

# Eastern Irrigation District

2008  
Annual  
Report





# 2008

## Annual Report

For 9 Months Ending:  
September 30, 2008

# NOTICE OF ANNUAL MEETING

### TAKE NOTE

that the annual meeting of the irrigators of the Eastern Irrigation District will be held on **Wednesday, March 18<sup>th</sup>, 2009 at 1:30** in the afternoon at the Heritage Inn, 1217 2nd Street West Brooks, Alberta.

Eastern Irrigation District  
P.O. Bag 8  
550 Industrial Road  
Brooks, Alberta T1R 1B2  
Canada

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E-mail: [eid@eid.ab.ca](mailto:eid@eid.ab.ca)



The Eastern Irrigation District (EID) operates an extensive water supply, storage and drainage network. Water diverted from the Bow River at the Bassano Dam provides water for:

- Irrigated agriculture
- Household and livestock water uses
- Municipal and industrial water requirements
- Many recreational needs and enhanced environmental conditions

The EID was organized under Alberta legislation in 1935. The formation of the District made it possible for the irrigators to take over the irrigation project started by the Canadian Pacific Railway Company in the early 1900's. The vision of these early settlers and agricultural entrepreneurs has created a long-lasting and positive legacy for the region.

The EID is governed by a Board of Directors, elected from and by the irrigators in the District. The main office of the District is located in the City of Brooks.

In addition to the water management functions of the District, the EID owns and is responsible for the operation and management of large tracts of native and improved pasture lands. These lands are primarily used in support of the beef cattle industry.

The management of water and land resources is conducted with an integrated and sustainable approach. This approach allows the District and these important natural resources to act as a catalyst to support important regional economic development initiatives.

In the truest sense, water is more than agriculture. The Eastern Irrigation District is a place where **"WATER WORKS WONDERS"**.

For more information about the Eastern Irrigation District, please visit our web site at: [http:// www.eid.ab.ca](http://www.eid.ab.ca)

## Notice: Change of Year End

During the current fiscal period, the District's Board of Directors approved a change of year end to September 30. The Statement of Operations and Changes in Fund Balances and the Statement of Cash Flows show the nine months ended September 30, 2008 as compared to the 12 months ended December 31, 2007.

## 2008 Board of Directors



Bob Chrumka (Chairman)  
Division 6



Floyd George  
Division 1



Tom Livingston  
Division 2



Clint Henrickson  
Division 3



Neil Johnson  
Division 4



Allen Nielsen (Vice-Chair)  
Division 5



Pat Hemsing  
Division 7



Bassano Dam

## Eastern Irrigation District

## Board of Directors

Members of the Board of Directors are elected by the irrigators. The Eastern Irrigation District has adopted a practice of staggered elections, in which two directors are elected in one year, two directors are elected the next year and three directors are elected in the following year. This method of elections provides for long-term stability in the governance, administration and operation of the District.



Bob Chrumka (Chairman)  
Division 6

## Chairman and Board of Directors Report

**"...the District  
will continue  
to promote  
efficiencies on  
farms and within  
our conveyance  
system."**

**T**here have been many changes and new opportunities that have been entertained by the District in 2008.

The Financial Year End has been changed from December 31<sup>st</sup> to September 30<sup>th</sup>. This change was made to allow more time to complete the financial audit with its escalating criteria and have the annual report delivered to the Water Users in the early spring. The review process has, over the past few years, become an ever increasing work load for District Staff and the external auditors, thus the Board made the change to allow time for this exercise to be completed. The change will also cater to the recording of the rehabilitation process as it will more accurately reflect the season that the reconstruction occurs.

With the overwhelming success of the Rolling Hills Reservoir Campground and the popularity of the camping lifestyle, the Board has explored other options within the District. The increasing amounts of random camping in and around Crawling Valley combined with the challenges that the group running the current campground faced, has allowed the opportunity for the District to step in and help to provide another recreational area for all to enjoy. The EID will refurbish and expand the campground on the south end of Crawling Valley with the construction having started in the fall of 2008.

As we introduce and supply varied recreation options on and around our water storage reservoirs, safety on these water bodies is always of concern. To help address some of these issues, the EID has partnered with the County and City of Brooks in providing a rescue boat for our regional safety services. The District will purchase the watercraft with the County and City providing the funding for operating, maintenance and the training required by regional safety personnel.

The relationship between Ducks Unlimited Canada and the Eastern Irrigation District was bolstered with the District committing to a 5 year, \$50,000 pledge. These monies will be used to underwrite the costs of their fundraising banquet so that monies raised at this event can be steered directly into wetland projects. The District has enjoyed and benefited from a 65 year association with Ducks Unlimited and we expect that this will continue well into the future.



Sailing Regatta on Lake Newell



An agreement between the Eastern Irrigation District, County of Newell, City of Brooks, Kinsmen Club, and Silver Sage Agricultural Society will see the rodeo grounds moved to a new location on District lands south of the new regional arena. The area will eventually contain the rodeo infield, chuck wagon track, space to hold a large midway, an area for stock contractors and contestants, a fireworks launch area and plenty of parking for RVs and other vehicles.

Water conservation methods that we have adopted, along with irrigation parcel transfers enabled 7 new, District land parcels complete with water rights to be made available. The majority of these lands are situated in Scandia and Rainier areas of the District where without the implementation of current water management methods, these new developments and expansion to existing parcels, would have never been possible.

A process was implemented to renew the private grazing leases. There were 3 options available to current lease holders. The 1<sup>st</sup> option was to give up all rights to the lease and have the District bid the lease amongst all eligible water users.

The 2<sup>nd</sup> option was to renew for 15 years, transferable only within the family unit and the lease going up for bid upon expiration, with no further rights or options extended.

The 3<sup>rd</sup> option was to put the lease up for bid in the fall of 2008 with the right to match the highest bid. These leases once bid carried a 15 year lifespan with the option to renew upon expiration for a further 15 years, and are transferable to any other eligible water user.

Through this process there was only 1 lessee that chose option 1, 52 lessees chose option 2 and 22 lessees bid their leases. All of the bids that were received were matched and the leases were renewed by the previous lease holders.

The land claim agreement on the riverbed under the Bassano Dam is very close to being signed. This agreement between the EID, the Federal Government, the Province and the Siksika Nation will enable the District to continue to operate the dam with all the confidence that we have benefited from in the past.

Swainson's Hawk Nesting on a Pivot Tower



Bassano Dam High Flows





The Board of Directors on behalf of the District developed a Scholarship Program to recognize the young adults in our area and assist with the financial demands of obtaining post secondary education. The District requires trained professionals to carry out our operations and we do hope that by helping to fund some of the training expenses, we may create an interest in exploring our employment opportunities. At a reception in December there were 19 bursaries of \$2,000 presented to students in post secondary and 2 bursaries of \$1,000 presented to apprentice students.



**Standing:** Allison Rosland, Elissa Reule, Shelby Hauck, Stephen Lester, Zacharie Martin, Megan Baron, Jenna Barlow, Lisa Graham, Tom Ovinge, Marshall Koza.  
**Sitting:** Catherine Graham, Marlee Takeda, Sarah Dalla Vicenza, Jenni Annicchiarico, Danielle Christensen, Laura Christensen, Katherine Nesbitt, Rachelle Nelson.



