Bishop's University Foundation

Financial Statements
April 30, 2026

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Raymond Chabot
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Independent Auditor's Report

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To the Board of Directors of
Bishop's University Foundation

Opinion

We have audited the financial statements of Bishop's University Foundation (hereafter "the Foundation"), which comprise the statement of financial position as at April 30, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at April 30, 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 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.

Raymond Chabot Grant Thornton LLP [1]

Sherbrooke
October 22, 2026

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

Bishop's University Foundation
Operations
Year ended April 30, 2026

	Unrestricted non-trust funds		Unrestricted trust funds		Restricted non-trust funds		Restricted trust funds		Total	Total
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	$	$	$	$	$	$	$	$	$	$
Revenues										
Net investment income - trust funds										
Gain on disposal of investments	**32,314**	17,110			**1,632,520**	853,052			**1,664,834**	870,162
Net change in fair value	**25,533**	59,183			**1,289,996**	2,950,596			**1,315,529**	3,009,779
Dividends and distributions	**99,246**	82,368			**5,014,013**	4,106,456			**5,113,259**	4,188,824
Net investment income - non-trust funds										
Gain on disposal of investments	**144,890**	36,966							**144,890**	36,966
Net change in fair value	**274,976**	219,678							**274,976**	219,678
Dividends and distributions	**263,800**	202,687							**263,800**	202,687
Bank interest and exchange	**526,592**	130,416							**526,592**	130,416
Donations										
Annual campaign	**249,024**	271,380			**2,865,285**	2,593,705	**2,630,591**	3,810,390	**5,744,900**	6,675,475
Capital campaign					**2,500**	13,500	**276,292**	111,154	**278,792**	124,654
Sponsorships					**170,481**	2,500			**170,481**	2,500
	1,616,375	1,019,788	**-**	**-**	**10,974,795**	10,519,809	**2,906,883**	3,921,544	**15,498,053**	15,461,141
Expenses										
Donations to Bishop's University										
Scholarships and bursaries	**626,404**	236,440			**2,342,257**	2,421,805			**2,968,661**	2,658,245
Library fund					**139,154**	530,139			**139,154**	530,139
Student programs and projects	**26,500**	65,000			**519,444**	511,879			**545,944**	576,879
Athletics and Gaiter Club	**219,026**	164,388			**392,817**	388,344			**611,843**	552,732
Faculty support	**56,100**				**126,621**	199,500			**182,721**	199,500
Academic enrichment	**(14,200)**	32,000			**640,946**	495,783			**626,746**	527,783
Creative and performing arts	**17,200**				**194,430**	170,925			**211,630**	170,925
Research & aid to publications	**85,000**				**278,330**	191,400			**363,330**	191,400
SEED Foundation projects					**1,436**				**1,436**	
Life insurance premiums					**51,699**	30,493			**51,699**	30,493
Special projects	**757,713**	795,591			**318,854**	274,680			**1,076,567**	1,070,271
Sundry projects	**20,040**				**75,858**	161,968			**95,898**	161,968
Sponsorships in kind					**50,818**				**50,818**	
Total of donations to Bishop's University	**1,793,783**	1,293,419	**-**	**-**	**5,132,664**	5,376,916	**-**	**-**	**6,926,447**	6,670,335

Bishop's University Foundation
Operations
Year ended April 30, 2026

	Unrestricted non-trust funds		Unrestricted trust funds		Restricted non-trust funds		Restricted trust funds		Total	Total
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
	$	$	**$**	$	**$**	$	**$**	$	**$**	$
Total of donations to Bishop's University brought forward	**1,793,783**	1,293,419	**-**	-	**5,132,664**	5,376,916	**-**	-	**6,926,447**	6,670,335
Investment management fees and miscellaneous expenses										
Bishop's University	**50,000**	42,000							**50,000**	42,000
Investment management	**22,401**	20,942			**496,206**	492,947			**518,607**	513,889
Custodian fees	**580**	830			**12,858**	19,528			**13,438**	20,358
Fundraising expenses	**11,884**	5,490			**263,229**	129,247			**275,113**	134,737
Miscellaneous expenses	**82,691**	69,415							**82,691**	69,415
	167,556	138,677	**-**	-	**772,293**	641,722	**-**	-	**939,849**	780,399
	1,961,339	1,432,096	**-**	-	**5,904,957**	6,018,638	**-**	-	**7,866,296**	7,450,734
Excess (deficiency) of revenues over expenses	**(344,964)**	(412,308)	**-**	-	**5,069,838**	4,501,171	**2,906,883**	3,921,544	**7,631,757**	8,010,407

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

Bishop's University Foundation
Changes in Fund Balances
Year ended April 30, 2026

