

2011
Annual Report



NOTICE OF ANNUAL MEETING

TAKE NOTE that the annual meeting of the irrigators of the Eastern Irrigation District will be held on Tuesday, March 27th, 2012 at 1:30 in the afternoon at the Heritage Inn, 1217 2nd Street West, Brooks, Alberta.



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"!

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P.O. Bag 8 550 Industrial Road West Brooks, Alberta T1R 1B2 Canada Phone: (403) 362-1400 Fax: (403) 362-6206 E-mail: eid@eid.ab.ca Web: www.eid.ca	Notice of Annual Meeting	Page 1
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Bob Chromka (Chairman)
Division 6

2011 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.



Floyd George
Division 1



Jim Culligan
Division 2



Ross Owen
Division 3



Neil Johnson
Division 4



Allen Nielsen (Vice-Chair)
Division 5



Carl Chomistek
Division 7



EID float in the 2011 Kinsmen Parade.





The 2011 season started off with the challenges from large snowfall amounts that ended up melting and running off in what proved to be a very short period of time. The drainage system was for the most part full of snow and ice thus unable to move the large volumes of water. This event caused in excess of \$1.5 million in damage to the District's conveyance and drainage systems. More than a few of the structures and culverts along with drainage and delivery channels were negatively affected by the huge quantities of water that they were forced to handle.

Work on the County and EID joint drainage program got underway in the summer of 2011. Projects were completed in the Cassils, Rolling Hills and Patricia areas. Although there is no way to totally eliminate the situation faced in the spring of 2011, this program is definitely going to enhance drainage water movement within our District with immediate results.

The construction of the District's most recent expansion project was completed in 2011. Finishing touches in the spring of 2012 will have this system delivering water out of Rolling Hills Reservoir to 4,000 acres of new irrigation lands. This new addition bolsters the total irrigated land base within the District to 295,000 acres.

In 2003 the board presented the water users of the District with a proposed expansion plan that included explanations for how conserved water was going to be calculated and put towards future expansion. Because of the vast efficiencies gained throughout our system and the implementation of "on-farm" systems, the District is still in a positive position. This means that the District has given out fewer acres than the amounts realized through conservation efforts. Because of this the board is reviewing other expansion alternatives, including both District and private lands.

Water quality is an issue that needs to be constantly monitored to make sure that the levels exiting the District are maintained or even improved throughout our conveyance and drainage systems. The District is working with Alberta Agriculture to test water quality, addressing nonpoint source, and if necessary point source pollution. This testing is being completed throughout Alberta's irrigation districts with recent results that are far more accurate and precise than previous analyses. Over the past years the District's drainage water entering the river systems has been of acceptable quality, a standard that must be maintained.

Construction of the Rolling Hills acre development pump station.



New power lines that stretch from the Cassils area to beyond the District's eastern boundary have returned just over \$2.6 million to the District's income. The annual rent on this line will be close to \$60,000. Future lines, mainly north to south, are being proposed as possibilities with similar revenue potential.

The concept of water pricing is a topic of discussion at many of the water conferences that the District representatives attend, whether in Canada or the U.S.A. This is an issue that the Board of Directors and management are paying very close attention to, including constant consultation with our related provincial ministries. Although any changes to the current system are at best years away, the fact of holding the largest water license on the Bow River



highlights the definite impact that any alterations would have on the Eastern Irrigation District.

Our zero water rate is not a charge for the resource itself but rather it reflects a realistic conveyance charge of \$22.00/acre. This expense is compensated by surface lease and other revenue streams from the District's land holdings, but does not reflect or consider any amounts spent on rehabilitation. Alberta's other irrigation district rates range from \$8.00 to \$21.00/acre; fees that have to be passed on to water users as surface lease revenues and other land owner benefits are paid directly to the deeded owner of the properties within these districts.

The 2006 moratorium on new licenses from the Bow River placed the District's license into a different realm than it was previously. The license parameters have been recently altered to allow the District to share this license with other designated uses but the board also realizes that possibly, in a few unique cases, transfers (sales) of very small portions may be required. An example of this is the County of Newell's requirement



Canal cleaning with a Ruth Dredge September 1919.

for a larger license to accommodate the new regional water system. To facilitate this process there will be detailed information meetings beginning in the fall of 2012, with a plebiscite vote of the water users early in 2013. No license or portion thereof can be transferred without the consent of a successful majority vote.

When examining future water supplies, one must review the agreement that our province has with the province of Saskatchewan regarding annual flow amounts in the South Saskatchewan Basin. With this apportionment our province guarantees to leave 50% of the flows in the river for use in Saskatchewan. We have always exceeded the 50% and in most years we exceed 75%, therefore, it is not difficult to conclude that Alberta should build more storage to capture surplus amounts of water, thus guaranteeing volumes that could be shared by all required uses within the basin. This is a viewpoint that has been expressed and supported by all license holders but whether this storage can be on stream or off stream, and locations for increased storage amounts, are challenging at best. The EID will continue to work with and support our water industry partners in finding solutions to help maintain river flows that will keep our area vibrant for generations to come.

The Board of Directors would like to express our gratitude to all levels of District staff for their contributions to this District and for the pride and commitment that they bring to their jobs. Also to the Provincial Government's elected officials and staff who provide support and expertise towards meeting any challenges that our District faces. The EID water users are the beneficiary of your efforts and we thank you for your contributions.

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



Back Row, Left to Right: Jennifer Fabian, Barry Doerksen, Jason Merkl, Kyle Davidson, Cory Genovese

Center Row, Left to Right: Crystal Skriver, Caitlin Gillen, Rebecca Ross, Cimone Stinnissen, Jessica Fletcher, Shaun Medway, Logan Vaughan, Justin Burnett, Elizabeth Chomistek.

Front Row, Left to Right: Alexis Young, Kimiko Spence, Beth Motokado, Louisa Gietz, Kara MacAulay, Chelsea Palashak, Sherry Latrace, Kelsey Ramer



Louisa Henry



Kayla Stephenson

2011 EID Scholarship Award Recipients

Copyright Tunde Adeniran.

A view from above.



