Fondation du Centre hospitalier universitaire de Sherbrooke Inc.

Financial Statements
March 31, 2026

Fondation du Centre hospitalier universitaire de Sherbrooke Inc.

Financial Statements
March 31, 2026

Raymond Chabot
Grant Thornton

Independent Auditor's Report

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To the Board of Directors of
Fondation du Centre hospitalier universitaire de Sherbrooke Inc.

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, 2026, 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, 2026, 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, 2026 and 2025, current assets as at March 31, 2026 and 2025 and fund balances as at April 1, 2025 and 2024 and March 31, 2026 and 2025. Our opinion on the financial statements for the year ended March 31, 2025 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
June 17, 2026

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[1] CPA auditor, public accountancy permit no. A122686

Fondation du Centre hospitalier universitaire de Sherbrooke Inc.
Operations
Year ended March 31, 2026

	Endowment Funds		Restricted Funds		General Fund		Total	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025
	$	$	**$**	$	**$**	$	**$**	$
Revenues								
Contributions								
Donations (Note 3)	**3,190,287**		**5,169,628**	7,498,797	**2,454,004**	1,862,230	**10,813,919**	9,361,027
Donations related to fund-raising activities (Note 3)			**552,473**	520,623	**664,173**	845,259	**1,216,646**	1,365,882
Grants - Federal government					**11,753**	4,655	**11,753**	4,655
Fund-raising activities	**147,404**		**527,316**	417,311	**3,691,305**	3,589,799	**4,366,025**	4,007,110
Commercial activities					**686,910**	583,035	**686,910**	583,035
Net investment income (Note 4)	**392,224**	443,333	**906,445**	986,869	**4,349,634**	4,822,626	**5,648,303**	6,252,828
	3,729,915	443,333	**7,155,862**	9,423,600	**11,857,779**	11,707,604	**22,743,556**	21,574,537
Expenses								
Salaries and employee benefits			**53,890**	50,065	**1,868,296**	1,435,833	**1,922,186**	1,485,898
Administrative expenses					**264,521**	212,478	**264,521**	212,478
Commercial rent and occupancy costs					**253,731**	260,969	**253,731**	260,969
Life insurance - Contributors					**6,311**	7,342	**6,311**	7,342
Professional fees					**99,824**	146,378	**99,824**	146,378
Advertising and promotion					**177,902**	179,602	**177,902**	179,602
Donor recognition					**252**	58,840	**252**	58,840
Financial expenses	**19,347**	16,172	**54,754**	35,419	**183,679**	175,919	**257,780**	227,510
Fund-raising activities (Note 3)			**179,441**	220,160	**2,170,834**	2,202,681	**2,350,275**	2,422,841
Commercial activities					**416,843**	303,397	**416,843**	303,397
Interest on obligation under a capital lease					**148,501**	161,296	**148,501**	161,296
	19,347	16,172	**288,085**	305,644	**5,590,694**	5,144,735	**5,898,126**	5,466,551
Excess before the following items	**3,710,568**	427,161	**6,867,777**	9,117,956	**6,267,085**	6,562,869	**16,845,430**	16,107,986
Donations - CIUSSS de l'Estrie	**109**		**11,491,698**	8,259,011	**212,934**	830,309	**11,704,741**	9,089,320
Donations - Underprivileged families			**105,700**	58,159	**12,227**	19,501	**117,927**	77,660
Donations - Other			**142,130**	101,442	**296,927**	155,568	**439,057**	257,010
	109	-	**11,739,528**	8,418,612	**522,088**	1,005,378	**12,261,725**	9,423,990
Excess (deficiency) of revenues over expenses	**3,710,459**	427,161	**(4,871,751)**	699,344	**5,744,997**	5,557,491	**4,583,705**	6,683,996

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, 2026

	Endowment Funds		Restricted Funds		General Fund		Total	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025
	$	$	**$**	$	**$**	$	**$**	$
Balance, beginning of year	**12,595,512**	12,231,788	**38,466,698**	37,753,917	**15,500,371**	9,892,880	**66,562,581**	59,878,585
Excess (deficiency) of revenues over expenses	**3,710,459**	427,161	**(4,871,751)**	699,344	**5,744,997**	5,557,491	**4,583,705**	6,683,996
Internal transfer								
Interfund transfers (Note 5)	**3,539,779**	(63,437)	**(3,807,799)**	13,437	**268,020**	50,000		
Balance, end of year	**19,845,750**	12,595,512	**29,787,148**	38,466,698	**21,513,388**	15,500,371	**71,146,286**	66,562,581

