

2011 Corporate Return
prepared for:

WATER PRO, INC.
P O BOX 156
DRAPER, UT 84020

Hansen, Barnett & Maxwell, P.C.
5 Triad Center, Suite 750
Salt Lake City, UT 84180

A Check if: 1 a Consolidated return (attach Form 851). <input type="checkbox"/> b Life/nonlife consolidated return. <input type="checkbox"/> 2 Personal holding co (attach Sch PH) <input type="checkbox"/> 3 Personal service corp (see instrs) <input type="checkbox"/> 4 Schedule M-3 attached <input type="checkbox"/>	TYPE OR PRINT	WATER PRO, INC. P O BOX 156 DRAPER, UT 84020	TAXPAYER'S COPY	B Employer identification number 87-0572672	C Date incorporated 1/01/1998	D Total assets (see instructions) \$ 4,943,895.
E Check if: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change						

I N C O M E	1 a Merchant card and third-party payments. For 2011, enter -0-.....	1 a	0.		
	b Gross receipts or sales not reported on line 1a (see instructions).....	1 b	3,812,009.		
	c Total. Add lines 1a and 1b.....	1 c	3,812,009.		
	d Returns and allowances plus any other adjustments (see instructions)....	1 d			
	e Subtract line 1d from line 1c.....	1 e	3,812,009.		
	2 Cost of goods sold from Form 1125-A, line 8 (attach Form 1125-A).....	2	1,044,996.		
	3 Gross profit. Subtract line 2 from line 1e.....	3	2,767,013.		
	4 Dividends (Schedule C, line 19).....	4			
	5 Interest.....	5	75,525.		
	6 Gross rents.....	6			
	7 Gross royalties.....	7			
8 Capital gain net income (attach Schedule D (Form 1120)).....	8				
9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797).....	9	-4,682.			
10 Other income (see instructions — attach schedule).....	10	49,736.			
11 Total income. Add lines 3 through 10.....	11	2,887,592.			
D E D U C T I O N S S E E I N S T R U C T I O N S	12 Compensation of officers from Form 1125-E, line 4 (attach Form 1125-E).....	12			
	13 Salaries and wages (less employment credits).....	13	1,115,544.		
	14 Repairs and maintenance.....	14	273,231.		
	15 Bad debts.....	15			
	16 Rents.....	16	11,606.		
	17 Taxes and licenses.....	17	166,352.		
	18 Interest.....	18	17,096.		
	19 Charitable contributions.....	19	0.		
	20 Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562).....	20	99,291.		
	21 Depletion.....	21			
	22 Advertising.....	22	30,898.		
	23 Pension, profit-sharing, etc, plans.....	23	44,068.		
	24 Employee benefit programs.....	24			
	25 Domestic production activities deduction (attach Form 8903).....	25			
	26 Other deductions (attach schedule).....	26	1,318,738.		
	27 Total deductions. Add lines 12 through 26.....	27	3,076,824.		
	28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11.....	28	-189,232.		
T C R S R E F U N D A B L E	29a Net operating loss deduction (see instructions).....	29 a			
	b Special deductions (Schedule C, line 20).....	29 b			
	c Add lines 29a and 29b.....	29 c			
30 Taxable income. Subtract line 29c from line 28 (see instructions).....	30	-189,232.			
31 Total tax (Schedule J, Part I, line 11).....	31	0.			
32 Total payments and refundable credits (Schedule J, Part II, line 21).....	32	14,878.			
33 Estimated tax penalty (see instructions). Check if Form 2220 is attached. <input type="checkbox"/>	33				
34 Amount owed. If line 32 is smaller than the total of lines 31 and 33, enter amount owed.....	34				
35 Overpayment. If line 32 is larger than the total of lines 31 and 33, enter amount overpaid.....	35	14,878.			
36 Enter amount from line 35 you want: Credited to 2012 estimated tax. <input type="checkbox"/> 14,878. Refunded <input type="checkbox"/> 0.	36				

Sign Here ▶ Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer		Date	Title	
			PRESIDENT	May the IRS discuss this return with the preparer shown below (see instructions)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Paid Preparer Use Only	Print/Type preparer's name PAUL O. SKEEN, CPA	Preparer's signature MAR 01 2012	Check <input type="checkbox"/> if self-employed	PTIN P00630117
	Firm's name ▶ HANSEN, BARNETT & MAXWELL, P.C.	Firm's EIN ▶ 87-0281467		
	Firm's address ▶ 5 TRIAD CENTER, SUITE 750 SALT LAKE CITY, UT 84180	Phone no. (801) 532-2200		

Schedule C Dividends and Special Deductions (see instructions)	(a) Dividends received	(b) Percentage	(c) Special deductions (a) x (b)
1 Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock).....		70	
2 Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock).....		80	
3 Dividends on debt-financed stock of domestic and foreign corporations.....		see instructions	
4 Dividends on certain preferred stock of less-than-20%-owned public utilities.....		42	
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities.....		48	
6 Dividends from less-than-20%-owned foreign corporations and certain FSCs.....		70	
7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs.....		80	
8 Dividends from wholly owned foreign subsidiaries.....		100	
9 Total. Add lines 1 through 8. See instructions for limitation.....			
10 Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958.....		100	
11 Dividends from affiliated group members.....		100	
12 Dividends from certain FSCs.....		100	
13 Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12.....			
14 Income from controlled foreign corporations under subpart F (attach Form(s) 5471).....			
15 Foreign dividend gross-up.....			
16 IC-DISC and former DISC dividends not included on lines 1, 2, or 3.....			
17 Other dividends.....			
18 Deduction for dividends paid on certain preferred stock of public utilities.....			
19 Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4.....			
20 Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b.....			

