

**Full Reserve Study  
Southern Grove HOA  
St. Johns, Florida**



**Prepared for FY 2022  
Report Date: March 22, 2022**



March 22, 2022

Mr. Blaine Anderson, CAM  
BCM Services  
920 3rd Street, Suite B  
Neptune Beach Florida 32266

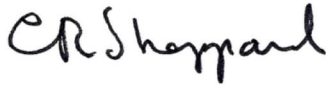
Re: Reserve Study Report for Southern Grove HOA

Dear Mr. Anderson:

Community Advisors is pleased to provide this Reserve Study report for the above-referenced Association. A site visit was conducted to determine the condition of your major components and provide an opinion of their remaining useful life.

We have developed a plan to fund future capital component replacements which is dependent on adequate funding, component maintenance, usage, weather and other factors. Component replacement cost is determined using local vendors and industry standard publications. This Reserve Study was prepared under the guidelines of the National Reserve Study Standards which is administrated by Community Associations Institute (CAI) and the Standards of Practice establish by the Association of Professional Reserve Analysts (APRA). Once you have reviewed this report and considered recent expenditures and any historic cost data, we will make necessary adjustments

Respectively submitted,



Charles R. Sheppard *RS PRA CCI*  
Professional Reserve Analyst

10459 Hunters Creek Court  
Jacksonville, FL 32256  
(904) 303-3275  
CSheppard@communityadvisors.com



## SPECIAL NOTICE

THIS RESERVE ANALYSIS INCLUDED A VISUAL OBSERVATION OF MAJOR COMPONENTS FOR YOUR PROPERTY. NO DESTRUCTION TESTING OR OTHER TESTING WAS CONDUCTED TO DETERMINE COMPONENT CONDITION. OUR ANALYSIS INCLUDES COMPONENTS WITH REPLACEMENT COST AND USEFUL LIFE PROJECTIONS THAT ARE TYPICAL FOR THIS TYPE OF FACILITY.

THIS ANALYSIS IS NOT A SAFETY INSPECTION OR STRUCTURAL INSPECTION AND WE RECOMMEND THE ASSOCIATION CONDUCT THOSE INSPECTIONS ON A REGULAR BASIS WITH OTHER CONSULTANTS.

# TABLE OF CONTENTS

## EXECUTIVE SUMMARY

Executive Summary .....	1-1
Current Funding Projection .....	1-2
Current Funding Plan vs Fully Funded Plan .....	1-3

## FUNDING PLAN

Financial Summary .....	2-1
Recommended Funding Plan VS Fully Funded .....	2-2
Funding Assessment Comparison Chart .....	2-3

## CASH FLOW

Income & Expense Spreadsheet .....	3-1
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## EXPENDITURE DETAIL

Annual Expenditure Detail .....	4-1
Asset Current Cost by Category .....	4-4

## COMPONENT INVENTORY

Component Inventory .....	5-1
Component Detail Index .....	5-2
Component Detail .....	5-3

## DISCLOSURES & INFORMATION

Methodology & Information .....	6-1
Terms of Service .....	6-2
Definitions .....	6-3

# Report Navigation

- **Executive Summary** provides information about projected year end reserve balance, current annual contribution, interest, and inflation rates:
  - Level of Service is the type of reserve study
  - Funding Method is either Component Funding or Pooled Cash
  - Component Funding Contribution is a year one only amount
  - Current Funding Plan currently used by the Association
  - Recommended Funding Plan maintains adequate funding
- **Funding Model Projections** include both your current plan and our recommended plan. The information included in each column is described below:
  - Year begins with your study year generally for a 30-year term
  - Current cost is the current replacement of all components
  - Annual contribution is the amount placed in reserves each year
  - Annual interest earned on your funds
  - Annual expenditures are the projected component replacement cost by year
  - Projected ending balance is the year end reserve fund balance
  - Fully funded reserves are the fully funded balance for that year. Fully Funded formula is Fully Funded Balance= Component cost x Age/Useful Life
  - Percent Funded is a measure of fund strength
- **Current Funding Projection** is your current funding plan and how it performs
- **Recommended Funding Model** Projection is the plan we recommend
- **Cash Flow** is a 30-year statement that provides both income and expense information to quickly find when expenditures occur and the resulting financial status of your reserves
- **Annual Expenditure Detail** provides a year to year list of your projected expenditures This is a good section to review each year when preparing your budgets
- **Condition Assessment (if included)** is a brief description of major component condition
- **Component Inventory** contains a list of your components, remaining useful life and quantities we determined from our site visit and other means of measurement
- **Component Detail Index** allows quick access to the detail we have included for each component separated into categories
- **Component Detail** provides a listing of each component, quantities or allowances and photographs of major ones
- **Methodology - Terms of Service – Company Profile** are our Disclosure sections with information about our assumptions, methods of work and our credentials

# Important Information

**Level of Service:** Level I Full Reserve Study with a site visit, Level II Update with a site visit or Level III Financial Update with no site visit as defined by the National Reserve Study Standards established by the Community Associations Institute. Component quantity, condition and projected remaining useful life were determined with a visual inspection by the Analyst if a site visit was conducted.

**Purpose:** This study provides an inventory of major components above a threshold value as determined by the Association that require regular replacement and a plan to fund them.

**Basis:** Our analysis follows the guidelines for Reserve Studies established by the Association of Professional Reserve Analysts (APRA) and the Community Associations Institute (CAI). Components included in this analysis generally meet the following criteria:

- Component must be owned or maintained by the Association
- Component must have a limited life
- Component must have a predictable useful life
- Component must have a replacement cost above a threshold cost

These guidelines limit reserve components to predictable expenses and do not consider large expenses such as stormwater systems or dredging of the stormwater ponds. While their replacement cost and remaining, useful life may not be predictable they can be expensive, therefore we recommend an allowance be applied for funding which can be adjusted at each update.

Useful life and remaining useful life projections are determined by our visual inspection of each component, our experience with similar communities, your historical records and if required vendor evaluation. The Association may have experienced some replacement cycles for various components with historical cost therefore this information is considered in our analysis. Each cost and useful life was reviewed and compared to similar project we have completed and adjusted as needed. Components with replacement cost over \$1,000 are typically included.

The various component replacement cycles experienced by the Association are driven by the level of quality required by the community, cost of maintenance vs replacement, existing condition, and use. All useful life projections found in this analysis are in the acceptable range for this specific type of community.

Replacement cost for components is driven by local market conditions and availability of similar materials. Many components have included repair and refurbishment to extend their useful life and reduce holding cost over time

**Funding Goal:** The Association may elect for the following goals

- Fully Funded Reserve – 100% funding for each component
- Threshold Funded Reserve – Annual ending balances are maintained above an adequate or “Threshold” level.

**Funding Methods:** Reserve analysis typically uses two methods of determining necessary funding levels for component replacement; the Component Method the Cash Flow Method.

