

**Road Reserve Year End Balances
Amount Increased/Decreased Each Year End
@ Start of Reserve in 2004 through 2018**

The 2004 SLHOA Board of Directors believed our Roads were the most expensive item for us as a private community. After extensive research with the original contractor (then Watson Paving), the 2004 BOD voted \$100 / home per year = \$46,900/year (\$3,908 reserve contribution per month) for a Road (Paving) Reserve. In 2005 the membership subsequently agreed with their vote to increase the annual assessment to \$500 (HOA Operation) + \$100 (Road Reserve) = \$600.00 total annual assessment/year by an affirmative vote of sixty percent (60%) of the membership. The SL Road Resurfacing Reserve Fund began then with a balance of \$46,900 as of 12/31/2004. In the next 14 years, the year end balances were as follows:

Increased \$46,900 / year during the next 5 years = **\$281,299** (Per 12/31/09 Balance Sheet)

Increased \$10,930 during 2010 = **\$292,329** (Per 12/31/2010 Balance Sheet)

Increased \$11,047 during 2011 = **\$303,376** (Per 12/31/2011 Balance Sheet)

Increased \$5,462 during 2012 = **\$308,376** (Per 12/31/2012 Balance Sheet)

Increased \$1,234 during 2013 = **\$310,072** (Per 12/31/2013 Balance Sheet)

Decreased **(\$1,960)** during 2014 = **\$308,112** (Per 12/31/2014 Balance Sheet)

Increased \$2,663 during 2015 = **\$310,775** (Per 12/31/2015 Balance Sheet)

Increased \$2,713 during 2016 - **\$313,488** (Per 12/31/16 Balance Sheet)

Increased \$2,788 during 2017 – **\$309,963** (per 12/31/17 Balance Sheet)

Current 2018 balance of the Road Reserve is **\$328,000** as of 10.25.18

If the Road Reserve had continued to be funded \$46,900 per year as originally voted by the 2004 Board the fund balance would be near **\$563,000 in 2018**. This would be far more appropriate considering the high costs of road resurfacing today. But this didn't happen. The contribution to the Road Reserve was reduced to place mud socks around the ponds beginning in 2010 and further reduced until an actual balance decline occurred in 2014 (see above).

Changes in Estimates of Life Expectancy

- In 2008 the "life expectancy" of our original "25-year roads" in SL Res. Schedule had **7** remaining years.
- In 2012 the "life expectancy" of our "40-year roads" had listed **18** remaining years.
- In 2014, these "40-year roads" were in the SL Res Schedule as having **34** remaining years.
- In 2016, these "40-year roads" were listed in the SL Res Schedule as having **32** remaining years.
- In 2017, they remained "40-year roads" listed as having **31** remaining years.

- In the 2018 budget, they continued “40-year roads” but were then suddenly reduced to having 6 remaining years.
- In the 2019 budget, they will revert back to their original “25-year roads” with 10 years remaining, due to phasing of construction and condition of roads; the last being completed in 2004. We feel that expecting our roads to remain competent for another 25 years is not realistic, as evidenced by the crumbling, cracking and buckling of the entrance areas, as well as other areas that were constructed at the earliest of our community. We hope to resurface the oldest and most complex area (SL entrance) in 2019. This area involves asphalt, cement and pavers, as well as installing the power, water and gate control requirements.