

UNITED IRRIGATION DISTRICT

ANNUAL REPORT

YEAR ENDING DECEMBER 31, 2018

**Annual Meeting: Wednesday, March 20, 2019 1:00 P.M.
Hill Spring Community Hall
Hill Spring, Alberta**

UNITED IRRIGATION DISTRICT

BOARD OF DIRECTORS

| | |
|-------------------|---------------|
| Duane Nelson | Chairman |
| Daniel Hunsperger | Vice-Chairman |
| Jim Woolf | Director |
| Brandon Gibb | Director |
| Craig B. Smith | Director |

STAFF

| | |
|-------------------|----------------------------|
| Fred W. Rice | District Manager |
| Viera Ducky | Assistant District Manager |
| Steve Lybbert | Ditchrider/Operator |
| Jared Nelson | Ditchrider/Operator |
| Byran Cahoon | Operator/Construction |
| Neil Allred | Operator/Maintenance |
| Lawrence Draper | Operator/Construction |
| Darren Dee Butler | Operator/Construction |
| Lloyd Smith | Labor |

Engineer for the District – 2018

Wilde Brothers Engineering Ltd. – Darin Wilde

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

Wednesday, March 20, 2019, 1:00 P.M.

Hill Spring Community Hall, Hill Spring, Alberta

AGENDA

- 1.0 Welcome and Opening Remarks – Mr. Duane Nelson, Chairman, Board of Directors
- 2.0 Appointment of the Meeting Chairperson
- 3.0 Adoption of Agenda
- 4.0 Reading and Approval of the Minutes of the last Annual Meeting: March 21, 2018
- 5.0 Business Arising from the Minutes: March 21, 2018
- 6.0 Auditors Report: Skoien Professional Corporation – Hakon Skoien
- 7.0 Board of Directors and Manager’s Report: Duane Nelson, Fred Rice
- 8.0 Operations/Maintenance/Rehabilitation/Seepage Control Report
- 9.0 New Business:
 - a) Selling irrigation assessed acres
 - b) Scheduling system for irrigation by Brandon - being proactive & efficient
 - c) Water rationing
 - d) IRP funding
- 10.0 Adjournment

UNITED IRRIGATION DISTRICT
Wednesday, March 21, 2018
ANNUAL MEETING MINUTES

These are the Minutes of the Annual Meeting of the United Irrigation District held in Glenwood, Alberta at the Glenwood Community Hall on Wednesday, March 21, 2018, 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 |
| Brandon Gibb | - Board Member |
| Craig Smith | - Board Member |
| Fred Rice | - District Manager |
| Viera Ducky | - Assistant District Manager |
| Steve Lybbert | - Ditchrider |
| Jared Nelson | - Ditchrider |

Irrigation Council

Rufa Doria

Alberta Agriculture and Forestry

Rebecca Fast

Marie Shussler

Alberta Irrigation Project Association

Margo Jarvis Redelback

Alberta Environment and Parks

Dennis Matis

Lawrence Wegwitz

Trevor Curran

Skoien Professional Corporation

Hakon Skoien

Wilde Brothers Engineering Ltd.

Darin Wilde

Water users: Larry Gibb, Lloyd Smith, Dwain Shipley, Barbara Baxter, Al McEwen, B. Craig Smith, Bruce Wynder, Darcy Barfuss, Alita Pitcher,

Total attendance – 9 water users, 9 guests, 4 employees, 5 Board Directors

Duane Nelson called the meeting to order at 1:00 p.m. and thanked everyone for attending. He then asked everybody to introduce themselves.

NOMINATION FOR CHAIRMAN

Jim Woolf had been previously appointed to be a Chairman of the Meeting in the Regular Board Meeting on March 21, 2018

ADOPTION OF THE AGENDA

Jim Woolf called for a motion to adopt the agenda. Bruce Wynder MOVED to adopt the agenda. Al McEwen SECONDED the motion. ...CARRIED

MINUTES OF LAST MEETING

The Minutes of March 22, 2017 were read by Craig B. Smith. Daniel Hunsperger MOVED to accept the Minutes as read, SECONDED by Lloyd Smith. ...CARRIED

BUSINESS ARISING FROM THE MINUTES

The attendees were advised of the “false positive” finding of Quagga Mussels in the Tiber Reservoir in Montana. Waters of this reservoir will be monitored for another 5 years for suspect reason. After that period suspect will be removed if reservoir is still free of invasive species.

AUDITOR’S REPORT

The Auditor’s Report was read by Hakon Skoien of Skoien Professional Corporation. He discussed the Financial Statement for the year ending December 31, 2017. It was noted that the Audit was good and clean and that in the opinion of Skoien Professional Corporation the financial statements present fairly, in all material respects, the financial position of the organization as of December 31, 2017 in accordance with Canadian accounting standards for not-for-profit organizations.

