

S.A.L.T.S. Sail and Life Training Society
Financial Statements
Year Ended December 31, 2021

Independent Auditor's Report

To the Members of S.A.L.T.S. Sail and Life Training Society

Report on the Financial Statements

Opinion

We have audited the financial statements of S.A.L.T.S. Sail and Life Training Society (the Society), which comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2021, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO)

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on Other Legal and Regulatory Requirements

As required by the Society Act (British Columbia), we report that, in our opinion, the accounting principles applied by the Society in preparing and presenting the financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Dusanj & Wirk

Victoria, British Columbia
March 17, 2022

Chartered Professional Accountants

S.A.L.T.S. Sail and Life Training Society
Statement of Financial Position
December 31, 2021

	General Fund \$	Endowment Fund \$	New Ship Fund \$	2021 \$	2020 \$
Assets					
Current					
Cash and cash equivalents <i>(Note 4)</i>	272,043	-	19,047	291,090	207,749
Short-term investments <i>(Note 5)</i>	1,113,820	63,998	2,927,979	4,105,797	3,482,566
Accounts receivable <i>(Note 9)</i>	113,102	-	4,739	117,841	131,274
GST receivable	3,850	-	-	3,850	1,780
Inventory	251,894	-	-	251,894	1,654,807
Prepaid expenses	117,073	-	4,500	121,573	100,951
Due from other funds <i>(Note 11)</i>	-	2,658	1,622	4,280	86,358
	1,871,782	66,656	2,957,887	4,896,325	5,665,485
Deposits <i>(Note 6)</i>	65,543	-	-	65,543	65,526
Tangible capital assets <i>(Note 7)</i>	2,269,485	-	465,747	2,735,232	2,779,403
Total assets	4,206,810	66,656	3,423,634	7,697,100	8,510,414

The accompanying notes are an integral part of these financial statements

S.A.L.T.S. Sail and Life Training Society
Statement of Financial Position
December 31, 2021

	General Fund \$	Endowment Fund \$	New Ship Fund \$	2021 \$	2020 \$
Liabilities					
Current					
Accounts payable and accrued liabilities	105,687	-	-	105,687	34,270
Employee deductions	8,542	-	-	8,542	23,321
Deferred revenue (Note 10)	461,330	-	-	461,330	412,720
Due to other funds (Note 11)	4,280	-	-	4,280	86,358
	579,839	-	-	579,839	556,669
Deferred contributions (Note 12)	311,950	-	-	311,950	301,068
Loan payable (Note 13)	-	-	-	-	5,000
Long term debt (Note 14)	40,000	-	-	40,000	40,000
Total liabilities	931,789	-	-	931,789	902,737
Fund balances					
Invested in tangible capital assets	2,269,485	-	465,747	2,735,232	2,779,403
Externally restricted	-	66,656	1,932,887	1,999,543	1,982,946
Unrestricted	1,005,536	-	1,025,000	2,030,536	2,845,328
	3,275,021	66,656	3,423,634	6,765,311	7,607,677
Total liabilities and fund balances	4,206,810	66,656	3,423,634	7,697,100	8,510,414

Commitments (Note 15)

On behalf of the Board



Director



Director

The accompanying notes are an integral part of these financial statements

S.A.L.T.S. Sail and Life Training Society

Statement of Operations

Year Ended December 31, 2021

	General Fund \$	Endowment Fund \$	New Ship Fund \$	2021 \$	2020 \$
Revenues					
Boat donations	561,071	-	-	561,071	655,188
Donations	352,554	-	3,950	356,504	245,981
Investment income	2,820	4,397	13,362	20,579	39,271
Memberships	4,350	-	-	4,350	4,200
Merchandise sales	2,313	-	-	2,313	4,422
Miscellaneous	2,379	-	-	2,379	2,344
Program fees	64,010	-	-	64,010	159,423
Government assistance <i>(Notes 9, 14)</i>	568,280	-	3,059	571,339	591,537
	1,557,777	4,397	20,371	1,582,545	1,702,366
Expenses					
Advertising	26,462	-	-	26,462	39,896
Amortization	79,952	-	-	79,952	82,573
Bank charges and interest	10,010	-	-	10,010	10,290
Bursaries	-	-	-	-	55
Computer expense	30,063	-	622	30,685	28,577
Cost of boat sales <i>(Note 16)</i>	436,110	-	-	436,110	158,375
Cost of merchandise sales	1,579	-	-	1,579	2,424
Food and provisions	15,445	-	-	15,445	8,164
Fuel and oil	11,266	-	-	11,266	9,605
Insurance	83,193	-	-	83,193	92,893
Office and telephone	46,367	-	524	46,891	47,320
Professional fees	67,123	-	-	67,123	78,510
Program expenses	3,152	-	-	3,152	6,588
Rent and moorage	191,855	-	-	191,855	215,576
Repairs and maintenance	279,261	-	-	279,261	202,828
Training	17,221	-	-	17,221	16,896
Travel	2,683	-	-	2,683	6,268
Wages and employee benefits	1,122,023	-	-	1,122,023	1,020,605
	2,423,765	-	1,146	2,424,911	2,027,443
Excess (deficiency) of revenues over expenses	(865,988)	4,397	19,225	(842,366)	(325,077)

