

**Loran Scholars  
Foundations/Foundation Boursiers  
Loran**

**Financial Statements**

**For the Year Ended April 30, 2025**

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Loran Scholars Foundations/Foundation Boursiers Loran

#### *Opinion*

We have audited the financial statements of Loran Scholars Foundations/Foundation Boursiers Loran (the "Foundation"), which comprise the statement of financial position as at April 30, 2025, and the statements of operations, changes in net assets, 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 Foundation as at April 30, 2025, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

#### *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 Foundation in accordance with the 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.

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

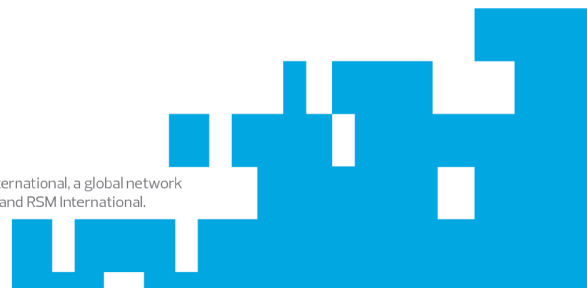
Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that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

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

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

#### *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 Foundation'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 Foundation'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 Foundation 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.

RSM Canada LLP

Chartered Professional Accountants  
Licensed Public Accountants  
September 22, 2025  
Toronto, Ontario

**Loran Scholars Foundations/Foundation Boursiers Loran**  
**Statement of Financial Position**  
**As at April 30, 2025**

	2025	2024
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents (Note 4)	\$ 1,491,553	\$ 1,823,744
Restricted short-term investment (Note 5(d))	52,269	50,000
Short-term investments (Note 5)	2,258,528	1,551,786
Accrued interest and other receivables	88,098	92,664
Prepaid expenses and other current assets	191,632	151,415
	<b>4,082,080</b>	<b>3,669,609</b>
<b>Long-term investments</b> (Note 5)	<b>24,371,965</b>	<b>22,898,324</b>
	<b>\$ 28,454,045</b>	<b>\$ 26,567,933</b>

**Liabilities**

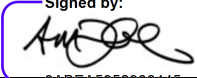
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 76,020	\$ 87,186
Deferred contributions (Notes 8 and 11)	3,093,421	2,721,842
	<b>3,169,441</b>	<b>2,809,028</b>
<b>Deferred contributions</b> (Notes 8 and 11)	<b>2,162,371</b>	<b>2,299,549</b>
	<b>5,331,812</b>	<b>5,108,577</b>

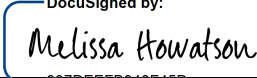
**Net Assets**

<b>Externally restricted endowments</b> (Note 6)	<b>7,704,536</b>	<b>6,855,038</b>
<b>Internally restricted - Future Scholars Reserve</b> (Note 7)	<b>14,505,058</b>	<b>13,743,737</b>
<b>Unrestricted</b> (Note 7)	<b>912,639</b>	<b>860,581</b>
	<b>23,122,233</b>	<b>21,459,356</b>
	<b>\$ 28,454,045</b>	<b>\$ 26,567,933</b>

**Commitments** (Note 11)

Approved by the Board

Signed by:  Director

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**Loran Scholars Foundations/Foundation Boursiers Loran**  
**Statement of Operations**  
**Year Ended April 30, 2025**

	2025	2024
<b>Revenue</b>		
Contributions (Note 9)	\$ 4,133,773	\$ 4,081,795
Investment income made available to fund operations (Notes 5(c), 6 and 7)	720,956	659,807
Other income	32,519	30,077
	<b>4,887,248</b>	<b>4,771,679</b>
<b>Expenses</b>		
Stipend grants	2,090,126	1,898,848
Enrichment program (Note 10)		
Summer	498,383	525,633
Mentorship and stewardship	474,681	335,953
Gatherings (retreat, conferences, orientation, expeditions etc.)	769,296	635,387
Selections (Note 10)		
Loran Award program	835,337	787,095
Other scholarship programs	13,550	15,235
General and administration	749,154	714,165
	<b>5,430,527</b>	<b>4,912,316</b>
<b>Deficiency of revenue over expenses before the undernoted item</b>	<b>(543,279)</b>	<b>(140,637)</b>
<b>Other investment income</b> (Note 5(c))	<b>1,356,658</b>	<b>912,062</b>
<b>Excess of revenue over expenses</b>	<b>\$ 813,379</b>	<b>\$ 771,425</b>

