once again to the Provincial Government and Alberta Agriculture and Irrigation for their continued support through the Irrigation Rehabilitation Program for funding that is making it possible to improve the United Irrigation District's infrastructure.

We appreciate the cooperation of irrigators and staff for the effective and efficient operation of the district in 2025. We extend best wishes for a successful 2026. We encourage water users to come into our UID office at any time to discuss your concerns or ideas.

Duane Nelson  
Chairman, Board of Directors

Fred Rice  
District Manager

**Total U.I.D. Assessment Roll Acreage**  
Based on the 2025 Irrigation Season

**Assessment Roll:**

Permanent acres:	34,473.17
Minimum Parcel Acres (Permanent):	<u>810.30</u>
Total Acres:	35,283.47
Annual Acre Agreement	287.00
Expansion Limit for the UID	37,840.00

**Total U.I.D. Water Diversion - 2025**

Belly River Water Licence	- 48,988.32 acre feet
Belly River Diversion 2025	- 21,371.00 acre feet
Waterton to Cochrane Licence	- 17,000.00 acre feet
Waterton to Cochrane Lake 2025	- 4,376.00 acre feet
Total Diversion 2025	- 25,747.00 acre feet

**2025 UID Method of Irrigation**

Gravity	- 27.0 %
High-Pressure Pivot	- 1.1 %
Low-Pressure Pivot	- 65.5 %
Wheel Move	- 4.4 %
Other	- 2.0 %

**2025 UID Energy Type Summary**

Electricity	- 56.5 %
Gravity	- 33.5 %
Gravity Pressure Pipeline	- 6.0 %
Other	- 4.0 %



## NOTES OF INTEREST AND POLICY REMINDERS

1. Today is the last day for nominations for one board member – the term for Craig Smith and Nicholas Barfuss is up for election. Nominations close at 4:00 P.M. today.
2. **Ratepayers are responsible for notifying Ditchriders when they want to turn irrigation water on and off.** The UID is going to implement a new water monitoring system, which will record the amount of water used. **If you do not notify us when your system is off, it will go against your total water allotment.**
3. **Ratepayers are responsible for ordering water to fill dugouts and for notifying Ditchriders to turn off the water when the dugouts are full. Ditch riders are not responsible for the overtopping of dugouts.**
4. Notice to anyone doing subdivisions:  
One hour spent by the UID on subdivisions will be done for free. Any further time spent will be charged to the Applicant.
5. Please note that there will be no new water orders accepted after 12:00 NOON on Fridays to allow our Ditchriders to manage the water appropriately on the weekends.
6. Fences along District canals, drains, etc., are not to be removed without permission from the District. If the District approves the removal of the fence and the fence was originally installed by the District, the materials are to be returned to the District.
7. Before erecting a building, installing a fence or utility lines, digging a pond, planting trees, etc., near any of the District works (i.e. Canal, drain, pipeline, etc.), please check with District Management.
8. The Three-Year Plan for work to be done under the Irrigation Rehabilitation Program has been accepted by the Irrigation Council at the time of printing the annual report.
9. The UID Water License is designated for Agricultural Use and specified Other Purposes:  
Any land reclassified to Recreational or other than Agricultural use could be subject to loss of water rights on those acres.
10. **WATER QUALITY DISCLAIMER:** The United Irrigation District advises that the water in the irrigation system of the District may not be potable or may not be suitable for other purposes, and the District makes no representation, warranty, or guarantee that the water delivered through the system is potable or fit for human consumption or suitable for livestock watering, recreational use or other purposes. The Irrigation system of the District is an open-ditch system subject to possible contamination beyond the control of the District.
11. **Note: Section 187 Irrigation Districts Act: “An owner or occupier of land who receives water delivered by the district is under a duty to take reasonable care in using the water and to prevent the water from causing injury to any person or damage to any property.”**
12. The UID starts spraying our canals throughout the district from May 25<sup>th</sup> until September 1<sup>st</sup> each year. The main chemicals sprayed: Roundup Transorb HC, Oracle, and 2,4-D Amine 600.
13. We want to thank our staff for another successful year of running water. They are doing a great job of managing the water in the District. Thank you to the Department of Agriculture and Irrigation for the continued funding for the rehabilitation of the District. The expertise provided through the Irrigation and Farm Water Division and Alberta Environment and Parks is much appreciated as well. Finally, thank you to our water users for your support and cooperation in making the District run efficiently and effectively.