Mr. Skoien was explaining financial statements and differences between years 2017 and 2016. In 2017 operation was very consistent. Comparing to 2016 less capital projects were done, less machine recovery and more pipeline purchase which is “hurting” the Income Statement. In investment we can see a natural market growth. Increased water earning shows increase in rates. As per the auditor, the UID had a very healthy balance sheet in 2017. Al McEwan was asking about increase in operating expenditures which was caused by accomplishing more Operation & Maintenance work.

B. Craig Smith was asking how we will handle the situation if we have a deficit for a second year in a row. Jim Woolf and Fred Rice explained that our budget for 2018 is showing a surplus and in case of deficit we will use restricted funds created for this purpose. Rebecca Fast from Irrigation Secretariat pointed out that after a deficit for two years in a row, Minister needs to approve budget.

B. Craig Smith MOVED to accept the Auditor’s Report, SECONDED by Duane Nelson. ...CARRIED

MANAGER AND CHAIRMAN REPORT

The Board of Directors and Managers report was read by Board Chairman Duane Nelson.

Fred Rice mentioned the difficult situation with rationing water last summer and how he and our Ditch Riders Steve Lybbert and Jared Nelson cooperated with Lee Nelson from Alberta Environment.

Larry Gibb was then asking about our priority on Belly River. The UID has a second priority, but we don’t want to call it the priority otherwise any junior licenses can be shut off. Duane Nelson advised about possible water sharing agreement between Irrigation Districts and that the UID should be treated as differently as we don’t have a water storage on the Belly River.

Margo Jarvis Redelback from AIPA was explaining more about creating Reservoir Ranking criteria for Water Storage proposals from all Irrigation Districts so they can present the proposals to the government. Bow River Basin is most likely ahead of our proposed project because of the flood in 2013.

B. Craig Smith MOVED to accept the Chairman and Manager’s report, SECONDED by Larry Gibb. ...CARRIED

OPERATIONS/MAINTENANCE/REHABILITATION/SEEPAGE CONTROL REPORT

The Operations and Maintenance Report, the Seepage Control Plan, the IRP Work Report was read by District Manager Fred Rice. Board member Craig Smith read page 11 of the Annual Report – Notes of Interest and Policy Reminders.

A drip irrigation system will be installed in our district in 2018 which should be more efficient. This system has never been used in our district and as per Brandon Gibb experience, it is a future in irrigation with climate change and water shortage.

Margo reminded the goal for years 2005-2015 to save 30% irrigation water by installing more efficient irrigation system and we beat it.

Al McEwen was asking how we charge our equipment when working on Operation and Maintenance. Equipment is charged 85% from full price and it is still feasible. At the end Al also thanked the Board of Directors and staff of UID for keeping water flow despite of difficult situation due to drought last summer.

NEW BUSINESS

Margo Jarvis Redelback introduced herself as an Executive Director of Alberta Irrigation Projects Association since last September. She then briefly explained a few topics on which the AIPA has recently been working on.

Main things are to improve collaboration between government and Irrigation districts. Last MLA Meet and Greet in Edmonton helped a lot to understand the necessity of irrigation which helps to receive an IRP funding.

Veligers samplings will be collected just once a year. More studies have been done about potash and cold infusion impact on invasive species. Working dogs are regularly retrained over winter for this purpose and they are successful.

Margo also thanked the UID for the support of the request by AIPA to adopt a Regulation to clarify irrigation districts, and irrigation district boards as elected authorities to allow provisions under the Local Authorities Election Act.

Marie Schussler from Alberta Agriculture and Forestry advised the irrigators that Growing Forward 2 irrigation funding for upgrading irrigation to low pressure pivots is ending this month as program has only \$100,000 left, so applications need to be submitted asap. New program: Canadian Agriculture Partnership is coming soon.

Dennis Matis from Alberta Environment and Parks gave us an overall update about snowpack. Snowpack is above normal this year and in very good shape, but we can't predict how reservoirs will be at the end of the season. After extensive fires last year we can definitely expect different dynamics this year.

Fred Rice advised that the UID is offering to buy irrigation acres from minimum parcel owners. Those interested can come to the office to discuss the offer. He also explained that land owners can still have access to irrigation water through Household purpose agreement or Annual Acre Agreement.

Duane Nelson reminded that the Village of Glenwood and the Village of Hill Spring are paying just a conveyance fee to the UID and they should treat all residents fairly.

Jim Woolf thanked everyone for their attendance and participation.

Daniel Hunsperger MOVED to adjourn the meeting at 2:50 P.M. SECONDED by Craig Smith.

Duane Nelson – Chairman

Fred W. Rice – District Manager

BOARD OF DIRECTORS AND MANAGER'S REPORT

We are pleased to report on the operations of the United Irrigation District for the 2018 year. Water diversion started on May 13 and ended October 5, 2018. Total water diverted in 2018 was 30,679.67 acre feet, 24,331.79 acre feet from the Belly River and 6,347.88 acre feet from the Waterton Dam through the Environment Canal. The snow pack in 2018 was above normal for Akimina and Flat Top recording points. The low flow in Belly River required careful monitoring of water diversion on the Belly license for the months of August and September. The UID appreciates the cooperation of Alberta Environment and Parks in diversion scheduling to maintain adequate flow past the UID headworks on the Belly River. Diversion from the Waterton license occurred in July, August and September to meet demand. Rainfall throughout the growing season was limited in May, June, July and August. The river flow was adjusted daily and sometimes twice a day.