Schedule J Tax Computation and Payment (see instructions)

Part I – Tax Computation

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))	<input type="checkbox"/>		
2	Income tax. Check if a qualified personal service corporation (see instructions)	<input type="checkbox"/>	2	0.
3	Alternative minimum tax (attach Form 4626)		3	
4	Add lines 2 and 3		4	0.
5a	Foreign tax credit (attach Form 1118)	5 a		
b	Credit from Form 8834, line 30 (attach Form 8834)	5 b		
c	General business credit (attach Form 3800)	5 c		
d	Credit for prior year minimum tax (attach Form 8827)	5 d		
e	Bond credits from Form 8912	5 e		
6	Total credits. Add lines 5a through 5e		6	
7	Subtract line 6 from line 4		7	
8	Personal holding company tax (attach Schedule PH (Form 1120))		8	
9a	Recapture of investment credit (attach Form 4255)	9 a		
b	Recapture of low-income housing credit (attach Form 8611)	9 b		
c	Interest due under the look-back method – completed long-term contracts (attach Form 8697)	9 c		
d	Interest due under the look-back method – income forecast method (attach Form 8866)	9 d		
e	Alternative tax on qualifying shipping activities (attach Form 8902)	9 e		
f	Other (see instructions – attach schedule)	9 f		
10	Total. Add lines 9a through 9f		10	
11	Total tax. Add lines 7, 8, and 10. Enter here and on page 1, line 31		11	0.

Part II – Payments and Refundable Credits

12	2010 overpayment credited to 2011	12	14,878.
13	2011 estimated tax payments	13	
14	2011 refund applied for on Form 4466	14	
15	Combine lines 12, 13, and 14	15	14,878.
16	Tax deposited with Form 7004	16	
17	Withholding (see instructions)	17	
18	Total payments. Add lines 15, 16 and 17	18	14,878.
19	Refundable credits from:		
a	Form 2439	19 a	
b	Form 4136	19 b	
c	Form 3800, line 17c and Form 8827, line 8c	19 c	
d	Other (attach schedule – see instructions)	19 d	
20	Total credits. Add lines 19a through 19d	20	
21	Total payments and credits. Add lines 18 and 20. Enter here and on page 1, line 32	21	14,878.

Schedule K Other Information (see instructions)

1	Check accounting method a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) _____	Yes	No
2	See the instructions and enter the:		
a	Business activity code no. ▶ 541600		
b	Business activity ▶ MANAGEMENT COMPANY		
c	Product or service ▶ MANAGEMENT SERVICES		
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If 'Yes,' enter name and EIN of the parent corporation _____		X
4	At the end of the tax year:		
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If 'Yes,' complete Part I of Schedule G (Form 1120) (attach Schedule G)	X	
b	Did any individual or estate own, directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If 'Yes,' complete Part II of Schedule G (Form 1120) (att Schedule G)		X

Schedule K Other Information *continued* (see instructions)

5 At the end of the tax year, did the corporation:

a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on **Form 851**, Affiliations Schedule? For rules of constructive ownership, see instructions.

If 'Yes,' complete (i) through (iv) below.

Yes	No
	X

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions.

If 'Yes,' complete (i) through (iv) below.

Yes	No
	X

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Organization	(iv) Maximum Percentage Owned in Profit, Loss, or Capital

6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.)

If 'Yes,' file **Form 5452**, Corporate Report of Nondividend Distributions.

If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary

	X
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7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of **(a)** the total voting power of all classes of the corporation's stock entitled to vote or **(b)** the total value of all classes of the corporation's stock?

For rules of attribution, see section 318. If 'Yes,' enter:

(i) Percentage owned ▶ _____ and **(ii)** Owner's country ▶ _____

(c) The corporation may have to file **Form 5472**, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached ▶ _____

	X
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8 Check this box if the corporation issued publicly offered debt instruments with original issue discount

If checked, the corporation may have to file **Form 8281**, Information Return for Publicly Offered Original Issue Discount Instruments.

9 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ _____ NONE

10 Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶ _____

11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here

If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.

12 Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 29a.) ▶ \$ _____ NONE

13 Are the corporation's total receipts (line 1c plus lines 4 through 10 on page 1) for the tax year **and** its total assets at the end of the tax year less than \$250,000?

If 'Yes,' the corporation is not required to complete Schedules L, M-1, and M-2 on page 5. Instead, enter the total amount of cash distributions and the book value property distributions (other than cash) made during the tax year. ▶ \$ _____

	X
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14 Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement (see instructions)?

If 'Yes,' complete and attach Schedule UTP.

	X
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15a Did the corporation make any payments in 2011 that would require it to file Form(s) 1099 (see instructions)?

b If 'Yes,' did or will the corporation file all required Forms 1099?

