

**FUNG LOY KOK INSTITUTE OF TAOISM
L'INSTITUT DE TAOÏSME FUNG LOY KOK**

**NON-CONSOLIDATED FINANCIAL STATEMENTS
ÉTATS FINANCIERS NON CONSOLIDÉS**

**DECEMBER 31, 2021
31 DÉCEMBRE 2021**

COPY

**FUNG LOY KOK INSTITUTE OF TAOISM
L'INSTITUT DE TAOÏSME FUNG LOY KOK**

**DECEMBER 31, 2021
31 DÉCEMBRE 2021**

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INDEPENDENT AUDITOR'S REPORT/RAPPORT DE L'AUDITEUR INDÉPENDANT

To the Board of Directors of / Au Conseil d'administration de
FUNG LOY KOK INSTITUTE OF TAOISM
L'INSTITUT DE TAOÏSME FUNG LOY KOK

Qualified Opinion

We have audited the non-consolidated financial statements of FUNG LOY KOK INSTITUTE OF TAOISM (the "Institute"), which comprise the non-consolidated statement of financial position as at December 31, 2021, and the non-consolidated statements of revenue and expenditures and changes in unrestricted net assets, and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matters described in the *Basis for Qualified Opinion* paragraphs, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Institute as at December 31, 2021, and its non-consolidated financial performance and its non-consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Institute derives revenue from donations and other similar sources, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of this revenue was limited to the amounts recorded in the records of the Institute. Therefore, we were not able to determine whether any adjustments might be necessary to donations revenue, excess of revenue over expenditures, and cash flows from operations for the year ended December 31, 2021 and current assets and unrestricted net assets as at December 31, 2021.

The Institute has not recognized participant contributions as revenue proportionately over the fiscal year to which they relate but has recognized them when received, which constitutes a departure from Canadian accounting standards for not-for-profit organizations. The effect of this departure on participant contributions revenue and excess of revenue over expenditures for the year ended December 31, 2021 and current liabilities and unrestricted net assets as at December 31, 2021 are not reasonably determinable.

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 Non-Consolidated Financial Statements* section of our report. We are independent of the Institute in accordance with the ethical requirements that are relevant to our audit of the non-consolidated 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.

Emphasis of Matter

We draw attention to Note 16 in the non-consolidated financial statements, which discusses the potential impact of COVID-19 on the financial results and condition of the Institute in future periods. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Institute'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 Institute or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated 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 non-consolidated 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 non-consolidated 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 Institute'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 Institute'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 non-consolidated 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 Institute to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated 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.



**Chartered Professional Accountants
Licensed Public Accountants**

Toronto, Ontario


**FUNG LOY KOK INSTITUTE OF TAOISM
L'INSTITUT DE TAOÏSME FUNG LOY KOK**

**NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION
ÉTAT NON CONSOLIDÉS DE LA SITUATION FINANCIÈRE**

**DECEMBER 31, 2021
31 DÉCEMBRE 2021**

	2021	2020
ASSETS / ACTIF		
CURRENT / À COURT TERME		
Cash / Encaisse	\$ 806,590	\$ 58,859
Investments / Investissements	3,602,602	7,963,068
Prepaid expenses and sundry assets / Frais payés d'avance et autres éléments	198,475	148,278
Loans receivable / Tranche à court terme des prêts (Note 2)	76,946	83,453
Property held for sale / Immeuble destiné à la vente (Note 3)	2,871,774	3,790,326
Mortgages receivable / Créance hypothécaire (Note 4)	785,000	435,000
	8,341,387	12,478,984
LOANS RECEIVABLE / PRÊTS (Note 2)	73,626	988,224
MORTGAGES RECEIVABLE / CRÉANCE HYPOTHÉCAIRE	-	500,000
CAPITAL ASSETS / IMMOBILISATIONS CORPORELLES (Note 5)	18,076,156	21,598,375
INVESTMENT IN WHOLLY-OWNED SUBSIDIARY / PLACEMENT DANS UNE FILIALE EN PROPRIÉTÉ EXCLUSIVE (Note 6)	1	1
INVESTMENT IN LIMITED LIABILITY LIMITED PARTNERSHIP / PLACEMENTS DANS UNE SOCIÉTÉ EN COMMANDITE (Note 7)	4,405,472	4,405,472
INTANGIBLE ASSET / ACTIF INCORPOREL (Note 8)	1,204,520	1,204,520
INVESTMENTS / INVESTISSEMENTS	13,733,074	-
	\$ 45,834,236	\$ 41,175,576
LIABILITIES AND NET ASSETS / PASSIF ET ACTIFS NETS		
CURRENT / À COURT TERME		
Bank loans / Emprunts bancaires (Note 9)	\$ -	\$ 30,000
Accounts payable and accrued liabilities / Créanciers et frais courus	265,985	197,445
Deferred capital contribution / Apports de capital différé (Note 10)	-	201,600
	265,985	429,045
UNRESTRICTED NET ASSETS / ACTIFS NET NON AFFECTÉ	45,568,251	40,746,531
	\$ 45,834,236	\$ 41,175,576

See accompanying notes to non-consolidated financial statements / Voir les notes aux états financiers non consolidés.

APPROVED ON BEHALF OF THE BOARD / APPROUVÉ AU NOM DU CONSEIL:

