Consolidated financial statements of

The Royal Canadian Geographical Society – La Société Géographique Royale du Canada

June 30, 2026

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Independent Auditor's Report

To the Board of Governors of
The Royal Canadian Geographical Society – La Société Géographique Royale du Canada

Opinion

We have audited the consolidated financial statements of the Royal Canadian Geographical Society – La Société Géographique Royale du Canada (the "Society"), which comprise the consolidated statement of financial position as at June 30, 2026, and the consolidated statements of revenue and expenses, changes in net assets (deficiencies) and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Society as at June 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 ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the consolidated 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.

Other Matter - Restatement

We draw attention to Note 2 to the consolidated financial statements, which explains that certain comparative information presented for the year ended June 30, 2025 has been restated. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 GAAS 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 consolidated financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 Society'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 Society'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 consolidated 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 Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Society as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
October 27, 2026

The Royal Canadian Geographical Society –
La Société Géographique Royale du Canada
Consolidated statement of revenue and expenses
Year ended June 30, 2026

	2026 $	2025 $
Revenue		
Donations	**2,033,744**	1,981,233
RCGS/NGS Canadian Geography Education Fund		
Investment earnings	**530,184**	269,391
Unrealized (loss) gain on foreign exchange	**68,796**	(4,908)
Magazine		
Circulation	**1,200,816**	1,272,409
Advertising	**350,132**	480,324
Canadian Periodical Fund	**799,419**	750,769
Custom publishing	**6,147,847**	5,347,351
Fundraising events	**369,363**	338,830
Events revenue	**234,387**	137,683
Other	**42,462**	87,944
	11,777,150	10,661,026
Expenses		
Fundraising	**387,921**	425,928
Programs	**1,333,498**	1,183,981
Magazine		
Circulation	**514,679**	854,178
Advertising	**112,495**	151,428
Editorial	**844,599**	708,891
Production	**943,104**	1,001,683
Custom publishing	**3,633,520**	2,921,313
Administration	**1,697,819**	1,695,468
Events	**244,658**	202,776
Rent and occupancy costs	**952,574**	960,792
Interest	**14,571**	18,805
Amortization of capital assets	**92,354**	91,402
	10,771,792	10,216,645
Excess of revenue over expenses	**1,005,358**	444,381

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

The Royal Canadian Geographical Society –
La Société Géographique Royale du Canada
Consolidated statement of financial position
As at June 30, 2026

	Notes	2026 $	2025 $ (Restated) (Note 2)
Assets			
Current assets			
Cash and cash equivalents		**2,050,366**	2,304,063
Accounts and interest receivable		**1,257,565**	1,058,720
Government remittances receivable		**41,025**	42,284
Inventory	4	**72,046**	90,271
Prepaid expenses		**2,538,361**	311,223
		5,959,363	3,806,561
Education fund	5	**2,117,125**	1,656,151
Capital assets	6	**1,901,491**	1,203,432
		9,977,979	6,666,144
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**744,991**	844,489
Deferred circulation revenue – current portion		**151,906**	150,952
Deferred revenue - custom publishing		**887,995**	1,094,603
Deferred revenue - donations		**4,720,890**	1,883,907
		6,505,782	3,973,951
Deferred circulation revenue		**988,467**	1,213,821
		7,494,249	5,187,772
Commitments and contingencies	8		
Net assets			
Internally restricted for investment in RCGS/NGS Canadian Geography Education Fund	5	**2,117,125**	1,656,151
Invested in capital assets		**1,901,491**	1,203,433
Unrestricted net assets (deficiencies)		**(1,534,886)**	(1,381,212)
		2,483,730	1,478,372
		9,977,979	6,666,144

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

Approved by the Board

_____, Governor

_____, Governor

The Royal Canadian Geographical Society –
La Société Géographique Royale du Canada

Consolidated statement of changes in net assets (deficiencies)

