

**Fondation du Centre hospitalier
universitaire de Sherbrooke Inc.**

**Financial Statements
March 31, 2025**

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**Financial Statements
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Independent Auditor's Report

**Raymond Chabot
Grant Thornton LLP**
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To the Board of Directors of
Fondation du Centre hospitalier universitaire de Sherbrooke Inc.

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Qualified opinion

We have audited the financial statements of Fondation du Centre hospitalier universitaire de Sherbrooke Inc. (hereafter "the Foundation"), which comprise the statement of financial position as at March 31, 2025, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies, and the schedule.

In our opinion, except for the possible effects of the matter described in the "Basis for qualified opinion" section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2025, 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.

Basis for qualified opinion

In common with many not-for-profit organizations, the Foundation derives revenue from contributions of donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these contributions was limited to the amounts recorded in the records of the Foundation. Therefore, we were not able to determine whether any adjustments might be necessary to donations contributions, excess (deficiency) of revenues over expenses and cash flows from operating activities for the years ended March 31, 2025 and 2024, current assets as at March 31, 2025 and 2024 and fund balances as at April 1, 2024 and 2023 and March 31, 2025 and 2024. Our opinion on the financial statements for the year ended March 31, 2024 was qualified accordingly because of the possible effects of this limitation in scope.

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 qualified 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.

*Raymond Chabot Grant Thornton LLP*¹

Sherbrooke
July 10, 2025

¹ CPA auditor, public accountancy permit no. A122686

Fondation du Centre hospitalier universitaire de Sherbrooke Inc.

Operations

Year ended March 31, 2025

	Endowment Funds		Restricted Funds		General Fund		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	\$	\$	\$	\$	\$	\$	\$	\$
Revenues								
Contributions								
Donations (Note 3)			7,498,797	5,010,566	1,862,230	1,661,925	9,361,027	6,672,491
Donations related to fund-raising activities (Note 3)			520,623	335,995	845,259	940,325	1,365,882	1,276,320
Grants - Federal government					4,655	17,734	4,655	17,734
Fund-raising activities			417,311	1,103,250	3,589,799	2,797,991	4,007,110	3,901,241
Commercial activities					583,035	526,286	583,035	526,286
Net investment income (Note 4)	443,333	581,776	986,869	1,311,701	4,822,626	6,062,227	6,252,828	7,955,704
	443,333	581,776	9,423,600	7,761,512	11,707,604	12,006,488	21,574,537	20,349,776
Expenses								
Salaries and employee benefits			50,065	117,247	1,435,833	1,358,971	1,485,898	1,476,218
Administrative expenses					212,478	196,113	212,478	196,113
Commercial rent and occupancy costs					260,969	247,621	260,969	247,621
Life insurance - Contributors					7,342	6,741	7,342	6,741
Professional fees					146,378	69,015	146,378	69,015
Advertising and promotion					179,602	175,842	179,602	175,842
Donor recognition					58,840		58,840	
Financial expenses	16,172	14,137	35,419	28,512	175,919	147,420	227,510	190,069
Fund-raising activities (Note 3)			220,160	506,308	2,202,681	1,760,412	2,422,841	2,266,720
Commercial activities					303,397	266,847	303,397	266,847
Interest on obligation under a capital lease					161,296	173,007	161,296	173,007
	16,172	14,137	305,644	652,067	5,144,735	4,401,989	5,466,551	5,068,193
Excess before the following items	427,161	567,639	9,117,956	7,109,445	6,562,869	7,604,499	16,107,986	15,281,583
Donations - CIUSSS de l'Estrie			8,259,011	8,080,634	830,309	1,774,162	9,089,320	9,854,796
Donations - Underprivileged families			58,159	133,485	19,501	29,118	77,660	162,603
Donations - Other			101,442	356,624	155,568	89,164	257,010	445,788
	-	-	8,418,612	8,570,743	1,005,378	1,892,444	9,423,990	10,463,187
Excess (deficiency) of revenues over expenses	427,161	567,639	699,344	(1,461,298)	5,557,491	5,712,055	6,683,996	4,818,396

The accompanying notes and the schedule are an integral part of the financial statements and Note 4 provides other information on operations.

Fondation du Centre hospitalier universitaire de Sherbrooke Inc.

