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SUPERIOR COURT
YAVAPAI COUNTY, ARIZONA

2009 DEC -3 PM 4:27

JENNIFER HIGGS, CLERK

Heather Figueroa

BY: _____

State Bar I.D. No. 005188

Attorney for 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 ex., et al.,

Defendants.

P. 300

No. CV 4772

Division 1

NOTICE OF FILING ANNUAL REPORT

In the matter of the VERDE DITCH)
COMPANY)
_____)

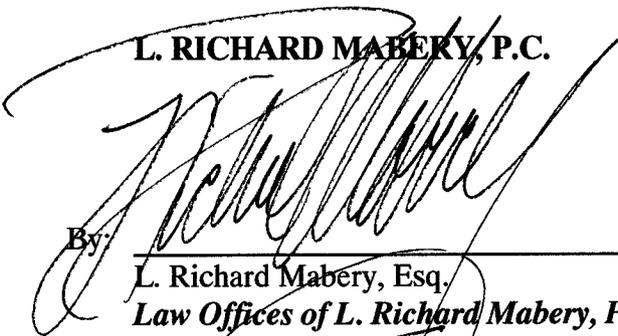
John Teague, Vernon Hilbers, Dugan McDonald, and Albert Dupuy, Jr., the current Commissioners of the Verde Ditch Company, pursuant to Section 11 of the Rules and Regulations for the operation of the Verde Ditch, dated October 17, 1989, hereby file with the Court copies of the following:

- a) Annual Meeting Agenda dated October 23, 2009 (Exhibit 1);
- b) 2009-2010 Winter Maintenance Plan (Exhibit 2);

- c) Verde Ditch Company's Income Statement for the 12 month period ending September 30, 2009 (Exhibit 3);
- d) Verde Ditch Company's Balance Sheet dated September 30, 2009 (Exhibit 4);
- e) Document entitled "Detail for the Ditch and Dam Repairs " and "Explanations" (Exhibit 5);
- f) Verde Ditch Company's Special Assessment Income Statement for the 12 month period ending September 30, 2009 (Exhibit 6);
- g) Verde Ditch Company's Special Assessment Balance Sheet for the 12 month period ending September 30, 2009 (Exhibit 7);
- h) Shareholder Sign In Sheet for the Annual Shareholders Meeting on October 22, 2009 (Exhibit 8), and
- i) Minutes of Annual Shareholders Meeting on October 22, 2009 (Exhibit 9).

DATED this 3rd day of December, 2009.

L. RICHARD MABERY, P.C.

By: 

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AGENDA
VERDE DITCH ANNUAL MEETING
THURSDAY OCTOBER 22, 2009
6:00PM

1. Call to Order
2. Read minutes from last years annual meeting.
3. New Business:
 - Al Dupuy to explain work schedule for winter maintenance.
 - Discuss Special Assessment-weather or not to charge for May 2010
 - ~~Rob Witt - easment~~
4. Old Business
5. Floor open to the Shareholders.
6. Adjourn

2009/2010 Winter Maintenance Projects

Description	Dollars
Silver Road washout/install heavies.	\$ 1,040.00
Main head gate/Build and remove dam.	\$ 210.00
Repair/replace turnout gate at Dickinson Circle.	\$ 1,140.00
Repair/replace turnout gate at Carter Fuel	\$ 1,140.00
Repair/replace turnout gate at Copper Canyon.	\$ 1,140.00
Cut bamboo/Grade bank at Canal Circle	\$ 190.00
Cut road from Blue to Carter fence.	\$ 2,980.00
Cut road from 260 to Vern's.	\$ 2,300.00
Buy herbicide	\$ 800.00
Start ditch	\$ 810.00
Swamp at end of ditch.	\$ 790.00
Main head gate concrete/move to ditch bank.	\$ 210.00
Mow/Burn if funds available.	\$ 2,310.00
TOTAL COSTS	\$ 15,060.00