Earl Wilson, P.Eng.,
General Manager

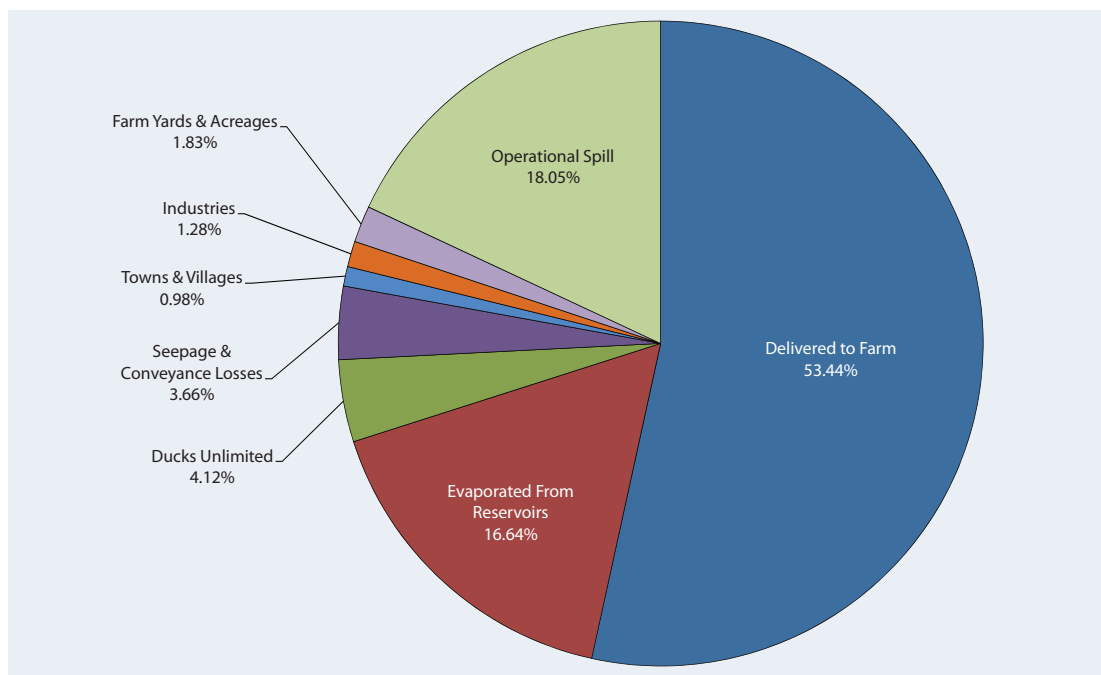


Our 2010/2011 Rehabilitation Program was one of the largest ever, with 14 km of plastic lining and armouring of canals; 3 km of rebuilding and armouring canals; 14 km of rehabbed spillway channels; and 41 km of PVC pipe installed. The winter was one of the worst for construction in the last 25 years with numerous days below -30; frost went down 4 feet and there was lots of snow and wind filling canals with snow before we could finish placing armour. This resulted in delays and extra costs, and when spring came we had lots of runoff and mud with deep frost below making it a challenge to complete the project. I'd really like to thank our field staff and the contractors working for us for working in horrible conditions and persevering to get the job done and that they did.

Water Balance (acre feet)		
	2011	2010
Diversion	310,100	210,500
Delivered to Farm	175,000	86,500
Evaporation from Reservoirs	54,500	42,000
Ducks Unlimited	13,500	13,000
Seepage and Conveyance Losses	12,000	12,000
City, Towns and Villages	3,200	3,500
Industries	4,200	5,000
Farm Yards and Acreages	6,000	5,000
Change in Storage	(17,400)	(9,000)
Operational Spill	59,100	52,500
Measured Return Flow	112,300	117,700
Operation	59,100	52,500
Farm Spill and Run Off	53,200	65,200

The extreme spring runoff did a lot of damage to our canal and drainage system. It destroyed 3 large, 25 year old spillway structures, washed out numerous smaller structures that needed to be backfilled, and washed out lots of culverts. In addition, hundreds of short sections of canal banks were damaged that needed to be repaired; we will have most of this work completed by the spring of 2012.

The 2011 snowpack was above average and the local runoff into our reservoir combined with them being higher than normal in the fall



of 2010 allowed us to delay the normal start for diverting water from the river by about 3 – 4 weeks. This allowed us time to repair damage done to the main canal, although repairing smaller canals forced us to delay delivery to the farm by about a week. Demand for irrigation was very low due to spring moisture and rainfall until July. Demand from mid-July right through until October was pretty normal. Average delivery to the farm was 7.1"/acre. We diverted 310,000 acre feet from the river (45% of our license) and used 17,400 acre feet from reservoirs.

We continued our Farm Improvement Incentive Program that rewards farmers for conserving water. Between January and December 2011, 32 grants were approved by the Board totaling \$163,890; all of them were for converting to low pressure pivots. We added 4,270 new acres, bought back 45 acres, converted 26 acres to Rural Water Use Purposes agreements and converted 561 acres of terminable water rights to 1st water rights.

In the last 9 years we have seen the acres being irrigated by low pressure pivot go from 86,000 to 158,000 (30% - 54%), while the acres being flooded and irrigated with wheel moves has dropped (see table below).

Method of Irrigation: 2011

As of End of 2011 Water Delivery Season

Low Pressure Pivot	157,887	53.60%
High Pressure Pivot	32,272	10.96%
Wheel Move	31,388	10.66%
Other Sprinkler	860	0.29%
Flood Irrigation (Leveled)	58,277	19.78%
Flood Irrigation (Not Leveled)	13,885	4.71%

Note: percentages shown are the percentages of total irrigation.