Changes in Fund Balances

Year ended March 31, 2025

	Endowment Funds		Restricted Funds		General Fund		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	\$	\$	\$	\$	\$	\$	\$	\$
Balance, beginning of year	12,231,788	10,737,490	37,753,917	37,508,004	9,892,880	6,814,695	59,878,585	55,060,189
Excess (deficiency) of revenues over expenses	427,161	567,639	699,344	(1,461,298)	5,557,491	5,712,055	6,683,996	4,818,396
Internal transfer Interfund transfers (Note 5)	(63,437)	926,659	13,437	1,707,211	50,000	(2,633,870)		
Balance, end of year	<u>12,595,512</u>	<u>12,231,788</u>	<u>38,466,698</u>	<u>37,753,917</u>	<u>15,500,371</u>	<u>9,892,880</u>	<u>66,562,581</u>	<u>59,878,585</u>

The accompanying notes and the schedule are an integral part of the financial statements.

Fondation du Centre hospitalier universitaire de Sherbrooke Inc.

Cash Flows

Year ended March 31, 2025

	<u>2025</u>	<u>2024</u>
	\$	\$
OPERATING ACTIVITIES		
Excess of revenues over expenses of the Restricted Funds and the General Fund	6,256,835	4,250,757
Non-cash items		
Amortization of tangible capital assets	100,817	100,537
Net change in fair value of investments	(4,962,476)	(6,500,629)
Contributions received in the form of investments	(3,213,325)	(347,926)
	(1,818,149)	(2,497,261)
Net change in assets and liabilities items (Note 6)	(490,587)	(800,353)
Cash flows from operating activities	(2,308,736)	(3,297,614)
INVESTING ACTIVITIES		
Net change in advances to organizations	(160,430)	(372,500)
Investments	(19,523,817)	(18,167,137)
Disposal of investments	21,741,742	16,612,784
Acquisition of tangible capital assets	(1,256)	(10,423)
Cash flows from investing activities	2,056,239	(1,937,276)
FINANCING ACTIVITIES		
Excess of revenues over expenses of the Endowment Funds	427,161	567,639
Repayment of long-term loan		(51,403)
Repayment of obligation under a capital lease	(136,396)	(114,886)
Cash flows from financing activities	290,765	401,350
Net increase (decrease) in cash	38,268	(4,833,540)
Cash, beginning of year	9,224,420	14,057,960
Cash, end of year	9,262,688	9,224,420

The accompanying notes and the schedule are an integral part of the financial statements.

Fondation du Centre hospitalier universitaire de Sherbrooke Inc.

Financial Position

March 31, 2025

				2025	2024
	Endowment Funds	Restricted Funds	General Fund	Total	Total
	\$	\$	\$	\$	\$
ASSETS					
Investments (Note 7)	12,695,512	44,255,494	154,773	57,105,779	51,147,903
Tangible capital assets (Note 8)			2,011,429	2,011,429	2,110,990
Cash		3,699,443	5,563,245	9,262,688	9,224,420
Advances to organizations, without interest			532,930	532,930	372,500
Trade and other receivables (Note 9)		137,544	268,398	405,942	388,872
Prepaid expenses			172,851	172,851	187,084
Interfund account, without interest			8,978,748		
	<u>12,695,512</u>	<u>48,092,481</u>	<u>17,682,374</u>	<u>69,491,619</u>	<u>63,431,769</u>
LIABILITIES					
Trade payables and other operating liabilities (Note 10)		3,754	456,475	460,229	468,682
Donations payable - CIUSSS de l'Estrie					354,504
Deferred revenues		743,281	8,246	751,527	876,320
Obligation under a capital lease (Note 11)			1,717,282	1,717,282	1,853,678
Interfund account, without interest	100,000	8,878,748			
	<u>100,000</u>	<u>9,625,783</u>	<u>2,182,003</u>	<u>2,929,038</u>	<u>3,553,184</u>
FUND BALANCES					
Restricted					
Externally	6,595,512	32,273,949		38,869,461	38,384,636
Internally	6,000,000	6,192,749		12,192,749	11,601,069
Unrestricted			15,500,371	15,500,371	9,892,880
	<u>12,595,512</u>	<u>38,466,698</u>	<u>15,500,371</u>	<u>66,562,581</u>	<u>59,878,585</u>
	<u>12,695,512</u>	<u>48,092,481</u>	<u>17,682,374</u>	<u>69,491,619</u>	<u>63,431,769</u>

The accompanying notes and the schedule are an integral part of the financial statements.

On behalf of the Board,

Director

Director

Fondation du Centre hospitalier universitaire de Sherbrooke Inc.

