

**Parr Utilities Ltd.**

PO Box 711 Windermere BC V0B 2L0  
Ph: (250) 342-6634; Fax: (250) 342-6637

May 1, 2007

Ministry of Environment  
Lands and Parks Water Management Branch  
PO Box 9340 Stn Prov Govt  
Victoria BC V8W 9M1

Attention: Daryl Hanson  
Trust Fund Analyst

Dear Sir:

Re: Annual Report Package

We enclose herewith the following:

1. Bank Statements for Trust Account for the 12 month period;
2. Financial Statements for the year ended March 31<sup>st</sup>, 2007;
3. March 31<sup>st</sup>, 2007 Annual Report forms; and
4. Trust Account reconciliation.

We trust you will find all to be in order.

If you have any questions please do not hesitate to call the undersigned

Sincerely,  
Parr Utilities Ltd.

G. Mark Voszler

**Parr Utilities Ltd.**  
**Balance Sheet**  
As of March 31, 2007

	<u>Mar 31, 07</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Chequing/Savings</b>	
Bank	11,653.26 ✓
Bank Trust Account	7,154.13 ✓
Credit Union Patronage Shares	574.00 ✓
Term Deposit	84,944.68 ✓
<b>Total Chequing/Savings</b>	<u>104,326.07</u>
<b>Other Current Assets</b>	
Prepaid Water	-5,411.40 ✓
<b>Total Other Current Assets</b>	<u>-5,411.40</u>
<b>Total Current Assets</b>	98,914.67
<b>Fixed Assets</b>	
<b>Net Reservoir &amp; Pipelines</b>	
Accumulated Amortization	-14,683.00 ✓
Reservoir & Pipelines	98,267.00 ✓
<b>Total Net Reservoir &amp; Pipelines</b>	<u>83,584.00</u>
<b>Total Fixed Assets</b>	<u>83,584.00</u>
<b>TOTAL ASSETS</b>	<u><b>182,498.67</b></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Long Term Liabilities</b>	
Customer Cap Res Contribution	88,546.79 ✓
Due to Pedley Heights Devt Corp	5,307.10 ✓
<b>Total Long Term Liabilities</b>	<u>93,853.89</u>
<b>Total Liabilities</b>	93,853.89
<b>Equity</b>	
Retained Earnings	-12,128.57 ✓
Share Capital	83,585.00 ✓
Net Income	17,188.35
<b>Total Equity</b>	<u>88,644.78</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><b>182,498.67</b></u>

6:47 AM  
07/27/07  
Accrual Basis

**Parr Utilities Ltd.**  
**Profit & Loss**  
April 2006 through March 2007

	<u>Apr '06 - Mar 07</u>
<b>Income</b>	
Revenue	36,178.91
<b>Total Income</b>	<u>36,178.91</u>
<b>Expense</b>	
Accounting	5,845.00 ✓
Automotive	2,657.50 ✓
Bank Charges & Interest	146.30 ✓
BC Hydro Fees	3,966.20 ✓
Chlorine	856.64 ✓
Delivery	630.00 ✓
Dues and Fees	56.35 ✓
Licenses and Permits	308.95 ✓
Office & Miscellaneous	3,322.22 ✓
Telephone	531.50 ✓
Training	669.90 ✓
<b>Total Expense</b>	<u>18,990.56</u>
<b>Net Income</b>	<u><u>17,188.35</u></u>

**WATER UTILITY ANNUAL REPORT**  
 To the DEPUTY COMPTROLLER of WATER RIGHTS  
 For the fiscal year ended: March 31, 2007

File: 0321093

Name: PARR UTILITIES LTD  
 Address: P.O. BOX 711  
 1255 BALTAC RD  
 INVERMERE BC V0B 2L0

( please correct if address is wrong)

Contact: Name G. Mark Vossler Title Operator

Telephone No: 250-342-6634 Fax No: 250-342-6637 Email Address: vossler@telus.net

Geographical location of works: Baltac Subdivision - 1205 Hwy 93/95

Local Operator: Name G. Mark Vossler Telephone No. 250-342-6634

Accountants: Name \_\_\_\_\_ Telephone No. \_\_\_\_\_

**A. CORPORATE DATA:**

Show below the name, title of office or position, and address of every member of the board of directors and the officers of the company.