**Loran Scholars Foundations/Foundation Boursiers Loran**  
**Statement of Changes in Net Assets**  
**Year Ended April 30, 2025**

	Externally Restricted Endowments	Internally Restricted - Future Scholars Reserve	Unrestricted	Total
Balance, April 30, 2024	\$ 6,855,038	\$ 13,743,737	\$ 860,581	\$ 21,459,356
Excess of revenue over expenses	-	-	813,379	813,379
Investment income allocated to internally restricted - Future Scholars Reserve (Note 7)	-	1,234,374	(1,234,374)	-
Contributions to endowments	241,780	-	-	241,780
Preservation of capital (Notes 5(c) and 6)	607,718	-	-	607,718
Interfund transfer (Note 7)	-	(473,053)	473,053	-
<b>Balance, April 30, 2025</b>	<b>\$ 7,704,536</b>	<b>\$ 14,505,058</b>	<b>\$ 912,639</b>	<b>\$ 23,122,233</b>

	Externally Restricted Endowments	Internally Restricted - Future Scholars Reserve	Unrestricted	Total
Balance, April 30, 2023	\$ 5,929,551	\$ 10,004,332	\$ 3,828,561	\$ 19,762,444
Interfund transfer May 1, 2023 (Note 7)	-	2,917,746	(2,917,746)	-
	5,929,551	12,922,078	910,815	19,762,444
Excess of revenue over expenses	-	-	771,425	771,425
Investment income allocated to internally restricted - future scholars reserve (Note 7)	-	821,659	(821,659)	-
Contributions to endowments	535,004	-	-	535,004
Preservation of capital (Notes 5(c) and 6)	390,483	-	-	390,483
<b>Balance, April 30, 2024</b>	<b>\$ 6,855,038</b>	<b>\$ 13,743,737</b>	<b>\$ 860,581</b>	<b>\$ 21,459,356</b>

**Loran Scholars Foundations/Foundation Boursiers Loran**  
**Statement of Cash Flows**  
**Year Ended April 30, 2025**

	2025	2024
<b>Cash provided by (used in)</b>		
<b>Operations</b>		
Excess of revenues over expenses	\$ 813,379	\$ 771,425
Net changes in non-cash working capital		
Accrued interest and other receivables	4,566	(27,138)
Prepaid expenses	(40,217)	(31,006)
Accounts payable and accrued liabilities	(11,166)	34,649
Deferred contributions	234,401	660,817
Non-cash investment income	(2,065,008)	(1,661,625)
	(1,064,045)	(252,878)
<b>Investing</b>		
Purchase of investments	(241,783)	(773,070)
Proceeds on disposal of investments	731,857	332,956
Purchase of restricted short-term investments	-	(50,000)
	490,074	(490,114)
<b>Financing</b>		
Endowments contributions received	241,780	535,004
<b>Net change in cash and cash equivalents</b>	<b>(332,191)</b>	<b>(207,988)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>1,823,744</b>	<b>2,031,732</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 1,491,553</b>	<b>\$ 1,823,744</b>

## **1. PURPOSE OF THE ORGANIZATION**

Loran Scholars Foundations/Foundation Boursiers Loran, (the "Foundation"), was incorporated under the Canada Corporations Act and was continued under the Canada Not-for-profit Corporations Act. The Foundation is registered as a charitable organization under the Income Tax Act (Canada) and is exempt from income taxes and is able to issue donation receipts for income tax purposes.

The Foundation is committed to the greatest of Canada's resources: our youth. The purpose of the Foundation is to identify and support high-potential Canadian students who show character, strong commitment to service in the community and leadership potential. The Foundation funds these students to study on Canadian university campuses and provides them with opportunities to explore, develop and share their talents.

The Loran Award is the Foundation's main focus. It is supported annually by hundreds of donors. Offered in full partnership with 25 Canadian universities, a Loran Award is valued at approximately \$100,000 over four years of undergraduate study: an annual stipend of \$12,000 (2024 - \$11,000); a matching tuition waiver from the university; funding for summer internships in three different sectors; mentorship; participation in an extensive network of established and rising leaders; and orientation/graduation programs and coaching. The Foundation also issues one-time Finalist and Provincial/Territorial Awards to candidates who are not selected for a Loran Award.