- **The Component Method** provides a reserve contribution amount by estimating the current replacement cost for each component, subtracting that component's current balance which provides the unfunded balance then dividing that total by the number of remaining years of useful life. Each component's contribution is then total for the annual contribution. This method includes inflation of replacement cost and interest on invested funds and provides the least risk of deferred maintenance or special assessment.
- Another version of the Component Method is referred to as "Straight Line Method" which follows the same calculation as above but does not consider interest on funds or inflation on replacement cost. This method only provides a one-year contribution amount and may result in large changes in annual contribution from year to year.
- **The Cash Flow Method** or pooled method of reserve funding groups component replacement together rather than segregated as in the Component Method. Cash outflows must be offset by contributions and interest earned to maintain adequate funding.
- **Cash Flow Method Models** include the Current Assessment Funding Model (AFM) and the Threshold Funding Model (TFM) among others.
  - The AFM Model illustrates the current funding projections adopted by the Association and how these perform over time. This model is also used to develop a funding plan with annual contributions entered for each year which allows a custom funding plan.
  - The TFM maintains minimum annual balances or percent funded which are determined by the Analyst or requested by the Association. The year with the lowest ending balance is considered the "Threshold Year" for the total funding plan period.

## **Conclusion**

There are several factors to consider when determining reserve funding levels that include maintaining the quality and value of the community, the ability of the Association to respond to unpredictable component failures and to maintain an acceptable level of risk. Full funding provides the lowest risk of deferred maintenance or special assessment but generally requires large contributions. Threshold Funding keeps reserve balances above predetermined annual balance that provides a moderate risk level with mostly level contributions.

# Executive Summary

## Account Information

Account Name	<b>Southern Grove HOA</b>	Account Number	<b>1784</b>
City	<b>St. Johns</b>	Last Site Visit	<b>March, 14 2022</b>
State	<b>Florida</b>	Report Date	<b>March, 22 2022</b>
In Service Date	<b>January, 1 1996</b>	Report Version	<b>1</b>
Total Units	<b>90</b>	Fiscal Year Start	<b>January, 1 2022</b>
Study Level	<b>Level I Reserve Study</b>	Fiscal year End	<b>December, 31 2022</b>

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## Reserve Fund Information

Current Component Replacement Cost	<b>\$329,687</b>
Number of Components	<b>21</b>
Reserve Fund Beginning Balance	<b>\$0</b>
Billing Term	<b>Annually</b>

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## Component Funding (Straight Line)

Recommended First Year Reserve Fund Contribution	<b>\$59,392</b>
Interest Rate on Reserve Deposits	<b>0%</b>
Inflation Rate on Replacement Cost	<b>0%</b>

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## Pooled Cash (Current Funding Plan)

Current Year Reserve Fund Contribution	<b>\$5,452</b>
Interest Rate on Reserve Deposits	<b>Variable</b>
Inflation Rate on Replacement Cost	<b>Variable</b>
Annual Contribution Increases	<b>5.0%</b>

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## Pooled Cash (Threshold Funding Model)

Recommended First Year Reserve Fund Contribution	<b>\$57,423</b>
Interest Rate on Reserve Deposits	<b>Variable</b>
Inflation Rate on Replacement Cost	<b>Variable</b>
Annual Contribution Increases	<b>5.0%</b>

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## Comments

- Current funding level is not adequate for future component replacement resulting in insufficient funds for FY2027 street resurfacing.
- Recommended funding plan requires large increases for contributions to meet the funding requirements in FY2027 then reduce to moderate levels.

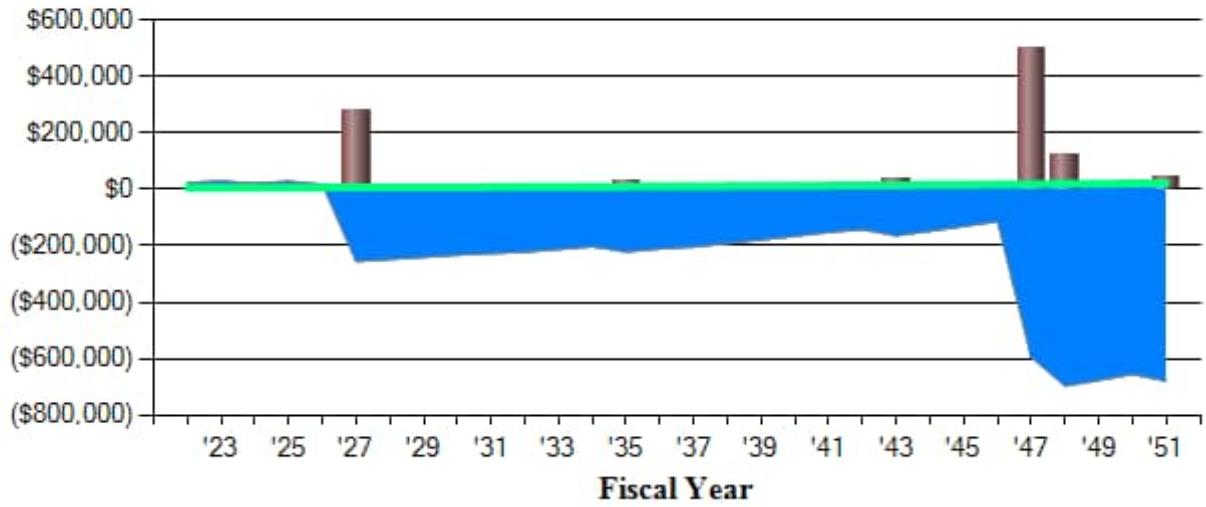


**Southern Grove HOA  
Current Funding Projection**

Beginning Balance: \$18,188

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2022	329,687	5,452	118		23,758	253,297	9%
2023	349,468	5,725	238		29,720	278,729	11%
2024	366,942	6,011	235	14,024	21,943	288,050	8%
2025	367,035	6,311	439		28,693	309,831	9%
2026	378,046	6,627	270	17,884	17,707	314,240	6%
2027	389,387	6,958		279,918	-255,253	54,623	
2028	401,069	7,306			-247,947	76,111	
2029	413,101	7,672			-240,276	98,840	
2030	425,494	8,055			-232,221	122,864	
2031	438,259	8,458		3,455	-227,218	144,682	
2032	451,406	8,881		3,417	-221,754	167,844	
2033	464,949	9,325			-212,429	195,891	
2034	478,897	9,791			-202,638	225,469	
2035	493,264	10,281		29,101	-221,459	228,546	
2036	508,062	10,795			-210,664	262,477	
2037	523,304	11,334		3,961	-203,291	294,159	
2038	539,003	11,901			-191,390	331,707	
2039	555,173	12,496			-178,894	371,244	
2040	571,828	13,121			-165,773	412,854	
2041	588,983	13,777			-151,996	456,627	
2042	606,653	14,466		4,592	-142,122	497,925	
2043	624,852	15,189		36,864	-163,797	508,191	
2044	643,598	15,949			-147,848	557,735	
2045	662,906	16,746			-131,103	609,793	
2046	682,793	17,583			-113,519	664,473	
2047	703,277	18,462		499,797	-594,854	207,095	
2048	724,375	19,386		120,930	-696,399	127,352	
2049	746,106	20,355			-676,044	170,932	
2050	768,489	21,373			-654,671	217,014	
2051	791,544	22,441		46,699	-678,929	217,606	

### Current Funding Projection



- Current Funding Plan Year End Balances
- Current Funding Plan Expenditures
- Current Plan Assessments