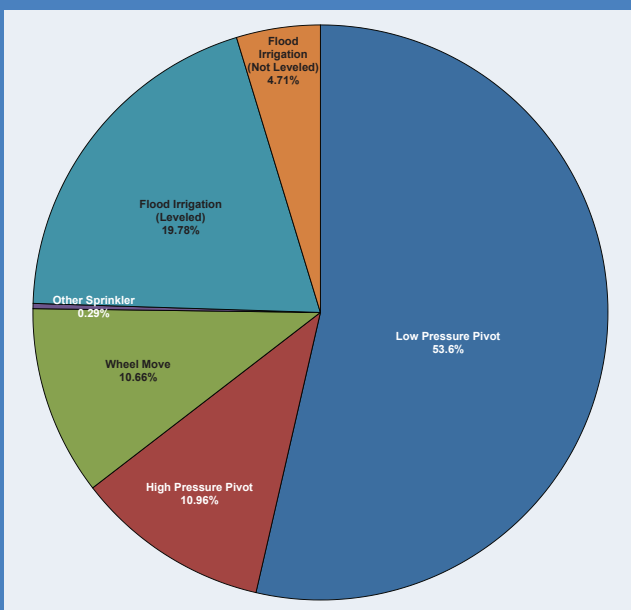
Method of Irrigation: 2002

As of End of 2002 Water Delivery Season

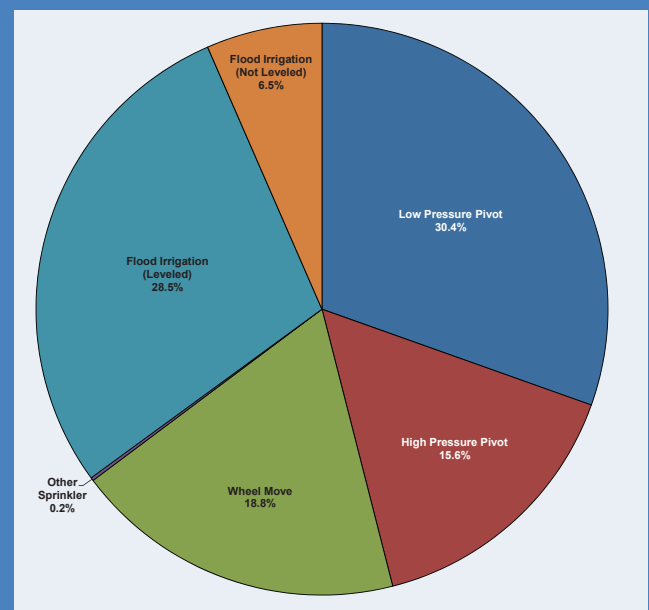
Low Pressure Pivot	86,000 Ac.	30.4%
High Pressure Pivot	44,000 Ac.	15.6%
Wheel Move	53,000 Ac.	18.8%
Other Sprinkler	500 Ac.	0.2%
Flood Irrigation (Leveled)	80,500 Ac.	28.5%
Flood Irrigation (Not Leveled)	18,500 Ac.	6.5%

Note: percentages shown are the percentages of total irrigation.

Acres by Method of Irrigation: 2011



Acres by Method of Irrigation: 2002



The estimated water savings from these conversions to low pressure pivot since 2003 is 22,500 acre feet and we have added 10,500 acres off canal system and 1,600 acres off return flow channels using 15,750 acre feet of this.

The community pasture had a good grass year with lots of spring moisture. A total of 16,600 cows (72/member) were turned out in May and came home by October 30th. We have good carryover grass and plan to run 16,800 cows in 2012.

There were 145 new oil and gas leases taken in 2011 and an additional 90 wells were drilled on existing leases. New pipeline easements totaled 763.83 acres or 127.31 miles.

The District had 3 long term employees retire: Bill Marshall, Gary Redelback and Jim Meador, in 2011. In addition, Maria Philipsen, Kimberly Green, Jay Metheral and Nancy Lassiter left the District for other employment. The District welcomed Dwain Stefaniszyn, Emmett Aldis, Dustin Hrdlicka and Ryan Summach to its staff in 2011.

Respectfully submitted by:
Earl Wilson, P.Eng., General Manager

EID Long Term Service Awards



Bob Hale (20 Years), Rick Martin (30 Years), Barry Nygard (10 Years), Rod Svenson (25 Years), Rick Severtson (20 Years), Don Syvret (30 Years), Claus Hansen (30 Years)



North Bantry canal rehab.



Bow Slope spillway washout.



Pump station at Rolling Hills Reservoir under construction.



Pumps at the Rolling Hills Reservoir acre development pump station.



Erosion damage on John Ware Canal due to heavy spring runoff.



Flow measurement.





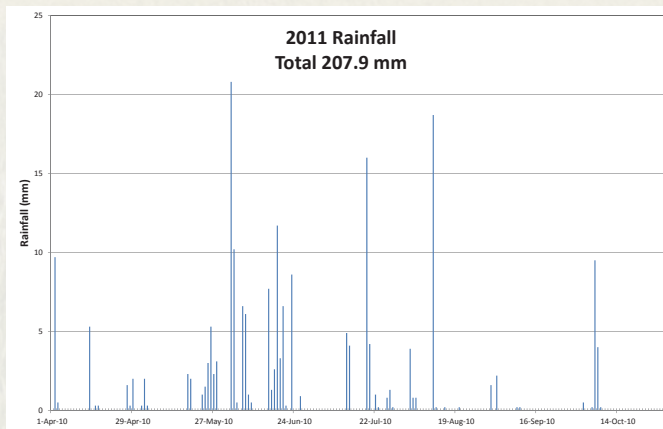
2011 Crop Summary					
Crop Class	Crop Type	Acres	Crop Class	Crop Type	Acres
Forage Crops	Alfalfa 2 Cuts	39,372	Oil Seeds	Canola	32,820
	Alfalfa 3 Cuts	1,616		Flax	10,279
	Alfalfa Hay	5,389		Hyola	1,760
	Alfalfa Silage	2,687	Specialty Crops	Alfalfa Seed	15,693
	Barley Silage Under Seed	142		Carrots	157
	Barley Silage	5,912		Canary Seed	81
	Corn Silage	10,720		Dill	125
	Grass Hay	10,149		Dry Beans	1,633
	Green Feed	3,518		Dry Peas	2,725
	Milk Vetch	17		Faba Beans	198
	Millet	450		Fresh Corn (Sweet)	8
	Native Pasture	1,223		Fresh Peas	15
	Sorghum Sudan Grass	41		Grass Seed	294
	Tame Pasture	49,208		Hemp	566
	Timothy Hay	1,220		Market Gardens	108
Cereals	Barley	20,100		Mint	500
	CPS Wheat	5,322		Nursery	409
	Durum Wheat	175		Potato	2,627
	Grain Corn	806		Seed Canola	5,567
	Hard Spring Wheat	43,292		Seed Potato	615
	Malt Barley	50		Soy Beans	758
	Oats	1,783		Sugar Beets	1,282
	Rye	694		Sunflower	2,156
	Soft Wheat	379	Non Irrigated	Miscellaneous	-
	Triticale	2,515		Non-Crop	3,541
	Winter Wheat	249		Summer Fallow	3,623

Total of All Crops As of End of 2010 Water Delivery Season		
	Crop Class	Total Acres
Summary	Forage Crops	131,664
	Cereal Crops	75,365
	Oil Seed Crops	44,859
	Specialty Crops	35,517
	Non-Irrigated	7,164
Total:		294,569