Desirae Hemsing, Erin Howard



Neal Philipsen

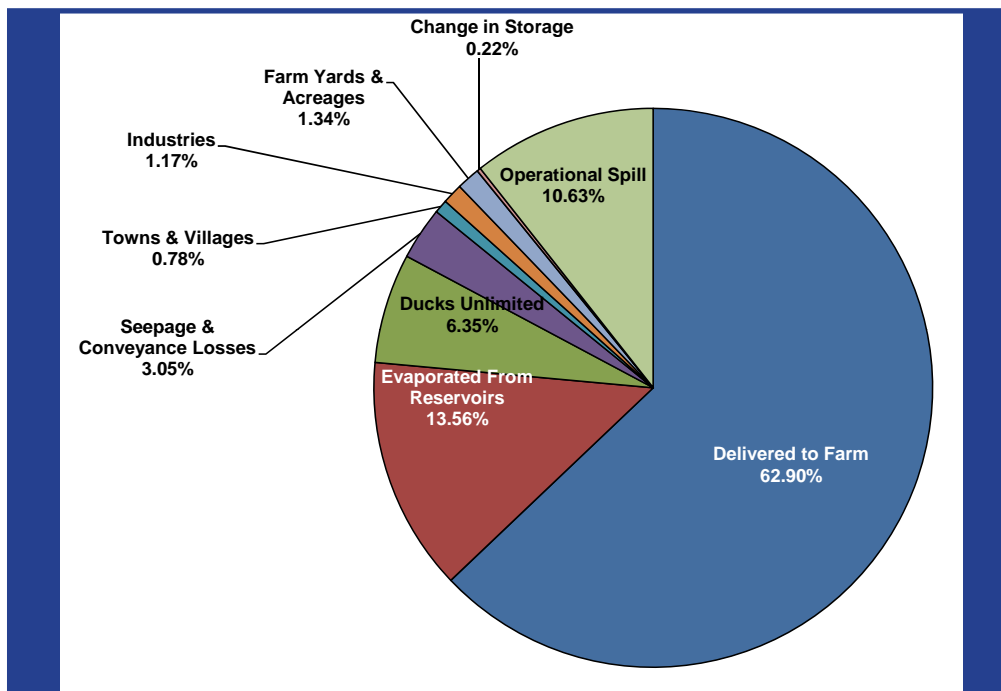
## EID 2008 Scholarship Recipients

As we look towards the future there is definitely pressure on our water supply. In protecting and justifying our use of this valuable resource the District will continue to promote efficiencies on farms and within our conveyance system. Research of newer methods and measurement of current designs will definitely remain in the forefront as we head into 2009.

*Respectfully submitted on behalf of the Board of Directors by:*  
**Bob Chrumka, Board Chairman**

**W**ith lots of spring rains in May and June the irrigation demand was quite low until July. We diverted 409,400 acre feet between April 14th and October 10th; this includes the water we diverted for ourselves as well as that we diverted and conveyed for the other 46 license holders that we deliver to.

Water Balance (acre-feet)		
	2008	2007
<b>Diversion</b>	<b>409,400</b>	<b>417,830</b>
Delivered to Farm	257,500	233,000
Evaporated From Reservoirs	55,500	71,500
Ducks Unlimited	26,000	30,000
Seepage and Conveyance Losses	12,500	15,000
City, Towns and Villages	3,200	4,000
Industries	4,800	5,000
Farm Yards and Acreages	5,500	7,000
Change in Storage	900	
Operational Spill	43,500	52,330
<b>Measured Return Flow</b>	<b>97,440</b>	<b>83,450</b>
Operation	43,500	52,330
Farm Spill and Run Off	53,940	31,120



We ended the year with firm live storage of 243,000 acre feet in our reservoirs (normal winter levels).

*Continued on page 6*



Earl Wilson  
(General Manager)

## General Manager's Report

**"In the last 6 years we have seen the number of acres being irrigated by low pressure pivot increase from 86,000 to 129,021."**





We continued with our Farm Improvements incentive program that rewards farms for conserving water both financially and by being able to expand their irrigation acres. In 2008, (60) grants were approved by the Board totaling \$278,500. The majority of these (49) were for converting to low pressure pivots.

We added 886 new acres to the assessment roll in 2008. 407 new acres were added below Lake Newell, 38 new acres were added below Crawling Valley. 458 acres were added to existing parcels through efficiencies made by converting to a more efficient method of irrigation, 267 acres were added to new parcels through efficiencies made with pipelines, etc., 94 acres were converted to rural water use agreements and 131 acres were purchased back by the District.

The District made improvements to control structures on drains or extended pipelines allowing the conversion of 1,706 acres from terminable to irrigable.

In the last 6 years we have seen the number of acres being irrigated by low pressure pivot increase from 86,000 to 129,021; while the number of acres being irrigated by wheels or flood have dropped (see table below). These changes have saved us approximately 8,000 acre feet of water, more than the

### Method of Irrigation: 2008

As of End of 2008 Water Delivery Season

Low Pressure Pivot	129,021 Ac.	45.22%
High Pressure Pivot	36,863 Ac.	12.92%
Wheel Move	36,460 Ac.	12.78%
Other Sprinkler	997Ac.	0.35%
Flood Irrigation (Leveled)	67,147 Ac.	23.54%
Flood Irrigation (Not Leveled)	14,817 Ac.	5.19%

*Note: percentages shown are the percentage of total irrigation.*

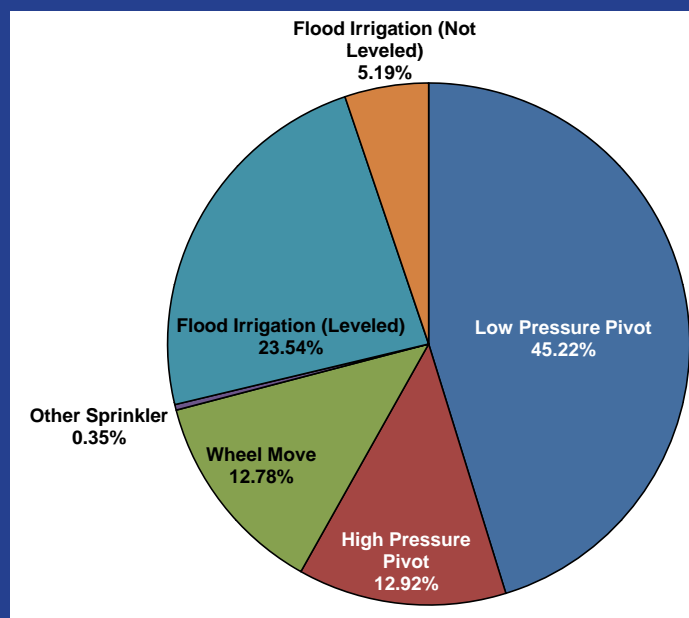
### Method of Irrigation: 2002

As of End of 2002 Water Delivery Season

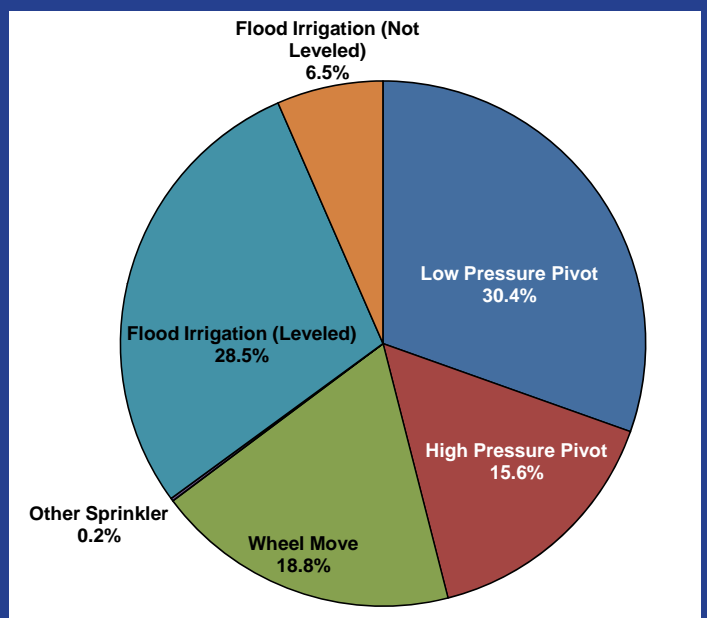
Low Pressure Pivot	86,000 Ac.	30.4%
High Pressure Pivot	44,000 Ac.	15.3%
Wheel Move	53,000 Ac.	18.8%
Other Sprinkler	500 Ac.	0.2%
Flood Irrigation (Leveled)	80,500 Ac.	28.5%
Flood Irrigation (Not Leveled)	18,500 Ac.	6.5%

*Note: percentages shown are the percentage of total irrigation.*

### Acres By Irrigation Method: 2008



### Acres By Irrigation Method: 2002





*Continued from page 5*

total increase in assessment in that time. Because of these efficiency gains, the District accepted applications for new parcels of irrigation in all parts of the District (not just below Newell or Crawling Valley). We received 65 applications for a total of 5,700 acres. 3,300 acres were given conditional approval, some for 2009 and some in 2010. These applications were reviewed and approved under a criteria that favours existing parcels, good soils and the most efficient system, both on farm and in our delivery system.