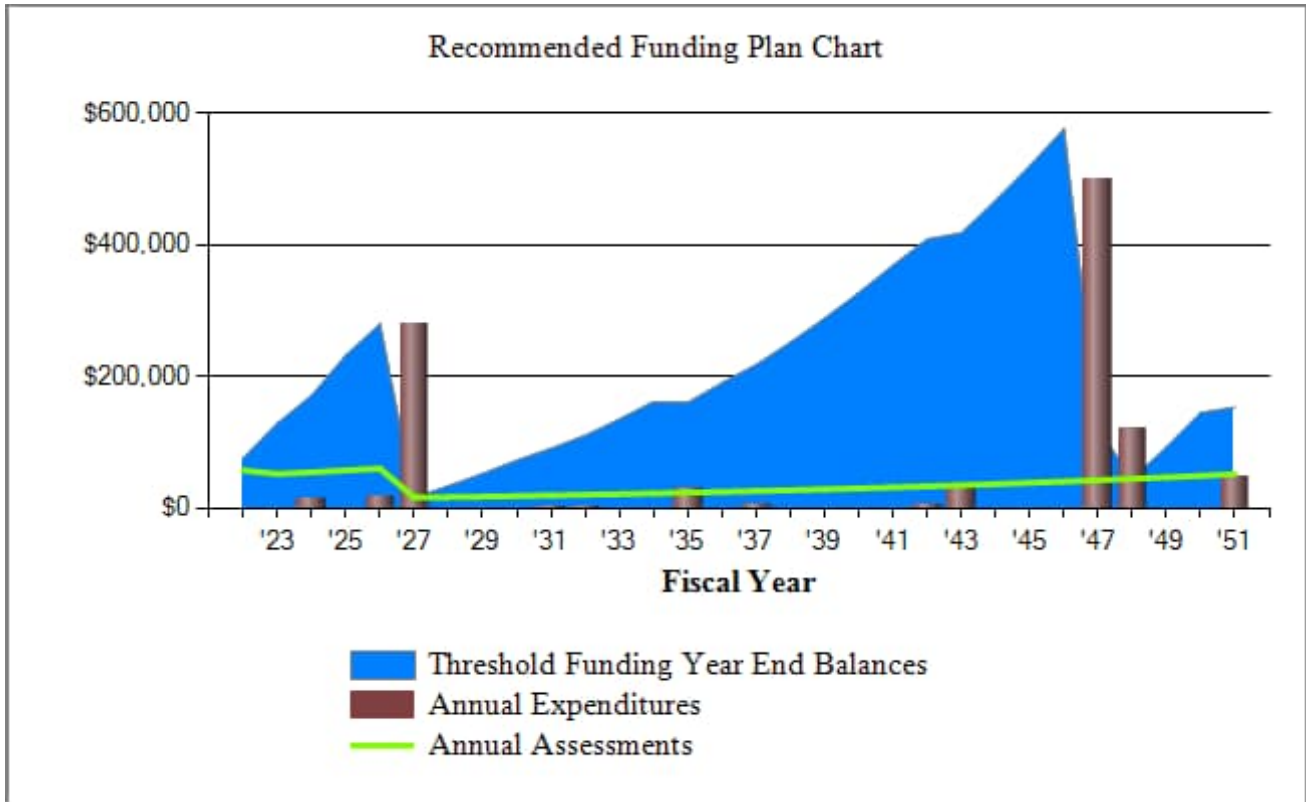
**Southern Grove HOA  
Financial Summary**