The Board of Directors met in 11 regular meetings in 2018. There was no election and Duane Nelson and Daniel Hunsperger were elected by acclamation to the Board of Directors of the United Irrigation District. Duane was voted to be the Chairman and Daniel to be the Vice-Chairman of the Board.

In 2018 IRP No.2331 –Emergency Overflow for Leveling Pond was completed. IRP 2298 – Lateral B8 was started in the fall of 2018 and stage 1 was completed, except for fencing, some landscaping and seeding grass to be done in spring of 2019. We are planning to continue with work in the fall of 2019 and the project should be completed in 2020. Lateral B8 land owners that will benefit from rehabilitation include Marjorie Ryan, Doug Carlson, Daniel Husperger, John Kobza, Hannelore Hammoser, Douglas French, Larry Lybbert, Betty Starke, Barrie Oviatt and Hengerer Farms Ltd.

Some engineering was done on IRP 2340 - Lateral F7, which is on Riverside Colony and Standoff Colony land. This project will be a closed system as well.

The UID has purchased 167.77 irrigation assessed acres from some of our ratepayers. These acres will be available for sale in 2019.

The Board of Directors scholarship award in 2018 went to Erica Smith of the Cardston High School graduating Grade 12 class, nobody applied for scholarship from SGJHS.

The UID continued to cooperate with Alberta Agriculture and Forestry and Alberta Environment and Parks in 2018 in an effort to educate the boating public about the danger of aquatic invasive species coming into the waterways of Alberta. The Eastern Irrigation District did some testing of potash for control of invasive mussel species in pipelines in 2018. The research was positive and should control the mussels, however, the use of potash has not yet received regulatory approval for these purposes.

We express appreciation once again to the Provincial Government and Alberta Agriculture and Forestry, for the continued support through the Irrigation Rehabilitation Program for funding that is making it possible to improve the United Irrigation District infrastructure. In 2018 our district

received an Operational Funding \$78,883, no matching required. We also receive support through the Alberta Agriculture and Forestry Water Division and Alberta Environment and Parks with expertise and other resources that benefit the District.

We appreciate the cooperation of irrigators and staff for the effective and efficient operation of the District in 2018. We extend wishes for a successful 2019.

Duane Nelson
Chairman, Board of Directors

Fred W. Rice
District Manager

Total U.I.D. Assessment Roll Acreage
Based on the 2018 Irrigation Season

Assessment Roll:

| | |
|-----------------------------------|---------------|
| Permanent acres: | 32,951.00 |
| Terminable acres: | 479.00 |
| Minimum Parcel Acres (Permanent): | <u>879.00</u> |
| Total Acres: | 34,309.00 |

Total U.I.D. Water Diversion - 2018

| | |
|--------------------------------|-----------------------|
| Belly River Water Licence | - 48,988.32 acre feet |
| Belly River Diversion 2018 | - 24,331.79 acre feet |
| Waterton to Cochrane Licence | - 17,000.00 acre feet |
| Waterton to Cochrane Lake 2018 | - 6,347.88 acre feet |
| Total Diversion 2018 | - 30,679.67 acre feet |

2018 UID Method of Irrigation

| | |
|---------------------|---------|
| Gravity | - 35.4% |
| High Pressure Pivot | - 1.7% |
| Low Pressure Pivot | - 55.6% |
| Wheel Move | - 5.1% |
| Other | - 2.2% |

2018 UID Energy Type Summary

| | |
|---------------------------|---------|
| Electricity | - 49.2% |
| Gravity | - 17.3% |
| Gravity Pressure Pipeline | - 30.4% |
| Other | - 3.1% |

Operations/Maintenance/Rehabilitation/Seepage Control Report

Operations & Maintenance

General maintenance in 2018 included digging of dugouts, repairing and cleaning of trash racks, mowing weeds on the main canal right of ways by Hill Spring, repairing and replacing of air vents, valves, pipe leaks and turnouts. The District continues to have problems with maintaining and recording accurate measurements with the water meters on Laterals A, B, C and F. The usual spraying of the main canal systems of the District occurred in June and July.

