



STATE OF ARIZONA
CORPORATION COMMISSION
CORPORATION ANNUAL REPORT
& CERTIFICATE OF DISCLOSURE

Arizona Corporation Commission



00144841

DUE ON OR BEFORE 04/19/2000

FY99-00

FILING FEE \$10.00

The following information is required by A.R.S. §10-1622 & §10-11622 for all corporations organized pursuant to Arizona Revised Statutes, Title 10. The Commission's authority to prescribe this form is A.R.S. §10-121.A. & §10-3121.A. **YOUR REPORT MUST BE SUBMITTED ON THIS ORIGINAL FORM.** Make changes or corrections where necessary. Information for the report should reflect the current status of the corporation. See instructions for proper format. REFER TO THE INSTRUCTIONS ON PAGE 4.

-0088734-4

1. CASA DEL MONTE, INC.
4525 N 66TH ST
SCOTTSDALE, AZ 85251

RECEIVED

APR 21 2000

ARIZONA CORP. COMMISSION
CORPORATIONS DIVISION

Business Phone: 480-945-3630 (Business phone is optional)
State of Domicile: ARIZONA Type of Corporation: NON-PROFIT

2. Arizona Statutory Agent: PETER WHEELER REISS
Street Address: 6733 E EXETER BLVD
(NOT P.O. BOX)
City, State, Zip: SCOTTSDALE AZ 85251-

Use this box only if appointing a new Statutory Agent

ACC USE ONLY

Fee \$ 10.00

Penalty \$

Reinstate \$

Expedite \$

Resubmit \$

If appointing a new statutory agent, the new agent MUST consent to that appointment by signing below.

I, (individual) or We, (corporation or limited liability company) having been designated the new Statutory Agent, do hereby consent to this appointment until my removal or resignation pursuant to law.

Signature of new Statutory Agent

3. Secondary Address:
(Foreign Corporations are
REQUIRED to complete
this section.)

4. Check the one category below which best describes the CHARACTER OF BUSINESS of your corporation.

BUSINESS CORPORATIONS

1. Accounting
2. Advertising
3. Aerospace
4. Agriculture
5. Architecture
6. Banking/Finance
7. Barbers/Cosmetology
8. Construction
9. Contractor
10. Credit/Collection
11. Education
12. Engineering
13. Entertainment
14. General Consulting
15. Health Care
16. Hotel/Motel
17. Import/Export
18. Insurance
19. Legal Services
20. Manufacturing
21. Mining
22. News Media
23. Pharmaceutical
24. Publishing/Printing
25. Ranching/Livestock
26. Real Estate
27. Restaurant/Bar
28. Retail Sales
29. Science/Research
30. Sports/Sporting Events
31. Technology(Computers)
32. Technology(General)
33. Television/Radio
34. Tourism/Convention Services
35. Transportation
36. Utilities
37. Veterinary Medicine/Animal Care
38. Other Homeowner's Association

NON-PROFIT CORPORATIONS

1. Charitable
2. Benevolent
3. Educational
4. Civic
5. Political
6. Religious
7. Social
8. Literary
9. Cultural
10. Athletic
11. Science/Research
12. Hospital/Health Care
13. Agricultural
14. Animal Husbandry
15. Homeowner's Association
16. Professional, commercial
industrial or trade association
17. Other

5. CAPITALIZATION: (Business Corporations and Business Trusts are **REQUIRED** to complete this section.)

Business trusts must indicate the number of transferable certificates held by trustees evidencing their beneficial interest in the trust estate. (If no changes since last report, check here and go on to Section 6.)

Number of Shares/Certificates Authorized

Class

Series Within Class (if any)

NOT APPLICABLE

Number of Shares/Certificates Issued

Class

Series Within Class (if any)

6. SHAREHOLDERS: (Business Corporations and Business Trusts are **REQUIRED** to complete this section.)

List shareholders holding more than 20% of any class of shares issued by the corporation, or having more than a 20% beneficial interest in the corporation.