Director / Administrateur

Director / Administrateur

**FUNG LOY KOK INSTITUTE OF TAOISM
L'INSTITUT DE TAOÏSME FUNG LOY KOK**

**NON-CONSOLIDATED STATEMENT OF REVENUE AND EXPENDITURES
AND CHANGES IN UNRESTRICTED NET ASSETS**

**ÉTAT NON CONSOLIDÉS DES PRODUITS ET CHARGES ET DE L'ÉVOLUTION DES
ACTIFS NET NON AFFECTÉ**

**FOR THE YEAR ENDED DECEMBER 31, 2021
DES EXERCICE TERMINÉ LES 31 DÉCEMBRE 2021**

	<u>2021</u>	<u>%</u>	<u>2020</u>	<u>%</u>
REVENUE / PRODUITS				
Participant and retreat contributions	\$ 405,455	29.0	\$ 1,604,280	61.3
Donations	547,223	39.0	598,899	22.9
Domestic fundraising activities	287,190	20.5	181,878	6.9
Rental and sundry income	76,056	5.4	166,895	6.4
Other income	64,897	4.6	37,192	1.4
International fundraising activities	19,484	1.4	17,622	0.7
Other charitable revenues	1,343	0.1	10,547	0.4
	<u>1,401,648</u>	<u>100.0</u>	<u>2,617,313</u>	<u>100.0</u>
EXPENDITURES / CHARGES				
Salaries and benefits	1,751,181	125.0	1,496,903	57.2
Amortization	966,785	69.0	1,103,139	42.1
Professional fees	562,704	40.1	388,346	14.8
Repairs and maintenance	188,472	13.4	193,688	7.4
Utilities	151,866	10.8	227,770	8.8
Insurance	134,944	9.6	154,121	5.9
Rent	116,228	8.3	560,839	21.5
Other charitable costs	96,309	6.9	65,390	2.5
Telecommunications	62,113	4.4	90,831	3.5
Bank charges	39,953	2.9	39,315	1.5
Instructor travel and other costs	35,851	2.6	50,217	1.9
Office and general	20,893	1.5	42,368	1.6
Advertising and promotion	15,942	0.4	49,489	1.9
Interest on bank loans	-	-	147,706	5.6
Realty taxes recovered	(206,160)	(14.7)	(46,249)	(1.8)
	<u>3,927,081</u>	<u>280.2</u>	<u>4,563,873</u>	<u>174.4</u>
DEFICIENCY OF REVENUE OVER EXPENDITURES FROM OPERATIONS	<u>(2,525,433)</u>	<u>(180.2)</u>	<u>(1,946,560)</u>	<u>(74.4)</u>
OTHER / AUTRES				
Gain on sale of capital assets	7,134,377	509.0	2,128,596	39.6
Realized gain on investments	936,799	66.8	673,809	25.7
Investment income	164,155	11.7	-	-
Foreign exchange gain (loss)	(56,415)	(4.0)	101,920	3.9
Unrealized gain (loss) on investments	(831,763)	(59.3)	883,069	33.7
	<u>7,347,153</u>	<u>524.2</u>	<u>3,787,394</u>	<u>102.9</u>
EXCESS OF REVENUE OVER EXPENDITURES FOR THE YEAR / EXCÉDENT DES PRODUITS SUR LES CHARGES DE L'EXERCICE	4,821,720	<u>344.0</u>	1,840,834	<u>28.5</u>
UNRESTRICTED NET ASSETS, beginning of year / ACTIFS NET NON AFFECTÉ au début	<u>40,746,531</u>		<u>38,905,697</u>	
UNRESTRICTED NET ASSETS, end of year / ACTIFS NET NON AFFECTÉ à la fin	<u>\$ 45,568,251</u>		<u>\$ 40,746,531</u>	

See accompanying notes to non-consolidated financial statements / Voir les notes aux états financiers non consolidés.

FUNG LOY KOK INSTITUTE OF TAOISM
L'INSTITUT DE TAOÏSME FUNG LOY KOK
NON-CONSOLIDATED STATEMENT OF CASH FLOWS
ÉTAT NON CONSOLIDÉS DES FLUX DE TRÉSORERIE

FOR THE YEAR ENDED DECEMBER 31, 2021
DES EXERCICE TERMINÉ LES 31 DÉCEMBRE 2021

	<u>2021</u>	<u>2020</u>
OPERATING ACTIVITIES / ACTIVITÉS DE FONCTIONNEMENT		
Excess of revenue over expenditures for the year	\$ 4,821,720	\$ 1,840,834
Donations in-kind	(754)	(795)
Deferred capital contribution recognized as revenue	-	(10,600)
Amortization	966,785	1,103,139
Gain on sale of capital assets	(7,134,377)	(2,128,596)
Realized gain on investments	(936,799)	(673,809)
Unrealized foreign exchange gain (loss)	(56,415)	101,920
Unrealized (gain) loss on investments	<u>831,763</u>	<u>(883,069)</u>
	<u>(1,508,077)</u>	<u>(650,976)</u>
Change in non-cash components of working capital		
Prepaid expenses and sundry assets	(50,196)	46,427
Inventory	-	16,773
Accounts payable and accrued liabilities	<u>68,539</u>	<u>(99,871)</u>
	<u>18,343</u>	<u>(36,671)</u>
	<u>(1,489,734)</u>	<u>(687,647)</u>
INVESTING ACTIVITIES / ACTIVITÉS D'INVESTISSEMENT		
Purchase of investments	(12,253,113)	(4,364,511)
Proceeds from sale of investments	2,986,295	2,780,710
Change in loans receivable	977,520	144,709
Change in mortgages receivable	1,150,000	230,000
Purchase of capital assets	(364,849)	(63,092)
Net proceeds from sale of capital assets	<u>9,771,612</u>	<u>3,239,652</u>
	<u>2,267,465</u>	<u>1,967,468</u>
FINANCING ACTIVITY / ACTIVITÉ DE FINANCEMENT		
Repayment of bank loans	<u>(30,000)</u>	<u>(4,986,626)</u>
CHANGE IN CASH / VARIATION DE L'ENCAISSE	747,731	(3,706,805)
CASH, beginning of year / ENCAISSE au début	<u>58,859</u>	<u>3,765,664</u>
CASH, end of year / ENCAISSE à la fin	<u>\$ 806,590</u>	<u>\$ 58,859</u>
SUPPLEMENTARY CASH FLOW INFORMATION /		
RENSEIGNEMENTS SUPPLÉMENTAIRES SUR LE FLUX DE		
TRÉSORERIE:		
Significant non-cash transactions during the year were as follows:		
Property reclassified as held for sale (Note 3)	\$ 2,871,774	\$ 3,536,080
Mortgage take-back on sale of capital asset (Note 4(b))	\$ 1,000,000	\$ 500,000
Deferred capital contributions recognized on sale of capital asset (Note 10)	\$ 201,600	\$ -

See accompanying notes to non-consolidated financial statements / Voir les notes aux états financiers non consolidés.

**FUNG LOY KOK INSTITUTE OF TAOISM
L'INSTITUT DE TAOÏSME FUNG LOY KOK**

**NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
NOTES AUX ÉTATS FINANCIERS NON CONSOLIDÉS**

**DECEMBER 31, 2021
31 DÉCEMBRE 2021**

PURPOSE OF THE ORGANIZATION / MISSION DE L'ORGANISME

Fung Loy Kok Institute of Taoism (the "Institute") is a registered charitable organization incorporated under the Canada Not-for-profit Corporations Act as a corporation without share capital, operating throughout Canada. Its purpose is to promote Taoism and Taoist practices, including **Taoist Tai Chi®** arts as the third vehicle of the Taoist religion. The Institute observes the unified teachings of the three religions of Taoism, Confucianism, and Buddhism. Its mission is to deliver all from suffering, both the living and the dead, by pursuing the way of community service, rituals and ceremonies and the arts of internal transformation (internal alchemy).

