

Ontario Association of Architects
Non-consolidated Financial Statements
For the year ended November 30, 2024

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Independent Auditors' Report

To the Members of Ontario Association of Architects

We have audited the non-consolidated financial statements of Ontario Association of Architects (the "Association") which comprise of the non-consolidated statement of financial position as at November 30, 2024, and the non-consolidated statements of operations, non-consolidated statement of changes in members' equity and non-consolidated cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the Association as at November 30, 2024, and its non-consolidated results of operations and its non-consolidated 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 non-consolidated Financial Statements* section of our report. We are independent of the Association 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.

Other Matter - Restated Comparative Information

We draw attention to Note 2 to the non-consolidated financial statements, which explains that certain comparative information presented for the year ended November 30, 2023 has been restated. The non-consolidated financial statements for the year ended November 30, 2023 (prior to the adjustments that were applied to restate certain comparative information explained in Note 2) were audited by another auditor who expressed an unmodified opinion on those non-consolidated financial statements on March 15, 2024.

Responsibilities of Management and Those Charged with Governance for the Non-consolidated Financial Statements

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

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

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



Independent Auditors' Report (Continued)

Auditor's Responsibilities for the Audit of the Non-consolidated 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 non-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 Association'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 Association'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 Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Association to express an opinion on the non-consolidated financial statements. We are responsible for the direction, supervision and performance 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Oakville, Ontario
March 7, 2025

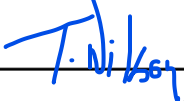
**Ontario Association of Architects
Non-consolidated Statement of Financial Position**

November 30	2024	2023
		(Restated Note 2)
Assets		
Current		
Cash	\$ 272,916	\$ 244,617
Short-term deposits (Note 3)	8,587,581	7,624,698
Accounts receivable (Note 4)	337,380	299,973
Receivable from Committee for the Examination for Architects in Canada (CExAC) (Note 7)	325,212	271,260
Inventories	12,610	12,027
Prepaid expenses	125,306	397,935
	9,661,005	8,850,510
Capital assets (Note 5)	10,905,751	11,078,359
Invested in Pro-Demnity Insurance Company (Note 6(a))	55,846,966	45,454,966
	\$ 76,413,722	\$ 65,383,835

Liabilities and Members' Equity

Current		
Accounts payable and accrued liabilities	\$ 280,148	\$ 640,466
Payable to Committee for the Examination for Architects in Canada (CExAC) (Note 7)	653,569	746,616
Deferred revenue	768,548	713,709
Demand loan (Note 8)	3,908,901	4,102,730
	5,611,166	6,203,521
Members' equity		
Pro-Demnity Insurance Company	55,846,966	45,454,966
Major capital reserve	1,576,226	1,576,226
Operating reserve	2,158,751	1,358,127
Legal reserve	285,500	285,500
Capital asset	6,996,850	6,975,629
Unrestricted	3,938,263	3,529,866
	70,802,556	59,180,314
	\$ 76,413,722	\$ 65,383,835

Approved on behalf of the Board:


 _____ Director


 _____ Director

The accompanying notes and schedule are an integral part of these non-consolidated financial statements.

Ontario Association of Architects Non-consolidated Statement of Operations

For the year ended November 30	2024	2023
Revenue		
Annual membership fees	\$ 5,524,025	\$ 5,195,772
Other annual fees and related revenue	2,490,874	2,455,807
Conference and annual meeting	721,520	378,442
Investment income	556,948	509,165
Continuing education	159,773	107,750
Net examination for Architects in Canada (ExAC) fees (Note 7)	134,456	(102,394)
Sales of publications and other Classified income	37,592	21,998
Classifieds income	16,624	20,325
Admission course fees	10,681	10,255
Practice management course	8,073	9,015
Rental and other income from Pro-Demnity Insurance Company (Note 6(b))	7,808	8,509
Building rental income	-	4,950
	9,668,374	8,619,594
Expenses (Schedule)		
Salaries and benefits	4,209,948	4,012,208
Direct program	2,801,200	1,806,263
Building, office services and operating	1,505,163	1,374,549
Legal fees	225,590	300,650
	8,741,901	7,493,670
Excess of revenue over expenses before other items	926,473	1,125,924
Other items		
AATO court order costs recovery and (contingency) (Note 9)	303,769	(507,950)
Investment income from Pro-Demnity Insurance Company (Note 6(a))	10,392,000	9,820,000
Excess of revenue over expenditures	\$ 11,622,242	\$ 10,437,974

The accompanying notes and schedule are an integral part of these non-consolidated financial statements.

