

Ontario Association of Architects  
Non-consolidated Financial Statements  
For the year ended November 30, 2025

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For the year ended November 30, 2025

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## Independent Auditors' Report

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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, 2025, and the non-consolidated statements of operations, changes in members' equity and 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, 2025, 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.

### 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.

### Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements

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



#### Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements (continued)

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 non-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 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.
- Plan and perform the Association audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Association as a basis for forming an opinion on the Association financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Association 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 9, 2026

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

**November 30** **2025** **2024**

### Assets

#### Current

Cash	\$ 417,308	\$ 272,916
Short-term deposits (Note 2)	9,994,249	8,587,581
Accounts receivable (Note 3)	102,006	337,380
Receivable from Committee for the Examination for Architects in Canada (CExAC) (Note 6)	325,235	325,212
Inventories	7,793	12,610
Prepaid expenses	251,636	125,306
	11,098,227	9,661,005

Capital assets (Note 4)	10,971,918	10,905,751
Invested in Pro-Demnity Insurance Company (Note 5)	68,525,232	55,846,966
	\$ 90,595,377	\$ 76,413,722

### Liabilities and Members' Equity

#### Current

Accounts payable and accrued liabilities	\$ 370,975	\$ 280,148
Payable to Committee for the Examination for Architects in Canada (CExAC) (Note 6)	800,779	653,569
Deferred revenue	1,027,662	768,548
Demand loan (Note 7)	3,715,071	3,908,901
	5,914,487	5,611,166

#### Members' equity

Pro-Demnity Insurance Company	68,525,232	55,846,966
Major capital reserve	2,636,209	1,576,226
Operating reserve	2,959,375	2,158,751
Legal reserve	285,500	285,500
Capital asset	7,256,847	6,996,850
Unrestricted	3,017,727	3,938,263
	84,680,890	70,802,556
	\$ 90,595,377	\$ 76,413,722

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	2025	2024
<b>Revenue</b>		
Annual membership dues	\$ 8,331,242	\$ 8,016,374
Conference	706,028	721,520
Investment income	378,404	556,948
Net examination for Architects in Canada (ExAC) fees (Note 6)	120,200	134,456
Continuing education	86,171	167,846
Sales of documents, publications, and classifieds	42,313	54,217
Other annual fees and revenue	22,835	38,319
	<b>9,687,193</b>	9,689,680
<b>Expenses (Schedule)</b>		
Salaries and benefits	4,305,903	4,209,947
Governance and council	453,502	494,266
Regulatory roles and responsibilities	234,171	396,554
Administration and operations	539,900	580,211
Member programs	1,216,426	1,430,594
Communication and outreach	211,370	314,784
Building	1,197,150	1,100,536
Legal fees	198,703	236,315
	<b>8,357,125</b>	8,763,207
<b>Excess of revenue over expenses before other items</b>	<b>1,330,068</b>	926,473
<b>Other items</b>		
Legal claim recovery (contingency) (Note 8)	(130,000)	303,769
Investment income from Pro-Definity Insurance Company (Note 5)	12,678,266	10,392,000
	<b>12,678,266</b>	10,392,000
<b>Excess of revenue over expenditures</b>	<b>\$ 13,878,334</b>	<b>\$ 11,622,242</b>

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 5)	Major Capital reserve (internally restricted)	Operating reserve (internally restricted)	Capital Assets	Unrestricted	Total 2025	Total 2024
<b>Balance, beginning of year</b>	\$ 285,500	\$ 55,846,966	\$ 1,576,226	\$ 2,158,751	\$ 6,996,850	\$ 3,938,263	\$ 70,802,556	\$ 59,180,314
<b>Excess (deficiency) of revenue over expenses</b>	-	12,678,266	-	-	(727,040)	1,927,108	13,878,334	11,622,242
<b>Purchase of capital assets</b>	-	-	(225,353)	-	793,207	(567,854)	-	-
<b>Repayment of demand loan</b>	-	-	-	-	193,830	(193,830)	-	-
<b>Interfund transfers (Note 11)</b>	-	-	1,285,336	800,624	-	(2,085,960)	-	-
<b>Balance, end of year</b>	\$ 285,500	\$ 68,525,232	\$ 2,636,209	\$ 2,959,375	\$ 7,256,847	\$ 3,017,727	\$ 84,680,890	\$ 70,802,556

