

**LONERGAN RESEARCH INSTITUTE**

**Financial Statements**

**July 31, 2021**

# LONERGAN RESEARCH INSTITUTE

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Year Ended July 31, 2021

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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

### To the Members of Lonergan Research Institute:

I have reviewed the accompanying financial statements of Lonergan Research Institute that comprise the statement of financial position as at July 31, 2021, and the statements of Operating Fund, Changes in Net Assets, Malliner CWL Fund, Malliner Audio Fund, Crowe Bursary Fund, Research Assistantships Fund, Capital Assets Fund and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

### Practitioner's Responsibility

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which require me to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, I do not express an audit opinion on these financial statements.

### Basis for Qualified Conclusion

In common with many charitable organizations, the Organization derives certain revenue from donations, the completeness of which is not susceptible to me obtaining evidence I considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, I was unable to determine whether any adjustments might be necessary to donations revenue, excess of receipts over expenditures, and cash flows from operations for the years ended July 31, 2021 and 2020, current assets and net assets as at July 31, 2021 and 2020. My review conclusion on the financial statements for the year ended July 31, 2021 was modified accordingly because of the possible effects of this limitation in scope.

### Qualified Conclusion

Based on my review, except for the possible effect of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to my attention that causes me to believe that these financial statements do not present fairly, in all material respects, the financial position of Lonergan Research Institute as at July 31, 2021 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Robert K. Chan & Company*

Markham, Ontario  
December 10, 2021

**Chartered Professional Accountant  
Licensed Public Accountant**

7181 Woodbine Avenue, Suite 225, Markham, Ontario, L3R 1A3  
Tel: (905) 305-9123 Fax: (289) 809-3686 Email: bob.chan@sympatico.ca

# LONERGAN RESEARCH INSTITUTE

Statement of Financial Position as at July 31, 2021

(See Independent Practitioner's Review Engagement Report)

	2021	2020
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 58,225	\$ 59,305
Accounts receivable	29,894	6,000
Harmonized sales tax recoverable	2,942	1,559
Investments (note 3)	247,746	219,627
	<b>338,807</b>	<b>286,491</b>
<b>Property, plant and equipment</b> (note 1 & 2)	<b>772</b>	<b>1,087</b>
<b>Investments - restricted</b> (note 3)	<b>136,552</b>	<b>135,205</b>
	<b>476,131</b>	<b>422,783</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	83,054	33,000
<b>NET ASSETS</b>		
Net assets internally held for Malliner CWL Fund	88,435	87,527
Net assets internally held for Malliner Audio Fund	44,471	44,033
Net assets internally held for Crowe Bursary Fund	(924)	(924)
Net assets internally held for Research Assistantship Fund	536	536
Net assets internally held for Capital Assets Fund	774	1,089
Unrestricted - Operating Fund	259,785	257,522
	<b>393,077</b>	<b>389,783</b>
	<b>476,131</b>	<b>422,783</b>

On behalf of the Board: \_\_\_\_\_ Director \_\_\_\_\_ Director

( The accompanying notes are an integral part of these financial statements.)

# LONERGAN RESEARCH INSTITUTE

Statement of Changes in Net Assets for the year ended July 31, 2021

(See Independent Practitioner's Review Engagement Report)

	Operating Fund	Malliner CWL Fund	Malliner Audio Fund	Crowe Bursary Fund	Research Assistantships Fund	Capital Assets Fund	2021	2020
<b>Fund Balance - beginning of year</b>	\$ 257,522	\$ 87,527	\$ 44,033	\$ (924)	\$ 536	\$ 1,089	\$ 389,783	\$ 368,524
Excess of receipts over expenditures (deficiency) for the year	2,263	908	438	-	-	(315)	3,294	21,259
<b>Fund Balance - end of year</b>	<b>259,785</b>	<b>88,435</b>	<b>44,471</b>	<b>(924)</b>	<b>536</b>	<b>774</b>	<b>393,077</b>	<b>389,783</b>

( The accompanying notes are an integral part of these financial statements.)