Name	Address	Title or Position	Telephone No.
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Show below the names and addresses of all persons or corporations holding over 10% of any class of shares of the company.

Shareholder	Address	% Interest	Telephone No.
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**B. SERVICE AREA:**

No. of lots (units) authorized for service: 121 Homes & 53 LV sites No. of lots (units) connected: 102 Homes & 3 Rent Charge Lots & 53 LV sites

**C. WATER CONSUMPTION:**

If source(s) of water is metered, state the total input (l. gal., U.S. gal., cu. ft., cu. m.) to the system for the year:

not metered

**D. DESCRIPTION OF SYSTEM ASSETS ACQUISITIONS & DISPOSALS**

(Attach sheet if space below is insufficient)

Reservoir & underground pipelines

**COST**  
\$98,267.00

**DECLARATION:** The information filed herewith comprising this annual report is complete and accurate, to the best of my knowledge, information and belief.

(Signature of president or secretary of the Company)

## REVENUE ANALYSIS REPORT

File: 0321093

Name of Utility: PARR UTILITIES LTD  
 For the year ended: March 31, 2007

NO. OF CUSTOMERS (UNITS)	RESIDENTIAL	COMMERCIAL	TOTAL
- unmetered full time	<u>102</u>		<u>102</u>
- unmetered seasonal		<u>53</u>	<u>53</u>
- metered full time			
- metered seasonal			
REVENUE FOR YEAR			
Rates - unmetered full time	\$ <u>20.04/mth</u>	\$	\$ <u>24,408.72</u>
- unmetered seasonal		<u>450/mth</u>	<u>1,431.00</u>
- metered full time			
- metered seasonal			
Rent Charges <span style="margin-left: 20px;">(3/10/03)</span>	<u>120.24/yr</u>		<u>360.72</u>
Connection Fees			
Fire Protection			
Irrigation Sales			
Bulk Sales			
Other Water Revenue (Specify)			
<b>TOTAL REVENUE BEFORE INTEREST</b> (To agree with Income Statement)	\$ <u>24,889.68</u>	\$ <u>1,431.00</u>	\$ <u>26,200.44</u>
<b>REPLACEMENT RESERVE TRUST FUND</b>			
-Amount Per Unit	<u>6.69/mth</u>	<u>2.23/mth</u>	
-Total For Year	\$ <u>8308.80</u>	\$ <u>709.14</u>	\$ <u>9017.94</u>

**TRUST FUND ANNUAL REPORT  
TO DEPUTY COMPTROLLER OF WATER RIGHTS**

Name of Utility: PARR UTILITIES LTD

File: 0321093

Fiscal Year End: March 31, 2007

	Replacement Reserve Trust Fund	Maintenance Reserve Trust Fund	*Deferred Capacity Reserve Trust Fund	Revenue Deficit Trust Fund	Construction Trust Fund	Other Trust Fund
<b>Balance, beginning of year</b>	\$ 82,923.50	\$	\$	\$	\$	\$
<b>Add</b>						
Interest Earned Contributions	1,196.70					
<b>Replacement Reserve</b>						
from Customer Rates	8897.70					
from Rent Charges	120.42					
from Other						
<b>Deduct</b>						
Interest Withdrawn						
Authorized Releases						
<b>Balance, end of fiscal year</b>	92,675.92					
<b>Balance, end of fiscal year per bank confirmation attached</b>	92,670.75					
<b>Difference (attach explanation if more than \$100)</b>	\$ (4.57)	\$	\$	\$	\$	\$

\* Attach a list of names and lot descriptions for any new Deferred Capacity Trust Fund contributions.

