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BY: B. BLACKSHEAR

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10
11 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**

12 **IN AND FOR THE COUNTY OF YAVAPAI**
13

14
15 GEORGE W. HANCE, et al.,) No. P1300CV4772
16)
17 Plaintiffs,) Division 2
18)

19 vs.)

20 WALES ARNOLD, et ex., et al.,) **NOTICE OF FILING ANNUAL**
21) **MINUTES AND FINANCIAL**
22) **REPORTS**
23 Defendants.)

24 In the matter of the VERDE DITCH) **(Ex Parte)**
25 COMPANY)
26 _____)

27 Albert Dupuy, Craig Cooley, Reed McManus, Cort Monroe, and Jake McCune,
28 Commissioners of the Verde Ditch Company, pursuant to Section 11 of the Rules and Regulations

1 of the Verde Ditch dated August 8, 1989, hereby file with the Court copies of the following:

- 2 1. Minutes of November 30, 2021 (*SIC*) Verde Ditch Commissioners Meeting. Annual
3 Meeting for 2020 was not held due to COVID-19 restrictions. Minutes of last
4 Meeting held were read and approved by Verde Ditch Commissioners Vern Hilbers,
5 Craig Cooley, Al Dupuy, Reed McManus, and Cort Monroe (Exhibit 1);
- 6 2. Verde Ditch Company Profit & Loss Statement for the period of October 2019
7 through September 2020 (Exhibit 2);
- 8 3. Verde Ditch Company Balance Sheet as of September 30, 2020 (Exhibit 3);
- 9 4. Verde Ditch Company 2020/2021 Budget (Exhibit 4);
- 10 5. Verde Ditch Company Profit & Loss Statement for the period of October 2018
11 through September 2019 (Exhibit 5);
- 12 6. Verde Ditch Company Special Assessment Profit & Loss Statement for the period
13 of October 2019 through September 30, 2020 (Exhibit 6);
- 14 7. Verde Ditch Company Special Assessment Balance Sheet as of September 30, 2020
15 (Exhibit 7); and
- 16 8. Verde Ditch Company Special Assessment Profit & Loss Statement for the period
17 of October 2018 through September 2019 (Exhibit 8).

18 DATED this 25th day of January, 2021.

19 **L. RICHARD MABERY, P.C.**

20
21 By: 

22 L. Richard Mabery, Esq.

23 **Law Offices of L. Richard Mabery, P.C.**

24 234 North Montezuma Street

25 Prescott, Arizona 86301

26 Attorney for Verde Ditch Company

Exhibit 1

VERDE DITCH COMMISSIONERS MEETING

MINUTES

MEETING NOVEMBER 30, 2021

MEETING CALLED TO ORDER 3:00PM

- COMMISSIONERS PRESENT; VERN HILBERS, CRAIG COOLEY, AL DUPUY, REED McMANUS, CORT MONROE
- MINUTES OF THE LAST MEETING READ, CRAIG MADE A MOTION TO ACCEPT, VERN SECONDED.
- 2021 BUDGET REVIEWED AND A MOTION WAS MADE BY CRAIG AND SECONDED BY VERN.
- AL STARTED THE MEETING BY PROPOSING DITCH SHUTDOWN DATE OF 1/4/21. ALL AGREED.
- PRE-MASTER MEETING WITH RICK TO BE 12/29/20.
- MEETING WITH NEW MASTER, JUDGE NAPPER TO BE 1/5/21.
- ALL COMMISSIONERS AGREED TO SERVE FOR ONE MORE YEAR. 2021.
- COMMISSIONERS AGREED TO START ON CREATING A MAP OF DITCH SHOWING APPROXIMATE LOCATION OF HEAD GATES.
- COMMISSIONERS DIRECTED AL TO START A SEARCH FOR A LARGER TRACTOR/MOWER AND THE DECISION WAS MADE TO CEASE ANY ADDITIONAL REPAIRS TO OLD TRACTOR/MOWER.
- CRAIG EXPLAINED THE SRP PURCHASE OF TWO PROPERTIES TO ASSIST IN RESOLVING THE CLAIMED "ORANGE" PROPERTIES.
- AL EXPLAINED A COOPERATIVE EFFORT WITH TNC TO SEND INFORMATION ON WATER CONSERVATION TO ALL CURRENT SHAREHOLDERS.
- WINTER MAINTENANCE PROJECTS WERE DISCUSSED AND PRIORITIZED.
- AL PRESENTED A JOINT PROJECT AT THE JENNER PROPERTY AND COMMISSIONERS AGREED TO PROCEED.
- ASSESSING THE SPECIALTY TRAILER AND EQUIPMENT WAS DISCUSSED. COMMISSIONERS DIRECTED AL TO INSPECT TRAILER AND EQUIPMENT AND PRESENT TO COMMISSIONERS ANY ITEM THAT HAS NOT BEEN USED OR WILL NO LONGER BE NECESSARY. THE DECISION TO SELL ITEMS WILL THEN BE MADE. PROCEEDS OF THE SALE OF ITEMS WILL BE USED TO ASSIST IN THE PURCHASE OF NEW TRACTOR/MOWER.