In addition to the Loran Award, the Foundation administers other scholarship programs that are fully funded by specific companies.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Management is responsible for the preparation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant:

### **Revenue Recognition**

The Foundation follows the deferral method of accounting for contributions, which include grants, bequests and donations. Grants and bequests are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Donations are recorded when received since pledges are not legally enforceable claims. Unrestricted contributions are recognized as revenue when initially recorded in the accounts. Externally restricted contributions, except endowment contributions, are deferred when initially recorded in the accounts and recognized as revenue in the year in which the related expenses are incurred. Externally restricted endowment contributions are recognized as direct increases in net assets when recorded in the accounts.

Investment income (loss), which consists of interest, dividends, income distributions from pooled funds, and realized and unrealized gains and losses, is recorded in the statement of operations, except to the extent that it is externally restricted in which case it is added to or deducted from endowment net assets.

Other income, which consists of third party scholarship administration fees of \$27,500 (2024 - \$27,500) and Canada Summer Jobs Program funding of \$5,018 (2024 - \$2,577) is recognized as earned.



**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**Donated Materials and Services**

The value of volunteer and other services donated to the Foundation, that would not otherwise have been purchased, is not recorded in the financial statements as these services are not normally purchased by the Foundation and because of the difficulty in determining their fair value. Donated materials are not recorded in the financial statements.

**Cash Equivalents**

Cash equivalents consist of guaranteed investment certificates (GICs) with a term to maturity of one year or less and are cashable prior to maturity.

**Financial Instruments**

Investments reported at fair value consist of investments in balanced pooled funds and any investments in fixed income securities that the Foundation designates upon purchase to be measured at fair value. Pooled fund investments are valued at the unit values supplied by the pooled fund administrator. These values represent the Foundation's proportionate share of the underlying assets. Transaction costs are recognized in the statement of operations in the period during which they are incurred.

Investments in fixed income securities not designated to be measured at fair value are initially recorded at fair value plus transaction costs and are subsequently measured at amortized cost using the straight-line method less any provisions for impairment.

All transactions are recorded on a trade date basis.

Other financial instruments, including accrued interest and other receivables and accounts payable, are initially recorded at their fair value and are subsequently measured at cost, net of any provisions for impairment.

**Grants and Awards**

Grants and awards are expensed in the academic year to which they apply.

**Allocation of Expenses**

The costs associated with the selection of scholarship recipients and the enrichment programs include the costs of personnel, premises and other expenses that are directly related to providing the total program and are allocated to the various programs based on the proportional hours spent on each (Note 10).

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **Software Services**

During the year, the Foundation adopted Accounting Guidelines AcG-20, "Customer's Accounting for Cloud Computing Arrangements" which is effective for fiscal years beginning on or after January 1, 2024. The guideline was adopted retrospectively. There was no impact on the adoption of this guideline as there were no changes in the recording of software service fees and other expenses related to cloud computing arrangements on adoption. The Foundation applied the simplification method and software service fees and other expenses related to cloud computing arrangements are expensed as incurred. Software services of \$65,628 (2024 - \$40,119) are included in expenses in the statement of operations.

### **Foreign Currency Translation**

Monetary assets and liabilities denominated in foreign currencies have been translated into Canadian dollars at the rate of exchange prevailing at the year end. Transactions denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the transaction date. Foreign exchange gains and losses are included in the statement of operations.

### **Use of Estimates**

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, liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates. Significant estimates include the allocation of expenses and deferred contributions.

## **3. FINANCIAL INSTRUMENT RISK MANAGEMENT**

The Foundation is exposed to various financial risks through transactions in financial instruments including the following:

### **Interest Rate Risk**

The Foundation is exposed to interest rate risk with respect to its investments in fixed income investments and pooled funds that hold fixed income securities because the fair value will fluctuate due to changes in market interest rates.

### **Currency Risk**

The Foundation is exposed to foreign currency risk with respect to its investments denominated in foreign currencies, because the fair value and future cash flows will fluctuate due to the changes in the relative value of foreign currencies against the Canadian dollar.

**3. FINANCIAL INSTRUMENTS RISK MANAGEMENT (Cont'd)**

**Other Price Risk**

The Foundation is exposed to other price risk through changes in market prices (other than changes arising from interest rate or currency risks) in connection with its investments in pooled funds.