	Unrestricted non-trust funds		Unrestricted trust funds		Restricted non-trust funds		Restricted trust funds		Total	Total
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025	**2026**	2025
	$	$	**$**	$	**$**	$	**$**	$	**$**	$
Fund balances, beginning of year	**1,697,459**	1,484,816	**1,005,448**	1,005,448	**23,984,067**	20,079,608	**64,010,359**	60,117,054	**90,697,333**	82,686,926
Excess (deficiency) of revenues over expenses	**(344,964)**	(412,308)			**5,069,838**	4,501,171	**2,906,883**	3,921,544	**7,631,757**	8,010,407
Interfund transfers (Note 3)	**648,402**	624,951			**(1,043,964)**	(596,712)	**395,562**	(28,239)		
Fund balances, end of year	**2,000,897**	1,697,459	**1,005,448**	1,005,448	**28,009,941**	23,984,067	**67,312,804**	64,010,359	**98,329,090**	90,697,333

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

Bishop's University Foundation
Cash Flows
Year ended April 30, 2026

	2026 $	2025 $
OPERATING ACTIVITIES		
Excess of revenues over expenses in the Unrestricted and Restricted non-trust funds	**4,724,874**	4,088,863
Non-cash items		
Donated shares	**(1,853,977)**	(2,002,595)
Gain on disposal of investments	**(1,809,724)**	(907,128)
Net change in fair value of investments	**(2,059,174)**	(3,125,512)
	(998,001)	(1,946,372)
Changes in working capital items		
Indirect tax receivable	**(1,872)**	1,121
Deferred sponsorships	**22,728**	
	20,856	1,121
Cash flows from operating activities	**(977,145)**	(1,945,251)
INVESTING ACTIVITIES		
Purchase of investments	**(10,538,019)**	(4,946,236)
Disposal of investments	**7,520,931**	10,206,393
Cash flows from investing activities	**(3,017,088)**	5,260,157
FINANCING ACTIVITIES		
Net variation in due to Bishop's University	**1,365,609**	19,939
Donations to the Restricted trust funds	**2,906,883**	3,921,544
Cash flows from financing activities	**4,272,492**	3,941,483
Net increase in cash	**278,259**	7,256,389
Cash, beginning of year	**8,540,954**	1,284,565
Cash, end of year	**8,819,213**	8,540,954

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

Bishop's University Foundation
Financial Position
April 30, 2026

	2026	2025
	$	$
ASSETS		
Investments (Note 4)	**91,964,052**	83,224,089
Life insurance policies (Note 5)	**898,070**	898,070
Cash	**8,819,213**	8,540,954
Indirect tax receivable	**3,382**	1,510
	101,684,717	92,664,623
LIABILITIES		
Deferred sponsorships	**22,728**	
Due to Bishop's University, without interest or repayment terms	**3,332,899**	1,967,290
	3,355,627	1,967,290
FUND BALANCES		
Externally restricted		
Trust funds	**61,700,742**	58,398,297
Non-trust funds	**28,009,941**	23,984,067
Internally restricted		
Trust funds	**5,612,062**	5,612,062
Unrestricted		
Trust funds	**1,005,448**	1,005,448
Non-trust funds	**2,000,897**	1,697,459
	98,329,090	90,697,333
	101,684,717	92,664,623

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

On behalf of the Board,

Director

Jacqueline Scott

Director

Bishop's University Foundation
Notes to Financial Statements
April 30, 2026

1 - GOVERNING STATUTES AND PURPOSE OF THE FOUNDATION

The Bishop's University Foundation (hereafter the "Foundation") was incorporated in 1971 under Part III of the Companies Act (Quebec) for the purpose of receiving and maintaining funds which are to be disbursed for charitable or educational purposes for the benefit of Bishop's University. 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 and notes to financial statements. 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

Unrestricted non-trust funds

The Unrestricted non-trust funds represent contributions not received for endowment and net investment income, neither of which is subject to restrictions as to usage or is subject to internal restrictions as to usage.

An example is a donation designated for the Bishop's University's Highest Priority Fund. Both the full amount of the donation itself and all income it generates can be used at the discretion of the Foundation.

Unrestricted trust funds

The Unrestricted trust funds represent contributions received for endowment. These contributions are to be invested and held in perpetuity. The investment income earned thereon, which is either not subject to restrictions as to usage or is subject to internal restrictions as to usage, is accounted for in the Unrestricted non-trust funds and is to be used to fund the priorities of Bishop's University. The Unrestricted funds balances include the internally restricted and the completely unrestricted funds.

An example is a donation designated for the Unrestricted Opportunity Fund. The principal cannot be used, but all income it generates can be used at the discretion of the Foundation.