Notes to Financial Statements

March 31, 2025

1 - GOVERNING STATUTES AND PURPOSE OF THE FOUNDATION

The Fondation du Centre hospitalier universitaire de Sherbrooke Inc. (hereafter the "Foundation") was incorporated under Part III of the Companies Act (Quebec) for the purpose of providing financial help to the Centre intégré universitaire de santé et de services sociaux de l'Estrie – Centre hospitalier universitaire de Sherbrooke (hereafter "CIUSSS de l'Estrie"), for the CHUS – Hôpital Fleurimont and CHUS – Hôtel-Dieu de Sherbrooke facilities in support of research and the acquisition of state-of-the-art medical equipment. Therefore, CIUSSS de l'Estrie has an economic interest in the Foundation. It is a registered charity under the Income Tax Act.

2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The Foundation's financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Accounting estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts recorded in the financial statements, notes to financial statements and the schedule. These estimates are based on management's knowledge of current events and actions that the Foundation may undertake in the future. Actual results may differ from these estimates.

Fund accounting

Endowment Funds

The Endowment Funds present resources received as endowments.

– Sherbrooke Hospital Foundation Fund:

The Sherbrooke Hospital Foundation Fund was created to provide funds for special capital projects for the benefit of the Centre hospitalier universitaire de Sherbrooke. The capital must be kept permanently; 90% of revenues generated by the Fund (excluding changes in fair value of investments) are available to finance projects and 10% are to be added to the capital. If there are no special projects in the fiscal year, the entire revenue must be capitalized. No amount is to be spent on salaries and general administrative expenses.

– Silny Fund:

The Silny Fund was created to provide funds for the training of radiology technologists. The capital must be kept permanently, and only revenues generated by the Fund are available for training. Revenues not spent during a year must be capitalized.

– Raymond-Comtois Capital Fund:

The Board of Directors agreed to create the Raymond-Comtois Capital Fund, a \$5,000,000 maximum capital fund. Only revenues generated by investments in this Fund can be transferred to the CIUSSS de l'Estrie.

Fondation du Centre hospitalier universitaire de Sherbrooke Inc.

Notes to Financial Statements

March 31, 2025

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

– Huguette and Paul Boire Fund:

The Huguette and Paul Boire Fund was created with the aim of establishing and ensuring the sustainability of the "High Precision Rheumatology Laboratory" integrating Biobank, Osteology, Immunology, Rheumatology and Genetics. A minimum amount of 5% of the capital of the Fund must be allocated to the achievement of the objectives of the Fund, unless this minimum allocation would require the Foundation to encroach on the capital of the Fund, in which case the minimum amount of the allocation must correspond to the minimum amount required to meet the quotas imposed under tax laws in order for the Foundation to maintain its status as a registered charity.

– GRANDIR Research Fund:

The GRANDIR Research Fund was created with the aim of establishing and ensuring the sustainability of the Neurodevelopmental Research Group - Early Intervention in Rehabilitation of the CHUS Research Centre with a capital of \$1,000,000. A minimum amount of 5% of the capital of the Fund must be allocated to the achievement of the objectives of the Fund, unless this minimum allocation would require the Foundation to encroach on the capital of the Fund, in which case the minimum amount of the allocation must correspond to the minimum amount required to meet the quotas imposed under tax laws in order for the Foundation to maintain its status as a registered charity.

Restricted Funds

The Restricted Funds present resources with restrictions imposed.

– Committed Fund:

The Committed Fund reports the Foundation's activities pertaining to fund-raising on which the contributors impose restrictions.

General Fund

The General Fund reports assets, liabilities, revenues and expenses related to the fund-raising campaigns, legacies, investments management (excluding financial expenses related to the Sherbrooke Hospital Fund) and management of the Foundation.

Financial assets and liabilities

Initial measurement

Upon initial measurement, the Foundation's financial assets and liabilities from transactions not concluded with related parties and those from transactions with parties whose sole relationship with the entity is in the capacity of management (and members of the immediate family) are measured at fair value, which, in the case of financial assets or financial liabilities that will be measured subsequently at cost or amortized cost, is increased or decreased by the amount of the related financing fees and transaction costs. The Foundation's financial assets and liabilities from related party transactions are measured at cost.

Transaction costs relating to financial assets and liabilities that will be measured subsequently at fair value are recognized in operations in the year they are incurred.

Fondation du Centre hospitalier universitaire de Sherbrooke Inc.