The Institute is exempt from income tax in Canada as a registered charitable organization under the Income Tax Act.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES / RÉSUMÉ DES PRINCIPALES MÉTHODES COMPTABLES

(a) Basis of Accounting

These non-consolidated financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

(b) Basis of Presentation

The Institute has a wholly-owned subsidiary, Certmark Holdings Co. Ltd. ("Certmark"), whose purpose is to hold trademarks and licensing certification marks for use within the Institute at no charge to qualifying organizations.

The Institute has not consolidated Certmark and will instead provide the required disclosures for Certmark (Note 6) in accordance with section 4450 of the CPA Handbook - Accounting (Part III).

The Institute controls the following organizations:

- 1) Taoist Tai Chi Society of Canada (the "Society")
- 2) Fung Loy Kok Taoist Tai Chi International
- 3) Gei Pang Lok Hup Academy
- 4) International Taoist Tai Chi Society
- 5) Toronto Tai Chi Association
- 6) Taoist Tai Chi Society of Canada - Pacific Region
- 7) Taoist Tai Chi Society of Ottawa

The Institute has not consolidated nor provided disclosure for the above organizations as the organizations are collectively immaterial and inactive in accordance with section 4450 of the CPA Handbook - Accounting (Part III).

(c) Inventory

Inventory is valued at the lower of cost and net realizable value with cost being determined on a first-in, first-out basis. Cost represents the direct invoice amount paid to the supplier. Net realizable value represents the estimated selling price of inventory.

**FUNG LOY KOK INSTITUTE OF TAOISM
L'INSTITUT DE TAOÏSME FUNG LOY KOK**

**NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
NOTES AUX ÉTATS FINANCIERS NON CONSOLIDÉS**

**DECEMBER 31, 2021
31 DÉCEMBRE 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES / RÉSUMÉ DES PRINCIPALES MÉTHODES COMPTABLES (Continued / Suite)

(d) Capital Assets

Capital assets are recorded at cost. Amortization is provided for over their estimated useful lives on the declining balance basis at the following annual rates:

Buildings	5%
Furniture and equipment	20%
Leasehold improvements	20%
Computer software and hardware	30%
Vehicles	30%

(e) Impairment of Long-Lived Assets

A long-lived asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

(f) Revenue Recognition

The Institute follows the deferral method of accounting for contributions.

Participant and retreat contributions are recognized when received.

Revenue from domestic and international fundraising activities is recognized when the services are provided.

Donations are recognized when received.

Donations-in-kind are recognized as revenue when received.

Merchandise sales are recognized at the time of sale.

Rental income is recognized on a straight-line basis over the term of the lease.

Restricted contributions for the purchase of capital assets are deferred and recognized as revenue on the same basis as the amortization of the related asset.

FUNG LOY KOK INSTITUTE OF TAOISM
L'INSTITUT DE TAOÏSME FUNG LOY KOK

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
NOTES AUX ÉTATS FINANCIERS NON CONSOLIDÉS

DECEMBER 31, 2021
31 DÉCEMBRE 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES / RÉSUMÉ DES PRINCIPALES
MÉTHODES COMPTABLES (Continued / Suite)

(g) Estimates and 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 amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the year. Significant items subject to such estimates and assumptions include the useful lives of capital assets and impairment of long-lived assets. Actual results could differ from these estimates.

(h) Donated Services

Donated services are not recognized in the non-consolidated financial statements because of the difficulty in determining their fair value.

(i) Financial Instruments

i) Measurement of Financial Instruments

The Institute initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The Institute subsequently measures all of its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market which are measured at fair value. Changes in fair value are recognized in the non-consolidated statement of revenue and expenditures.

Financial assets measured at amortized cost include cash, loans receivable and mortgages receivable.

Financial assets measured at cost include investment in limited liability limited partnership.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The Institute has not designated any financial liabilities to be recorded at fair value.

**FUNG LOY KOK INSTITUTE OF TAOISM
L'INSTITUT DE TAOÏSME FUNG LOY KOK**

**NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
NOTES AUX ÉTATS FINANCIERS NON CONSOLIDÉS**

**DECEMBER 31, 2021
31 DÉCEMBRE 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES / RÉSUMÉ DES PRINCIPALES MÉTHODES COMPTABLES (Continued / Suite)

(i) Financial Instruments (Continued)

ii) Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in results of operations.

(j) Foreign Currency Translation

Foreign currency transactions have been translated into Canadian dollars using the temporal method. Under the temporal method, monetary assets and liabilities are translated at the exchange rate in effect at the statement of financial position date. Non-monetary assets and liabilities are translated at the rates in effect on the transaction date. Revenue and expenditures are translated at the rates in effect on the transaction date, except for amortization, which is translated at the same rates as the related assets. Gains or losses are included in the determination of results of operations for the year.

(k) Intangible Asset

Intangible asset is recognized at cost and not amortized since it has an indefinite life.

2. LOANS RECEIVABLE / PRÊTS

Loans receivable are from parties related by virtue of significant influence and are recorded at the exchange amount which is the amount established and agreed to by the related parties.

The loan to [REDACTED] of the Netherlands is unsecured, interest payable annually on each anniversary starting December 31, 2021, in the amount of 1% per annum calculated on the average annual balance outstanding over the previous year and annual minimum principal repayments of Euro 53,468 over ten years with the first annual minimum repayment starting December 31, 2021.

