

**PEARSON EDUCATIONAL FOUNDATION/
FONDATION PEARSON POUR L'ÉDUCATION**

FINANCIAL STATEMENTS

JUNE 30, 2023

Ivan Baliello
Comptable Professionnel Agréé
Chartered Professional Accountant

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Board of Directors of **Pearson Educational Foundation/ Fondation Pearson pour l'Éducation**

I have reviewed the accompanying financial statements of **Pearson Educational Foundation/ Fondation Pearson pour l'Éducation** that comprise the statement of financial position as at June 30, 2023, and the statements of revenues and expenses and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Practitioner's Responsibility

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

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

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

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of **Pearson Educational Foundation/ Fondation Pearson pour l'Éducation** as at June 30, 2023, 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.

Ivan Baliello, CPA Auditor ¹

Chartered Professional Accountant (Auditor)

Hudson, Quebec
October 3, 2023

A handwritten signature in black ink, appearing to read "Ivan Baliello". The signature is written in a cursive style with a large, sweeping initial "I" and "B".

¹ CPA auditor, permit no. A123901

**PEARSON EDUCATIONAL FOUNDATION/
FONDATION PEARSON POUR L'ÉDUCATION**
As at June 30, 2023

STATEMENT OF FINANCIAL POSITION

(Unaudited)

	2023	2022
	\$	\$
ASSETS		
Current		
Cash	122,657	127,859
Temporary investments (Note 3)	60,621	68,045
Consumption taxes receivable	3,456	1,587
Prepaid expenses	1,497	-
	188,231	197,491
Other		
Temporary Investments (Note 3)	91,648	60,317
	279,879	257,808
LIABILITIES		
Current		
Accounts payable and accrued liabilities	3,100	5,473
External restricted deferred contributions (Note 4 and Schedule B)	68,164	81,475
	71,264	86,948
NET ASSETS		
Internal Restricted (Schedule A)	187,480	171,333
Unrestricted	21,135	(473)
	208,615	170,860
	279,879	257,808

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

APPROVED:

**PEARSON EDUCATIONAL FOUNDATION/
FONDATION PEARSON POUR L'ÉDUCATION**
For the year ended June 30, 2023

STATEMENT OF CHANGES IN NET ASSETS (Unaudited)

	Internal Restricted \$	Internal Un- restricted \$	Total \$
2023:			
Balance – beginning of year	171,333	(473)	170,860
Revenues over expenses	16,147	21,608	37,755
Balance – End of year	187,480	21,135	208,615
2022:			
Balance – beginning of year	144,132	13,327	157,459
Revenues over expenses/ (expenses over revenues)	27,201	(13,800)	13,401
Balance – End of year	171,333	(473)	170,860

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

**PEARSON EDUCATIONAL FOUNDATION/
FONDATION PEARSON POUR L'ÉDUCATION**
For the year ended June 30, 2023

STATEMENT OF REVENUES AND EXPENSES

(Unaudited)

	2023	2022
	\$	\$
REVENUES		
Donations and activities	177,661	101,592
Shows	-	10,761
Administration and overhead charges	7,688	1,505
Sporting events and miscellaneous	3,662	944
Interest	3,722	1,478
	192,733	116,280
EXPENSES		
Activities	128,140	77,312
Bank and processing charges	2,160	1,147
Insurance	394	1,720
Office	669	1,876
Professional fees	3,653	3,493
Promotion	1,212	1,373
Wages and levies	18,750	15,958
	154,978	102,879
REVENUES OVER EXPENSES	37,755	13,401

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

PEARSON EDUCATIONAL FOUNDATION/ FONDATION PEARSON POUR L'ÉDUCATION
For the year ended June 30, 2023
Schedule of Internal and External Restricted Funds

(Unaudited)

