

FAX

To: Ron Simmons **From:** David Grocutt
Fax: 250-953-5124 **Pages:** 23
Phone: **Date:** 4.24.2009
Re: Parr Utilities 2007 Annual Report **CC:**

Urgent For Review Please Comment Please Reply Please Recycle

Comments:

Hi Ron,

Please find attached the Annual Reports for Parr Utilities for the period of April 1, 2007 – December 31, 2007 and for January 1, 2008 – December 31, 2008.

I have not received the corrected bank confirmation for 2008 as of yet but I will forward it as soon as it is prepared by the bank. Also, the first page of the reports have not been signed because Paul needs to sign them and he is there. Therefore, either he can sign them while he is there or I can get him to sign them on Monday and forward the signed forms then if you want.

I will forward the financial statements from the auditing firm for 2008 as soon as we receive them. I have included the unaudited statements that we have currently in with the 2008 forms.

If you need any more information about any of this, please just let me know.

Thanks,

David Grocutt, CGA
Controller
Parr Utilities Ltd.
Ph: 250-342-6999
dgrocutt@windermerewater.com

4.24.2009

PARR UTILITIES LTD.
Balance Sheet
December 31, 2008
Unaudited

ASSETS	
Current	
Cash	73,942.10
Accounts Receivable	281,990.07
Prepaid expenses	13,383.00
Taxes Receivable	590.58
	369,905.75
Total Current Assets	
Future Tax Asset	15,470.00
	15,470.00
Reserve Funds (Investments)	
Replacement Reserve	103,743.49
Deferred Capacity	207,142.90
Construction	4,202.75
	315,089.14
Total Reserves (Investments)	
Plant, Property & Equipment	98,267.00
Accumulated Depreciation	(98,267.00)
	0.00
Net Plant in Service	
Construction in Progress	4,737,636.14
	4,737,636.14
Total Assets	5,438,101.03
LIABILITIES	
Current	
Accounts payable and accrued liabilities	888,785.46
Due to related party	4,207,875.00
Due to shareholder	5,307.10
	5,101,967.56
Total Current Liabilities	
Deferred Revenue	400.95
	400.95
Refundable Contributions	26,802.75
	26,802.75
Reserves	
Replacement Reserve	112,882.03
Deferred Capacity	207,142.90
	320,024.93
Total Reserves	
Contributions in Aid of Construction	346,625.00
Amortization	0.00
	346,625.00
Net CIAC	
	346,625.00
Total Liabilities	5,795,821.19
Shareholders Equity	
Share Capital	
Common Shares	100.00
	100.00
Total Share Capital	
Retained Earnings	
Opening Balance	(90,346.32)
Current Earnings	(267,473.84)
	(357,820.16)
Closing Balance	
	(357,820.16)
Total Shareholders Equity	(357,720.16)
Total Liabilities & Equity	5,438,101.03

WATER UTILITY ANNUAL REPORT
 To the COMPTROLLER of WATER RIGHTS, Water Utility Act
 For the fiscal year ended: December 31, 2008

File: 0321093

Name: PARR UTILITIES LTD
 Address: PO BOX 121
 170 LAURIER STREET
 ATHALMER BC V0A 1A0

(please correct if address is wrong)

Contact Name: David Grocutt Title: Controller

Phone No: 250-342-6999 Fax No: 250-342-6998 Email Address: dgrocutt@windermere.water.com

Geographical location of works: Windermere, BC

Local Operator's Name: Mathew Macala Phone No: 250-342-5763

Accountants Name: Smith Cageorge Perry LLP Phone No: 403-261-9933

A. CORPORATE DATA:

Question: Has there been a change of more than 20% of the common shares of the utility company? Yes No

List names and addresses of all persons or corporations holding over 10% of any class of shares of the company.

Shareholder	Address	% Interest	Phone Number
1294671 Alberta Inc	#1003, 200 La Caille Place S.W. Calgary AB T2P-5E2	100	403-265-7037

B. SERVICE AREA:

Number of lots (units) authorized for service: 243 Number of lots (units) connected: 147

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:

N/A

D. DESCRIPTION OF SYSTEM ASSETS ACQUISITIONS & DISPOSALS:

COST: _____

N/A

E. ADDITIONAL QUESTIONS:

- 1) Did you have any boil advisories during the past year?
- 2) Is your water system adequate to meet consumption needs?
- 3) Do you foresee any major repairs or replacements required in the next 5 years?