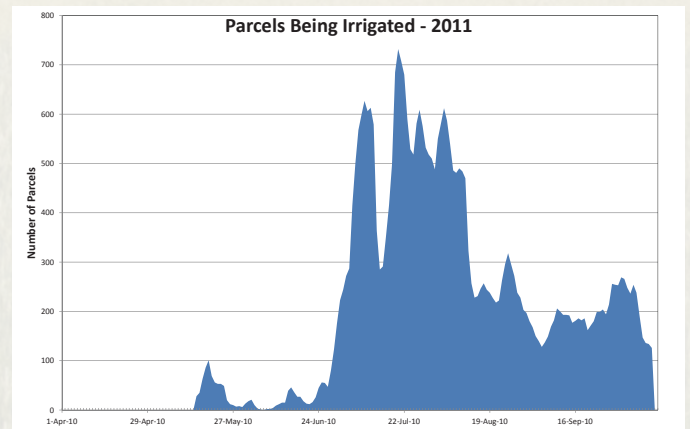
2011 System Water Delivery Summary

As of End of 2011 Water Delivery Season

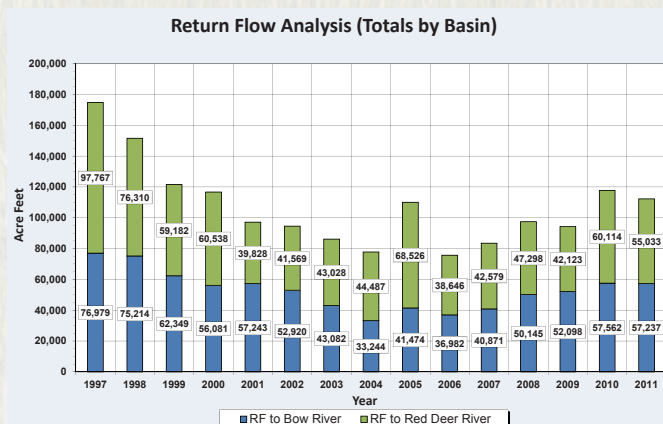
Block	WDS	Irrigated Area (acres)	Volume Delivered (acre feet)	Water Use/Acre (acre feet/acre)
District N1 Bassano	Beddows	17,319	10,700	0.62
District N2 Pitau	Isidoro	21,211	12,300	0.58
District N3 Gem	Kroschel	13,152	9,600	0.73
District N4 Rosemary	Marshall	21,868	13,600	0.62
District N5 Duchess	Kroschel	20,212	9,400	0.47
District N6 Cockerill	Leland	21,107	11,700	0.55
District N7 Millicent	Slomp	20,647	10,900	0.53
District N8 Patricia	Tryhorn	16,500	15,200	0.92
District S1 Antelope Creek/Brooks	Syvret	19,891	10,000	0.50
District S2 Kitsim	Currie	18,959	12,200	0.64
District S3 Bow Slope	Thiessen	20,788	12,600	0.61
District S4 Aqueduct/Bantry	Bobinski	13,456	8,100	0.60
District S5 Elizabeth	Canning	15,729	7,700	0.49
District S6 Tilley	Cleland	17,914	13,500	0.75
District S7 Rolling Hills North	Olund	18,726	9,800	0.52
District S8 Rolling Hills South	Stout	17,090	7,700	0.45
Totals:		294,569	175,000	0.59



Rainfall



Parcels Irrigating



Return Flow





Maintenance of Irrigation Works

John Ware drain rehabilitation.



Stilling pond construction.



Placing armour on North Bantry.



North Bantry canal rehabilitation.

Maintenance of Irrigation Works

The very large runoff in the spring caused a lot of damage to the system, such as washed out canal banks, armour washed down into the canal, drain inlets, road crossings and pivot crossings, etc. washed out. We spent approximately \$500,000 making these repairs and had to totally replace 3 spillway structures. On a positive note, we had about \$60,000 less in repairs to gate, hoist and pump stations than previous years.



Washed out structure on AH North Bantry.

Maintenance of Irrigation Works As of End of 2011 Water Delivery Season

Maintenance Item	2007	2008	2009	2010	2011	Average
Canal cleaning, bank leveling and seeding	10 km	12 km	7 km	5 km	4 km	7.7 km
Drain cleaning, bank leveling and seeding	24 km	18 km	9 km	15 km	13 km	15.8 km
Drain and canal clipping	139 km	130 km	114 km	135 km	108 km	125.2 km
Gravel armour placed on canal side slopes	3.2 km	1 km	1 km	0 km	3 km	1.6 km
Gravel placed on canal banks	26 km	76 km	20 km	36 km	23 km	36.2 km
Canals fenced	5 km	4 km	6 km	1 km	1 km	3.3 km
Chemical weed control on canal banks	1,646 km	1,476 km	1,345 km	1,452 km	1,743 km	1,532.4 km
Mowing of canal banks	510 km	590 km	460 km	620 km	730 km	582.0 km
Canal liner installed	2 km	0 km	0 km	0 km	0 km	0.4 km
Road crossing repairs and replacements	17	4	14	10	12	11
Replacement of farm turnouts	7	8	15	5	3	8
Flood well to riser conversion (on pipelines)	23	21	23	16	12	19
Maintenance Cost	2007	2008 (9 months)	2009	2010	2011	Average
Heavy equipment	\$1,091,775	\$954,114	\$906,685	\$1,214,221	\$1,438,168	\$1,120,993
Labour	\$681,863	\$586,281	\$878,219	\$894,995	\$869,369	\$782,146
Materials (culverts, gates, fence posts, etc.)	\$237,224	\$216,157	\$375,041	\$177,450	\$241,252	\$249,425
Chemical for broad leaf weed control	\$63,396	\$65,239	\$64,871	\$64,445	\$75,411	\$66,672
Vehicles	\$187,200	\$140,400	\$180,000	\$232,462	\$199,479	\$187,908
Repairs to pump stations and control structures	\$68,472	\$102,542	\$209,443	\$216,299	\$152,844	\$149,920
Maintenance of buildings and grounds	\$35,736	\$11,546	\$20,070	\$37,813	\$34,891	\$28,011
Total Costs:	\$2,365,666	\$2,076,279	\$2,634,329	\$2,837,685	\$3,011,414	\$2,585,075



Ivan Friesen, Assistant General Manager, Engineering



2011 Rehabilitation

Last year's construction was extremely challenging due to weather conditions, and a couple of projects were postponed or unfinished as a result. In addition, our clean up extended into the summer months, when typically this should be near complete by late spring. The District did however complete 11 large scale projects in 2011 and 15 new projects are being constructed in the fall 2011/spring 2012 construction period including last year's postponed projects. The District called 2 earthworks tenders and tenders for the structure, building, pumps and electrical for the Rolling Hills Reservoir pipeline/acre development. The remaining projects were constructed with District equipment and crews. Our outlook for 2012 will be to continue our recent focus on drain rehabilitation, both our own and through the EID / County cooperative, as well as a vigorous pipeline and canal rehabilitation program.

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 2011 the Province provided \$5,875,755 (75%) and the District invested \$1,883,585 (25%). The 2011 expenditures amount to approximately \$11.649 million. The District completed the construction of 12 km of canal and 8.5 km of pipeline in the winter of 2011 and will be rehabilitating 16 km of canal in the fall 2011/spring 2012 construction period under the IRP program.

