

**DRAPER IRRIGATION COMPANY**  
**Consolidated Balance Sheets – Income Tax Basis**  
**December 31, 2011 and 2010**

**ASSETS**

<i>December 31,</i>	<b>2011</b>	<b>2010</b>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 610,373	\$ 486,901
Investment in securities available for sale	2,691,854	2,766,304
Accounts receivable	426,870	448,987
Accrued interest receivable	5,776	21,574
Inventory	220,809	231,057
<b>Total Current Assets</b>	<b>3,955,682</b>	<b>3,954,823</b>
<b>Property and Equipment</b>		
Property and Equipment	65,657,107	64,797,690
Less: accumulated depreciation	(14,698,047)	(13,309,353)
<b>Net Property and Equipment</b>	<b>50,959,060</b>	<b>51,488,337</b>
<b>Other Assets</b>		
Investment in certificates of deposit	1,471,269	2,552,313
Water Rights	1,256,605	1,256,605
Cash surrender value of life insurance policies	180,994	113,849
Investment in Utah Lake Water Users Association	1,448,149	-
Other	53,713	31,431
<b>Total Other Assets</b>	<b>4,410,730</b>	<b>3,954,198</b>
<b>Total Assets</b>	<b>\$ 59,325,472</b>	<b>\$ 59,397,358</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 254,479	\$ 335,548
Accrued expenses	819,596	651,550
Current portion of notes payable	768,016	744,253
<b>Total Current Liabilities</b>	<b>1,842,091</b>	<b>1,731,351</b>
<b>Long-Term Liabilities</b>		
Notes payable, net of current portion	7,351,303	8,118,997
<b>Total Liabilities</b>	<b>9,193,394</b>	<b>9,850,348</b>
<b>Stockholders' Equity</b>		
Class A common stock; \$6 par value; 20,000 shares authorized; 17,874 shares issued and outstanding at December 31, 2011 and 2010	106,380	106,380
Class B common stock; \$50 par value; 12,000 shares authorized; 7,088 and 7,007 issued and outstanding at December 31, 2011 and 2010	354,400	350,350
Paid-in capital	183,270	183,270
Treasury stock at cost, 2,220 and 2,317, respectively	(1,921,065)	(1,982,565)
Receivable related to treasury stock	(8,701)	(5,963)
Retained earnings	51,417,794	50,895,538
<b>Total Stockholders' Equity</b>	<b>50,132,078</b>	<b>49,547,010</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 59,325,472</b>	<b>\$ 59,397,358</b>

**DRAPER IRRIGATION COMPANY AND SUBSIDIARY**  
**Consolidated Statements of Income – Income Tax Basis**  
**For the Years Ended December 31, 2011 and 2010**

<i>For the years ended December 31,</i>	<b>2011</b>	<b>2010</b>
<b>Revenue and Sales</b>		
Base sales	\$ 5,612,167	\$ 5,920,602
Wholesale culinary	7,000	8,000
Connection fees	112,785	133,550
<b>Total Revenue and Sales</b>	<b>5,731,952</b>	<b>6,062,152</b>
<b>Costs and Expenses</b>		
Direct costs	992,477	993,845
Direct professional expenses	474,009	404,489
Contract operating expenses	2,675,293	2,767,799
Depreciation	1,557,552	1,557,572
<b>Total Costs and Expenses</b>	<b>5,699,331</b>	<b>5,723,705</b>
<b>Income from Operations</b>	<b>32,621</b>	<b>338,447</b>
<b>Other Income and Expenses</b>		
Interest income	110,757	95,236
Interest expense	(343,710)	(372,207)
Contributed water distribution lines	316,937	212,919
Gain (loss) on disposal of property and equipment	(10,439)	28,500
Gain on sale of other assets	-	62,638
Other income	181,356	102,884
Reservoir reserve	179,224	216,377
System buy-in fees	55,510	63,920
<b>Net Other Income and Expenses</b>	<b>489,635</b>	<b>410,267</b>
<b>Net Income</b>	<b>\$ 522,256</b>	<b>\$ 748,714</b>