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	2025	2024
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenue over expenses for the year	\$ 13,878,334	\$ 11,622,242
Adjustments to reconcile excess of revenue over expenditures to net cash provided by operating activities		
Amortization	727,040	699,765
Investment income from Pro-Definity Insurance Company (Note 5)	<u>(12,678,266)</u>	<u>(10,392,000)</u>
	1,927,108	1,930,007
Changes in non-cash working capital		
Accounts receivable	235,374	(37,407)
Receivable from CExAC	(23)	(53,952)
Inventories	4,817	(583)
Prepaid expenses	(126,330)	272,629
Accounts payable and accrued liabilities	90,827	(360,318)
Payable to CExAC	147,210	(93,047)
Deferred revenue	<u>259,114</u>	<u>54,839</u>
	610,989	(217,839)
	<u>2,538,097</u>	<u>1,712,168</u>
<b>Investing activities</b>		
Purchase of short-term deposits	(6,047,347)	(7,962,883)
Proceeds on disposal of short-term deposits	4,640,679	7,000,000
Purchase of capital assets	<u>(793,207)</u>	<u>(527,157)</u>
	<u>(2,199,875)</u>	<u>(1,490,040)</u>
<b>Financing activity</b>		
Repayment of demand loan	<u>(193,830)</u>	<u>(193,829)</u>
<b>Increase in cash during the year</b>	<b>144,392</b>	<b>28,299</b>
<b>Cash, beginning of year</b>	<u><b>272,916</b></u>	<u><b>244,617</b></u>
<b>Cash, end of year</b>	<u><b>\$ 417,308</b></u>	<u><b>\$ 272,916</b></u>

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

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# Ontario Association of Architects

## Notes to Non-consolidated Financial Statements

November 30, 2025

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### 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 other annual fees are recognized as revenue over the applicable period, with deferred revenue representing fees received in advance.

Income from conferences and annual meeting, admission course fees, and classifieds income are recognized when services are provided. Fees for continuing education, examinations, and courses 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 5.

#### 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.

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# Ontario Association of Architects

## Notes to Non-consolidated Financial Statements

**November 30, 2025**

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### 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.

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## Ontario Association of Architects Notes to Non-consolidated Financial Statements

**November 30, 2025**

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### 1. Significant Accounting Policies (Continued)

#### Members' Equity (continued)

(d) Invested in legal reserve

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.

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### 2. Short-term Deposits

Short-term deposits consist of a high interest savings account (2024 - high interest savings account and a guaranteed investment certificate). The guaranteed investment certificate in the prior year had an annual interest of 4.55% and matured on March 5, 2025.

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### 3. Accounts Receivable

	2025	2024
GST/HST	\$ 86,098	\$ 60,410
Miscellaneous receivables	15,908	108,762
Accrued interest	-	168,208
	\$ 102,006	\$ 337,380

## Ontario Association of Architects Notes to Non-consolidated Financial Statements

**November 30, 2025**

### 4. Property and Equipment

	2025		2024	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 470,000	\$ -	\$ 470,000	\$ 470,000
Building	10,939,466	2,908,090	8,031,376	8,305,100
Building additions	1,789,008	753,468	1,035,540	911,674
Furniture and fixtures	487,388	277,041	210,347	225,125
Computer equipment	2,020,421	875,457	1,144,964	920,814
Website and database costs	168,663	88,972	79,691	73,038
	<b>\$ 15,874,946</b>	<b>\$ 4,903,028</b>	<b>\$ 10,971,918</b>	<b>\$ 10,905,751</b>

### 5. 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.

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.

## Ontario Association of Architects Notes to Non-consolidated Financial Statements

**November 30, 2025**

### 5. Pro-Demnity Insurance Company (Continued)

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:

	2025	2024
Investment in Pro-Demnity, beginning of year	<b>\$ 55,846,966</b>	\$ 45,454,966
Comprehensive income	<b>12,678,266</b>	10,392,000
	<b>\$ 68,525,232</b>	\$ 55,846,966

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:

	2025	2024
<b>Financial position</b>		
Total assets	<b>\$207,186,000</b>	\$182,422,000
Total liabilities	<b>\$133,654,000</b>	\$121,589,000
Shareholder's equity	<b>73,532,000</b>	60,853,000
	<b>\$207,186,000</b>	\$182,442,000
<b>Results of operations</b>		
Insurance service result before reinsurance contracts held	<b>\$ 31,002,000</b>	\$ 29,834,000
Net expenses from insurance contracts held	<b>(16,221,000)</b>	(16,837,000)
Insurance service result	<b>14,781,000</b>	12,997,000
Insurance finance expense for insurance contracts	<b>(4,180,000)</b>	(5,488,000)
Reinsurance finance income for insurance contracts held	<b>1,398,000</b>	1,758,000
Net insurance financial result	<b>(2,782,000)</b>	(3,730,000)
Investment income	<b>5,990,000</b>	5,633,000
Other income	<b>1,413,000</b>	1,334,000
Other operation and administrative expenses	<b>(2,352,000)</b>	(2,193,000)
	<b>5,051,000</b>	4,774,000
Income before tax	<b>17,050,000</b>	14,041,000
Income tax expense	<b>(4,372,000)</b>	(3,649,000)
Comprehensive income for the year	<b>\$ 12,678,000</b>	\$ 10,392,000

## Ontario Association of Architects Notes to Non-consolidated Financial Statements

**November 30, 2025**

### 5. Pro-Demnity Insurance Company (Continued)

Cash flows		
Cash flows from operations	<b>\$ 16,419,000</b>	\$ 10,513,000
Cash flows used in investing activities	<b>(21,523,000)</b>	(11,440,000)
Cash flows used in financing activities	<b>(181,000)</b>	(183,000)
	<b>\$ (5,285,000)</b>	\$ (1,110,000)
Net increase (decrease) in cash		

The Association determined that there were no events relating to, or transactions of, Pro-Demnity that occurred in December 2024 or December 2025 (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.