Ontario Association of Architects
Non-consolidated Statement of Changes in Members' Equity

For the year ended November 30

	Legal reserve (internally restricted)	Pro-Demnity Insurance Company (internally restricted) (Note 6)	Major Capital reserve (internally restricted)	Operating reserve (internally restricted)	Capital Assets	Unrestricted	Total 2024	Total 2023
								(Restated Note 2)
Balance , beginning of year as previously stated	\$ 285,500	\$ 48,137,966	\$ 1,576,226	\$ 1,358,127	\$ 6,975,629	\$ 3,529,866	\$ 61,863,314	\$ 51,425,340
Restatement (Note 2)	-	(2,683,000)	-	-	-	-	(2,683,000)	(2,683,000)
Balance , beginning of year, as restated	\$ 285,500	\$ 45,454,966	\$ 1,576,226	\$ 1,358,127	\$ 6,975,629	\$ 3,529,866	\$ 59,180,314	\$ 48,742,340
Excess (deficiency) of revenue over expenses	-	10,392,000	-	-	(699,765)	1,930,007	11,622,242	10,437,974
Purchase of capital assets	-	-	-	-	527,157	(527,157)	-	-
Repayment of demand loan	-	-	-	-	193,829	(193,829)	-	-
Transfer to internally restricted funds (Note 12)	-	-	-	800,624	-	(800,624)	-	-
Balance , end of year	\$ 285,500	\$ 55,846,966	\$ 1,576,226	\$ 2,158,751	\$ 6,996,850	\$ 3,938,263	\$ 70,802,556	\$ 59,180,314

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Ontario Association of Architects Non-consolidated Statement of Cash Flows

For the year ended November 30 **2024** **2023**

Cash provided by (used in)

Operating activities		
Excess of revenue over expenses for the year	\$ 11,622,242	\$ 10,437,974
Adjustments to reconcile excess of revenue over expenditures to net cash provided by operating activities		
Amortization	699,765	690,003
Investment income from Pro-Demnity Insurance Company(Note 6(a))	<u>(10,392,000)</u>	<u>(9,820,000)</u>
	1,930,007	1,307,977
Changes in non-cash working capital		
Accounts receivable	(37,407)	(498)
Receivable from CExAC	(53,952)	(18,778)
Inventories	(583)	(8,087)
Prepaid expenses	272,629	2,475
Accounts payable and accrued liabilities	(360,318)	374,779
Payable to CExAC	(93,047)	79,827
Deferred revenue	<u>54,839</u>	<u>(117,071)</u>
	(217,839)	312,647
	1,712,168	1,620,624
Investing activities		
Purchase of short-term deposits	(7,962,883)	(7,149,486)
Proceeds on disposal of short-term deposits	7,000,000	6,581,368
Purchase of capital assets	<u>(527,157)</u>	<u>(671,370)</u>
	(1,490,040)	(1,239,488)
Financing activity		
Repayment of demand loan	<u>(193,829)</u>	<u>(193,830)</u>
	28,299	187,306
Increase in cash during the year	28,299	187,306
Cash, beginning of year	<u>244,617</u>	<u>57,311</u>
Cash, end of year	\$ 272,916	\$ 244,617

The accompanying notes and schedule are an integral part of these non-consolidated financial statements.

Ontario Association of Architects

Notes to Non-consolidated Financial Statements

November 30, 2024

1. Significant Account Policies

Nature of Operations

Ontario Association of Architects (the "Association" or "OAA") regulates the practice of architecture and governs its members in accordance with the Architects Act. The Association is a non-profit organization under the Income Tax Act and is therefore not subject to either federal or provincial income taxes.

Basis of Accounting

The non-consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

Revenue recognition

The Association uses the deferral method for contributions. Annual membership and related fees are recognized as revenue over the applicable period, with deferred revenue representing fees received in advance.

Income from conferences, meetings, and course fees are recognized when services are provided. Fees for continuing education and examinations are recorded at the time of delivery. Publication sales are recognized upon delivery of goods.

Investment income from short-term deposits is recorded in the year earned.

Investment in Pro-Demnity Insurance Company

The Association owns 100% of the common shares and controls Pro-Demnity Insurance Company ("Pro-Demnity" or the "Company"), a profit-oriented enterprise. The Association accounts for the investment using the equity method whereby the initial investment is recorded at cost and is subsequently adjusted to reflect the Association's pro-rata share of post-acquisition earnings, changes in accounting policies, and capital transactions of Pro-Demnity. Distributions received from Pro-Demnity would reduce the carrying value of the investment. Details of the investment in Pro-Demnity are disclosed in Note 6.

Use of estimates

The preparation of non-consolidated financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the non-consolidated financial statements and the reported amounts of revenue and expenses during the year. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Actual results could differ from these estimates. These estimates are reviewed periodically and adjustments are made to excess of revenue over expenditures as appropriate in the year they become known.

The investment in Pro-Demnity and net income from OAA's investment in Pro-Demnity Insurance Company are subject to significant management estimate as a result of Pro-Demnity's provision for unpaid claims. There are several sources of uncertainty that are considered by Pro-Demnity in estimating the amount that will ultimately be paid on these claims. Changes in the estimate of the provision can be caused by receipt of additional claim information, changes in judicial interpretation of contracts, or significant changes in the severity or frequency of claims from historical trends.

Other items subject to significant management estimates include useful life of capital assets.

Ontario Association of Architects

Notes to Non-consolidated Financial Statements

November 30, 2024

1. Significant Accounting Policies (Continued)

Financial instruments held by the Association

Financial Instruments are recorded at fair value at initial recognition.

In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

Inventories

Inventories are recorded at the lower of cost and net realizable value and are relieved on a first-in, first-out basis. Net realizable value is defined as the estimated selling price in the ordinary course of business, less estimated costs to sell. Cost consisted of the purchase price.

Capital Assets

Capital assets are recorded at cost less amortization. Amortization is recorded on a straight-line basis over the estimated useful lives of the assets at the following rates:

Building	40 years
Building additions	10-20 years
Furniture and equipment	10 years
Computer equipment	3-8 years
Website and database costs	5 years

Members' equity

The Association's Council can internally restrict members' equity to be held for specific purposes. These internally restricted amounts are not available for other purposes without the approval of Council Members' equity comprises:

(a) Invested in Pro-Demnity Insurance Company

Members' equity in Pro-Demnity represents the Association's investment in Pro-Demnity accounted for using the equity method.

(b) Invested in major capital reserve

The major capital reserve represents amounts internally restricted by Council for major capital maintenance, repair or replacement that cannot be otherwise funded in a single budget year through the OAA's existing annual operating budget.

(c) Invested in operating reserve

The operating reserve fund represents amounts internally restricted by Council to ensure the stability of ongoing operations of the Association.

Ontario Association of Architects Notes to Non-consolidated Financial Statements

November 30, 2024

1. Significant Accounting Policies (Continued)

Members' equity (continued)

(d) Invested in legal service

The legal reserve fund represents amounts internally restricted by Council to provide a source of sustained funding for the legal costs related to Discipline and Act Enforcement that cannot be otherwise funded in a single budget year through the OAA's existing annual budget.

(e) Invested in capital assets

Members' equity invested in property and equipment represents the net book value of property and equipment less any indebtedness thereon.

(f) Unrestricted

Unrestricted members' equity represents the net resources of the Association not internally restricted.

Donated services

The Association benefits from the voluntary services of many members. Since their services are not normally purchased by the Association and because of the difficulty of determining their fair value, donated services are not recognized in these statements.

2. Restatement of Prior Year's Financial Results

During the year, the Association determined that other comprehensive loss which is a result of the application of a change in accounting policy at Pro-Demnity was not recorded in the year ended November 30, 2022.