The District transferred water from some of its pasture land onto 3 quarters and used some of the water efficiencies gained from pipelining to develop 5 parcels of District lands. These lands were put up for bid by live auction; only EID water users were allowed to bid and were limited to one parcel each. These parcels were leased for 10 years with the lease holder having the option to convert the lease to a sale at the end of the lease. The lease holder pays 7% of the bid price as the annual lease payments, with 2% of the bid price applying to the purchase. The 5 parcels that sold ranged in price from \$285,000 to \$367,000.

The community pasture had another good grass year. A total of 15,310 head (50 head per member) were turned out in May and stayed out until October 25th. There is good carry over grass, however we will need some runoff to fill the dugouts for 2009.

There were 229 new oil & gas leases taken in 2008 and 110 additional wells drilled on existing leases. This brings the total number of wells on EID land to 10,253 on 8,242 leases.

The District had 2 employees, Wayne Bunney and Lloyd Cook, retire in 2008. Bryan Shepherd, Donna Bobinski and Jesse Odland left the District. I am pleased to welcome Jay Metheral, Peter Thiessen, Dan Olson, Ronan Moen and Anita Evison to the EID.

*Respectfully submitted by:*  
*Earl Wilson, General Manager*



New Cast-in-Place Structure  
North Branch Canal

## General Manager's Report



**2008 Eastern Irrigation District Long Term Service Awards (L to R)**  
Carol Philpott (15 Years), Lorna Smith (10 Years), Vic Getz (25 Years),  
Pat Shepherd (20 Years), Alex Bischke (25 Years), Missing: Dirk Senneker (20 Years)



Cast-in-Place Structure  
on Springhill Canal



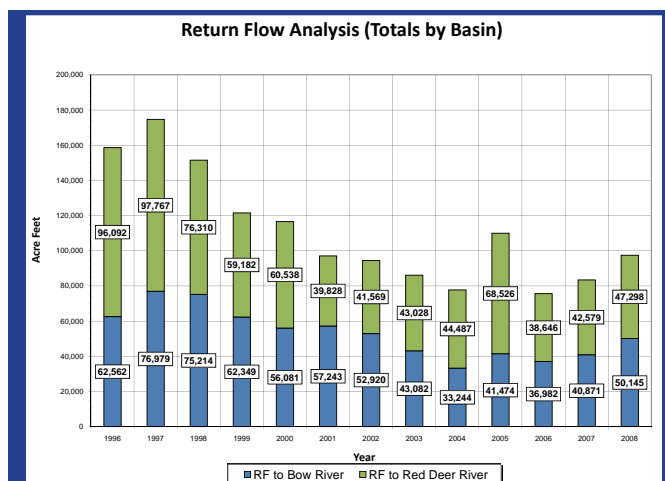
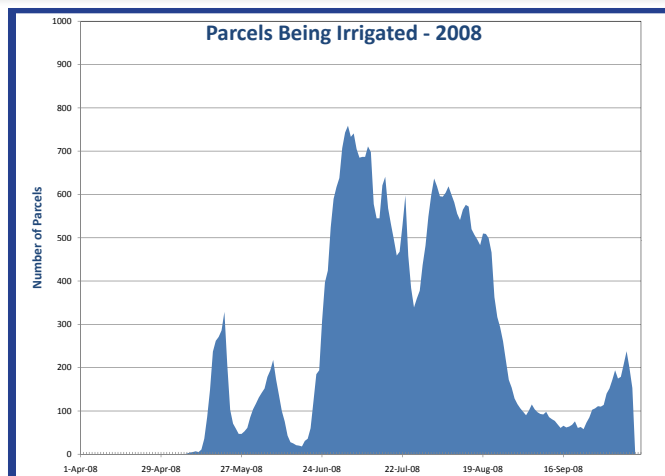
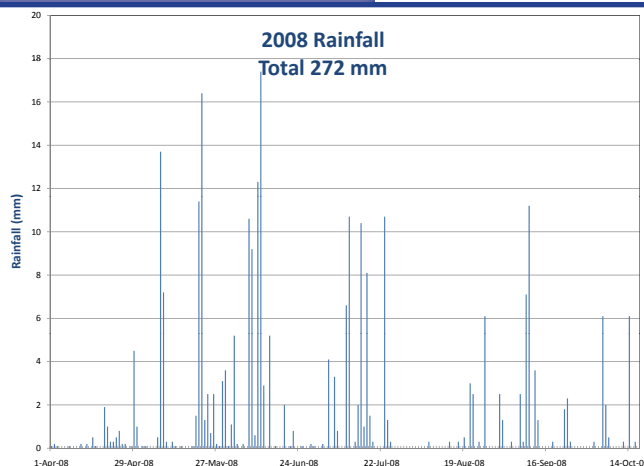
PHD Tree Planting Project

# Crop and Irrigation Statistics

## 2008 System Water Delivery Summary

As of End of 2008 Water Delivery Season

Block	Irrigated Area (ac.)	Volume Delivered (ac-ft)	Water Use/Acre (ac-ft/ac)
D1 (Leland)	20,016	16,749.74	0.84
D2 (Kroschel)	14,660	13,789.63	0.94
D3 (Senneker)	15,484	18,258.76	1.18
D4 (Slomp)	19,354	17,101.04	0.88
D5 (Tryhorn)	14,010	15,715.46	1.12
E1 (Marshall)	17,638	12,407.84	0.70
E2 (Wirachowsky)	20,867	12,372.77	0.60
E3 (Boettcher)	12,971	12,474.80	0.96
E4 (Getz)	15,850	12,149.47	0.77
S1 (Syvret)	14,951	12,439.83	0.83
S2 (Currie)	15,882	14,707.33	0.91
S3 (Thiessen)	22,175	18,140.13	0.82
S5 (Bobinski)	13,458	11,124.78	0.83
S6 (Canning)	15,773	13,728.50	0.87
S7 (Cleland)	17,902	21,243.36	1.19
S8 (Olund)	19,093	19,173.02	1.00
S9 (Stout)	15,221	21,363.13	1.40
<b>Totals:</b>	<b>285,305</b>	<b>262,939.59</b>	<b>0.92</b>





