



**Minutes of the Board Meeting
held on Wednesday, July 16, 2025
at 6:00 p.m. via Google Meet**

1. **Call to Order.** President N. Ceccarelli called the meeting to order at 6:00 p.m.
2. **Roll Call.** Board members present: N. Ceccarelli, W. Barfield, R. Kling, C. Peachey, and N. Tribby.
Absent: D. Vlasic and S. Crosby. Audio was recorded with Google Meet.
3. **Approval of minutes of the June 19 board meeting:** No changes were requested, the minutes were adopted as written.
4. **Officer Reports**
 - a. **President's report.**
 - i. Would like to update our CCRs using similar process as with bylaws update. Goal of updating by December/January to have a vote by the members by March 2026.
 - b. **Vice President's report.** (W. Barfield)
 - i. K. Jardine led some work on the roadway margin near the windmill area relocating rocks to prevent erosion. See also Common Area Committee.
 - c. **Treasurer's report.** (R. Kling)
 - i. See attached financial report.
 - d. **Secretary's report.** (C. Peachey) – Nothing to report, no board questions.
5. **Committee Reports**
 - a. **Common Area Committee** (R. Kling reported)
 - i. Met 7/10.
 - ii. The August grading is on track. Will assess roads in advance to see if any areas don't need grading, perhaps save some funds.
 - iii. Arranged a work team for the windmill area, as reported above.
 - iv. We've had some rain, all of High Lonesome Road is drivable as of today. Any problematic areas will be marked for attention.
 - v. Discussed budgeting needs and budget categories for the common area.

b. Architectural Review Committee (W. Barfield)

- i. No new or pending architectural review requests.

c. Finance Committee (R. Kling)

- i. The committee met 6/25, reviewed all budget lines and came up with an initial draft 2026 budget.
- ii. CNJ Bookkeeping is doing our external financial review of 2024 finances.
- iii. At the next meeting, we'll look at credit card procedures and review financial records for the second quarter of 2025.
- iv. Question regarding status of electronic payments – this will be discussed in August, hope to have it in place by the next assessment season. Need to determine how to pay for the charges incurred.

d. Election Committee (C. Peachey)

- i. We received some feedback on the March 2025 election that will be reviewed and used to update the next election procedures as applicable.

6. General member comments.

7. Active agenda.

a. Old Business -- None

b. New Business

- i. R. Kling **moved to adopt the Finance Committee Charter as presented.** W. Barfield seconded. After opportunity for board and community discussion, the **motion carried** on a roll call vote with none opposed.
- ii. C. Peachey **moved to adopt the Election Committee Charter as presented.** R. Kling seconded. After opportunity for board and community discussion, the **motion carried** on a roll call vote with none opposed.
- iii. R. Kling **moved to adopt the Treasurer Policies and Procedures as presented.** N. Tribby seconded. After board and community discussion, the first sentence of section 3.5 was amended to state, "The only special arrangement the Treasurer can make is allowing a member to pay between 25 and 50 percent of the assessment on the first due date, and the **remaining balance of the assessment** on the second due date." The Treasurer Policies and Procedures **were adopted as amended**, via roll call vote with none opposed.
- iv. Consideration and decision regarding increasing the Mailings budget by \$50. After board discussion, R. Kling **moved to add \$100 to the Mailings budget line for 2025.** N. Tribby seconded. There is only \$28.50 left in the budget. The amount will come from existing operating funds. Increase it by \$100 to avoid

more requests. If not spent, it can carry over. After opportunity for board and community discussion, the **motion carried** on a roll call vote with none opposed.

- v. Start of 2026 Budget discussions. Treasurer R. Kling went over the process for submitting budget requests via the identified points of contact. Some budget lines can possibly be eliminated (e.g., old ones such as Tax Preparation). He'll send budget worksheets to the points of contact that show past five years of budgeted and spent amounts for each budget line. Community input will be requested right away and will be due August 10. The secretary will forward any inputs to the relevant point of contact. All changes are due to the Treasurer by Sept 1. The Financial Committee will meet and review. At the September board meeting, all inputs will be discussed. The final vote on the budget is planned for the October board meeting.
- vi. Call for business items for next meeting.
 - 1. Budget discussion (all)
 - 2. Treasurer items include credit card procedures; how assessments will be calculated; assessment due dates; electronic payment options; and idea of including opportunity for donations (R. Kling)
 - 3. Insurance review and options (N. Ceccarelli)

8. Comments from board members. None.

9. Next board meeting: Thursday, August 21.

10. Adjourned at 7:03 p.m. with no objections.

Submitted by C. Peachey, HLRPOA Secretary.

