

**Michigan Hill Owners Association  
Reserve Study  
6/4/2016**

<u>Asset Name</u>	<u>Useful Life (years)</u>	<u>Remaining Life (years)</u>	<u>Current Ave. Cost</u>	<u>Future Ave. Cost</u>	<u>Current Reserve</u>	<u>% Funded</u>	<u>Unfunded Reserve</u>	<u>Additional Annual Reserve</u>
Road Grader	40	7	\$35,000	\$40,000	\$25,000	62.50%	\$15,000	\$2,143
Augmentation Pond Valve	40	7	\$12,000	\$15,000	\$11,000	73.33%	\$4,000	\$571
Hand Pump Well	40	7	\$3,500	\$4,000	\$2,250	56.25%	\$1,750	\$250
2001 Dodge Plow Truck	23	8	\$7,000	\$10,000	\$1,500	15.00%	\$8,500	\$1,063
1991 Chevy Plow Truck	30	5	<u>\$4,000</u>	<u>\$6,000</u>	<u>\$1,000</u>	<u>16.67%</u>	<u>\$5,000</u>	<u>\$1,000</u>
			<b>Totals</b>	<b><u>\$75,000</u></b>	<b><u>\$40,750</u></b>	<b><u>54.33%</u></b>	<b><u>\$34,250</u></b>	<b><u>\$5,027</u></b>

**MHOA Reserve Study Policy Requirements**

A. The physical analysis shall include:

- (1) A component inventory identifying those portions of the community the Association is obligated to maintain, including the useful life of each component.
- (2) A condition assessment of each component on the component inventory by on-site inspection.
- (3) Estimates of the remaining useful life and replacement costs of each component.

B. The financial analysis shall include:

- (1) An analysis of the funds currently held in the Association's reserve fund in relation to the expected needs of the Association per the reserve study.
- (2) A future funding plan to meet the requirements of the reserve study.