CORPORATION ANNUAL REPORT & CERTIFICATE OF DISCLOSURE

Arizona Corporation Commission

00243132

DUE ON OR BEFORE 04/28/1998 FY97-98

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.

RECEIVED

JAN 11 2001

ARIZONA CORP. COMMISSION
CORPORATIONS DIVISION

628-6560

-0093768-0

1. CATALINA DEL REY ASSOCIATION

STRATFORD MANAGEMENT
P.O. BOX 40790
TUCSON, ARIZONA 85717

CORPORATE LIFE WILL EXPIRE 09/28/1998; CONTACT THE COMMISSION AT ~~[illegible]~~

Business Phone: 795-6500 ~~(Business phone is optional)~~

State of Domicile: ARIZONA Type of Corporation: NON-PROFIT

2. Arizona Statutory Agent: STRATFORD MANAGEMENT
Street Address: P.O. BOX 40790 3055 N Campbell Ste 113
(NOT P.O. BOX) TUCSON, ARIZONA 85717
City, State, Zip: TUCSON AZ 85717

Use this box only if appointing a new Statutory Agent

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

PATRICK O'HAGIN

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.

X [signature]

Signature of *new* Statutory Agent

ACC USE ONLY

Fee $ 10 pd

Penalty $ 18 pd

Reinstate $

Expedite $

Resubmit $

185146

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
__ 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

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. X Homeowner's Association
16. __ Professional, commercial industrial or trade association

the trust estate.

Number of Shares/Certificates Authorized	Class	Series Within Class (if any)

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 PLEASE TYPE OR PRINT CLEARLY.

Name: Jean M. Dew
Title: President
Address: 5673 N. Camino del Sol
Tucson, Az 85718-4418
Date taking office: May 23, 2000

Name: James N. Jacobs
Title: Treasurer
Address: 4618 E. Camino de Oro
Tucson, Az 8571B
Date taking office: 5-23-00

Name: Bruce D. Saunders
Title: Vice President
Address: 4686 East Camino Rosa
Tucson, Az 85718
Date taking office: 23 May 2000

Name: _____
Title: _____
Address: _____
_____
Date taking office: _____

8. DIRECTORS PLEASE TYPE OR PRINT CLEARLY

Name: Lee Rains
Address: 4581 E. Camino de Oro
Tucson, Az 85718
Date taking office: May 23, 1999

Name: Susan Hawkins
Address: 4645 E. Camino Rosa
Tucson, Az 85718
Date taking office: May 23, 2000

Name: _____
Address: _____
_____
Date taking office: _____

Name: _____
Address: _____
_____
Date taking office: _____

CATALINA DEL REY HOMEOWNERS' ASSOCIATION

STATEMENTS OF ASSETS, LIABILITIES, AND MEMBERS' EQUITY - INCOME TAX BASIS

December 31, 1998 and 1997

	1998	1997
Assets		
Cash - undesignated	$ 9,475	$ 10,177
Cash - designated for future repairs and replacements	102,968	114,723
Property and equipment, net of accumulated depreciaton of $8,759 and $3,527	35,254	13,275
	$ 147,697	$ 138,175
Liabilities and Members' Equity		
Members' equity		
Undesignated	$ 44,729	$ 23,452
Designated for future repairs and replacements	102,968	114,723
	$ 147,697	$ 138,175

See accompanying notes and accountant's review report.

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN MEMBERS' EQUITY - INCOME TAX BASIS

Years ended December 31, 1998 and 1997

	1998	1997
Revenues		
Association dues	$ 202,072	$ 204,312
Late fees	2,250	2,295
Interest	5,852	5,727
Miscellaneous income	526	2,018
Total Revenues	210,700	214,352
Expenses		
Accounting and legal	$ 1,882	$ 2,248
Office and postage	1,128	2,647
Cable television	26,891	26,137
Clubhouse maintenance	5,572	6,386
Depreciation	5,232	2,334
Electric	15,859	20,176
Fire protection	577	553
Gas	5,422	4,914
General maintenance	5,442	3,504
Grounds	61,752	57,637
Insurance	3,858	3,399
Management fees	4,020	3,995
Miscellaneous	651	371
Painting	5,197	4,959
Pool and jacuzzi	4,177	4,233
Printing	1,201	345
Roads	155	903
Security	20,348	17,783
Taxes and licenses	1,443	172
Telephone	1,188	1,122
Trash collection	13,375	13,516
Water and sewer	15,807	11,943
Total Expenses	201,177	189,277
Excess Revenues Over Expenses	9,523	25,075
Beginning Members' Equity	138,174	113,100
Ending Members' Equity	$ 147,697	$ 138,175

See accompanying notes and accountant's review report.