X	
X	

Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash		484,774.		608,246.
2a	Trade notes and accounts receivable	1,921,005.		1,288,048.	
	b Less allowance for bad debts		1,921,005.		1,288,048.
3	Inventories		231,057.		220,809.
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach schedule) . . . SEE . ST. . 5.		18,245.		29,333.
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach schedule) . . . SEE . ST. . 6.		2,014,204.		2,417,938.
10a	Buildings and other depreciable assets	1,705,596.		1,536,630.	
	b Less accumulated depreciation	1,274,957.	430,639.	1,199,633.	336,997.
11a	Depletable assets				
	b Less accumulated depletion				
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)				
	b Less accumulated amortization				
14	Other assets (attach schedule) SEE . ST. . 7.		31,430.		42,524.
15	Total assets		5,131,354.		4,943,895.
Liabilities and Shareholders' Equity					
16	Accounts payable				
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach sch) . . . SEE . ST. . 8.		426,209.		450,028.
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (attach schedule)				
22	Capital stock: a Preferred stock				
	b Common stock	200.	200.	200.	200.
23	Additional paid-in capital		408,382.		408,382.
24	Retained earnings — Approp (att sch)				
25	Retained earnings — Unappropriated		4,296,563.		4,085,285.
26	Adjmnt to shareholders' equity (att sch)				
27	Less cost of treasury stock				
28	Total liabilities and shareholders' equity		5,131,354.		4,943,895.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return					
Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more – see instructions					
1	Net income (loss) per books	-211,278.	7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books			Tax-exempt interest \$ _____	
3	Excess of capital losses over capital gains			_____	
4	Income subject to tax not recorded on books this year (itemize):			_____	
5	Expenses recorded on books this year not deducted on this return (itemize):		8	Deductions on this return not charged against book income this year (itemize):	
	a Depreciation \$ _____			a Depreciation . . . \$ _____	
	b Charitable contributions . \$ 18,179.			b Charitable contribns \$ _____	
	c Travel & entertainment . \$ 3,867.			_____	
	_____	22,046.	9	Add lines 7 and 8	0.
6	Add lines 1 through 5	-189,232.	10	Income (page 1, line 28) — line 6 less line 9	-189,232.

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)					
1	Balance at beginning of year	4,296,563.	5	Distributions a Cash . . .	
2	Net income (loss) per books	-211,278.		b Stock _____ c Property . .	
3	Other increases (itemize):		6	Other decreases (itemize):	
	_____			_____	
	_____		7	Add lines 5 and 6	
4	Add lines 1, 2, and 3	4,085,285.	8	Balance at end of year (line 4 less line 7)	4,085,285.

Form **1125-A**

(December 2011)

Department of the Treasury
Internal Revenue Service

Cost of Goods Sold

OMB No. 1545-2225

▶ **Attach to Form 1120, 1120-C, 1120-F, 1120-S, 1065, and 1065-B.**

Name WATER PRO, INC.	Employer identification number 87-0572672
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1 Inventory at beginning of year.....	1	231,057.
2 Purchases.....	2	1,034,748.
3 Cost of labor.....	3	
4 Additional section 263A costs (attach schedule).....	4	
5 Other costs (attach schedule).....	5	
6 Total. Add lines 1 through 5.....	6	1,265,805.
7 Inventory at end of year.....	7	220,809.
8 Cost of goods sold. Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the appropriate line of your tax return (see instructions).....	8	1,044,996.

9a Check all methods used for valuing closing inventory:

- (i) Cost
- (ii) Lower of cost or market
- (iii) Other (Specify method used and att. expl.).. ▶

b Check if there was a writedown of subnormal goods. ▶

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)..... ▶

d If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed under LIFO..... 9d

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If 'Yes,' attach explanation. Yes No

BAA For Paperwork Reduction Act Notice, see separate instructions.

Form 1125-A (12-2011)

**Depreciation and Amortization
(Including Information on Listed Property)**

2011

Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions. ▶ Attach to your tax return.

Attachment
Sequence No. **179**

Name(s) shown on return
WATER PRO, INC.

Identifying number
87-0572672

Business or activity to which this form relates
FORM 1120

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount (see instructions).....	1	500,000.
2	Total cost of section 179 property placed in service (see instructions).....	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions).....	3	2,000,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-.....	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions.....	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29.....	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7.....	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8.....	9	
10	Carryover of disallowed deduction from line 13 of your 2010 Form 4562.....	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs).....	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11.....	12	
13	Carryover of disallowed deduction to 2012. Add lines 9 and 10, less line 12.....	▶ 13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions).....	14	38,689.
15	Property subject to section 168(f)(1) election.....	15	
16	Other depreciation (including ACRS).....	16	46.

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2011.....	17	55,031.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here..... <input type="checkbox"/>		

Section B – Assets Placed in Service During 2011 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only — see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property.....						
b 5-year property.....						
c 7-year property.....						
d 10-year property.....						
e 15-year property.....						
f 20-year property.....						
g 25-year property.....			25 yrs		S/L	
h Residential rental property.....			27.5 yrs	MM	S/L	
i Nonresidential real property.....			27.5 yrs	MM	S/L	
			39 yrs	MM	S/L	

Section C – Assets Placed in Service During 2011 Tax Year Using the Alternative Depreciation System

20a Class life.....					S/L	
b 12-year.....			12 yrs		S/L	
c 40-year.....			40 yrs	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28.....	21	5,525.
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations — see instructions.....	22	99,291.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs.....	23	

Part V Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A – Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No 24b If 'Yes,' is the evidence written? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No								
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions).....							25	
26 Property used more than 50% in a qualified business use:								
1998 FORD ES	7/31/98	100.0	13,866.	13,866.	5.0	200DB HY		
NISSAN MAXIM	9/19/08	100.0	21,500.	21,500.	5.0	200DB HY	1,775.	
GIS TRUCK	10/15/08	100.0	27,181.	27,181.	5.0	200DB HY	1,875.	
27 Property used 50% or less in a qualified business use:								
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1.....							28	5,525.
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1.....							29	0.

Section B – Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other 'more than 5% owner,' or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

30 Total business/investment miles driven during the year (do not include commuting miles).....	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
31 Total commuting miles driven during the year.....												
32 Total other personal (noncommuting) miles driven.....												
33 Total miles driven during the year. Add lines 30 through 32.....												
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
34 Was the vehicle available for personal use during off-duty hours?.....												
35 Was the vehicle used primarily by a more than 5% owner or related person?.....												
36 Is another vehicle available for personal use?.....												

