

Capital Reserve Fund Policy



1. Statement of Policy

The Yellowknife Ski Club maintains a Capital Reserve Fund, to provide for planned and necessary major component replacements and repairs over the expected lifetime of the facility. Funds from the capital reserve fund are only designated for the Yellowknife Ski Club and Elks Youth Centre (“the Chalet”), the grooming garage, mobile grooming equipment, the biathlon building and the biathlon range.

2. Principles

Building and structures over their lifespan require major repairs and component replacements, such as the roof, siding, heating and plumbing systems. The reserve fund was established to ensure funds are set aside for future capital replacements and other contingencies related to the facility.

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 Capital Reserve Fund was initially allocated \$25,000 in August 2012. Thereafter the fund is allocated additional funds. The updated funding schedule as of April 12, 2021 shall be:

Contribution Date	Annual Contribution
April 30, 2021	\$40,000
April 30, 2022	\$26,000
April 30, 2023	\$26,000
April 30, 2024	\$26,000
April 30, 2025	\$26,000
April 30, 2026 (Update & Review Capital Reserves)	\$30,000
April 30, 2027	\$30,000
April 30, 2028	\$30,000
April 30, 2029	\$30,000
April 30, 2030	\$30,000

Accounting for Reserve

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

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

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

Authority & Use of Reserve

The Capital Reserve Fund may only be used for major repairs, maintenance and necessary replacement of components of the Chalet, Grooming Garage, Mobile Grooming Equipment, Biathlon Building and Biathlon Range.

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

The Capital Reserve Fund is to be used for repairs, maintenance and necessary replacements of components based on the existing building designs. The 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 Capital Reserve Fund is not available. Any repairs or replacements under \$5,000 should be considered operating expenses and budgeted accordingly.

All proposed uses of the Capital Reserve Fund must be approved by the board when the annual budget is approved.

Reserve Fund Study and Updates

The Board shall review the contributions to, the utilization of, and the sufficiency of the balance in the Capital Reserve Fund annually. The Reserve Fund Study shall be updated at least every five years by the treasurer or an accredited and qualified professional.

4. 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.

5. History

This policy was originally adopted by the Board on October 2, 2012.

The policy was amended and approved by the board on April 12, 2021.