Yes	No
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>

-Major upgrade planned as per our current CPCN application

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: December 31, 2008

	RESIDENTIAL	COMMERCIAL	TOTAL
NO. OF CUSTOMERS (UNITS)			
- unmetered full time	<u>106 + 3 rent charges</u>	<u> </u>	<u> </u>
- unmetered seasonal	<u> </u>	<u>38</u>	<u> </u>
- metered full time	<u> </u>	<u> </u>	<u> </u>
- metered seasonal	<u> </u>	<u> </u>	<u> </u>
 REVENUE FOR YEAR			
Rates - unmetered full time	<u>\$ 34,000.56</u>	<u>\$</u>	<u>\$ 34,000.56</u>
- unmetered seasonal	<u> </u>	<u>1,534.44</u>	<u> </u>
- metered full time	<u> </u>	<u> </u>	<u> </u>
- metered seasonal	<u> </u>	<u> </u>	<u> </u>
Rent Charges	<u>481.14</u>	<u> </u>	<u>481.14</u>
Connection Fees	<u> </u>	<u> </u>	<u> </u>
Fire Protection	<u> </u>	<u> </u>	<u> </u>
Irrigation Sales	<u> </u>	<u> </u>	<u> </u>
Bulk Sales	<u> </u>	<u> </u>	<u> </u>
Other Water Revenue (Specify)	<u> </u>	<u> </u>	<u> </u>
 TOTAL REVENUE BEFORE INTEREST			
(To agree with Income Statement)	<u>\$ 34 481.70</u>	<u>\$ 1 534.44</u>	<u>\$ 36 016.14</u>
 REPLACEMENT RESERVE TRUST FUND			
-Amount Per Unit	<u>6.69/month</u>	<u>2.23/month for 6 months</u>	<u> </u>
-Total For Year	<u>* \$ 8630.10</u>	<u>\$ 508.44</u>	<u>\$ 9 138.54</u>

WUA-RAR-07/92

*Total includes 3 rent charges at \$40.10/Lot for a total of \$120.30

RESERVE/TRUST FUND ANNUAL REPORT
(TO THE COMPTROLLER OF WATER RIGHTS, Water Utility Act)

Name of Utility: PARR UTILITIES LTD

File: 0321093

Fiscal Year End: December 31, 2008

	Replacement Reserve Fund	Revenue Deficit Fund	*Deferred Capacity Fund	Maintenance Fund	Construction Reserve Fund	Other Fund
Balance, beginning of year	\$ 100,913.35	\$	\$ 108,034.45	\$	\$ 4,201.02	\$
Add						
Interest Earned	2,830.14		108.45		1.73	
Contributions			99,000.00			
Replacement Reserve from Customer Rates	9,018.12					
from Rent Charges	120.42					
from Other						
Deduct						
Interest Withdrawn						
Authorized Releases						
Balance, end of fiscal year	\$ 112,882.03		207,142.90		4,202.75	
Balance, end of fiscal year per bank confirmation attached	103,793.49		207,142.90		4,202.75	
Difference (attach explanation if more than \$100)	\$ 9,138.54	\$	\$	\$	\$	\$

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

David Brockett - Controller - Parr Utilities
Independent Signing Authority, Title and Name of Firm (Please Print)

Signature David Brockett

Date Apr. 1 23, 2009

Telephone number 250-342-6999

Fax Number 250-342-6998

Please note: The difference of \$9,138.54 between the Bank Confirmation balance and the calculated balance of the Replacement Reserve Fund is due to the fact that the calculated amount was not deposited into the fund until March 3, 2009. Please find following, the bank statement for March, 2009 showing the amount being deposited into the account.