The effects of the restatement on the previously reported November 30, 2023 non-consolidated financial statements are summarized as follows:

	Previously Stated	Adjustment	Restated
Investment in Pro-Demnity Insurance Company	\$ 48,137,966	\$ (2,683,000)	\$ 45,454,966
Opening Members' equity	\$ 51,425,340	\$ (2,683,000)	\$ 48,742,340
Excess of revenue of expenditures for the year	10,437,974	-	10,437,974
Closing Members' equity	\$ 61,863,314	\$ (2,683,000)	\$ 59,180,314

Ontario Association of Architects Notes to Non-consolidated Financial Statements

November 30, 2024

3. Short-term Deposits

Short-term deposits consist of guaranteed investment certificates with an annual interest rate of 4.55% (2023 - 5.00% to 5.25%) that matures on March 5, 2025 (2023 - July 2, 2024), and a high interest savings account.

4. Accounts Receivable

	2024	2023
Accrued interest	\$ 168,208	\$ 151,862
Miscellaneous receivables	108,762	98,420
GST/HST	60,410	49,691
	\$ 337,380	\$ 299,973

5. Property and Equipment

	2024		2023	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 470,000	\$ -	\$ 470,000	\$ 470,000
Building	10,939,466	2,634,366	8,305,100	8,578,586
Building additions	2,671,229	1,759,555	911,674	1,012,545
Furniture and fixtures	492,275	267,150	225,125	256,584
Computer equipment	1,708,998	788,184	920,814	677,957
Website and database costs	375,828	302,790	73,038	82,687
	\$ 16,657,796	\$ 5,752,045	\$ 10,905,751	\$ 11,078,359

Ontario Association of Architects Notes to Non-consolidated Financial Statements

November 30, 2024

6. Pro-Demnity Insurance Company

Pro-Demnity Insurance Company ("Pro-Demnity") was incorporated under the laws of Ontario August 9, 2002. The Company is an insurer dedicated to the underwriting of architects' liability coverages. The Company is licensed in Ontario and the Company's registered head office is 150 Bloor Street East, Suite 1001, Toronto, Ontario.

- (a) The Association owns 100% of the common shares and controls Pro-Demnity, a profit-oriented enterprise. The Association accounts for the investment using the equity method. Pro-Demnity maintains its books and records, and prepares its stand-alone financial statements, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). To determine the December 31 carrying value of the investment in Pro-Demnity and the related investment income for the year then ended, the Association adjusts the reported amounts of Pro-Demnity's financial position and results of operations for differences between IFRS Accounting Standards and ASNPO and, where applicable, other accounting policy differences, so that the policies confirm with those of the Association.

As ASNPO does not include guidance on the accounting for insurance contracts, the Association's accounting policies related to insurance contracts and financial instruments of an insurer (the accounting for which is closely intertwined) are based on the guidance in IFRS Accounting Standards. As such, no adjustments are made by the Association to the reported amounts of Pro-Demnity's financial position and results of operations related to accounting for insurance contracts or financial instruments for purposes of determining the carrying value of the investment in Pro-Demnity, the related investment income recognized by the Association or the Pro-Demnity balances disclosed below.

The Association's investment in Pro-Demnity has not been consolidated in these financial statements, but accounted for using the equity method. The Association's investment in Pro-Demnity is as follows:

	2024	2023
Investment in Pro-Demnity, beginning of year as previously stated	\$ 48,137,966	38,317,966
Restatement (Note 2)	(2,683,000)	(2,683,000)
Investment in Pro-Demnity, beginning of year as restated	45,454,966	35,634,966
Comprehensive income	10,392,000	9,820,000
Investment in Pro-Demnity, end of year	\$ 55,846,966	45,454,966

Ontario Association of Architects Notes to Non-consolidated Financial Statements

November 30, 2024

6. Pro-Demnity Insurance Company (Continued)

A financial summary of Pro-Demnity's financial position as at December 31 (its fiscal year end) and the results of operations for the year then ended is as follows:

	2024	2023
Financial position		
Total assets	\$182,422,000	\$165,748,000
Total liabilities	\$121,589,000	\$115,287,000
Shareholder's equity	60,853,000	50,461,000
	\$182,442,000	165,748,000
Results of operations		
Insurance service result before reinsurance contracts held	\$ 29,834,000	\$ 27,269,000
Net expenses from insurance contracts held	(16,837,000)	(14,606,000)
Insurance service result	12,997,000	12,663,000
Insurance finance expense for insurance contracts	(5,488,000)	(5,293,000)
Reinsurance finance income for insurance contracts held	1,758,000	1,611,000
Net insurance financial result	(3,730,000)	(3,682,000)
Investment income	5,633,000	5,046,000
Other income	1,334,000	1,206,000
Other operation and administrative expenses	(2,193,000)	(1,942,000)
	4,774,000	4,310,000
Income before tax	14,041,000	13,291,000
Income tax expense	(3,649,000)	(3,471,000)
Comprehensive income for the year	\$ 10,392,000	\$ 9,820,000
Cash flows		
Cash flows from operations	\$ 10,513,000	\$ 14,377,000
Cash flows used in investing activities	(11,440,000)	(9,863,000)
Cash flows used in financing activities	(183,000)	(194,000)
Net increase (decrease) in cash	\$ (1,110,000)	\$ 4,320,000

Ontario Association of Architects Notes to Non-consolidated Financial Statements

November 30, 2024

6. Pro-Demnity Insurance Company (Continued)

The Association determined that there were no events relating to, or transactions of, Pro-Demnity that occurred in December 2023 or December 2024 (the intervening periods between Pro-Demnity's fiscal year end and that of the Association) which significantly affect the Association's financial position or results of operations.

(b) Rental and other income from Pro-Demnity comprises:

	2024	2023
Professional Consult Survey (PCS) transfer	\$ 7,808	\$ 8,509

All transactions are recorded at their exchange amount.

7. Examination for Architects in Canada (ExAC)

The Association has entered into an agreement with the ten other provincial and territorial associations to manage the ExAC examination process and the association Committee for the Examination for Architects in Canada (CExAC). The agreement outlines how revenues are to be allocated and how costs, primarily related to the development of the exam, are to be recovered. The Association has been appointed to act as the administrator of the program.

The amounts included in the non-consolidated financial statements are as follows:

	2024	2023
Accounts receivable (jurisdiction exam fees to be received in 2025)	\$ 325,212	\$ 271,260
Accounts payable (represents the CExAC Maintenance Fund Account balance to cover 2025 expenses and approved reserve)	\$ 653,569	\$ 746,616
Association's portion of jurisdictional exam fees (included in ExAC fees revenue for the 2024 exam)	\$ 134,456	\$ (102,394)
Association's ExAC exam administration (included in Schedule of expenses - direct program expense for the 2024 exam)	\$ 141,053	\$ 112,007

Ontario Association of Architects Notes to Non-consolidated Financial Statements

November 30, 2024

8. Demand Loan

	2024	2023
Demand, non-revolving loan, bearing a five year fixed rate, interest at 2.18% per annum payable in monthly installments of \$16,152 plus interest, secured by a first priority fixed charge over the real property at 111 Moatfield Drive, and a general security agreement, due July 2026.	\$ 3,908,901	\$ 4,102,730

The loan is repayable on demand from the lender and therefore must be classified as a current liability. Assuming payment of the callable debt is not demanded, regular principal payments required on all long-term debt are as follows:

2025	\$ 193,830
2026 and thereafter	3,715,071
	\$ 3,908,901

During the year, interest paid on the loan was \$89,594 (2023 - \$93,920). As at November 30, 2024 the Association is in compliance with all of its covenants in relation to the debt.

9. AATO Court Order Costs and Contingency

On May 10, 2023, the Ontario Superior Court of Justice issued an Order which ruled that the OAA had no lawful authority to issue Certificates of Practice or licenses based on OAA's "Policy of the Council with respect to the Licensed Technologist OAA", and that any such certificates of Practice or licenses issued under the OAA Technology Program were void. Additionally, the OAA was prohibited from issuing such Certificates of Practice or licenses in the future via Policy. The OAA was required to pay \$35,000 to the Association of Architectural Technologists Ontario (AATO), the organization which advanced the court action.

Following the court ruling, OAA estimated that additional costs could be incurred should individuals who previously held a license as a Licensed Technologist OAA chose to pursue a license through a Registration Hearing as set out in the *Architects Act*. As at November 30, 2023, a contingent liability in the amount of \$325,600 was recorded in accounts payable and accrued liabilities on the Association's non-consolidated statement of financial position. This estimate was based on the number of applicants who had applied for licence and/or Certificate of Practice and subsequently requested a Registration Committee hearing and the legal cost per hearing estimated by OAA's legal counsel. As of November 30, 2024, OAA has only incurred \$21,831 of additional costs. A corresponding expense recovery has been recorded in the non-consolidated statement of operations.

Ontario Association of Architects Notes to Non-consolidated Financial Statements

November 30, 2024

10. Employee Future Benefits

The Association provides a defined contribution pension plan for voluntary participants. Total employer contributions were \$141,040 (2023 - \$104,125). There are no further funding requirements.

11. Trust Funds

The Association holds in trust the following funds, which have not been included in these non-consolidated statements.

	<u>2024</u>	<u>2023</u>
Architectural Guild Prize Fund	\$ 2,028	\$ 2,485
Ontario Association of Architects Trust Fund Scholarships	17,110	16,144
Plachta Fund	<u>125,095</u>	<u>107,244</u>
	<u>\$ 144,233</u>	<u>\$ 125,873</u>

12. Fund transfers

During the year, the Board of Directors approved a transfer of \$800,624 (2023 - \$210,000) to the Operating reserve, \$Nil (2023 - \$326,000) to the major capital reserve and \$Nil (2023 - \$83,000) to the legal reserve from the unrestricted fund.

13. Financial Instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one of more of the financial risks described below.

Credit rRsk

Credit risk is the risk of financial loss occurring as a result of a counterparty to a financial instrument failing to discharge an obligation or commitment that it has entered into with an organization. The Association's main credit risk relates to its accounts receivable and its receivable from CExAC. The Association provides for its exposure to credit risk by dealing with counterparties it believes to be credit worthy, and by creating an allowance for doubtful accounts when appropriate. As at November 30, 2024, the allowance for doubtful accounts is \$Nil (2023 - \$Nil).

Interest Risk

Interest rate price risk is the risk that the fair value of a fixed interest bearing financial instrument will fluctuate due to changes in market interest rates. Interest rate cash flow risk is the risk that the cash flows of the Association will fluctuate due to changes in market interest rates on variable interest bearing financial instruments. The Association is subject to interest rate price risk on its short-term deposits, and its fixed interest rate long-term debt. There has been no significant change in the risk exposure from the prior year.

Ontario Association of Architects Notes to Non-consolidated Financial Statements

November 30, 2024

13. Financial Instruments (Continued)

Liquidity Risk

Liquidity risk is the risk that the Association will encounter difficulty in raising funds to meet commitments associated with its financial liabilities. The Association is exposed to liquidity risk mainly in respect to its current liabilities and long-term debt.

The Association manages its liquidity risk by forecasting cash flows from operations, investing and financial activities to ensure that it has sufficient funds available to meet current and foreseeable financial obligations. There has been no significant change in the risk exposure from the prior year.

Ontario Association of Architects Non-consolidated Schedule of Expenses

For the year ended November 30	2024	2023
Salaries and benefits	\$ 4,209,948	\$ 4,012,208
Direct program		
Conference	1,071,874	537,110
Council, committees, task groups	762,011	467,805
Communications/public information	276,857	129,267
Society funding and other contributions	275,997	239,227
Liaison with Government and other	188,674	155,275
Examination for Architects in Canada (Note 7)	141,053	112,007
Sale of publications and other	23,766	25,016
Public outreach and education	23,677	30,101
Continuing education	20,980	101,040
Admission course	12,215	9,415
Uncollectible accounts	4,096	-
	2,801,200	1,806,263
Building, office services and operating		
Building		
Other building expenses	201,530	206,996
Interest and fees on long-term debt	89,594	93,920
Amortization of property and equipment		
Building	273,487	273,487
Computer equipment	219,845	181,439
Building additions	133,775	116,675
Furniture and equipment	48,158	50,441
Website and database costs	24,500	67,961
Computer	258,581	164,370
Printing and office supplies	59,490	47,552
Professional fees	55,726	33,910
Insurance	55,625	52,275
Telephone, internet access/hosting	44,111	42,657
Postage	23,107	21,293
Fees processing charges	17,634	11,185
OAAAS	-	10,388
	1,505,163	1,374,549
Legal fees		
General	123,951	91,289
Prosecutions and injunctions	74,726	70,215
Discipline hearings and appeals	26,913	139,146
	225,590	300,650
	\$ 8,741,901	\$ 7,493,670