**WEED NOTICE**

As in previous years, the United Irrigation District is permitted to implement a herbicide spray program, under a specific condition, in or within 30 horizontal meters of irrigation canals, laterals, and drains owned by the District to attempt to control: Broadleaf weeds and brush & Noxious weeds.

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

Persons having specific concerns are encouraged to contact Fred Rice, District Manager.

**CROPS GROWN WITHIN THE UNITED IRRIGATION DISTRICT  
2025**

<b>CROPS GROWN</b>	<b>Permanent acres</b>	<b>Annual acres</b>	<b>TOTAL</b>
Tame pasture	5,401.6	0.0	5,401.6
Alfalfa Hay	652.1	0.0	652.1
Alfalfa 2nd Cut	1,559.2	65.0	1,559.2
Alfalfa 3rd Cut	963.0	0.0	963.0
Alfalfa Silage	97.0	0.0	97.0
Barley	13,242.2	127.0	13,369.2
Barley Silage	1,492.3	160.0	1,652.3
Grass Hay	1,306.6	0.0	1,306.6
Canola	3,556.8	0.0	3,556.8
Oats Silage	137.0	0.0	137.0
Hard Spring Wheat	2,982.9	0.0	2,982.9
Soft Wheat	568.8	0.0	568.8
Winter Wheat	288.0	0.0	288.0
Timothy Hay	1,669.0	0.0	1,669.0
Triticale	360.0	0.0	360.0
Market Garden	25.6	0.0	25.6
Dry Peas	803.3	0.0	803.3
Dry Beans	138.0	0.0	138.0
Green Feed	40.0	0.0	40.0
<b>TOTAL</b>	<b>35,283.5</b>	<b>287.0</b>	<b>35,570.5</b>

**United Irrigation District**  
**Annual Rolling Three-Year Plan**  
**Summary of Estimated Expenditures**

IRP No.	Project Name	Estimated Expenditure By Construction Year				Additional Years (If Required)
		Original Approval Date	Year One*	Year Two	Year Three	
<b>Continuing Projects</b>						
Also include any Substantially Completed Projects** that will have funds expended for any final clean-up, etc. (Projects Already Approved by Irrigation Council)						
			2026/27	2027/28	2028/29	2028/29
2378	F Lateral Open Ditch	October 26, 2022	\$ 705,476.65		\$ -	\$ -
<b>New Year One Projects (Projects Not Yet Approved by Irrigation Council)</b>						
D Lateral			\$ 125,000.00	\$ -	\$ 800,000.00	\$ 884,000.00
A1 Lateral			\$ 20,000.00	\$ -	\$ 450,000.00	\$ 446,000.00
<b>Proposed Year Two Projects (Projects Not Yet Approved by Irrigation Council)</b>						
<b>Proposed Year Three Projects (and beyond) (Projects Not Yet Approved by Irrigation Council)</b>						
<b>Total Estimated Expenditures per Year</b>			\$ 850,476.65	\$ -	\$ 1,250,000.00	\$ 1,330,000.00

# **UNITED IRRIGATION DISTRICT**

## **Financial Statements**

**For the Year Ended December 31, 2025**

Independent Auditors' Report	1-2
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Statement of Operations and Changes in Fund Balances	4
Statement of Cash Flows	5
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Schedule of Irrigation Works Expenditures	14
Schedule of Changes in Fund Balances - Irrigation Works Fund	15

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of United Irrigation District:

### **Opinion**

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

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with Accounting Standards for not-for-profit organizations (ASNFPO).

### **Basis for Opinion**

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNFPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

# Skoien Professional Corporation

Chartered Professional Accountant

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Entity to express an opinion on the financial statements. I am responsible for the direction, supervision and performance of the audit. I remain solely responsible for my audit opinion. I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit. I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Hakon Skoien.



