

**Michigan Hill Owners Association
Reserve Study
17-Mar-14**

<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	9	\$35,000	\$40,000	\$20,000	50.00%	\$20,000	\$2,222
Augmentation Pond Valve	40	9	\$12,000	\$15,000	\$10,000	66.67%	\$5,000	\$556
Hand Pump Well	40	9	\$3,500	\$4,000	\$1,500	37.50%	\$2,500	\$278
Severe Winter, add'l Plowing				<u>\$10,000</u>	<u>\$10,000</u>	<u>100.00%</u>	<u>\$0</u>	<u>\$0</u>
			Totals	<u>\$69,000</u>	<u>\$41,500</u>	<u>60.14%</u>	<u>\$27,500</u>	<u>\$3,056</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.