

**DRAPER IRRIGATION COMPANY**  
**Notes to the Consolidated Financial Statements – Income Tax Basis**  
**December 31, 2011 and 2010**

**NOTE 4 – PROPERTY, PLANT AND EQUIPMENT**

The following is a summary of the property and equipment at December 31:

	<b>2011</b>	<b>2010</b>
Reservoir	\$ 5,558,153	\$ 5,558,153
Well improvements	11,710,492	11,357,620
Pump stations	1,312,752	1,217,290
Treatment plant	10,837,188	10,837,188
Water distribution lines	33,513,321	32,945,263
Auto and trucks	485,692	579,020
Computer equipment	232,941	252,194
Heavy equipment	425,738	460,782
Office furniture	52,834	52,834
Buildings	1,447,996	1,457,346
	<u>65,577,107</u>	<u>64,717,690</u>
Accumulated depreciation	(14,698,047)	(13,309,353)
	<u>50,879,060</u>	<u>51,408,337</u>
Land	80,000	80,000
Total property, plant and equipment, net	<u>\$ 50,959,060</u>	<u>\$ 51,488,337</u>

**NOTE 5 – NOTE PAYABLE**

The notes payable consist of the following at December 31:

	<b>2011</b>	<b>2010</b>
State of Utah, Division of Finance, Water Resources C + D Loan, due in annual principal and interest payments ranging from \$455,133 to \$625,000 through 2023, fixed interest rate at 5%, secured by water rights.	\$ 4,939,550	\$ 5,194,803
State of Utah, Division of Finance, Water Resources Construction Loan, due in annual principal and interest payments of \$572,997 through 2018, fixed interest rate at 2.3%, secured by assets constructed and water rights.	3,179,769	3,668,447
	<u>8,119,319</u>	<u>8,863,250</u>
Less: Current portion	768,016	744,253
Long-Term portion	<u>\$ 7,351,303</u>	<u>\$ 8,118,997</u>