MEETING AJOURNED 4:15 PM

Exhibit 2

Verde Ditch Company

Profit & Loss

October 2019 through September 2020

	<u>Oct '19 - Sep 20</u>
Income	
400 · Ditch Assessments	155,195.45
Total Income	155,195.45
Expense	
600 · Ditch Labor	575.00
601 · Ditch Maintenance Labor	46,261.25
602 · FICA	3,539.02
603 · Futa Expense	251.79
604 · DES	270.76
607 · Admin, Office, Books	10,800.00
609 · Auto Expense	10,119.58
611 · Ditch & Dam Repair	28,021.24
612 · Diesel Fuel	1,305.15
614 · Equipment Repair	9,546.36
617 · Ditch Flow Monitoring	698.14
618 · Insurance- Liab. / WC	9,004.00
620 · Legal Fees	4,855.50
625 · Office Expense	1,415.01
629 · Postage & Freight	597.00
630 · Rent	4,980.00
633 · Supplies	934.23
634 · Telephone	1,385.15
638 · Utilities	400.00
639 · Website & Hosting	1,015.00
Total Expense	135,974.18
Net Income	<u>19,221.27</u>

Exhibit 3

Verde Ditch Company

Balance Sheet

As of September 30, 2020

	<u>Sep 30, 20</u>
ASSETS	
Current Assets	
Checking/Savings	
102 · Chase Bank	70,212.72
104 · Due from Grant Account	73.57
	<u>70,286.29</u>
Total Checking/Savings	70,286.29
Total Current Assets	70,286.29
Fixed Assets	
150 · General Equipment	
150-2 · John Deere Backhoe	35,552.77
150-3 · Vermeer Chipper	8,200.00
150-4 · Weed Sprayer & Water Pump	6,290.50
150-5 · Rammer	2,736.15
150-6 · Tractor/Mower	3,800.00
	<u>56,579.42</u>
Total 150 · General Equipment	56,579.42
199 · Accumulated Depreciation	-44,519.26
	<u>12,060.16</u>
Total Fixed Assets	12,060.16
TOTAL ASSETS	<u>82,346.45</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
210 · Az Withholding	89.14
211 · Federal Withholding Payable	180.66
212 · FICA Payable	402.38
	<u>672.18</u>
Total Other Current Liabilities	672.18
Total Current Liabilities	672.18
Total Liabilities	672.18
Equity	
320 · Capital	62,453.00
Net Income	19,221.27
	<u>81,674.27</u>
Total Equity	81,674.27
TOTAL LIABILITIES & EQUITY	<u>82,346.45</u>

Exhibit 4

Verde Ditch ^2020/2021 Budget

		Actual	Budget
Item #	Category Description	2019/2020	^2020/2021

Income			
400	Ditch Assesments	\$155,195.45	\$155,000.00
401	Interest Income	\$0.00	\$0.00
Total Income		155,195.45	\$155,000.00