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, 2026

	2026	2025
	$	$
OPERATING ACTIVITIES		
Excess of revenues over expenses of the Restricted Funds and the General Fund	**873,246**	6,256,835
Non-cash items		
Amortization of tangible capital assets	**126,092**	100,817
Loss on disposal of fixed assets	**8,246**	
Net change in fair value of investments	**(4,096,356)**	(4,962,476)
Contributions received in the form of investments	**(1,329,558)**	(3,213,325)
	(4,418,330)	(1,818,149)
Net change in assets and liabilities items (Note 6)	**175,020**	(490,587)
Cash flows from operating activities	**(4,243,310)**	(2,308,736)
INVESTING ACTIVITIES		
Net change in advances to organizations	**432,930**	(160,430)
Investments	**(11,875,665)**	(19,523,817)
Disposal of investments	**17,157,689**	21,741,742
Acquisition of tangible capital assets	**(573,257)**	(1,256)
Cash flows from investing activities	**5,141,697**	2,056,239
FINANCING ACTIVITIES		
Excess of revenues over expenses of the Endowment Funds	**3,710,459**	427,161
Repayment of obligation under a capital lease	**(149,191)**	(136,396)
Cash flows from financing activities	**3,561,268**	290,765
Net increase in cash	**4,459,655**	38,268
Cash, beginning of year	**9,262,688**	9,224,420
Cash, end of year	**13,722,343**	9,262,688

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, 2026

	Endowment Funds	Restricted Funds	General Fund	2026 Total	2025 Total
	$	$	$	$	$
ASSETS					
Investments (Note 7)	**19,945,750**	**37,149,146**	**154,773**	**57,249,669**	57,105,779
Tangible capital assets (Note 8)			**2,450,348**	**2,450,348**	2,011,429
Cash		**5,669,767**	**8,052,576**	**13,722,343**	9,262,688
Advances to organizations, without interest			**100,000**	**100,000**	532,930
Trade and other receivables (Note 9)		**276,960**	**446,467**	**723,427**	405,942
Prepaid expenses			**277,340**	**277,340**	172,851
Interfund account, without interest			**12,382,490**		
	19,945,750	**43,095,873**	**23,863,994**	**74,523,127**	69,491,619
LIABILITIES					
Trade payables and other operating liabilities (Note 10)		**38,434**	**777,620**	**816,054**	460,229
Donations payable - CIUSSS de l'Estrie		**96**	**4,895**	**4,991**	
Deferred revenues		**987,705**		**987,705**	751,527
Obligation under a capital lease (Note 11)			**1,568,091**	**1,568,091**	1,717,282
Interfund account, without interest	**100,000**	**12,282,490**			
	100,000	**13,308,725**	**2,350,606**	**3,376,841**	2,929,038
FUND BALANCES					
Restricted					
Externally	**10,237,914**	**24,029,364**		**34,267,278**	38,869,461
Internally	**9,607,836**	**5,757,784**		**15,365,620**	12,192,749
Unrestricted			**21,513,388**	**21,513,388**	15,500,371
	19,845,750	**29,787,148**	**21,513,388**	**71,146,286**	66,562,581
	19,945,750	**43,095,873**	**23,863,994**	**74,523,127**	69,491,619

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, 2026

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.

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.

– Interdisciplinary Neurological Restoration Research Chair Fund (General):

The Interdisciplinary Neurological Restoration Research Chair Fund (General) will support the work of the research chair led by Dr. Christian Lorio-Morin, clinician-researcher, neurosurgeon, and professor at the Faculty of Medicine and Health Sciences (FMSS) of the Université de Sherbrooke. The Foundation commits to allocate annually an amount representing 4% of the Fund’s capital, i.e., $12,000 per year until December 2028.

– Maternal and Fetal Medicine Research Chair Fund:

The Maternal and Fetal Medicine Research Chair Fund will support the work of the research chair led by Dr. Annie Ouellet. The Foundation commits to allocate annually an amount representing 4% of the Fund’s capital, i.e., $16,000 per year until December 2029.

– Youth Health and Well-Being Research Chair Fund:

The Youth Health and Well-Being Research Chair Fund will support the work of the research chair led by Dr. Geneviève Morneau-Vaillancourt. The Foundation commits to allocate annually an amount representing 4% of the Fund’s capital, i.e., $18,200 per year until December 2029.

– Hemodynamics Research Fund:

The Hemodynamics Research Fund will support the work of a future research chair. The Foundation commits to allocate annually an amount representing 4% of the Fund’s capital.