SKOIEI PROFESSIONAL CORPORATION  
CHARTERED PROFESSIONAL ACCOUNTANT

Hakon Skoien, CPA  
Cardston, Alberta  
February 25, 2026

# UNITED IRRIGATION DISTRICT

Statement of Financial Position as at December 31, 2025

Ref.	General Fund	District Capital	Irrigation Works	2025	2024
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
1	\$ 1,025,610	\$ -	\$ -	\$ 1,025,610	\$ 805,742
2	7,112	-	-	7,112	1,181
3	852,333	-	-	852,333	929,555
4	74,527	-	-	74,527	83,169
5	19,291	-	-	19,291	14,479
6	100,550	-	-	100,550	100,550
7	2,079,423	-	-	2,079,423	1,934,676
8	-	270,214	2,666	272,880	320,656
9	100,550	-	-	100,550	201,100
10	-	1,833,800	-	1,833,800	1,696,281
11	-	923,811	-	923,811	454,322
12	-	-	15,213,946	15,213,946	15,344,041
13	\$ 2,179,973	\$ 3,027,825	\$ 15,216,612	\$ 20,424,410	\$ 19,951,076
<b>LIABILITIES AND FUND BALANCES</b>					
<b>CURRENT LIABILITIES</b>					
14	\$ 14,744	\$ -	\$ -	\$ 14,744	\$ 70,690
15	-	-	852,333	852,333	929,555
16	-	86,625	-	86,625	-
17	14,744	86,625	852,333	953,702	1,000,245
18	-	208,844	-	208,844	-
19	14,744	295,469	852,333	1,162,546	1,000,245
<b>FUND BALANCES</b>					
20	2,165,229	-	-	2,165,229	2,065,086
21	-	2,104,014	-	2,104,014	2,014,590
22	-	628,342	-	628,342	454,322
23	-	-	(849,667)	(849,667)	(927,208)
24	-	-	15,213,946	15,213,946	15,344,041
25	2,165,229	2,732,356	14,364,279	19,261,864	18,950,831
26	\$ 2,179,973	\$ 3,027,825	\$ 15,216,612	\$ 20,424,410	\$ 19,951,076

  
 General Manager

  
 Director

**UNITED IRRIGATION DISTRICT**  
**Statement of Operations and Changes in Fund Balances**  
**For the Year Ended December 31, 2025**

	Ref.	General Fund	District Capital	Irrigation Works	2025	2024
<b>REVENUE</b>						
<b>WATER EARNINGS</b>						
Irrigation rates, net (Note 15)	1	\$ 502,204	\$ -	\$ -	\$ 502,204	\$ 483,127
Conveyance of commercial water	2	31,851	-	-	31,851	30,700
Conveyance of agricultural domestic water	3	7,476	-	-	7,476	5,908
Annual acre agreements	4	5,157	-	-	5,157	6,701
Penalties	5	182	-	-	182	1,345
	6	546,870	-	-	546,870	527,781
<b>CAPITAL ASSET CHARGES - NEW ACRES</b>	7	272,100	-	-	272,100	434,400
<b>INVESTMENT INCOME</b>	8	36,868	130,350	-	167,218	120,089
<b>GAIN ON INVESTMENTS</b>	9	23,100	-	-	23,100	108,547
<b>IRRIGATION WORKS FUND REVENUE</b>	10	-	-	480,409	480,409	480,570
<b>CUSTOM WORK</b>	11	29,541	-	-	29,541	6,905
<b>CONTRIBUTIONS TO PROJECTS</b>	12	-	-	-	-	262,084
<b>OTHER</b>	13	14,485	34,587	-	49,072	14,392
	14	922,964	164,937	480,409	1,568,310	1,954,768
<b>EXPENDITURES</b>						
<b>OPERATING EXPENDITURES (Schedule 1)</b>	15	485,457	-	-	485,457	145,946
<b>AMORTIZATION</b>	16	-	78,721	693,099	771,820	716,881
	17	485,457	78,721	693,099	1,257,277	862,827
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	18	437,507	86,216	(212,690)	311,033	1,091,941
<b>FUND BALANCE, beginning of year</b>	19	2,065,086	2,468,912	14,416,833	18,950,831	17,858,890
<b>INTERFUND TRANSFERS</b>						
Provision for irrigation works	20	(160,136)	-	160,136	-	-
Other transfers	21	(177,228)	177,228	-	-	-
		(337,364)	177,228	160,136	-	-
<b>FUND BALANCE, end of year</b>	22	2,165,229	2,732,356	14,364,279	19,261,864	18,950,831