## 2008 Crop Summary

Crop Class	Crop Type	Acres	Crop Class	Crop Type	Acres
Forage Crops	Alfalfa 2 <sup>nd</sup> Cut	46,945	Cereals	Barley	22,585
	Alfalfa 3 <sup>rd</sup> Cut	2,999		CPS Wheat	4,372
	Alfalfa Hay	1,005		Durum Wheat	3,446
	Alfalfa Silage	3,839		Grain Corn	1,065
	Barley Silage Under Seed	431		Hard Spring Wheat	40,954
	Barley Silage	3,429		Malt Barley	97
	Brome Hay	143		Oats	1,875
	Corn Silage	7,412		Rye	1,067
	Grass Hay	6,799		Soft Wheat	492
	Green feed	3,429		Triticale	3,342
	Millet	260		Winter Wheat	661
	Native Pasture	2,715	<b>Total Cereal Crops</b>		<b>79,956</b>
	Oats Silage	610	Specialty Crops	Alfalfa Seed	13,144
	Sorghum Sudan Grass	4,820		Carrots	50
	Tame Pasture	52,351		Dry Beans	1,682
	Timothy Hay	2,557		Dry Peas	1,073
<b>Total Forages</b>		<b>139,744</b>		Grass Seed	497
Oil Seeds	Canola	31,222		Hemp	350
	Flax	5,413		Lentils	248
	Hyola	2,751		Market Gardens	191
	Mustard	202		Nursery	453
<b>Total Oil Seeds</b>		<b>39,588</b>		Potato	2,504
Non Irrigated	Miscellaneous			Seed Potatoes	100
	Non-Crop	1,046		Soy Beans	359
	Summer Fallow	3,568		Sugar Beets	189
<b>Total Non-Irrigated</b>		<b>4,614</b>	<b>Total Specialty Crops</b>		<b>21,403</b>

### Total of All Crops (Acres)

As of End of 2008 Water Delivery Season

Summary	Forage Crops	139,744
	Cereals	79,956
	Oil Seeds	39,588
	Specialty Crops	21,403
	Non-Irrigated	4,614
<b>Total:</b>		<b>285,305</b>



# Maintenance of Irrigation Works



Screen Cleaner: 16 Springhill

Maintenance Item	2004	2005	2006	2007	2008	Average
Canal cleaning, bank leveling and seeding	25 km	10 km	15 km	10 km	12 km	9.8 km
Drain cleaning, bank leveling and seeding	15 km	15 km	17 km	24 km	18 km	17.8 km
Drain and canal clipping	86 km	124 km	104 km	139 km	130 km	116.6 km
Drain relocations	2 km	3 km	3 km	10 km	3 km	4.2 km
Gravel armour placed on canal side-slopes	3 km	1 km	4.2 km	3.2 km	1 km	2.48 km
Gravel placed on canal banks	45 km	30 km	56 km	26 km	76 km	46.6 km
Canals fenced	6 km	10 km	12 km	5 km	4 km	7.4 km
Chemical weed control on canal banks	1,972 km	1,521 km	1,495 km	1,646 km	1,476 km	1,622 km
Mowing of canal banks	520 km	370 km	460 km	510 km	590 km	490 km
Canal liner installed	1 km	0 km	0 km	2 km	0 km	0.6 km
Road crossing repairs and replacements	6	11	15	17	4	11
Replacement of farm turnouts	14	11	5	7	8	9
Flood well to riser conversions (on pipelines)	18	9	21	23	21	18

Maintenance Cost	2004	2005	2006	2007	2008	Average
Heavy equipment	\$931,596	\$939,015	\$1,336,480	\$1,091,775	\$954,114	\$1,050,596
Labour	\$651,521	\$641,611	\$620,891	\$681,863	\$586,281	\$636,433
Materials (culverts, gates, fence posts, etc.)	\$170,560	\$206,652	\$286,060	\$237,224	\$216,157	\$223,331
Chemical for broad leaf weed control	\$48,093	\$51,298	\$51,273	\$63,396	\$65,239	\$55,860
Vehicles	\$140,400	\$140,400	\$158,400	\$187,200	\$140,400	\$153,360
Repairs to pump stations and control structures	\$43,992	\$12,712	\$86,476	\$68,472	\$102,542	\$62,839
Maintenance of buildings and grounds	\$16,424	\$18,844	\$20,517	\$35,736	\$11,546	\$20,613
<b>Total Costs:</b>	<b>\$2,002,586</b>	<b>\$2,010,532</b>	<b>\$2,560,097</b>	<b>\$2,365,666</b>	<b>\$2,076,279</b>	<b>\$2,203,032</b>



## 2008 Rehabilitation

The District continued with its aggressive rehabilitation plan which has been fairly consistent the last number of years. Thirteen (13) large scale projects were completed in 2008 and 14 new projects are being constructed in the fall of 2008/spring 2009 construction period. With infrastructure prices moderating the District chose to put out 4 tenders (some of which are part of much larger projects) for the fall 2008/spring 2009 construction period, and the remaining projects are being constructed with District equipment and crews. The District will continue to monitor construction costs, but everything is indicating a competitive market place. With many of our large systems that can be pipelined complete, our 2009 rehabilitation plan begins to focus on our drainage infrastructure.

### Irrigation Rehabilitation Program (IRP)

This is an Alberta Government sponsored program for irrigation districts in southern Alberta. It is a cost shared program based on a 75:25 cost sharing agreement.

In 2009 the Province provided \$5,634,287 (75%) and the District invested \$1,811,429 (25%). The 2008 expenditures amount to approximately \$3.8 million (9 months ending September 30). The unused funds will be used in the fall 2008/winter 2009 construction period. The District completed the installation of a 21 km pipeline in the winter of 2008 and will be constructing/rehabilitating 12 km of canal in the fall 2008/spring 2009 construction period under the IRP program.



Kitsim Reservoir Bypass

## Irrigation Rehab. Report

### Irrigation Rehabilitation Program (IRP)

Project	Description	Engineer	Contractor	2008 Project Cost (End of September)	Total Project Cost
<b>Spring</b>					
16 Springhill	21 km pipeline	Due South	EID	\$2,155,000	\$5,540,000
G North Bantry	Pipeline	MPE	EID	\$3,000	
Screen Cleaners	Various projects	EID	EID	\$409,000	
<b>Fall</b>					
Kitsim Bypass	3.0 km of new canal	MPE	Top Notch	\$950,000	
Kitsim Feeder	9.0 km of canal	EID	Horizon Earth Works	\$48,000	
Flow Measurement	Various projects	EID	EID	\$283,000	
<b>Total:</b>				<b>\$3,848,000</b>	

### EID Capital Construction Program

Funds for this program are provided entirely from the District's Irrigation Works Reserve Fund. The 2008 expenditures amount to approximately 8.5 million (9 months ending September 30). In the spring of 2008 the District completed the installation of 30 km of pipeline and 10 km of lined canal. The fall of 2008 /spring 2009 will see the construction of approximately 58 km of pipe and 2 km of lined canal under this program.

*Irrigation Rehab. Report Continued on Page 12*

## EID Capital Construction Program - Spring Projects

Project	Description	Engineer	Contractor	2008 Project Cost	Total Project Cost
22 Bow Slope	3.0 km pipeline	EID	EID	\$407,000	\$445,000
9 and 10 East Branch	7.5 km pipeline	EID	EID	\$1,704,000	\$1,890,000
Springhill/North Branch Structures	3 cast-in-place structures	MPE	Charmar	\$586,000	\$1,127,000
X Tilley	3.5 km plastic lined canal	EID	EID	\$137,000	\$1,014,000
12 Rolling Hills	3.0 km pipeline	EID	EID	\$65,000	\$644,000
AH North Bantry	6.5 km plastic lined canal	EID	EID	\$707,000	\$2,278,000
Bassano Dam	Control gate and electrical upgrades	MPE	United Utilities	\$291,000	\$1,200,000
07-08-A Springhill	5.5 km pipeline	MPE	EID	\$765,000	\$901,000
U-02 Tilley	0.4 km plastic lined canal	EID	EID	\$12,000	\$196,000
15-H West Bantry	Delivery relocation	EID	EID	\$1,000	\$51,000
10 Bow Slope	3.0 km pipeline	EID	EID	\$443,000	\$692,000
03-02-05-C Springhill	7.0 km pipeline	EID	EID	\$1,495,000	\$1,880,000
01-16 Springhill	1.0 km pipeline	EID	EID	\$304,000	\$315,000
Automation	Automation of control structures	MPE	EID	\$15,000	\$105,000
Farm Improvements	Projects throughout the year	EID	EID	\$188,000	
Land Aquisition	Legal surveys and purchase of ROW	EID	EID	\$422,000	
2009 Projects	Preliminary work and construction on projects	EID/MPE/ Due South	EID	\$941,000	
<b>Totals:</b>				<b>\$8,483,000</b>	<b>\$12,738,000</b>