Irrigation Rehabilitation Program (IRP)					
Project	Description	Engineer	Contractor	2011 Project Cost	Total Project Cost
Spring					
Various Prior Year Projects	-	-	-	\$154,000	-
North Bantry Canal (Reach 2)	9 km lined canal 3 km unlined canal	MPE	Richardson Brothers	\$6,433,000	\$6,597,000
Antelope Creek	Reservoir Study	MPE	-	-	\$26,000
11 Rolling Hills	4.4 km pipeline	EID	EID	\$2,210,000	\$2,210,000
05 C East Branch	4.1 km pipeline	EID	EID	\$2,534,000	\$2,534,000
Flow Measurement	Various projects	EID	EID	\$45,000	\$311,000
Fall					
North Bantry Canal (Reach 3)	16 km canal rehab.	MPE	Contour	\$77,000	-
Irrigation Water Quality Assessment	-	-	-	\$196,000	-
Total:				\$11,649,000	



EID Capital Construction Program

Funds for this program are provided entirely from the District's Irrigation Works Reserve Fund. The 2011 expenditures amount to approximately \$20 million. In 2011 the District completed the installation of 32.2 km of pipeline, 4.7 km of lined canal and 14.4 km of drain rehabilitation. The fall of 2011/spring 2012 will see the construction of approximately 38.8 km of pipe, and 21.0 km of drain rehabilitation under this program.

EID Capital Construction Program: 2012/2013

Project	Description
17 Rolling Hills	2.0 km pipeline
P Tilley	2.0 km pipeline
John Ware (Reach A)	4.5 km drain rehab.
South Bantry (Reach A) - 50%	4.4 km drain rehab.
One Tree Canal	7.4 km drain rehab.
Rolling Hills Reservoir Pipeline/Acre Development - 55%	28 km pipeline and pump station
AH North Bantry	2.5 km spillway design, 4.5 km pipeline
02 C North Branch	3.5 km pipeline
15 East Branch	2.0 km pipeline
05 H West Bantry	1.1 km pipeline
18, 19, 20 Bow Slope	1.0 km pipeline
03-02 Bow Slope	1.5 km pipeline
01 Main Bantry	1.3 km pipeline
13 Bow Slope	3.5 km pipeline
Screen Cleaners	
Scott Canal Spillway	
Bow Slope Spillway	
EID/County Drainage	

EID Capital Construction Program

Project	Description	Engineer	Contractor	2011 Project Cost	Total Project Cost
07 Secondary A Rolling Hills	7.7 km pipeline	EID	EID	\$2,677,000	\$2,785,000
J-06, J-07, J-08 West Bantry	6.5 km pipeline	EID	EID	\$1,899,000	\$1,981,000
C West Bantry	4.1 km pipeline	EID	EID	\$1,345,000	\$1,379,000
25 Rolling Hills	1.9 km pipeline	EID	EID	\$856,000	\$876,000
W Tilley	4.7 km lined canal	EID	EID	\$2,537,000	\$2,579,000
John Ware (Reach E)	5.5 km drain	EID	EID	\$2,084,000	\$2,517,000
South Bantry Drain - 50%	4.4 km drain	EID	EID	\$1,111,000	\$1,644,000
One Tree Canal	0.4 km drain	EID	EID	-	\$20,000
Schooner Drain	6.3 km drain	EID	EID	\$622,000	\$639,000
Rolling Hills Reservoir Acre Development - 45%	28 km pipeline and pumpstation	MPE	EID/Various Contracts	\$4,323,000	\$6,575,000
2010/2011 Projects	Preliminary work and construction of numerous projects	EID	EID	\$850,000	-
Screen Cleaners	-	EID	EID	\$88,000	-
EID/County Drainage	-	EID	EID	\$144,000	-
Land Acquisition	-	-	-	\$533,000	-
Campground Construction	-	-	-	\$941,000	-
Total:				\$20,010,000	\$20,995,000

Kevin Bridges, Assistant General
Manager, Administration



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.



Pivot with corner arm.



BEVAN, HALBERT, GERRARD and MOSSEY

CHARTERED ACCOUNTANTS

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Thomas A. (Andy) Rice, CGA
Vanda L. Marcy, CGA
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* denotes professional corporation

Auditor's Report

To the Board of Directors of the Eastern Irrigation District

Report on the Financial Statements

We have audited the accompanying financial statements of the Eastern Irrigation District, which comprise the statement of financial position as at September 30, 2011, and the statement of operations, and changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting standards, 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.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Eastern Irrigation District as at September 30, 2011, and the results of its operations, and changes in fund balances and its cash flows for the year then ended in accordance with Canadian generally accepted accounting standards.



January 25, 2012
Brooks, Alberta

Chartered Accountants

Auditors' Report



Eastern Irrigation District Statement of financial position

As At September 30, 2011



	General Fund	Irrigation Works Fund	2011 Total	2010 Total
ASSETS				
Current				
Cash	\$10,364,431	\$9,553,153	\$19,917,584	\$9,040,452
Short term deposits (Note 4)	0	1,854,232	1,854,232	4,971,336
Accounts receivable (Note 5)	2,479,662	1,318,402	3,798,064	2,251,656
Materials and supplies	1,377,109	0	1,377,109	1,212,913
Prepaid expenses	377,528	0	377,528	392,597
	14,598,730	12,725,787	27,324,517	17,868,954
Accounts receivable (Note 5)	0	2,335,551	2,335,551	3,665,025
Investments (Note 6)	0	45,641,076	45,641,076	57,335,888
Trust funds held (Note 14)	244,239	0	244,239	265,735
	14,842,969	60,702,414	75,545,383	79,135,602
Property and Equipment (Note 7)				
Buildings and equipment, net	9,903,980	1,438,220	11,342,200	11,130,011
Irrigation works, net	0	324,546,713	324,546,713	305,373,946
Land (Note 2)	0	1,516,794	1,516,794	1,460,956
	9,903,980	327,501,727	337,405,707	317,964,913
	\$24,746,949	\$388,204,141	\$412,951,090	\$397,100,515
LIABILITIES				
Current				
Accounts payable	\$1,706,266	\$1,037,748	\$2,744,014	\$2,491,349
Unearned revenue (Note 2)	12,763,510	983,397	13,746,907	12,113,270
	14,469,776	2,021,145	16,490,921	14,604,619
Trust funds held (Note 14)	244,239	0	244,239	265,735
Provision for gravel pit closure and post closure (Note 15)	0	596,371	596,371	593,044
Unearned revenue (Note 2)	0	809,557	809,557	1,709,260
Deferred grants and contributions, net (Note 7)	38,939	119,775,586	119,814,525	119,531,057
	14,752,954	123,202,659	137,955,613	136,703,715
Commitments (Note 17)				
Contingencies (Note 18)				
FUND BALANCES				
Invested in property and equipment (Notes 7 & 8)	9,865,041	207,726,141	217,591,182	\$198,433,856
Unrestricted (Note 8)	0	0	0	0
Internally restricted, to be used for future community pasture development (Notes 2 & 8)	128,954	0	128,954	119,054
Internally restricted, to be used for future irrigation works additions (Notes 2 & 8)	0	47,717,300	47,717,300	48,570,386
Externally restricted by the Province of Alberta, to be used for future irrigation works additions (Notes 2 & 8)	0	9,558,041	9,558,041	13,273,504
	9,993,995	265,001,482	274,995,477	260,396,800
	\$24,746,949	\$388,204,141	\$412,951,090	\$397,100,515

