



June 20, 2022

Hello Satsang brothers and sisters,

Now that many of you have had time to absorb the news of the serious pressures the Centre is facing, we have received emails and messages containing similar questions, comments and suggestions. We have compiled this information letter based on the most requested information and frequently asked questions, as listed below. If you are a member of the DSSS, we strongly encourage you to attend the Board meetings on the last Sunday of each month, the link for which you will find below. We also strongly encourage you to email all of your communications to us at board@saltspringcentre.com so that we don't miss your message and so that we can keep everyone informed.

In the last communication, you indicated a specific financial ask of \$400,000. How will this money be used? (What are the targeted expenses?)

The 400k that we are currently seeking is strictly to be able to cover the expenses to finish out this farming and program season. This cash need will be offset by revenues, but we need to prepare for the gap between money going out and money coming in. This would allow us to:

- honour all of the programs and rentals that are already booked between now and end of year
- finish the program and farm season without significant layoffs (including allowing us to harvest all that has been seeded and planted)
- clear our debt in order to avoid struggling with monthly payments and risking default
- buy us time to continue investigating next steps in regard to an innovative business plan pivot.

We continue to have conversations with other organisations and individuals around possibilities for moving forward that align with our overall vision, mission and the Centre property. We are taking a multi-faceted look at the future and acknowledge that any business plan we move into will have to encompass diversified revenue streams for our sustainability.

We are also currently seeking ways to structure our ability to take donations and loans in a way that is mutually secured and beneficial. Please let us know if you have the ability to help us get through this cash crisis, allowing us the opportunity to reset for the future.

Why is this amount needed by August 15? (Is there an external deadline?)

August 15 is the deadline we set, based on how much money we have in the bank. If we haven't secured enough funding to continue operations past August 15th, we will have to lay off most of the staff as of that date, which will shut down all revenue streams, effectively ensuring we cannot continue to pay fixed-expense bills after they leave. We are currently working to not sell the land, but selling the land is a real possibility. Our first working priority is keeping the land, but in order to do so, we need to generate a minimum of \$155k/year in order to minimally maintain the property and buildings as well as continue the minimum legal and administrative operations of the Society and Centre. This means no staff, leasing or retreat/guest operations, just the bare minimum

existence. In order to operate guest services, operations, leasing, retreats etc, we need a minimum of 300k/year, which also relies on a strong revenue stream to offset further cost.

Why did we not hear about this sooner?

This has actually happened very recently and rapidly. On March 26th, we held a Special Resolution meeting that informed our membership of our 6-year growth plan. This plan was contingent on securing funding, which we were confident in receiving based on the prior and ongoing promising conversations we were having with banks at that time. It was after that meeting, and only within the last 8 weeks that we learned that the current national and global economic climate had changed so dramatically that even well-established hospitality and retreat companies are now struggling to find loan funding from commercial and bank lenders. As recently as mid May we fully discovered that the last of the formal funding doors had closed. This is when it became critical that we share this new turn of events with our membership and extended community, despite not having all the answers yet.

What is being done to cut expenses going forward?

It can be argued by looking at the 10-year forensic accounting that the organisation has not been financially healthy for at least a decade. No matter if we ran back-to-back retreats or not, our break-even over 10 years remained stagnant and not robust. We are already running too lean in expenditures and cannot cut any further.

A common question is, why can't we just go back to volunteers to cut expenses? From a legal standpoint, it is illegal to rely solely on volunteers for necessary business functions as per the BC Employment Standards. This means if a job is integral to the business operations, it cannot be reliant on volunteerism. Additionally, from a non-harming standpoint, the amount of work that is needed, compared to the number of volunteers able to lend their time and expertise, would lead and has historically led to more overburdened volunteers and high turnover.

From a pragmatic standpoint, the current economy and housing crisis is severely limiting people's ability to afford to volunteer for the necessary amount of time to do the amount of work that needs to be done. We had 6 YSSI (Yoga Study and Service Immersion) applicants when the historical average has been 12-15, and the current staff are struggling to find affordable housing on the island. We do not have sufficient housing for staff and guests.