## EID Capital Construction Program 2008/2009

Project	Description
04-C East Branch	30 km pipeline
06-B Springhill	10 km pipeline
01-21 North Branch	0.5 km pipeline
07-H West Bantry	0.8 km pipeline
11-H West Bantry	0.8 km lined canal
07-02-D Springhill	2.5 km pipeline
T Tilley	1.2 km lined canal
14 Springhill	1.5 km pipeline
03-01 Bow Slope	1.2 km pipeline
11 Springhill	2.5 km pipeline
09-G North Bantry	0.8 km pipeline
10-G North Bantry	0.8 km pipeline
Antelope Creek Canal	3.0 km pipeline
Structure Program	5 precast structures
Screen Cleaners	5 screen cleaners



Screen Cleaner





Inlet Screen Cleaner



03-01 Bow Slope Precast Box



Armour Placement on Side Slopes - Kitsim Feeder



Pipeline Installation - 16 Springhill



Cast-in-Place Structure Construction - Springhill Canal



PHD Tree Planting Project



Kevin Bridges  
(Assistant General Manager)

## Financial Report

The Eastern Irrigation District operates under the authority of the Irrigation Districts Act (c. I-11, RSA 2000). Each year the District appoints an auditor to prepare an audit of the District's financial statements. The audit is prepared in accordance with the form and the reporting standards for not for profit organizations as recommended by the Canadian Institute of Chartered Accountants.

The auditor reports to the Board of Directors. A copy of the District's financial statements and the auditors' report are subsequently provided to the Irrigation Council as required under the Irrigation Districts Act.

## BEVAN, HALBERT, GERRARD and MOSSEY CHARTERED ACCOUNTANTS

### PARTNERS

Daryl J. Halbert, CA\*  
J.T. (Jack) Gerrard, CA\*  
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Fax: (403) 362-7448  
office@bevanandpartners.ca

### PROFESSIONAL STAFF

Carrie J. Rooke, CA  
Thomas A. (Andy) Rice, CGA  
Vanda L. Marcy, CGA  
John H. Musgrove, CGA

\* denotes professional corporation

## Auditors' Report

**To: The Board of Directors of  
the Eastern Irrigation District**

We have audited the balance sheet of the Eastern Irrigation District as at September 30, 2008 and the statements of operations and changes in fund balances and cash flows for the nine months then ended. These financial statements are the responsibility of the Eastern Irrigation District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Eastern Irrigation District as at September 30, 2008 and the results of its operations and its cash flows for the nine months then ended in accordance with Canadian generally accepted accounting principles.

Brooks, Alberta  
January 21, 2009

Bevan, Halbert, Gerrard and Mossey  
Chartered Accountants



# Eastern Irrigation District

## Balance sheet, September 30, 2008

	General Fund	Irrigation Works Fund	September 30 2008	December 31 2007
<b>ASSETS</b>				
Current				
Cash	\$3,688,348	\$1,981,474	\$5,669,822	\$5,234,272
Short term deposits (Note 5)	4,559,775	13,370,305	17,930,080	8,341,817
Accounts receivable (Note 6)	1,942,317	467,304	2,409,621	1,218,018
Materials and supplies	1,051,574	0	1,051,574	945,140
Prepaid expenses	523,814	0	523,814	390,978
	11,765,828	15,819,083	27,584,911	16,130,225
Accounts receivable (Note 6)	0	2,403,217	2,403,217	306,216
Investments (Note 7)	0	39,620,572	39,620,572	42,739,900
Trust funds held (Note 15)	127,409	0	127,409	119,235
	11,893,237	57,842,872	69,736,109	59,295,576
Property and Equipment (Note 8)				
Buildings and equipment, net	8,364,450	1,557,200	9,921,650	9,208,174
Irrigation works, net	0	285,914,214	285,914,214	281,575,303
Land (Note 2)	0	564,341	564,341	355,872
	8,364,450	288,035,755	296,400,205	291,139,349
	\$20,257,687	\$345,878,627	\$366,136,314	\$350,434,925
<b>LIABILITIES</b>				
Current				
Accounts payable	\$1,489,848	\$1,322,337	\$2,812,185	\$2,331,318
Unearned revenue (Note 2)	10,118,180	265,948	10,384,128	8,864,992
	11,608,028	1,588,285	13,196,313	11,196,310
Trust funds held (Note 15)	127,409	0	127,409	119,235
Provision for gravel pit closure and post closure (Note 16)	0	436,350	436,350	381,529
Unearned revenue (Note 2)	0	1,986,171	1,986,171	0
Deferred grants and contributions, net (Note 8)	78,352	115,929,475	116,007,827	114,197,740
	11,813,789	119,940,281	131,754,070	125,894,814
Uncompleted contract commitments (Note 17)				
Contingency (Note 18)				
<b>FUND BALANCES</b>				
Invested in property and equipment (Notes 8 & 9)	8,286,098	172,106,280	180,392,378	176,941,609
Unrestricted (Note 9)	0	0	0	0
Internally restricted, to be used for future community pasture development (Notes 2 & 9)	157,800	0	157,800	134,550
Internally restricted, to be used for future irrigation works additions (Notes 2 & 9)	0	47,373,233	47,373,233	44,698,099
Externally restricted by the Province of Alberta, to be used for future irrigation works additions (Notes 2 & 9)	0	6,458,833	6,458,833	2,765,853
	8,443,898	225,938,346	234,382,244	224,540,111
	\$20,257,687	\$345,878,627	\$366,136,314	\$350,434,925

# Eastern Irrigation District

## Statement of operations and changes in fund balances, Nine Months Ended September 30, 2008

	General Fund	Irrigation Works Fund	2008 9 Months	2007 12 Months
<b>REVENUE</b>				
WATER EARNINGS				
Oil and gas drilling water	\$1,034,380	\$0	\$1,034,380	\$1,315,516
Water conveyance agreements	389,760	0	389,760	365,833
Penalties	1,466	0	1,466	1,473
Irrigation rates (Note 10)	0	0	0	0
	1,425,606	0	1,425,606	1,682,822
Less discounts allowed	(65,310)	0	(65,310)	0
	1,360,296	0	1,360,296	1,682,822
LEASE REVENUE AND COMPENSATION				
Oil and gas well leases	12,517,891	0	12,517,891	15,343,401
Right of entry and initial consideration	2,042,371	0	2,042,371	2,838,979
Oil and gas administration fees	76,600	0	76,600	105,750
Community grazing leases	889,777	0	889,777	964,130
Private grazing leases	147,333	0	147,333	142,047
Irrigated leases	83,799	0	83,799	115,362
Other lease revenues	52,145	0	52,145	65,140
OTHER REVENUE				
Amortization of deferred grants and contributions	0	3,814,114	3,814,114	4,949,628
Investment income	413,739	1,550,196	1,963,935	2,616,463
Adjust investments to market value (Notes 2 & 7)	0	28,851	28,851	(724,315)
Gain (loss) on sale of land, equipment and buildings	(12,326)	546,793	534,467	108,706
Capital asset charges, net	0	120,800	120,800	20,700
Gravel royalties and miscellaneous	0	22,647	22,647	202,564
	17,571,625	6,083,401	23,655,026	28,431,377
<b>EXPENSES</b>				
Amortization of irrigation works and buildings	0	8,072,382	8,072,382	10,468,113
Operations and administration (Schedule 1)	4,855,425	0	4,855,425	5,472,827
Community grazing expenses (Note 11)	830,911	0	830,911	919,649
	5,686,336	8,072,382	13,758,718	16,860,589
Revenue over expenses (Deficiency), before special projects	11,885,289	(1,988,981)	9,896,308	11,570,788
Special projects, net (Note 13)	8,779	0	8,779	(61,555)
EIDNet, net (Note 14)	(62,954)	0	(62,954)	(81,142)
REVENUE OVER EXPENSES (DEFICIENCY)	11,831,114	(1,988,981)	9,842,133	11,428,091
TRANSFER TO IRRIGATION WORKS FUND	(11,340,720)	11,340,720	0	0
FUND BALANCES, BEGINNING OF PERIOD	7,953,504	216,586,607	224,540,111	211,707,969
CHANGE IN VALUE OF FINANCIAL ASSETS HELD FOR TRADING, AS AT JANUARY 1, 2007 (Note 2)	0	0	0	1,404,051
FUND BALANCES, END OF PERIOD	\$8,443,898	\$225,938,346	\$234,382,244	\$224,540,111