Section C – Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?.....	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners.....		
39 Do you treat all use of vehicles by employees as personal use?.....		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?.....		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.).....		
Note: If your answer to 37, 38, 39, 40, or 41 is 'Yes,' do not complete Section B for the covered vehicles.		

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2011 tax year (see instructions):					
43 Amortization of costs that began before your 2011 tax year.....					
					43
44 Total. Add amounts in column (f). See the instructions for where to report.....					44

Part V Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A – Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? <input type="checkbox"/> Yes <input type="checkbox"/> No									24b If 'Yes,' is the evidence written? <input type="checkbox"/> Yes <input type="checkbox"/> No		
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost			
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions).....								25			
26 Property used more than 50% in a qualified business use:											
INSPECTIONS	10/15/08	100.0	22,107.	22,107.	5.0	200DB HY	1,875.				
27 Property used 50% or less in a qualified business use:											
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1.....								28			
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1.....								29			

Section B – Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other 'more than 5% owner,' or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

30 Total business/investment miles driven during the year (do not include commuting miles).....	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
31 Total commuting miles driven during the year.....												
32 Total other personal (noncommuting) miles driven.....												
33 Total miles driven during the year. Add lines 30 through 32.....												
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
34 Was the vehicle available for personal use during off-duty hours?.....												
35 Was the vehicle used primarily by a more than 5% owner or related person?.....												
36 Is another vehicle available for personal use?.....												

Section C – Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?.....	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners.....		
39 Do you treat all use of vehicles by employees as personal use?.....		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?.....		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.).....		
Note: If your answer to 37, 38, 39, 40, or 41 is 'Yes,' do not complete Section B for the covered vehicles.		

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2011 tax year (see instructions):					
43 Amortization of costs that began before your 2011 tax year.....					43
44 Total. Add amounts in column (f). See the instructions for where to report.....					44

Sales of Business Property
(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return. ▶ See separate instructions.

Name(s) shown on return WATER PRO, INC.	Identifying number 87-0572672
---	---

1 Enter the gross proceeds from sales or exchanges reported to you for 2011 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions). 1 **28,358.**

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft – Most Property Held More Than 1 Year (see instructions)

2	(a) Description of property	(b) Date acquired (month, day, year)	(c) Date sold (month, day, year)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
	SEE STATEMENT 9						-85.

3 Gain, if any, from Form 4684, line 39.	3	
4 Section 1231 gain from installment sales from Form 6252, line 26 or 37.	4	
5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824.	5	
6 Gain, if any, from line 32, from other than casualty or theft.	6	
7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows:	7	-85.

Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.

Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.

8 Nonrecaptured net section 1231 losses from prior years (see instructions)	8	
9 Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions).	9	

Part II Ordinary Gains and Losses (see instructions)

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

VAC WAGON	1/22/10	1/01/11	10,085.	41,057.	64,897.	-13,755.
-----------	---------	---------	---------	---------	---------	----------

11 Loss, if any, from line 7.	11	-85.
12 Gain, if any, from line 7 or amount from line 8, if applicable.	12	
13 Gain, if any, from line 31.	13	9,158.
14 Net gain or (loss) from Form 4684, lines 31 and 38a.	14	
15 Ordinary gain from installment sales from Form 6252, line 25 or 36.	15	
16 Ordinary gain or (loss) from like-kind exchanges from Form 8824.	16	
17 Combine lines 10 through 16.	17	-4,682.

18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below:

a If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from 'Form 4797, line 18a.' See instructions.	18a	
b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14.	18b	

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255
(see instructions)

19(a) Description of section 1245, 1250, 1252, 1254, or 1255 property:	(b) Date acquired (mo, day, yr)	(c) Date sold (mo, day, yr)
A NISSAN MAXIMA	9/19/08	1/01/11
B		
C		
D		

These columns relate to the properties on lines 19A through 19D.		Property A	Property B	Property C	Property D
20	Gross sales price (Note: See line 1 before completing.)	20	18,273.		
21	Cost or other basis plus expense of sale	21	21,500.		
22	Depreciation (or depletion) allowed or allowable	22	12,385.		
23	Adjusted basis. Subtract line 22 from line 21	23	9,115.		
24	Total gain. Subtract line 23 from line 20	24	9,158.		
25 If section 1245 property:					
a	Depreciation allowed or allowable from line 22	25a	12,385.		
b	Enter the smaller of line 24 or 25a	25b	9,158.		
26 If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.					
a	Additional depreciation after 1975 (see instrs)	26a			
b	Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions)	26b			
c	Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e	26c			
d	Additional depreciation after 1969 & before 1976	26d			
e	Enter the smaller of line 26c or 26d	26e			
f	Section 291 amount (corporations only)	26f			
g	Add lines 26b, 26e, and 26f	26g			
27 If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).					
a	Soil, water, and land clearing expenses	27a			
b	Line 27a multiplied by applicable percentage (see instructions)	27b			
c	Enter the smaller of line 24 or 27b	27c			
28 If section 1254 property:					
a	Intangible drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion (see instructions)	28a			
b	Enter the smaller of line 24 or 28a	28b			
29 If section 1255 property:					
a	Applicable percentage of payments excluded from income under section 126 (see instructions)	29a			
b	Enter the smaller of line 24 or 29a (see instrs)	29b			

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30	Total gains for all properties. Add property columns A through D, line 24	30	9,158.
31	Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31	9,158.
32	Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6	32	0.