  
Independent Signing Authority, Title and Name of Firm (Please Print)  
G. Mark Vozzler

Signature and Date: June 26/07  
Telephone Number: (250) 342-6634  
Fax Number: (250) 342-6637

Parr Utilities Ltd.  
Replacement Reserve Trust Fund

	REQUIRED	BANK	FINANCIAL STATEMENT	OVER/ UNDER
31-Mar-04 Balance	\$62,937.68	\$63,064.67	\$63,064.67	\$126.99
2004/05 Contributions 100 customers x \$6.69 x 12 months	\$8,028.00			
2004/05 Contributions 53 RV customers x \$2.23 x 6 months	\$709.14			
2004/05 Interest Earned	\$422.71			
	<u>\$9,159.85</u>			
31-Mar-05 Balance	\$72,097.53	\$72,273.52	\$72,322.63	\$175.99
2005/06 Contributions 100 customers x \$6.69 x 3 months	\$2,007.00			
2005/06 Contributions 102 customers x \$6.69 x 9 months	\$6,141.42			
2005/06 Contributions 53 RV customers x \$2.23 x 6 months	\$709.14			
2005/06 Contributions 3 rent Charge Lots 3 x \$3.345 x 12 months	\$120.42			
2005/06 Interest Earned	\$1,127.99			
2005/06 Credit Union Dividends and patronage deposits	\$120.00			
	<u>\$10,225.97</u>			
31-Mar-06 Balance	\$82,323.50	\$82,318.87	\$82,318.93	-\$4.63
2006/07 Contributions 102 customers x \$6.69 x 12 months	\$8,188.56			
2006/07 Contributions 53 RV customers x \$2.23 x 6 months	\$709.14			
2006/07 Contributions 3 rent Charge Lots 3 x \$3.345 x 12 months	\$120.42			
2006/07 Interest Earned	\$1,196.70			
2006/07 Credit Union Dividends and patronage deposits	\$137.00			
	<u>\$10,351.82</u>			
31-Mar-07 Balance	\$92,675.32	\$92,670.75	\$92,672.81	-\$4.57

BANK CONFIRMATION FORM

FOR

PARR UTILITIES LTD

File: 0321093

The undersigned does hereby signify that on March 31, 2007 the following funds were held in a savings/term deposit/safekeeping or G.I.C. account(s) for the above utility, in accordance with the Irrevocable Letter of Authority(I.L.A.) signed on the date shown below:

Name of Fund	I.L.A. Date	Type and Acct No.	Total Amount
REPLACEMENT RESERVE TRUST FUND	Oct 25, 2001	<u>See attached</u>	<u>\$ 92,670.75</u>

Enclose a separate sheet if needed but ensure that the appropriate Trust Funds are clearly indicated.

The above account(s) was(were) not encumbered in any way, and from which account(s) no withdrawals have been made without the written authorization of the Comptroller of Water Rights.

The said Fund(s) is(are) identified as held for the sole discretion of the Comptroller of Water Rights, Water Utility Act, of the Province of British Columbia.

Name of Financial Institution

Address

Telephone

Fax

35810-809	5
KOOTENAY SAVINGS CREDIT UNION INVERMERE BRANCH P.O. BOX 2580 INVERMERE, BC	
JUL - 5 2007	
B.C. CENTRAL CREDIT UNION VANCOUVER, BC	
35810-809	

Patricia Raven  
Financial Institution Signing Authority (Print)

Signature

Date

July 5/2007

250-342-6963  
250-342-6963



92,670.75

0392

Parr Utilities In Trust To  
Water Utilities  
PO BOX 711  
Windermere BC V0B 2L0

(250) 342-6961  
147967  
01Mar2007 to 31Mar2007  
1

ting,  
PM,  
rail.