Schedule A

	Balance - Beginning of Year \$	Transfers in and Deposits \$	Transfers out and Expenditures \$	Balance - End of Year \$
Internal Restricted Funds				
Allion	1,252	-	-	1,252
Beacon Hill	91	-	-	91
Beacon Hill Music	366	-	160	206
Beachwood Giving	-	96	3	93
Beurling Academy	1,105	-	-	1,105
Beurling Food Program	475	-	-	475
BHS Arts	97	-	-	97
BHS Convocation Awards	5,344	-	497	4,847
BHS Drama	-	570	-	570
BHS Music	2,696	2,425	924	4,197
Birchwood	58	67	3	122
Children's World Academy	2,062	-	-	2,062
Christmas Park	44	238	7	275
Clearpoint	1,115	2,375	2,631	859
Clearpoint Elementary Library Renovation	430	-	430	-
Cooperative Education Spectrum Concert	211	-	211	-
Dorset	3	-	-	3
Edgewater	46	-	-	46
Equity and Inclusivity	1,269	171	7	1,433
Evergreen Gen	46	-	-	46
Evergreen Music	867	-	-	867
Every Child Matters	1,790	926	-	554
Experiential STEM Education	6,144	-	2,162	6,144
Forest Hill Jr.	152	5,216	150	5,218
Forest Hill Sr.	-	119	5	114
FSSTT	-	4,142	901	3,241
Fun Run 2022	7,434	-	7,434	-
Heart and hands Clinic	841	-	588	253
Horizon	170	-	-	170
John Killingbeck Memorial	-	166	166	-
John Rennie Actors' Studio	1,940	48	2	1,986
John Rennie	1,135	-	-	1,135
John Rennie Sport Etudes	542	-	-	542
JRHS Bright Ideas Award	-	150	150	-

PEARSON EDUCATIONAL FOUNDATION/ FONDATION PEARSON POUR L'ÉDUCATION
For the year ended June 30, 2023
Schedule of Internal and External Restricted Funds

(Unaudited)

Schedule A

	Balance - Beginning of Year \$	Transfers in and Deposits \$	Transfers out and Expenditures \$	Balance - End of Year \$
JRHS Friends of Louise Chalmers Theatre Association	439	-	-	439
JRHS George Cassidy Memorial Award	755	-	150	605
JRHS Gordon S. Blackman Education Assistance	1,329	799	1,000	1,128
JRHS Janet Austen Memorial Award	-	500	500	-
JRHS Music Dept	289	1,206	-	1,495
JRHS Tom Nemeth and Mark hanna Awards	-	9,514	2,008	7,506
JRHS Tristan Morrissette-Perkins	30,260	15,865	9,736	36,389
Kingsdale Academy	452	-	-	452
Kingsdale Daycare Services	83	-	-	83
Lakeside Robotics	4,677	1,640	1,486	4,831
Lasalle Community Comprehensive	1,550	-	-	1,550
Lasalle Junior Breakfeast Club	201	-	-	201
Lasalle Senior	-	18	-	18
LCCHS Christmas Baskets	2,942	2,385	39	5,288
LCCHS Cooking Program	95	-	-	95
LCCHS Hockey	950	-	-	950
LCCHS Phoenix Program	950	-	-	950
LCCHS Robotics	500	19,000	14,086	5,414
Life Centre	18	-	18	-
MacDonald High	623	-	-	623
MacDonald High Robotics	1,707	-	-	1,707
Maple Grove	-	500	-	500
Margaret Manson	1,689	-	-	1,689
Margaret Manson Learning Awards	5,308	627	1,939	3,996
Margaret Manson Music	-	1,013	306	707
Music General	-	950	38	912
Nutrition Funds	1,824	-	-	1,824
Overture With the Arts	924	276	650	550
OWTA Chamandy Foundation Grant	-	34,913	33,125	1,788
PACC VOC Good Citizen Award	475	-	-	475
PCHS	305	-	-	305
Place Cartier	274	-	-	274
Riverdale Tammy Jane Chen Memorial Scholarship	814	-	100	714
Riverdale High School Alumni Scholarship	12,722	-	851	11,871
Riverview	517	-	291	226
Riverview GRADS	-	337	13	324
Riverview Holiday Food Baskets	244	119	6	357

PEARSON EDUCATIONAL FOUNDATION/ FONDATION PEARSON POUR L'ÉDUCATION

For the year ended June 30, 2023

Schedule of Internal and External Restricted Funds

(Unaudited)