# LONERGAN RESEARCH INSTITUTE

## Statement of Operating Fund for the year ended July 31, 2021

(See Independent Practitioner's Review Engagement Report)

	2021	2020
<b>Fund Balance</b> - beginning of year	\$ 257,522	\$ 231,545
Excess of receipts over expenditures for the year	(15,547)	2,827
Changes in unrealized gains on investments during the year	17,810	23,150
	2,263	25,977
Transfer to Capital Asset Fund	-	-
<b>Fund Balance</b> - end of year	259,785	257,522

( The accompanying notes are an integral part of these financial statements.)

# LONERGAN RESEARCH INSTITUTE

## Statement of Malliner CWL Fund for the year ended July 31, 2021

(See Independent Practitioner's Review Engagement Report)

	2021	2020
<b>Fund Balance</b> - beginning of year	\$ 87,527	\$ 92,244
<b>Receipts</b>		
Interest income	908	922
<b>Expenditures</b>		
Publications	-	5,639
Excess of receipts over expenditures for the year (deficiency)	908	(4,717)
<b>Fund Balance</b> - end of year	88,435	87,527

( The accompanying notes are an integral part of these financial statements.)

# LONERGAN RESEARCH INSTITUTE

Statement of Malliner Audio Fund for the year ended July 31, 2021

(See Independent Practitioner's Review Engagement Report)

	2021	2020
<b>Fund Balance - beginning of year</b>	<b>\$ 44,033</b>	<b>\$ 43,588</b>
<b>Receipts</b>		
Interest income	438	445
<b>Fund Balance - end of year</b>	<b>44,471</b>	<b>44,033</b>

( The accompanying notes are an integral part of these financial statements.)



# LONERGAN RESEARCH INSTITUTE

Statement of Crowe Bursary Fund for the year ended July 31, 2021

(See Independent Practitioner's Review Engagement Report)

	2021	2020
<b>Fund Balance - beginning of year</b>	<b>\$ (924)</b>	<b>\$ (924)</b>
<b>Expenditures</b>		
Bursaries awarded	-	-
<b>Fund Balance - end of year</b>	<b>(924)</b>	<b>(924)</b>

( The accompanying notes are an integral part of these financial statements.)

# LONERGAN RESEARCH INSTITUTE

Statement of Research Assistantships Fund for the year ended July 31, 2021

(See Independent Practitioner's Review Engagement Report)

	2021	2020
<b>Fund Balance - beginning of year</b>	<b>\$ 536</b>	<b>\$ 536</b>
<b>Receipts</b>		
Donations	-	-
<b>Expenditures</b>		
Sponsorships	-	-
Excess of receipts over expenditures for the year (deficiency)	-	-
<b>Fund Balance - end of year</b>	<b>536</b>	<b>536</b>

( The accompanying notes are an integral part of these financial statements.)

# LONERGAN RESEARCH INSTITUTE

## Statement of Capital Assets Fund for the year ended July 31, 2021

(See Independent Practitioner's Review Engagement Report)

	2021	2020
<b>Fund Balance</b> - beginning of year	\$ 1,089	\$ 1,535
Amortization	(315)	(446)
<b>Fund Balance</b> - end of year	774	1,089

( The accompanying notes are an integral part of these financial statements.)

# LONERGAN RESEARCH INSTITUTE

Statement of Revenue and Expenditures - Operating Fund for the year ended July 31, 2021

(See Independent Practitioner's Review Engagement Report)

	2021	2020
<b>RECEIPTS</b>		
Contribution / Donations	\$ 12,882	\$ 23,438
Investment - interest	196	199
Investment - dividends	10,113	9,728
Publications royalties	10,922	13,555
Subsidies (Note 4)	48,000	48,000
Secondment / Sessional	12,000	18,000
Foreign currency exchange gain	1,133	1,272
Bank Interest	-	415
Sundries	339	75
	<b>95,585</b>	<b>114,682</b>
<b>EXPENDITURES</b>		
Executive director payroll and benefits	88,340	85,567
Interest and bank charges	242	219
Insurance	698	693
Office general and sundries	1,142	6,355
Professional fees	4,087	3,541
Rent (Note 4)	10,000	10,000
Scholarships	-	3,000
Travel	-	2,480
Website	6,623	-
	<b>111,132</b>	<b>111,855</b>
<b>EXCESS OF RECEIPTS OVER EXPENDITURES</b>	<b>(15,547)</b>	<b>2,827</b>

( The accompanying notes are an integral part of these financial statements.)