SILVER ROAD			
Description	Quantity	Rate	SubTotal
Labor	16	\$ 25.00	\$ 400.00
Labor	8	\$ 18.00	\$ 144.00
6' heavy	1	\$ 35.00	\$ 35.00
4' heavy	9	\$ 30.00	\$ 270.00
Fill Dirt	10	\$ 15.00	\$ 150.00
Diesel	10	\$ 3.50	\$ 35.00
Project Total			\$ 1,034.00

MAIN HEADGATE DAM			
Description	Quantity	Rate	SubTotal
End of irrigation season.			
Labor	4	\$ 25.00	\$ 100.00
Diesel	4	\$ 3.50	\$ 14.00
Beginning of irrigation season.			
Labor	4	\$ 20.00	\$ 80.00
Diesel	4	\$ 3.50	\$ 14.00
			\$ -
Project Total			\$ 208.00

DICKISON/CARTER/COPPER CANYON			
Description	Quantity	Rate	SubTotal
Labor	12	\$ 25.00	\$ 300.00
Labor	6	\$ 18.00	\$ 108.00
Gate	1	\$650.00	\$ 650.00
Concrete	1	\$ 60.00	\$ 60.00
Diesel	4	\$ 3.50	\$ 14.00
Project Total			\$ 1,132.00

CANAL CIRCLE			
Description	Quantity	Rate	SubTotal
Labor	4	\$ 25.00	\$ 100.00
Labor	4	\$ 18.00	\$ 72.00
Labor			\$ -
Diesel	5	\$ 3.50	\$ 17.50
			\$ -
Project Total			\$ 189.50

↑ EACH ↑

BLUE/CARTER FENCE			
Description	Quantity	Rate	SubTotal
Labor	60	\$ 25.00	\$ 1,500.00
Labor	40	\$ 18.00	\$ 720.00
Dump cuttings	16	\$ 25.00	\$ 400.00
Dump cuttings	16	\$ 18.00	\$ 288.00
Diesel	10	\$ 3.50	\$ 35.00
Gas (chainsaw)	5	\$ 3.00	\$ 15.00
Chain	1	\$ 15.00	\$ 15.00
Project Total			\$ 2,973.00

260/VERN			
Description	Quantity	Rate	SubTotal
Labor	40	\$ 25.00	\$1,000.00
Labor	40	\$ 18.00	\$ 720.00
Dump cuttings	12	\$ 25.00	\$ 300.00
Dump cuttings	12	\$ 18.00	\$ 216.00
Diesel	10	\$ 3.50	\$ 35.00
Gas (chainsaw)	5	\$ 3.00	\$ 15.00
Chain	1	\$ 15.00	\$ 15.00
Project Total			\$2,301.00

START DITCH			
Description	Quantity	Rate	SubTotal
Labor	12	\$ 25.00	\$ 300.00
Labor	16	\$ 18.00	\$ 288.00
Labor	16	\$ 12.00	\$ 192.00
Diesel	8	\$ 3.50	\$ 28.00
			\$ -
Project Total			\$ 808.00

SWAMP LAND			
Description	Quantity	Rate	SubTotal
Labor	10	\$ 25.00	\$ 250.00
Labor	10	\$ 20.00	\$ 200.00
Labor	20	\$ 15.00	\$ 300.00
Diesel	10	\$ 3.50	\$ 35.00
Project Total			\$ 785.00

MAIN HEAD GATE CONCRETE			
Description	Quantity	Rate	SubTotal
Labor	8	\$ 25.00	\$ 200.00
Diesel	3	\$ 3.50	\$ 10.50
			\$ -
			\$ -
Project Total			\$ 210.50

MOW/BURN BANK			
Description	Quantity	Rate	SubTotal
Labor	16	\$ 55.00	\$ 880.00
Labor	16	\$ 55.00	\$ 880.00
Labor	32	\$ 15.00	\$ 480.00
Diesel	20	\$ 3.50	\$ 70.00
Project Total			\$2,310.00

VERDE DITCH COMPANY
Income Statement
Current, YTD, and Ratios
12 Period(s) Ending September 30, 2009