Notes to Financial Statements

March 31, 2025

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent measurement

At each reporting date, the Foundation measures its financial assets and liabilities from transactions not concluded with related parties at amortized cost (including any impairment in the case of financial assets), whereas those from related party transactions are measured using the cost method (including any impairment in the case of financial assets), except for quoted shares and mutual funds which are measured at fair value, quoted bond investments which the Foundation has elected to measure at fair value by designating that fair value measurement shall apply and investments in shares of private companies which are investments in equity instruments measured at cost.

With respect to financial assets measured at cost, amortized cost or using the cost method, the Foundation assesses whether there are any indications of impairment. When there is an indication of impairment, and if the Foundation determines that, during the year, there was a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it will then recognize a reduction as an impairment loss in operations. The reversal of a previously recognized impairment loss on a financial asset measured at cost, amortized cost or using the cost method is recognized in operations in the year the reversal occurs.

Revenue recognition

Contributions

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

Operating contributions are recognized as revenue in the General Fund, using the deferral method, during the year in which the related expenses are incurred. All other restricted contributions are reported as revenue of the appropriate restricted fund.

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

Contributions received as endowments are recognized as revenue in the Endowment Funds.

The Foundation recognizes contributed supplies and services when the fair value of these contributions can be reasonably estimated and if it would have had to otherwise acquire these supplies and services for its normal operations.

Revenues from fund-raising activities

Revenues from fund-raising activities are recognized when the activities occur and collection is reasonably assured. Deferred revenues represent revenues from fund-raising activities cashed for activities in future years.

Revenues from commercial activities

Revenues from commercial activities are recognized when the goods are received by clients or when the services have been rendered, the price to the buyer is fixed or determinable and collection is reasonably assured.

Fondation du Centre hospitalier universitaire de Sherbrooke Inc.

Notes to Financial Statements

March 31, 2025

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net investment income

Investment transactions are recorded on the transaction date and resulting revenues are recognized using the accrual method of accounting.

Net investment income includes interest and dividends income, income from the interest in net income of mutual funds and changes in fair value.

Interest income is recognized on a time apportionment basis, whereas dividends are recognized when they are earned by the Foundation. Income from the interest in net income of mutual funds is recognized upon distribution. Changes in fair value are recognized when they occur.

With respect to investments measured at fair value, the Foundation has elected to exclude from changes in fair value interest income and dividends.

Tangible capital assets

Tangible capital assets acquired are recorded at cost. When the Foundation receives contributions of tangible capital assets, their cost is equal to their fair value at the contribution date plus all costs directly attributable to the acquisition of the tangible capital assets, or at a nominal value of \$1 if fair value cannot be reasonably determined.

Amortization

Tangible capital assets are amortized over their estimated useful lives according to the following methods, annual rate and periods:

	<u>Methods</u>	<u>Rate and periods</u>
Furniture and fixtures	Diminishing balance	15%
Computer equipment	Straight-line	5 years
Commercial condo	Straight-line	40 years
Parking lot	Straight-line	15 years

Write-down

When conditions indicate that a tangible capital asset is impaired, the net carrying amount of the tangible capital asset is written down to the tangible capital asset's fair value or replacement cost. The write-down is accounted for in the statement of operations and cannot be reversed.

Foreign currency translation

The Foundation uses the temporal method to translate transactions denominated in a foreign currency. Under this 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 historical exchange rates, with the exception of those recognized at fair value, which are translated at the exchange rate in effect at the statement of financial position date. Revenues and expenses are translated at the average rate for the period. The related exchange gains and losses are accounted for in the statement of operations for the year. Exchange gains and losses on financial instruments subsequently measured at fair value are included in changes in fair value of investments under Net investment income in the statement of operations.

Fondation du Centre hospitalier universitaire de Sherbrooke Inc.

Notes to Financial Statements

March 31, 2025

3 - CONTRIBUTED SUPPLIES AND SERVICES

The Foundation received auction goods and gifts for participants. These transactions have been recognized at their fair value of \$809,514 (\$1,425,429 for the year ended March 31, 2024) as revenues from donations and fund-raising activities and expenses.

4 - INFORMATION INCLUDED IN OPERATIONS AND TRANSACTIONS WITH AN ORGANIZATION AND A COMPANY

	2025			2024
	Endowment Funds	Restricted Funds	General Fund	Total
	\$	\$	\$	\$
Net investment income on investments measured at fair value				
Interest and dividends	91,548	202,928	995,876	1,290,352
Changes in fair value of investments	351,785	783,941	3,826,750	4,962,476
	443,333	986,869	4,822,626	6,252,828
Amortization of tangible capital assets			100,817	100,817
Transactions concluded with the CIUSSS de l'Estrie (*)				
Commercial activities				
Rental expenses			4,555	4,555
				4,422

The CIUSSS de l'Estrie allows the Foundation free use of its premises and its financial data base.

