

**Michigan Hill Owners Association
Reserve Study - Approved
6/3/2017**

<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	6	\$35,000	\$40,000	\$27,000	67.50%	\$13,000	\$2,167
Augmentation Pond Valve	40	6	\$12,000	\$15,000	\$11,500	76.67%	\$3,500	\$583
Hand Pump Well	40	6	\$3,500	\$4,000	\$2,500	62.50%	\$1,500	\$250
2001 Dodge Plow Truck	23	7	\$7,000	\$10,000	\$3,500	35.00%	\$6,500	\$929
1991 Chevy Plow Truck	30	4	<u>\$4,000</u>	<u>\$6,000</u>	<u>\$3,000</u>	<u>50.00%</u>	<u>\$3,000</u>	<u>\$750</u>
			Totals	<u>\$75,000</u>	<u>\$47,500</u>	<u>63.33%</u>	<u>\$27,500</u>	<u>\$4,679</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.