The accompanying notes are an integral part of these financial statements

S.A.L.T.S. Sail and Life Training Society
Statement of Changes in Fund Balances
Year Ended December 31, 2021

	General Fund \$	Endowment Fund \$	New Ship Fund \$	2021 \$	2020 \$
Fund balance - beginning of year	4,143,667	59,601	3,404,409	7,607,677	7,932,754
Deficiency of revenues over expenses	(865,988)	4,397	19,225	(842,366)	(325,077)
Transfer to General Fund	(2,658)	2,658	-	-	-
Fund balance - end of year	3,275,021	66,656	3,423,634	6,765,311	7,607,677

The accompanying notes are an integral part of these financial statements

S.A.L.T.S. Sail and Life Training Society

Statement of Cash Flows

Year Ended December 31, 2021

	General Fund \$	Endowment Fund \$	New Ship Fund \$	2021 \$	2020 \$
Operating activities					
Excess (deficiency) of revenues over expenses	(865,988)	4,397	19,225	(842,366)	(325,077)
Item not affecting cash:					
Amortization	79,952	-	-	79,952	82,573
	<u>(786,036)</u>	<u>4,397</u>	<u>19,225</u>	<u>(762,414)</u>	<u>(242,504)</u>
Changes in non-cash working capital:					
Accounts and GST receivable	5,067	-	6,296	11,363	(119,041)
Inventory	1,402,913	-	-	1,402,913	49,249
Prepaid expenses	(20,696)	-	76	(20,620)	(4,341)
Deposits	(17)	-	-	(17)	(32)
Accounts payable and accrued liabilities	71,416	-	-	71,416	(25,927)
Employee deductions	(14,779)	-	-	(14,779)	(299)
Due from other funds	90,638	(2,943)	(87,695)	-	-
Deferred revenue	48,610	-	-	48,610	(176,627)
Deferred contributions	10,882	-	-	10,882	110,568
Loan payable	(5,000)	-	-	(5,000)	-
	<u>1,589,034</u>	<u>(2,943)</u>	<u>(81,323)</u>	<u>1,504,768</u>	<u>(166,450)</u>
Cash flow from (used by) operating activities	<u>802,998</u>	<u>1,454</u>	<u>(62,098)</u>	<u>742,354</u>	<u>(408,954)</u>
Investing activities					
Purchase of tangible capital assets	(26,098)	-	(9,683)	(35,781)	(122,215)
Fund transfer	(2,658)	2,658	-	-	-
Net (purchase) of short term investments	(690,902)	(4,112)	71,782	(623,232)	578,643
Cash flow from (used by) investing activities	<u>(719,658)</u>	<u>(1,454)</u>	<u>62,099</u>	<u>(659,013)</u>	<u>456,428</u>
Financing activity					
Long term debt	-	-	-	-	40,000
Increase in cash flow	<u>83,340</u>	<u>-</u>	<u>1</u>	<u>83,341</u>	<u>87,474</u>
Cash and cash equivalents - beginning of year	<u>188,703</u>	<u>-</u>	<u>19,046</u>	<u>207,749</u>	<u>120,275</u>
Cash and cash equivalents - end of year	<u>272,043</u>	<u>-</u>	<u>19,047</u>	<u>291,090</u>	<u>207,749</u>

The accompanying notes are an integral part of these financial statements

S.A.L.T.S. Sail and Life Training Society

Notes to Financial Statements

Year Ended December 31, 2021

1. Purpose of the Society

S.A.L.T.S. Sail and Life Training Society (the "Society") is incorporated under the Society Act of British Columbia as a not-for-profit organization and transitioned into the new Societies Act on March 10, 2017 and is a registered charity within the meaning of the Income Tax Act of Canada. The Society's principal purpose is to develop the spiritual, relational, and physical potential of young people through sail training, shipboard life, and associated activities in a Christian environment.