# UNITED IRRIGATION DISTRICT

## Statement of Cash Flows

For the Year Ended December 31, 2025

	2025	2024
<b>CASH PROVIDED BY (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenditures	\$ 311,033	\$ 1,091,941
Items not involving cash:		
Amortization	771,820	716,881
(Gain) loss on sale of property and equipment	(34,587)	-
Unrealized (gain) loss on fair value change in investments	(23,100)	(108,547)
	<u>1,025,166</u>	<u>1,700,275</u>
Net change in non-cash working capital balances		
Accounts receivable	(5,931)	6,220
Inventory	8,642	(1,447)
Prepaid expenses	(4,812)	1,171
Accounts payable	(55,946)	2,375
	<u>967,119</u>	<u>1,708,594</u>
<b>INVESTING ACTIVITIES</b>		
(Purchase) sale of investments	(114,419)	26,426
Purchase of property and equipment	(602,623)	(6,750)
Proceeds from sale of property and equipment	89,000	-
Purchase of irrigation works	(563,004)	(1,721,593)
	<u>(1,191,046)</u>	<u>(1,701,917)</u>
<b>FINANCING ACTIVITIES</b>		
Received on notes receivable	100,550	100,550
Proceeds from loans	346,000	-
Repayment of loans - District Capital	(50,531)	(456,330)
	<u>396,019</u>	<u>(355,780)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	172,092	(349,103)
CASH, beginning of year	<u>1,126,398</u>	<u>1,475,501</u>
CASH, end of year (Note 7)	<u>\$ 1,298,490</u>	<u>\$ 1,126,398</u>
<b>SUPPLEMENTARY CASH FLOW INFORMATION</b>		
Operating activities include the following:		
	2025	2024
Interest received	<u>\$ 167,218</u>	<u>\$ 114,922</u>

# UNITED IRRIGATION DISTRICT

## Notes to Financial Statements For the Year Ended December 31, 2025

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### 1. Nature of Operations

United Irrigation District (the "District") operates under the authority of the Irrigation Districts Act of the Province of Alberta and as such is exempt from income tax. The primary purpose of the District is to convey and deliver water through the irrigation works of the District and to construct, operate and maintain the District's irrigation works in the Glenwood and Hill Spring areas.

### 2. Summary of Accounting Policies

#### a. *Basis of Presentation*

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO), *CPA Canada Handbook - Accounting Part III*, and are in accordance with Canadian generally accepted accounting principles.

#### b. *Fund Accounting*

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

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

The District Capital Fund accounts for funds that are internally restricted by the Board of Directors. These funds are not available for general purposes without approval of the Board.

The Irrigation Works Fund accounts for capital receipts for new irrigation works. Costs incurred in constructing new irrigation works and in replacing and rehabilitating existing structures are provided for from the fund. The net assets of the Irrigation Works Fund are restricted under the terms of the Irrigation Rehabilitation Funding Agreement. These funds can only be spent on approved projects as outlined in the respective funding agreements. Funding for Irrigation Rehabilitation Projects is shared between the District (25%) and Province (75%).

#### c. *Revenue Recognition*

Restricted contributions related to general operations are recognized as revenue of the General Fund. All other restricted contributions are recognized as revenue of the appropriate restricted fund. Restricted contributions are recognized as revenue in the year in which the contributions are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

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

#### d. *Cash and Cash Equivalents*

The District's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate from being positive to overdrawn.