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less
(see instructions)

	(a) Section 179	(b) Section 280F(b)(2)
33 Section 179 expense deduction or depreciation allowable in prior years	33	
34 Recomputed depreciation (see instructions)	34	
35 Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	35	

WATER PRO, INC.

87-0572672

**STATEMENT 1
FORM 1120, LINE 10
OTHER INCOME**

BAD DEBT RECOVERIES.....	\$	49,736.
TOTAL	\$	<u>49,736.</u>

**STATEMENT 2
FORM 1120, LINE 17
TAXES AND LICENSES**

PAYROLL TAXES.....	\$	89,301.
PERSONAL PROPERTY TAXES.....		76,951.
STATE TAX.....		100.
TOTAL	\$	<u>166,352.</u>

**STATEMENT 3
FORM 1120, LINE 19
CHARITABLE CONTRIBUTIONS**

DONATIONS.....	\$	18,179.
CARRYOVER FROM 2008.....		4,023.
CARRYOVER FROM 2009.....		8,542.
CARRYOVER FROM 2010.....		11,593.
DISALLOWED CONTRIBUTIONS DUE TO 10% LIMIT.....		-42,337.
TOTAL	\$	<u>0.</u>

**STATEMENT 4
FORM 1120, LINE 26
OTHER DEDUCTIONS**

AUTO AND TRUCK.....	\$	118,500.
BANK CHARGES.....		38,552.
BLUE STAKE EXPENSE.....		5,107.
COMPANY MEETINGS/FUNCTIONS.....		40,805.
DIRECTOR EXPENSE.....		37,311.
DUES AND SUBSCRIPTIONS.....		8,028.
INSURANCE.....		452,159.
JANITORIAL.....		15,078.
LEGAL AND PROFESSIONAL.....		340,489.
MAP/SURVEY/CITY PERMIT EXPENSE.....		5,318.
MEALS AND ENTERTAINMENT.....		3,868.
MISC EMPLOYEE EXP.....		4,681.
MISCELLANEOUS.....		619.
OFFICE EXPENSE.....		23,562.
POSTAGE.....		47,806.
PRINTING.....		16,489.
SCADA EXPENSE.....		2,912.
SECURITY.....		27,336.
SUPPLIES.....		34,655.
TELEPHONE.....		25,369.
TOOLS.....		444.
TRAINING/SCHOOL EXPENSE.....		30,487.
TRAVEL.....		17,465.

WATER PRO, INC.

87-0572672

STATEMENT 4 (CONTINUED)
FORM 1120, LINE 26
OTHER DEDUCTIONS

UNIFORMS.....	\$	12,565.
UTILITIES.....		9,133.
TOTAL	\$	<u>1,318,738.</u>

STATEMENT 5
FORM 1120, SCHEDULE L, LINE 6
OTHER CURRENT ASSETS

	BEGINNING	ENDING
EMPLOYEE RECEIVABLE.....	\$ 0.	\$ 11,188.
PREPAID FEDERAL TAX.....	14,878.	14,878.
PREPAID STATE TAX.....	3,367.	3,267.
TOTAL	\$ <u>18,245.</u>	\$ <u>29,333.</u>

STATEMENT 6
FORM 1120, SCHEDULE L, LINE 9
OTHER INVESTMENTS

	BEGINNING	ENDING
MERRILL LYNCH ACCOUNT.....	\$ 2,014,204.	\$ 2,069,789.
UTAH LAKE WATER USERS.....	0.	348,149.
TOTAL	\$ <u>2,014,204.</u>	\$ <u>2,417,938.</u>

STATEMENT 7
FORM 1120, SCHEDULE L, LINE 14
OTHER ASSETS

	BEGINNING	ENDING
BEAR CANYON INTAKE BOND.....	\$ 0.	\$ 15,510.
CORNER CANYON RESV BOND.....	21,430.	17,014.
DRAPER CITY DIGGING BOND.....	10,000.	10,000.
TOTAL	\$ <u>31,430.</u>	\$ <u>42,524.</u>

STATEMENT 8
FORM 1120, SCHEDULE L, LINE 18
OTHER CURRENT LIABILITIES

	BEGINNING	ENDING
ACCRUED LIABILITIES.....	\$ 129,686.	\$ 156,789.
BONDS.....	296,523.	293,239.
TOTAL	\$ <u>426,209.</u>	\$ <u>450,028.</u>

WATER PRO, INC.

87-0572672

STATEMENT 9
FORM 4797, PAGE 1, PART I
SALES OR EXCHANGES OF CERTAIN PROPERTY HELD OVER ONE YEAR

DESCRIPTION OF PROPERTY	DATE ACQUIRED	DATE SOLD	SALES PRICE	DEPRECIATION ALLOWED	COST OR BASIS	GAIN OR LOSS
ATV 4 WHEELER	1/21/00	1/01/11		6,708.	6,708.	\$ 0.
DODGE 1500	5/09/03	1/01/11		30,120.	30,120.	0.
MANAGER TRUCK	2/28/08	1/01/11		46,991.	46,991.	0.
MONITORS	1/26/04	1/01/11		7,973.	7,973.	0.
COMPUTER	3/29/04	1/01/11		525.	525.	0.
CEO LAPTOP	6/07/04	1/01/11		4,969.	4,969.	0.
COMPUTER	7/05/04	1/01/11		575.	575.	0.
COMPUTER	7/19/04	1/01/11		975.	975.	0.
ON CALL LAPTOP	8/09/04	1/01/11		3,973.	3,973.	0.
COMPUTER	10/04/04	1/01/11		975.	975.	0.
COMPUTER	12/14/04	1/01/11		625.	625.	0.
COMPUTER	12/17/04	1/01/11		675.	675.	0.
HARD DRIVE	2/15/05	1/01/11		537.	537.	0.
COMPUTER	5/02/05	1/01/11		1,060.	1,060.	0.
STEVE COMPUTER	1/10/06	1/01/11		2,052.	2,052.	0.
3 COMPUTERS	2/21/06	1/01/11		1,925.	1,925.	0.
COMPUTER	3/26/07	1/01/11		685.	770.	-85.
YARD BINS	12/23/97	1/01/11		9,350.	9,350.	0.
WORKSTATION COMPUTER	10/30/06	1/01/11		480.	480.	0.
					TOTAL \$	<u>-85.</u>