Beginning Balance: \$18,188

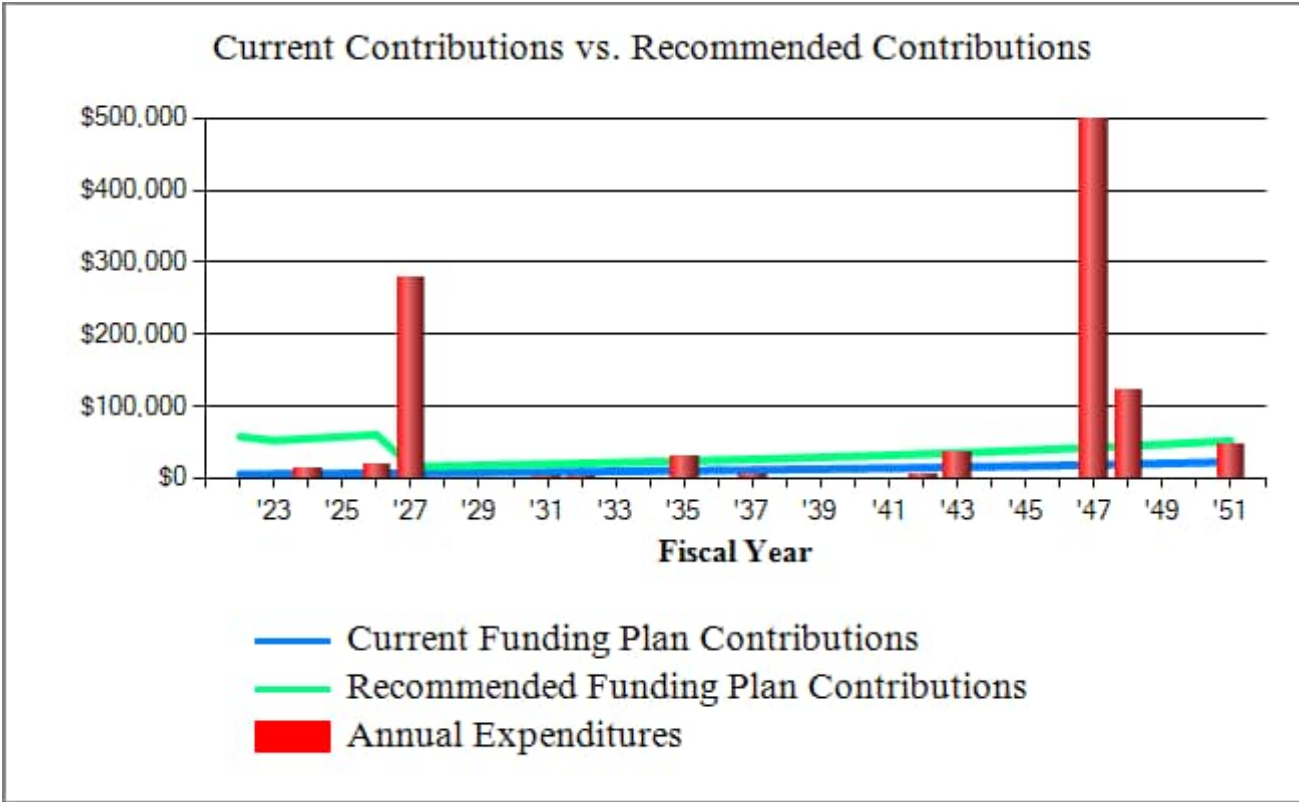
Fully Funded: \$227,489

Tax Rate:0%

Year	Replacement Cost	Inflation Rate	Annual Reserve Contribution	Other Income	Interest Rate	Net Interest	Projected Expenditure	Year End Balance	Year End Fully Funded	Year End % Funded
2022	329,687	6.0%	57,423	0	0.50%	378		75,989	253,297	30%
2023	349,468	5.0%	52,104	0	1.00%	760		128,853	278,729	46%
2024	366,942	4.0%	54,709	0	1.50%	1,722	14,024	171,260	288,050	59%
2025	367,035	3.0%	57,444	0	2.00%	3,425		232,129	309,831	75%
2026	378,046	3.0%	60,316	0	2.50%	5,356	17,884	279,918	314,240	89%
2027	389,387	3.0%	16,387	0	3.00%		279,918	16,387	54,623	30%
2028	401,069	3.0%	16,850	0	3.00%	492		33,728	76,111	44%
2029	413,101	3.0%	17,693	0	3.00%	1,012		52,433	98,840	53%
2030	425,494	3.0%	18,577	0	3.00%	1,573		72,583	122,864	59%
2031	438,259	3.0%	19,506	0	3.00%	2,074	3,455	90,708	144,682	63%
2032	451,406	3.0%	20,481	0	3.00%	2,619	3,417	110,391	167,844	66%
2033	464,949	3.0%	21,505	0	3.00%	3,312		135,208	195,891	69%
2034	478,897	3.0%	22,581	0	3.00%	4,056		161,845	225,469	72%
2035	493,264	3.0%	23,710	0	3.00%	3,982	29,101	160,436	228,546	70%
2036	508,062	3.0%	24,895	0	3.00%	4,813		190,144	262,477	72%
2037	523,304	3.0%	26,140	0	3.00%	5,586	3,961	217,909	294,159	74%
2038	539,003	3.0%	27,447	0	3.00%	6,537		251,893	331,707	76%
2039	555,173	3.0%	28,819	0	3.00%	7,557		288,269	371,244	78%
2040	571,828	3.0%	30,260	0	3.00%	8,648		327,177	412,854	79%
2041	588,983	3.0%	31,773	0	3.00%	9,815		368,766	456,627	81%
2042	606,653	3.0%	33,362	0	3.00%	10,925	4,592	408,461	497,925	82%
2043	624,852	3.0%	35,030	0	3.00%	11,148	36,864	417,775	508,191	82%
2044	643,598	3.0%	36,782	0	3.00%	12,533		467,090	557,735	84%
2045	662,906	3.0%	38,621	0	3.00%	14,013		519,723	609,793	85%
2046	682,793	3.0%	40,552	0	3.00%	15,592		575,866	664,473	87%
2047	703,277	3.0%	42,579	0	3.00%	2,282	499,797	120,931	207,095	58%
2048	724,375	3.0%	44,708	0	3.00%		120,930	44,709	127,352	35%
2049	746,106	3.0%	46,944	0	3.00%	1,341		92,993	170,932	54%
2050	768,489	3.0%	49,291	0	3.00%	2,790		145,074	217,014	67%
2051	791,544	3.0%	51,755	0	3.00%	2,951	46,699	153,082	217,606	70%



The recommended funding plan provides adequate funding with moderate contributions over time.



This chart illustrates Annual Expenditures and the Current Contributions used by the Association compared with the Recommended Contributions.

**Southern Grove HOA  
Income & Expense Spreadsheet**

	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>
<b>Beginning Balance</b>	18,188	75,989	128,853	171,260	232,129	279,918	16,387	33,728	52,433	72,583
<b>Annual Assessment</b>	57,423	52,104	54,709	57,444	60,316	16,387	16,850	17,693	18,577	19,506
<b>Interest Earned</b>	378	760	1,722	3,425	5,356		492	1,012	1,573	2,074
<b>Expenditures</b>			14,024		17,884	279,918				3,455
<b>Fully Funded Reserves</b>	253,297	278,729	288,050	309,831	314,240	54,623	76,111	98,840	122,864	144,682
<b>Percent Fully Funded</b>	30%	46%	59%	75%	89%	30%	44%	53%	59%	63%
<b>Ending Balance</b>	75,989	128,853	171,260	232,129	279,918	16,387	33,728	52,433	72,583	90,708

**Description**

Misc. Site Components

Concrete Curb Allowance (at paving)						8,350				
Concrete Sidewalk Allowance						2,947				
Message Board						3,193				
Refurbishment Allowance - Monument Sign										3,455
<b>Misc. Site Components Total:</b>						<b>14,491</b>				<b>3,455</b>

Street Resurfacing

Ashley Woods Court						13,775				
Asphalt Seal Coat										
Magnolia Garden Court						18,374				
Scarlet Oaks Court						11,507				
Southern Bell Drive E/W						47,605				
Southern Grove Drive						99,409				
Southern Lily Drive						57,432				
Tara Glen Lane						17,324				
<b>Street Resurfacing Total:</b>						<b>265,428</b>				

Fencing & Gates

Vinyl Privacy Fence										
<b>Fencing &amp; Gates Total:</b>										

Storm Water System

Control Structure/Pipe Allowance					17,884					
Engineering Survey - Storm Water Ponds			14,024							
<b>Storm Water System Total:</b>			<b>14,024</b>		<b>17,884</b>					

**Southern Grove HOA  
Income & Expense Spreadsheet**

<b>Description</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>
<b>Operating Expense</b>										
Irrigation System	<i>Unfunded</i>									
Landscaping	<i>Unfunded</i>									
Traffic/Wayfinding Signs	<i>Unfunded</i>									
<b>Components Not Included</b>										
Pond Dredging	<i>Unfunded</i>									
Street Lights	<i>Unfunded</i>									
Water/Sewer Pipes/Lift Station	<i>Unfunded</i>									
<b>Year Total:</b>			<b>14,024</b>		<b>17,884</b>	<b>279,918</b>				<b>3,455</b>

**Southern Grove HOA  
Income & Expense Spreadsheet**

	<b>2032</b>	<b>2033</b>	<b>2034</b>	<b>2035</b>	<b>2036</b>	<b>2037</b>	<b>2038</b>	<b>2039</b>	<b>2040</b>	<b>2041</b>
<b>Beginning Balance</b>	90,708	110,391	135,208	161,845	160,436	190,144	217,909	251,893	288,269	327,177
<b>Annual Assessment</b>	20,481	21,505	22,581	23,710	24,895	26,140	27,447	28,819	30,260	31,773
<b>Interest Earned</b>	2,619	3,312	4,056	3,982	4,813	5,586	6,537	7,557	8,648	9,815
<b>Expenditures</b>	3,417			29,101		3,961				
<b>Fully Funded Reserves</b>	167,844	195,891	225,469	228,546	262,477	294,159	331,707	371,244	412,854	456,627
<b>Percent Fully Funded</b>	66%	69%	72%	70%	72%	74%	76%	78%	79%	81%
<b>Ending Balance</b>	110,391	135,208	161,845	160,436	190,144	217,909	251,893	288,269	327,177	368,766

**Description**

Misc. Site Components

Concrete Curb Allowance (at paving)

Concrete Sidewalk Allowance

Message Board

Refurbishment Allowance - Monument Sign

**Misc. Site Components Total:**

3,417

3,961

**3,417**

**3,961**

Street Resurfacing

Ashley Woods Court

Asphalt Seal Coat

29,101

Magnolia Garden Court

Scarlet Oaks Court

Southern Bell Drive E/W

Southern Grove Drive

Southern Lily Drive

Tara Glen Lane

**Street Resurfacing Total:**

**29,101**

Fencing & Gates

Vinyl Privacy Fence

**Fencing & Gates Total:**

Storm Water System

Control Structure/Pipe Allowance

Engineering Survey - Storm Water Ponds

**Storm Water System Total:**



**Southern Grove HOA  
Income & Expense Spreadsheet**

<b>Description</b>	<b>2032</b>	<b>2033</b>	<b>2034</b>	<b>2035</b>	<b>2036</b>	<b>2037</b>	<b>2038</b>	<b>2039</b>	<b>2040</b>	<b>2041</b>
<b>Operating Expense</b>										
Irrigation System	<i>Unfunded</i>									
Landscaping	<i>Unfunded</i>									
Traffic/Wayfinding Signs	<i>Unfunded</i>									
<b>Components Not Included</b>										
Pond Dredging	<i>Unfunded</i>									
Street Lights	<i>Unfunded</i>									
Water/Sewer Pipes/Lift Station	<i>Unfunded</i>									
<b>Year Total:</b>	<b>3,417</b>			<b>29,101</b>		<b>3,961</b>				