	Year-to-Date	%
INCOME		
DITCH ASSESSMENTS	118,724.54	100.0
INTEREST INCOME	2.98	0

TOTAL INCOME	118,727.52	100.0
COST OF SALES		

GROSS PROFIT (LOSS)	118,727.52	100.0
EXPENSES		
DITCH LABOR	9,527.50	8.0
LEASED EMPLOYEES-REDI H	28,220.30	23.8
WORKMANS COMP EXPENSE	287.06	0.2
ACCOUNTING FEES	10,800.00	9.1
AUTO EXPENSE	2,398.71	2.0
BANK CHARGES	24.80	0
DITCH & DAM REPAIRS	32,336.87	27.2
DIESEL FUEL	1,397.10	1.2
EQUIPMENT RENTAL	985.00	0.8
EQUIPMENT REPAIR & MAIN	1,959.26	1.7
ENGINEERING	7,029.00	5.9
INSURANCE	5,547.00	4.7
LEGAL FEES	10,960.80	9.2
LICENSE & TAX	109.18	0.1
OFFICE EXPENSE	328.94	0.3
OUTSIDE SERVICE	500.00	0.4
POSTAGE & FREIGHT	453.54	0.4
RENT	3,582.00	3.0
SURVEYING-EASEMENTS	1,960.00	1.7
TELEPHONE	991.20	0.8
TOOLS	50.47	0
TRAVEL & ENTERTAINMENT	37.74	0
UTILITIES	3,140.72	2.6

TOTAL EXPENSES	122,627.19	103.3

NET INCOME (LOSS)	(3,899.67)	3.3
	=====	

VERDE DITCH COMPANY
Balance Sheet

September 30, 2009

ASSETS

ASSETS

BANK ACCT-BANK ONE
TOTAL ASSETS

8,940.47

8,940.47

FIXED ASSETS

GENERAL EQUIPMENT
LAPTOP COMPUTER
JOHN DEERE BACKHOE
FURNITURE & FIXTURES
LAND

47,776.45

683.69

35,600.00

470.51

100.00

TOTAL FIXED ASSETS

84,630.65

TOTAL ASSETS

93,571.12

VERDE DITCH COMPANY
Balance Sheet

September 30, 2009

LIABILITIES

LIABILITIES

LONG TERM LIABILITIES

LOAN PAYABLE-AL DUPUY-BACKHOE	13,262.52	
TOTAL LONG TERM LIABILITIES		13,262.52

TOTAL LIABILITIES		13,262.52
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CAPITAL

CAPITAL STOCK	84,208.27	
NET PROFIT/LOSS	(3,899.67)	
TOTAL CAPITAL		80,308.60

TOTAL LIABILITIES AND CAPITAL		93,571.12
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DETAIL OF DITCH & DAM REPAIRS

SUPPLIES	45.81
SUPPLIES	23.65
SUPPLIES	14.05
SUPPLIES	94.75
SUPPLIES	49.94
SUPPLIES	63.52
SUPPLIES	37.99
SUPPLIES	23.01
SUPPLIES	47.03
SUPPLIES	28.78
SUPPLIES	15.00
CONCRETE BLOCKS @ MR. FULLERS	7,713.36
GATE @ NO MANS LAND	200.14
SUPPLIES	14.75
REPAIRS TO COPPER CANYON & WINDY POINT	227.66
SUPPLIES	43.65
COPPER CANYON, WINDY POINT, SMITHS	5,128.86
BLUE'S PROPERTY-PIPELINE	26,864.24
BRUSH HOG WORK	585.00
SUPPLIES	27.61
CUT PIPE	150.00
HEAVIES	102.25
SUPPLIES	104.21
BLUE'S PROPERTY-PIPELINE	15,755.69
SUPPLIES	66.06
REPAIR BANK & SQUAW PEAK RANCH	1,020.03
REPAIR DAM	3,380.00
REPAIR INEZ CIRCLE	192.77
SUPPLIES	51.00
SUPPLIES	11.37
REPAIR DAM FOR PUMP SITE	225.41
SUPPLIES	<u>29.28</u>
CONTRIBUTION FROM GREG BLUE	-30,000.00
TOTAL	32,336.87