20101

1032

Utah Corporation Franchise or Income Tax Return

Intuit **2011 TC-20**

For calendar year 2011 or fiscal year (mm/dd/yyyy):
beginning - and ending -

- Amended Return (code 1-4)
- Mark 'X' if you filed federal form 8886

Mark 'X' if this is a new address:

- Physical address
- Mailing address

WATER PRO, INC.

P O BOX 156

DRAPER, UT 84020

Employer Identification Number

• 870572672

UT Incorporation/Qualification No.

•

8015712232

- 1 If this corporation conducted any Utah business activity during the taxable year, enter 'X' • 1 X
- 2 If this corporation joined in a federal consolidated return, enter 'X' • 2
- 3 Mark 'X' (only one) if this return constitutes a:
 - 3a 'water's edge' combined report
 - 3b 'water's edge' election under UC Section 59-7-402(2)
 - 3c 'worldwide' combined report
- 4 If this corporation made an election for any member of the federal affiliated group during the taxable year, enter 'X'
 - 4a IRC Section 338
 - 4b IRC Section 338(h)(10)
 - 4c IRC Section 336(e)
- 5 If this return includes any financial institution defined by Tax Commission Rule R865-6F-32, enter 'X' • 5
- 6 Ultimate U.S. parent's name • EIN • 6
- 7 Total tax – enter amount from Schedule A, line 26 • 7 100
- 8 Total refundable credits and prepayments – enter amount from Schedule A, line 30 • 8 3367
- 9 **Tax due** – subtract line 8 from line 7 (not less than zero) • 9
- 10 Penalties and interest (see instructions) 10
- 11 **Pay this amount** – add lines 9 and 10. Make check payable to Utah State Tax Commission • 11
- 12 **Overpayment** – subtract line 7 from line 8 (not less than zero) 12 3267
- 13 Amount of overpayment on line 12 to be applied to next taxable year • 13 3267
- 14 **Refund** – subtract line 13 from line 12 • 14
- 15 Mark 'X' for each quarterly estimated prepayment meeting an exception (attach documentation):
 - 1st
 - 2nd
 - 3rd
 - 4th

UTC USE ONLY

Under penalties of perjury, I declare to the best of my knowledge and belief, this return and accompanying schedules are true, correct and complete.

SIGN HERE	Signature of officer	Title PRESIDENT	Date MAR 01 2012	'X' if UTC may discuss return with preparer below X
Paid Preparer's Section	Preparer's signature	Date MAR 01 2012		Preparer's PTIN • P00630117
	Firm's name and address	HANSEN, BARNETT & MAXWELL, P.C. 5 TRIAD CENTER, SUITE 750 SALT LAKE CITY UT 84180		Preparer's EIN • 870281467

Note: Utah Code Subsection 59-7-519 extends the Statute of Limitations for tax assessment when required information is not fully reported.

1 What is the date of incorporation 1/01/1998 and in what state? UT

2 If this corporation is dissolved or withdrawn, see Dissolution or Withdrawal in the General Instructions.

3 Yes No Did this corporation at any time during its tax year own more than 50 percent of the voting stock of another corporation or corporations? If yes, provide the following for each corporation so owned. Attach additional pages if needed:

Name of corporation

Address

City, State, Zip Code

Percent of stock owned % Date stock acquired

4 Yes No Is 50 percent or more of the voting stock of this corporation owned by another corporation? If yes, provide the following information about the corporation:

Name of corporation DRAPER IRRIGATION COMPANY

Address 12421 SOUTH 800 EAST

City, State, Zip Code DRAPER, UT 84020

Percent of stock owned 100 %

5 Yes No Did this corporation or its subsidiary(ies) have a change in control or ownership or acquire control or ownership of any other legal entity this year?

6 Where are the corporate books and records maintained?

12421 SOUTH 800 EAST, DRAPER, UT 84020

7 What is the state of commercial domicile? UT

• 8 What is the last year for which a federal examination has been completed?

Under separate cover, send a summary and supporting schedules for all federal adjustments and the federal tax liability for each year for which federal audit adjustments have not been reported to the Tax Commission and indicate date of final determination. Forward information to:

Auditing Division, Utah State Tax Commission, 210 North 1950 West, Salt Lake City, UT 84134-2000.

• 9 For what years are federal examinations now in progress, and/or final determination of past examinations still pending?

• 10 For what years have extensions for proposing additional assessments of federal tax been agreed to with the Internal Revenue Service?