**Southern Grove HOA  
Income & Expense Spreadsheet**

	<b>2042</b>	<b>2043</b>	<b>2044</b>	<b>2045</b>	<b>2046</b>	<b>2047</b>	<b>2048</b>	<b>2049</b>	<b>2050</b>	<b>2051</b>
<b>Beginning Balance</b>	368,766	408,461	417,775	467,090	519,723	575,866	120,931	44,709	92,993	145,074
<b>Annual Assessment</b>	33,362	35,030	36,782	38,621	40,552	42,579	44,708	46,944	49,291	51,755
<b>Interest Earned</b>	10,925	11,148	12,533	14,013	15,592	2,282		1,341	2,790	2,951
<b>Expenditures</b>	4,592	36,864				499,797	120,930			46,699
<b>Fully Funded Reserves</b>	497,925	508,191	557,735	609,793	664,473	207,095	127,352	170,932	217,014	217,606
<b>Percent Fully Funded</b>	82%	82%	84%	85%	87%	58%	35%	54%	67%	70%
<b>Ending Balance</b>	408,461	417,775	467,090	519,723	575,866	120,931	44,709	92,993	145,074	153,082

**Description**

Misc. Site Components

Concrete Curb Allowance (at paving)						15,082				
Concrete Sidewalk Allowance	4,592					5,323				
Message Board										
Refurbishment Allowance - Monument Sign										
<b>Misc. Site Components Total:</b>	<b>4,592</b>					<b>20,405</b>				

Street Resurfacing

Ashley Woods Court						24,880				
Asphalt Seal Coat		36,864								46,699
Magnolia Garden Court						33,186				
Scarlet Oaks Court						20,784				
Southern Bell Drive E/W						85,980				
Southern Grove Drive						179,544				
Southern Lily Drive						103,729				
Tara Glen Lane						31,289				
<b>Street Resurfacing Total:</b>		<b>36,864</b>				<b>479,392</b>				<b>46,699</b>

Fencing & Gates

Vinyl Privacy Fence							120,930			
<b>Fencing &amp; Gates Total:</b>							<b>120,930</b>			

Storm Water System

Control Structure/Pipe Allowance										
Engineering Survey - Storm Water Ponds										
<b>Storm Water System Total:</b>										

**Southern Grove HOA  
Income & Expense Spreadsheet**

<b>Description</b>	<b>2042</b>	<b>2043</b>	<b>2044</b>	<b>2045</b>	<b>2046</b>	<b>2047</b>	<b>2048</b>	<b>2049</b>	<b>2050</b>	<b>2051</b>
<b>Operating Expense</b>										
Irrigation System	<i>Unfunded</i>									
Landscaping	<i>Unfunded</i>									
Traffic/Wayfinding Signs	<i>Unfunded</i>									
<b>Components Not Included</b>										
Pond Dredging	<i>Unfunded</i>									
Street Lights	<i>Unfunded</i>									
Water/Sewer Pipes/Lift Station	<i>Unfunded</i>									
<b>Year Total:</b>	<b>4,592</b>	<b>36,864</b>				<b>499,797</b>	<b>120,930</b>			<b>46,699</b>

**Southern Grove HOA  
Annual Expenditure Detail**

Description	Expenditures
<i>No Replacement in 2022</i>	
<i>No Replacement in 2023</i>	
<b>Replacement Year 2024</b>	
<b>Storm Water System</b>	
Engineering Survey - Storm Water Ponds	14,024
<b>Total for 2024</b>	<b><u>\$14,024</u></b>
<i>No Replacement in 2025</i>	
<b>Replacement Year 2026</b>	
<b>Storm Water System</b>	
Control Structure/Pipe Allowance	17,884
<b>Total for 2026</b>	<b><u>\$17,884</u></b>
<b>Replacement Year 2027</b>	
<b>Misc. Site Components</b>	
Concrete Curb Allowance (at paving)	8,350
Concrete Sidewalk Allowance	2,947
Message Board	3,193
<b>Street Resurfacing</b>	
Ashley Woods Court	13,775
Magnolia Garden Court	18,374
Scarlet Oaks Court	11,507
Southern Bell Drive E/W	47,605
Southern Grove Drive	99,409
Southern Lily Drive	57,432
Tara Glen Lane	17,324
<b>Total for 2027</b>	<b><u>\$279,918</u></b>
<i>No Replacement in 2028</i>	
<i>No Replacement in 2029</i>	
<i>No Replacement in 2030</i>	
<b>Replacement Year 2031</b>	
<b>Misc. Site Components</b>	
Refurbishment Allowance - Monument Sign	3,455
<b>Total for 2031</b>	<b><u>\$3,455</u></b>

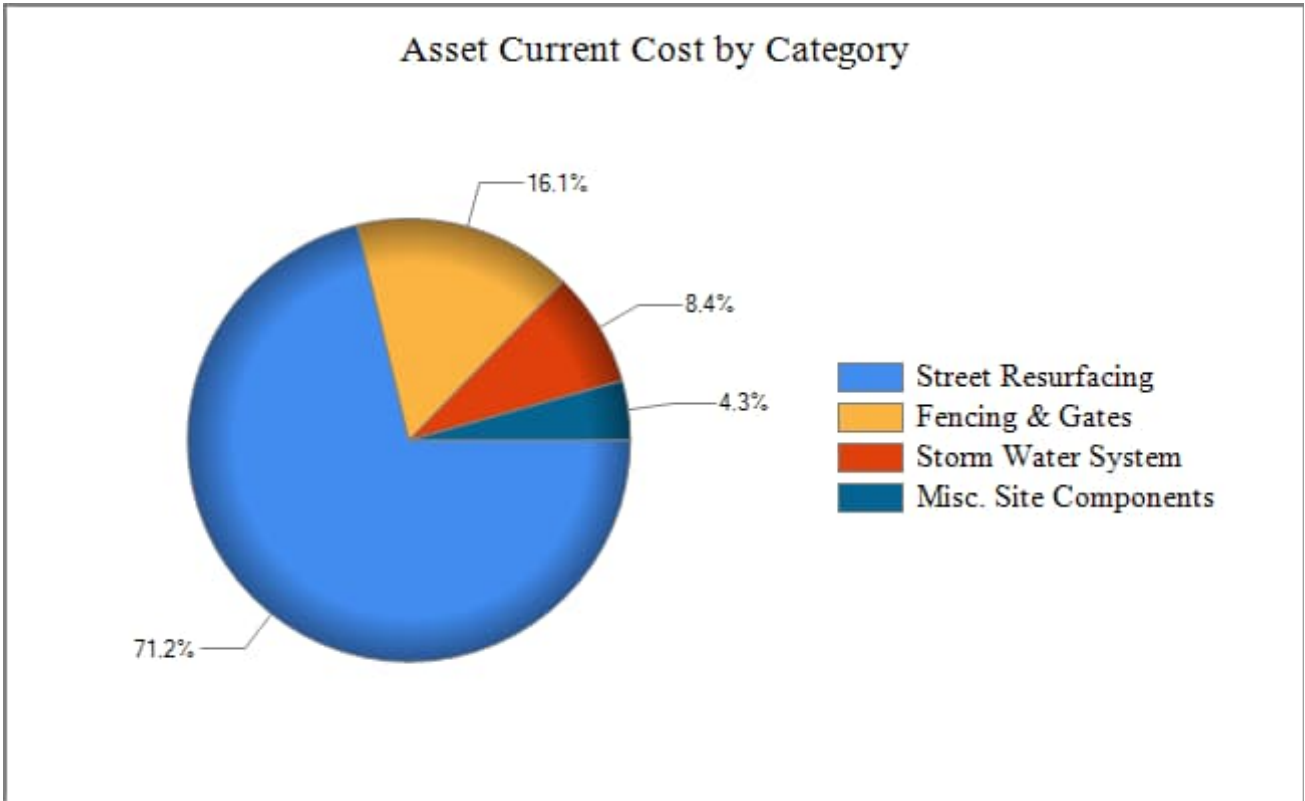
**Southern Grove HOA  
Annual Expenditure Detail**