Break-down

| | |
|----------------|---------------------|
| Materials | \$ 19,024.48 |
| Equipment Pool | \$ 13,863.39 |
| Labor | \$ 12,814.34 |
| Other | \$ 744.71 |
| Total | \$ 46,446.92 |

IRP Rehabilitation

Income:

| | |
|-----------------------------------|----------------------|
| 2018 Alberta Agricultural Funding | \$ 370,315.00 |
| 2018 UID Match Money | \$ 123,438.00 |
| Total | \$ 493,753.00 |

Expenditures 2018:

| | |
|--------------------------------|----------------------|
| IRP No. 2298 – Overflow Pond | \$ 81,269.69 |
| IRP No. 2298 – Lateral B8 | \$ 704,400.68 |
| IRP No. 2301 – Lateral A1 | \$ 93.75 |
| IRP No. 2320 – Lateral A4.5 | \$ 207.50 |
| IRP No. 2340 – Lateral F7 | \$ 5,703.75 |
| Total Work Done in 2017 | \$ 791,675.37 |

| | |
|---------------------------------------|---------------|
| Ending 2018 Cost Share Account | \$ 2,212.83 |
| Owed to the UID for work done in 2018 | \$ 272,090.96 |

Leveling Pond Emergency Overflow & Drain is now substantially completed. Stage 1 on Lateral B8 is completed, fencing to be finished in spring 2019. Work on this project will continue in fall 2019. Initial engineering work is being done on Lateral F7 and planning to start with work in 2020.

SEEPAGE CONTROL PLAN

The District is experiencing very little seepage. A subsequent Seepage Control Plan was prepared for next 5 years 2018-2023. In this plan the following seepage will be eliminated: Lateral B8 – 13 acres (400 meters), about 300 meters was taking care of with the section of pipeline done in 2018 and the rest will be done in 2019; IRP 2340 – Lateral F7 (200 meters) - completed in 2020; IRP 2353 - Lateral A1e (250 meters) – completed in 2021; IRP 2354 – Lateral D1 (100 meters) – completed in 2022, Lateral C (20 meters) – completed in 2023.

Changes to the Tax Assessment Roll for 2018:

There were some changes to the assessment roll for 2018. The UID has purchased the irrigation assessed acres from these ratepayers:

Sherry Belanger – 10.92 acres

Hannelore Hammoser – 65 acres

Marjorie Ryan – 22 acres

Richard Rutherford – 2.08

Simon Bassett – 2 acres

These are the acres which will be available for purchase in 2019.

Larry Gibb – 3.3 acres were removed for Annual Acre Agreement to take its place.

NOTES OF INTEREST AND POLICY REMINDERS

1. Today is the last day for nominations for one board member – the term for James Woolf is up for election. Nominations close at 4:00 P.M. today.
2. **Rate payers are responsible for ordering water to fill dugouts and for notifying Ditchriders to turn off the water when the dugouts are full. Ditchriders are not responsible for overtopping of dugouts.**
3. 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.
4. Please note that there will be no new water orders accepted after 12:00 NOON on Fridays to allow our ditch riders to manage the water appropriately for the week-ends.
5. 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.
6. 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.
7. The Three Year Plan for work to be done under the Irrigation Rehabilitation Program has been approved by Irrigation Council.
8. The UID Water License is designated for Agricultural Use and for specified Other Purposes: Any land reclassified to Recreational or other than Agricultural use could be subject to loss of water rights on those acres.
9. 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.
10. **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.”**
11. We want to thank our staff for another successful year in running water. They are doing a great job of managing the water in the District. Thank you to the Department of Agriculture and Forestry for the continued funding for 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.

**CROPS GROWN WITHIN THE UNITED IRRIGATION DISTRICT
2018**

| CROPS GROWN | EAST BLOCK | WEST BLOCK | TOTAL |
|--------------------|-------------------|-------------------|------------------|
| Barley | 2,179.10 | 2,533.04 | 4,712.14 |
| Hard Spring Wheat | 3,534.83 | 1,923.61 | 5,458.44 |
| Triticale | | 227.00 | 227.00 |
| Winter Wheat | 797.00 | | 797.00 |
| Durum Wheat | | 32.00 | 32.00 |
| Alfalfa 2 CUT | 1,071.18 | 2,291.19 | 3,362.37 |
| Alfalfa 3 CUT | 912.30 | 927.66 | 1,839.96 |
| Alfalfa Hay | 18.00 | 70.50 | 88.50 |
| Barley Silage | 662.46 | 992.56 | 1,655.02 |
| Oats Silage | | 135.00 | 135.00 |
| Alfalfa Silage | | 40.74 | 40.74 |
| Grass Hay | 385.50 | 627.66 | 1,013.16 |
| Green Feed | 72.20 | 415.58 | 487.78 |
| Native Pasture | 1,308.78 | 1,457.92 | 2,766.70 |
| Tame Pasture | 222.60 | 1,620.50 | 1,843.10 |
| Timothy Hay | 1,142.20 | 324.87 | 1,467.07 |
| Miscellaneous | 129.81 | 63.75 | 193.56 |
| Canola | 4,977.54 | 1,743.25 | 6,720.79 |
| Dry Peas | 1,298.95 | | 1,298.95 |
| Grass Seed | 144.00 | | 144.00 |
| Market Garden | 19.00 | | 19.00 |
| Potato | 3.00 | | 3.00 |
| Non crop | 3.72 | | 3.72 |
| TOTAL | 18,882.17 | 15,426.83 | 34,309.00 |