BANK CONFIRMATION FORM

FOR

PARR UTILITIES LTD

File: 0321094

The undersigned does hereby signify that on December 31, 2008 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:

<u>Name of Fund</u>	<u>I.L.A. Date</u>	<u>Type and Acct. Number</u>	<u>Total Amount</u>
Deferred Capacity Reserve Fund	Jul 24, 2007	510147967	\$ 207,142.90
Construction Reserve Fund	Jul 24, 2007	520147967	\$ 4202.75
Replacement Reserve Trust Fund	Jul 24, 2007	500147967	\$ 103,743.22

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

KOOTENAY SAVINGS CREDIT UNION

Address **BOX 2580**

Invermere, B.C. V0A 1K0

250-342-6961

Telephone

250-342-6963

Fax

Charlene Diakiw
Financial Institution Signing Authority (Print)

Charlene Dech
Signature

April 24, 2009
Date



4290

Parr Utilities In Trust To
Water Utilities
PO BOX 121
Athalmer BC VOA 1A0

Invermere Branch (250) 342-6961
Account Number 147967
Statement Period 01Mar2009 to 31Mar2009
Page 1

Plan to attend our AGM on April 20
at 7:30 PM at the Cominco Gym in Trail.

April 22 is Earth Day. Join our employees
as they take to the street to clean up our
communities. Ask us for more details.

Date	Description	Withdrawal	Deposit	Balance
MAXIMIZER BUSINESS LITE Replacement Reserv				
28Feb2009	Balance Forward			13655.27
03Mar2009	Cheque Deposit		9138.54	22793.81
03Mar2009	Transfer In From 144881 Invmere Cheq Payout		492.84	23286.65
31Mar2009	Credit Interest		1.69	23288.34
	Total Withdrawals and Deposits	0.00	9633.07	
MAXIMIZER BUSINESS LITE 1 Dfrd Cap Trst Fund				
28Feb2009	Balance Forward			207175.94
31Mar2009	Credit Interest		17.36	207193.30
	Total Withdrawals and Deposits	0.00	17.36	
MAXIMIZER BUSINESS LITE 2 Construction Trust				
28Feb2009	Balance Forward			4203.04
31Mar2009	Credit Interest		0.15	4203.19
	Total Withdrawals and Deposits	0.00	0.15	
MEMBERSHIP SHARES				
28Feb2009	Balance Forward			25.00
	Total Withdrawals and Deposits	0.00	0.00	
PATRONAGE SHARES				
28Feb2009	Balance Forward			1131.00
03Mar2009	Transfer In From 144881 Invmere Bshare Close		23.00	1154.00
	Total Withdrawals and Deposits	0.00	23.00	
5 YEAR RATECLIMBER 2				
28Feb2009	Balance Forward	Start 24Apr04	Matures 24Apr09	NextInt 24Apr09
			Rate 6.0000%	5519.31
5 YEAR RATECLIMBER 3				
28Feb2009	Balance Forward	Start 24Apr04	Matures 24Apr09	NextInt 24Apr09
			Rate 6.0000%	5519.31
5 YEAR RATECLIMBER 4				
28Feb2009	Balance Forward	Start 24Apr04	Matures 24Apr09	NextInt 24Apr09
			Rate 6.0000%	5519.31

Deferred Capacity Fund Contributions
January 1, 2008 - December 31, 2008

<u>Customer</u>	<u>Amount</u>	<u>CPCN #</u>
Pedley Heights - Phase 3	15,000.00	1339
Holland Creek Developments	63,000.00	1340
Holland Creek Developments	21,000.00	1345
Total	<u>99,000.00</u>	

PARR UTILITIES LTD.
2009 REPLACEMENT RESERVE FUND CONTRIBUTION

	<u># of</u>	<u>Monthly</u>	<u>Total Billed to</u>	<u>Monthly</u>	<u>Total Reserve</u>	<u>Total for 12</u>
	<u>Customers</u>	<u>Customer Fee</u>	<u>Customers</u>	<u>Reserve</u>	<u>Amount</u>	<u>Months</u>
				<u>Amount</u>		
Unmetered full time	105	20.04	25,250.40	6.69	8,429.40	33,679.80
Unmetered seasonal	38	4.50	1,026.00	2.23	508.44	1,534.44
Rent Charges	38	10.02	4,569.12	3.34	1,523.80	6,092.92
			<u>30,845.52</u>		<u>10,461.64</u>	<u>41,307.16</u>