Year ended June 30, 2026

	Internally restricted for investment in RCGS/NGS Canadian Geography Education Fund $	Internally restricted $	Invested in capital assets $	Unrestricted $	Total $
Balance, June 30, 2024	1,529,437	151,348	1,157,394	(1,691,071)	1,147,108
Restatement (Note 2)	—	—	—	(113,117)	(113,117)
Balance restated, June 30, 2024	1,529,437	151,348	1,157,394	(1,804,188)	1,033,991
Excess of revenue over expenses (1)	—	—	9,715	434,666	444,381
Internal restriction	—	(151,348)	—	151,348	—
Purchase of capital assets	—	—	36,323	(36,323)	—
Net increase in RCGS/NGS Canadian Geography Education Fund	126,714	—	—	(126,714)	—
Balance, June 30, 2025	1,656,151	—	1,203,432	(1,381,211)	1,478,372
Excess of revenue over expenses (1)	**—**	**—**	**76,342**	**929,016**	**1,005,358**
Purchase of capital assets	**—**	**—**	**621,717**	**(621,717)**	**—**
Net increase in RCGS/NGS Canadian Geography Education Fund	**460,974**	**—**	**—**	**(460,974)**	**—**
Balance, June 30, 2026	**2,117,125**	**—**	**1,901,491**	**(1,534,886)**	**2,483,730**

(1) Excess of revenue over expenses of net assets invested in capital assets comprises contributed works of art and historical treasures amounting to $168,696 ($101,117 in 2025) less amortization of capital assets amounting to $92,354 ($91,402 in 2025).

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

The Royal Canadian Geographical Society –
La Société Géographique Royale du Canada
Consolidated statement of cash flows
Year ended June 30, 2026

	Notes	**2026** **$**	2025 $
Operating activities			
Excess (deficiency) of revenue over expenses		**1,005,358**	444,381
Items not affecting cash			
Amortization of capital assets		**92,354**	91,402
Contributed works of art and historical treasures		**(168,696)**	(101,117)
		929,016	434,666
Changes in non-cash operating working capital items	9	**(100,022)**	302
		828,994	434,968
Investing activities			
Purchase of capital assets		**(621,717)**	(36,323)
Net variation in the RCGS/NGS Canadian Geography Education Fund		**(460,974)**	(126,714)
		(1,082,691)	(163,037)
Increase (decrease) in cash		**(253,697)**	271,931
Cash, beginning of year		**2,304,063**	2,032,132
Cash, end of year		**2,050,366**	2,304,063

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

1. Activities of the organization

The Royal Canadian Geographical Society – La Société Géographique Royale du Canada (the "Society" or "RCGS") was incorporated without share capital under Part II of the Canada Corporations Act. In 2014, the Society received a Certification of Continuance under the Canada Not-for-Profit Corporations Act. It is a registered charitable educational organization devoted to advancing geographical knowledge and disseminating information on the geography, resources, and people of Canada. The Society controls Canadian Geographic Enterprises (CGE) which operates the Canadian Geographic magazine and its related websites. The Society also controls 50 Sussex Drive Inc., a fully owned subsidiary.

As a registered charity, the Society is exempt from income taxes.

2. Restatement of comparative figures

During the year, the Society identified certain errors in the previously reported comparative figures. Certain donations received in prior years for restricted named funds were incorrectly recognized as revenue rather than deferred revenue. In addition, the Society identified an unsupported credit balance in a legacy donation clearing account that arose from historical processing errors. Accordingly, the comparative figures have been restated to correct these prior-period errors.

The impact of the restatement on the June 30, 2025 comparative balances is as follows:

	As previously reported	Adjustment	As restated
Accounts and interest receivable	1,031,610	$27,110	$1,058,720
Deferred revenue - donations	$(1,743,680)	$(140,227)	$(1,883,907)
Unrestricted deficiencies (net assets) as of July 1, 2024	$1,691,071	$113,117	$1,804,188
Unrestricted deficiencies (net assets) as of June 30, 2025	$1,268,094	$113,117	$1,381,211

3. Significant accounting policies

These consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Basis of presentation

The Society consolidates CGE and 50 Sussex Drive Inc. and presents its financial statements on a consolidated basis. Inter-entity transactions are eliminated.