Description	Expenditures
<b>Replacement Year 2032</b>	
<b>Misc. Site Components</b>	
Concrete Sidewalk Allowance	3,417
<b>Total for 2032</b>	<u><b>\$3,417</b></u>
<i>No Replacement in 2033</i>	
<i>No Replacement in 2034</i>	
<b>Replacement Year 2035</b>	
<b>Street Resurfacing</b>	
Asphalt Seal Coat	29,101
<b>Total for 2035</b>	<u><b>\$29,101</b></u>
<i>No Replacement in 2036</i>	
<b>Replacement Year 2037</b>	
<b>Misc. Site Components</b>	
Concrete Sidewalk Allowance	3,961
<b>Total for 2037</b>	<u><b>\$3,961</b></u>
<i>No Replacement in 2038</i>	
<i>No Replacement in 2039</i>	
<i>No Replacement in 2040</i>	
<i>No Replacement in 2041</i>	
<b>Replacement Year 2042</b>	
<b>Misc. Site Components</b>	
Concrete Sidewalk Allowance	4,592
<b>Total for 2042</b>	<u><b>\$4,592</b></u>
<b>Replacement Year 2043</b>	
<b>Street Resurfacing</b>	
Asphalt Seal Coat	36,864
<b>Total for 2043</b>	<u><b>\$36,864</b></u>

**Southern Grove HOA  
Annual Expenditure Detail**

Description	Expenditures
<i>No Replacement in 2044</i>	
<i>No Replacement in 2045</i>	
<i>No Replacement in 2046</i>	
<b>Replacement Year 2047</b>	
<b>Misc. Site Components</b>	
Concrete Curb Allowance (at paving)	15,082
Concrete Sidewalk Allowance	5,323
<b>Street Resurfacing</b>	
Ashley Woods Court	24,880
Magnolia Garden Court	33,186
Scarlet Oaks Court	20,784
Southern Bell Drive E/W	85,980
Southern Grove Drive	179,544
Southern Lily Drive	103,729
Tara Glen Lane	31,289
<b>Total for 2047</b>	<u><b>\$499,797</b></u>
<b>Replacement Year 2048</b>	
<b>Fencing &amp; Gates</b>	
Vinyl Privacy Fence	120,930
<b>Total for 2048</b>	<u><b>\$120,930</b></u>
<i>No Replacement in 2049</i>	
<i>No Replacement in 2050</i>	
<b>Replacement Year 2051</b>	
<b>Street Resurfacing</b>	
Asphalt Seal Coat	46,699
<b>Total for 2051</b>	<u><b>\$46,699</b></u>

**Southern Grove HOA**  
St. Johns, Florida  
**Asset Current Cost by Category**



**Southern Grove HOA  
Component Inventory**

Description	Date in Service	Replacement Year	Useful	Adjustment	Remaining	Units	Unit Cost	Current Cost
<b>Misc. Site Components</b>								
Concrete Curb Allowance (at paving)	1996	2027	20	11	5	200 Linear Feet	34.00	6,800
Concrete Sidewalk Allowance	2022	2027	5	5	5	100 Linear Feet	24.00	2,400
Message Board	1996	2027	25	6	5	1 Lump Sum	2,600.00	2,600
Refurbishment Allowance - Monument Sign	1996	2031	35	0	9	1 Lump Sum	2,500.00	2,500
Misc. Site Components - Total								<u>\$14,300</u>
<b>Street Resurfacing</b>								
Ashley Woods Court	1996	2027	20	11	5	656 Square Yards	17.10	11,218
Asphalt Seal Coat	2027	2035	8	8	13	12,640 Square Yards	1.48	18,707
Magnolia Garden Court	1996	2027	20	11	5	875 Square Yards	17.10	14,962
Scarlet Oaks Court	1996	2027	20	11	5	548 Square Yards	17.10	9,371
Southern Bell Drive E/W	1996	2027	20	11	5	2,267 Square Yards	17.10	38,766
Southern Grove Drive	1996	2027	20	11	5	4,734 Square Yards	17.10	80,951
Southern Lily Drive	1996	2027	20	11	5	2,735 Square Yards	17.10	46,768
Tara Glen Lane	1996	2027	20	11	5	825 Square Yards	17.10	14,107
Street Resurfacing - Total								<u>\$234,851</u>
<b>Fencing &amp; Gates</b>								
Vinyl Privacy Fence	2018	2048	30	0	26	1,018 Linear Feet	52.00	52,936
Fencing & Gates - Total								<u>\$52,936</u>
<b>Storm Water System</b>								
Control Structure/Pipe Allowance	1996	2026	30	0	4	1 Lump Sum	15,000.00	15,000
Engineering Survey - Storm Water Ponds	1996	2024	28	0	2	6 Acre	2,100.00	12,600
Storm Water System - Total								<u>\$27,600</u>
<b>Operating Expense</b>								
Irrigation System								<i>Unfunded</i>
Landscaping								<i>Unfunded</i>
Traffic/Wayfinding Signs								<i>Unfunded</i>
Operating Expense - Total								
<b>Components Not Included</b>								
Pond Dredging								<i>Unfunded</i>
Street Lights								<i>Unfunded</i>
Water/Sewer Pipes/Lift Station								<i>Unfunded</i>
Components Not Included - Total								
Total Asset Summary								<u>\$329,687</u>