(*) These transactions were measured at the exchange amount, excluding the resulting financial instruments.

5 - INTERFUND TRANSFERS

During the year, an amount of \$50,000 was transferred from the Restricted Funds to the General Fund.

Finally, an amount of \$63,437, representing 90% of funds generated by the Sherbrooke Hospital Foundation Fund, was transferred from the Endowment Funds to the Restricted Funds for the realization of projects at the CIUSSS de l'Estrie.

Fondation du Centre hospitalier universitaire de Sherbrooke Inc.

Notes to Financial Statements

March 31, 2025

6 - INFORMATION INCLUDED IN CASH FLOWS

During the year, the Foundation received contributions in the form of investments totalling \$3,213,325 (\$347,926 in 2024).

The net change in assets and liabilities items is detailed as follows:

	<u>2025</u>	<u>2024</u>
	\$	\$
Trade and other receivables	(17,070)	(3,240)
Prepaid expenses	14,233	100,553
Trade payables and other operating liabilities	(8,453)	(2,566)
Donations payable - CIUSSS de l'Estrie	(354,504)	(1,040,178)
Deferred revenues	(124,793)	145,078
	<u>(490,587)</u>	<u>(800,353)</u>

7 - INVESTMENTS

	<u>2025</u>	<u>2024</u>
	\$	\$
Endowment Funds		
Quoted shares, bonds, guaranteed investment certificate and mutual funds (*)		
Sherbrooke Hospital Foundation Fund	4,386,628	4,050,621
Silny Fund	308,884	281,168
Raymond-Comtois Capital Fund	5,000,000	5,000,000
GRANDIR Research Fund	1,000,000	1,000,000
Huguette and Paul Boire Fund	2,000,000	2,000,000
	<u>12,695,512</u>	<u>12,331,789</u>
Restricted Funds		
Quoted shares, bonds, guaranteed investment certificate and mutual funds (*)	<u>44,255,494</u>	<u>38,071,342</u>
General Fund		
Term deposit		590,000
Shares of private companies, at cost		
iNovia Capital Inc.	10,773	10,773
MSBI Valorisation Inc.	144,000	144,000
	<u>154,773</u>	<u>744,773</u>
	<u>57,105,779</u>	<u>51,147,904</u>

(*) Bonds total \$10,040,128 (\$6,943,845 as at March 31, 2024) and guaranteed investment certificates total \$5,802,885 (none as at March 31, 2024) for all the funds.

Fondation du Centre hospitalier universitaire de Sherbrooke Inc.

Notes to Financial Statements

March 31, 2025

8 - TANGIBLE CAPITAL ASSETS

			2025	2024
	Cost	Accumulated amortization	Net carrying amount	Net carrying amount
	\$	\$	\$	\$
General Fund				
Furniture and fixtures	67,661	42,112	25,549	30,058
Computer equipment	81,011	57,427	23,584	35,101
Leased property				
Commercial condo	2,710,546	795,561	1,914,985	1,982,749
Parking lot	236,558	189,247	47,311	63,082
	<u>3,095,776</u>	<u>1,084,347</u>	<u>2,011,429</u>	<u>2,110,990</u>

9 - TRADE AND OTHER RECEIVABLES

				2025	2024
	Endowment Funds	Restricted Funds	General Fund	Total	Total
	\$	\$	\$	\$	\$
Trade accounts (*)		137,544	246,798	384,342	366,264
Indirect taxes receivable			21,600	21,600	22,608
	<u>-</u>	<u>137,544</u>	<u>268,398</u>	<u>405,942</u>	<u>388,872</u>

(*) As at March 31, 2025, amounts owing from two customers represent 25% and 22% respectively of the total trade accounts receivable (two customers represented 49% and 27% respectively as at March 31, 2024).

10 - TRADE PAYABLES AND OTHER OPERATING LIABILITIES

				2025	2024
	Endowment Funds	Restricted Funds	General Fund	Total	Total
	\$	\$	\$	\$	\$
Other	<u>-</u>	<u>3,754</u>	<u>456,475</u>	<u>460,229</u>	<u>468,682</u>

Fondation du Centre hospitalier universitaire de Sherbrooke Inc.