	<u>2021</u>	<u>2020</u>
[REDACTED] of the Netherlands	\$ 150,572	\$ 838,973
[REDACTED] of Great Britain	-	232,704
	<u>150,572</u>	<u>1,071,677</u>
Less: Current portion	<u>76,946</u>	<u>83,453</u>
	<u>\$ 73,626</u>	<u>\$ 988,224</u>

**FUNG LOY KOK INSTITUTE OF TAOISM
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**NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
NOTES AUX ÉTATS FINANCIERS NON CONSOLIDÉS**

**DECEMBER 31, 2021
31 DÉCEMBRE 2021**

3. PROPERTY HELD FOR SALE / IMMEUBLES DESTINÉ À LA VENTE

	2021	2020
	\$ 1,083,906	\$ -
	365,759	-
	148,385	-
	1,273,724	-
	-	361,740
	-	225,373
	-	406,089
	-	536,642
	-	228,320
	-	997,867
	-	789,656
	-	244,639
	<u>\$ 2,871,774</u>	<u>\$ 3,790,326</u>

Subsequent to year end, the Institute sold:

- 1) Newmarket property for \$1,831,930
- 2) Collingwood property for \$1,354,938
- 3) Sault Ste. Marie property for \$423,800

4. MORTGAGES RECEIVABLE / CRÉANCE HYPOTHÉCAIRE

- (a) In 2017, the Institute disposed of the property located at [REDACTED]. In exchange, the Institute agreed to take back a \$435,000 first priority mortgage. The mortgage receivable is interest bearing at 6% per annum, secured by the aforementioned property, monthly interest payments and principal due at maturity on September 29, 2022.
- (b) In 2021, the Institute disposed of the property located at [REDACTED]. In exchange, the Institute agreed to take back a \$1,000,000 first priority mortgage. The mortgage receivable is non-interest bearing, secured by the aforementioned property, and principal to be paid in 4 instalments with the final instalment of \$350,000 payable on December 31, 2022.

5. CAPITAL ASSETS / IMMOBILISATIONS CORPORELLES

	2021			2020
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Net</u>
i) [REDACTED]				
Land	\$ 539,982	\$ -	\$ 539,982	\$ 539,982
Building	<u>1,576,488</u>	<u>1,080,634</u>	<u>495,854</u>	<u>521,954</u>
	<u>2,116,470</u>	<u>1,080,634</u>	<u>1,035,836</u>	<u>1,061,936</u>

**FUNG LOY KOK INSTITUTE OF TAOISM
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**NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
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**DECEMBER 31, 2021
31 DÉCEMBRE 2021**

5. CAPITAL ASSETS / IMMOBILISATIONS CORPORELLES (Continued / Suite)

	2021			2020
	Cost	Accumulated Amortization	Net	Net
ii) [REDACTED]				
Land	152,889	-	152,889	152,889
Building	<u>145,061</u>	<u>68,497</u>	<u>76,564</u>	<u>80,596</u>
	<u>297,950</u>	<u>68,497</u>	<u>229,453</u>	<u>233,485</u>
iii) [REDACTED]				
Land	133,500	-	133,500	133,500
Building	<u>187,201</u>	<u>104,291</u>	<u>82,910</u>	<u>87,278</u>
	<u>320,701</u>	<u>104,291</u>	<u>216,410</u>	<u>220,778</u>
iv) International Taoist Tai Chi Centre, Township of Mono (Orangeville), ON ("Orangeville Centre") (Note 15(b))				
Land	295,965	-	295,965	295,965
Building	<u>15,187,509</u>	<u>7,732,075</u>	<u>7,455,434</u>	<u>7,622,704</u>
	<u>15,483,474</u>	<u>7,732,075</u>	<u>7,751,399</u>	<u>7,918,669</u>
v) [REDACTED] (Note 3)				
Land	-	-	-	100,000
Building	<u>-</u>	<u>-</u>	<u>-</u>	<u>279,751</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>379,751</u>
vi) [REDACTED]				
Land	417,699	-	417,699	417,699
Building	<u>5,324,897</u>	<u>1,588,881</u>	<u>3,736,016</u>	<u>3,932,648</u>
	<u>5,742,596</u>	<u>1,588,881</u>	<u>4,153,715</u>	<u>4,350,347</u>
vii) [REDACTED] (Note 3)				
Land	-	-	-	353,682
Building	<u>-</u>	<u>-</u>	<u>-</u>	<u>768,660</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,122,342</u>
viii) [REDACTED] (Note 3)				
Land	-	-	-	80,000
Building	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,985</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>151,985</u>
ix) [REDACTED]				
Land	500,000	-	500,000	500,000
Building	<u>534,650</u>	<u>226,282</u>	<u>308,368</u>	<u>324,592</u>
	<u>1,034,650</u>	<u>226,282</u>	<u>808,368</u>	<u>824,592</u>

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**NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
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**DECEMBER 31, 2021
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5. CAPITAL ASSETS / IMMOBILISATIONS CORPORELLES (Continued / Suite)

	2021			2020
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Net</u>
x) [REDACTED]				
Land	400,000	-	400,000	400,000
Building	<u>605,448</u>	<u>249,597</u>	<u>355,851</u>	<u>374,583</u>
	<u>1,005,448</u>	<u>249,597</u>	<u>755,851</u>	<u>774,583</u>
xi) [REDACTED]				
Land	75,000	-	75,000	75,000
Building	<u>115,992</u>	<u>41,509</u>	<u>74,483</u>	<u>78,407</u>
	<u>190,992</u>	<u>41,509</u>	<u>149,483</u>	<u>153,407</u>
xii) [REDACTED]				
Land	716,000	-	716,000	716,000
Building	<u>2,446,267</u>	<u>890,768</u>	<u>1,555,499</u>	<u>1,637,363</u>
	<u>3,162,267</u>	<u>890,768</u>	<u>2,271,499</u>	<u>2,353,363</u>
xiii) [REDACTED]				
Land	125,000	-	125,000	125,000
Building	<u>229,300</u>	<u>83,495</u>	<u>145,805</u>	<u>153,485</u>
	<u>354,300</u>	<u>83,495</u>	<u>270,805</u>	<u>278,485</u>
xiv) [REDACTED]				
Land	10,000	-	10,000	10,000
Building	<u>106,736</u>	<u>38,961</u>	<u>67,775</u>	<u>71,339</u>
	<u>116,736</u>	<u>38,961</u>	<u>77,775</u>	<u>81,339</u>
xv) [REDACTED] (Note 3)				
Land	-	-	-	201,500
Building	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,128,660</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,330,160</u>
xvi) Furniture and equipment	<u>1,843,737</u>	<u>1,708,598</u>	<u>135,139</u>	<u>221,588</u>
xvii) Computer software and hardware	<u>626,476</u>	<u>423,265</u>	<u>203,211</u>	<u>116,997</u>
xviii) Vehicles	<u>209,939</u>	<u>192,727</u>	<u>17,212</u>	<u>24,568</u>
	<u>\$ 32,505,736</u>	<u>\$ 14,429,580</u>	<u>\$ 18,076,156</u>	<u>\$ 21,598,375</u>

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**6. INVESTMENT IN WHOLLY-OWNED SUBSIDIARY / PLACEMENT DANS UNE FILIALE
EN PROPRIÉTÉ EXCLUSIVE**

The Institute's wholly-owned subsidiary, Certmark, had no transactions during the year (2020 - no transactions) and has total assets and total equity of \$1, respectively, as at December 31, 2021 and December 31, 2020.