**Southern Grove HOA  
Component Detail Index**

Asset ID	Description	Replacement	Page
<b>Misc. Site Components</b>			
1009	Concrete Curb Allowance (at paving)	2027	5-3
1010	Concrete Sidewalk Allowance	2027	5-3
1014	Message Board	2027	5-3
1001	Refurbishment Allowance - Monument Sign	2031	5-4
<b>Street Resurfacing</b>			
1007	Ashley Woods Court	2027	5-5
1021	Asphalt Seal Coat	2035	5-5
1006	Magnolia Garden Court	2027	5-5
1008	Scarlet Oaks Court	2027	5-6
1004	Southern Bell Drive E/W	2027	5-6
1002	Southern Grove Drive	2027	5-6
1003	Southern Lily Drive	2027	5-7
1005	Tara Glen Lane	2027	5-7
<b>Fencing &amp; Gates</b>			
1013	Vinyl Privacy Fence	2048	5-8
<b>Storm Water System</b>			
1012	Control Structure/Pipe Allowance	2026	5-9
1011	Engineering Survey - Storm Water Ponds	2024	5-9
<b>Operating Expense</b>			
1016	Irrigation System	2022	5-10
1017	Landscaping	2022	5-10
1020	Traffic/Wayfinding Signs	2022	5-10
<b>Components Not Included</b>			
1022	Pond Dredging	2022	5-11
1019	Street Lights	2022	5-11
1018	Water/Sewer Pipes/Lift Station	2022	5-11
	Total Funded Assets	15	
	Total Unfunded Assets	<u>6</u>	
	Total Assets	21	

**Southern Grove HOA  
Component Detail**

**Concrete Curb Allowance (at paving) - 2027**

Asset ID	1009	200 Linear Feet	@ \$34.00
		Asset Actual Cost	\$6,800.00
		Percent Replacement	100%
		Future Cost	\$8,350.49
	Misc. Site Components		
Placed in Service	January 1996		
Useful Life	20		
Adjustment	11		
Replacement Year	2027		
Remaining Life	5		

**Concrete Sidewalk Allowance - 2027**

Asset ID	1010	100 Linear Feet	@ \$24.00
		Asset Actual Cost	\$2,400.00
		Percent Replacement	100%
		Future Cost	\$2,947.23
	Misc. Site Components		
Placed in Service	January 2022		
Useful Life	5		
Adjustment	5		
Replacement Year	2027		
Remaining Life	5		

**Message Board - 2027**

Asset ID	1014	1 Lump Sum	@ \$2,600.00
		Asset Actual Cost	\$2,600.00
		Percent Replacement	100%
		Future Cost	\$3,192.83
	Misc. Site Components		
Placed in Service	January 1996		
Useful Life	25		
Adjustment	6		
Replacement Year	2027		
Remaining Life	5		

## Southern Grove HOA Component Detail

*Message Board continued...*



### Refurbishment Allowance - Monument Sign - 2031

		1 Lump Sum	@ \$2,500.00
Asset ID	1001	Asset Actual Cost	\$2,500.00
		Percent Replacement	100%
	Misc. Site Components	Future Cost	\$3,455.35
Placed in Service	January 1996		
Useful Life	35		
Replacement Year	2031		
Remaining Life	9		



**Southern Grove HOA  
Component Detail**

**Ashley Woods Court - 2027**

		656 Square Yards	@ \$17.10
Asset ID	1007	Asset Actual Cost	\$11,217.60
		Percent Replacement	100%
	Street Resurfacing	Future Cost	\$13,775.36
Placed in Service	January 1996		
Useful Life	20		
Adjustment	11		
Replacement Year	2027		
Remaining Life	5		

**Asphalt Seal Coat - 2035**

		12,640 Square Yards	@ \$1.48
Asset ID	1021	Asset Actual Cost	\$18,707.20
		Percent Replacement	100%
	Street Resurfacing	Future Cost	\$29,101.11
Placed in Service	January 2027		
Useful Life	8		
Adjustment	8		
Replacement Year	2035		
Remaining Life	13		

**Magnolia Garden Court - 2027**

		875 Square Yards	@ \$17.10
Asset ID	1006	Asset Actual Cost	\$14,962.50
		Percent Replacement	100%
	Street Resurfacing	Future Cost	\$18,374.14
Placed in Service	January 1996		
Useful Life	20		
Adjustment	11		
Replacement Year	2027		
Remaining Life	5		

**Southern Grove HOA  
Component Detail**

**Scarlet Oaks Court - 2027**

		548 Square Yards	@ \$17.10
Asset ID	1008	Asset Actual Cost	\$9,370.80
		Percent Replacement	100%
	Street Resurfacing	Future Cost	\$11,507.46
Placed in Service	January 1996		
Useful Life	20		
Adjustment	11		
Replacement Year	2027		
Remaining Life	5		

**Southern Bell Drive E/W - 2027**

		2,267 Square Yards	@ \$17.10
Asset ID	1004	Asset Actual Cost	\$38,765.70
		Percent Replacement	100%
	Street Resurfacing	Future Cost	\$47,604.78
Placed in Service	January 1996		
Useful Life	20		
Adjustment	11		
Replacement Year	2027		
Remaining Life	5		

**Southern Grove Drive - 2027**

		4,734 Square Yards	@ \$17.10
Asset ID	1002	Asset Actual Cost	\$80,951.40
		Percent Replacement	100%
	Street Resurfacing	Future Cost	\$99,409.37
Placed in Service	January 1996		
Useful Life	20		
Adjustment	11		
Replacement Year	2027		
Remaining Life	5		

**Southern Grove HOA  
Component Detail**

<b>Southern Lily Drive - 2027</b>		2,735 Square Yards	@ \$17.10
Asset ID	1003	Asset Actual Cost	\$46,768.50
		Percent Replacement	100%
Placed in Service	Street Resurfacing January 1996	Future Cost	\$57,432.32
Useful Life	20		
Adjustment	11		
Replacement Year	2027		
Remaining Life	5		

<b>Tara Glen Lane - 2027</b>		825 Square Yards	@ \$17.10
Asset ID	1005	Asset Actual Cost	\$14,107.50
		Percent Replacement	100%
Placed in Service	Street Resurfacing January 1996	Future Cost	\$17,324.19
Useful Life	20		
Adjustment	11		
Replacement Year	2027		
Remaining Life	5		

**Southern Grove HOA  
Component Detail**

**Vinyl Privacy Fence - 2048**

Asset ID	1013	1,018 Linear Feet	@ \$52.00
		Asset Actual Cost	\$52,936.00
		Percent Replacement	100%
		Future Cost	\$120,930.48
Fencing & Gates			
Placed in Service	January 2018		
Useful Life	30		
Replacement Year	2048		
Remaining Life	26		



**Southern Grove HOA  
Component Detail**

**Control Structure/Pipe Allowance - 2026**

Asset ID	1012	1 Lump Sum	@ \$15,000.00
		Asset Actual Cost	\$15,000.00
		Percent Replacement	100%
		Future Cost	\$17,883.68
	Storm Water System		
Placed in Service	January 1996		
Useful Life	30		
Replacement Year	2026		
Remaining Life	4		

**Engineering Survey - Storm Water Ponds - 2024**

Asset ID	1011	6 Acre	@ \$2,100.00
		Asset Actual Cost	\$12,600.00
		Percent Replacement	100%
		Future Cost	\$14,023.80
	Storm Water System		
Placed in Service	January 1996		
Useful Life	28		
Replacement Year	2024		
Remaining Life	2		



**Southern Grove HOA  
Component Detail**

**Irrigation System**

Asset ID	1016	Asset Actual Cost	
		Percent Replacement	100%
		Future Cost	
Placed in Service	Operating Expense		
No Useful Life	January 1996		

**Landscaping**

Asset ID	1017	Asset Actual Cost	
		Percent Replacement	100%
		Future Cost	
Placed in Service	Operating Expense		
No Useful Life	January 1996		

**Traffic/Wayfinding Signs**

Asset ID	1020	Asset Actual Cost	
		Percent Replacement	100%
		Future Cost	
Placed in Service	Operating Expense		
No Useful Life	January 1996		

**Southern Grove HOA  
Component Detail**

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**Pond Dredging**

Asset ID	1022	Asset Actual Cost	
		Percent Replacement	100%
Components Not Included		Future Cost	
Placed in Service	January 1996		
No Useful Life			

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**Street Lights**

Asset ID	1019	Asset Actual Cost	
		Percent Replacement	100%
Components Not Included		Future Cost	
Placed in Service	January 1996		
No Useful Life			

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**Water/Sewer Pipes/Lift Station**

Asset ID	1018	Asset Actual Cost	
		Percent Replacement	100%
Components Not Included		Future Cost	
Placed in Service	January 1996		
No Useful Life			

## METHODOLOGY

Reserve Analysis is a process that identifies capital expenses the Association can expect and creates a plan to fund them. This is accomplished by a site visit to visually evaluate components to measure quantities and determine their remaining life. Component Selection Process is based on the Community Associations Institute (CAI) standards for reserve studies and selection of components.