Adopted as written Aug. 21, 2025



High Lonesome Ranch Estates Property Owners Association
P.O. Box 215, Elfrida, Arizona 85610

Board Meeting Agenda
Wednesday, July 16, 2025, 6:00 p.m.
via Google Meet

1. Call to order
2. Roll call
3. Approval of minutes of the June 19 board meeting
4. Officer Reports
 - a. President's report
 - b. Vice President's report
 - c. Treasurer's report
 - d. Secretary's report
5. Committee Reports
 - a. Common Area Committee
 - b. Architectural Review Committee
 - c. Finance Committee
 - d. Election Committee
6. General member comments
 - a. Limited to 3 minutes
 - b. Must directly relate to action items of the Board published, considered, or on today's agenda
7. Active Agenda
 - a. Old Business -- None
 - b. New Business
 - i. Consideration and decision regarding draft Finance Committee Charter
 - ii. Consideration and decision regarding draft Election Committee Charter
 - iii. Consideration and decision regarding draft Treasurer Policies and Procedures
 - iv. Consideration and decision regarding increasing the Mailings budget by \$50
 - v. Start of 2026 Budget discussions
 - vi. Call for business items for next meeting
8. Comments from Directors
9. Next board meeting date – Thursday, August 21
10. Adjourn

HLR POA Treasurer's Report for June 2025

Bank Money

Checking on 1 Jul

\$54,878.62

Savings on 1 Jul

\$21,095.16

Total on 1 Jul

\$75,973.78

Money In

TOTAL

Invoiced
\$35,916.65

Income in June
\$920.50

Income before 1 Jul
\$34,286.09

Uncollected
(\$1,630.56)

2025 Assessment	\$35,632.00	\$917.00	\$34,191.00	(\$1,441.00)
Bank Interest	\$0.00	\$3.50	\$20.09	\$20.09
Disclosure Fees	\$75.00		\$75.00	\$0.00
Recording Fees	\$60.00			(\$60.00)
Postage Fees	\$75.19			(\$75.19)
Debt Interest	\$74.46			(\$74.46)

Money Out

TOTAL

Budget
\$40,830.00

Spent in June
\$235.21

Spent Jan - Jun
\$4,312.97

Available
\$36,517.03

Taxes	\$95.00	\$10.00	\$60.00	\$35.00
AZ Income Tax	\$50.00		\$50.00	\$0.00
Cochise County property tax	\$35.00			\$35.00
AZ Corp Commission	\$10.00	\$10.00	\$10.00	\$0.00
Services	\$4,200.00			\$4,200.00
Insurance	\$2,200.00			\$2,200.00
Legal	\$2,000.00			\$2,000.00
Common Areas	\$32,600.00		\$3,345.00	\$29,255.00
Road Grading	\$25,500.00		\$3,345.00	\$22,155.00
Road Repair	\$6,500.00			\$6,500.00
Windmill	\$300.00			\$300.00
Maintenance	\$300.00			\$300.00
Administrative	\$3,935.00	\$225.21	\$907.97	\$3,027.03
Election and Annual Meeting Costs	\$2,500.00	\$30.19	\$504.37	\$1,995.63
Website	\$374.00			\$374.00
Mailings	\$250.00	\$102.92	\$221.50	\$28.50
Google Business Suite	\$200.00	\$92.10	\$92.10	\$107.90
Financial Review	\$125.00			\$125.00
PO Box	\$86.00			\$86.00
County Recorder Fees	\$270.00		\$90.00	\$180.00
Office Supplies	\$50.00			\$50.00
Accounting Systems	\$80.00			\$80.00

Payments Issued

Check Number

Check Date

Check Amount

Annual Meeting and Election	#1138	15-Jun-25	\$40.19
Google Business Suite	#1139	15-Jun-25	\$92.10
AZ Corp Commission	#1140	15-Jun-25	\$10.00
Mailings	#1141	15-Jun-25	\$13.95
Mailings	#1142	15-Jun-25	\$88.97
Annual Meeting and Election	#CASH	19-Jun-25	(\$10.00)



High Lonesome Ranch Estates Property Owners Association

Finance Committee Charter

This Finance Committee Charter is subordinate to the Declaration, the Articles of Incorporation, and the Bylaws. This charter supersedes any previous charters, resolutions, or other decisions by the Board of Directors pertaining to the mission, authority, membership, responsibilities, duties, meetings, and reporting of the Finance Committee.