Cash and cash equivalents

Cash and cash equivalents represent cash and equivalents that mature within twelve months and those that can be readily converted to cash, less bank indebtedness.

3. Significant accounting policies (continued)

Inventory

Finished goods consist of Indigenous Peoples Atlas of Canada publications and merchandise and are valued at lower of cost and net realizable value, determined on a first-in, first-out basis. Net realizable value is the estimated selling price less the estimated cost of completion and the estimated costs necessary to make the sale. Any write-down of inventory to its net realizable value is recognized as an expense in the period. When the net realizable value subsequently increases, the previously recognized impairment loss is reversed and recognized as a reduction in the amounts of inventories expensed in the period the reversal occurs.

Capital assets

Capital assets and assets under capital leases are recorded at cost. Contributed capital assets are recorded at fair value. When fair value cannot be determined, contributed capital assets are recorded at nominal value. Amortization is calculated using the straight-line method over the estimated useful lives of assets as follows:

Furniture and equipment	5-10 years
Computer equipment and software	5 years
Leasehold improvements	Over the term of the lease

Works of art and historical treasures are not amortized due to their indefinite lives.

Write-downs of capital assets

When conditions indicate that a capital asset is impaired, the net carrying amount of the capital asset shall be written down to the asset's fair value or replacement cost. The write-downs of capital assets shall be accounted for as expenses in the statement of revenue and expenses. A write-down shall not be reversed.

Financial instruments

(a) Initial measurement

Financial assets and financial liabilities originated or exchanged in arm's length transactions are initially recognized at fair value when the Society becomes a party to the contractual provisions of the financial instrument.

(b) Subsequent measurement

All financial instruments are subsequently measured at amortized cost except for the investment in RCGS/NGS Canadian Geography Education Fund, which is measured at fair value at the balance sheet date. Investment income earned on investments is included in Investment earnings in the statement of revenue and expenses.

(c) Transaction costs

Transaction costs related to financial instruments subsequently measured at fair value are expensed as incurred. Transaction costs related to other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the effective interest method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the effective interest method and recognized in net earnings as interest income or expense.

3. Significant accounting policies (continued)

Financial instruments (continued)

(d) Impairment

With respect to financial assets measured at cost or amortized cost, the Society recognizes an impairment loss, if any, in net earnings when there are indicators of impairment and it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to net earnings in the period in which the reversal occurs.

Government assistance

Government assistance is recorded in the consolidated financial statements when there is reasonable assurance that the Society has complied with, and will continue to comply with, all conditions necessary to obtain the assistance.

Foreign currency translation

Financial assets and liabilities denominated in foreign currencies have been translated at the year-end exchange rate. Transactions in foreign currencies have been translated at the rates of exchange in effect at the dates of the transactions.

Revenue recognition

The Society follows the deferral method of accounting for revenue. Unrestricted donations and contributions are recognized as revenue as they are received or receivable, if the amount to be received can be reasonably assured. Restricted donations and contributions are deferred and are recognized as revenue in the year in which they are earned or the related expenses are incurred.

Sales of products and services to customers are recorded when the product is shipped or the service is performed. Any payment received in advance of shipment is deferred and recorded as deferred circulation revenue. Custom publishing revenues are recognized using the percentage of completion method.

Interest income includes interest income which has been recorded on an accrual basis directly in the consolidated statement of revenue and expenses.

Use of estimates

The preparation of consolidated financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. The estimated useful life of capital assets, the net realizable value of the accounts receivable, the amount of certain accrued liabilities and the percentage of completion of custom publishing contracts are the most significant items where estimates are used. Actual results could differ from these estimates.