Component must be a commonly owned, have a limited and predictable life, replacement cost must be above a minimum threshold cost. Useful life and replacement cost are obtained from site inspection by experienced inspectors and our database of information, historical information, local Vendors and comparison of similar component cost found at other properties.

The funding plan we develop includes; adequate cash balances, even contributions so all owners pay their fair share over time and moderate contributions with acceptable increases. Percent Funded is defined by industry standards as 70-100% strong, 30-70% fair or adequate and below 30% weak or inadequate. We recommend Full Funding to avoid deferred maintenance or special assessments. Baseline Funding maintains funds above zero resulting is a high risk of special assessments or deferred maintenance and should be avoided. Threshold Funding maintains reserves above a “Threshold” level providing adequate funding with moderate risk.

## CREDENTIALS

*Community Advisors, LLC* provides capital reserve planning, property inspection, and construction oversight for a broad base of clients including High-rise Condominiums, Homeowner Associations, Churches, Private Schools, Time Shares, Active Adult, Municipal Utility Plants, Marinas, Historic Buildings & Museums and commercial investment properties.

*Personal Service* attention to detail, quick response and valued client relationships.

*Range of Experience* includes a broad selection of building types, ages and uses from protected historic structures to new communities ready for developer turnover. As commercial general contractors we have experience building many of the types of structure we now provide reserve analysis for, so we understand potential problem areas. As commercial inspectors we have experienced a variety of structural and cosmetic conditions offering solutions for repair. Areas of expertise include MEP systems, energy management, life safety systems, building envelope and roof components, marine structures, street and other site improvements.

*Detailed Site Evaluation is Conducted* to make sure we know your property and include all your assets in our analysis. With our years of experience with community development and commercial construction projects we understand both horizontal and vertical construction and utilize realistic replacement cost and useful life projections in our analysis. *Financial Plan Meets CAI & APRA Standards* with information obtained during the site visit we build a custom-made financial plan to ensure adequate funding for future component replacement which equates to maintaining community value.

*Reserve Analyst Credentials:* Mr. Charles Sheppard is the owner of Community Advisors responsible for field inspection oversight and day to day operations. Mr. Sheppard hold a BS degree from VA Tech and has conducted building evaluations for over 30 years. He is a licensed Florida General Contractor, Home Inspector and earned the professional designations of Certified Construction Inspector (CCI), Professional Reserve Analyst (PRA) and Reserve Specialist (RS).

## TERMS OF SERVICE

We have completed an analysis of your capital components that serves as a budgeting tool. This reserve study reflects the information provided by this client and is not for the purposes of performing an audit or estimating construction projects. Our site visit includes visual observation of components that are accessible and safe for our inspectors to evaluate. Roof evaluation is limited to ground observation for sloped roofs and roof top inspection for flat roofs if safe and stable access is available that meets our safety standards.

We are not responsible for any hidden defects or determining the condition of hidden or underground components or systems. Observing environmental conditions, hazardous materials or determine compliance with building codes or other regulations is not included in our scope of work. Our site visit is not a safety inspection and we are not responsible for any hazards that exist. Destructive testing is not conducted. It has been assumed, unless otherwise noted in this report, that all assets have been designed and constructed properly and that each estimated useful life will approximate that of the norm per industry standards and/or manufacturer's specifications.

Projections of component remaining useful life assumes this client will perform necessary preventative maintenance and repair per industry standards. This reserve analysis study and the parameters under which it has been completed are based upon information provided to us in part by the Client and its contractors, assorted vendors, specialist and independent contractors. Reserve fund balances and contribution amounts for use in our analysis is furnished by the client and deemed accurate. Useful life projections are determined by historical records, component condition and our opinion based on evaluating similar components on other projects. These life projections are changed by weather conditions, use, maintenance procedures and other factors out of our control therefore regular updates to this analysis are needed to maintain funding accuracy. Replacement cost is determined by our experience with similar projects, local vendor pricing and client historical records and should not be considered suitable for budgeting repair or replacement projects. Local contractor proposals must be obtained for this work. No liability is assumed as the result of changing market prices or inaccurate estimates or projections of remaining useful life of components.

Component replacement cost and interest rates constantly change. In order to maintain accuracy of your funding plan updates to this analysis should be conducted annually with a site visit every 2-3 years unless conditions warrant annual visits. Community Advisors, LLC shall not be required to participate in any legal action taken by or against our clients for any reason and shall also not be required to give testimony in depositions or in court. In all cases the liability of Community Advisors, LLC and its Principals, Employees, contractors and Vendors shall be limited to the consulting fee agreed upon for the production of this report. Client financial information is considered confidential and is not disclosed to third parties without your approval. We do use your name for our list of valued clients and when submitting proposals for new projects that request references or recent projects. That request may include size of property, number of units or major components. We also use photos from time to time of components as an example for educational and marketing efforts. Community Advisors and the analyst who prepared this study do not have any relationship that can be considered a conflict of interest. From time to time our Clients ask that we manage repair or replacement of components due to our experience in construction management. We do so with the understanding that full disclosure for both parties is completed.

## DEFINITIONS

**Adjustment to Useful Life:** Typical useful life projections are used for each component. The adjustment is used to modify that life projection for earlier or later replacement. It only applies to the current replacement cycle.

**Cash Flow Method:** A method of determining reserve contributions that are “pooled” to fund replacement cost as needed without restricting funds to any one component.

**Component Method:** A funding method that fully funds each reserve component then sums those for the annual contribution.

**Current Funding Plan:** The funding plan currently used at the time of this analysis with updated component inventory and financial assumptions. This allows you to see how the current contribution level funds future component replacement.

**Effective Age:** Difference of useful and remaining useful life.

**Fully Funded Balance:** Represents the cost of used component life represented by the formula.

$$\text{FFB} = (\text{Current Cost} \times \text{Effective Age}) / \text{Useful Life}$$

**Interest Contribution:** The interest that should be earned on invested reserves.

**Percent Funded:** Ratio of reserve balance to fully funded balance.

**Remaining Life:** Number of years a component is projected to continue to function.

**Threshold Funding:** This plan maintains fund balance above a predetermined threshold dollar or percent funded amount.

**Useful Life:** The estimated useful life of an asset based upon industry standards, manufacturer specification, visual inspection, location, usage, association standards and prior history. aa