Notes to Financial Statements

March 31, 2025

11 - OBLIGATION UNDER A CAPITAL LEASE

	<u>2025</u>	<u>2024</u>
	\$	\$
General Fund		
Obligation under a capital lease for a commercial condo and a parking lot, 9%, maturing in 2034	<u>1,717,282</u>	<u>1,853,678</u>

The minimum lease payments under the capital lease for the next years and the balance of the obligation are as follows:

	<u>\$</u>
Years ending March 31	
2026	297,692
2027	297,692
2028	297,692
2029	297,692
2030	297,692
2031 and subsequent years	<u>942,691</u>
Total minimum lease payments	2,431,151
Interest expense included in minimum lease payments	<u>713,869</u>
Balance of the obligation	<u>1,717,282</u>

12 - COMMITMENT

The Foundation made a commitment to provide \$12,565,328 of funding to CIUSSS de l'Estrie for future projects and equipment.

13 - FINANCIAL RISKS

Credit risk

The Foundation is exposed to credit risk regarding the financial assets recognized in the statement of financial position, other than investments in quoted shares and mutual funds and shares of private companies. The Foundation has determined that the financial assets with more credit risk exposure are trade accounts receivable since failure of any of these parties to fulfil their obligations could result in significant financial losses for the Foundation.

Some investments in mutual funds indirectly expose the Foundation to credit risk.

Market risk

The Foundation's financial instruments expose it to market risk, in particular, currency risk, interest rate risk and other price risk, resulting from both its investing and financing activities.

Fondation du Centre hospitalier universitaire de Sherbrooke Inc.

Notes to Financial Statements

March 31, 2025

13 - FINANCIAL RISKS (Continued)

Currency risk

The Foundation is exposed to foreign exchange risk due to investments denominated in U.S. dollars. As at March 31, 2025, investments denominated in U.S. dollars total \$15,031,373 (\$15,051,929 as at March 31, 2024).

Some investments in mutual funds also indirectly expose the Foundation to currency risk.

Interest rate risk

The Foundation is exposed to interest rate risk with respect to financial assets and liabilities bearing fixed interest rates.

The guaranteed investment certificates and the investments in bonds bear interest at a fixed rate and the Foundation is, therefore, exposed to the risk of changes in fair value resulting from interest rate fluctuations.

Investments in mutual funds also indirectly expose the Foundation to interest rate risk.

Other price risk

The Foundation is exposed to other price risk due to investments in quoted shares and mutual funds and shares of private companies since changes in market prices, other than those arising from currency risk or interest rate risk, could result in changes in the fair value of these instruments.

Liquidity risk

The Foundation's liquidity risk represents the risk that the Foundation could encounter difficulty in meeting obligations associated with its financial liabilities. The Foundation is, therefore, exposed to liquidity risk with respect to all of the financial liabilities recognized in the statement of financial position.

						2025	2024
	Sherbrooke Hospital Foundation Fund	Silny Fund	Huguette and Paul Boire Fund	Raymond- Comtois Capital Fund	GRANDIR Research Fund	Total	Total
OPERATIONS	\$	\$	\$	\$	\$	\$	\$
Endowment Funds							
Revenues							
Net investment income							
Interest and dividends	85,608	5,940				91,548	101,182
Changes in fair value of investments	328,960	22,825				351,785	480,594
	414,568	28,765	-	-	-	443,333	581,776
Expenses							
Financial expenses	15,123	1,049				16,172	14,137
Excess before donations to CIUSSS	399,445	27,716	-	-	-	427,161	567,639
Excess of revenues over expenses	399,445	27,716	-	-	-	427,161	567,639
						2025	2024
	Sherbrooke Hospital Foundation Fund	Silny Fund	Huguette and Paul Boire Fund	Raymond- Comtois Capital Fund	GRANDIR Research Fund	Total	Total
FINANCIAL POSITION	\$	\$	\$	\$	\$	\$	\$
Endowment Funds							
ASSETS							
Investments	4,386,628	308,884	2,000,000	5,000,000	1,000,000	12,695,512	12,331,788
LIABILITIES							
Interfund account, without interest			100,000			100,000	100,000
FUND BALANCES							
Externally restricted	4,386,628	308,884	1,900,000			6,595,512	6,231,788
Internally restricted				5,000,000	1,000,000	6,000,000	6,000,000
	4,386,628	308,884	2,000,000	5,000,000	1,000,000	12,695,512	12,331,788