2. Significant accounting policies

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and include the following significant accounting policies:

Fund accounting

The Society follows the restricted fund method of accounting for contributions.

The General Fund accounts for the Society's program delivery, tangible capital assets, and administrative activities.

The New Ship Fund reports the revenue, expenses, assets and liabilities related to the construction of a new sail training vessel.

The Endowment Fund reports resources contributed for endowment. Investment income earned on resources of the Endowment Fund is transferred to the General Fund and is used to fund scholarships.

Revenue recognition

Revenue is recognized after services/programs have been provided when the amount of revenue can be determined, and has been received or collectability is reasonably assured.

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions for the New Ship Fund are recognized as revenue in the New Ship Fund when the amount of revenue can be determined, and has been received or collectability is reasonably assured.

Contributions for endowment are recognized as revenue in the Endowment Fund when the amount of revenue can be determined, and has been received or collectability is reasonably assured.

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S.A.L.T.S. Sail and Life Training Society

Notes to Financial Statements

Year Ended December 31, 2021

2. Significant accounting policies (*continued*)

Inventory

The value of inventory of donated boats is determined using specific identification and recorded at appraised fair market values (cost) and adjusted annually to the lower of cost and net realizable value where necessary.

All other inventory is measured at the lower of average cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business.

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis at the following rates:

Vessels	2.5%
Tools and machinery	10%
Office furniture and equipment	15%
Vehicles	15%
Equipment	20%
Computer equipment	30%
Charts and publications	20%

Leasehold improvements are amortized on a straight line basis over the term of the lease which includes any terms of renewal at management's discretion.

The Society regularly reviews its tangible capital assets to eliminate obsolete items.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Capitalized costs

Capitalized costs include development and overhead expenses that are capital in nature and are incurred in connection with the development and construction of a tall ship.

Contributed materials and services

Donated equipment is recorded at fair value when received, if the equipment would have normally been purchased by the Society.

The Society is dependent on the voluntary service of many members and others. Since these services are not normally purchased by the Society, and because of the difficulty of determining their fair value, donated services are not recognized in these financial statements.

Government assistance

Government assistance for acquiring fixed assets and related to expenses is recorded as deferred government assistance and is amortized on the same basis and according to the same rates as the related fixed assets or to income as eligible expenditures are incurred. Government assistance for current expenses is recorded as income. Government assistance for acquiring fixed assets is recorded as a reduction of the cost of related assets.

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S.A.L.T.S. Sail and Life Training Society

Notes to Financial Statements

Year Ended December 31, 2021

2. Significant accounting policies (*continued*)

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. Significant estimates include collectability of accounts receivable, valuation of boat inventory, accrual of liabilities and useful life of tangible capital assets.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial instruments measured at amortized cost include accounts receivable, accounts payable and accrued liabilities, and loans payable. Financial instruments measured at fair value include cash and cash equivalents and short-term investments.

Foreign currency translation

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities have been translated at the year end exchange rate. Non-monetary assets have been translated at the rate of exchange prevailing at the date of transaction. Revenues and expenses have been translated at the average rates of exchange during the year.

Foreign exchange gains and losses on monetary assets and liabilities are included in the determination of earnings.

3. Financial risks and concentrations of risks

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Society's risk exposure and concentration as of December 31, 2021. There have been no significant changes in the Society's risk exposure from the prior year.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its receipt of donations, proceeds from boat sales and accounts payable.

Currency risk

Currency risk is the risk to the Society's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Society is exposed to foreign currency exchange risk on cash, accounts receivable, and accounts payable held in U.S. dollars. The company does not use derivative instruments to reduce its exposure to foreign currency risk.

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S.A.L.T.S. Sail and Life Training Society

Notes to Financial Statements

Year Ended December 31, 2021

3. Financial risks and concentrations of risks (*continued*)

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Society manages exposure through its normal operating and financing activities. The Society is exposed to interest rate risk primarily through its fixed rate investments.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Society is exposed to other price risk through its investment in quoted shares and its boat inventory which are both susceptible to fluctuating fair market values beyond the control of the Society.