**Changes in Risk**

There have been no changes in the Foundation's risk exposures from the prior year.

**4. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents is comprised of:

	<b>2025</b>	<b>2024</b>
Cash	<b>\$ 1,491,553</b>	\$ 1,323,744
Cash equivalents	-	500,000
	<b>\$ 1,491,553</b>	\$ 1,823,744

**5. INVESTMENTS AND INVESTMENT INCOME**

- (a) Investments measured at fair value, which are held for externally restricted endowments, internally restricted - Future Scholars Reserve, deferred contributions and for excess operating funds, consist of the following:

<b>Short-term</b>	<b>Externally Restricted Endowments</b>	<b>Internally Restricted - Future Scholars Reserve</b>	<b>Unrestricted</b>	<b>2025 Total</b>	<b>2024 Total</b>
Balanced pooled fund <sup>(b)</sup>	\$ -	\$ -	\$ 2,258,528	\$ 2,258,528	\$ 1,551,786

**5. INVESTMENTS AND INVESTMENT INCOME (Cont'd)**

- (a) Investments measured at fair value, which are held for endowment net assets, internally restricted net assets, deferred contributions and for excess operating funds, consist of the following: (Cont'd)

<b>Long-term</b>	<b>Externally Restricted Endowments</b>	<b>Internally Restricted - Future Scholars Reserve</b>	<b>Deferred Contributions</b>	<b>2025 Total</b>	<b>2024 Total</b>
Balanced pooled fund <sup>(b)</sup>	<b>\$ 7,704,536</b>	<b>\$ 14,505,058</b>	<b>\$ 2,162,371</b>	<b>\$ 24,371,965</b>	<b>\$ 22,898,324</b>

Long-term investments are held for endowment purposes and to ensure the Foundation holds assets required to fund long-term scholarship requirements. The investments in the balanced pooled fund are allocated to long-term investments to the extent required for this balance to equal the sum of long-term deferred contributions, externally restricted endowments and internally restricted - Future Scholars Reserve. Any investment funds not required for these long-term purposes are allocated to unrestricted short-term investments.

- (b) The asset mix of the investments held in the balanced pooled fund at year end is as follows:

	<b>2025</b>		<b>2024</b>	
Cash	<b>\$ 266,305</b>	<b>1 %</b>	<b>\$ 97,800</b>	<b>1 %</b>
Fixed income	<b>8,255,453</b>	<b>31 %</b>	<b>7,481,734</b>	<b>31 %</b>
Canadian equities	<b>5,059,794</b>	<b>19 %</b>	<b>4,987,822</b>	<b>20 %</b>
U.S. equities	<b>6,125,014</b>	<b>23 %</b>	<b>6,185,878</b>	<b>25 %</b>
International equities	<b>6,923,927</b>	<b>26 %</b>	<b>5,696,876</b>	<b>23 %</b>
	<b>\$ 26,630,493</b>	<b>100 %</b>	<b>\$ 24,450,110</b>	<b>100 %</b>

- (c) Investment income, net of management fees, earned on the balance pooled fund is comprised of the following:

	<b>2025</b>	<b>2024</b>
Unrealized gains	<b>\$ 1,502,123</b>	<b>\$ 1,380,047</b>
Interest and dividends	<b>536,758</b>	<b>655,459</b>
Realized gain on disposal	<b>756,632</b>	<b>41,602</b>
Management fees	<b>(125,054)</b>	<b>(115,366)</b>
	<b>\$ 2,670,459</b>	<b>\$ 1,961,742</b>

**5. INVESTMENTS AND INVESTMENT INCOME (Cont'd)**

(c) (Cont'd)

Investment income recorded in the statement of operations and statement of changes in net assets is calculated as follows:

	<b>Total investment income</b>	<b>Less: Available to support operations recorded in the statement of operations</b>	<b>Less: Preservation of capital recorded in the statement of changes in net assets</b>	<b>Other investment income recorded in the statement of operations</b>
<b>2025</b>				
Externally restricted endowments (Note 6)	\$ 847,644	\$ (239,926)	\$ (607,718)	\$ -
Internally restricted - Future Scholars Reserve (Note 7)	1,715,404	(481,030)	-	1,234,374
Unrestricted net assets	107,411	-	-	107,411
Investment income from balanced pooled fund	2,670,459	(720,956)	(607,718)	1,341,785
Interest earned on bank and GIC	14,873	-	-	14,873
	<b>\$ 2,685,332</b>	<b>\$ (720,956)</b>	<b>\$ (607,718)</b>	<b>\$ 1,356,658</b>

