



The Year End “Web” Wrangler

December 13, 2007

2007 Financial Recap, 2008 Budget and Assessment

The 2008 HOA Budget, dues increase, and a special condominium assessment were approved by the Board of Directors at the November 29 meeting. The 2008 Budget is posted on the Ranch and CPMG websites.

Earlier this year, the Board commissioned an audit of the 2006 HOA financials. The final Financial Statements and the Independent Auditors’ Report and its accompanying Auditor’s letter to the Board of Directors and Members for the year ending December 31, 2006 have been posted on the Ranch at Roaring Fork and CPMG websites. As anticipated, several deficiencies were identified by the auditors and are being addressed and remedied by the Ranch Manager, Board, and CPMG.

Common Operations

Common Operation expenses in 2007 exceeded the budget by \$14,000. The major areas of increased expense were: legal, annual meeting costs, printing & postage and building maintenance. These were partially offset by lower-than-budget insurance costs and operating without a full staff through parts of the year.

The 2008 budget increased by 11% compared to 2007 primarily due to labor costs, the rising cost for goods and services, such as financial, energy, fees, testing and repairs. Therefore, Common Operating dues will be increased \$17 per month (\$10 for common operating cost increases, \$4 for year-end taxes, review or audit, and \$3 for purchasing water rights for augmentation of lake and pond evaporation).

Common Reserve Fund

The monthly assessment for the Common Reserve Fund has not increased since 2001. There have been several discussions concerning funding for the future needs of the Ranch. The independent auditors have suggested, and the Board has authorized, a Major Maintenance Reserve Study to identify and quantify the future infrastructure needs, as discussed below. In anticipation of the Reserve Study recommendations, the Board approved a nominal \$10 per month increase in common reserve assessment.

Condo Operations

Condominium Operation expenses in 2007 will exceed budget by \$6,000. The main areas of increased expenses over budget accounts were utilities, labor, repair of a frozen water line, and clearing of several sewer line obstructions this past summer.

There will be no increases in the Condominium Operating dues for 2008.

Condo Reserve Fund and Special Assessment

The Condominium Reserve Fund has been depleted to less than \$10,000 due to the water damage in 2005 & 2006 and the remedial repairs in 2007. Therefore, the Board has increased the monthly contribution for the condominium reserves from \$20 to \$30 per month.

As discussed below, the Condo Advisory Committee has recommended a one-time \$600 special assessment to fund five special projects. The Board approved the special assessment and payment will be billed to each condominium unit and will be due by February 29, 2008.

Golf Operations

Revenue was up this year for the golf operations and Tom Vail has managed expenses. The surplus revenue will be directed back into the course maintenance and irrigation system. There will be no change in the homeowners' contribution to the golf operations and deferred maintenance projects will be addressed.

Waste Water Treatment Plant

The WWTP has operated this year meeting the Colorado Department of Public Health and Environment (CDPH) standards. This year there has been additional sludge removal and testing requirements. We have replaced equipment such as a mixer, flow valve, pumps and blower. We will finish this year \$4,000 over budget.

There will be a \$2 per month increase for 2008 due to CDPH testing, increase landfill costs and equipment requirements.

Fishing Operations

The comments from homeowners and fishing persons alike is that the waterways project is everything and more than expected, especially the first year after completion. A total of \$38,750 in principal and interest on the waterways project loan was paid to the Member lenders.

For 2008 there will be no increases in the fishing badge fee. The additional maintenance needs created with the new waterways will be funded by the existing badge fee structure.

Equestrian Operations

We continue to improve trails and repair pasture fences. Gradually we are improving the equestrian facility, this spring we split the dry lot, added another hitching post and repaired the aging paddocks and hay barn. We will continue to feed the herd twice a day throughout the winter.

As costs continue to increase throughout the valley there will be an increase in the owners boarding fees from \$100 to \$125 per month and it is estimated winter feed will cost \$400 per horse.

Budget Summary

For 2008 we will maintain the current staff level and strive to provide a consistent level of care for our aging infrastructure. We have provided a budget that addresses the increases cost of doing business in this valley. It is the goal of the Board to provide the needed manpower to maintain the Ranch. We must provide competitive wages and benefits that will permit us to retain staff in this competitive work environment.