#### e. *Inventory*

Inventory is valued at the lower of cost and net realizable value. Cost is determined on the specific item basis.

# UNITED IRRIGATION DISTRICT

## Notes to Financial Statements

For the Year Ended December 31, 2025

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### 2. Summary of Accounting Policies (continued)

f. *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.

g. *Irrigation Works*

Costs incurred in constructing new irrigation works and in replacing and rehabilitating existing works are capitalized and fully provided for from the irrigation works fund. Additions are capitalized at cost and government approved rates for equipment, labour and overhead charges. Maintenance projects are expensed to operations.

Amortization of irrigation works is provided for on a straight line basis over 40 years. No amortization is taken in the year of acquisition.

If irrigation works are subject to permanent impairment, additional amortization or write-down is provided.

h. *Property and Equipment*

Property and equipment are recorded at cost. Amortization is provided for on the declining balance basis using the following annual rates:

Buildings	5%
Furniture and fixtures	10%
General equipment	10%
Power equipment	10%
Trucks	15%
Computer equipment	25%

In the year of acquisition, amortization is provided for at half the normal rate.

If property and equipment are subject to permanent impairment, additional amortization or write-down is provided.

i. *Use of Estimates*

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant items subject to estimates and assumptions include the estimated useful lives of property and equipment and irrigation works, and the valuation of inventories. Actual results could differ from those estimates.

Management has estimated the average useful life of irrigation works in the District to be 40 years. Amortization of irrigation works is based on these estimates.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

# UNITED IRRIGATION DISTRICT

## Notes to Financial Statements

For the Year Ended December 31, 2025

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### 2. Summary of Accounting Policies (continued)

j. *Capital Requirements*

The District considers its capital to be the balance maintained in its unrestricted net assets. The primary objective of the District is to invest its capital in a manner that will allow it to continue as a going concern and comply with its stated objectives. Capital is invested under the direction of the board of directors of the District with the objective of providing a reasonable rate of return, minimizing risk and ensuring adequate liquid investments are on hand for current cash flow requirements. The District is subject to externally imposed requirements of its capital on irrigation works cash.

k. *Financial Instruments*

*Measurement of financial instruments*

The District initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

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 excess of revenues over expenditures.

Financial assets measured at amortized cost include cash, accounts receivable, and investments.

Financial investments in equity instruments are measured at fair market value and are classified as current or long-term in concurrence with the nature and intent of the investment.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, government remittances payable, and long-term debt.

*Impairment*

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenues over expenditures.

*Transactions costs*

The District recognizes its transaction costs in excess of revenues over expenditures in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transactions costs that are directly attributable to their origination, issuance or assumption.

### 3. Comparative Figures

Where necessary the comparative figures have been reclassified to conform with current year's financial statement presentation. These changes do not affect prior year earnings.

# UNITED IRRIGATION DISTRICT

Notes to Financial Statements  
For the Year Ended December 31, 2025

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## 4. Economic Dependence

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

## 5. Financial Instruments

The District, as part of its operations, carries a number of financial instruments. It is management's opinion that the District is not exposed to significant liquidity, credit, market, or other price risks arising from these financial instruments except as otherwise disclosed. The following analysis provides a measure of the entity's risk exposure and concentrations at the balance sheet date.

### *Credit Concentration*

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

### *Liquidity Risk*

Liquidity risk is the risk that an organization 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 long-term debt.

### *Credit Risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The District's main credit risk is related to its accounts receivable. The District provides credit to its clients in the normal course of its operations.

### *Market risk*

The District is exposed to market risk with respect to fluctuations in the trading price of its investments.

### *Interest rate risk*

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

## 6. Due to and from Funds

Interfund balances are for amounts due from the District's unrestricted General Fund to the restricted Irrigation Works Fund to fully fund externally restricted Irrigation Rehabilitation Program projects. These balances are unsecured, non-interest bearing, with no set terms of repayment.