# LONERGAN RESEARCH INSTITUTE

Statement of Cash Flow for the year ended July 31, 2021

(See Independent Practitioner's Review Engagement Report)

	2021	2020
<b>OPERATING ACTIVITIES</b>		
Excess of receipts over expenditures (deficiency)	\$	\$
Operating Fund	(15,547)	2,827
Malliner CWL Fund	908	(4,717)
Malliner Audio Fund	438	445
Crowe Bursary Fund	-	-
Research Assistantship Fund	-	-
Capital Assets Fund	(315)	(446)
	(14,516)	(1,891)
Items not affecting cash:		
Amortization of equipment	315	446
	(14,201)	(1,445)
Changes in non-cash working capital:		
Accounts receivable	(23,894)	(6,000)
Harmonized sales tax recoverable	(1,383)	(355)
Prepaid expenses	-	1,272
Accounts payable and accrued liabilities	50,054	3,386
Net change in operating net assets	24,777	(1,697)
<b>CASH FLOW PROVIDED BY (USED IN) OPERATIONS</b>	<b>10,576</b>	<b>(3,142)</b>
<b>CASH FLOW PROVIDED BY (USED IN) FINANCING ACTIVITIES:</b>		
Withdrawal (acquisition) of investments	(11,656)	(11,295)
<b>NET INCREASE IN CASH FLOW DURING THE YEAR</b>	<b>(1,080)</b>	<b>(14,437)</b>
<b>CASH AND TERM DEPOSITS - beginning of year</b>	<b>59,305</b>	<b>73,742</b>
<b>CASH AND TERM DEPOSITS - end of year</b>	<b>58,225</b>	<b>59,305</b>

( The accompanying notes are an integral part of these financial statements.)

**LONERGAN RESEARCH INSTITUTE**  
**Notes to Financial Statements**  
**Year Ended July 31, 2021**  
(Unaudited - See Review Engagement Report)

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**MISSION**

Lonerган Research Institute is a separately incorporated and registered project of The Jesuit Fathers of Upper Canada. Its purpose is to establish a research institute to study and research and promote the work and writings of the late Father Bernard J.F. Lonergan and to make available to the public the results of such study and research. The organization will, in connection therewith and for the benefit of the public, among other things:

- a) house an archives and library containing works and writings;
- b) arrange for publications; and
- c) conduct seminars and provide teaching.

In connection therewith, the organization shall have the power to accept donations, gifts, legacies and bequests. The organization qualifies as a not-for-profit organization for Canadian income tax purposes and is exempt from income taxes under the Income Tax Act.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements were prepared on a deferral basis in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

**Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated amortization. Property, plant and equipment are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	30%	declining balance method
Office furniture & equipment	20%	declining balance method

The organization regularly reviews its property, plant and equipment to eliminate obsolete items. Government grants are treated as a reduction of property, plant and equipment cost.

**Contribution revenue**

The contributions in the statement of operations are those which were received during the year or are receivable. No recognition has been given to pledges.

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# LONERGAN RESEARCH INSTITUTE

## Notes to Financial Statements

Year Ended July 31, 2021

(Unaudited - See Review Engagement Report)

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Operating and internally restricted funds

Revenue and expenses related to program delivery and administrative activities are reported in the Operating Fund.

The Malliner CWL and Audio Funds report the assets and revenues related to the investment of these contributions. Expenditures in the Malliner CWL Fund meet the publication costs of the Collected Works of Bernard Lonergan. Expenditures in the Malliner Audio Fund are for the preservation and digitization of audio tapes of the works of Bernard Lonergan. The organization may not use these internally restricted amounts for any other purposes without the approval of the Board.

The Crowe Bursary Fund reports assets and revenues for the Frederick E. Crowe Research Assistant Scholarship and bursaries awarded to a deserving junior scholar through a competitive application process.

