

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

FINANCIAL STATEMENTS

JUNE 30, 2024

**PEARSON EDUCATIONAL FOUNDATION/
FONDATION PEARSON POUR L'ÉDUCATION
As at June 30, 2024**

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Ivan Baliello
Comptable Professionnel Agréé
Chartered Professional Accountant

612 Main
Hudson, Quebec
J0P 1H0
514-250-4285
ivan@moncpa-ca.com

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, 2024, 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, 2024, 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 9, 2024

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, 2024

STATEMENT OF FINANCIAL POSITION

(Unaudited)

	2024	2023
	\$	\$
ASSETS		
Current		
Cash	105,864	122,657
Temporary investments (Note 3)	42,913	60,621
Consumption taxes receivable	3,234	3,456
Prepaid expenses	1,584	1,497
	153,595	188,231
Other		
Temporary Investments (Note 3)	162,518	91,648
	316,113	279,879
LIABILITIES		
Current		
Accounts payable and accrued liabilities	3,478	3,100
External restricted deferred contributions (Note 4 and Schedule B)	57,521	68,164
	60,999	71,264
NET ASSETS		
Internal Restricted (Schedule A)	246,536	187,480
Unrestricted	8,578	21,135
	255,114	208,615
	316,113	279,879

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, 2024

STATEMENT OF CHANGES IN NET ASSETS (Unaudited)

	Internal Restricted \$	Internal Un- restricted \$	Total \$
2024:			
Balance – beginning of year	187,480	21,135	208,615
Revenues over expenses/ (expenses over revenues)	59,056	(12,557)	46,499
Balance – End of year	246,536	8,578	255,114
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

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, 2024

STATEMENT OF REVENUES AND EXPENSES

(Unaudited)

	2024 \$	2023 \$
REVENUES		
Donations and activities	224,992	177,661
Shows	-	-
Administration and overhead charges	6,872	7,688
Sporting events and miscellaneous	1,046	3,662
Interest	9,320	3,722
	242,230	192,733
EXPENSES		
Activities	154,091	128,140
Bank and processing charges	1,557	2,160
Insurance	1,908	394
Office	2,510	669
Professional fees	3,921	3,653
Promotion	508	1,212
Wages and levies	31,236	18,750
	195,731	154,978
REVENUES OVER EXPENSES	46,499	37,755

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, 2024

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				
ACT Training	-	9,500	-	9,500
Allion	1,252	-	-	1,252
Beacon Hill	91	-	91	-
Beacon Hill Music	206	91	270	27
Beachwood Giving	93	-	-	93
Beurling Academy	1,105	884	27	1,962
Beurling Food Program	475	-	-	475
BHS Arts	97	-	-	97
BHS Convocation Awards	4,847	-	497	4,350
BHS Drama	570	-	-	570
BHS Music	4,197	3,086	6,984	299
BHS Student Life	-	619	-	619
Birchwood	122	-	-	122
Children's World Academy	2,062	-	-	2,062
Christmas Park	275	-	213	62
Clearpoint	859	1,093	1,653	299
Dorset	3	-	-	3
Edgewater	46	-	-	46
Equity and Inclusivity	1,433	-	-	1,433
Evergreen Gen	46	-	-	46
Evergreen Music	867	-	475	392
Every Child Matters	554	570	23	1,101
Experiential STEM Education	6,144	-	-	6,144
Forest Hill Jr.	5,218	309	-	5,527
Forest Hill Sr.	114	238	10	342
Forest Hill Sr. Music	-	428	17	411
FSSTT	3,241	475	2,624	1,092
Heart and hands Clinic	253	-	-	253
Horizon	170	-	-	170
John Rennie Actors' Studio	1,986	-	1,375	611
John Rennie	1,135	-	-	1,135
John Rennie Sport Etudes	542	-	-	542

PEARSON EDUCATIONAL FOUNDATION/ FONDATION PEARSON POUR L'ÉDUCATION

For the year ended June 30, 2024

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 Bright Ideas Award	-	150	150	-
JRHS Friends of Louise Chalmers Theatre Association	439	3,649	1,044	3,044
JRHS George Cassidy Memorial Award	605	-	150	455
JRHS Gordon S. Blackman Education Assistance	1,128	-	500	628
JRHS Harry Fischer	-	2,000	2,000	-
JRHS Leadership Program	-	200	-	200
JRHS Music Dept	1,495	485	1,824	156
JRHS Tom Nemeth and Mark Hanna Awards	7,506	9,500	2,016	14,990
JRHS Tristan Morrissette-Perkins	36,389	13,077	1,035	48,431
Kingsdale Academy	452	-	-	452
Kingsdale Daycare Services	83	-	-	83
Lakeside Robotics	4,831	1,745	3,858	2,718
Lasalle Junior Breakfast Club	201	24	-	225
Lasalle Senior	18	3,800	3,253	565
LCCHS	1,550	380	-	1,930
LCCHS Christmas Baskets	5,288	1,900	2,750	4,438
LCCHS Cooking Program	95	-	-	95
LCCHS Greece Trip	-	24	1	23
LCCHS Hockey	950	-	-	950
LCCHS Phoenix Program	950	-	-	950
LCCHS Robotics	5,414	23,750	6,657	22,507
MacDonald High	623	-	-	623
MacDonald High Robotics	1,707	-	-	1,707
Maple Grove	500	475	520	455
Margaret Manson	1,689	38	2	1,725
Margaret Manson Learning Awards	3,996	3,434	2,643	4,787
Margaret Manson Music	707	-	-	707
Music General	912	-	-	912
Nutrition Funds	1,824	-	-	1,824
Overture With the Arts	550	2,660	605	2,605
OWTA Chamandy Foundation Grant	1,788	33,950	34,230	1,508
OWTA CIBC Grant	-	14,550	-	14,550
OWTA Unity	-	4,750	1,250	3,500
PACC Marcia Segal Memorial Academic Excellence	-	519	519	-
PACC VOC Good Citizen Award	475	-	-	475
PCHS	305	-	300	5

