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BY ~~DYLL ANDERSON~~
Deputy

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(928) 778-1116

State Bar I.D. No. 005188

Attorney for the VERDE DITCH COMPANY

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
IN AND FOR THE COUNTY OF YAVAPAI

GEORGE W. HANCE, et al.,)
)
) Plaintiffs,)
)
) vs.)
)
) WALES ARNOLD, et ux., et al.,)
)
) In the Matter of)
) THE VERDE DITCH COMPANY,)
)
) Defendants.)

No. CV 4772

Division 1 ✓

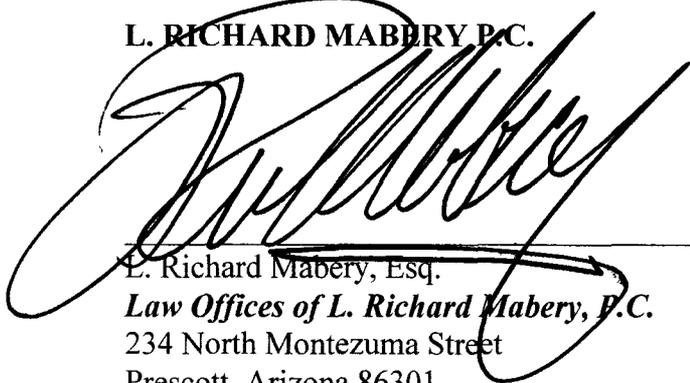
NOTICE OF FILING ANNUAL
INCOME STATEMENT FOR THE
VERDE DITCH COMPANY

Law Offices of
L. Richard Mabery, P.C.
234 North Montezuma Street
Prescott, Arizona 86301-3008
(928) 778-1116

The Annual Income Statement for the twelve (12) month period ending September 30, 2003,
is filed herewith.

DATED this *[Signature]* day of February, 2004.

L. RICHARD MABERY P.C.



L. Richard Mabery, Esq.
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234 North Montezuma Street
Prescott, Arizona 86301
Attorney for the Verde Ditch Company

VERDE DITCH COMPANY
Income Statement
Current, YTD, and Ratios
12 Period(s) Ending September 30, 2003

	Current	%	Year-to-Date	%
INCOME				
DITCH ASSESSMENTS	2,357.35	99.8	102,547.99	97.1
INTEREST INCOME	5.49	0.2	68.05	0.1
ADOT FOR EASEMENT	0.00	0	3,013.00	2.9
	-----		-----	
TOTAL INCOME	2,362.84	100.0	105,629.04	100.0
COST OF SALES				
	-----		-----	
GROSS PROFIT (LOSS)	2,362.84	100.0	105,629.04	100.0
EXPENSES				
DITCH LABOR	3,834.00	162.3	36,494.00	34.5
WORKMANS COMP EXPENSE	0.00	0	1,379.00	1.3
ACCOUNTING FEES	600.00	25.4	7,200.00	6.8
ADVERTISING EXPENSE	94.00	4.0	94.00	0.1
AUTO EXPENSE	151.10	6.4	2,370.11	2.2
BANK CHARGES	0.00	0	84.49	0.1
DITCH & DAMN REPAIR & M	965.31	40.9	28,676.83	27.1
DIESEL FUEL	0.00	0	1,195.09	1.1
DONATION	0.00	0	3,163.00	3.0
EQUIPMENT RENTAL	0.00	0	6,836.84	6.5
EQUIPMENT REPAIR & MAIN	213.82	9.0	2,823.83	2.7
INSURANCE	0.00	0	2,650.00	2.5
LEGAL FEES	444.50	18.8	4,297.31	4.1
OFFICE EXPENSE	0.00	0	1,019.86	1.0
POSTAGE & FREIGHT	0.00	0	106.92	0.1
RENT	230.00	9.7	3,582.00	3.4
SUPPLIES	0.00	0	107.39	0.1
TELEPHONE	97.24	4.1	1,028.72	1.0
TOOLS	858.17	36.3	858.17	0.8
	-----		-----	
TOTAL EXPENSES	7,488.14	316.9	103,967.56	98.4
	-----		-----	
NET INCOME (LOSS)	(5,125.30)	216.9	1,661.48	1.6
	=====		=====	

VERDE DITCH COMPANY

Balance Sheet

September 30, 2003

ASSETS

ASSETS

BANK ACCT-BANK ONE

29,346.27

TOTAL ASSETS

29,346.27

FIXED ASSETS

GENERAL EQUIPMENT

62,776.45

FURNITURE & FIXTURES

470.51

LAND

100.00

TOTAL FIXED ASSETS

63,346.96

TOTAL ASSETS

92,693.23

=====

VERDE DITCH COMPANY
Balance Sheet

September 30, 2003

LIABILITIES

LIABILITIES

LONG TERM LIABILITIES

CAPITAL

CAPITAL STOCK

91,031.75

NET PROFIT/LOSS

1,661.48

TOTAL CAPITAL

92,693.23

TOTAL LIABILITIES AND CAPITAL

92,693.23
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