Name: _____ Name: _____

NONE ☐

Name: _____ Name: _____

7. OFFICERS (If no changes since last report, check here and go on to Section 8.)

Name: DAVID OLSAN
Title: PRESIDENT/CEO

Name: GEORGE BATTINA
Title: VICE-PRESIDENT

Address: 4525 N 66TH ST #117
SCOTTSDALE, AZ 85251-

Address: 4525 N 66TH ST #135
SCOTTSDALE, AZ 85251-

Date taking office: April 1999Date taking office: April 2000

Name: LYN MACKENZIE
Title: SECRETARY

Name: LYN MACKENZIE
Title: TREASURER

Address: 4525 N 66TH ST #37
SCOTTSDALE, AZ 85251-

Address: 4525 N 66TH ST #37
SCOTTSDALE, AZ 85251-

Date taking office: April 1998Date taking office: April 1998**8. DIRECTORS** (If no changes since last report, check here and go on to Section 9.)

Name: CARL THOMAS
Address: 4525 N 66TH ST #99
SCOTTSDALE, AZ 85251-

Name: JIM MILLIKEN
Address: 4525 N 66TH ST #60
SCOTTSDALE, AZ 85251-

Date taking office: April 2000Date taking office: 04/03/1995

Name: ANNE WENDELL
Address: 4525 N. 66th St., #34
Scottsdale, AZ 85251-

Name: _____
Address: _____

Date taking office: April 1996

Date taking office: _____



JAMES R. MILLER, Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

Board of Directors and Homeowners
Casa Del Monte, Inc.
Scottsdale, Arizona

I have audited the accompanying balance sheet of Casa Del Monte, Inc. (A Condominium Association) as of December 31, 1999, and the related statement of revenues, expenses, and changes in fund balances, and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. My responsibility is to express an opinion on these financial statements based on my audit. Information for the year ended December 31, 1998, is presented for comparative purposes only and was extracted from the financial statements presented by funds for that year, on which I expressed an unqualified opinion on my report dated February 1, 1999.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects the financial position of Casa Del Monte, Inc. (A Condominium Association) as of December 31, 1999, and the results of its operations and changes in its cash flows for the year then ended in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary schedule of detailed expenses on pages 9 and 10 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Casa Del Monte, Inc. (A Condominium Association) has not presented the supplementary information on future major repairs and replacements that the American Institute of Certified Public Accountants has determined is necessary to supplement, although not required to be part of, the basic financial statements.

January 31, 2000
Scottsdale, Arizona

Marathon Plaza • 8040 E. Morgan Trail • Suite 7 • Scottsdale, AZ 85258-1233

(480) 991-1987 • Fax (480) 483-2488



CASA DEL MONTE, INC.

BALANCE SHEET
AS OF DECEMBER 31, 1999
WITH COMPARATIVE TOTALS FOR 1998

	1999			1998
	General Operating Fund	Property Repairs and Replacement Fund	Operating Contingency Fund	Total All Funds
<u>ASSETS</u>				
CURRENT ASSETS				
Cash	\$ 3,171	\$ -	\$ -	\$ 3,171
Money market funds, Notes 1 and 2	34,192	46,544	78,287	244,670
Certificates of deposit	-	80,000	81,000	77,000
Assessments receivable	-	-	-	674
Advances for homeowners' repairs	9	-	-	268
Other current assets	5,179	-	-	4,529
Prepaid income taxes (Note 3)	843	-	-	-
	<u>43,394</u>	<u>126,544</u>	<u>159,287</u>	<u>329,225</u>
Total Current Assets	<u>43,394</u>	<u>126,544</u>	<u>159,287</u>	<u>330,923</u>
TOTAL ASSETS	<u>\$ 43,394</u>	<u>\$ 126,544</u>	<u>\$ 159,287</u>	<u>\$ 329,225</u>
<u>LIABILITIES AND FUND BALANCES</u>				
CURRENT LIABILITIES				
Accounts payable	\$ 14,692	\$ -	\$ -	\$ 14,692
Accrued wages and payroll taxes	4,521	-	-	3,898
Prepaid assessments	24,181	-	-	30,220
Income taxes payable	-	-	-	454
	<u>43,394</u>	<u>-</u>	<u>-</u>	<u>56,501</u>
Total Current Liabilities	<u>43,394</u>	<u>-</u>	<u>-</u>	<u>56,501</u>
FUND BALANCES - Note 1	<u>-</u>	<u>126,544</u>	<u>159,287</u>	<u>274,422</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 43,394</u>	<u>\$ 126,544</u>	<u>\$ 159,287</u>	<u>\$ 329,225</u>

See accompanying notes to financial statements.