# Eastern Irrigation District

## Statement of cash flows, Nine Months Ended September 30, 2008

	General Fund	Irrigation Works Fund	2008 9 Months	2007 12 Months
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Revenue from water operations	\$1,360,296	\$0	\$1,360,296	\$1,682,822
Compensation from oil and gas operations	14,636,862	0	14,636,862	18,288,130
Revenue from lease operations	1,173,054	0	1,173,054	1,286,679
Capital asset charges, net	0	120,800	120,800	20,700
Cash receipts from gravel royalties and miscellaneous	0	22,647	22,647	202,564
Operations and administration expenses	(4,855,425)	0	(4,855,425)	(5,472,827)
Community grazing expenses	(830,911)	0	(830,911)	(919,649)
Add: Amortization in expenses, not using cash	847,064	0	847,064	1,086,358
Net cash expenditure on special projects	8,779	0	8,779	(61,555)
Net cash expenditure on EIDNet	11,236	0	11,236	(5,995)
Investment income received	413,739	1,550,196	1,963,935	2,616,463
Change in non-cash current assets and liabilities	401,856	(120,992)	280,864	573,299
	13,166,550	1,572,651	14,739,201	19,296,989
<b>CASH FLOWS USED IN FINANCING AND INVESTING ACTIVITIES</b>				
Grants from Province of Alberta	0	5,634,287	5,634,287	4,942,354
Proceeds on sale of land, buildings and equipment	263,169	595,630	858,799	515,633
Purchase of land, buildings and equipment	(1,431,739)	(593,598)	(2,025,337)	(1,791,062)
Pasture development and reseedling (Note 12)	(174,507)	0	(174,507)	(519,097)
Grazing water pipeline and improvements (Note 12)	(57,648)	0	(57,648)	(183,155)
Farm improvement program	0	(188,299)	(188,299)	(227,775)
Expenditures on irrigation works	0	(12,143,119)	(12,143,119)	(19,842,171)
Change in non current accounts receivable	0	(2,097,001)	(2,097,001)	23,961
Change in irrigation works unearned revenue	0	2,252,119	2,252,119	0
Proceeds on sale of investments	0	9,044,114	9,044,144	13,211,133
Purchase of investments	0	(5,895,935)	(5,895,935)	(13,825,812)
Change in provision for gravel pit closure and post closure (Note 16)	0	54,821	54,821	41,411
Change in irrigation works accounts payable	0	22,318	22,318	548,495
	(1,400,725)	(3,314,663)	(4,715,388)	(17,106,085)
<b>NET INCREASE (DECREASE) IN CASH</b>	11,765,825	(1,742,012)	10,023,813	2,190,904
Cash, beginning of period	7,823,018	5,753,071	13,576,089	11,385,185
Transfer from general fund	(11,340,720)	11,340,720	0	0
<b>CASH, END OF PERIOD</b>	\$8,248,123	\$15,351,779	\$23,599,902	\$13,576,089
Cash is comprised of:				
Cash	\$3,688,348	\$1,981,474	\$5,669,822	\$5,234,272
Short term deposits	4,559,775	13,370,305	17,930,080	8,341,817
	\$8,248,123	\$15,351,779	\$23,599,902	\$13,576,089

### 1. Purpose of the Organization

The Eastern Irrigation District is charged with the responsibility of efficient and economical distribution of water to users in the District and operates as a not-for-profit organization under the Irrigation Districts Act, Chapter I -11, Revised Statutes of Alberta 2000.

### 2. Accounting Policies

The financial statements have been prepared in accordance with the restricted method of fund accounting. Significant accounting policies include:

#### Fund Accounting

The activities of the District have been disclosed as two distinct funds - the General Fund and the Irrigation Works Fund:

**General Fund** - Discloses the water management and delivery operations, EIDNet operations and land lease operations of the District, as well as certain special projects as designated by the Board of Directors from time to time. The general fund includes management of equipment and personnel, the costs of which are billed to the irrigation works fund to the extent they relate to construction activities.

**Irrigation Works Fund** - Discloses receipts and expenditures for new irrigation works and interest earned on such monies. Costs incurred in constructing new irrigation works and in replacing and rehabilitating existing structures are provided for from this fund. The Province of Alberta contributes to this fund 75% of the expenditures on projects approved by the Irrigation Council.

#### Use of Estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future years could be significant. Significant areas requiring use of management estimates relate to the useful lives of assets for amortization purposes, gravel pit closure and post closure costs and the amount of allowance required for uncollectible accounts receivable.

#### Revenue Recognition

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

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

#### Property and Equipment

Property and equipment are recorded at cost. Amortization of buildings and equipment is provided using the declining balance method at rates intended to amortize the cost of these assets over their estimated useful lives. The annual rates are as follows:

Computer and radio equipment	25%
Mobile equipment	20%
Grazing pasture reseeding	20%
Agricultural equipment	15%
Buildings	10%
Other equipment	10%

Irrigation works assets are recorded at cost to the District. Additions to irrigation works are capitalized only if the cost of the individual project exceeds \$10,000. Items capitalized include the cost of easements and rights of way purchased. Irrigation works are amortized on a straight-line basis over their estimated average useful lives of 40 years.

#### Land

Land is recorded at cost to the District. Approximately 574,000 acres of land that were transferred from the Canadian Pacific Railway Company in 1935 are recorded at zero cost.

#### Materials and Supplies

Materials and supplies are carried at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.



## 2. Accounting Policies (continued)

### Financial Instruments

The District's financial instruments consist of cash, short term deposits, accounts receivable, investments and accounts payable. The carrying amounts of these instruments approximates their fair value. It is management's opinion that the District is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Effective January 1, 2007, the District adopted the new recommendations of the Canadian Institute of Chartered Accountants Handbook Section 3855, Financial Instruments - Recognition and Measurement; Section 3861, Financial Instruments - Disclosure and Presentation; and amendments to Section 4400, Financial Statement Presentation by Not For Profit Organizations. These new Handbook sections, which are effective for fiscal years commencing on or after October 1, 2006, set out criteria for the recognition, measurement, disclosure and presentation of financial instruments. These new standards do not require policies followed in prior periods to be revised. Thus, the comparative figures have not been restated. However, the new policy is required to be implemented on a retroactive basis with any adjustments pertaining to prior periods reflected in fund balances.

Under Section 3855, all financial instruments are initially measured on the balance sheet at fair value. Subsequent measurement of the financial instruments is based on their classification and gains and losses are recognized in net income.