**7. INVESTMENT IN LIMITED LIABILITY LIMITED PARTNERSHIP / PLACEMENTS
DANS UNE SOCIÉTÉ EN COMMANDITE**

On December 28, 2017, the Institute acquired 20 Class B units in [REDACTED] representing a 20% interest. In addition to the contribution of the western portion of the [REDACTED] property in the amount of \$5,622,872 (Note 8), the Institute incurred \$251,091 of transaction costs which have been capitalized to the cost of the investment. On December 31, 2018, the Institute disposed of 5 Class B units to [REDACTED] for proceeds of \$2,057,988. Transaction costs related to the sale were \$44,322.

	<u>2021</u>	<u>2020</u>
Balance, beginning of year, being balance end of year	\$ <u>4,405,472</u>	\$ <u>4,405,472</u>

8. INTANGIBLE ASSET / ACTIF INCORPOREL

In 2014, the Institute contributed \$3,337,343 to the [REDACTED] an organization which is significantly influenced by the Institute, to allow [REDACTED] to purchase property located at [REDACTED]

[REDACTED] property was purchased solely to allow the Institute to carry out its charitable objectives internationally. Prior to the purchase, the Institute and [REDACTED] entered into a Services Agreement (the "Agreement") which set out the terms and conditions for the use of the property on behalf of the Institute. Based on the terms of the Agreement, the Institute has absolute direction and control over the use of the [REDACTED] property. An additional agreement provides for an indefinite option for the Institute to purchase the [REDACTED] property for \$10. As a result of the terms of these two agreements, this meets the definition of an indefinite life intangible asset.

In 2015, 2016 and 2017, the Institute contributed an additional \$679,717, \$2,457,944 and \$352,388, respectively, to the [REDACTED] property. Total additions to the [REDACTED] property are \$6,827,392. The allocation of the additions is \$5,622,872 (Note 7) and \$1,204,520 between the western and eastern portion of the property.

On December 28, 2017, the western portion of the [REDACTED] property was contributed to the [REDACTED] in exchange for an investment in the partnership (Note 7). The eastern portion of the [REDACTED] property remains with [REDACTED] to carry out the Institute's charitable objectives.

The eastern portion of the [REDACTED] property is pledged as security for [REDACTED]'s bank loan (Note 15(a)).

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31 DÉCEMBRE 2021**

9. BANK LOANS / EMPRUNTS BANCAIRES

The Institute has credit facilities as follows:

	2021	2020
(a) Facility (1) - A non-revolving facility, with an aggregate authorized maximum amount of \$1,268,536 (2020 - \$1,268,536) for the acquisition and renovation of commercial real estate properties within Canada by the Institute. The facility bears interest at the bank prime rate plus 1.55% per annum (2020 - 1.55%).	\$ -	\$ -
(b) Facility (2) - A revolving demand facility with an aggregate authorized maximum amount of \$1,000,000 (2020 - \$1,000,000) to finance day-to-day operating expenditures and to bridge receivables of and donations to the Institute. This facility is available by way of loans bearing interest at the bank prime rate plus 0.45% per annum, letters of credit or letters of guarantee. As at December 31, 2021, \$Nil (2020 - \$30,000) of the facility was utilized of which \$Nil (2020 - \$Nil) relates to letters of credit outstanding.	-	30,000
(c) Facility (3) - A revolving facility with an aggregate authorized maximum amount of \$4,000,000 (2020 - \$4,000,000) to finance the construction and renovation of the Fenway property (Note 8). This facility bears interest at the bank prime rate plus 1.00% and is repayable at the earlier of 1 year after draw-down or date of first borrowing under Facility (4).	-	-
(d) Facility (4) - A non-revolving facility with an aggregate authorized maximum amount of \$4,000,000 (2020 - \$4,000,000) to repay the borrowings under Facility (3) in full. This facility is available by way of loans bearing a fixed interest rate determined at the time of borrowing and bankers' acceptances and is repayable commencing 30 days after draw-down by consecutive monthly blended payments of principal and interest based on a maximum amortization of 15 years and a maximum term of 5 years.	-	-
	\$ -	\$ 30,000

The total borrowings under Facilities (3) and (4) must not exceed at any time the sum of \$4,000,000 (2020 - \$4,000,000).

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9. BANK LOANS / EMPRUNTS BANCAIRES (Continued / Suite)

Security for the above facilities is provided as follows:

- (i) General security agreement constituting a first-ranking security interest in all personal property of the Institute.
- (ii) A collateral charge mortgage in the amount of \$20,000,000 constituting a first fixed charge on four of the Institute's properties. The carrying amount of these properties is \$13,157,360.
- (iii) Postponement of the Society's option to purchase the Orangeville Centre (Note 15(b)).
- (iv) Postponement of the Society's right to first refusal in respect of the Orangeville Centre (Note 15(b)).
- (v) Assignment of all fire insurance policies in respect of the secured properties in (ii) above.
- (vi) Certificate of insurance evidencing fire and other perils coverage on each of the secured properties in (ii) above.

The above facilities require, among other things, that the Institute adhere to a specified covenant. As at December 31, 2021, the Institute was not in compliance with this covenant. As at the report date, no action has been taken by the bank.

10. DEFERRED CAPITAL CONTRIBUTION / APPORTS DE CAPITAL DIFFÉRÉ

Deferred capital contribution represents the unamortized balance of restricted contributions for the purchase of capital assets as follows:

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 201,600	\$ 212,200
Less: Recognized as revenue	-	10,600
Less: Recognized as revenue and included in gain on sale of capital assets	<u>(201,600)</u>	<u>-</u>
Balance, end of year	-	201,600
Less: Current portion	<u>-</u>	<u>201,600</u>
	<u>\$ -</u>	<u>\$ -</u>

**FUNG LOY KOK INSTITUTE OF TAOISM
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**NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
NOTES AUX ÉTATS FINANCIERS NON CONSOLIDÉS**

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31 DÉCEMBRE 2021**

11. SIGNIFICANTLY INFLUENCED ORGANIZATIONS / ORGANISATIONS SOUS INFLUENCE NOTABLE

The Institute has significant influence over the Taoist Tai Chi organizations both in Canada and abroad, collectively the "Organization." The Organization adheres to the Institute's guidance and is dedicated to promoting and advancing the teachings of Taoism through one or more of the following means:

- 1) The practice, study and advancement of the doctrines, observances, practices, Taoist scriptures, rituals, philosophy and traditions associated with the Taoist religion including the Taoist internal arts;
- 2) The practice, study and advancement of the **Taoist Tai Chi®** arts as a Taoist discipline of health and longevity; and
- 3) The practice, study and advancement of other Taoist disciplines of health and longevity such as Taoist meditation, Lok Hup and other related disciplines.