The Society is not exposed to significant credit rate risk. The Society regularly reviews the collectability of accounts receivable, and feels that it has made adequate provisions to protect itself against credit risk. .

4. Cash and cash equivalents

Cash and cash equivalents in the General Fund consists of cash on hand, bank balances held in segregated money market high interest savings accounts and current accounts.

Cash and cash equivalents in the New Ship Fund consists of balances held in segregated money market high interest savings accounts and current accounts.

5. Short-term investments and endowment funds

Short-term investments in the General Fund consist of:

- a) term deposits and money market mutual fund investments in addition to cash with a market value of \$1,113,820 (2020 - \$422,918) and a book value of \$1,113,777 (2020 - \$422,918).

The Society has established Endowment Funds that consist of the following short-term investments:

- b) the Endowment investment known as "The Martyn J. Clark Seafarer Award Fund" consists of a non-redeemable guaranteed investment certificate in the amount of \$20,450 (2020 - \$20,000) which matures January 23, 2023, and earns interest at 0.91%.
- c) the Endowment investment known as "The Robyn Sheppard Memorial Bursary" consists of an investment in equities, mutual funds, and a money market fund with a market value of \$43,098 (2020 - \$39,886) and a book value of \$35,067 (2020 - \$34,932).

The purpose of these funds is to hold investments. The income from these investments will be used in the General Fund to pay for annual bursaries for those applicants who wouldn't otherwise be able to participate in a voyage.

Short-term investments in the New Ship Fund consist of term deposits and a segregated money market high interest savings account with a market value of \$2,927,979 (2020 - \$2,999,762) and a book value of \$2,927,979 (2020 - \$2,998,138).

S.A.L.T.S. Sail and Life Training Society

Notes to Financial Statements

Year Ended December 31, 2021

6. Deposits

Deposits relating to leased premises consist of \$20,834 (2020 - \$20,818), held in trust for the Society, but available to the landlord in the event the Society defaults on its lease. The remaining balance of deposits \$44,708 (2020 - \$44,708) are prepayments of rents to be applied at the end of the term of the leases.

7. Tangible capital assets

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
	\$	\$	\$	\$
Vessel - Pacific Grace	2,639,376	1,050,475	1,588,901	1,629,642
Vessel - Pacific Swift	1,126,147	604,923	521,224	534,589
New Ship Fund - Leonora	465,747	-	465,747	456,064
Tools and machinery	159,558	129,973	29,585	27,572
Leasehold improvements	137,896	111,044	26,852	39,388
Office furniture and equipment	103,353	95,705	7,648	8,998
Vehicles	50,016	42,973	7,043	8,286
Vessels - runabouts/dories	93,361	20,551	72,810	55,699
Equipment	9,301	7,426	1,875	2,344
Computer equipment	33,532	19,985	13,547	16,821
	<u>4,818,287</u>	<u>2,083,055</u>	<u>2,735,232</u>	<u>2,779,403</u>

The asset listed above as New Ship Fund consists of capitalized costs incurred for the construction of a new vessel and are not being amortized until the date the new vessel becomes available for use. Capitalized costs include development, overhead expenses that are capital in nature and are incurred in connection with the development and construction of a tall ship. The costs capitalized in 2021 were \$9,683 (2020 - \$87,767).

8. Bank indebtedness

The Society has an operating line of credit facility to a maximum of \$43,000 with HSBC Bank of Canada. Interest at bank prime plus 1.25% is payable monthly. The principal is payable on demand. The line of credit is secured by a general security agreement with a first fixed charge of a marine mortgage in the amount of \$43,000 over the Pacific Swift (Net book value of \$521,224; 2020 - \$534,589). At December 31, 2021, the available credit was \$43,000 and the amount outstanding was \$nil (2020 - \$nil).

9. Government assistance

As a result of the COVID-19 pandemic, the Society received federal government assistance in the form of the Canada Emergency Wage Subsidy (CEWS) in the amount of \$480,988. \$95,165 of this amount is receivable at year-end and \$677 has been netted against capitalized costs in Note 7.

The Society also received federal government assistance in the form of the Canada Emergency Rent Subsidy (CERS) in the amount of \$91,028. \$17,809 of this amount is receivable at year-end.