In accordance with the new standards, the District's financial assets and liabilities are generally classified and measured as follows:

Cash	Held for trading	Fair Value
Short term deposits	Held for trading	Fair Value
Investments	Held for trading	Fair Value
Accounts receivable	Loans and receivables	Amortized cost
Accounts payable	Other liabilities	Amortized cost
Other accrued liabilities	Other liabilities	Amortized cost

### Unearned Revenue

Annual compensation related to oil and gas well leases is charged to the lessee at the beginning of each lease year. These monies are recognized as revenue on a straight-line basis over the succeeding twelve months. At year-end, the unamortized portion of such leases is reflected on the balance sheet as unearned revenue.

The outstanding balance from land sale agreements is reflected on the balance sheet as unearned revenue. Land sale revenue is recognized in the period in which the payment is received.

### Pension Plan

The District is a member of the Local Authorities Pension Plan, a multi-employer defined benefit pension plan. This Plan is accounted for by the contribution method.

### Deferred Grants and Contributions

Grants and contributions from third parties received to finance construction of irrigation works and the EIDNet towers and sector radios are deferred and amortized to income on the same basis as the irrigation works and the EIDNet assets to which they relate. Amortization of deferred grants related to irrigation works is provided on a straight-line basis over a 40 year period. Amortization of deferred grants related to EIDNet assets is provided using the declining balance method (sector radios at 25%; towers at 10%).

### Gravel Pit Closure and Post Closure Liability

Pursuant to the Alberta Environmental Protection and Enhancement Act, the District is required to fund the closure of its gravel pits and provide for post closure care. Closure and post closure activities include contouring the site, replacing the soil, re-establishing vegetation and submitting the final reclamation report. The accrued liability is based on an estimate of future costs.

### Internally Restricted Net Assets

The future use of a portion of the District's net assets has been restricted by the Board of Directors. Monies have been allocated to the following areas:

Irrigation works additions - monies to be used for future irrigation works additions and rehabilitation, including the District's 25% commitment to Province of Alberta Cost Share Projects.

Community pasture development - monies to be used for future improvements or expansion of community grazing pastures.

### Externally Restricted Net Assets

Funds received from the Province of Alberta must be used for specific cost shared irrigation projects. These monies and interest earned on their investment are disclosed separately as externally restricted net assets.

## 3. Change of Year End

**During the current fiscal period, the District's Board of Directors approved a change of year end to September 30. The Statement of Operations and Changes in Fund Balances and the Statement of Cash Flows show the nine months ended September 30, 2008 as compared to the 12 months ended December 31, 2007.**

### 4. Local Authorities Pension Plan

Employees of the Eastern Irrigation District participate in the Local Authorities Pension Plan (LAPP), which is covered by the Public Sector Pension Plans Act. The Plan serves about 179,188 people and 407 employers. It is financed by employer and employee contributions and investment earnings of the LAPP fund. The District is required to make current service contributions to the Plan of 7.75% of pensionable earnings up to the Canada Pension Plan's Maximum Pensionable Earnings and 10.64% for the excess. Total current service contributions by the District to the Local Authorities Pension Plan in 2008 were \$300,257 (2007 - \$383,296). Total current service contributions by the employees of the District to the Local Authorities Pension Plan in 2008 were \$265,667 (2007 - \$338,945). At December 31, 2007, the Plan disclosed an actuarial deficiency of \$1.18 billion (December 31, 2006 - \$746.7 million).

### 5. Short Term Deposits

Short term deposits maturing in the next 90 days include GICs and term deposits at interest rates varying from 3.09% to 3.92% (2007 - 4.50% to 4.57%). At year end these deposits have an average annual interest rate of 3.40% and will mature within the next 90 days.

### 6. Accounts Receivable

Accounts receivable consist of:

	September 30 2008	December 31 2007
Property and equipment	\$2,278,865	\$14,539
Lease rentals and seismic	1,491,594	381,990
Reclassification agreements	566,818	453,185
Sundry debtors	198,549	193,806
Water conveyance agreements	143,151	161,886
Water rates and charges	125,998	144,939
Gravel and dirt	24,838	184,803
Less: Allowance for doubtful accounts	(16,975)	(10,914)
	<u>\$4,812,838</u>	<u>\$1,524,234</u>
Accounts receivable - current	\$2,409,621	\$1,218,018
Accounts receivable - non current	2,403,217	306,216
	<u>\$4,812,838</u>	<u>\$1,524,234</u>

### 7. Investments

Investments consist of:

	September 30 2008	December 31 2007
Provincial Utility Bonds	\$14,044,326	\$13,416,920
Term Deposits	12,562,781	12,670,459
Provincial Government Bonds	6,836,604	6,549,974
Corporate Bonds	6,090,732	10,024,419
Chinook Credit Union Ltd.- patronage account	86,129	78,128
	<u>\$39,620,572</u>	<u>\$42,739,900</u>

Adoption of the recommendations pertaining to financial instruments (see Note 2) required the District to adjust the book value of its investments to market value on September 30, 2008. The adjustment made was:

Date	Book Value	Market Value	Adjustment
September 30, 2008	\$39,591,721	\$39,620,572	\$28,851

Disclosure and presentation of the investments is intended to reflect the unrealized gains and losses as if the investments had been sold. The District's investments are high quality bonds and term deposits that, if held to maturity, will be redeemed at face value and will return the yield that was locked in at the time of purchase.



## 8. Property and Equipment

			September 30 2008	December 31 2007
	Cost	Accumulated Amortization	Net	Net
General Fund:				
Equipment	\$13,885,255	\$6,777,873	\$7,107,382	\$6,725,397
Community pasture reseeding	1,654,010	396,942	1,257,068	1,181,995
Irrigation Works Fund:				
Buildings	6,377,337	4,820,137	1,557,200	1,300,782
Irrigation works	429,931,985	144,017,771	285,914,214	281,575,303
Land	564,341	0	564,341	355,872
	<u>\$452,412,928</u>	<u>\$156,012,723</u>	<u>296,400,205</u>	<u>291,139,349</u>
Deferred grants and contributions	<u>(\$204,180,699)</u>	<u>\$88,172,872</u>	<u>(116,007,827)</u>	<u>(114,197,740)</u>
Net assets invested in property and equipment			<u>\$180,392,378</u>	<u>\$176,941,609</u>
Changes in irrigation works assets, net of amortization are as follows:			2008 9 Months	2007 12 Months
Beginning of period			\$281,575,303	\$271,857,317
Additions to irrigation works				
District projects			8,061,100	11,709,923
Province of Alberta cost shared projects			3,848,358	7,724,771
Survey costs and easements			421,960	635,252
Amortization			(7,992,507)	(10,351,960)
End of period			<u>\$285,914,214</u>	<u>\$281,575,303</u>
Changes in deferred grants and contributions, net of amortization are as follows:			2008 9 Months	2007 9 Months
Beginning of period			\$114,197,740	\$114,221,661
Contributions from third parties			5,634,287	4,942,354
Amortization			(3,824,200)	(4,966,275)
End of period			<u>\$116,007,827</u>	<u>\$114,197,740</u>
Current period additions to irrigation works are as follows:				
	District	Province of Alberta Cost Sharing	2008 9 Months	2007 12 Months
External Charges:				
Materials and supplies	\$4,007,991	\$1,614,968	\$5,622,959	\$10,242,740
Equipment and other services	1,146,072	566,906	1,712,978	2,647,852
Contract Services	826,827	835,456	1,662,283	1,271,359
Contract Services - Engineering	302,258	151,967	454,225	517,763
Internal Charges:				
Equipment recovery	1,404,243	421,974	1,826,217	3,790,386
Labour recovery - Other	512,152	147,091	659,243	1,049,157
Labour recovery - Engineering	283,517	109,996	393,513	550,689
	<u>\$8,483,060</u>	<u>\$3,848,358</u>	<u>\$12,331,418</u>	<u>\$20,069,946</u>