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

| IRP No. | Project Name | Estimated Expenditure | | | | Additional Years |
|---|--------------------------|-----------------------|---------------|---------------|---------------|------------------|
| | | By Construction Year | | | | |
| <u>Continuing Projects</u> | | Original | Year | Year | Year | (If Required) |
| Also include any Substantially Completed Projects** that will have funds expended for any final clean-up, etc. (Projects Already Approved by Irrigation Council) | | Approval Date | One* | Two | Three | |
| | | | 2019/20 | 2020/21 | 2021/22 | |
| 2298 | Lateral B8 | 11-Feb-16 | \$ 483,753.00 | \$ 155,867.00 | | \$ - |
| 2340 | Lateral F7 | 15-Feb-18 | \$ 10,000.00 | \$ 186,813.00 | \$ 342,680.00 | \$ 115,507.00 |
| | | | \$ - | \$ - | | |
| | | | \$ - | \$ - | | |
| | | | \$ - | \$ - | | |
| | | | | \$ - | | |
| <u>New Year One Projects</u> (Projects Not Yet Approved by Irrigation Council) | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| <u>Proposed Year Two Projects</u> (Projects Not Yet Approved by Irrigation Council) | | | | | | |
| 2353 | Lateral A1e | | | \$ 5,000.00 | \$ 5,000.00 | \$ 206,590.00 |
| 2354 | Lateral D1 | | | \$ 5,000.00 | \$ 5,000.00 | \$ 231,000.00 |
| | | | | | | |
| | | | | | | |
| <u>Proposed Year Three Projects (and beyond)</u> (Projects Not Yet Approved by Irrigation Council) | | | | | | |
| | Lateral F Drain Proposal | | | | | \$ 325,000.00 |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| Total Estimated Expenditures per Year | | | \$ 493,753.00 | \$ 352,680.00 | \$ 352,680.00 | \$ 878,097.00 |

UNITED IRRIGATION DISTRICT

Financial Statements

For the Year Ended December 31, 2018

| | |
|--|------|
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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, 2018, 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, 2018, 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. 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:

- 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.

INDEPENDENT AUDITOR'S REPORT

- 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 ACCOUNTANT

Hakon Skoien, CPA, CA

Cardston, Alberta

February 25, 2019

UNITED IRRIGATION DISTRICT
Statement of Financial Position as at December 31, 2018

| | <i>Ref.</i> | General Fund | District Capital | Irrigation Works | 2018 | 2017 |
|---|-------------|-----------------|---------------------|---------------------|---------------|---------------|
| ASSETS | | | | | | |
| CURRENT ASSETS | | | | | | |
| Cash and cash equivalents | 1 | \$ 529,155 | \$ 170,000 | \$ 2,213 | \$ 701,368 | \$ 875,664 |
| Accounts receivable | 2 | 15,645 | - | - | 15,645 | 14,949 |
| Inventory | 3 | 35,388 | - | - | 35,388 | 40,964 |
| Prepaid expenses and deposits | 4 | 14,725 | - | - | 14,725 | 13,951 |
| | 5 | 594,913 | 170,000 | 2,213 | 767,126 | 945,528 |
| INTERFUND RECEIVABLES (PAYABLES) (Note 13) | 6 | 267,950 | - | (267,950) | - | - |
| INVESTMENTS (Note 6) | 7 | 1,506,914 | - | - | 1,506,914 | 1,554,412 |
| PROPERTY AND EQUIPMENT (Note 7) | 8 | - | 622,377 | - | 622,377 | 478,562 |
| IRRIGATION WORKS (Note 10) | 9 | - | - | 13,909,699 | 13,909,699 | 13,774,509 |
| | 10 | \$ 2,369,777 | \$ 792,377 | \$ 13,643,962 | \$ 16,806,116 | \$ 16,753,011 |
| LIABILITIES AND FUND BALANCES | | | | | | |
| CURRENT LIABILITIES | | | | | | |
| Accounts payable and accrued liabilities | 11 | \$ 20,655 | \$ - | \$ - | \$ 20,655 | \$ 25,717 |
| Current portion of long-term debt (Note 11) | 12 | - | 47,078 | - | 47,078 | - |
| | 13 | 20,655 | 47,078 | - | 67,733 | 25,717 |
| LONG-TERM DEBT (Note 11) | 14 | - | 141,235 | - | 141,235 | - |
| | 15 | 20,655 | 188,313 | - | 208,968 | 25,717 |
| FUND BALANCES | | | | | | |
| Unrestricted net assets | 16 | 2,349,122 | - | - | 2,349,122 | 2,276,483 |
| Internally restricted (Note 8) | 17 | - | 170,000 | - | 170,000 | 170,000 |
| Net assets invested in property and equipment | 18 | - | 434,064 | - | 434,064 | 478,562 |
| Irrigation works fund (Note 9, Schedule 3) | 19 | - | - | (265,737) | (265,737) | 27,740 |
| Equity in irrigation works | 20 | - | - | 13,909,699 | 13,909,699 | 13,774,509 |
| | 21 | 2,349,122 | 604,064 | 13,643,962 | 16,597,148 | 16,727,294 |
| | 22 | \$ 2,369,777 | \$ 792,377 | \$ 13,643,962 | \$ 16,806,116 | \$ 16,753,011 |