	<b>Total investment income</b>	<b>Less: Available to support operations recorded in the statement of operations</b>	<b>Less: Preservation of capital recorded in the statement of changes in net assets</b>	<b>Other investment income recorded in the statement of operations</b>
<b>2024</b>				
Externally restricted endowments (Note 6)	\$ 598,017	\$ (207,534)	\$ (390,483)	\$ -
Internally restricted - Future Scholars Reserve (Note 7)	1,273,932	(452,273)	-	821,659
Unrestricted net assets	89,793	-	-	89,793
Investment income from balanced pooled fund	1,961,742	(659,807)	(390,483)	911,452
Interest earned on bank and GIC	610	-	-	610
	<b>\$ 1,962,352</b>	<b>\$ (659,807)</b>	<b>\$ (390,483)</b>	<b>\$ 912,062</b>

Investment income made available to support operations is calculated as 3.5% of the opening market value of the externally restricted endowments (Note 6) and the internally restricted - Future Scholars Reserve (Note 7).

**5. INVESTMENTS AND INVESTMENT INCOME (Cont'd)**

- (d) Restricted short-term investment consists of a guaranteed investment certificate ("GIC") of \$52,269 (2024 - \$50,000) which is used to secure the Foundation's corporate credit card. The \$50,000 GIC auto-renews annually and is not redeemable prior to maturity.

**6. EXTERNALLY RESTRICTED ENDOWMENTS**

Externally restricted endowments represent externally restricted endowed funds that are required by the donor to be maintained by the Foundation on a permanent basis. These funds provide a dependable and sustainable source of income to support the Loran awards to scholars.

Effective May 1, 2012, the Foundation adopted a capital preservation policy. This policy has the objective of protecting the real value of the externally restricted endowments by limiting the amount of income available for spending and requiring the reinvestment of any income earned in excess of this limit. The amount of income currently made available for spending is based on 3.5% of the opening market value of the externally restricted endowments. In any particular year, should investment income be insufficient to fund the amount to be made available for spending or the investment return is negative, the amount is funded by a transfer from externally restricted endowments.

In fiscal 2025, investment income of \$847,644 (2024 - \$598,017) (Note 5(c)) was earned on externally restricted endowments. Of this amount, the amount made available for spending of \$239,926 (2024 - \$207,534) was recorded as investment income made available to fund operations in the statement of operations. The return in excess of 3.5% of \$607,718 (2024 - \$390,483) was credited directly to externally restricted endowments as preservation of capital.

	<b>2025</b>	<b>2024</b>
Investment income earned in relation to Externally Restricted Endowments (Note 5(c))	<b>\$ 847,644</b>	<b>\$ 598,017</b>
3.5% of opening balance, made available to support operations	<b>(239,926)</b>	<b>(207,534)</b>
Credited to externally restricted endowments as preservation of capital	<b>\$ 607,718</b>	<b>\$ 390,483</b>

**7. INTERNALLY RESTRICTED - FUTURE SCHOLARS RESERVE**

Effective May 1, 2023, the Foundation's Board of Directors adopted the Loran Reserves Policy that establishes the internally restricted - Future Scholars Reserve. The Future Scholars Reserve is intended to be used to support Loran's mission, with a portion of the investment income being made available for spending each year to support operations. The amount of investment income currently made available for spending is based on 3.5% of the opening market value of the Future Scholars Reserve. In addition, in the case of a permanent dissolution of the Foundation, the Future Scholars Reserve will provide funds as the Foundation is wound up.

In addition, the Board specified that the value of the unrestricted net assets should be kept at an amount approximately equal to three months of general operating expenses, excluding scholar stipend payments. Funds in excess of this amount would generally be transferred to the Future Scholars Reserve annually.

**7. INTERNALLY RESTRICTED NET ASSETS (Cont'd)**

In fiscal 2025, investment income of \$1,715,404 (2024 - \$1,273,932) (Note 5(c)) was earned related to the internally restricted - Future Scholars Reserve. Of this investment income, \$481,030 (2024 - \$452,273) was included in the statement of operations as investment income made available to fund operations. The balance of \$1,234,374 (2024 - \$821,659) was included in the statement of operations in other investment income, and was transferred to the internally restricted - Future Scholars Reserve from unrestricted net assets.