Schedule A

	Balance - Beginning of Year \$	Transfers in and Deposits \$	Transfers out and Expenditures \$	Balance - End of Year \$
Riverview S.T.E.A.M.	1,038	505	1,440	103
Rona Cupak Snowsuit & Boots	175	418	593	-
Sherbrooke Academy Holiday Baskets	3,089	2,204	5,204	89
Sherbrooke Sr	24	-	-	24
Soulanges Gannaïden	285	-	-	285
Springdale	316	-	275	41
St. Charles	279	-	-	279
St. Charles Holiday Baskets	23	-	-	23
St. John Fisher Sr	1,808	-	-	1,808
St. John Fisher Sr Music	-	81	3	78
St. Patrick	631	233	9	855
St. Thomas	189	-	-	189
Sunshine Academy	48	-	-	48
Sunshine Holiday Baskets	191	-	-	191
Venture Camp	2,014	-	2,014	-
Verdun	1,524	-	-	1,524
Verdun Adult and Career	949	-	100	849
Verdun Holiday Baskets	125	-	-	125
Verdun Lunch and After School Activities	761	-	-	761
Westpark General	24	-	-	24
Westwood Archie MacIsaac-Vacon Memorial Scholarship	3,529	-	500	3,029
Westwood Band Support	1,146	4,833	5,979	-
Westwood Mildred Schweitzer Scholarship	34,851	-	-	34,851
Westwood Sr.	968	-	-	968
Westwood Sr. Make it Happen - Leadership Program	1,181	-	-	1,181
Westwood Sr. Maureen Kirk Conway Award	752	1,425	700	1,477
Westwood Tina Snelgrove Triple Threat Award	728	-	333	395
Wildier Penfield	950	-	-	950
Wildier Penfield Kindergarten Playground	3,094	-	-	3,094
	171,333	116,070	99,923	187,480

PEARSON EDUCATIONAL FOUNDATION/ FONDATION PEARSON POUR L'ÉDUCATION

For the year ended June 30, 2023

Schedule of Internal and External Restricted Funds

(Unaudited)

Schedule B

	Balance - Beginning of Year	Transfers in and Deposits	Transfers out and Expenditures	Balance - End of Year
	\$	\$	\$	\$
External Restricted Funds				
Born to Read	80,409	-	12,861	67,548
St. Thomas High School 50th Anniversary	1,066	-	450	616
	81,475	-	13,311	68,164

**PEARSON EDUCATIONAL FOUNDATION/
FONDATION PEARSON POUR L'ÉDUCATION**
For the year ended June 30, 2023

STATEMENT OF CASH FLOWS

(Unaudited)

	2023	2022
	\$	\$
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Revenues over expenses	37,755	13,401
Changes in non-cash operating working capital:		
Decrease (increase) in consumption taxes receivable	(1,869)	255
Increase in prepaid expenses	(1,497)	-
Increase (decrease) in accounts payable and accrued liabilities	(2,373)	979
Decrease in deferred revenues	-	(3,034)
Decrease in external restricted deferred contributions	(13,311)	(1,107)
	(19,050)	(2,907)
	18,705	10,494
INVESTING ACTIVITIES		
Increase in temporary investments	(23,907)	(1,310)
INCREASE (DECREASE) IN CASH	(5,202)	9,184
CASH - BEGINNING OF YEAR	127,859	118,675
CASH - END OF YEAR	122,657	127,859

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

**PEARSON EDUCATIONAL FOUNDATION/
FONDATION PEARSON POUR L'ÉDUCATION**
For the year ended June 30, 2023

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

1. STATUTES OF INCORPORATION AND NATURE OF ACTIVITIES

The organization is incorporated under Part III of the Quebec Companies Act as a non-profit organization, is a registered charity for income tax purposes and is exempt from income taxes. The organization is active in the collection of donations and the provision of financial support to schools, centers and individuals.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations ("ASNPO").

Restricted Funds

External restrictions refer to any conditions or specific uses that have been requested or required by the donors in making a gift to the organization. Internal restrictions refer to those funds which management has earmarked for specific purposes, where the donors have not placed any restrictions on their use.

Use of Estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant items subject to such estimates and assumptions include a valuation of accounts receivable. Actual results could differ from those estimates.

Measurement of Financial Instruments

The organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost on a linear basis, except for derivatives, which are subsequently measured at fair value. Changes in fair value are recognized in revenues or expenses.

When there is an indication of impairment and such an impairment is determined to have occurred, the carrying amount of the financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected or the proceeds that could be realized from the sale of the financial assets. Such impairments can be subsequently reversed if the value subsequently improves.

**PEARSON EDUCATIONAL FOUNDATION/
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For the year ended June 30, 2023

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

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

Cash and cash equivalents

The organization considers deposits in banks, certificates of deposit and other short-term investments with original maturities of 90 days or less at the date of acquisition as cash and cash equivalents.

Revenue Recognition

The organization follows the deferral method of accounting for grants and contributions.