Chairman

Director

UNITED IRRIGATION DISTRICT
Statement of Operations and Changes in Fund Balances
For the Year Ended December 31, 2018

| | <i>Ref.</i> | General Fund | District Capital | Irrigation Works | 2018 | 2017 |
|--|-------------|-----------------|---------------------|---------------------|---------------|---------------|
| REVENUE | | | | | | |
| WATER EARNINGS | | | | | | |
| Irrigation rates, net (Note 12) | 1 | \$ 408,145 | \$ - | \$ - | \$ 408,145 | \$ 391,754 |
| Conveyance of commercial water | 2 | 18,169 | - | - | 18,169 | 16,829 |
| Conveyance of agricultural domestic water | 3 | 3,565 | - | - | 3,565 | 2,900 |
| Annual acre agreements | 4 | 4,350 | - | - | 4,350 | - |
| Penalties | 5 | 477 | - | - | 477 | 520 |
| | 6 | 434,706 | - | - | 434,706 | 412,003 |
| INVESTMENT INCOME | 7 | 69,107 | - | 4,445 | 73,552 | 72,510 |
| UNREALIZED GAIN (LOSS) ON INVESTMENTS | 8 | (101,119) | - | - | (101,119) | 18,378 |
| GAIN ON DISPOSAL OF PROPERTY AND EQUIPMENT | 9 | - | 14,079 | - | 14,079 | 1,708 |
| IRRIGATION WORKS FUND REVENUE | 10 | - | - | 370,315 | 370,315 | 499,595 |
| OTHER | 11 | 80,381 | - | - | 80,381 | 7,552 |
| | 12 | 483,075 | 14,079 | 374,760 | 871,914 | 1,011,746 |
| EXPENDITURES | | | | | | |
| OPERATING EXPENDITURES (Schedule 1) | 13 | 286,997 | - | - | 286,997 | 379,389 |
| AMORTIZATION | 14 | - | 58,577 | 656,486 | 715,063 | 718,767 |
| PROVISION FOR IRRIGATION WORKS | 15 | 123,438 | - | (123,438) | - | - |
| | 16 | 410,435 | 58,577 | 533,048 | 1,002,060 | 1,098,156 |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES | 17 | 72,640 | (44,498) | (158,288) | (130,146) | (86,410) |
| FUND BALANCE, beginning of year | 18 | 2,276,482 | 648,562 | 13,802,250 | 16,727,294 | 16,813,704 |
| INTERFUND TRANSFERS | 19 | - | - | - | - | - |
| FUND BALANCE, end of year | 20 | \$ 2,349,122 | \$ 604,064 | \$ 13,643,962 | \$ 16,597,148 | \$ 16,727,294 |

UNITED IRRIGATION DISTRICT

Statement of Cash Flows

For the Year Ended December 31, 2018

| | 2018 | 2017 |
|--|--------------------|-------------------|
| CASH PROVIDED BY (USED IN): | | |
| OPERATING ACTIVITIES | | |
| Excess (deficiency) of revenue over expenditures | \$ (130,146) | \$ (86,410) |
| Items not involving cash: | | |
| Amortization | 715,063 | 718,767 |
| Unrealized (gain) loss on fair value change in investments | 101,119 | (18,378) |
| (Gain) loss on sale of property and equipment | (14,079) | (1,708) |
| | <u>671,957</u> | <u>612,271</u> |
| Net change in non-cash working capital balances | | |
| Accounts receivable | (696) | (8,851) |
| Inventory | 5,576 | (2,754) |
| Prepaid expenses | (774) | (185) |
| Accounts payable and accrued liabilities | (5,062) | 5,572 |
| | <u>671,001</u> | <u>606,053</u> |
| INVESTING ACTIVITIES | | |
| Purchase of investments | (53,621) | (60,334) |
| Proceeds on disposal of property and equipment | 55,000 | 15,238 |
| Purchase of property and equipment | (243,314) | (34,000) |
| Purchase of irrigation works | (791,675) | (401,650) |
| | <u>(1,033,610)</u> | <u>(480,746)</u> |
| FINANCING ACTIVITIES | | |
| Proceeds from loans - District Capital | <u>188,313</u> | - |
| | <u>188,313</u> | - |
| NET INCREASE (DECREASE) IN CASH | (174,296) | 125,307 |
| CASH, beginning of year | <u>875,664</u> | <u>750,357</u> |
| CASH, end of year | <u>\$ 701,368</u> | <u>\$ 875,664</u> |
| SUPPLEMENTARY CASH FLOW INFORMATION | | |
| Operating activities include the following: | | |
| | 2018 | 2017 |
| Interest received | <u>\$ 37,558</u> | <u>\$ 33,457</u> |

UNITED IRRIGATION DISTRICT

Notes to Financial Statements

For the Year Ended December 31, 2018

1. Nature of Operations

The United Irrigation District (the "District"), an organization which operates under the authority of the Irrigation Districts Act of the Province of Alberta and as such is exempt from income tax, operates and maintains the irrigation system to distribute water to water rate payers in the Glenwood and Hill Spring areas.