STATEMENTS OF CASH FLOWS - INCOME TAX BASIS

Years ended December 31, 1998 and 1997

	1998	1997
Cash Flows From Operating Activities		
Excess revenues over expenses	$ 9,523	$ 25,075
Adjustments to reconcile excess revenues over expenses to net cash provided by operating activities:		
Depreciation	5,232	2,334
Net cash provided by operating activities	14,755	27,409
Cash Flows from Investing Activities		
Purchase of property and equipment	(27,212)	(15,159)
Net Increase (Decrease) in Cash	(12,457)	12,250
Cash at Beginning of Year	124,900	112,650
Cash at End of Year	$ 112,443	$ 124,900
Summary of Cash Accounts		
Undesignated	$ 9,475	$ 10,177
Designated for future repairs and replacements	102,968	114,723
	$ 112,443	$ 124,900
Supplemental Disclosure of Cash Flow Information:		
Cash paid for income taxes	$ 1,306	$ 50

See accompanying notes and accountant's review report.

NOTES TO FINANCIAL STATEMENTS
December 31, 1998 and 1997

Note A - Nature of Organization

Catalina del Rey Homeowners' Association was incorporated as a not-for-profit corporation on December 2, 1974, in the State of Arizona. The Association is responsible for the operation and maintenance of the common property within the development. The development consists of 178 townhomes located in Tucson, Arizona.

Note B - Summary of Significant Accounting Policies

Method of Accounting

The accompanying financial statements have been prepared on the income tax basis of accounting. That basis differs from generally accepted accounting principles primarily because the Association has not recognized dues receivable, prepaid dues, or accounts payable and their related effects on earnings.

Member Assessments

Association members are subject to monthly assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. The Association's policy is to retain legal counsel and place liens on the properties of members whose assessments are ninety days or more delinquent. Any excess assessments at year end are retained by the Association for use in the succeeding year.

Income Taxes

Homeowners' associations may elect annually to be taxed either as homeowners' associations or as regular corporations. For the years ended December 31, 1998 and 1997, the Association was 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 its net nonmembership income, such as interest earnings, at regular federal and state corporate rates.

Property and Equipment

Real property and common areas acquired from the developer and related improvements to such property are not recorded in the Association's financial statements because those properties are owned by the individual unit owners in common and not by the Association. The Association capitalizes personal property to which it has title at cost.

Depreciation

The Association's furniture, equipment, and improvements are depreciated over periods ranging from seven to fifteen years using the modified accelerated cost recovery system required by the Internal Revenue Code.

Note C - Cash Reserves and Future Major Repairs and Replacements

Although not required by the governing documents, the Association sets aside funds each year to be used for major replacements or repairs to the common areas. Until needed, the reserves are deposited in interest-bearing accounts and earn interest at market rates. The detail of balances reserved for such improvements is contained in the following summary.

Years ended December 31	1998	1997
Beginning balance	$ 114,723	$ 84,282
Additions	10,000	39,873
Interest earned	5,662	5,727
Expenditures	(27,417)	(15,159)
Ending balance	$ 102,968	$ 114,723

Several years ago, the Association conducted a study to determine the remaining useful lives of the components of common property and estimates of the costs of major repairs and replacements that may be required in the future. Because the results have not been updated since the original study, the Association has not presented the findings with the accompanying financial statements. The Association plans to update the study in 1999.

Property and Equipment

At December 31, 1998 and 1997, property and equipment consisted of the following:

	1998	1997
Equipment and furniture	$ 16,802	$ 16,802
Tennis court improvements	27,211	-0-
Less accumulated depreciation	(8,759)	(3,527)
Net property and equipment	$ 35,254	$ 13,275

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.
2. Full birth name.
3. Present home address.
4. Prior addresses (for immediate preceding 7 year period).
5. Date and location of birth.
6. Social Security Number
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.

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** ☑

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. Full name and prior names used. 2. Full birth name. 3. Present home address. 4. Prior addresses (for immediate preceding 7 year period). 5. Date and location of birth. 6. Social Security Number. 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.

12. SIGNATURES

CAUTION: Annual Reports must be signed by 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 Jean M. Dew **Date** 6/14/00 **Name** _____ **Date** _____

Signature Jean M. Dew **Signature** _____

Title President **Title** _____

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