At this point in time we have not replaced some key positions in an effort to save money, but this has placed the extra burden on the existing staff and is not sustainable long-term.

When is the AGM scheduled for?

We are planning to hold the AGM in the fall but have not scheduled a date yet. We are currently trying to bring our new board members up to speed so that we can be an effective 9-person board working to successfully move through these challenges.

When is the next Board meeting?

The Board meetings are on the last Sunday of every month, and the zoom link is here, [Board Meeting Zoom Link](#) and on the agenda, found through the [Member Access on our website](#).

How can membership get updated on the details of the finances?

Members are encouraged to come to the Board meetings and to send questions to the Board via this email (board@saltspringcentre.com). By nature of trying to get information out quickly and with greatest transparency, we think this is the most accessible and quickest approach.

What has progressed with the zoning issue?

It is still a work in progress. Part of our challenge is that we have to decide what we want to do moving forward in order to request/challenge zoning. We cannot decide how to move forward until we know that we can survive the immediate financial hurdles. Nonetheless, we are having consulting conversations with similar non-profit organisations who have experience with zoning limitations.

What are the Centre's current debts to the bank/government, as these came into the picture during COVID?

Due to the financial pressures that arose during the Covid pandemic, we borrowed money from the Canadian Government. We owe \$40-60,000 to the Canada Emergency Business Account Loan. <https://ceba-cuec.ca/> The difference in debt depends on our ability to repay the loan in time to receive the \$20k forgiveness amount. The deadline is December 31, 2023 for eligible CEBA loan holders in good standing. We also owe approximately \$100K to Islands Savings for the mortgage loan.

How has the operation plan changed and adapted to the circumstances of covid and the current financial situation?

The business plan that was established for moving forward is no longer viable without access to the capital required to get it moving. The plan we had hoped to pursue required significant investment in both operating capital as well as capital upgrades. For example, the Centre does not currently have the accommodation or facilities required for the organisation to break-even with current core activities, given the numerous constraints the property and organisation face. We have given serious consideration to the resources it would take to increase accommodation units and upgrade facility capacity on the property. We needed to secure upwards of \$2.2 million to pursue a plan that would eventually become self-sustaining.

Our business model has been struggling for a long time with thin profit margins and dwindling reserves while relying on a volunteer model that is not only unsupportive of the needs of the organisation but is not in alignment with current BC Employment Standards (BCESA). Due to the pandemic and its lingering effects, combined with the strategic direction of the Board to have an organisation that is non-harming and respectful (complying with BCESA), our business model went from barely making it to being completely unsustainable.

In August 2021, we set about building a business model and plan that would move the Salt Spring Centre from surviving to thriving. It was a well-thought through plan with buy-in and excitement that was reviewed by banks and deemed workable. As we all know, it takes money to make money, and for us to pivot into a self-sustaining model, it required significant investment in both staff and infrastructure. We had promising preliminary conversations with funders; the amount of equity in our land combined with our legacy and reputation lent to favourable borrowing options. However, this all changed recently, as you've read.

Can we reduce our offerings to just classes and ceremonies?

Even classes and ceremonies require administrative support - booking, scheduling and arranging. They also require basic housekeeping, maintenance, groundskeeping and upkeep so that the folks attending have access to clean spaces and functioning washrooms.

In addition, there are base operating expenses that include legally required accounting services, property taxes, insurance, utilities, etc. The current estimated operating expenses to minimally maintain the land and buildings, as well as maintain our legal and administrative requirements as a Society and a Centre is approximately \$155k a year - and that does not include financially compensating anybody to actually do this, ie: no paid staff. Therefore whatever activities that continue to happen during this time need to cover this minimal operating budget, plus staff budget.

What is happening with the Salt Spring Centre School?