During the year, the Board of Directors approved a transfer of \$473,053 from the internally restricted - Future Scholars Reserve to unrestricted net assets (2024 - \$2,917,746 from unrestricted net assets to the internally restricted - Future Scholars Reserve).

	<b>2025</b>	<b>2024</b>
Investment income earned in relation to Future Scholars Reserve (Note 5(c))	<b>\$ 1,715,404</b>	\$ 1,273,932
Made available to support operations	<b>(481,030)</b>	(452,273)
Other Investment Income (included in Statement of Operations) and transferred to Future Scholars Reserve from Unrestricted	<b>\$ 1,234,374</b>	\$ 821,659

**8. DEFERRED CONTRIBUTIONS**

Deferred contributions represent externally restricted contributions not disbursed at year end. The following is a continuity of deferred contributions for the year:

	<b>2025</b>	<b>2024</b>
Deferred contributions, beginning of year	<b>\$ 5,021,391</b>	\$ 4,360,574
Externally restricted contributions received	<b>3,713,168</b>	3,934,345
Externally restricted contributions recognized as revenue (Note 9)	<b>(3,478,767)</b>	(3,273,528)
Deferred contributions, end of year	<b>5,255,792</b>	5,021,391
Less: current deferred contributions	<b>(3,093,421)</b>	(2,721,842)
Long-term deferred contributions	<b>\$ 2,162,371</b>	\$ 2,299,549

Current deferred contributions represent amounts to be recognized as revenue in fiscal 2026. Long-term deferred contributions represent amounts to be recognized as revenue in fiscal 2027 through 2028.

**Loran Scholars Foundations/Foundation Boursiers Loran**  
**Notes to Financial Statements**  
**April 30, 2025**

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**9. CONTRIBUTIONS**

Contributions consist of the following:

	2025	2024
Donations received in the current year	\$ 578,598	\$ 704,053
Deferred contributions recognized in the current year (Note 8)	3,478,767	3,273,528
In-kind donations	76,408	104,214
	<b>\$ 4,133,773</b>	<b>\$ 4,081,795</b>

**10. ALLOCATION OF EXPENSES**

Total general and administration costs of \$77,616 (2024 - \$84,646) were allocated to the Loran Scholar Program as follows:

	2025	2024
Summer	\$ 8,935	\$ 10,041
Mentorship and stewardship	15,550	19,253
Gatherings	15,476	15,023
Selections	37,655	40,329
	<b>\$ 77,616</b>	<b>\$ 84,646</b>

**11. COMMITMENTS**

During the year, thirty-six Loran Scholars were selected. In their first year of university, each Loran Scholar is awarded a cash grant of \$12,000 (2024 - \$11,000), plus a grant to cover the additional cost of first-year residence.

The Loran awards are renewable for up to three additional years. Awards for subsequent academic years are subject to certain conditions placed on Loran Scholars and are renewable annually at the sole discretion of the Foundation's Directors. Commitments for future years are not recognized in the financial statements. It is the intent of the Foundation to have sufficient funds invested at all times to fund all current Loran Scholars through the completion of their program.

The Foundation also offers one time grants: Loran Finalist Awards of \$6,000 (2024 - \$5,000), and Loran Provincial and Territorial Awards of \$2,000 each. During the year, 54 and 70 recipients were selected for these awards respectively.



**Loran Scholars Foundations/Foundation Boursiers Loran**  
**Notes to Financial Statements**  
**April 30, 2025**

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**11. COMMITMENTS (Cont'd)**

	<b>Loran Awards</b>	<b>Finalist and Provincial and Territorial Awards</b>	<b>Total</b>
2026	\$ 1,868,500	\$ 534,000	<b>\$ 2,402,500</b>
2027	1,332,000	-	<b>1,332,000</b>
2028	888,000	-	<b>888,000</b>
2029	468,000	-	<b>468,000</b>
	<b>\$ 4,556,500</b>	<b>\$ 534,000</b>	<b>\$ 5,090,500</b>

To meet these and future award commitments, the Foundation has received and recorded deferred contributions of \$5,255,792 (2024 - \$5,021,391) (Note 8).