

2025 AGM – Chair's Report

Looking back on the past 12 months I recall the grandiose objectives I had for ACO – to develop a renewed sense of purpose through our strategic planning process, to reduce costs and to lay the cornerstones for a financially sustainable organization while advocating for the conservation of our heritage structures and landscapes. The past year has been centered on financial management – understanding the expenses, trying to work through the processes and understand the gaps and challenges. And all the while, keeping the pressure on our provincial government, continuing to develop relationships with like-minded and heritage-friendly organizations, and building on our fundraising efforts and cutting costs.

It is clear the organization's annual operating expenses incurred in support of the entire organization, such as the audit, bookkeeping, insurance, website, and salaries for management, program and membership coordination and fundraising represent more expenses than the Provincial Office or ACO Inc. exclusive of the branches generates in revenue.

That deficit has been funded for over 7 years from the investment account. The very structure by which ACO operates – 15+ unique and independent branches with over 20 bank accounts, and over 900 members is a complex process and costly. ACO Inc. as the only legal entity has leased facilities, owns 2 properties, runs an auction, a live performance theatre, holds heritage awards, offers grants, organizes walks, Doors Open, advocates for the Ontario Science Center, Ontario Place and local heritage places throughout Ontario, just to name a few. Bookkeeping and auditing alone make up 30% or around \$100,000. The branches contribute \$15,000 to \$18,000 per year to offset the costs. ACO's investment account has been paying the costs of maintaining ACO's Charitable status and the independence of the branches for some time. If ACO is to become financially self-sufficient, Provincial Office or ACO Inc cost reductions are not enough. We need to look at our organizational structure and our current revenue stream if we are to become financially sustainable.

The committee reports below outline the activity that has been ongoing over the past year. As a board, which consists of directors elected annually at the AGM and ex-officio directors, appointed based on their position or role in local branches, we have been working hard to come up with a sustainable solution while supporting the local grassroots nature of ACO and advocating on the provincial level as the voice of the heritage conservation. It has not been easy, and we still have a lot of work to do. I look forward to resolving the structural re-organization dilemma that would put us on the path to a financially sustainable organization.

In January I wrote to you to outlining the organization's 4 primary goals linked to the Strategic Plan:

- To renew our commitment to education about the importance of heritage both in the government sphere and among the general public;
- To increase connectivity within the organization by strengthening communications between the Board of Directors, branches, and members;
- To embrace diversity through expanded outreach;
- And so secure a fiscally responsible and sustainable future.

As I enter the second year of my 2-year term, these priorities will remain the focus throughout 2025 and into 2026. Progress in each of these areas relies on our members, volunteers and staff. ACO Inc. works through a committee structure to enable progress. We still have work to do - making the right decisions, not the quick decisions will make the difference in the long run.

Only by working together, seeking consensus and at times compromising will we realize the goals for the organization and reach our 100th year anniversary in 2033.

I would like to take this opportunity to recognize the dedication of our Board of Directors, Branch Executive members, Provincial committee chairs and members, all ACO members and staff for all their hard work throughout the past year.

Deb Crawford
Chair, ACO Board of Directors

Committee Reports:

Government and Community Relations Committee (GCRC)

(Chair Lynne DiStefano, past Chair Alison Drummond)

Thanks to the efforts of the GCRC in partnership with the Policy Committee a successful Heritage Action Day took place in February 2024 followed by a campaign for the extension of the 2-year limit on listed properties. While we had hoped for a five (5) year extension, Bill 200 extended the listing period until 31 December 2026. A hearty thanks to all ACO's members, municipal councils, municipal heritage advisory committees and like-minded organizations such as OAHP and CHO for supporting our efforts. Together we made it happen. ACO was honoured to receive a National Trust Governor's Award for in recognition of our efforts at the national conference held in Montreal.

Beginning mid-2024, and continuing into 2025, with the support and expertise of the Policy Committee the request for the provincial government to create a Housing-focused Heritage Building Grant was also launched. Beginning with presentations to the Standing Committee on Finance and Economic Affairs – Pre-Budget Consultations in the fall of 2024, plans for a focused campaign as part of the 2025 Heritage Action Day were put on hold with announcement of the provincial election in January 2025.