Expenses	Description	Actual	Budget
		2019/2020	^2020/2021
600	Contract Ditch Labor	\$575.00	\$600.00
601	Ditch Maintenance Labor	\$46,261.25	\$55,000.00
602	FICA 7.6% of Gross Wages	\$3,539.02	\$4,500.00
603	Futa Expense	\$251.79	\$300.00
604	DES-Unemployment Tax AZ	\$270.27	\$300.00
607	Admin. Office Books	\$10,800.00	\$10,800.00
609	Auto Expense	\$10,119.58	\$10,500.00
610	Bank Charges	\$0.00	\$0.00
611	Ditch and Dam Repair	\$28,021.24	\$34,500.00
612	Diesel Fuel	\$1,305.15	\$2,080.00
613	Equipment Rental	\$0.00	\$100.00
614	Equipment Repair	\$9,546.36	\$8,500.00
617	Headgate Monitoring	\$698.14	\$800.00
618	Insurance-Liab/WC	\$9,004.00	\$9,100.00
620	Legal Fees	\$4,855.50	\$5,000.00
621	License & Tax	\$0.00	\$120.00
625	Office Expenses	\$1,415.01	\$1,500.00
629	Postage and Freight	\$597.00	\$600.00
630	Rent	\$4,980.00	\$5,000.00
633	Supplies	\$934.23	\$1,000.00
634	Telephone	\$1,385.15	\$1,500.00
638	Pump Utilities	\$400.00	\$2,100.00
639	Website & Hosting	\$1,015.00	\$1,100.00
Total		135,973.69	155,000.00
Income vs Budget		\$19,221.76	\$0.00

Exhibit 5

Verde Ditch Company

Profit & Loss

October 2018 through September 2019

	<u>Oct '18 - Sep 19</u>
Income	
400 · Ditch Assessments	152,807.43
401 · Interest Income	0.30
	<hr/>
Total Income	152,807.73
Expense	
601 · Ditch Maintenance Labor	56,734.67
602 · FICA	4,340.38
603 · Futa Expense	273.93
604 · DES	11.86
607 · Admin, Office, Books	10,800.00
609 · Auto Expense	10,136.94
611 · Ditch & Dam Repair	34,365.64
612 · Diesel Fuel	1,367.77
613 · Equipment Rental	3,610.00
614 · Equipment Repair	6,165.28
618 · Insurance- Liab. / WC	6,130.00
620 · Legal Fees	8,590.66
621 · License & Tax	115.50
625 · Office Expense	1,551.40
629 · Postage & Freight	554.00
630 · Rent	5,580.00
633 · Supplies	1,011.41
634 · Telephone	1,378.82
638 · Utilities	2,155.75
639 · Website & Hosting	1,011.00
	<hr/>
Total Expense	155,885.01
	<hr/>
Net Income	<u>-3,077.28</u>

Exhibit 6

Verde Ditch Special Assessment
Profit & Loss
October 2019 through September 2020

	<u>Oct '19 - Sep 20</u>
Income	
400 · Special Assessments	<u>1,501.00</u>
Total Income	1,501.00
Expense	
607 · Accounting Fees	1,000.00
620 · Legal Fees	<u>4,957.85</u>
Total Expense	<u>5,957.85</u>
Net Income	<u><u>-4,456.85</u></u>

Exhibit 7

Verde Ditch Special Assessment
Balance Sheet
As of September 30, 2020

	<u>Sep 30, 20</u>
ASSETS	
Current Assets	
Checking/Savings	
102 · Chase Bank - General Account	<u>120,021.34</u>
Total Checking/Savings	<u>120,021.34</u>
Total Current Assets	120,021.34
Fixed Assets	
150 · Office Equipment	<u>2,268.41</u>
Total Fixed Assets	<u>2,268.41</u>
TOTAL ASSETS	<u><u>122,289.75</u></u>
LIABILITIES & EQUITY	
Equity	
320 · Retained Earnings	126,746.60
Net Income	<u>-4,456.85</u>
Total Equity	<u>122,289.75</u>
TOTAL LIABILITIES & EQUITY	<u><u>122,289.75</u></u>

Exhibit 8

Verde Ditch Special Assessment
Profit & Loss
October 2018 through September 2019

	<u>Oct '18 - Sep 19</u>
Income	
400 · Special Assessments	66,252.08
401 · Interest Income	<u>0.41</u>
Total Income	66,252.49
Expense	
607 · Accounting Fees	2,500.00
620 · Legal Fees	3,364.07
634 · Research of Historic Documents	<u>5,698.00</u>
Total Expense	<u>11,562.07</u>
Net Income	<u><u>54,690.42</u></u>