20103 **Schedule A – Utah Net Taxable Income and Tax Calculation**
 EIN 870572672

1	Unadjusted income (loss) before NOL and special deductions from federal form 1120, line 28	• 1	-189232
2	Additions to unadjusted income from Schedule B, line 15	• 2	100
3	Add lines 1 and 2	3	-189132
4	Subtractions from unadjusted income from Schedule C, line 16	• 4	
5	Adjusted income (loss) – subtract line 4 from line 3	• 5	-189132
6	Utah nonbusiness income net of expenses from Schedule H, line 14	• 6	
7	Non-Utah nonbusiness income net of expenses from Schedule H, line 28	• 7	
8	Total nonbusiness income net of expenses – add lines 6 and 7	8	0
9	Apportionable income (loss) before contributions deduction – subtract line 8 from line 5	• 9	-189132
10	Utah contributions deduction from Schedule D, line 6	• 10	
11	Apportionable income (loss) – subtract line 10 from line 9	11	-189132
12	Apportionment fraction – enter 1.000000, or Schedule J, line 9, 13 or 16, if applicable	12	1.000000
13	Apportioned income (loss) – line 11 multiplied by line 12	• 13	-189132
14	Utah nonbusiness income net of expenses (from line 6 above)	14	
15	Utah income (loss) before Utah net loss deduction – add line 13 and line 14 If line 15 is a loss and you elected to forego the federal net operating loss carryback, do you want to forego the Utah loss carryback? If no box is checked, the loss will be treated as a carryback. Use form TC-20L to claim a refund of prior year tax for a loss carryback.	• 15	-189132
		•	Yes • <input checked="" type="checkbox"/> No
16	Utah net loss carried forward from prior years (attach documentation)	• 16	
17	Net Utah taxable income (loss) – subtract line 16 from line 15	• 17	-189132
18	Calculation of tax (see instructions):		
a	Multiply line 17 by 5% (.05) (not less than zero)	18 a	
b	Minimum tax – enter \$100 or Schedule M, line b	• 18 b	100
	Tax amount – enter the greater of line 18a or line 18b	• 18	100
19	Interest on installment sales	• 19	
20	Recapture of low-income housing credit	• 20	
21	Total tax – add lines 18 through 20 Carry to Schedule A, page 2, line 22	• 21	100

20104 **Schedule A – Utah Net Taxable Income and Tax**
(continued)
 EIN 870572672

22	Enter tax from Schedule A, page 1, line 21			• 22	100
23	Nonrefundable credits (see instructions for two-digit codes)				
		Code	Amount	Code	Amount
	• 23 a			• 23 b	
	• 23 c			• 23 d	
	• 23 e			• 23 f	
	Total nonrefundable credits – add lines 23a through 23f			• 23	
24	Net tax – subtract line 23 from line 22 (cannot be less than line 18b or less than zero)			• 24	100
25	Use tax, if \$400 or less (see instructions)			• 25	
26	Total tax – add lines 24 and 25 Enter here and on TC-20, line 7			• 26	100

27	Refundable credits (see instructions for two-digit codes)				
		Code	Amount	Code	Amount
	• 27 a			• 27 b	
	• 27 c			• 27 d	
	Total refundable credits – add lines 27a through 27d			• 27	
28	Prepayments from Schedule E, line 4			• 28	3367
29	Amended return only (see instructions)			• 29	
30	Total refundable credits and prepayments – add lines 27 through 29 Enter here and on TC-20, line 8			• 30	3367

Schedule B – Additions to Unadjusted Income

20105 EIN 870572672

Intuit **TC-20, Sch. B**
2011

1	Interest from state obligations	• 1	
2	a Income taxes paid to any state	• 2 a	100
	b Franchise or privilege taxes paid to any state	• 2 b	
	c Corporate stock taxes paid to any state	• 2 c	
	d Any income, franchise or capital stock taxes imposed by a foreign country	• 2 d	
	e Business and occupation taxes paid to any state	• 2 e	
3	Safe harbor lease adjustments	• 3	
4	Capital loss carryover	• 4	
5	Federal deductions taken previously on a Utah return	• 5	
6	Federal charitable contributions from federal form 1120, line 19	• 6	
7	Gain (loss) on IRC Sections 338(h)(10) or 336(e)	• 7	
8	Adjustments due to basis difference	• 8	
9	Expenses attributable to 50 percent unitary foreign dividend exclusion	• 9	
10	Installment sales income previously reported for federal but not Utah purposes	• 10	
11	Non-qualified withdrawal from Utah Educational Savings Plan (UESP) 529 account	• 11	
12	Income (loss) from IRC Section 936 corporations	• 12	
13	Foreign income (loss) for worldwide combined filers	• 13	
14	Income (loss) of unitary corporations not included in federal consolidated return	• 14	
15	Total additions – add lines 1 through 14 Enter here and on Schedule A, line 2	• 15	100

STATEMENT 1
SCHEDULE D, LINE 4
CONTRIBUTION CARRYFORWARD

CONTRIBUTION CARRYFORWARD FROM 2009.....	\$	8,717.
CONTRIBUTION CARRYFORWARD FROM 2010.....		<u>14,380.</u>
	TOTAL	<u>\$ 23,097.</u>

WATER PRO, INC.