2. Summary of Accounting Policies

a. *Basis of Presentation*

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO), *CICA 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.

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 the assets, investments, liabilities, revenues, and expenses related to the District's internally restricted capital assets.

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 Province of Alberta contributes 75% of expenditures approved by the Irrigation Council and the District contributes 25%.

c. *Revenue Recognition*

Water rates are recognized when the service is provided.

Maintenance and charge out fees are recognized as revenue in the year to which they relate. Other income is recognized when the amount can be reasonably estimated and collection is reasonably assured.

Government contributions to the irrigation works fund are recognized when the district has transferred its 25% share of costs into the fund and received the 75% matching contribution from the government. The provision for irrigation works reflects the district's 25% share of costs for the construction of irrigation works.

d. *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, 2018

2. Summary of Accounting Policies (continued)

e. *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. 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.

Irrigation works additions are capitalized at cost and government approved rates for equipment, labor and overhead charges.

f. *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 frequently from being positive to overdrawn.

g. *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.

h. *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.

UNITED IRRIGATION DISTRICT

Notes to Financial Statements

For the Year Ended December 31, 2018

2. Summary of Accounting Policies (continued)

i. *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, 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,

j. *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, 2018

3. Economic Dependence

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

4. 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 (Note 6).

5. 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.

6. Investments

| | 2018 | 2017 |
|---------------------------|---------------------|---------------------|
| GIC | 93,443 | - |
| Preferred shares | 238,234 | 260,564 |
| Principal protected notes | 130,021 | 208,528 |
| Mutual funds | 1,036,580 | 1,076,684 |
| | <u>1,498,278</u> | <u>1,545,776</u> |
| Patronage reserves | 8,636 | 8,636 |
| | <u>\$ 1,506,914</u> | <u>\$ 1,554,412</u> |

The book value of investments is \$1,447,946 (2017 - \$1,403,949).

UNITED IRRIGATION DISTRICT

Notes to Financial Statements

For the Year Ended December 31, 2018

7. Property and Equipment

| | 2018 | | | 2017 |
|------------------------|---------------------|-----------------------------|-------------------|-------------------|
| | Cost | Accumulated Amortization | Net | Net |
| Land | \$ 13,666 | \$ - | \$ 13,666 | \$ 13,666 |
| Buildings | 137,165 | 106,955 | 30,210 | 31,800 |
| Power equipment | 931,911 | 461,199 | 470,712 | 307,104 |
| General equipment | 78,236 | 61,796 | 16,440 | 18,266 |
| Trucks | 489,720 | 402,267 | 87,453 | 102,886 |
| Furniture and fixtures | 15,722 | 14,125 | 1,597 | 1,775 |
| Computer equipment | 15,064 | 12,765 | 2,299 | 3,065 |
| | <u>\$ 1,681,484</u> | <u>\$ 1,059,107</u> | <u>\$ 622,377</u> | <u>\$ 478,562</u> |

8. Internally Restricted District Capital Funds

The Board has internally restricted funds for District Capital purchases of equipment and rehabilitation of irrigation works. These funds are not available for general purposes without approval of the Board of Directors.

9. Externally Restricted Irrigation Works Funds

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 projects approved by the Irrigation Council. Funding is shared between the District and Province as explained in Note 2.

10. 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.

| | 2018 | | | 2017 |
|------------------|---------------------|-----------------------------|---------------------|---------------------|
| | Cost | Accumulated Amortization | Net | Net |
| Irrigation Works | <u>\$27,598,729</u> | <u>\$13,689,030</u> | <u>\$13,909,699</u> | <u>\$13,774,509</u> |

UNITED IRRIGATION DISTRICT

Notes to Financial Statements

For the Year Ended December 31, 2018

11. Long-term Debt

| | 2018 | 2017 |
|--|-------------------|-------------|
| John Deere Canada fixed rate instalment contract, bearing interest at 0%, repayable in equal, annual, principal only payments of \$47,078, with the first payment due March 1, 2019 and the last payment due March 1, 2022. Loan is secured by specified equipment with a net book value of \$231,147. | \$ 188,313 | \$ - |
| Less: current portion | 47,078 | - |
| | <u>\$ 141,235</u> | <u>\$ -</u> |

12. Irrigation Rates

Irrigation rates, net, consist of:

| | 2018 | 2017 |
|---|-------------------|-------------------|
| 32,952 acres @ \$12.00 per acre (2017 - 33,043 acres @ \$11.50 per acre) | \$ 395,423 | \$ 379,961 |
| 479 acres @ \$13.50 per acre, terminable (2017 - 479 acres @ \$13 per acre) | 6,464 | 6,225 |
| 879 acres; minimum charge @ \$290 per parcel (2017 - 864 acres @ \$275 per parcel) | 24,360 | 23,100 |
| 34,309 acres (2017 - 34,386 acres) | 426,247 | 409,286 |
| Discounts | (18,102) | (17,532) |
| | <u>\$ 408,145</u> | <u>\$ 391,754</u> |

13. Interfund Balances

Interfund balances are for District funds spent on approved rehabilitation projects to be funded through subsequent year's IRP funding. These balances are unsecured, non-interest bearing, with no set terms of repayment.

14. Approval of Financial Statements

The Board of Directors and management of the United Irrigation District approved these financial statements on February 25, 2019.

UNITED IRRIGATION DISTRICT**Schedule of Operating Expenditures
For the Year Ended December 31, 2018**

Schedule 1

| | 2018 | | | 2017 | |
|--|--------------------------|------------------|----------------------------|-------------------|-------------------|
| | Operations & Maintenance | Water Delivery | Administration and General | Total | Total |
| EXPENDITURES | | | | | |
| Salaries | \$ 157,611 | \$ 62,651 | \$ 133,408 | \$ 353,670 | \$ 341,216 |
| Fuel | 37,086 | | | 37,086 | 24,888 |
| Materials and supplies | 25,480 | | 3,678 | 29,158 | 79,742 |
| Insurance | | | 21,502 | 21,502 | 20,684 |
| Association fees, dues | | | 13,529 | 13,529 | 13,604 |
| Equipment maintenance | 29,531 | | | 29,531 | 31,222 |
| Board of Directors - fees and expenses | | | 13,770 | 13,770 | 13,387 |
| Travel expenses | | 21,600 | 1,983 | 23,583 | 20,600 |
| Professional fees | | | 9,225 | 9,225 | 8,626 |
| Office | | | 12,927 | 12,927 | 13,622 |
| Utilities | | | 4,944 | 4,944 | 4,208 |
| Miscellaneous | | | 81,954 | 81,954 | 6,323 |
| Conferences | | | 1,021 | 1,021 | 2,177 |
| Telephone | | 240 | 2,363 | 2,603 | 2,513 |
| Advertising and promotions | | | 333 | 333 | 705 |
| | 249,708 | 84,491 | 300,637 | 634,836 | 583,517 |
| RECOVERIES | | | | | |
| Equipment pool recoveries | (234,173) | | | (234,173) | (102,095) |
| Labor recovery - construction | (40,340) | | | (40,340) | (10,469) |
| Overhead | (24,204) | | | (24,204) | (6,281) |
| Custom work | (49,122) | | | (49,122) | (85,283) |
| | (347,839) | - | - | (347,839) | (204,128) |
| TOTAL 2018 | \$ (98,131) | \$ 84,491 | \$ 300,637 | \$ 286,997 | \$ - |
| TOTAL 2017 | \$ 39,723 | \$ 90,505 | \$ 249,161 | - | \$ 379,389 |

UNITED IRRIGATION DISTRICT

Schedule of Irrigation Works Expenditures

For the Year Ended December 31, 2018

Schedule 2

| | 2018 | | | 2017 |
|------------------------------------|----------|------------------------|------------|------------|
| | District | Province of Alberta | Total | Total |
| EXTERNAL GOODS AND SERVICES | | | | |
| Materials and supplies | \$ - | \$ 433,914 | \$ 433,914 | \$ 250,805 |
| Contract services - engineering | - | 45,741 | 45,741 | 29,459 |
| Miscellaneous | - | 13,303 | 13,303 | 2,541 |
| | - | 492,958 | 492,958 | 282,805 |
| INTERNAL GOODS AND SERVICES | | | | |
| Equipment pool recoveries | - | 234,173 | 234,173 | 102,095 |
| Labor recovery - construction | - | 40,340 | 40,340 | 10,469 |
| Overhead | - | 24,204 | 24,204 | 6,281 |
| | - | 298,717 | 298,717 | 118,845 |
| TOTAL 2018 | \$ - | \$ 791,675 | \$ 791,675 | \$ - |
| TOTAL 2017 | \$ - | \$ 401,650 | - | \$ 401,650 |

UNITED IRRIGATION DISTRICT

Schedule of Changes in Fund Balance - Irrigation Works Fund

For the Year Ended December 31, 2018

Schedule 3

| | 2018 | | | 2017 |
|--|-----------|------------------------|--------------|--------------|
| | District | Province of Alberta | Total | Total |
| FUND BALANCE, beginning of year | \$ - | \$ 27,740 | \$ 27,740 | \$ (244,677) |
| ADDITIONS: | | | | |
| Contribution from Province of Alberta | - | 370,315 | 370,315 | 499,595 |
| Interest earned | - | 4,445 | 4,445 | 2,185 |
| Other contributions | - | - | - | 5,755 |
| Contributions for irrigation works | 123,438 | - | 123,438 | 166,532 |
| Transfer to Cost-sharing | (123,438) | 123,438 | - | - |
| | - | 498,198 | 498,198 | 674,067 |
| DEDUCTIONS: | | | | |
| Irrigation works expenditures (Schedule 2) | - | 791,675 | 791,675 | 401,650 |
| FUND BALANCE, end of year | \$ - | \$ (265,737) | \$ (265,737) | \$ 27,740 |