Externally restricted grants and contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted and internally restricted grants and contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Grants and contributions received in advance are reflected in the statements of financial position as deferred revenues.

Interest income is recognized as revenue when they are earned.

Contributed Services

The organization would not be able to carry out its activities without the services of many volunteers who donate a considerable number of hours. Because of the difficulty of compiling these hours, contributed services are not recognized in the financial statements.

Contributed Materials

Contribution of materials is recognized as both revenue and expense and is measured at fair value when it can be reasonably estimated and when the materials are used in the normal course of the organization's operations.

Pledges

The amount of any pledges to contribute funds to the organization is included in revenues when the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

**PEARSON EDUCATIONAL FOUNDATION/
FONDATION PEARSON POUR L'ÉDUCATION**
For the year ended June 30, 2023

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

3. TEMPORARY INVESTMENTS

Surplus cash of the organization is invested in bank term deposits with the following maturity dates and interest rates:

2023:

Maturity Date	Interest Rate %	Amount \$
October 23, 2023	1.10%	30,621
November 16, 2023	*	30,001
February 28, 2025	4.30%	25,271
May 20, 2025	3.70%-4.20%	15,969
March 31, 2026	3.25%	25,205
March 31, 2028	3.20%	25,202
		152,269
Current portion		60,621
		91,648

2022:

Maturity Date	Interest Rate %	Amount \$
July 11, 2022	0.75-2.10%	52,270
May 18, 2023	0.35-0.55%	15,775
October 23, 2023	0.50-1.10%	30,200
November 16, 2023	*	30,117
		128,362
Current portion		68,045
		60,317

*BMO progressive GIC includes BMO Market Index GICs, BMO dividend Fund linked GIC, BMO Return Enhancing GIC, BMO Top Performing Portfolio GIC, BMO Callable Equity Linked GIC, BMO Select GIC, BMO Income Enriched GIC and BMO Growth GIC. These investments have various rates of return.

4. EXTERNAL RESTRICTED DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent externally restricted funding received for specific future purposes. The changes to the deferred contribution balances are as follows:

	2023 \$	2022 \$
Balance – beginning of year	81,475	82,582
Deferred contributions received during the year	-	4,750
Deferred contributions recognized as revenues	(13,311)	(5,857)
Balance – end of year	68,164	81,475

**PEARSON EDUCATIONAL FOUNDATION/
FONDATION PEARSON POUR L'ÉDUCATION**
For the year ended June 30, 2023

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

5. NON-MONETARY TRANSACTIONS

The organization received donations in kind in the amount of \$21,483 (2022: \$14,200). These transactions are accounted for at the fair market value of the donations received and are recorded as donations revenues in the statement of revenues and expenses.

6. REMUNERATION OF DIRECTORS

No remuneration was paid to any director during the year as a result of their contributed services on the board.

7. FINANCIAL INSTRUMENTS

Risk Management

The organization has a comprehensive risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include interest rate risk, liquidity risk, and market and other price risk. Price risk arises from changes in interest rates, foreign currency exchange rates and market prices.

Credit Risk Exposure

The organization is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable. The organization does not obtain collateral or other security to support the accounts receivable subject to credit risk but mitigates this risk by dealing only with what management believes to be financially sound counterparties and accordingly, does not anticipate significant loss for non-performance.

Interest Rate Risk Exposure

The organization does not have any interest rate risk.

Liquidity Risk Exposure

Liquidity risk is the risk that the organization will not be able to meet its obligations associated with financial liabilities. Cash flow from operations provides a substantial portion of the organization's cash requirements. Additional cash requirements are met with the use term deposits held which provides flexibility in the short term to meet operational needs and bridge long-term financing.

Market and other price risk

Market and other price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. The organization's investments are subject to market risk through its fixed income investments. The organization mitigates this risk by diversifying its investments in guaranteed investment certificates.

**PEARSON EDUCATIONAL FOUNDATION/
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For the year ended June 30, 2023

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

7. FINANCIAL INSTRUMENTS (Cont'd)

Fair Value

Cash, consumption taxes receivable, accounts payable and accrued liabilities, and externally restricted deferred contributions are all short-term in nature and as such their carrying values approximate fair values.

A reasonable estimate of fair value could not be made for long term portion of temporary investments for which there are no comparable fair values.

8. CAPITAL DISCLOSURE

The organization's objective is to safeguard its ability to continue as a going concern, in order to provide support to schools, centers and individuals.