CASA DEL MONTE, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

Organization

Casa Del Monte, Inc., an Arizona Corporation, is an association of homeowners who own residential property at 4525 North 66th Street, Scottsdale, Arizona, in a condominium community commonly known as Casa Del Monte, Inc. The Association's principal function is the management, security, upkeep and maintenance of the common areas and exteriors of individual residences. The Association has no stock. Instead it is owned by its members, the property owners, each according to their respective percentage interest in the horizontal property regime. Casa Del Monte, Inc. consists of 135 residential units located on approximately 18 acres located in Scottsdale, Arizona.

The affairs of the Association are managed by its Board of Directors, officers, and property manager.

Method of Accounting

The Association's financial statements and income tax return are prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned rather than when received in cash, and expenses are recognized when incurred rather than when paid. The Association's accounting period is the calendar year.

Property, Equipment and Depreciation

Real property and common areas acquired by the original homeowners are not capitalized on the Association financial statements as they are owned by the individual owners and not the Association. Common areas are restricted to use by Association members, their tenants and guests.

Replacements and improvements to the real property and common areas are not capitalized as the improvements would also belong to the owners and not the Association.

Fund Accounting

The Association's governing documents provide certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose:

Operating Fund

This fund is used to account for financial resources available for the general operations of the Association. At the end of the year, the excess of revenues over expenses is transferred to the property repairs and replacement fund.

See accountant's report.

CASA DEL MONTE, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (Continued)

Property Repairs and Replacement Fund

This fund is used to accumulate financial resources designated for future major repairs and replacements.

Contingency Fund

This fund is used to accumulate financial resources designated by the board to be used for operating contingencies.

Member Assessments

Association members are subject to monthly assessments to provide funds for the Association's operating expenses, and major repairs and replacements. Assessments receivable at the balance sheet date represent fees due from unit owners. The Association has the right to levy liens on the member's property to insure payment of an assessment due the Association. All assessments receivable were collected prior to the year ended December 31, 1999.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Association considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

NOTE 2 FUTURE MAJOR REPAIRS AND REPLACEMENTS

Funds are required to be accumulated for future major repairs and replacements. Accumulated funds, which aggregate approximately \$126,544 at December 31, 1999, are held in separate accounts and generally are not available for operating purposes. The Board of Directors designated \$25,000 and \$30,000 of assessment fees to be accumulated for future repairs and replacements for the years ended December 31, 1999 and 1998, respectively. It is the Association's policy to allocate interest earned on such funds to the operating fund.

The Association used \$41,215 from the property repairs and replacement fund for roof and carport repairs and replacements, six chairs for the clubhouse conference table, and a new door for the clubhouse for the year ended December 31, 1999. Additional roof repairs and possible replacements are scheduled for the subsequent year.

See accountant's report.

CASA DEL MONTE, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998

NOTE 3 INCOME TAXES

Condominium associations may be taxed either as homeowner associations or as regular corporations. For the year ended December 31, 1999 and 1998, the Association is taxed as a regular corporation. As a regular corporation, membership income is exempt from taxation if certain elections are made, and the Association is taxed only on the nonmember income, such as interest earnings, at regular federal and state corporate rates.

Provision for income taxes consists of the following:

	<u>1999</u>	<u>1998</u>
Federal taxes	\$ 1,605	\$ 2,172
State taxes	<u>987</u>	<u>1,102</u>
	2,592	3,274
Estimated taxes paid	(<u>3,435</u>)	(<u>2,820</u>)
Income taxes payable or (prepaid)	<u>(\$ 843)</u>	<u>\$ 454</u>

NOTE 4 LAND LEASE

The land on which the Association is located (comprised of approximately 18 acres) is leased under a long-term lease, expiring on February 28, 2069.

Lease payments on the prime lease for the years ended December 31, 1999 and 1998, is \$320,000 and \$320,000, respectively, plus 1.4% sales tax. The annual rental will remain fixed until March 1, 2010, at which time the annual payment will be adjusted to an amount equal to 8% of the then current appraised value of the land but not less than the original annual payment of \$72,000.

The land is subleased to the owners of the residences under the same terms as the prime lease on the basis of their respective percentage interest in the Horizontal Property Regime.

A summary of future lease payments until March 1, 2010, at the current annual rate excluding sales tax is as follows:

<u>Year Ending</u>	<u>Amount</u>
2000	\$ 320,000
2001	320,000
2002	320,000
2003	320,000
2004	320,000
Subsequent to 2004	<u>1,653,334</u>
	<u>\$ 3,253,334</u>

See accountant's report.