	General Fund	Irrigation Works Fund	2011 Total	2010 Total
REVENUE				
WATER EARNINGS				
Oil and gas drilling water	\$587,410	\$0	\$587,410	\$471,400
Water conveyance agreements	449,653	0	449,653	419,062
Penalties	1,148	0	1,148	1,690
Irrigation rates (Note 9)	0	0	0	0
	1,038,211	0	1,038,211	892,152
Less discounts allowed	(57,710)	0	(57,710)	(51,400)
	980,501	0	980,501	840,752
LEASE REVENUE AND COMPENSATION				
Oil and gas well leases	20,094,399	0	20,094,399	19,003,029
Right of entry and initial consideration - oil and gas	2,312,948	0	2,312,948	1,402,373
Oil and gas administration fees	73,650	0	73,650	51,000
Right of entry and initial consideration - powerlines	2,694,735	0	2,694,735	0
Community grazing leases	916,333	0	916,333	965,168
Irrigated leases	211,463	0	211,463	210,897
Private grazing leases	166,283	0	166,283	170,363
Other lease revenues	95,671	0	95,671	92,502
OTHER REVENUE				
Amortization of deferred grants and contributions	0	5,573,933	5,573,933	5,434,416
Investment income	236,877	1,764,980	2,001,857	2,033,371
Adjust investments to market value (Notes 2 & 6)	0	38,169	38,169	78,077
Capital asset charges, net	0	590,950	590,950	2,021,320
Gain (loss) on sale of land, equipment and buildings	(110,371)	314,584	204,213	834,388
Gravel royalties and miscellaneous	0	120,568	120,568	41,879
	27,672,489	8,403,184	36,075,673	33,179,535
EXPENSES				
Amortization of irrigation works and buildings	0	12,639,238	12,639,238	11,863,250
Operations and administration (Schedule 1)	6,992,906	0	6,992,906	6,860,218
Community grazing expenses (Note 10)	838,480	0	838,480	836,636
	7,831,386	12,639,238	20,470,624	19,560,104
Revenue over expenses (Deficiency), before special projects	19,841,103	(4,236,054)	15,605,049	13,619,431
Special projects, net (Note 12)	(653,571)	0	(653,571)	(951,497)
EIDNet, net (Note 13)	(352,801)	0	(352,801)	(518,036)
REVENUE OVER EXPENSES (DEFICIENCY)	18,834,731	(4,236,054)	14,598,677	12,149,898
TRANSFER TO IRRIGATION WORKS FUND	(18,511,040)	18,511,040	0	0
FUND BALANCES, BEGINNING OF YEAR	9,670,304	250,726,496	260,396,800	248,246,902
FUND BALANCES, END OF YEAR	\$9,993,995	\$265,001,482	\$274,995,477	\$260,396,800

Eastern Irrigation District

Statement of operations and changes in fund balances

For The Year Ended September 30, 2011



Eastern Irrigation District Statement of cash flows

For The Year Ended September 30, 2011



	General Fund	Irrigation Works Fund	2011 Total	2010 Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Revenue from water operations	\$980,501	\$0	\$980,501	\$840,752
Compensation from oil and gas operations	22,480,997	0	22,480,997	20,456,402
Compensation from powerline operations	2,694,735	0	2,694,735	0
Revenue from lease operations	1,389,750	0	1,389,750	1,438,930
Capital asset charges, net	0	590,950	590,950	2,021,320
Cash receipts from gravel royalties and miscellaneous	0	120,568	120,568	41,879
Operations and administration expenses (Schedule 1)	(6,992,906)	0	(6,992,906)	(6,860,218)
Community grazing expenses (Note 10)	(838,480)	0	(838,480)	(836,636)
Add: Amortization in expenses, not using cash	1,225,101	0	1,225,101	1,172,514
Net cash expenditure on special projects (Note 12)	(653,571)	0	(653,571)	(951,497)
Net cash expenditure on EIDNet	(133,035)	0	(133,035)	(309,907)
Investment income received	236,877	1,764,980	2,001,857	2,033,371
Change in non-cash current assets and liabilities	(201,117)	(607,166)	(808,283)	1,716,040
	20,188,852	1,869,332	22,058,184	20,762,950
CASH FLOWS USED IN FINANCING AND INVESTING ACTIVITIES				
Grants from Province of Alberta	0	5,875,755	5,875,755	5,685,261
Proceeds on sale of land, buildings and equipment	342,328	314,584	656,912	1,481,036
Purchase of land, buildings and equipment	(1,822,038)	(125,059)	(1,947,097)	(2,094,917)
Pasture development and reseeded (Note 11)	(389,319)	0	(389,319)	(421,519)
Expenditures on irrigation works (Note 7)	0	(31,659,536)	(31,659,536)	(17,979,661)
Change in non current accounts receivable	0	1,329,474	1,329,474	(844,127)
Change in irrigation works unearned revenue	0	(230,038)	(230,038)	(130,941)
Proceeds on sale of investments	3,229,916	15,772,673	19,002,589	11,917,686
Purchase of investments	0	(7,269,608)	(7,269,608)	(26,128,842)
Change in provision for gravel pit closure and post closure (Note 15)	0	3,327	3,327	96,981
Change in irrigation works accounts payable	0	329,385	329,385	285,459
	1,360,887	(15,659,043)	(14,298,156)	(28,133,584)
NET INCREASE (DECREASE) IN CASH	21,549,739	(13,789,711)	7,760,028	(7,370,634)
Cash, beginning of year	7,325,732	6,686,056	14,011,788	21,382,422
Transfer from general fund	(18,511,040)	18,511,040	0	0
CASH, END OF YEAR	\$10,364,431	\$11,407,385	\$21,771,816	\$14,011,788
Cash is comprised of:				
Cash	\$10,364,431	\$9,553,153	\$19,917,584	\$9,040,452
Short term deposits	0	1,854,232	1,854,232	4,971,336
	\$10,364,431	\$11,407,385	\$21,771,816	\$14,011,788

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, provision for 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 (except for grazing pasture reseeding which uses the straight-line 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%
Agricultural equipment	15%
Buildings	10%
Other equipment	10%
Grazing pasture reseeding	7%

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 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.

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 Statement of Financial Position as unearned revenue.