S.A.L.T.S. Sail and Life Training Society

Notes to Financial Statements

Year Ended December 31, 2021

10. Deferred revenue

Deferred revenue is made up of program deposits and membership fees of \$461,330 (2020 - \$412,720) received in 2019, 2020, or 2021 for the 2022 fiscal year.

11. Interfund loans

Loans between funds are non-interest bearing and have no set repayment terms.

12. Deferred contributions

Deferred bursary contributions represent contributions restricted for the purpose of awarding bursaries to groups who may not otherwise be able to participate on sailing trips. The changes in the deferred bursary contribution balances are outlined in the table below.

Deferred diabetes bursary contributions represent contributions restricted for the purpose of awarding bursaries to individuals with Type 1 diabetes who may not otherwise be able to participate on sailing trips. The changes in the deferred diabetes bursary contribution balances are outlined in the table below.

	Bursary \$	Diabetes \$	2021 \$	2020 \$
Balance, beginning of year	198,174	102,894	301,068	190,500
Add: Contributions received in the year	12,421	-	12,421	109,248
Add: Interest earned	-	552	552	1,375
Less: Amounts recognized as revenue in the year	-	(2,092)	(2,092)	-
Less: Eligible expenses paid	-	-	-	(55)
Balance, end of year	<u>210,595</u>	<u>101,354</u>	<u>311,949</u>	<u>301,068</u>

13. Loan payable

	2021 \$	2020 \$
Payable to a benefactor, non-interest bearing with no fixed terms of repayment	<u>-</u>	<u>5,000</u>

14. Long term debt

CANADA EMERGENCY BUSINESS ACCOUNT, \$60,000 interest-free loan with no required principal repayments and \$20,000 available loan forgiveness if \$40,000 is repaid on or before December 31, 2023. Forgivable portion of loan recognized as income in the 2020 fiscal year. In the event that the balance remains unpaid subsequent to December 31, 2023, the balance at that time will be converted to a 3-year term loan with a 5% annual interest rate.

S.A.L.T.S. Sail and Life Training Society

Notes to Financial Statements

Year Ended December 31, 2021

15. Lease commitments

The Society leases premises at 451 Herald Street and a foreshore lease at 450 Swift Street under a lease expiring August 31, 2022, with two additional five year renewal options. Under the lease, the Society is required to make monthly lease payments of \$9,936 per month over the term of the lease.

	<u>\$</u>
Future base rent payments as at year end are as follows:	
2022	<u>79,490</u>
	<u>79,490</u>

The Society leases premises at 539 David Street under an extended lease expiring September 30, 2022. The lease requires increasing base rent starting with \$2,851 per month in the first year (currently \$3,210) in addition to a monthly triple net payment of \$1,530 (2020 - \$1,547).

Future base rent payments required are as follows:

2022	<u>28,893</u>
	<u>28,893</u>

The Society leases premises at 812 Wharf Street under a lease that expires on September 30, 2022. Under the lease, the Society is required to make minimum monthly lease payments of \$175 per month over the term of the lease.

Future net lease payments required are as follows:

2022	<u>1,575</u>
	<u>1,575</u>

The Society leases its photocopier/printer/fax machine. The terms of the lease require quarterly payments of \$477 plus taxes to July 31, 2024.

Future net lease payments required are as follows:

2022	1,908
2023	1,908
2024	<u>954</u>
	<u>4,770</u>

S.A.L.T.S. Sail and Life Training Society

Notes to Financial Statements

Year Ended December 31, 2021

16. Cost of boat sales

Cost of boat sales include gross proceeds received on the sale of donated boats net of associated costs as follows:

	2021 \$	2020 \$
<u>Donated boats</u>		
Donated boat sales	1,546,469	606,292
Less: Cost of boat sales	<u>(1,982,579)</u>	<u>(764,667)</u>
Net cost of donated boat sales	<u>(436,110)</u>	<u>(158,375)</u>

17. Remuneration of employees and contractors

Under the British Columbia Societies Act, societies must disclose remuneration paid to directors, and to employees and contractors whose remuneration was at least \$75,000 for the fiscal year.

During the year, there were four employees of the Society that met this criterion, and the total amount of remuneration paid to these persons was \$351,504. During the prior year, there were two employees who met this criterion and the total remuneration paid to these persons was \$180,280.

18. Subsequent events

The Society has received notification they will receive a bequest subsequent to year end in the amount of \$10,000.