Restricted non-trust funds

The Restricted non-trust funds represent contributions not received for endowment and net investment income, both of which are subject to external restrictions as to usage.

An example is a donation designated for the Non-Endowed Bursary Fund. Both the full amount of the donation itself and all income it generates must be used to fund Bishop's University's bursary program.

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted trust funds

The Restricted trust funds represent contributions received for endowment. These amounts are to be invested and held in perpetuity. The investment income earned thereon, which is subject to restrictions as to usage, is accounted for in the Restricted non-trust funds and is to be used to fund scholarships, research and various initiatives of Bishop's University.

An example is a donation designated for the Endowed Scholarship Fund. The principal cannot be used, and all income it generates must be used to fund Bishop's University's scholarship program.

Revenue recognition

Donations

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

The Foundation follows the restricted fund method in which restricted contributions are recognized upon receipt in the fund corresponding to the purpose for which they were contributed.

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.

Net investment income

Investment transactions are recorded on the transaction date and resulting revenues are recognized using the accrual method of accounting. Income from interest in net income of balanced pooled funds and investment funds is recognized upon distribution. Changes in fair value are recognized when they occur.

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 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.

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), except for investments which are measured at fair value, whereas those from related party transactions are measured using the cost method (including any impairment in the case of financial assets).

Bishop's University Foundation
Notes to Financial Statements
April 30, 2026

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent measurement

With respect to financial assets measured at 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 amortized cost or using the cost method is recognized in operations in the year the reversal occurs.

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 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 financial position date. Revenue and expenses are translated at the average rate for the period, with the exception of the amortization of assets translated at the historical exchange rates, which is translated at the same exchange rates as the related assets. The related exchange gains and losses are accounted for in earnings for the year.

Related party transactions

Related party transactions with Bishop's University, who has a significant influence, are measured at the exchange amount, excluding the resulting financial instruments.

3 - INTERFUND TRANSFERS

During the year, the Board of Directors assigned an amount of $646,177 ($624,951 in 2025) from the Restricted non-trust funds to the Unrestricted non-trust funds. This assignment was made in accordance with a motion approved by the Board of Directors of the Foundation for the application of an annual "Enhancement Fee" of up to 1% applied to Restricted trust funds in order to provide additional funding to Bishop's University for its priorities and initiatives. The annual amount is funded by the return on investment recorded in the Restricted non-trust funds.

Additionally, from time to time, modifications to gift designations initiated by the donor or other transactions impacting the fund in which a transaction should be accounted for occur, and an interfund transfer is required. In 2026, $395,562 were assigned from the Restricted non-trust funds to the Restricted trust funds and $2,225 were assigned from the Restricted non-trust funds to the Unrestricted non-trust funds ($28,239 from the Restricted trust funds to the Restricted non-trust funds in 2025), in line with donors' wishes.

Bishop's University Foundation
Notes to Financial Statements
April 30, 2026

4 - INVESTMENTS

	2026	2025
	$	$
Balanced pooled funds		
Cash	**636,487**	1,353,537
Canadian fixed income	**27,771,829**	22,737,251
Canadian equities	**16,368,007**	13,294,804
US equities	**17,272,917**	16,541,846
Other foreign equities	**15,486,335**	16,475,415
	77,535,575	70,402,853
Private equity		
Brookfield investment fund (US$10,590,485; US$9,282,679 as at April 30, 2025)	**14,428,477**	12,821,236
	91,964,052	83,224,089

Commitment

The Foundation has undertaken to make investments that will be financed over the coming years in accordance with the terms of the agreement. The commitment made by the Foundation as at April 30, 2026 totals $2,515,561 (US$1,846,419; $2,709,113 (US$1,961,420) as at April 30, 2025) for the Brookfield investment fund.

5 - LIFE INSURANCE POLICIES

The Foundation is the known beneficiary of life insurance policies with an aggregate death benefit totalling $5,240,000 as at April 30, 2026 ($5,240,000 as at April 30, 2025).

6 - FINANCIAL RISKS

Credit risk

Some investments indirectly expose the Foundation to credit risk.

Market risk

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

Currency risk

The Foundation is exposed to currency risk due to cash and investments denominated in U.S. dollars totalling $15,197,737 ($13,242,825 as at April 30, 2025).

Balanced pooled funds also indirectly expose the Foundation to currency risk.

Interest rate risk

The investments in balanced pooled funds indirectly expose the Foundation to interest rate risk.

6 - FINANCIAL RISKS (Continued)

Other price risk

The Foundation is exposed to other price risk due to its investments since changes in market prices could result in changes in the fair value or cash flows 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.