

2027 Annual Budget Approval

Resolution of the High Lonesome Ranch Estates Property Owners Association Board of Directors

WHEREAS, the Treasurer and the Finance Committee have proposed an Annual Operating Budget for the fiscal year beginning January 1, 2027, and ending December 31, 2027;

NOW, THEREFORE, BE IT RESOLVED THAT: The Board hereby approves the attached **Fiscal Year 2027 Annual Operating Budget** with a total projected expenditure of **\$42,869**.



HLR POA Draft Budget for 2027

Budget Total	\$42,869
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Taxes	\$644
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<u>Budget Line</u>	Finance Committee Initial Draft	POCs' Adjustments Amount	Date	Total
AZ Income Tax	\$52	(\$2)	31-Aug-26	\$50
Cochise County Property Taxes	\$31			\$31
Arizona Corporation Commission	\$11	\$37	12-Sep-26	\$48
Tax Preparation	\$515			\$515

Services	\$13,618
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<u>Budget Line</u>	Finance Committee Initial Draft	POCs' Adjustments Amount	Date	Total
Insurance	\$2,060	\$7,940	14-Oct-26	\$10,000
Legal	\$618	\$3,000	28-Jul-26	\$3,618

Common Areas	\$24,773
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<u>Budget Line</u>	Finance Committee Initial Draft	POCs' Adjustments Amount	Date	Total
Road Maintenance	\$19,570	\$4,585	12-Sep-26	\$24,155
Windmill	\$309			\$309
Common Area Other	\$309			\$309

Administrative	\$2,132
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<u>Budget Line</u>	Finance Committee Initial Draft	POCs' Adjustments Amount	Date	Total
Annual Meeting and Election	\$646			\$646
Website	\$206			\$206
Mailings	\$534	\$373	31-Aug-26	\$907
Google Business Suite	\$206			\$206
Post Office Box	\$93	\$7	12-Sep-26	\$100
County Recorder Fees	\$67			\$67

Finance	\$1,702
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<u>Budget Line</u>	Finance Committee Initial Draft	POCs' Adjustments Amount	Date	Total
Financial Review	\$139	\$11	02-Aug-26	\$150
Accounting Systems	\$206	\$19	22-Sep-26	\$225
Reserve Fund	\$1,236	(\$1,236)	12-Sep-26	
Delinquent Account Burden	\$891	\$52	02-Aug-26	\$943
Outsourcing POA Management	\$2,266	(\$2,266)	31-Aug-26	
Merchant Fees		\$384	22-Sep-26	\$384

Other	\$0
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<u>Budget Line</u>	Finance Committee Initial Draft	POCs' Adjustments Amount	Date	Total
Mining	\$4,635	(\$4,635)	16-Sep-26	

END OF REPORT

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on: Wednesday, October 14, 2026 at 09:31



HLR POA Budget Adjustments for 2027

Original draft amounts set on 1 June 2026 by the Finance Committee based upon past expenditures, then adding 3 percent for inflation

This report explains adjustments made to those original amounts

Taxes

AZ Income Tax

2026-08-31: -\$2 to cancel out the budget entry because the state has not demonstrated a habit for implementing modest changes.

Cochise County Property Taxes

Arizona Corporation Commission Fee

2026-09-12: \$37 added to pay for the mandatory expedite fee (\$35) and service fee (\$2) if there is any change in directors.

Tax Preparation

Services

Insurance

2026-10-14: \$7,940 added to meet new cost of D&O insurance (\$9,000). 2026-08-30: \$1,030 added to increase the total by 50%--a placeholder pending the final cost estimate.

Legal

2026-09-12: Adjustment changed to \$3,000 for the expected legal reviews of the Association's enforcement policy and revised bylaws (at \$1,500 each), and the deductible amounts if we get sued can be paid from a reserve established within the Flex Fund. 2026-07-28: \$25K added to cover the costs should we be sued (as many as five at \$5K per lawsuit).

Common Areas

Road Maintenance

2026-09-12: Adjustment changed to \$4,585 based on actual full grading cost (\$15,633) plus inflation, and paying repairs out of the reserve fund. 2026-08-31: \$14,585 added to reach total needed for one full grading, one half grading, and \$5K for repair work (based upon estimate full grading cost of \$20K).

Windmill

Common Area Other

Administrative

Annual Meeting and Election

Website

Mailings

2026-08-31: \$373 added to more accurately predict the printing costs of the Treasurer and Secretary. The Treasurer is keeping daily records of all printing to ensure that whoever next serves as Treasurer will not be saddled with any expectations of out-of-pocket expenses.

Google Business Suite

Post Office Box

2026-09-12: \$7 added because USPS has announced intentions to raise rates in 2027 by 6 to 8 percent.

County Recorder Fees

Finance

Financial Review

2026-08-02: \$11 added to reach total of \$150 because CNJ Bookkeeping has demonstrated a pattern of changing its prices in \$25 increments.

Accounting Systems

2026-09-22: Transfer \$384 to Merchant Fees budget line. 2026-09-20: Add \$384 to cover transaction fees for 30% using a credit card and 20% using bank transfer to pay the 2027 annual assessment. 2026-09-12: \$19 added because WAVE is planning expanded capabilities which will likely result in cost increases beyond the anticipated inflation.

Finance

Reserve Fund

2026-09-12: -\$1,236 because the reserve fund increase can very likely be paid out of leftover operating funds.

Delinquent Account Burden

2026-08-02: \$52 added in expectation of an assessment increase (burden is equal to three account delinquencies).

Outsourcing POA Management

2026-08-31: -\$2,266 to cancel out the budget entry because: The purpose of the increase was to pay an outside agent to handle the unpleasant duties associated with a FEW overdue and delinquent accounts; but that unpleasantness is outweighed by the unpleasantness of increasing ALL members' assessments by a significant amount.

Merchant Fees

2026-09-22: Add budget line for Merchant Fees and transfer \$384 into it from budget line for Accounting System

Other

Mining

2026-09-16: The board concurred with transferring the payments for this potential cost to a reserve established within the Flex Fund.

2026-06-01: Original draft amount set by the Finance Committee based upon anticipation of three questions going to the attorney for advice, with each question resulting in a charge of \$1,500, and adding 3 percent for inflation.

Note: Current draft 2027 budget is \$42,959, which requires we raise the 2027 annual assessment by the maximum 20% to \$314 / lot. 2026 annual assessment was \$35,632 (\$262 / lot)

END OF REPORT

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