The member affiliates of the Organization include: Australia, Belgium, Canada, Costa Rica, Czech Republic, Denmark, France, Germany, Great Britain, Hungary, Ireland, Italy, Malaysia, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovakia, Spain, Sweden, Switzerland, Ukraine and the United States of America. All organizations are associations or corporations and are exempt from income taxes in their respective countries.

12. RELATED PARTY TRANSACTIONS / OPÉRATIONS ENTRE APPARENTÉS

During the year, the Institute had transactions with parties related by virtue of significant influence or control. The particulars of these transactions are as follows:

	2021	2020
Transactions during the year:		
International fundraising activities	\$ 19,484	\$ 17,622

These transactions are recorded at the exchange amount which is the amount established and agreed to by the related parties.

13. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS / RISQUES ASSOCIÉS AUX INSTRUMENTS FINANCIERS

(a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Certain facilities within the bank loans bear interest at the the bank prime plus basis. Changes in the bank's prime lending rate can cause fluctuations in interest payments and cash flows.

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**NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
NOTES AUX ÉTATS FINANCIERS NON CONSOLIDÉS**

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31 DÉCEMBRE 2021**

13. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS / RISQUES ASSOCIÉS AUX INSTRUMENTS FINANCIERS (Continued / Suite)

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Institute is exposed to credit risk in the event of non-performance by counterparties in connection with its loans receivable and mortgages receivable. The Institute does not obtain collateral or other security to support the loans receivable subject to credit risk but mitigates this risk by dealing only with what management believes to be financially sound counterparties, and accordingly, does not anticipate significant loss for non-performance.

(c) Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Institute enters into transactions and has assets that are denominated in various foreign currencies and thus is exposed to the financial risk of earnings fluctuations arising from changes in foreign exchange rates and the degree of volatility of these rates. The Institute does not use derivative financial instruments to reduce its exposure to foreign currency risk.

The following amounts denominated in foreign currencies are translated at the following rates: U.S. dollars at 1.2678 (2020 - 1.2732), Euros at 1.4391 (2020 - 1.5608) and GBP at 1.7132 (2020 - 1.7381). These amounts are included in the following financial statement items:

		<u>2021</u>		<u>2020</u>
Cash	U.S.\$	12,938	U.S.\$	6,992
Cash	Euro	2,800	Euro	2,330
Investments	U.S.\$	315,920	U.S.\$	2,663,429
Loans receivable	Euro	104,115	Euro	534,684
Loans receivable	GBP	-	GBP	133,946

(d) Liquidity Risk

Liquidity risk is the risk that the Institute will encounter difficulty in meeting obligations associated with financial liabilities. The Institute is exposed to liquidity risk arising primarily from accounts payable and accrued liabilities. The Institute's ability to meet obligations depends on the receipt of funds from its operating activities.

(e) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Institute's investment in publicly traded securities exposes the Institute to market risk as such investments are subject to price changes in the open market. The Institute does not use derivative financial instruments to alter the effects of this risk.

**FUNG LOY KOK INSTITUTE OF TAOISM
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**NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS
NOTES AUX ÉTATS FINANCIERS NON CONSOLIDÉS**

**DECEMBER 31, 2021
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14. COMMITMENTS / ENGAGEMENTS CONTRACTUELS

- (a) The Institute has operating leases for its premises, which expire between May 31, 2022 and May 31, 2024. Minimum lease payments in the aggregate and for the next three fiscal years are as follows:

2022		\$ 31,608
2023		25,308
2024		<u>6,327</u>
		<u>\$ 63,243</u>

- (b) The Institute has entered into a contract for the maintenance of a web-based and mobile platform for donor relationship management. Minimum payments in the aggregate and for the next four fiscal years are as follows:

2022		\$ 14,086
2023		24,147
2024		24,147
2025		<u>10,061</u>
		<u>\$ 72,441</u>

- (c) The Institute has entered into a contract for the maintenance of a participant portal. Minimum payments in the next fiscal year are as follows:

2022		\$ <u>1,500</u>
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15.

16. COVID-19 / COVID-19

In March 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19," has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to organizations globally resulting in an economic slowdown. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Institute in future periods.

FUNG LOY KOK INSTITUTE OF TAOISM
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STATEMENT OF REVENUE AND EXPENDITURES
NATIONAL OFFICE
(Unaudited)
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021</u>	<u>%</u>	<u>2020</u>	<u>%</u>
REVENUE				
Donations	\$ 547,223	88.2	\$ 598,899	91.8
Other income	48,762	7.9	30,189	4.6
International fundraising activities	19,484	3.1	17,622	2.7
Rental and sundry income	<u>4,822</u>	<u>0.8</u>	<u>6,000</u>	<u>0.9</u>
	<u>620,291</u>	<u>100.0</u>	<u>652,710</u>	<u>100.0</u>
EXPENDITURES				
Salaries and benefits	1,362,494	219.7	960,626	147.2
Amortization	966,785	155.9	1,103,139	169.0
Professional fees	257,699	41.5	292,596	44.8
Insurance	134,944	21.8	154,121	23.6
Bank charges	34,262	5.5	31,860	4.9
Utilities	16,474	2.7	19,010	2.9
Other charitable costs	13,445	2.2	2,321	0.4
Telecommunications	12,326	2.0	17,443	2.7
Repairs and maintenance	11,962	1.9	14,886	2.3
Instructor travel and other costs	6,035	1.0	16,423	2.5
Office and general	2,600	0.4	17,507	2.7
Realty taxes	801	0.1	-	-
Advertising and promotion	709	0.1	33,326	5.1
Interest on bank loans	-	-	<u>147,706</u>	<u>22.6</u>
	<u>2,820,536</u>	<u>454.7</u>	<u>2,810,964</u>	<u>430.7</u>
DEFICIENCY OF REVENUE OVER EXPENDITURES FOR THE YEAR FROM OPERATIONS	(2,200,245)	(354.7)	(2,158,254)	(330.7)
Allocation of deficiency of revenue over expenditures for the year from operations to the Regions (a)	<u>2,200,245</u>	<u>454.7</u>	<u>2,158,254</u>	<u>430.7</u>
	<u>-</u>	<u>100.0</u>	<u>-</u>	<u>100.0</u>
OTHER				
Gain on sale of capital assets	7,134,377	1,150.2	2,128,596	326.1
Realized gain on investments	936,799	151.0	673,809	103.2
Investment income	164,155	26.5	-	-
Foreign exchange gain (loss)	(56,415)	(9.1)	101,920	15.6
Unrealized gain (loss) on investments	<u>(831,763)</u>	<u>(134.1)</u>	<u>883,069</u>	<u>135.3</u>
	<u>7,347,153</u>	<u>1,184.5</u>	<u>3,787,394</u>	<u>580.2</u>
EXCESS OF REVENUE OVER EXPENDITURES FOR THE YEAR	<u>\$ 7,347,153</u>	<u>1,284.5</u>	<u>\$ 3,787,394</u>	<u>680.2</u>