Approved by the Board of Directors on Wednesday, July 16, 2025

1. Mission Statement.

1.1. **Purpose.** To assist the Treasurer including reviewing financial data, offering recommendations, and developing proposals for the Board.

1.2. **Goals.** Provide reasonable assurance that the Association's financial operations are appropriate.

2. Defined Authority.

2.1. **Permissions.** Directors on the committee have access to all financial information. Other committee members do not have access to personal or private information.

2.2. **Constraints.** Financial decisions rest with the Board. The committee is an advisory body, and cannot speak or respond on behalf of the Board.

3. Membership and Expertise.

3.1. **Structure.** The Treasurer is the Chair. At least one of the other committee members should be a director.

3.2. **Eligibility.** Must be Association members in good standing and must disclose any information that could cast doubt on the integrity of the committee.

3.3. **Selection.** Members will be appointed in accordance with the bylaws.

3.4. **Term.** Indefinite.

3.5. **Liability.** Members are not liable for the financial decisions or actions of the Board.

4. Responsibilities and Duties.

4.1. **Review Financial Information.** Review financial data (statements, reports, etc.) and report any errors or corrections to the Board. The schedule will include both periodic and event-driven reviews.

4.2. **Assist in Preparations.** For the budget and assessment cycles.

4.3. **Propose Documents and Actions.** Propose new or changed policy, document, action, etc. to the Board when deemed appropriate to correct or improve financial operations.

5. Meeting and Reporting Structure.

5.1. **Committee Meetings.** As needed. The Chair will ensure there is an agenda, that the Secretary is asked to announce the meeting, and that minutes or notes are reported.

5.2. **Reporting.** To the Board, including meeting minutes/notes, proposals, and updates on projects.

High Lonesome Ranch Estates Property Owners Association

Election Committee Charter

Approved July 16, 2025

This charter supersedes any previous charters, missions, or resolutions by the Board of Directors pertaining to the mission, authority, membership, and responsibilities of the Election Committee. It does not supersede or replace current Election Procedures.

1. MISSION. The Election Committee assists and advises the Board of Directors on the election process and conducts or manages many of the duties associated with organizing and running Association elections.

2. AUTHORITY. The Election Committee makes recommendations to the Board of Directors regarding the conduct of Association elections. The committee ensures elections are conducted in compliance with Association governing documents and state statutes. The committee has the authority to spend up to \$100 per election without prior Board approval for supplies needed for elections.

3. MEMBERSHIP. The Chair of the Election Committee shall be a member of the Board of Directors. The Secretary shall be a member, and may be the Chair, and shall be the sole custodian of member address lists and voter lists. Other committee members do not have to be Board members; they should have the time, skills, and knowledge to contribute to the operation of the committee and attend meetings. Members of the committee must be members in good standing with the Association.

4. RESPONSIBILITIES AND DUTIES. The Election Committee collects information and develops communications and documents for board approval, including but not limited to the following: Election Procedures; voting and ballot counting procedures; election costs and vendors; announcements, ballots, and other election materials. The Committee follows the approved Association Election Procedures in managing elections.

5. MEETING AND REPORTING STRUCTURE. Election Committee meetings will be held on an as-needed basis and shall comply with ARS 33-1804. The committee will report to the Board of Directors during board meetings.



High Lonesome Ranch Estates Property Owners Association

Treasurer Policies and Operating Procedures

Approved by the Board of Directors on Wednesday, July 16, 2025

1. **Overview.** The purpose is to define how and when the Treasurer and others act on behalf of the Association regarding finances. The goal is to keep procedures effective, fair, efficient, and current. Superior governing documents prevail in any conflict with this document, and this document prevails in any conflict with any earlier document of equal authority. These procedures expire if incorporated into the Association Rules, if superseded, or if not renewed before July 31, 2028.

2. **Budget.** Association spending is constrained by the budget. The Board has sole authority to set and amend the budget. The budget is divided into categories, each having individual budget lines.

2.1. **Annual Budget Process.** The annual budget drives the annual assessment. Both should be decided at the October Board meeting so they can be announced before the holiday season and provide members generous advance notice. Keep directors advised on the procedures and schedule for the budget cycle.

2.1.1. **Initial Draft Budget.** Use past budgets, expenditures, inflation rates, and other available information to project the budget amount for each budget line. Consolidate projections into the initial draft budget.