### 6. 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:

	<u>2025</u>	<u>2024</u>
Accounts receivable (jurisdiction exam fees to be received in 2026)	<b>\$ 325,235</b>	\$ 325,212
Accounts payable (represents the CEXAC Maintenance Fund Account balance to cover 2026 expenses and approved reserve)	<b>\$ 800,779</b>	\$ 653,569
Association's portion of jurisdictional exam fees (included in ExAC fees revenue for the 2025 exam)	<b>\$ 120,200</b>	\$ 134,456
Association's ExAC exam administration (included in Schedule of expenses - OAA licensed requirements for the 2025 exam)	<b>\$ 168,947</b>	\$ 141,053

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## Ontario Association of Architects Notes to Non-consolidated Financial Statements

**November 30, 2025**

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### 7. Demand Loan

	2025	2024
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.	<b>\$ 3,715,071</b>	<b>\$ 3,908,901</b>

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:

2026	\$ 3,715,071
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During the year, interest paid on the loan was \$85,268 (2024 - \$89,594). As at November 30, 2025, the Association is in compliance with all of its covenants in relation to the debt.

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### 8. Court Order Costs and Contingency

The hearing of the Association of Architectural Technologists of Ontario (AATO) motion, alleging the OAA was in contempt of a May 10, 2023 Court Order was held on April 10, 2025. The judge found the OAA in contempt of court and issued his Reasons for Decision on the matter on June 16, 2025. The OAA served notice of appeal of the decision on July 14, 2025. The sanctions hearing, as a result of the Judge's decision took place on December 1, 2025. The Judge ordered that a fine be paid by the OAA to the province in the amount of \$30,000 and that costs be awarded to the AATO, in the amount of \$101,093. As of November 30, 2025, \$130,000 (2024 - \$Nil) have been accrued in the non-consolidated statement of operations. Notwithstanding, the sanctions have been automatically stayed pending the appeal. The appeal hearing is set for June 15, 2026.

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### 9. Employee Future Benefits

The Association provides a defined contribution pension plan for voluntary participants. Total employer contributions were \$147,395 (2024 - \$141,040). There are no further funding requirements.

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## Ontario Association of Architects Notes to Non-consolidated Financial Statements

**November 30, 2025**

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### 10. Trust Funds

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

	2025	2024
Architectural Guild Fund	\$ 2,028	\$ 2,028
Ontario Association of Architects Trust Fund Scholarships	17,702	17,110
Plachta Fund	183,348	125,095
	\$ 203,078	\$ 144,233

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### 11. Interfund Transfers

During the year, the Board of Directors approved a transfer of \$800,624 from unrestricted (2024 - \$800,624) to the Operating reserve and \$1,285,336 (2024 - \$Nil) from unrestricted to the Major Capital Reserve.

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### 12. 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 Risk

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, 2025, the allowance for doubtful accounts is \$Nil (2024 - \$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.

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## **Ontario Association of Architects Notes to Non-consolidated Financial Statements**

**November 30, 2025**

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### **12. 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.

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### **13. Comparative Amounts**

The comparative amounts presented in the non-consolidated financial statements have been reclassified to conform to the current year's presentation.

## Ontario Association of Architects Non-consolidated Schedule of Expenses

<b>For the year ended November 30</b>	<b>2025</b>	<b>2024</b>
Salaries and benefits		
Salaries and benefits	\$ 4,244,825	\$ 4,107,035
HR administration	61,078	102,912
	<b>4,305,903</b>	<b>4,209,947</b>
Governance and council		
Liaison with government and other organizations	153,413	191,879
Council, senior management, and other	300,089	302,387
	<b>453,502</b>	<b>494,266</b>
Regulatory roles and responsibilities		
OAA license requirements	180,989	153,268
Regulatory committees	53,182	243,286
	<b>234,171</b>	<b>396,554</b>
Administration and operations		
Documents and other	25,709	23,765
Office operating expenses	224,108	206,815
Computer and maintenance	192,027	258,581
Insurance	98,056	91,050
	<b>539,900</b>	<b>580,211</b>
Member programs		
Continuing education	26,183	20,980
Conference	871,180	1,071,874
Societies	219,145	203,414
Communications - honours and awards	63,707	73,367
Practice	36,211	60,959
	<b>1,216,426</b>	<b>1,430,594</b>
Communications and outreach		
Communications	183,391	263,451
Website and database costs	27,979	51,333
	<b>211,370</b>	<b>314,784</b>
Building		
Building committee	97,306	147,721
Utilities	2,286	2,208
Tax and mortgage expenses	128,901	131,723
Building maintenance and security	241,617	119,120
Amortization	727,040	699,764
	<b>1,197,150</b>	<b>1,100,536</b>
Legal fees		
Legal business/operations	62,505	57,193
Legal audit/regulatory	125,779	143,425
Legal practice	10,419	35,697
	<b>198,703</b>	<b>236,315</b>
	<b>\$ 8,357,125</b>	<b>\$ 8,763,207</b>