### 9. Continuity of Fund Balances

	Invested in Property and Equipment	Unrestricted Funds	Internally Restricted Funds - Pasture Development	Internally Restricted Funds - Irrigation Works	Externally Restricted Funds - Province of Alberta	Total Fund Balances
Beginning of period	\$176,941,609	\$0	\$134,550	\$44,698,099	\$2,765,853	\$224,540,111
Assets received from Province of Alberta	(5,634,287)	0	0	0	5,634,287	0
District contribution to cost share projects	0	0	0	(1,811,429)	1,811,429	0
Additions to property and equipment, net	14,264,579	(1,388,399)	0	(9,027,822)	(3,848,358)	0
Excess of revenue over expenses allocated	(5,179,523)	12,752,369	0	2,173,665	95,622	9,842,133
Transfer to community pasture development reserve	0	(23,250)	23,250	0	0	0
Transfer to irrigation works fund from operations	0	(11,340,720)	0	11,340,720	0	0
End of period	\$180,392,378	\$0	\$157,800	\$47,373,233	\$6,458,833	\$234,382,244

The Board of Directors has authorized the transfer of \$11,340,720 from current year operations to internally restricted funds to be used for future irrigation works additions and \$23,250 for community pasture development. As well, authorization was given to use \$1,811,429 of internally restricted funds to pay for the District's 25% share of Province of Alberta cost share projects.

### 10. Irrigation Rates

Irrigation rates consist of:	2008 9 Months	2007 12 Months
275,120 Acres at \$0 per acre	\$0	\$0
9,966 Acres at \$0 per acre terminable	0	0
Minimum parcel rates and adjustments	0	0
	\$0	\$0

### 11. Community Grazing Expenses

Community grazing expenses consist of:	2008 9 Months	2007 12 Months
Fencing, fire and cattle guards	\$217,053	\$252,260
Amortization of equipment and pipelines	150,275	176,427
Property taxes and water rates	112,899	160,359
Fertilizer and chemicals	90,128	91,726
Pump power and maintenance	77,324	69,305
Management and lease rider fees	63,750	79,789
Irrigation equipment maintenance	56,090	58,690
Dugouts and pond maintenance and digging	49,133	8,944
Dugouts - pumping and filling	8,589	3,879
Miscellaneous	5,670	18,270
	\$830,911	\$919,649

## 12. Community Grazing Property and Equipment Expenditures

Property and equipment expenditures include:	2008 9 Months	2007 12 Months
Pasture development and reseeding	\$174,507	\$519,097
Grazing water pipeline and improvements	57,648	183,155
	<u>\$232,155</u>	<u>\$702,252</u>

## 13. Special Projects

Revenue:	2008 9 Months	2007 12 Months
Rolling Hills Reservoir Campground	\$169,250	\$129,301
Expenses:		
Rolling Hills Reservoir Campground	(104,700)	(98,591)
Partners In Habitat Development	(50,000)	(50,000)
Environmental remediation - Modern Auto property	(5,771)	(42,265)
Revenue over expenses (Deficiency)	<u>\$8,779</u>	<u>(\$61,555)</u>

## 14. EIDNet

Revenue:	2008 9 Months	2007 12 Months
Wireless subscription revenue	\$295,780	\$330,770
Customer installation fees	88,119	94,867
Dial-up subscription and operating revenue	12,112	21,820
Amortization of deferred grant	10,086	16,647
Total Revenue	<u>406,097</u>	<u>464,104</u>
Expenses:		
Telecommunications and bandwidth	(143,499)	(199,437)
Customer installation expenses	(134,491)	(122,275)
Wages and administration	(106,785)	(131,740)
Amortization	(84,276)	(91,794)
Total Expenses	<u>(469,051)</u>	<u>(545,246)</u>
Revenue over expenses (Deficiency)	<u>(\$62,954)</u>	<u>(\$81,142)</u>

## 15. Trust Funds Held

Trust funds held include \$66,260 (2007: \$72,811) in the Carl Anderson fund plus \$61,149 (2007: \$46,424) for the Partners in Habitat Development Program. The Carl Anderson fund's principal and annual interest earnings will be disbursed to local libraries over 10 years beginning in 2008 and ending in 2017. The District manages and administers habitat development work for the Partners in Habitat Development Program and the funds held will be spent on that program or returned to Pheasants Forever, the program's primary sponsor.

## 16. Provision for Gravel Pit Closure and Post Closure

	2008 9 Months	2007 12 Months
Beginning of period	\$381,529	\$340,118
Contributions	54,821	71,861
Reclamation activities	0	(30,450)
End of period	<u>\$436,350</u>	<u>\$381,529</u>



### 17. Uncompleted Contract Commitments

The District has commitments in an estimated amount of \$1,790,222 (2007 - \$418,068) in respect of uncompleted work under contracts on approved projects.

The District has entered into agreements to sell land which, if all sale conditions are satisfied and the sales are completed as expected, will result in gross sale proceeds of approximately \$57,575 (2007 - \$2.72 million).

### 18. Contingency

The Eastern Irrigation District is currently party to a land claim dispute, the results of which cannot be determined.

### 19. Comparative Amounts

Certain of the comparative amounts presented in these financial statements have been reclassified to conform to the presentation adopted in the current year.

### 20. Approval of Financial Statements

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

# Eastern Irrigation District

## Schedule 1

### Schedule of operations and administration expenses, Nine Months ended September 30, 2008


	Equipment Pool	Maintenance	Water Delivery	EID Land Administration	Administration and General	2008 9 Months	2007 12 Months
<b>Salaries and benefits</b>							
Salaries	\$1,066,506	\$629,691	\$960,339	\$229,167	\$722,839	\$3,608,542	\$4,776,724
Pension plans	132,223	30,878	133,734	40,874	110,453	448,162	534,784
Group insurance	47,010	10,126	48,467	15,308	38,179	159,090	195,777
Employment insurance and WCB	32,778	8,833	33,425	14,040	23,115	112,191	103,143
<b>Equipment</b>							
Heavy equipment expense	783,376	0	0	0	0	783,376	1,036,020
Amortization of equipment	644,061	0	0	0	52,728	696,789	909,931
Equipment rent	(772,861)	954,114	95,756	0	0	277,009	312,931
Vehicle expense (recovery), net	(56,503)	140,400	245,493	49,855	54,536	433,781	496,229
<b>Other</b>							
Materials and supplies	33,837	261,858	(7,638)	0	0	288,057	338,760
Irrigation pumps and structures	0	102,542	153,727	0	0	256,269	234,589
Buildings and grounds	59,609	11,546	80,057	0	53,848	205,060	228,893
Insurance	91,719	5,775	17,640	0	36,768	151,902	194,165
Advertising and promotion	0	0	0	2,829	142,189	145,018	77,039
Office supplies and maintenance	0	0	0	15,500	91,635	107,135	233,794
Professional fees	0	0	0	2,319	60,519	62,838	62,531
Directors per diems	0	0	0	0	61,035	61,035	101,738
Telephone	10,307	2,831	23,012	2,678	21,412	60,240	81,674
Miscellaneous and freight	300	5,536	9,030	1,598	8,715	25,179	50,656
Directors expenses	0	0	0	0	19,611	19,611	43,757
Tools and light equipment	3,020	5,396	617	0	0	9,033	72,959
Travel	74	0	0	0	8,551	8,625	15,547
Water quality testing	0	0	3,810	133	0	3,943	0
Association fees	0	0	0	0	1,597	1,597	62,415
Total expenses	2,075,456	2,169,526	1,797,469	374,301	1,507,730	7,924,482	10,164,056
Less: Recovery from capital construction	(2,038,754)	(93,247)	(473,799)	0	(463,257)	(3,069,057)	(4,691,229)
	\$36,702	\$2,076,279	\$1,323,670	\$374,301	\$1,044,473	\$4,855,425	\$5,472,827

Eastern Irrigation District  
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