The Research Assistantship Fund provides financial support for doctoral or postdoctoral research that advances the purposes of the LRI.

The Capital Assets Fund reports the assets, liabilities, revenues and expenses related to the organization's capital assets.

#### Revenue recognition

The organization follows the deferral method of accounting for contributions. Contributions grants, subsidies and membership are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Royalty revenue is recorded when the amount of the royalty fee is received.

Investment income includes dividend and interest income, realized investment gains and losses. Dividends and interest are recognized as revenue when they are earned.

Realized gains and losses are reported in the statement of operations while unrealized gains and losses on available-for-sale investments are included directly in fund balances until the asset is removed from the statement of financial position. At that time, the cumulative gain or loss previously recognized in the fund balance, is recognized in the statement of operations.

Deferred revenue, if any, consists of grants received in advance that are relative to a subsequent period.

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# LONERGAN RESEARCH INSTITUTE

## Notes to Financial Statements

Year Ended July 31, 2021

(Unaudited - See Review Engagement Report)

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments

##### *Fair Value*

As at July 31, 2021 and 2020, the estimated fair values of cash, receivables, harmonized sales taxes receivable or payable, prepaids, accounts payable and accrued liabilities, approximate their respective carrying values.

##### *Risks and uncertainties*

The Organization is exposed to various risks through its financial instruments. The following analysis provides information about the Organization's risk exposure and concentration. There have been no significant changes in the nature or concentration of the risk exposures from the prior year, unless otherwise noted.

##### 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 Organization does not have any significant credit risk concentration.

##### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization manages its liquidity risk by forecasting its cash needs on a regular basis and seeking additional information based on those forecasts.

##### 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. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

*Currency risk:* Currency risk is the risk to the Organization's operations that arise from fluctuations of foreign exchange rates. The Organization is not exposed to significant currency risk as it does not hold financial instruments denominated in a foreign currency.

Cash includes \$13,953 (2020 - \$8,353) denominated in U.S. dollars.

Accounts receivable includes \$1,275.49 (2020 - NIL) denominated in U.S. dollars.

*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. The Corporation's assets include interest bearing term investments and may be exposed to risk upon the maturity of the investments if market interest rates vary from the rates currently being earned on these 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 Organization is exposed to other price risk primarily through its investments.



# LONERGAN RESEARCH INSTITUTE

## Notes to Financial Statements

Year Ended July 31, 2021

(Unaudited - See Review Engagement Report)

### Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

## 2. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Computer equipment	\$ 5,922	\$ 5,238	\$ 684	\$ 977
Office furniture & equipment	135,454	135,366	88	110
	\$ 141,376	\$ 140,604	\$ 772	\$ 1,087

## 3. INVESTMENTS

	2021	2020
Malliner CWL Fund	\$ 92,080	\$ 91,172
Malliner Audio Fund	44,472	44,033
	136,552	135,205
Operating Fund	247,746	219,627
	\$ 384,298	354,832

The portfolio securities in these funds are held in trust by The Jesuit Fathers of Upper Canada.

## 4. RELATED PARTY TRANSACTIONS

During the year, certain revenues were received from and expenses were paid to charities that are entities under the umbrella of the Jesuit Fathers of Upper Canada, an entity related to the organization, as follows:

	2021	2020
Revenue - Subsidies	48,000 \$	48,000

# **LONERGAN RESEARCH INSTITUTE**

## **Notes to Financial Statements**

**Year Ended July 31, 2021**

(Unaudited - See Review Engagement Report)

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### **5. COVID-19 GLOBAL PANDEMIC**

On March 11, 2020 the World Health Organization declared COVID-19 a global pandemic which has caused significant impact on the global economy. As the impacts of COVID-19 continues globally with new variants of the virus surfacing on an unpredictable basis, there could be financial impact to the Organization in the future. Due to on-going uncertainties precipitated by the global pandemic, the full impact on the Organization's operations and future financial performance is currently unknown and therefore there is uncertainty and risk with respect to the Organization's future performance and estimates and assumptions used in the preparation of its financial results. The Organization is complying with all COVID-19 government guidelines and has protocols and procedures in place to maintain safe operations.