The outstanding balance from land sale agreements is reflected on the Statement of Financial Position 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 defined 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 share irrigation projects. These monies and interest earned on their investment are disclosed separately as externally restricted net assets.

3. Local Authorities Pension Plan

Employees of the District participate in the Local Authorities Pension Plan (LAPP), which is covered by the Public Sector Pension Plans Act. The Plan serves about 206,249 people and 421 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 9.49% of pensionable earnings up to the Canada Pension Plan's Maximum Pensionable Earnings and 13.13% for the excess. Total current service contributions by the District to the Local Authorities Pension Plan in 2011 were \$542,996 (2010 - \$522,489). Total current service contributions by the employees of the District to the Local Authorities Pension Plan in 2011 were \$494,705 (2010 - \$471,644). At December 31, 2010, the Plan disclosed an actuarial deficiency of \$4.6 billion (December 31, 2009 - \$4.0 billion).

4. Short Term Deposits

Short term deposits maturing in the next 90 days include GICs, term deposits and bonds at interest rates varying from 1.20% to 5.15% (2010 - 0.80% to 1.34%). At year end these deposits have an average annual interest rate of 5.04% and will mature within the next 90 days.

5. Accounts Receivable

Accounts receivable consist of:

	2011	2010
Property and equipment	\$1,825,844	\$2,120,647
Reclassification agreements	1,821,243	2,251,912
Lease rentals and seismic	1,640,415	1,123,026
Sundry debtors	597,105	149,494
Water conveyance agreements	157,520	221,348
Water rates and charges	92,186	70,350
Gravel and dirt	6,866	3,701
Less: Allowance for doubtful accounts	(7,564)	(23,797)
	<u>\$6,133,615</u>	<u>\$5,916,681</u>
Accounts receivable - current	\$3,798,064	\$2,251,656
Accounts receivable - non current	2,335,551	3,665,025
	<u>\$6,133,615</u>	<u>\$5,916,681</u>

6. Investments

Investments consist of:

	2011	2010
Term deposits	\$16,710,879	\$30,297,061
Provincial utility bonds	14,210,199	16,010,738
Corporate bonds	12,493,101	7,153,696
Provincial government bonds	2,126,106	3,777,000
Credit union common shares	100,791	97,393
	<u>\$45,641,076</u>	<u>\$57,335,888</u>
Approximate market value at September 30	<u>\$45,641,076</u>	<u>\$57,335,888</u>

The District adjusted the book value of its investments to market value on September 30.
The adjustment made was:

Date	Book Value	Market Value	Adjustment
September 30, 2011	\$45,602,907	\$45,641,076	\$38,169

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.





7. Property and Equipment

	Cost	Accumulated Amortization	2011 Net	2010 Net
General Fund:				
Equipment	\$15,628,026	\$7,802,167	\$7,825,859	\$7,780,766
Community pasture reseeding	2,756,474	678,353	2,078,121	1,827,777
Irrigation Works Fund:				
Buildings	6,690,859	5,252,639	1,438,220	1,521,468
Irrigation works	503,970,167	179,423,454	324,546,713	305,373,946
Land	1,516,794	0	1,516,794	1,460,956
	<u>\$530,562,320</u>	<u>\$193,156,613</u>	<u>337,405,707</u>	<u>317,964,913</u>
Deferred grants and contributions	<u>(\$224,255,469)</u>	<u>\$104,440,944</u>	<u>(119,814,525)</u>	<u>(119,531,057)</u>
Net assets invested in property and equipment			<u>\$217,591,182</u>	<u>\$198,433,856</u>
Changes in irrigation works assets, net of amortization are as follows:			2011	2010
Beginning of year			\$305,373,946	\$299,101,988
Additions to irrigation works:				
District projects			19,477,417	9,552,195
Province of Alberta cost share projects			11,649,283	7,873,704
Survey costs and easements			532,836	553,762
Amortization			(12,486,769)	(11,707,703)
End of year			<u>\$324,546,713</u>	<u>\$305,373,946</u>
Changes in deferred grants and contributions, net of amortization are as follows:			2011	2010
Beginning of year			\$119,531,057	\$119,289,695
Contributions from third parties			5,875,755	5,685,261
Amortization			(5,592,287)	(5,443,899)
End of year			<u>\$119,814,525</u>	<u>\$119,531,057</u>
Current year additions to irrigation works are as follows:				
	District	Province of Alberta Cost Share	2011 Total	2010 Total
External Charges:				
Materials and supplies	\$7,440,072	\$4,475,066	\$11,915,138	\$6,205,105
Equipment and other services	6,218,715	1,091,734	7,310,449	3,452,018
Contract services	999,568	4,872,478	5,872,046	3,163,207
Contract services - engineering	516,752	321,558	838,310	748,993
Internal Charges:				
Equipment recovery	2,957,928	538,327	3,496,255	2,802,433
Labour recovery - other	975,708	229,870	1,205,578	1,072,636
Labour recovery - engineering	368,674	120,250	488,924	535,269
	<u>\$19,477,417</u>	<u>\$11,649,283</u>	<u>\$31,126,700</u>	<u>\$17,979,661</u>

8. 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 year	\$198,433,856	\$0	\$119,054	\$48,570,386	\$13,273,504	\$260,396,800
Assets received from Province of Alberta	(5,875,755)	0	0	0	5,875,755	0
District contribution to cost share projects	0	0	0	(1,883,585)	1,883,585	0
Additions to property and equipment, net	33,543,252	(1,758,657)	0	(20,135,312)	(11,649,283)	0
Revenue over expenses (Deficiency) allocated	(8,510,171)	20,279,597	0	2,654,771	174,480	14,598,677
Transfer to (from) community pasture development reserve	0	(9,900)	9,900	0	0	0
Transfer to irrigation works fund from operations	0	(18,511,040)	0	18,511,040	0	0
End of year	\$217,591,182	\$0	\$128,954	\$47,717,300	\$9,558,041	\$274,995,477

The Board of Directors has authorized the transfer of \$18,511,040 from current year operations to internally restricted funds to be used for future irrigation works additions and \$9,900 for community pasture development. As well, authorization was given to use \$1,883,585 of internally restricted funds to pay for the District's 25% share of Province of Alberta cost share projects.