4. Inventory

Included in inventory as at June 30, 2026, is $72,046 ($90,271 in 2025) of finished goods. Included in custom publishing expenses are $21,568 ($15,633 in 2025) of costs which were expensed through inventory.

5. Education Fund

The investment in RCGS/NGS Canadian Geography Education Fund is an investment for which the capital is held in perpetuity. This investment fund is managed by the National Geographic Society Education Foundation located in the United States. The earnings on these investments accrue to the Society. The Society has agreed that a portion of investment earnings received each year will be spent to promote geography education in Canada. The balance of net earnings will be reinvested in the fund.

During the year, distribution of the Society's portion of the Fund related to spend for restricted purposes amounted to $138,006 ($137,769 in 2025) as permitted by the aforementioned agreement.

6. Capital assets

	Cost **$**	**Accumulated amortization** **$**	**2026 Net book value** **$**	2025 Net book value $
Furniture and equipment	**358,865**	**289,429**	**69,436**	97,656
Computer equipment and software	**130,744**	**91,129**	**39,615**	35,966
Leasehold improvements	**1,010,254**	**320,094**	**690,160**	136,226
Works of art and historical treasures	**1,102,280**	**—**	**1,102,280**	933,584
	2,602,143	**700,652**	**1,901,491**	1,203,432

The Society's cost and accumulated amortization as at June 30, 2025, amounted to $1,811,730 and $608,298 respectively.

7. Credit facility

The Society has an operating line of credit available by way of a revolving demand facility of $800,000 ($800,000 in 2025) bearing interest at 5.45% (5.95% in 2025) and secured by a general security agreement guaranteed by the Society. As of June 30, 2026 the line of credit carried a balance of $15,000.

8. Commitments and contingencies

The Society is committed under operating leases for office space and equipment rental. As part of the lease agreement for its office space, the Society has committed to providing in-kind services to the landlord.

Minimum net lease payments for the next year are as follows:

	Lease payments $	In-kind services $	Net lease payments $
2027	637,269	(99,180)	538,089

Amounts included for 2027 also include commitments related to office equipment rental.

9. Changes in non-cash operating working capital items

	2026 $	2025 $
Accounts and interest receivable	**(198,845)**	(196,851)
Government remittances receivable	**1,259**	62,466
Inventory	**18,225**	20,325
Prepaid expenses	**(2,227,138)**	(154,487)
Accounts payable and accrued liabilities	**(99,498)**	(194,076)
Deferred revenue - custom publishing	**(206,608)**	17,126
Deferred revenue - donations	**2,836,983**	164,646
Deferred circulation revenue	**(224,400)**	281,153
	(100,022)	302

10. Financial instruments

Credit risk

The Society provides credit to its customers in the normal course of its operations. It carries out, on a continuing basis, credit checks on its clients and maintains provisions for potential credit losses. The Society minimizes its credit risk by concluding transactions with a large number of clients across the country.

Liquidity risk

The Society's objective is to have sufficient liquidity to meet its liabilities when due. The Society is exposed to this risk mainly in respect of accounts payable and accrued liabilities. The Society monitors its cash balances and cash flows generated from operations to meet its requirements.

10. Financial instruments (continued)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk.

Foreign currency risk

Foreign currency exposure arises from the Society's holdings of non-Canadian denominated investments. Management believes that the investment fund described above does not represent excessive risk. The exposure of the Society to foreign exchange resides in its investment in the Education Fund (Note 5).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Society is exposed to interest rate risk through its investment in the Education Fund (Note 5). The Society also has a line of credit by way of a revolving demand facility bearing a variable interest rate. Consequently, the Society's interest rate risk exposure is a function of the change of the prime rate. The line of credit carried a balance of $15,000 as at June 30, 2026.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Society is exposed to this risk through the investment in the Education Fund (Note 5), as the underlying investments within the Fund are traded on active markets.

11. Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation.