The Canadian Public Relations Society Toronto Inc.

Independent Auditor's Report

FINANCIAL STATEMENTS

June 30, 2026

FORMUSA ZUCCARO LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the members of
The Canadian Public Relations Society Toronto Inc.

Report on the Audit of the Financial Statements

Qualified Opinion
We have audited the financial statements of The Canadian Public Relations Society Toronto Inc., which comprise the statement of financial position as at June 30, 2026, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Except as noted in the following paragraph, in our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization 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 Qualified Opinion
In common with many not-for-profit organizations, the organization derives revenue and membership fees from voluntary contributions the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the organization.

Also as discussed in note 1(g), the Canadian Public Relations Society Toronto Inc. records revenue from memberships when received or receivable and the amounts are not deferred nor prorated based on the service period. This practice, in our opinion, is not in accordance with Canadian accounting standards for not-for-profits organizations. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Society.

Therefore, we were not able to determine whether any adjustments might be necessary to membership revenue, excess of revenues over expenses, and cash flows from operations for the years ended June 30, 2026 and 2025, current assets as at June 30, 2026 and 2025, and net assets as at and June 30 for both the 2026 and 2025 years.

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. matter independent of the organization 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 directors for the Financial Statements
Management and directors are 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 and directors determine 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 and directors are responsible for assessing the

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organization'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 and directors either intend to liquidate the organization or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization'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 organization's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and directors.

- Conclude on the appropriateness of management and directors' 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 organization'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 organization 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.

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INDEPENDENT AUDITOR'S REPORT continued

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.

Formusa Zuccaro L.L.P.

Chartered Professional Accountants
Licensed to Practice Public Accounting in Ontario by
the Chartered Professional Accountants of Ontario

Vaughan, Ontario
September 24, 2026

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The Canadian Public Relations Society Toronto Inc.

STATEMENT OF FINANCIAL POSITION

As at June 30	2026	2025
ASSETS		
Current		
Cash	**$ 64,074**	$ 79,633
Term deposits (note 2)	**59,869**	58,468
Prepaid expenses	**4,984**	4,825
HST receivable	**2,082**	-
	$ 131,009	$ 142,926
LIABILITIES		
Current		
Accounts payable and accrued liabilities	**$ 10,000**	$ 10,000
HST payable	**-**	1,170
	10,000	11,170
Net assets	**121,009**	131,756
	$ 131,009	$ 142,926

Approved on behalf of the board

______________________________ Director ______________________________ Director

See accompanying notes to financial statements

The Canadian Public Relations Society Toronto Inc.

STATEMENT OF OPERATIONS

Year ended June 30	2026	2025
Revenues		
Awards	**$ 113,963**	$ 119,693
National membership	**12,556**	15,613
Student membership	**2,505**	5,173
Internet committee	**1,850**	1,200
Student committee	**4,017**	3,915
Professional development	**550**	3,207
Interest income	**1,401**	1,986
	136,842	150,787
Expenditures		
Professional development	**2,524**	5,655
Awards	**76,446**	80,378
Internet committee	**1,007**	1,521
Student committee	**997**	545
Credit card processing fees	**4,995**	5,561
Office and general	**5,132**	4,412
Professional fees	**5,250**	5,000
Meeting expense	**782**	675
Secretariat	**49,000**	49,000
Telephone	**1,456**	1,456
	147,589	154,203
Deficiency of revenues over expenditures	**$ (10,747)**	$ (3,416)

The Canadian Public Relations Society Toronto Inc.

STATEMENT OF CHANGES IN NET ASSETS

Year ended June 30	2026	2025
Balance, beginning of year	**$ 131,756**	$ 135,172
Deficiency of revenues over expenditures	**(10,747)**	(3,416)
Balance, end of year	**$ 121,009**	$ 131,756

See accompanying notes to financial statements

The Canadian Public Relations Society Toronto Inc.