## UNITED IRRIGATION DISTRICT

Notes to Financial Statements  
For the Year Ended December 31, 2025

### 7. Cash

Cash consists of:

	2025	2024
Cash - current (unrestricted)	\$ 1,025,610	\$ 805,742
Cash - long-term (restricted)	272,880	320,656
	<u>\$ 1,298,490</u>	<u>\$ 1,126,398</u>

Cash held under the cost-sharing agreement with the Province of Alberta is restricted for use on approved irrigation works projects and is therefore classified as a long-term asset. Cash held in District Capital is internally restricted by the Board of Directors and is therefore classified as a long-term asset.

### 8. Accounts Receivable

Accounts receivable consists of:

	2025	2024
Irrigation and trade receivables	\$ 379	\$ 1,181
Government remittances recoverable	6,733	-
	<u>\$ 7,112</u>	<u>\$ 1,181</u>

### 9. Investments

	2025	2024
Mutual funds	\$ 1,825,029	\$ 1,687,510
	1,825,029	1,687,510
Patronage reserves	8,771	8,771
	<u>\$ 1,833,800</u>	<u>\$ 1,696,281</u>

Investments held in District Capital is internally restricted by the Board of Directors. The book value of investments is \$1,689,262 (2024 - \$1,627,017).

### 10. Property and Equipment

	2025		2024	
	Cost	Accumulated Amortization	Net	Net
Land	\$ 13,666	\$ -	\$ 13,666	\$ 13,666
Buildings	137,165	116,068	21,097	22,207
Power equipment	1,044,799	531,180	513,619	250,156
General equipment	160,673	102,113	58,560	65,067
Trucks	804,476	496,635	307,841	101,968
Furniture and fixtures	19,099	10,071	9,028	849
Computer equipment	-	-	-	409
	<u>\$ 2,179,878</u>	<u>\$ 1,256,067</u>	<u>\$ 923,811</u>	<u>\$ 454,322</u>

# UNITED IRRIGATION DISTRICT

Notes to Financial Statements  
For the Year Ended December 31, 2025

## 11. Notes Receivable

Notes receivable consist of amounts owing from ratepayers for the conversion of former terminable acres to permanent acres. The notes carry no interest and are receivable in annual payments totaling \$100,550, with the last annual payment being due on May 1, 2027. If payment is not made in full by this date, the associated permanent acres may be removed. Late payments are subject to penalties as per the agreements signed.

## 12. Irrigation Works

Irrigation works have been valued for balance sheet purposes at the recorded cost of the system as at December 31, 1977, together with additions and rehabilitations-to-date and charges-to-date for amortization, as described in Note 2.

	2025		2024	
	Cost	Accumulated Amortization	Net	Net
Irrigation Works	\$33,522,280	\$18,308,334	\$15,213,946	\$15,344,041

## 13. Accounts Payable

Accounts receivable consists of:

	2025	2024
Trade accounts payable and accrued liabilities	\$ 14,741	\$ 66,535
Government remittances payable	-	4,155
	\$ 14,741	\$ 70,690

## 14. Long-term Debt

Mitsubishi HC Capital Canada fixed rate instalment contract, bearing interest at 0%, repayable in equal, monthly, principal only payments of \$7,218.75, with the last payment due May 1, 2029. Loan is secured by specified equipment with a net book value of \$328,700.

Less: current portion

	2025	2024
	\$ 295,469	\$ -
	86,625	-
	\$ 208,844	\$ -

**UNITED IRRIGATION DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2025**

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**15. Irrigation Rates**

Irrigation rates, net, consist of:

	2025	2024
34,473 acres @ \$14.50 per acre (2024 - 34,064 acres @ \$14.08 per acre)	\$ 499,861	\$ 479,621
810 acres; minimum charge @ \$365.16 per parcel (2024 - 838 acres @ \$354.53 per parcel)	26,657	26,590
35,283 acres (2024 - 34,902 acres)	526,518	506,211
Discounts	(24,314)	(23,084)
	<u>\$ 502,204</u>	<u>\$ 483,127</u>

**16. Related Party Transactions**

During the year the District received revenues of \$114,954 (2024 - \$19,046) for water earnings, custom work, and new acre charges from members of the board of directors and the District Manager. These transactions are in the normal course of operations and are measured at the exchange amounts outlined in the District's bylaws. The balance receivable as a result of these transactions is \$nil (2024 - \$nil).

