

**Michigan Hill Owners Association
Reserve Study - Approved
6/2/2018**

<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 Resale</u>	<u>Ave. Net Cost</u>	<u>Current Reserve</u>	<u>% Funded</u>	<u>Unfunded Reserve</u>	<u>Additional Annual Reserve</u>
Road Grader	40	6	\$35,000	\$40,000	\$20,000	\$20,000	\$20,000	100.00%	\$0	\$0
Augmentation Pond Valve	40	6	\$12,000	\$15,000	\$0	\$15,000	\$12,000	80.00%	\$3,000	\$500
Hand Pump Well	40	6	\$3,500	\$4,000	\$0	\$4,000	\$2,750	68.75%	\$1,250	\$208
2001 Dodge Plow Truck	23	7	\$7,000	\$10,000	\$4,000	\$6,000	\$4,000	66.67%	\$2,000	\$286
1991 Chevy Plow Truck	30	4	<u>\$4,000</u>	<u>\$6,000</u>	<u>\$2,000</u>	<u>\$4,000</u>	<u>\$3,250</u>	<u>81.25%</u>	<u>\$750</u>	<u>\$188</u>
			Totals	<u>\$75,000</u>	<u>\$26,000</u>	<u>\$49,000</u>	<u>\$42,000</u>	<u>85.71%</u>	<u>\$7,000</u>	<u>\$1,182</u>

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.