

**Michigan Hill Owners Association  
Reserve Study  
3/14/2015**

<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	8	\$35,000	\$40,000	\$22,500	56.25%	\$17,500	\$2,188
Augmentation Pond Valve	40	8	\$12,000	\$15,000	\$10,500	70.00%	\$4,500	\$563
Hand Pump Well	40	8	\$3,500	\$4,000	\$2,000	50.00%	\$2,000	\$250
Severe Winter, add'l Plowing				\$10,000	\$10,000	100.00%	\$0	\$0
			<b>Totals</b>	<b>\$69,000</b>	<b>\$45,000</b>	<b>65.22%</b>	<b>\$24,000</b>	<b>\$3,000</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.