PEARSON EDUCATIONAL FOUNDATION/ FONDATION PEARSON POUR L'ÉDUCATION

For the year ended June 30, 2024

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 \$
PCHS Holiday Food Baskets	-	150	-	150
Pierre Elliott Trudeau Elementary General	-	570	570	-
Place Cartier	274	190	8	456
Riverdale Tammy Jane Chen Memorial Scholarship	714	-	100	614
Riverdale High School Alumni Scholarship	11,871	-	500	11,371
Riverview	226	-	-	226
Riverview GRADS	324	-	-	324
Riverview Holiday Food Baskets	357	475	20	812
Riverview PPO Special Project	-	2,966	118	2,848
Riverview S.T.E.A.M.	103	78	-	181
Rona Cupak Snowsuit & Boots	-	7,288	7,288	-
Sherbrooke Academy Holiday Baskets	89	993	560	522
Sherbrooke Academy Jr.	-	29	1	28
Sherbrooke Sr	24	24	1	47
Soulanges Gannaiden	285	-	-	285
Springdale	41	1,425	1,466	-
Springdale Elementary Graduating Class 2024	-	475	-	475
St. Anthony	-	209	6	203
St. Charles	279	-	-	279
St. Charles Holiday Baskets	23	-	-	23
St. John Fisher Jr.	-	24	1	23
St. John Fisher Sr	1,808	-	922	886
St. John Fisher Sr Music	78	276	11	343
St. Patrick	855	1,425	775	1,505
St. Patrick's Elementary Grant 2023-2024	-	377	-	377
St. Thomas	189	-	-	189
Sunshine Academy	48	-	-	48
Sunshine Academy Family Food	-	76	3	73
Sunshine Holiday Baskets	191	-	-	191
Verdun	1,524	950	-	2,474
Verdun Adult and Career	849	-	-	849
Verdun Holiday Baskets	125	-	-	125
Verdun Lunch and After School Activities	761	-	-	761
Verdun Music	-	1,000	250	750
Westpark General	24	-	24	-
Westwood Archie MacIsaac-Vacon Memorial Scholarship	3,029	-	500	2,529

PEARSON EDUCATIONAL FOUNDATION/ FONDATION PEARSON POUR L'ÉDUCATION

For the year ended June 30, 2024

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 \$
Westwood Mildred Schweitzer Scholarship	34,851	-	6,000	28,851
Westwood Sr.	968	-	-	968
Westwood Sr. Make it Happen - Leadership Program	1,181	-	-	1,181
Westwood Sr. Maureen Kirk Conway Award	1,477	1,425	700	2,202
Westwood Tina Snelgrove Triple Threat Award	395	-	333	62
Wilder Penfield	950	-	-	950
Wilder Penfield Kindergarten Playground	3,094	-	-	3,094
	187,480	158,778	99,723	246,535

PEARSON EDUCATIONAL FOUNDATION/ FONDATION PEARSON POUR L'ÉDUCATION

For the year ended June 30, 2024

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	67,548	-	10,243	57,305
St. Thomas High School 50th Anniversary	616	-	400	216
	68,164	-	10,643	57,521

**PEARSON EDUCATIONAL FOUNDATION/
FONDATION PEARSON POUR L'ÉDUCATION**
For the year ended June 30, 2024

STATEMENT OF CASH FLOWS

(Unaudited)

	2024	2023
	\$	\$
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Revenues over expenses	46,499	37,755
Changes in non-cash operating working capital:		
Decrease (increase) in consumption taxes receivable	222	(1,869)
Increase in prepaid expenses	(87)	(1,497)
Increase (decrease) in accounts payable and accrued liabilities	378	(2,373)
Decrease in external restricted deferred contributions	(10,643)	(13,311)
	<u>(10,130)</u>	<u>(19,050)</u>
	<u>36,369</u>	<u>18,705</u>
INVESTING ACTIVITIES		
Increase in temporary investments	(53,162)	(23,907)
INCREASE (DECREASE) IN CASH	(16,793)	(5,202)
CASH - BEGINNING OF YEAR	122,657	127,859
CASH - END OF YEAR	105,864	122,657

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, 2024

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/
FONDATION PEARSON POUR L'ÉDUCATION**
For the year ended June 30, 2024

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, 2024

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:

2024:

Maturity Date	Interest Rate %	Amount \$
February 28, 2025	4.30%	26,349
May 20, 2025	4.20%	16,564
March 31, 2026	3.40%	26,027
May 17, 2027	3.00%	30,106
March 31, 2028	3.30%	26,008
May 16, 2029	4.00%	80,377
		205,431
Current portion		42,913
		162,518

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

*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.

**PEARSON EDUCATIONAL FOUNDATION/
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For the year ended June 30, 2024

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

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:

	2024	2023
	\$	\$
Balance – beginning of year	68,164	81,475
Deferred contributions received during the year	-	-
Deferred contributions recognized as revenues	(10,643)	(13,311)
Balance – end of year	57,521	68,164

5. NON-MONETARY TRANSACTIONS

The organization received donations in kind in the amount of \$45,000 (2023: \$21,483). 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.

**PEARSON EDUCATIONAL FOUNDATION/
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For the year ended June 30, 2024

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

7. FINANCIAL INSTRUMENTS (Cont'd)

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.

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.