The campaign for a Heritage Helping Housing Grant (formerly the Housing-focused Heritage Building Grant) was launched in May 2025 and will continue throughout 2025. Members of the GCRC continue to liaise with other heritage and heritage-related organizations, such as TIAO (Tourism Industry Association of Ontario) to build relationships in support of ACO's conservation efforts.

Policy Committee:

(Chair Dan Schneider)

Throughout 2024 the Policy Committee monitored and prepared responses to proposed legislative changes: Provincial Planning Statement, OHA Alterations to Religious Properties (Bill 139), and Heritage Conservation District regulations (yet to be developed under Bill 23). The Policy Committee along with the GCRC developed the policy and communications tools for Heritage Action Day 2024, the Listing Extension Campaign, and the Heritage Housing-Focused Building Grant (aka Heritage Helping Housing). Policy and GCRC Chairs met with Ministry of Municipal Affairs & Housing and Ministry of Citizenship & Multiculturalism staff and Heritage Branch staff to advocate on behalf of ACO and heritage conservation.

NextGen Annual Report

(Chair Hayden Bulbrook, past chair Alex Sostar)

Overall, the vision of ACO NextGen is to present a positive message to students and young professionals to help maintain and grow ACO for the future while providing opportunities to help those exploring and finding their place in the diverse heritage field.

During 2024, while Alex Sostar was Chair, the NextGen committee undertook a Job Shadow program that was highly successful. Twenty-one organizations hosted the NextGen participants. As outgoing chair, Alex prepared a recommended budget and a comprehensive breakdown of the Job Shadow and Design Charrette process to assist future chairs.

Hayden Bulbrook who had been part of NextGen agreed to be Chair beginning in 2025. A successful Job Shadow Program was held during Heritage Week in February. Committee members continue to expand the number of hosts for the program through outreach.

An Instagram account (@aconextgen) was launched to promote our goals, events, heritage, and reach our members in the field. A newsletter is circulated to keep everyone informed.

Plans are underway for the 2025 Design Charrette. The NextGen executive will be focusing attention on this over the summer with a tentative date of late September or

early October. Location to be determined; however, discussion is underway about potentially securing a high-profile building.

Education Committee

(Chair Diane Chin, past Chair Mayesha Alam)

The role of this committee is to facilitate the advancement of education at all levels though targeted programming specific to the objectives of ACO. The Committee consists of at least three members plus one Director of the Board who will liaise with the Board of Directors.

The Education Committee was formed in late 2022. During the subsequent 1.5 years, it experienced growing pains as members came and went for a variety of reasons. During 2024, the Terms of Reference were reviewed and updated. A new Chair was confirmed, and new members were added.

The revitalized committee started with the development of a workshop for the 2025 Ontario Heritage Conference. The Committee's workplan also includes a survey to identify potential education topics for informational webinars for ACO members and community volunteers to address the ever-evolving challenges in the sector.

Governance & Nominating Committee

(Chair Diane Chin)

Volunteer Recruitment:

This Committee primarily deals with policy and governance issues for the organization of ACO. In this capacity the Committee has recruited chairs for the GCRC, Acorn Editorial Committee as well as Corporate Secretary, Treasurer, NextGen Director, and Directors at large. Committee members were also added to the Education Committee, GCRC, and Policy Committee.

The list of the Committee members along with the Chairs and Liaisons was updated and sent to the Membership Coordinator as changes occurred.

Operations Working Group/Strategic Planning Committee

In response to the Board's April 2024 Finance & Audit Committee report, the Operations Working Group was formed to develop a) a plan to reduce the Provincial Office annual deficit to \$150,000 and b) present a plan for financial sustainability for consideration by the Board of Directors at the October 26, 2024, Board meeting.

To appreciate the broader priorities of the organization the membership survey conducted in 2023 to update ACO's Strategic Plan was revisited. Based on the responses to the survey and the financial challenges of the organization, the Operations

Working Group relied on the key strategic directions identified by the survey respondents as the basis for cost reduction decisions.

During the July 2024 Board of Directors meeting the Board supported the key strategic directions outlined below:

Advocacy: • Increase understanding of what we do • Build public understanding of the value of heritage • Promote heritage conservation • Educate and enable members to tell our story	Connectivity: • Embrace shared vision, values and purpose • Learn from each other • Celebrate achievements • Collaborate with our allies • Thoughtfully engage Ontarians
Diversity: • Embracing and encouraging diversity through outreach • Education	Resiliency: • Responsible financial management • Compliance with relevant legislation • Well informed board • Long term financial sustainability • Funding visibility and certainty • Work within our means, having respect for future organizational needs.

The Executive supported the proposed Strategic Plan 2024-2029 during the September meeting and the Board of Directors approved the plan 26 October 2024.

Operations Working Group:

Based on an extensive financial analysis the Operations Working Group in collaboration with the Finance and Audit Committee developed a proposal to reduce the Provincial Office deficit to \$150,000 by:

- 1) Transitioning to a 100% virtual operation and vacating the existing leased premises as of 31 January 2025
- 2) Reducing the costs associated with Heritage Action Day by eliminating the reception at Queens Park
- 3) Transitioning Acorn to digital rather than printed newsletter
- 4) Increasing the cost of ACO membership to \$50/year beginning 2025 and subsequent increases to 2029. (subject to annual review)

The above measures were approved by the Board of Directors on 26 October 2024. The Fall Acorn, the last printed edition, was delayed until 2025. All other cost saving measures were implemented by February 2025.

The Operations Working Group's second priority was to develop a financially sustainable model for the organization going forward.

Recognizing the proposed re-organization needs identified in the Strategic Plan, the Operations Working Group, in consultation with the Finance and Audit Committee, developed a cost share model as a first step to reduce the Provincial Office reliance on the investment account. The Provincial Office expenses were analyzed and assessed against ACO's strategic priorities to determine cost savings measures.

The Provincial Office or ACO Inc. expenses were divided between Provincial Office activities and expenses associated with the management and support of the branch network.

The cost of ACO's audit, bookkeeping and staff associated with these processes plus the cost of insurance, website hosting, website maintenance, printing, bank fees etc. were isolated and considered "sharable costs".

Provincial office activities such as staff involved with program coordination (Heritage Awards, committee support, Heritage Action Day) and fundraising (sponsorship promotion, grant applications, donor promotion etc.) were deemed the responsibility of the Provincial Office. These activities specifically address all 4 strategic priorities and while we recognize there is always room for improvement and efficiencies the salary and operational costs are relatively cost neutral. Failure to deliver on these activities would put other funding sources at grave risk.

The Cost Share model outlined during October 26th Board of Directors meeting identified costs related to supporting the financial reporting obligations of ACO and delivering enterprise-wide services would mean cost sharing \$217,201 less than the Provincial Office share and the share of branches unable to contribute or \$173,629. Currently the Branches collectively contribute \$15,000-\$18,000 per year membership fees toward these costs. Up to this point, the balance of \$155,000 (for 2025) has been borne by the Provincial Office and ultimately ACO's investment account.

The Branches felt that any cost share model based on this rationale would not be sustainable and following a meeting in mid-January 2025, voted to reject the cost share model during the January 25th Board of Directors meeting.

The Branches proposed an in-person meeting in Guelph 1 March for a broader discussion on the options to re-organize ACO as an alternative to the cost shared model.

The meeting held 1 March 2025 was attended by approximately 60 ACO branch representatives, provincial office members, and members of the Board of Directors. Interest in further developing organizational models that focused on the development of affiliates or chapters or retaining branches but consolidating some branches or realigning the branch structure was discussed. It should be noted the group felt strongly that the option of relinquishing ACO's charitable status was not a viable option. From the Guelph meeting the Steering Committee was formed to further explore these and other potentially other options.

Steering Committee:

(Chair Deb Crawford)

The Steering Committee is made up volunteers from the Branches: Liz Driver PEC, Dan Schneider Stratford, Susan Layard Port Hope, Edwin Rouse PEC, Marlee Robinson ACO Executive, Benjamin Vazquez London, Karen Scott Booth Cambridge, and Tammy Dewhurst Windsor.

The committee began meeting immediately after the Guelph meeting in March and has continued to meet weekly. During March, the members focused on 2 main themes:

- 1) affiliates or
- 2) retained branches.

