

## Replacement Reserve Study Summary

Replacement reserve (R2) funds are accumulated to assure availability of adequate cash to pay for replacement of association-owned elements without the need for special assessments

In accordance with the code of Virginia, Lake Holiday conducts a formal replacement study at least every five years and reviews the current study for necessary updates and revisions annually.

The most recent full study was performed by Reserve Advisors, the nation's largest provider of reserve studies, in 2014. Reserve Advisors, in conjunction with the Lake Holiday Finance Committee, updated the 2014 study in 2017.

At the end of Lake Holiday's most recent fiscal year, December 31, 2020, the balance in the replacement reserve fund was \$2,444,889.09.

The required annual contribution to the replacement reserve fund in 2021 is \$338,109.00.

The chart below shows the anticipated expenditures from the replacement reserve fund and year end fund balances as reflected in the current study.

The current-approved R2 study is available for review at the LHCC administrative office.