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

– Men’s Health Research Fund:

The purpose of the Fund is to finance annually a PAFI scholarship or any other project related to men’s health research. A minimum amount of 4% of the Fund’s capital must be allocated to achieve the Fund’s objectives, unless this minimum allocation would require the Foundation to draw on the Fund’s capital; in such a case, the minimum allocation shall correspond to the minimum amount required to meet the disbursement quotas imposed under tax laws so that the Foundation may maintain its status as a registered charity.

– Pediatric Oncology Research Fund:

The purpose of the Fund is to establish and ensure the sustainability of a research group focused on pediatric oncology research. A minimum amount of 4% of the Fund’s capital must be allocated to achieve the Fund’s objectives, unless this minimum allocation would require the Foundation to draw on the Fund’s capital; in such a case, the minimum allocation shall correspond to the minimum amount required to meet the disbursement quotas imposed under tax laws so that the Foundation may 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, 2026

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, 2026

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:

	Methods	Rate and periods
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, 2026

3 - CONTRIBUTED SUPPLIES AND SERVICES

The Foundation received auction goods and gifts for participants. These transactions have been recognized at their fair value of $691,307 ($809,514 for the year ended March 31, 2025) as revenues from donations and fund-raising activities and expenses.

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

				2026	2025
	Endowment Funds	**Restricted Funds**	**General Fund**	**Total**	Total
	$	**$**	**$**	**$**	$
Net investment income on investments measured at fair value					
Interest and dividends	**100,289**	**337,153**	**1,114,505**	**1,551,947**	1,290,352
Changes in fair value of investments	**291,935**	**569,292**	**3,235,129**	**4,096,356**	4,962,476
	392,224	**906,445**	**4,349,634**	**5,648,303**	6,252,828
Amortization of tangible capital assets			**126,092**	**126,092**	100,817
Transactions concluded with the CIUSSS de l'Estrie (*)					
Commercial activities					
Rental expenses			**4,596**	**4,596**	4,555

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 $268,020 was transferred from the Restricted Funds to the General Fund.

In addition, an amount of $3,607,836 was transferred from the Restricted Funds to the Endowment Funds.

Finally, an amount of $68,057, 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, 2026

6 - INFORMATION INCLUDED IN CASH FLOWS

During the year, the Foundation received contributions in the form of investments totalling $1,329,558 ($3,213,325 in 2025).

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

	2026	2025
	$	$
Trade and other receivables	**(317,485)**	(17,070)
Prepaid expenses	**(104,489)**	14,233
Trade payables and other operating liabilities	**355,825**	(8,453)
Donations payable - CIUSSS de l'Estrie	**4,991**	(354,504)
Deferred revenues	**236,178**	(124,793)
	175,020	(490,587)

7 - INVESTMENTS

	2026	2025
	$	$
Endowment Funds		
Quoted shares, bonds, guaranteed investment certificate and mutual funds (*)		
Sherbrooke Hospital Foundation Fund	**4,666,927**	4,386,628
Silny Fund	**333,296**	308,884
Raymond-Comtois Capital Fund	**5,000,000**	5,000,000
Huguette and Paul Boire Fund	**2,000,000**	2,000,000
GRANDIR Research Fund	**1,000,000**	1,000,000
Interdisciplinary Neurological Restoration Research Chair Fund (General)	**300,000**	
Maternal and Fetal Medicine Research Chair Fund	**270,402**	
Hemodynamics Research Fund	**1,122,404**	
Pediatric Oncology Research Fund	**3,787,694**	
Men's Health Research Fund	**1,000,000**	
Youth Health and Well-Being Research Chair Fund	**465,027**	
	19,945,750	12,695,512
Restricted Funds		
Quoted shares, bonds, guaranteed investment certificate and mutual funds (*)	**37,149,146**	44,255,494
General Fund		
Shares of private companies, at cost		
iNovia Capital Inc.	**10,773**	10,773
MSBI Valorisation Inc.	**144,000**	144,000
	154,773	154,773
	57,249,669	57,105,779

(*) Bonds total $8,988,345 ($10,040,128 as at March 31, 2025) and guaranteed investment certificates total $0 ($5,802,885 as at March 31, 2025) for all the funds.

Fondation du Centre hospitalier universitaire de Sherbrooke Inc.
Notes to Financial Statements
March 31, 2026

8 - TANGIBLE CAPITAL ASSETS

			2026	2025
	Cost	Accumulated amortization	Net carrying amount	Net carrying amount
	$	$	$	$
General Fund				
Furniture and fixtures	52,063	5,113	46,950	25,549
Computer equipment	79,754	70,201	9,553	23,584
Leased property				
Commercial condo	3,233,252	870,948	2,362,304	1,914,985
Parking lot	236,558	205,017	31,541	47,311
	3,601,627	1,151,279	2,450,348	2,011,429

9 - TRADE AND OTHER RECEIVABLES

				2026	2025
	Endowment Funds	Restricted Funds	General Fund	Total	Total
	$	$	$	$	$
Trade accounts (*)		276,960	419,966	696,926	384,342
Indirect taxes receivable			26,501	26,501	21,600
	-	276,960	446,467	723,427	405,942

(*) As at March 31, 2026, amounts owing from one customer represent 25% of total accounts receivable (two customers represented 25% and 22% respectively as at March 31, 2025).