**17. Approval of Financial Statements**

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

**UNITED IRRIGATION DISTRICT**

Schedule of Operating Expenditures  
For the Year Ended December 31, 2025

Schedule 1

	2025			2024	
	Operations & Maintenance	Water Delivery	Administration and General	Total	Total
<b>EXPENDITURES</b>					
Salaries	\$ 220,684	\$ 67,651	\$ 193,496	\$ 481,831	\$ 490,778
Equipment maintenance	120,769			120,769	79,010
Fuel	56,969			56,969	74,270
Travel expenses		27,600	2,544	30,144	30,604
Office and administration			21,189	21,189	29,131
Materials and supplies	52,049			52,049	28,567
Insurance			19,130	19,130	18,499
Association fees, dues			15,452	15,452	15,948
Board of Directors - fees and expenses			12,960	12,960	14,350
Miscellaneous	1,624		5,460	7,084	12,556
Professional fees			8,847	8,847	8,857
Utilities			6,333	6,333	6,446
Telephone			3,078	3,078	2,742
Conferences			1,315	1,315	726
	452,095	95,251	289,804	837,150	812,484
<b>RECOVERIES</b>					
Equipment pool recoveries	(310,665)			(310,665)	(605,136)
Labor recovery - construction	(25,643)			(25,643)	(38,377)
Overhead	(15,385)			(15,385)	(23,025)
	(351,693)	-	-	(351,693)	(666,538)
<b>TOTAL 2025</b>	<b>\$ 100,402</b>	<b>\$ 95,251</b>	<b>\$ 289,804</b>	<b>\$ 485,457</b>	
<b>TOTAL 2024</b>	<b>\$ (247,520)</b>	<b>\$ 92,863</b>	<b>\$ 300,603</b>		<b>\$ 145,946</b>

**UNITED IRRIGATION DISTRICT**

**Schedule of Irrigation Works Expenditures  
For the Year Ended December 31, 2025**

Schedule 2

	2025		2024	
	District	Province of Alberta	Total	Total
<b>EXTERNAL GOODS AND SERVICES</b>				
Materials and supplies	\$ -	\$ 155,408	\$ 155,408	\$ 1,020,539
Contract services - engineering	-	13,330	13,330	25,403
Contract services - construction	-	38,356	38,356	8,400
Miscellaneous	-	4,217	4,217	713
	-	211,311	211,311	1,055,055
<b>INTERNAL GOODS AND SERVICES</b>				
Equipment pool recoveries	-	310,665	310,665	605,136
Labor recovery - construction	-	25,643	25,643	38,377
Overhead	-	15,385	15,385	23,025
	-	351,693	351,693	666,538
<b>TOTAL 2025</b>	<b>\$ -</b>	<b>\$ 563,004</b>	<b>\$ 563,004</b>	
<b>TOTAL 2024</b>	<b>\$ 283,242</b>	<b>\$ 1,438,351</b>		<b>\$ 1,721,593</b>

**UNITED IRRIGATION DISTRICT**

**Schedule of Changes in Fund Balance - Irrigation Works Fund  
For the Year Ended December 31, 2025**

Schedule 3

	2025		2024	
	District	Province of Alberta	Total	Total
FUND BALANCE, beginning of year	\$ -	\$ (927,208)	\$ (927,208)	\$ (131,867)
ADDITIONS:				
Contribution from Province of Alberta	-	480,409	480,409	480,570
Interest earned	-	-	-	2,250
Transfer from District general fund	-	-	-	21,158
Contributions from rate payers	-	-	-	262,084
District Provision	160,136	-	160,136	160,190
Transfers from District to Restricted Funds	(160,136)	160,136	-	-
	-	640,545	640,545	926,252
DEDUCTIONS:				
Irrigation works expenditures (Schedule 2)	-	563,004	563,004	1,721,593
FUND BALANCE, end of year	\$ -	\$ (849,667)	\$ (849,667)	\$ (927,208)