The monthly assessments are summarized below:

	2007	2008	Change
Common Dues	\$149	\$166	\$17
Common Reserves	\$40	\$50	\$10
Golf Operations	\$17	\$17	\$0
Waterway Assessment	\$10	\$10	\$0
WWTP	\$35	\$37	\$2
Condominiums Dues	\$198	\$198	\$0
Condominiums Reserves	\$20	\$30	\$10
Total Combined Homeowner Dues	\$251	\$280	\$29
Total Combined Condo Dues	\$469	\$479	\$10
Horse Fees Per Horse			
Owners	\$100	\$125	\$25
Winter hay	\$350	\$400	\$25

The detailed 2008 Budget is available on the Ranch website www.ranchatroaringfork.com and the CPMG website www.withCPMG.com. The final 2007 financial report will be available in the office in late January.

Automatic Gate Code Change - Bob Jacobson

The Board has received many comments regarding the operation of the automatic gate to the open spaces with regard to protecting our private property and maintaining the dump and

recycling area. These are, of course, two of our greatest amenities and the ideas for maintaining the integrity of these areas are both numerous and varied.

As we explore our options, we have decided to start by changing the code to the gate effective January 1st, 2008. You should have the code change information with your 2008 coupon book Wrangler.

We mailed out the gate code change in the Wrangler that accompanied the 2008 coupon books. Should you need the updated gate code please call the office during weekdays working hours.

We ask for your support in both protecting this code and in making note of the new code so as not to bother staff with calls for the code. We will forward the new code to all residents in a number of ways over the next few months.

We are currently exploring the possibility of installing a card reader for the gate, as well as other options. Your ideas and comments are important as we work toward a final resolution, so please contact a board member or Doc with your thoughts.

Homeowner Survey - Chris Rowberry

Early in 2008, all homeowners will receive a survey in the mail. The Ranch at Roaring Fork Board is seeking everyone's input regarding the Ranch and its amenities. This survey will help to form a roadmap so that the Board can begin to put together a long-term plan for expenditures and improvements on the Ranch. The survey will be one tool to allow for Ranch residents to help shape the future of our neighborhood. The Board is hoping for a high percentage of participation on the survey to provide us with valid and useful data. The more who participate, the better the results will be! So please watch for the survey and stay tuned for updates!

First Issue of "condo corner" - John Hermon

The 2008 HOA budget has been approved and is posted on the Ranch and CPMG websites. As a reminder condo owners pay both common dues and condo dues. The Condo Advisory Committee has identified five special projects they would like to accomplish during 2008. The special projects will be funded by a onetime special assessment of \$600 per condo unit will be billed to each condo owner in January and due February 29, 2008.

The projects are:

1. Conduct a maintenance reserve study for the condo buildings.
2. Remove the tree in front of building #11, grind stump, create flower bed and repair asphalt.
3. Replace outside light fixtures in the covered parking area with low voltage energy efficient fixtures and lights.
4. Paint and repair some of the wood entry stairs and balconies.
5. Inspect and clean fireplace chimney vents in units that use their fireplaces.

We feel these expenses are better funded by a one time assessment, as opposed to including them in the annual condo dues.

Please remember any remodeling that changes the appearance of the condo must be approved by the Architectural Committee. This includes items, such as doors, storm doors, sky lights, windows and sliders.

Major Maintenance Reserve Study

The Board has authorized a Major Maintenance Reserve Study for the Ranch's assets and infrastructure. The Study will address the golf course, condominiums, roads, buildings and equipment, domestic water and wastewater treatment plants, to mention a few of the obvious areas. The study will also address other items such as water and sewer lines and common area landscaping. This study will assist the HOA as we look to the future concerning the deferred costs homeowners will be faced with in the future.

Committee Update

The Board asked in the October 8, 2007 Wrangler for those interested in participating on one or more of these committees to convey their interest to Doc at rff_doc@comcast.net. We have received responses from less than a handful of volunteers, but believe others may be interested but have not responded yet. At the November 29 meeting, the Board appointed the following committee chairpersons. Before appointed chairs of the Fishing / Waterways and Noise Abatement committees, special meetings will be held in early 2008 to solicit general homeowner input concerning these committees.

Committee	Chairperson
Architectural-	John Thorpe
Condominium-	John Hermon
Fishing / Waterways	A special meeting to be scheduled
Golf & Tennis	Dan Bishop
Noise Abatement	A special meeting to be scheduled
Equestrian	Catherine Gros & Bob Tucker

The Board will review and help set goals for the committees, post meeting dates on the Ranch website and require minutes of all meetings.

Augmentation Plan

The Ranch at Roaring Fork water rights continues to be one of our greatest assets and we are working to protect and address the State requirements to augment the evaporation loss from our lakes and ponds. A newly formed committee will work with attorney Sherry Caloia and engineer Paul Currier representing the Ranch dealing with the Division of Water Resources and the Basalt Water Conservation District to interpret and implement the regulations and requirements.