We had a meeting with Board representatives from the school prior to our sending the original letter out to our membership. It was important for us to let them know what was going on as soon as we knew the traditional funding options were no longer available. They were included in our information mailout, and have the same information that we all now have. We are in communication with the School Board and are open to hearing suggestions from them about how to navigate this challenging situation.

Why can't we sell a portion of the land that we aren't using?

Due to the Agriculture Land Commission(ALR) regulations that we fall under, we are not able to subdivide the property. We therefore cannot sell portions of the land, the property is locked as an entire portion of ALR. <https://www.alc.gov.bc.ca/>

How can we help?

Our immediate need is to find access to the funds that would allow us to close this season out honouring all of our commitments. As stated in previous communications, \$400,000 is the goal that would really allow us to catch our breath; covering not only operating capital until mid-November, but also supporting the relief of minimum payments on debt. Each month costs us anywhere from \$50,000-65,000 depending on maintenance expenditures, other fixed costs, and payroll.

Every significant contribution gives us more assurance of meeting operational expenses and payroll obligations. If we know we can make it to the end of the program season, we will re-open registrations for the fall and do a big push to offset our projected needs with revenue-generating activities. As mentioned above, we are actively seeking a legal structure that would allow us to accept secured loans from the Satsang family and other interested lenders.

We are hopeful that at the minimum, everyone can contribute a small amount of funding to the donation page we have set up at this [fundraising link](#) through RallyUp.

**If everyone on our email list were to donate \$150
our immediate cash flow crisis would be solved**

We know not everyone has the means to donate this amount, and that some friends are blessed with the means to donate much more than this amount. May this figure simply serve as a symbol of how much is possible when we all come together for a common cause of community and legacy.

If anyone has immediate fundraising help or connections, please let us know at board@saltspringcentre.com

Who are the new Board members?

Peter Bodnarchuk, Clare Cullen, Sue Ann Fisher and Ian Rusconi are the newest members of the Board that were brought on to help until the next AGM, where the next election will take place. We are currently updating the website so that you can see who we are and read a little about us. Here is the list of your full Board members:

Anilā Lacroix	President	Clare Cullen	Director
Kris Cox	Vice President	Tracy <i>Chetna</i> Boyd	Director
Helen <i>Willow</i> Lampard	Treasurer	Sue Ann <i>Hamsa</i> Fisher	Director
Ian Rusconi	Secretary	Peter Bodnarchuk	Director
		Natasha <i>Jyoti</i> Samson	Director

Sarah Kemmers has now moved to a part time consulting position for the Board and the Centre so we continue to be able to utilise her skills and working knowledge as we continue planning.

Are the elders involved with helping face this challenge?

The Panchayat is working closely with the Board and will continue to do so. The Panchayat (Council of Elders) are Kalpana Tabachnick, Sharada Filkow, Chandra Rose, Divakar Raetzen, Lakshmi McPhee, Jagannath Janyk and Sri Nivas Hutchings. Anuradha Hannah continues to be integral in all leadership aspects of the Centre and Board operations.

We hope this helps clear up some questions you have, and thank you for staying engaged. Please continue to email any questions or comments to us and we will respond as quickly as we can. We will soon be sending out our fundraising platform and will ask for your help in sharing it with others.

Here are the links again for your reference:

Email: board@saltspringcentre.com

Donation Page: [Donation Page - Salt Spring Centre of Yoga](#)

Board Meeting Zoom Link: [Board Meeting Zoom Link](#)

With deep respect and gratitude,

The Board

Anilā Lacroix	Ian Rusconi	Sue Ann Fisher
Kris Cox	Clare Cullen	Peter Bodnarchuk
Willow Lampard	Chetna Boyd	Jyoti Samson

The Centre

Anuradha Hannah	Sarah Kemmers
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The Panchayat

Chandra Rose	Kalpana Tabachnick	Sri Nivas Hutchings
Divakar Raetzen	Lakshmi McPhee	
Jagannath Janyk	Sharada Filkow	