CASA DEL MONTE, INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998

NOTE 5 CONCENTRATIONS OF CREDIT RISK

Financial instruments that subject the Association to potential concentrations of credit risk consist of cash and certificates of deposits. The Association places some cash in a government money market, which are United States government obligations, but is not insured by the Federal Deposit Insurance Corporation. The Association has not experienced any losses in this account and believes it is not exposed to any significant credit risk on the government obligations.

See accountant's report.

9. FINANCIAL DISCLOSURE (A.R.S. §§10-1622.B & 10-11622.A.9)

Only nonprofit corporations must attach a financial statement (balance sheet including assets, liabilities and equity). All other forms of corporations are exempt from filing a financial disclosure.

9A. MEMBERS (A.R.S. § 10-11622.A.6) Nonprofit Corporations Only.

This corporation **does** ☒ **does not** ☐ have members.

10. CERTIFICATE OF DISCLOSURE (A.R.S. §§10-1622.A.8 & 10-11622.A.7)

Has ANY person serving either by election or appointment as an officer, director, trustee, incorporator and person controlling or holding more than 10% of the issued and outstanding common shares or 10% of any other proprietary, beneficial or membership interest in the corporation been: [Underlined portion pertains to profit corporations only]

1. Convicted of a felony involving a transaction in securities, consumer fraud or antitrust in any state or federal jurisdiction within the seven year period immediately preceding the execution of this certificate?
2. Convicted of a felony, the essential elements of which consisted of fraud, misrepresentation, theft by false pretenses or restraint of trade or monopoly in any state or federal jurisdiction within the seven year period immediately preceding execution of this certificate?
3. Or are subject to an injunction, judgment, decree or permanent order of any state or federal court entered within the seven year period immediately preceding execution of this certificate where such injunction, judgment, decree or permanent order involved the violation of:

- (a) fraud or registration provisions of the securities laws of that jurisdiction, or
 (b) the consumer fraud laws of that jurisdiction, or
 (c) the antitrust or restraint of trade laws of that jurisdiction?

One box must be marked:

YES ☐

NO ☒

If "YES", the following information must be submitted as an attachment to this report for each person subject to one or more of the actions stated in Items 1. through 3. above.

- | | |
|---|---|
| 1. Full name and prior names used. | 5. Date and location of birth. |
| 2. Full birth name. | 6. Social Security Number |
| 3. Present home address. | 7. The nature and description of each conviction or judicial action; the date and location; the court and public agency involved, and the file or cause number of the case. |
| 4. Prior addresses (for immediate preceding 7 year period). | |

11. STATEMENT OF BANKRUPTCY (A.R.S. §§10-202.D.2 & 10-3202.02)

Has ANY person serving either by election or appointment as an officer, director, trustee, incorporator and person controlling or holding more than 20% of the issued and outstanding common shares or 20% of any other proprietary, beneficial or membership interest in the corporation served in such capacity or held a 20% interest in any other corporation during the bankruptcy, receivership, or charter revocation of the other corporation? [Underlined portion pertains to profit corporations only]

One box must be marked:

YES ☐

NO ☒

If YES, enter the following:

Chapter _____ Date Filed _____ Case Number _____

If "YES", the following information must be submitted as an attachment to this report for each person subject to the statement above.

- 1) The names and addresses of each corporation and the person or persons involved. 2) The state in which each corporation was a) incorporated b) transacted business. 3) The dates of corporate operation.

12. SIGNATURES

CAUTION: Annual Reports must be signed by a duly authorized officer. Annual Reports submitted with incorrect signatures will be rejected.

I DECLARE, UNDER PENALTY OF LAW, THAT ALL CORPORATE INCOME TAX RETURNS REQUIRED BY TITLE 43 OF THE ARIZONA REVISED STATUTES HAVE BEEN FILED WITH THE ARIZONA DEPARTMENT OF REVENUE.

I further declare under penalty of law that I (we) have examined this report and the certificate, including any attachments, and to the best of my (our) knowledge and belief they are true, correct and complete.

Name David Olson Date 4-18-00 Name George Battina Date 4-18-00

Signature David Olson Signature George Battina

Title President Title Vice-President

(Signator(s) must be duly authorized corporate officer(s) listed in section 7 of this report.)