Date	Description	Withdrawal	Deposit	Balance
<b>MAXIMIZER</b>				
28Feb2007	Balance Forward			6461.41
21Mar2007	Deposit		692.42	7153.83
31Mar2007	Credit Interest		0.24	7154.07
Total Withdrawals and Deposits		0.00	692.66	
<b>MEMBERSHIP SHARES</b>				
28Feb2007	Balance Forward			25.00
<b>PATRONAGE SHARES</b>				
28Feb2007	Balance Forward			547.00
5 YEAR RATECLIMBER 2	Start 24Apr04	Matures 24Apr09	NextInt 24Apr07	Rate 2.5000%
28Feb2007	Balance Forward			5214.75
5 YEAR RATECLIMBER 3	Start 24Apr04	Matures 24Apr09	NextInt 24Apr07	Rate 2.5000%
28Feb2007	Balance Forward			5214.75
5 YEAR RATECLIMBER 4	Start 24Apr04	Matures 24Apr09	NextInt 24Apr07	Rate 2.5000%
28Feb2007	Balance Forward			5214.75
5 YEAR RATECLIMBER 5	Start 24Apr04	Matures 24Apr09	NextInt 24Apr07	Rate 2.5000%
28Feb2007	Balance Forward			5214.75
5 YEAR RATECLIMBER 6	Start 24Apr04	Matures 24Apr09	NextInt 24Apr07	Rate 2.5000%
28Feb2007	Balance Forward			5214.75
5 YEAR RATECLIMBER 7	Start 24Apr04	Matures 24Apr09	NextInt 24Apr07	Rate 2.5000%
28Feb2007	Balance Forward			5214.75
5 YEAR RATECLIMBER 8	Start 24Apr04	Matures 24Apr09	NextInt 24Apr07	Rate 2.5000%
28Feb2007	Balance Forward			5214.75
5 YEAR RATECLIMBER 9	Start 25May05	Matures 25May10	NextInt 25May07	Rate 2.5000%

Date	Description	Withdrawal	Deposit	Balance
28Feb2007	Balance Forward			18441.43
5 YEAR RATECLIMBER 10	Start 01Jun06 Matures 01Jun11 NextInt 01Jun07 Rate 3.1000%			
28Feb2007	Balance Forward			5000.00
5 YEAR RATECLIMBER 11	Start 01Jun06 Matures 01Jun11 NextInt 01Jun07 Rate 3.1000%			
28Feb2007	Balance Forward			5000.00
5 YEAR RATECLIMBER 12	Start 01Jun06 Matures 01Jun11 NextInt 01Jun07 Rate 3.1000%			
28Feb2007	Balance Forward			5000.00
3 YEAR RATECLIMBER 13	Start 01Sep06 Matures 01Sep09 NextInt 01Sep07 Rate 3.2500%			
28Feb2007	Balance Forward			5000.00
3 YEAR RATECLIMBER 14	Start 01Sep06 Matures 01Sep09 NextInt 01Sep07 Rate 3.2500%			
28Feb2007	Balance Forward			5000.00
3 YEAR RATECLIMBER 15	Start 01Sep06 Matures 01Sep09 NextInt 01Sep07 Rate 3.2500%			
28Feb2007	Balance Forward			5000.00

*Under your agreement with the Credit Union this statement will be considered correct if no exceptions are reported in writing within thirty (30) days from delivery or mailing to you.*

End of Statement



# Kootenay Savings

CREDIT UNION

Where You Belong

## Bank Confirmation Form For Parr Utilities Ltd.

As of March 31, 2007

Membership Shares	-	\$25.00
Patronage Shares	-	\$547.00
Maximizer	-	\$7154.07

Term Deposit #2	-	\$5214.75
#3	-	\$5214.75
#4	-	\$5214.75
#5	-	\$5214.75
#6	-	\$5214.75
#7	-	\$5214.75
#8	-	\$5214.75
#9	-	\$18441.43
#10	-	\$5000.00
#11	-	\$5000.00
#12	-	\$5000.00
#13	-	\$5000.00
#14	-	\$5000.00
#15	-	\$5000.00

Any questions, please call,



**Patricia Raven**  
Receptionist

**Invermere Branch**  
1028 - 7th Ave.  
P.O. Box 2580  
Invermere  
British Columbia  
VOA 1K0

**Telephone**  
(250) 342-6961  
**Facsimile**  
(250) 342-6963  
**Email**  
info@kscu.com

**Memberline**  
368-KSCU (5728) or  
1-800-665-KSCU (5728)

**Online Banking**  
www.kscu.com