

State of the Association

Dear Members,

The Four Hills Ranch Property Owners Association consists of 422 members owning 505 lots spread over approximately 40 square miles of canyon country in northern Arizona. The current estimate of full-time, permanent residents living on the ranch is around twenty. We saw more member activity on the ranch this year and wonder if there's a growing trend in people wanting to leave urban areas for a more rural and peaceful lifestyle.

Dues are fundamental to the operation of the Association. We maintain about 72 miles of roads in Four Hills Ranch and also contribute funds to the 4HR/HMR Common Roads (those through HMR that most members use to access their lots). Our goal is to spend at least 80% of collected dues to fund road maintenance, with the balance going to insurance, fire services, accounting services, website hosting and other administration as necessary. We typically receive 95% of dues the year they are assessed and pursue delinquent accounts promptly. We are often successful collecting late dues working with members directly, and only file

liens or take legal action to collect delinquent dues and fees when absolutely necessary.

The Association continues to be financially healthy (see following financial reports) and plan to end the year with about 122% of our annual expenses in reserve.

The ranch is a place of serenity, beauty and community. Residents and visitors can bask in the quiet, peaceful days and enjoy star-filled nights. Please be respectful of your neighbors, other visitors and wildlife when you're at the ranch. We are all neighbors, so if you need assistance or just want to share some social time, feel free to say "Hi" when you see someone at the ranch.

It's been a pleasure serving as your Association's president and I look forward to seeing you at the ranch or at our Annual Meeting scheduled in June 2021.

Sincerely,
Thad Johnson
president@4hrpoa.org

Dry Weather at the Ranch

After a year of wild weather at the ranch in 2019, this year turned out to be hotter and much dryer than normal. We received some precipitation in the spring but less than an inch of rain during the usually wet monsoon

season. Fortunately, even with bone dry flora, we made it through the fire season with no fires at the ranch. However, many large pinon pine trees are succumbing to the "Exceptional Drought" the west and our ranch has experienced over the last few years.

Hopefully we'll have a much wetter and greener 2021.

Roads

This year, we began implementing our new Roads Plan. We completed three bladings of our Primary roads and finished blading all Secondary roads in Groups 1 and 3 (if this doesn't make sense to you, check out the Roads page on our web page). We will continue executing our Roads Plan in 2021 blading our Primary roads 3-4 times and all of the Group-2 Secondary roads once.

We plan to replace about a third of our existing intersection road signs with new County approved signs (larger and green with white reflective letters) in 2021.

This year we continue to have responsibility for maintaining the 4HR/HMR Common Roads. We will be managing the quarterly gradings for one more year. More information about our roads access, plans and conditions is on our website at www.4hrpoa.org.

Mailboxes

We moved our bank of mailboxes from the east side of SR64 to just west of SR64 this year, and added another bank of mailboxes. The new bank is already half assigned to full-time residents. As more homes are built in Four Hills Ranch, we will add mailboxes as necessary.

2021 Dues Increase

In the last few years, our road maintenance costs, both materials and labor, have increased about 30%. In addition, some administrative expenses have increased. Association dues have been raised only once (4%) over the last ten years. In order to meet our increased expenses and keep our roads drivable and safe, the Board approved a 10% dues increase beginning in 2021. The Association's annual dues per lot will now be \$260 each year instead of \$236.

Web Site

Please check out our Association's web site at www.4hrpoa.org. You'll find useful information, POA documents, POA meeting schedules and minutes, critical alerts, and you can update your contact information (for billing

and emergency communication). In addition, you can pay your annual dues on-line.

For those interested in building sheds or living at the ranch, we've included links to the Coconino County zoning and building departments.

We've also included information about regional wildlife and ancestors if you're interested in learning more about the area.

We want the web site to be a one-stop shop for information and to facilitate your interaction with the Association. Please let us know what we can do to make it more useful to you.

Security at the Ranch

Reports of break-ins and vandalism were minimal this year. However, they do occur occasionally and the best way to minimize these activities is to visit your property regularly, secure your belongings and consider placing monitoring (game) cameras on your property. If we have your current contact information, the Board will contact you to report any incidents that occur on your property that we hear about.

If you experience a theft of vandalism on your property, please immediately call the County Sheriff at 800-338-7888 to report it and inform the Board at board@4hrpoa.org.

Annual Meeting & Elections

Due to the pandemic, we delayed the 2020 Annual Meeting to September 12th and decided to do it virtually. We had good member participation, but did not achieve a quorum at the meeting so we were unable to have valid election. However, the Board felt Larry Schug, the one candidate on the ballot, would be an excellent addition to the Board, and appointed Larry to a 1-year term. Welcome aboard Larry!

The 2021 Annual Meeting is scheduled for June 2021. If you're interested in contributing your time and energy to the Four Hills Ranch POA, please consider running for the Board. It's the best way for you to influence the future of our ranch. The details for the 2021 Annual Meeting will be mailed to owners and posted on our web site in April. We look forward to seeing you there!

Fire & Rescue – DIAL 911

The Four Hills Ranch POA contracts with **High Country Fire Rescue (HCFR)** for fire and EMS services. They respond on all fire, medical and traffic incidents in Four Hills Ranch. *When calling 911, tell them you are in Four Hills Ranch and covered by HCFR.*

Four Hills Ranch Property Owners Association

Balance Sheet

December 31, 2020

(Accrual Basis)

ASSETS

Current Assets

Cash and Cash Equivalents \$ 136,511.18

Accounts Receivable 78,226.97 *

Total Current Assets \$ 214,738.15

TOTAL ASSETS **\$ 214,738.15**

LIABILITIES AND EQUITY

Equity

Fund Balances \$ 276,575.72

Net Income (61,837.57)

Total Equity \$ 214,738.15

TOTAL LIABILITIES & EQUITY **\$ 214,738.15**

* NOTE: Total includes \$853.03 of Pre-Paid Assessments. Actual Receivable is \$79,080.00.

Four Hills Ranch Property Owners Association

2020 Operating Statement

January 1 – December 31, 2020

(Cash Basis)

Revenue

Projected

Actual

\$ 112,000

\$ 124,084.60

Expenses

Road Signs

\$ 500

\$ 133.91

Contract Services

\$ 4,500

\$ 4,500.00

Liability Insurance

\$ 1,400

\$ 1,097.00

Meetings

\$ 550

\$ 0.00

Postage and Mailing

\$ 1,250

\$ 1,737.73

Printing

\$ 950

\$ 886.14

Professional Services

\$ 11,000

\$ 13,141.60

Road Maintenance

\$ 86,050

\$ 141,331.04 **

Other Expenses

\$ 800

\$ 1,367.61

Total Expenses

\$ 107,000

\$ 164,195.03

Net Ordinary Income

\$ (40,110.43)

Interest Income

\$ 46.11

Net Income

\$ 5,000

\$ (40,064.32) **

**** NOTE ****

Due to unprecedented damage to roads caused by heavy rains and snowmelt in 2019, the Association determined that the required repairs greatly exceeded the annual road budget. The Association considered three (3) options: 1) Increase regular assessments, 2) Levy a special assessment, or 3) Use operating reserves. After careful consideration, the Association approved up to \$55,000 from the Operating Reserves for repairs in 2019 and 2020, understanding that the action would result in a negative net income for two years. As a result, Operating Reserves decreased from 174% to 122% of the Annual Budget, still maintaining a strong operating reserves balance.