EXPLANATIONS

CHANGES IN GENERAL EQUIPMENT

BEGINNING BALANCE	62,776.45
SOLD QUAD TRAILER	-500.00
SOLD QUAD	-4,000.00
SOLD OLD BACKHOE	-10,500.00
ENDING BALANCE	47,776.45

EXPENDITURES NOT REFLECTED ON PROFIT & LOSS

DOWNPAYMENT ON NEW BACKHOE	10,000.00
MONEY FROM SALE OF OLD BACKHOE APPLIED TO PURCHASE OF NEW	10,500.00

MONTHLY BACKHOE PAYMENTS 4 PAYMENTS @ 459.37	<u>1,837.48</u>
	22,337.48

VERDE DITCH SPECIAL ASSESSMENT
Income Statement
Current, YTD, and Ratios
12 Period(s) Ending September 30, 2009

	Year-to-Date	%
INCOME		
SPECIAL ASSESSMENTS	27,464.75	99.8
INTEREST INCOME	49.44	0.2

Total INCOME	27,514.19	100.0
 COST OF SALES		

Gross Profit (Loss)	27,514.19	100.0
 EXPENSES		
ACCOUNTING FEES	1,050.00	3.8
BANK CHARGES	128.00	0.5
LEGAL FEES	3,825.98	13.9
MAPPING	1,527.50	5.6
OFFICE EXPENSE	258.92	0.9
POSTAGE & FREIGHT	264.00	1.0
RENT	412.00	1.5
SURVEY	13,932.50	50.6

Total EXPENSES	21,398.90	77.8

Net Income (Loss)	6,115.29	22.2
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VERDE DITCH SPECIAL ASSESSMENT
Balance Sheet

September 30, 2009

Assets

ASSETS

CHASE BANK-GENERAL ACCT	26,644.20	
CHASE BANK-SAVINGS ACCT	28,187.10	
Total ASSETS		54,831.30
FIXED ASSETS		-----
Total Assets		54,831.30 =====

Liabilities

LIABILITIES
LONG TERM LIABILITIES

CAPITAL

CAPITAL STOCK	48,716.01	
NET PROFIT/LOSS	6,115.29	
Total CAPITAL		54,831.30
Total Liabilities and Capital		----- 54,831.30 =====

SHAREHOLDER
SIGN IN
ANNUAL SHAREHOLDERS MEETING
OCTOBER 22, 2009

NAME

PROPERTY LOCATION

AL DUPAY

COMMISSIONER

John Tenagve

Commissioner

Randa Heuts

Ranch Area

Nevron Hilbers

Redden

Aunt Mattie

Ranch

Med Larson

John and Judy Clark

Salt Mine Rd.

Dan & Bobbi Emmert

HORSE SHOE BEND

**VERDE DITCH
ANNUAL SHAREHOLDERS
MEETING
OCTOBER 22, 2009
6:00PM
MINUTES**

Meeting called to order 6:00pm

Commissioners present: Al Dupuy, Vern Hilbers, John Teague

Minutes of last years meeting were read, Al made a motion to accept and John seconded.

Al went over the winter maintenance schedule and budget. Shareholders asked questions about different locations. The Commissioners explained all the different areas of the ditch and each ones problems. Al explained trying to re-claim the ditch bank and clearing brush and trees so equipment can move along the top of the ditch.

Ronda and Commissioners went over the special assessment fund and whether we should keep the special assessment going. John Teague made a motion to keep the special assessment at 25.00 and bill again in May 2010, Vern Hilbers seconded. Shareholders in attendance agreed we need to protect or water rights.

Ronda went over the Profit and Loss statement and the ditch and dam expenses and answered any questions.

Meeting open to shareholders. New shareholders asked questions about weed control and how to kill off some of the different foliage.

Al made a motion to adjourn, John seconded.

Meeting adjourned @ 7:10pm