87-0572672

	2011	2010	DIFF
INCOME			
GROSS RECEIPTS LESS RETURNS/ALLOWANCE....	3,812,009	4,057,581	-245,572
COST OF GOODS SOLD.....	1,044,996	1,044,346	650
GROSS PROFIT.....	2,767,013	3,013,235	-246,222
INTEREST.....	75,525	19,467	56,058
CAPITAL GAIN NET INCOME FROM SCHED. D....	0	57,834	-57,834
NET GAIN (OR LOSS) FROM 4797.....	-4,682	33,304	-37,986
OTHER INCOME.....	49,736	46,295	3,441
TOTAL INCOME.....	2,887,592	3,170,135	-282,543
DEDUCTIONS			
SALARIES/WAGES LESS EMPLOYMENT CREDITS...	1,115,544	1,131,746	-16,202
REPAIRS AND MAINTENANCE.....	273,231	390,633	-117,402
RENTS.....	11,606	11,194	412
TAXES AND LICENSES.....	166,352	84,630	81,722
INTEREST.....	17,096	0	17,096
CONTRIBUTIONS.....	0	2,787	-2,787
DEPRECIATION.....	99,291	130,374	-31,083
ADVERTISING.....	30,898	19,962	10,936
PENSION, PROFIT-SHARING, ETC. PLANS.....	44,068	42,491	1,577
OTHER DEDUCTIONS.....	1,318,738	1,331,235	-12,497
TOTAL DEDUCTIONS.....	3,076,824	3,145,052	-68,228
TAXABLE INCOME			
TAXABLE INCOME (LINE 28).....	-189,232	25,083	-214,315
TAXABLE INCOME.....	-189,232	25,083	-214,315
TAX COMPUTATION			
INCOME TAX.....	0	3,762	-3,762
TOTAL TAX.....	0	3,762	-3,762
PAYMENTS AND CREDITS			
OVERPAYMENT CREDITED TO THIS YEAR.....	14,878	0	14,878
ESTIMATED TAX PAYMENTS.....	0	18,640	-18,640
TOTAL PAYMENTS AND CREDITS.....	14,878	18,640	-3,762
REFUND OR AMOUNT DUE			
OVERPAYMENT.....	14,878	14,878	0
OVERPAYMENT CREDITED TO NEXT YEAR.....	14,878	14,878	0
TAX DUE.....	0	0	0
SCHEDULE L			
BEGINNING ASSETS.....	5,131,354	5,019,382	111,972
BEGINNING LIABILITIES & EQUITY.....	5,131,354	5,019,382	111,972
ENDING ASSETS.....	4,943,895	5,131,354	-187,459
ENDING LIABILITIES & EQUITY.....	4,943,895	5,131,354	-187,459
TAX RATES			
MARGINAL TAX RATE.....	0.0%	15.0%	-15.0%
EFFECTIVE TAX RATE.....	0.0%	15.0%	-15.0%

WATER PRO, INC.

87-0572672

	2011	2010	DIFF
UTAH NET TAXABLE INCOME			
FEDERAL UNADJUSTED INCOME/LOSS	-189,232	25,083	-214,315
ADDITIONS TO UNADJUSTED INCOME	100	4,100	-4,000
ADJUSTED INCOME	-189,132	29,183	-218,315
APPORTIONABLE INCOME BEFORE CONTRIB.	-189,132	29,183	-218,315
UTAH CONTRIBUTIONS	0	2,918	-2,918
APPORTIONABLE INCOME	-189,132	26,265	-215,397
APPORTIONMENT FRACTION	1.0000%	1.0000%	0.0000%
APPORTIONED INCOME	-189,132	26,265	-215,397
UTAH TAXABLE INCOME	-189,132	26,265	-215,397
NET TAXABLE INCOME	-189,132	26,265	-215,397
REFUND OR AMOUNT DUE			
TAX AMOUNT	100	1,313	-1,213
TOTAL TAX BEFORE NONREFUNDABLE CREDITS ...	100	0	100
NET TAX DUE	100	1,313	-1,213
TOTAL TAX BEFORE REFUNDABLE CREDITS	100	0	100
TOTAL REFUNDABLE CREDITS AND PREPAYMENTS	3,367	4,680	-1,313
OVERPAYMENT	3,267	3,367	-100
OVERPAYMENT APPLIED TO NEXT YEAR	3,267	3,367	-100
TAX RATES			
MARGINAL TAX RATE	0.0%	5.0%	-5.0%
EFFECTIVE TAX RATE	0.0%	5.0%	-5.0%

**IRS e-file Signature Authorization
for Form 1120**

2011

Department of the Treasury
Internal Revenue Service

For calendar year 2011, or tax year beginning _____, 2011, ending _____, _____

▶ See instructions. Do not send to the IRS. Keep for your records.

Name of corporation WATER PRO, INC.	Employer identification number 87-0572672
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Part I Tax Return Information (Whole dollars only)

1 Total income (Form 1120, line 11)	1	2,887,592.
2 Taxable income (Form 1120, line 30)	2	-189,232.
3 Total tax (Form 1120, line 31)	3	
4 Amount owed (Form 1120, line 34)	4	
5 Overpayment (Form 1120, line 35)	5	14,878.

Part II Declaration and Signature Authorization of Officer (Be sure to get a copy of the corporation's return)

Under penalties of perjury, I declare that I am an officer of the above corporation and that I have examined a copy of the corporation's 2011 electronic income tax return and accompanying schedules and statements and to the best of my knowledge and belief, it is true, correct, and complete. I further declare that the amounts in Part I above are the amounts shown on the copy of the corporation's electronic income tax return. I consent to allow my electronic return originator (ERO), transmitter, or intermediate service provider to send the corporation's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the corporation's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the corporation's electronic income tax return and, if applicable, the corporation's consent to electronic funds withdrawal.

Officer's PIN: check one box only

I authorize HANSEN, BARNETT & MAXWELL, P.C. to enter my PIN 92310 as my signature
ERO firm name do not enter all zeros
 on the corporation's 2011 electronically filed income tax return.


As an officer of the corporation, I will enter my PIN as my signature on the corporation's 2011 electronically filed income tax return.

Officer's signature ▶  Date ▶ 3/6/2012 Title ▶ PRESIDENT

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN. 87199631956
do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2011 electronically filed income tax return for the corporation indicated above. I confirm that I am submitting this return in accordance with the requirements of Pub 3112, IRS e-file Application and Participation, and Pub 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶  Date ▶ MAR 01 2012

**ERO Must Retain This Form – See Instructions
Do Not Submit This Form to the IRS Unless Requested To Do So**