(a) Allocation of deficiency of revenue over expenditures for the year from operations to the Regions is as follows:

	<u>2021</u>	<u>2020</u>
Central Region	\$ 880,098	\$ 863,302
Région de l'Est	440,049	431,651
Western Region	330,037	323,738
Pacific Region	330,037	323,738
Atlantic Region	<u>220,024</u>	<u>215,825</u>
	<u>\$ 2,200,245</u>	<u>\$ 2,158,254</u>

**FUNG LOY KOK INSTITUTE OF TAOISM
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**STATEMENT OF REVENUE AND EXPENDITURES
CENTRAL REGION
(Unaudited)**

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021</u>	<u>%</u>	<u>2020</u>	<u>%</u>
REVENUE				
Domestic fundraising activities	\$ 266,907	57.5	\$ 166,460	18.2
Participant and retreat contributions	196,687	42.4	712,359	78.0
Other charitable revenues	370	0.1	1,730	0.2
Other income	19	-	25	-
Rental and sundry income	-	-	32,518	3.6
	<u>463,983</u>	<u>100.0</u>	<u>913,092</u>	<u>100.0</u>
EXPENDITURES				
Utilities	47,767	10.3	70,945	7.8
Rent	32,540	7.0	225,442	24.7
Repairs and maintenance	17,350	3.7	29,025	3.2
Telecommunications	14,206	3.1	18,851	2.1
Advertising and promotion	3,199	0.7	6,769	0.7
Office and general	2,916	0.6	5,003	0.5
Instructor travel and other costs	916	0.2	692	0.1
Bank charges	806	0.2	1,216	0.1
Other charitable costs	-	-	705	0.1
Realty taxes recovered	<u>(8,135)</u>	<u>(1.8)</u>	<u>(47,162)</u>	<u>(5.2)</u>
	<u>111,565</u>	<u>24.0</u>	<u>311,486</u>	<u>34.1</u>
EXCESS OF REVENUE OVER EXPENDITURES BEFORE THE FOLLOWING				
	352,418	76.0	601,606	65.9
Allocation of National deficiency of revenue over expenditures from operations	<u>(880,098)</u>	<u>(189.7)</u>	<u>(863,302)</u>	<u>(94.6)</u>
DEFICIENCY OF REVENUE OVER EXPENDITURES FOR THE YEAR				
	<u>\$ (527,680)</u>	<u>(113.7)</u>	<u>\$ (261,696)</u>	<u>(28.7)</u>

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ÉTAT DES PRODUITS ET CHARGES
RÉGION DE L'EST
(Non audités)

DES EXERCICE TERMINÉ LES 31 DÉCEMBRE 2021

	<u>2021</u>	<u>%</u>	<u>2020</u>	<u>%</u>
PRODUITS				
Contributions des participants et des retraites	\$ 60,551	80.7	\$ 295,693	88.5
Location et produits divers	11,275	15.0	32,146	9.6
Activités nationales de collecte de fonds	2,963	4.0	2,577	0.8
Autres revenus de bienfaisance	<u>216</u>	<u>0.3</u>	<u>3,813</u>	<u>1.1</u>
	<u>75,005</u>	<u>100.0</u>	<u>334,229</u>	<u>100.0</u>
CHARGES				
Honoraires professionnels	303,191	404.2	92,750	27.8
Salaires et charges sociales	75,505	100.7	65,419	19.6
Loyer	65,274	87.0	168,707	50.5
Électricité et chauffage	12,943	17.3	26,856	8.0
Télécommunications	10,374	13.8	15,052	4.5
Entretien et réparations	9,582	12.8	21,819	6.5
Frais d'administration	1,402	1.8	2,905	0.9
Déplacement des instructeurs et autres frais	613	0.8	2,559	0.8
Frais bancaires	192	0.3	255	0.1
Publicité et promotion	-	-	2,829	0.8
Autres frais de bienfaisance	-	-	11,046	3.3
Taxes foncières (récupérés)	<u>(216,494)</u>	<u>(288.6)</u>	<u>77,653</u>	<u>23.2</u>
	<u>262,582</u>	<u>350.1</u>	<u>487,850</u>	<u>146.0</u>
INSUFFISANCE DES PRODUITS SUR LES CHARGES AVANT L'ÉLÉMENT SUIVANT				
	(187,577)	(250.1)	(153,621)	(46.0)
Allocation du déficit d'exploitation National	<u>(440,049)</u>	<u>(586.7)</u>	<u>(431,651)</u>	<u>(129.1)</u>
INSUFFISANCE DES PRODUITS SUR LES CHARGES DE L'EXERCICE				
	<u>\$ (627,626)</u>	<u>(836.8)</u>	<u>\$ (585,272)</u>	<u>(175.1)</u>

**FUNG LOY KOK INSTITUTE OF TAOISM
L'INSTITUT DE TAOÏSME FUNG LOY KOK**

**STATEMENT OF REVENUE AND EXPENDITURES
WESTERN REGION
(Unaudited)**

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021</u>	<u>%</u>	<u>2020</u>	<u>%</u>
REVENUE				
Participant and retreat contributions	\$ 43,702	90.8	\$ 157,245	98.5
Domestic fundraising activities	4,448	9.2	2,431	1.5
Other charitable revenues	-	-	36	-
	<u>48,150</u>	<u>100.0</u>	<u>159,712</u>	<u>100.0</u>
EXPENDITURES				
Salaries and benefits	44,235	91.8	40,437	25.3
Utilities	21,598	44.9	24,456	15.3
Rent	15,606	32.4	53,874	33.7
Repairs and maintenance	10,917	22.6	9,419	5.9
Telecommunications	3,805	7.9	5,193	3.3
Realty taxes	855	1.8	360	0.2
Bank charges	824	1.7	1,811	1.1
Other charitable costs	509	1.1	908	0.6
Office and general	464	1.0	1,548	1.0
Advertising and promotion	30	0.1	465	0.3
Instructor travel and other costs	-	-	1,340	0.8
	<u>98,843</u>	<u>205.3</u>	<u>139,811</u>	<u>87.5</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES BEFORE THE FOLLOWING	(50,693)	(105.3)	19,901	12.5
Allocation of National deficiency of revenue over expenditures from operations	<u>(330,037)</u>	<u>(685.4)</u>	<u>(323,738)</u>	<u>(202.7)</u>
DEFICIENCY OF REVENUE OVER EXPENDITURES FOR THE YEAR	<u>\$ (380,730)</u>	<u>(790.7)</u>	<u>\$ (303,837)</u>	<u>(190.2)</u>

