



Chalet Reserve Fund Policy

1. Statement of Policy

The Yellowknife Ski Club maintains a Chalet Reserve Fund, to provide for planned and necessary major component replacements and repairs over the expected lifetime of the of the facility known as the Yellowknife Ski Club and Elks Youth Centre (“the Chalet”).

2. Principles

The Chalet, constructed in 1996, will inevitably require major repairs and component replacements over its expected lifetime, such as the roof, siding, heating and plumbing systems.

Building reserve funds, supported by professional analysis and recommendations, are a sound and broadly recognized approach to long term budget planning.

Establishment and implementation of a Chalet Reserve Fund and a Chalet Reserve Fund Policy will ensure that the Yellowknife Ski Club makes stable and predictable annual contributions, such that adequate funds are available for contemplated major repairs, replacements, and other contingencies related to the Chalet as they come due.

Establishment and implementation of a Chalet Reserve Fund will diminish the likelihood of large future costs associated with the Chalet interfering with the ability of the Yellowknife Ski Club to fund other programs, facilities and events central to the objects of the Club.

Failure to implement a Chalet Reserve Fund Policy will result in large special assessments in the future when major repairs and replacements have to be incurred, which would be unfair to future Members.

While prudent, the Chalet Reserve Fund does not take the place of adequate property insurance coverage, proactive property management, and an effective preventative maintenance program.

3. Provisions

Funding Schedule of Reserve

The Chalet Reserve Fund will be funded by an initial allocation of \$25,000 in August 2012, and thereafter by an annual allocation from the surplus unrestricted operating funds of the Yellowknife Ski Club. The funding schedule shall be:

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Contribution Year	Annual Contribution Amount
August 1, 2012 to July 31, 2017	\$13,000
August 1, 2017 to July 31, 2022	\$15,000
August 1, 2022 to July 31, 2027	\$17,500
August 1, 2027 to July 31, 2032	\$22,500
August 1, 2032 onwards	\$17,500

Accounting for Reserve

The Chalet Reserve Fund will be recorded in the financial records of the Yellowknife Ski Club as the “Chalet Reserve Fund (Restricted)”.

The Chalet Reserve Fund will be funded and available in cash or cash equivalent funds, preferably guaranteed securities yielding at least 1.5% per annum.

The Chalet Reserve Fund may be commingled with the general cash and investment accounts of the Yellowknife Ski Club.

Use of Reserve

The Chalet Reserve Fund may only be used for major repairs, maintenance and necessary replacement of components of the building known as the Yellowknife Ski Club and Elks Youth Centre (“the Chalet”).

The Chalet Reserve Fund is not available to be used for repairs, maintenance or construction of any other buildings or facilities.

The Chalet Reserve Fund is to be used for repairs, maintenance and necessary replacements of components of the Chalet, based on the existing building design. The Chalet Reserve Fund is not available for renovations or improvements to the Chalet that are primarily intended to alter the design or use of the building.

Routine maintenance and repairs are deemed to be operating expenses, for which the Chalet Reserve Fund is not available. Any repairs or replacements under \$5,000 should be considered operating expenses and budgeted accordingly. Only major repairs and replacements in excess of \$5,000 should be charged to the Chalet Reserve Fund.

Authority to Use Reserve

All proposed uses of the Chalet Reserve Fund must be submitted to the Board for prior approval. Such proposals should make reference to the current Reserve Fund Study, and indicate whether the proposal is consistent with the Reserve Fund Policy.

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Reserve Fund Study and Updates

Contributions to the Chalet Reserve Fund Policy shall be based on a Reserve Fund Study prepared for the Yellowknife Ski Club by an accredited and qualified professional. The Reserve Fund study shall include a long-term projection of Chalet Reserve Fund expenditures based on a building component analysis, and a recommended annual schedule of Chalet Reserve Fund contributions.

The Board shall review the contributions to, the utilization of, and the sufficiency of the balance in the Chalet Reserve Fund annually.

The Reserve Fund Study shall be updated at least every five years by an accredited and qualified professional.

4. Scope and Authority

The Chalet Reserve Policy applies to the budget and expenditure decision-making by the Board related to the facility known as the Yellowknife Ski Club and Elks Youth Centre (“the Chalet”).

The Treasurer is responsible for reporting annually on the expenditures from, balance in, and performance of the Chalet Reserve Fund (Restricted).

The Director of Facilities is primarily responsible for preparing and submitting to the Board proposals to use the Chalet Reserve Fund, and for overseeing any Board approved expenditures from the Chalet Reserve Fund.

5. Prerogative of the Board

Nothing in this Policy shall in any way be construed to limit the prerogative of the Board to make decisions or take action respecting the Yellowknife Ski Club outside the provisions of this Policy, in appropriate circumstances.

6. History

This Policy was adopted by the Board on October 2nd, 2012.