9. Irrigation Rates

Irrigation rates consist of:

288,362 acres at \$0 per acre
6,011 acres at \$0 per acre terminable
Minimum parcel rates and adjustments

2011	2010
\$0	\$0
0	0
0	0
\$0	\$0

10. Community Grazing Expenses

Community grazing expenses consist of:

Amortization of equipment and reseeded pastures
Irrigated pastures
Fences
Property taxes
Pasture management fees
Water
Fire guards
Swing fields and miscellaneous

2011	2010
\$172,390	\$153,638
168,344	65,983
154,050	183,113
143,592	146,824
91,502	90,770
69,616	133,662
28,322	51,480
10,664	11,166
\$838,480	\$836,636

11. Community Grazing Property and Equipment Expenditures

Property and equipment expenditures include:

Pasture development and reseeded
Grazing water pipeline and improvements

2011	2010
\$361,651	\$421,519
27,668	0
\$389,319	\$421,519





12. Special Projects

	2011	2010
Revenue:		
Campgrounds	\$283,601	\$174,327
Expenses:		
Environmental remediation - old truck shop property	(458,383)	(362,231)
Campgrounds	(243,993)	(152,840)
Farm improvement program	(120,720)	(175,640)
Partners in Habitat Development	(100,000)	(100,000)
Soil testing	(12,181)	0
EID's 75 th anniversary	(1,895)	(110,113)
Fire department donations	0	(225,000)
Deficiency	(\$653,571)	(\$951,497)

13. EIDNet

	2011	2010
Revenue:		
Wireless subscription and miscellaneous revenue	\$441,786	\$422,793
Customer installation fees	50,246	33,684
Amortization of deferred grant	18,354	9,483
Total Revenue	510,386	465,960
Expenses:		
Wages and operating costs	(426,874)	(440,996)
Amortization	(238,120)	(217,612)
Telecommunications and bandwidth	(99,880)	(154,797)
Customer installation expenses	(98,313)	(170,591)
Total Expenses	(863,187)	(983,996)
Deficiency	(\$352,801)	(\$518,036)

14. Trust Funds Held

Trust funds held include \$47,322 (2010 - \$53,932) in the Carl Anderson fund plus \$196,917 (2010 - \$211,803) 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.

15. Provision for Gravel Pit Closure and Post Closure

	2011	2010
Beginning of year	\$593,044	\$496,063
Contributions	112,733	98,031
Reclamation activities	(109,406)	(1,050)
End of Year	\$596,371	\$593,044

16. Related Party Transactions

The members of the District's board of directors are related parties by virtue of their influence. The District entered into transactions with the Directors in the normal course of business and on the same terms as are applicable to transactions with unrelated parties.

These transactions are recorded at their fair value, as follows:

	2011	2010
Amounts included in accounts receivable at year end:		
Reclassification loans (5 year term)	\$26,640	\$35,520
Sundry debtors	0	1,433
All accounts were current at year end.		
Amounts included in accounts payable at year end:		
Prepaid rent	(10,000)	(28)
Prepaid EIDNet Fees	(1,108)	(1,309)
Revenue:		
Reclassification loan payments	10,656	28,260
Irrigation works constructed by the District	7,584	13,858
EIDNet fees	2,394	2,631
Private grazing lease fees	1,883	2,922
Rural water use fees	845	1,128
Capital assets charges	0	7,900
Expenses:		
Manure spreading, baling hay and miscellaneous services	(75,949)	(94,011)
Farm improvement program	(9,240)	(3,000)
Rights-of-way purchased by the District	(327)	(27,732)

Commitment:

A 281 acre irrigated lease, with a 10 year term, is held by a Director. The contract contains an option to purchase provision for \$730,000. The annual rent will be \$12,500 in 2012 and \$36,500 in each year thereafter. This contract was arrived at by public auction in the current year and it contains the same terms and conditions as similar leases held by unrelated parties.

17. Commitments

Uncompleted contracts:

The District has commitments in an estimated amount of \$7,255,478 (2010 - \$5,289,023) in respect of uncompleted work under contracts on approved projects.

Leases with option to purchase provisions:

The District has leased 28 parcels of land (2011: 23 parcels, 2010: 5 parcels) for irrigation development purposes. The lease agreements have a 10 year term and contain an option to purchase provision which can be exercised between the 5th and 10th years of the term. Revenue and any gain from the sale of these parcels will be recognized if or when the option is exercised.

18. Contingencies

The District is currently party to the following disputes:

- a) A dispute over ownership of sand, rock and gravel resources, the results of which can not be determined.
- b) A dispute over a claim for an easement on land, the results of which cannot be determined.

There is still some contamination at the old truck shop location. The cost of remediation, if required, cannot be determined at this time.

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.





Schedule of operations & administration expenses

For The Year Ended September 30, 2011

	Equipment Pool	Maintenance	Water Delivery	EID Land Administration	Administration and General	2011 Total	2010 Total
Salaries and benefits							
Salaries	\$1,767,395	\$915,672	\$1,408,034	\$326,443	\$1,180,396	\$5,597,940	\$5,171,756
Pension plans	186,740	62,994	203,372	62,810	181,208	697,124	672,034
Group insurance	67,567	21,642	73,841	17,973	55,584	236,607	236,521
Employment insurance and WCB	49,857	15,156	49,814	20,387	37,244	172,458	156,942
Equipment							
Equipment rent (recovery), net	0	1,438,169	30,102	0	0	1,468,271	1,223,501
Amortization of equipment	935,204	0	0	0	117,507	1,052,711	1,018,876
Vehicle expense (recovery), net	(143,761)	250,510	383,626	72,448	68,644	631,467	507,689
Heavy equipment expense	245,631	0	0	0	0	245,631	217,938
Other							
Materials and supplies	155,707	310,379	95,359	0	0	561,445	387,918
Irrigation pumps and structures	0	186,017	193,911	0	0	379,928	419,742
Buildings and grounds	78,480	18,317	110,158	26,046	60,218	293,219	266,781
Insurance	123,914	9,378	33,551	0	52,490	219,333	231,319
Office supplies and maintenance	0	0	0	0	148,613	148,613	164,573
Advertising and promotion	407	0	0	11,062	131,162	142,631	117,643
Directors per diems and CPP	0	0	0	0	119,813	119,813	103,792
Professional fees	0	0	0	2,700	101,583	104,283	71,547
Telephone	27,273	7,196	31,925	0	23,778	90,172	71,547
Association fees	0	0	0	0	61,793	61,793	60,620
Directors expenses	0	0	0	0	48,024	48,024	38,262
Miscellaneous and freight	270	706	5,833	495	21,604	28,908	46,972
Private and irrigated leases	0	0	0	13,284	0	13,284	17,165
Travel	0	319	0	807	9,234	10,360	12,724
Shop supplies and small tools	(1,068)	5,578	1,022	0	0	5,532	87,161
Total expenses	3,493,616	3,242,033	2,620,548	554,455	2,418,895	12,329,547	11,303,023
Less:							
Recovery from capital construction	(3,751,225)	(230,619)	(713,201)	(39,337)	(602,259)	(5,336,641)	(4,442,805)
	(\$257,609)	\$3,011,414	\$1,907,347	\$515,118	\$1,816,636	\$6,992,906	\$6,860,218

Eastern Irrigation District
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