The Steering Committee members focusing on the affiliate option developed a detailed outline of the roles of the affiliate vs the provincial office, draft components of a MOU and developed a costing model to balance the provincial office budget. Under the affiliate model branches would decide to become independent NFP organizations or close. Affiliates would enter into a licensing contract (MOU or agreement) to allow for the use of the ACO Branch brand for an annual fee.

Members focused on staying part of ACO developed different scenarios from a combination of large and small branches, to the branches voluntarily consolidated with others, to regional reorganization. An outline of the roles and responsibilities, components of a MOU and a costing model were also developed for the different scenarios. The cost associated with any of these models will mean the branch contributing to offset the costs incurred by ACO for consolidated auditing and bookkeeping as well as other costs to be determined.

And finally, the option of a hybrid model combining the affiliate model with retained branches was developed and costed. This model increases the complexity and cost associated with administering two separate models.

Late March, the Board of Directors approved a fund to be used to cover the expenses to obtain the professional financial, legal and tax advice and guidance to guide and inform this process.

In April, the Board approved a 3-pronged plan to further explore the options and engage professional assistance to research and inform the process. The Steering Committee combined with members of the Operations Working Group to balance the perspective. The Committee has committed to providing a plan for the July 2025 Board of Director's meeting. Further consultation will be part of the plan.

Fundraising Committee (Chair Deb Crawford)

A new Development (Fundraising) Coordinator was hired in late 2023 at the same time as the Fundraising Committee was struck. This Committee provides strategic council to the ACO Board Chair, ACO Executive, ACO Board of Directors, and COO regarding fundraising in general and including but not limited to administration, programming, and fund development. It is also tasked with promoting a culture of giving and fundraising throughout ACO. This committee was established to develop fundraising initiatives at the Board of Director's level as well as to assist and coordinate the fundraising initiatives of the Development Coordinator. Progress has been slow.

In 2024 the committee focused on the development of their Terms of Reference as well as the development of a Friends of ACO initiative to recruit ambassadors to assist with the development of a donor base and broaden fundraising/event participation and results. Members participated in on-line training and mentoring sessions, found advertisers for the last printed Acorn.

Overall fundraising for 2024 was disappointing with the printing of Acorn delayed until 2025, the postal strike and the delayed start of the Fundraising Committee.

The Development Coordinator successfully reached out to past Heritage Award recipients, and former donors and supporters to once again support ACO's efforts. Ticket sales and sponsorships for the Heritage Awards were higher than previous post COVID results with even more potential for 2025.

In 2025, members are developing leads for the Friends of ACO and launching the "No Show Ball" fundraiser.

Individuals with a fundraising background, ideas or related experience are welcome to join the committee.

Finance & Audit Committee (Chair/Treasurer Taimoor Ali Kureshi, past Chair/Treasurer Eben Rawluk)

The Finance & Audit Committee began 2024 with a plan to complete a comprehensive evaluation of Vloet & Kan as ACO's auditor. This was competed pending the

comparison of costs for other audits however, the entire process was shelved based on the motion at the 2024 AGM to proceed with a full RFP.

The RFP was completed, and an update is presented as part of the Financial Report at the 2025 AGM.

It should be noted that the financial statements presented at this AGM reflect the entire organization as required by CRA and ONCA.

Throughout 2024 there have been many questions raised regarding the Provincial Office budget and expenditures. Beginning in April, the financial statements were modified to address the questions and clarify the expenditures and framework. In August 2024, the Finance & Audit Committee conducted an information session for Board members to walk through the financial statements. In 2024, CRA audited ACO's 2021 and 2022 financial records. There were 2 issues identified from 2 branches plus coding changes. These coding changes are reflected in the 2024 Audited statements.

The Board of Director's quarterly meeting should include relevant and accurate financial reports reflecting the revenue and expenditures of the organization as well as the Provincial Office. This can only be accomplished if all of the Branches reconcile their accounts quarterly as well. Over the years, based on feedback by past boards and chairs, the statements were modified to reflect the understanding of each. Today's board is no different. A workshop in early July 2025 to provide an outline of the financial management framework, determine the reporting needs of the directors and refine the content of the quarterly statements.