**FUNG LOY KOK INSTITUTE OF TAOISM
L'INSTITUT DE TAOÏSME FUNG LOY KOK**

**STATEMENT OF REVENUE AND EXPENDITURES
PACIFIC REGION
(Unaudited)**

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021</u>	<u>%</u>	<u>2020</u>	<u>%</u>
REVENUE				
Participant and retreat contributions	\$ 81,396	54.4	\$ 338,248	76.6
Rental and sundry income	59,958	40.0	96,231	21.8
Domestic fundraising activities	8,385	5.6	4,233	1.0
Other charitable revenues	-	-	2,539	0.6
	<u>149,739</u>	<u>100.0</u>	<u>441,251</u>	<u>100.0</u>
EXPENDITURES				
Salaries and benefits	135,434	90.5	181,563	41.2
Utilities	17,043	11.4	26,516	6.0
Repairs and maintenance	14,407	9.6	26,516	6.0
Office and general	9,313	6.2	10,295	2.3
Telecommunications	5,938	4.0	16,527	3.7
Rent	3,793	2.5	85,145	19.3
Realty taxes	1,698	1.1	2,189	0.5
Bank charges	1,094	0.7	1,457	0.3
Instructor travel and other costs	437	0.3	3,405	0.8
Other charitable costs	100	0.1	7,636	1.7
Advertising and promotion	55	-	3,856	0.9
	<u>189,312</u>	<u>126.4</u>	<u>365,105</u>	<u>82.7</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES BEFORE THE FOLLOWING	(39,573)	(26.4)	76,146	17.3
Allocation of National deficiency of revenue over expenditures from operations	<u>(330,037)</u>	<u>(220.4)</u>	<u>(323,738)</u>	<u>(73.4)</u>
DEFICIENCY OF REVENUE OVER EXPENDITURES FOR THE YEAR	\$ <u>(369,610)</u>	<u>(246.8)</u>	\$ <u>(247,592)</u>	<u>(56.1)</u>

**FUNG LOY KOK INSTITUTE OF TAOISM
L'INSTITUT DE TAOÏSME FUNG LOY KOK**

**STATEMENT OF REVENUE AND EXPENDITURES
ATLANTIC REGION
(Unaudited)**

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021</u>	<u>%</u>	<u>2020</u>	<u>%</u>
REVENUE				
Participant and retreat contributions	\$ 23,120	100.0	\$ 100,735	98.8
Domestic fundraising activities	-	-	3,692	3.6
Other charitable revenues	-	-	69	0.1
Other loss	-	-	(2,553)	(2.5)
	<u>23,120</u>	<u>100.0</u>	<u>101,943</u>	<u>100.0</u>
EXPENDITURES				
Office and general	4,199	18.2	5,110	5.0
Telecommunications	2,669	11.5	4,870	4.8
Bank charges	652	2.9	828	0.8
Repairs and maintenance	-	-	4,742	4.7
Other charitable costs	-	-	2,315	2.3
Instructor travel and other costs	-	-	1,000	1.0
Advertising and promotion	-	-	513	0.5
Realty taxes recovered	-	-	(310)	(0.3)
Rent (recovered)	(985)	(4.3)	27,671	27.1
Utilities (recovered)	(2,186)	(9.5)	7,669	7.5
	<u>4,349</u>	<u>18.8</u>	<u>54,408</u>	<u>53.4</u>
EXCESS OF REVENUE OVER EXPENDITURES BEFORE THE FOLLOWING				
	18,771	81.2	47,535	46.6
Allocation of National deficiency of revenue over expenditures from operations	<u>(220,024)</u>	<u>(951.7)</u>	<u>(215,825)</u>	<u>(211.7)</u>
DEFICIENCY OF REVENUE OVER EXPENDITURES FOR THE YEAR				
	<u>\$ (201,253)</u>	<u>(870.5)</u>	<u>\$ (168,290)</u>	<u>(165.1)</u>

**FUNG LOY KOK INSTITUTE OF TAOISM
L'INSTITUT DE TAOÏSME FUNG LOY KOK**

**STATEMENT OF REVENUE AND EXPENDITURES
ORANGEVILLE
(Unaudited)**

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021</u>	<u>%</u>	<u>2020</u>	<u>%</u>
REVENUE				
Other income	\$ 16,116	75.5	\$ 9,531	66.3
Domestic fundraising activities	4,487	21.0	2,485	17.3
Other charitable revenues	<u>757</u>	<u>3.5</u>	<u>2,360</u>	<u>16.4</u>
	<u>21,360</u>	<u>100.0</u>	<u>14,376</u>	<u>100.0</u>
EXPENDITURES				
Salaries and benefits	133,512	625.1	248,858	1,731.1
Repairs and maintenance	124,254	581.7	87,281	607.1
Other charitable costs	82,255	385.0	40,459	281.4
Utilities	38,227	179.0	52,318	364.0
Instructor travel and other costs	27,850	130.4	24,798	172.5
Realty taxes (recovered)	15,115	70.8	(78,979)	(549.4)
Telecommunications	12,795	59.9	12,895	89.7
Bank charges	2,123	9.9	1,888	13.1
Advertising and promotion	1,949	9.1	1,731	12.0
Professional fees	<u>1,814</u>	<u>8.5</u>	<u>3,000</u>	<u>20.9</u>
	<u>439,894</u>	<u>2,059.4</u>	<u>394,249</u>	<u>2,742.4</u>
DEFICIENCY OF REVENUE OVER EXPENDITURES FOR THE YEAR				
	<u>\$ (418,534)</u>	<u>(1,959.4)</u>	<u>\$ (379,873)</u>	<u>(2,642.4)</u>