10 - TRADE PAYABLES AND OTHER OPERATING LIABILITIES

				2026	2025
	Endowment Funds	Restricted Funds	General Fund	Total	Total
	$	$	$	$	$
Other	-	38,434	777,620	816,054	460,229

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11 - OBLIGATION UNDER A CAPITAL LEASE

	2026	2025
	$	$
General Fund		
Obligation under a capital lease for a commercial condo and a parking lot, 9%, maturing in 2034	**1,568,091**	1,717,282

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

	$
Years ending March 31	
2027	297,692
2028	297,692
2029	297,692
2030	297,692
2031	297,692
2032 and subsequent years	644,999
Total minimum lease payments	2,133,459
Interest expense included in minimum lease payments	565,368
Balance of the obligation	1,568,091

12 - COMMITMENT

The Foundation made a commitment to provide $11,288,475 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.

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, 2026, investments denominated in U.S. dollars total $15,816,148 ($15,031,373 as at March 31, 2025).

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 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.

14 - SUBSEQUENT EVENT

On April 1, 2026, the Vitae Foundation was liquidated into the Foundation. The Foundation is currently evaluating the impacts of this transaction on the financial statements of the foundation resulting from the liquidation.

Fondation du Centre hospitalier universitaire de Sherbrooke Inc.
Schedule
Year ended March 31, 2026

OPERATIONS **Endowment Funds**	Sherbrooke Hospital Foundation Fund	Silny Fund	Huguette et Paul Boire Fund	Raymond-Comtois Fund	GRANDIR Research Fund	Interdisciplinary Neurological Restoration Research Chair Fund (General)	Maternal and Fetal Medicine Research Chair Fund	Hemodynamics Research Fund	Pediatric Oncology Research Fund	Men's Health Research Fund	Youth Health and Well-Being Research Chair Fund	2026 Total	2025 Total
	$	$	$	$	$	$	$	$	$	$	$	$	$
Revenues													
Contributions													
Donations							29,258	375,000	2,621,027		165,002	3,190,287	
Fund-raising activities								147,404				147,404	
Net investment income													
Interest and dividends	93,694	6,595										100,289	91,548
Changes in fair value of investments	272,737	19,198										291,935	351,785
	366,431	25,793	–	–	–	–	29,258	522,404	2,621,027	–	165,002	3,729,915	443,333
Expenses													
Financial expenses	18,075	1,272										19,347	16,172
Excess before donations to CIUSSS	348,356	24,521	–	–	–	–	29,258	522,404	2,621,027	–	165,002	3,710,568	427,161
Donations to CIUSSS		109										109	
Excess of revenues over expenses	348,356	24,412	–	–	–	–	29,258	522,404	2,621,027	–	165,002	3,710,459	427,161

FINANCIAL POSITION **Endowment Funds**	Sherbrooke Hospital Foundation Fund	Silny Fund	Huguette et Paul Boire Fund	Raymond-Comtois Fund	GRANDIR Research Fund	Interdisciplinary Neurological Restoration Research Chair Fund (General)	Maternal and Fetal Medicine Research Chair Fund	Hemodynamics Research Fund	Pediatric Oncology Research Fund	Men's Health Research Fund	Youth Health and Well-Being Research Chair Fund	2026 Total	2025 Total
	$	$	$	$	$	$	$	$	$	$	$	$	$
ASSETS													
Investments	4,666,927	333,296	2,000,000	5,000,000	1,000,000	300,000	270,402	1,122,404	3,787,694	1,000,000	465,027	19,945,750	12,695,512
LIABILITIES													
Interfund account, without interest			100,000									100,000	100,000
FUND BALANCES													
Externally restricted	4,666,927	333,296	1,900,000				29,258	522,404	2,621,027		165,002	10,237,914	6,595,512
Internally restricted				5,000,000	1,000,000	300,000	241,144	600,000	1,166,667	1,000,000	300,025	9,607,836	6,000,000
	4,666,927	333,296	2,000,000	5,000,000	1,000,000	300,000	270,402	1,122,404	3,787,694	1,000,000	465,027	19,945,750	12,695,512