STATEMENT OF CASH FLOWS

Year ended June 30	2026	2025
Cash provided by (used for):		
Operating		
Deficiency of revenues over expenditures	**$ (10,747)**	$ (3,416)
Change in non-cash working capital items		
Prepaid expenses	**(159)**	(1,508)
Accounts payable and accrued liabilities	**-**	4,499
HST payable	**(3,252)**	887
	(14,158)	462
Investing		
Increase in term deposits	**(1,401)**	(1,986)
Decrease in cash	**(15,559)**	(1,524)
Cash, beginning of year	**79,633**	81,157
Cash, end of year	**$ 64,074**	$ 79,633

See accompanying notes to financial statements

NATURE OF OPERATIONS

The Canadian Public Relations Society Toronto Inc. was incorporated on March 31, 1964 in Ontario as a non-for-profit organization without share capital. The Society is a member of Canadian Public Relations Society ("CPRS") which is dedicated to serving Canadians through the establishment and maintenance of professional, educational and ethical standards in public relations. Members of the Society practice public relations in virtually every industry in the private, not-for-profit, charity and government sectors.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. These financial statements have, in management's opinion, been properly prepared within the framework of the accounting policies summarized as follows.

(a) **Fund accounting**

The organization follows the deferral method of accounting for contributions which includes grants and donations. Contributions of property and equipment are included as deferred contributions and are amortized to revenue at the same rate and on the same basis as amortization of the related property and equipment.

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

Endowment contributions are recognized as direct increases in net assets.

(b) **Cash**

Cash consists of balances with financial institutions.

(c) **Term deposits**

Term deposits are initially measured at cost and subsequently measured at cost plus accrued interest without adjustment for transaction costs that would be included in disposal. Accrued interest is recognized as interest income in the period earned.

(d) **Income taxes**

The Canada Public Relations Society Toronto is a not-for-profit organization under the Income Tax Act (Canada) and, as such, is exempt from income taxes.

(e) **Donated material and services**

Volunteers contribute time to assist the organization in carrying out various programs for its participants. Donated capital, material and third party services with a determinable fair value are recorded in the financial statements on the date of the donation. Donated services are not recorded because the fair market value is not readily determinable. With the exception of volunteer time, such services are not significant.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

(f) **Financial instruments**

(i) **Measurement of financial instruments**

The organization initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The organization subsequently measures all its financial assets and financial liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in deficiency of revenues over expenditures in the period incurred.

Financial assets measured at amortized cost on a straight line basis include cash.

Financial assets measured at cost plus accrued interest are term deposits.

Financial liabilities measured at amortized cost on a straight-line basis include accounts payable and accrued liabilities.

(ii) **Impairment**

For financial assets measured at cost or amortized cost, the organization determines whether there are indications of possible impairment. When there is an indication of impairment, and the organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in deficiency of revenues over expenditures. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in deficiency of revenues over expenditures.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

(g) **Revenue recognition**

The Society follows the deferral method of accounting. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Awards, internet committee, professional development, education committee and students' committee revenues are recognized in the period when the events or services occurred.

Sponsorship revenue is recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Membership dues are taken into revenue during the fiscal year in which they are received.

Interest income is recognized in the period incurred.

(h) **Financial risk management objectives and policies**

Consistent with similar not-for-profit organizations, risk management policies are part of the overall management of the entity's operations. Management's direct involvement in day-to-day operations identifies risks and variations from expectations leading to changes in risk management activities, requirements and actions. Management has not entered into hedging transactions to manage risk. As a part of the overall management of the entity's operations, management considers avoidance of undue concentrations of risk, and employs appropriate investment and credit management policies to manage the organization's exposure.

(i) **Measurement uncertainty and use of estimates**

The preparation of 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 liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

The significant estimates within these financial statements are not material.

2. TERM DEPOSITS

	2026	2025
CIBC one year non-redeemable term deposit with a maturity date of December 9, 2026 at a fixed rate of 2.45%	**$ 29,553**	$ 28,622
CIBC one year non-redeemable term deposit with a maturity date of April 1, 2027 at a fixed rate of 2.00%	**12,187**	11,948
CIBC one year non-redeemable term deposit with a maturity date of May 7, 2027 at a fixed rate of 2.00%	**17,611**	17,266
Accrued Interest	**518**	632
	$ 59,869	$ 58,468

Interest for the year amounted to $1,401 (2025-$1,986).

3. REMUNERATION OF BOARD OF DIRECTORS

Members of the Board of Directors are volunteers who serve without remuneration.

4. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Liquidity risk

The organization does have a liquidity risk in the accounts payable and accrued liabilities of $10,000 (2025 - $10,000). Liquidity risk is the risk that the organization cannot repay its obligations when they become due to its creditors. The organization reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due and maintains an adequate line of credit to repay trade creditors. In the opinion of management, the liquidity risk exposure to the organization is low and is not material.

(b) 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: currency risk, interest rate risk and other price risk.

(c) Fair value

The fair value of current financial assets and current financial liabilities approximates their carrying value due to their short-term maturity dates.