2.1.2. **Coordination.** Distribute initial draft budget to all directors and solicit input on each budget line from its point of contact (POC) on the Board. Ask the Secretary to post the initial draft budget on the Association website together with a solicitation of inputs from members (instructing members to send their inputs directly to the appropriate POC(s)). POC inputs are due to the Treasurer no later than September 1st of each year.

2.1.3. **Final Draft Budget.** Consolidate any POC inputs into the final draft budget. Distribute the final draft budget to all directors and ask to have it posted on the Association website for member review before the October Board meeting.

2.1.4. **Budget Deliberations and Approval.** The Board deliberates the budget at the October Board meeting, adopting adjustments to the final draft as needed to secure a Board vote for approval. Upon approval of the budget, compute the annual assessment based upon the budget and projection of finances at the end of the year. If the resulting assessment is unacceptable or illegal, then re-open deliberations. Upon approval of both the budget and annual assessment, request that the approved annual budget be published on the Association website.

2.2. **Budget Changes.** As circumstances warrant, the Board may amend the budget. Publish the amended budget, citing the date of amendment, and request that it be posted on the Association website.

3. **Assessments.** Amounts, payment frequency, and due date(s) are set by the Board.

3.1. **Authority.** Arizona statutes 33-1803, 33-1806, and 33-1807; and Section 7 of the Declaration.

3.2. **Calculation.** The assessment amount should roughly equal the amount of needed funds for the fiscal year, divided by the number of lot accounts. The needed funds for the fiscal year should equal the total budgeted for the year, plus the minimum operating fund, minus any excess funds from the previous year.

3.3. **Assessment Invoice.** Send invoice to the owner no more than 45 days nor less than 30 days before the due date. Include the assessment amount, the due date(s), the lot number, and the owner's name(s); a report of recent account activity; methods of payment and information required with the payment; and how to request special payment arrangements or request to be heard by the Board. Courtesy reminders are allowed, but not required.

3.4. **Payments.** Record the payment in the account ledger, deposit the payment, and issue a receipt.

3.5. **Special Arrangements.** The only special arrangement the Treasurer can make is allowing a member to pay between 25 and 50 percent of the assessment on the first due date, and the remaining balance of the assessment on the second due date. The Board can make broader special arrangements to establish a special payment schedule, waive/suspend select consequences, or set conditions for continuing or canceling special arrangements.

3.6. **Non-Payment Consequences.**

3.6.1. **Past Due Date.** A lien on the property exists and the split-payment option is withdrawn.

3.6.2. **15 Days Past Due Date.** Payment is late and fees may apply.

3.6.3. **30 Days Past Due Date.** 'Member in good standing' status is revoked.

3.6.4. **45 Days Past Due Date.** Payment is delinquent and 18% interest retroactive to the due date applies. Account is subject to collections.

3.6.5. **18 Months Past Due Date.** Account is subject to foreclosure.

3.7. **Non-Payment Actions.**

3.7.1. **Overdue.** Send a notice detailing account status, consequences to date, pending consequences of non-payment/late payment, and procedures on requesting to be heard.

3.7.2. **Delinquency.**

3.7.2.1. **Interest Charges.** Send quarterly invoices for interest on the debt.

3.7.2.2. **Final Demand Letter.** Send a final demand letter certified return-receipt and send, separately, an invoice for demand letter expenses.

3.7.2.3. **30 Days After Final Demand Letter and No Response.** Complete a Pre-Collections Checklist. If the account passes the checklist, then turn the account over to a collections agency. If the account fails the checklist, then present the account to the Board in executive session for a decision on whether (and when) or not to turn the account over to a collections agency.

3.7.2.4. **Execute Board Decision.** Turn the account over to collections agency if that is the Board's decision. If the Board decides to NOT turn the account over to a collections agency, then record the lien with the Cochise County Recorder via certified return-receipt and send invoices for the recording fee and for other expenses from recording the lien.

3.7.3. **Foreclosure.** Once account is eligible, ensure directors are well informed on: the status and history of the account, the burden on other members, the procedures and risks of foreclosure, and Arizona's 6-year statute of limitations. Encourage the Board to either foreclose now, foreclose later, not foreclose, or delay decision until a specific date or event.

3.7.4. **Reporting.** Report to the Secretary when members' good standing is revoked due to payment being 30 days past due and when good standing is restored due to account being paid up to date.

4. **Bills/Payments.** Pay valid invoices promptly. Record the invoice in the accounting system. Secure President's concurrence (co-signature or permission to Vice-President to co-sign if payment is by check, or specific written concurrence if payment is electronic or by card). Record the payment in the accounting system. If invoice is questionable, defer payment decision to the Board.

5. Taxes.

5.1. **Federal Income Tax.** Verify filing requirements. Recent years required DOT IRS Form 1120-H, U.S. Income Tax Return for Homeowners Associations. Keep a file copy.

5.2. **Arizona State Income Tax.** Verify filing requirements. Recent years required Arizona Form 120A, Arizona Corporation Income Tax Return (Short Form), and Arizona Form 292, Electronic Filing and Payment Waiver Application. Secure President's co-signature or permission to Vice-President to co-sign check. Record the payment in the accounting system. Keep a file copy. If professional tax services are anticipated, be sure to request as a budget item during the budget cycle.

5.3. **Cochise County Property Taxes.** Pay as a valid invoice.

6. **Fees, Penalties, and Interest Charges.** Authority comes from Arizona statutes 33-1803, 33-1806, and 44-1201, plus Section 7 of the Declaration. Fees are used to recoup expenses caused by the member. Penalties encourage members to adhere to governing documents. Interest charges are required by the Declaration.

6.1. **Amounts.** Ensure fees accurately recoup expenses, including such items as materials, printing, postage, external fees, etc. Ensure penalties are proportional to the violation and sufficient to be effective (relative to whether the nature of the violation is singular, repetitive, or persistent, etc.).

6.2. **Process.** Create and send an invoice. When payment is received, record it in the accounting system, deposit the payment, and issue a receipt.

6.3. **Propriety.** Ask the Board to review fees and penalties when setting the budget and assessment.

7. **Reviews.** To maintain fiscal integrity, quarterly reviews by the financial committee and annual reviews by volunteers ensure that all financial transactions and balances are scrutinized and any discrepancies or issues are addressed promptly. Private and personal information will not be included in review materials for non-director volunteers.

7.1. **Process.** Schedule the review and notify participants. Compile review packets including bank statements, ledger entries, budget-to-actual comparisons, invoices, receipts, and any reconciliation statements. Distribute packets to participants in advance of the review. Create a checklist for the review (review is NOT limited to checklist). Keep notes on the review. Record and report all discrepancies, even if corrected on the spot.

7.2. **Reporting.** Report findings to the Board. Create a 'clean' copy of the report by removing all personal and private information, and ask the Secretary to post the clean report on the Association website.

8. Reporting.

8.1. **Monthly Treasurer Report.** Generate a report at the close of each month to show bank balances, income, and expenditures. Present the report to the Board and provide the report to the Secretary for inclusion in Board meeting minutes and for posting on the Association website.

8.2. **Annual Treasurer Report.** Generate a report at the close of each year. Incorporate the findings from the internal annual review and the external annual review. Present the report to the Board and provide the report to the Secretary for posting on the Association website.



Member Inputs for the 2026 Draft Budget

Members should email their 2026 budget requests, recommendations, questions, and/or comments to admin@hlrpoa.com and include the specific budget line or lines in the subject of their email. Emails sent after Sunday, August 10, 2025 may not get due consideration due to time constraints.

Taxes **\$90**

Budget Line 101 - AZ Income Tax	\$50
Budget Line 102 - Cochise County Property Taxes	\$30
Budget Line 103 - Arizona Corporation Commission Fee	\$10

Services **\$3,400**

Budget Line 201 - Insurance	\$2,400
Budget Line 202 - Legal	\$1,000

Common Areas **\$32,800**

Budget Line 301 - Road Grading	\$25,500
Budget Line 302 - Road Repair	\$6,500
Budget Line 305 - Windmill	\$350
Budget Line 306 - Maintenance	\$300
Budget Line 307 - Signs	\$150

Administrative **\$2,479**

Budget Line 401 - Annual Meeting and Election	\$1,000
Budget Line 402 - Website	\$150
Budget Line 403 - Mailings	\$250
Budget Line 404 - Google Business Suite	\$210
Budget Line 405 - Financial Review	\$150
Budget Line 406 - Post Office Box	\$94
Budget Line 407 - County Recorder Fees	\$375
Budget Line 408 - Office Supplies	\$50
Budget Line 409 - Accounting Systems	\$200

Draft 2026 Budget Total: **\$38,769**