



Association of Alberta
REGISTRY AGENTS

ANNUAL REPORT

2018

President	Craig Couillard	<i>Northeast Registries</i>
Vice President – Finance	Julia Marshall	<i>Gold Key Registry Ltd.</i>
President Elect	Scott Mather	<i>Fort McMurray Vehicle Licensing & Timberlea Licensing and Registry</i>
DIRECTORS		
Calgary	Harry Woo	<i>Beddington Registry Services</i>
	Kim L’Hirondelle	<i>Richmond Road Registry Ltd.</i>
Central	Joanne Urquhart	<i>Western Financial Group</i>
	Rob Sims	<i>Rocky Motor Vehicles</i>
East	Randy Gregory	<i>Provost Insurance Agencies</i>
	Bud James	<i>S. James Agencies</i>
Edmonton	Derek MacMillan	<i>Mac Registries</i>
	Paul Chrzanowski	<i>KVP Registry Services</i>
North	Annette Piche	<i>High Level Registries</i>
	Eve Tollenaar	<i>The Licence Centre Ltd.</i>
South	Cyndi Vos	<i>Lethbridge Vehicle Licensing & Registry Ltd.</i>
	Lydia Beazer	<i>Chaparral License & Registries</i>
STAFF		
Chief Executive Officer	Pamela Wilson	
Special Advisor to the Executive	Pamela Wilson	
Director – New Service Development	Michelle Collins	
Director – Finance and Administration	Diane Kivitt	
Director – IT Services	Luke Pacey	
Member Liaison & Education Coordinator	Cindy Wallace	

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PRESIDENT’S MESSAGE



The second year of my term as your President was interesting to say the least. It was rewarding, challenging, frustrating, and educational. I definitely learned a lot.

There is always going to be a big void anytime you lose a long term, respected manager like Pam Wilson. The transition period was challenging as we tried to find a suitable CEO replacement. This placed a tremendous burden on our staff, Executive, and the Board, and I want to thank them for their professional support over the last 10 months.

As the Interim CEO for 3 months, I’ve learned a great deal more about the interaction our association has with key government managers and influencers. It is a difficult task trying to understand how the bureaucracy of government works – how long things take to move through the system, who to trust, who knows what, who makes decisions, when they can speak, and when they can’t.

I wish I could say we have a true partnership with the government but sadly we don’t, probably never have, and probably never will. That’s not a criticism. It’s just how the system works. Often politics, whether internal or external, influence government managers, sometimes in directions that even they don’t agree with.

Having said that, it’s imperative that we continue to grow and cultivate these key relationships because I firmly believe that open, honest, and respectful dialogue is the only way to advance our collective goals. I also believe that the people we deal with at Service Alberta and other GoA departments genuinely respect and value the work that we do.

Those relationships proved to be invaluable as we navigated the repatriation of the road examiners. I know firsthand there were other less favorable options and fees that were being considered. Even though our road examiners were repatriated, I feel we were treated respectfully and fairly through this whole process. I want to personally thank Minister Brian Malkinson for his leadership and support.

There will be the inevitable transition issues as the repatriation proceeds, but I’m hopeful that after a few months, all of the issues will have been worked out.

I wish I had better news on the registry fee front. In the fall of 2018, we presented a comprehensive, well-thought-out fee model document called the **Sustainability Framework**. I continue to work with Service Alberta officials to ensure that our proposal is thoroughly vetted, and ready to present to the next government, whomever that may be. I will not let this issue rest until we have a fee model.

We also presented Service Alberta with a **5-year Strategic Plan – Pathway to Modernization**, outlining what we see as the future direction of our industry. A big part of that direction is with online registry services, and I will also not rest until we are firmly entrenched in the online channel.

Both of these documents were emailed to you last December but if you missed them, please contact Cindy Wallace at the AARA office for your digital copy.

Over my four years on the Executive, I’ve gotten to know the AARA staff, and even more so the last 3 months as their interim manager. We are fortunate to have such dedicated and caring people who quietly and professionally go about their job of running the day-to-day operations of our association.

By the time you read this, our new CEO Rikki McBride will have been with us for a couple of months. I know I speak for our staff and Board when I say we are looking forward to her leadership as we position our industry to modernize and grow.

And finally, to my wife Kim and daughter Danielle, thank you for looking after our two NE Calgary registries, allowing me the time to spend with AARA. I could not have done this without your love and support.

Yours respectfully,

Craig Couillard
President and Interim CEO
January 31, 2019

The Finance and Audit Committee manages the financial soundness of the Association of Alberta Registry Agents and Registry Connect. In 2018 a few new faces joined the committee, and we made a change to the report sent to the Board. This new report is more condensed and precise, and makes it very easy to see how the Association and Registry Connect did in comparison to the 2018 approved budget.

2018 was a year of changes and was highlighted with a few new projects: the On-line Hybrid project was built; the Electronic Reminder System completed its first full year and performed better than expected; and Registry Connect was able to pay out a total of \$245,427.00 to the Registry Agents that have participated in this program. We started the Personal and Corporate Property Search program, and we were able to pay out a total of \$42,280.83 to the Registries who have participated in this program.

We are pleased to report that we came in under budget for Registry Connect. The AARA ended up in a net loss position which was slightly higher than budgeted.

Our 2019 budget is a deficit budget. The goal for this year is to minimize the draw down on reserves while continuing to invest in projects that will be beneficial to our members.

Diane Kivitt
Director – Finance and Administration

Julia Marshall
Vice President – Finance

The Policy and Operations Committee (POC) is a committee that reviews operational issues facing the network, both from a Service Alberta perspective and an RAN perspective. Representation from POC includes the AARA, AMA, Motor Vehicles, Agent Support, Compliance & Audit, Vital Stats, and Corporate Registry.

The AARA also has an informal policy group, made up of Registry Agents across the province, that often reviews and comments on new policy before it is implemented. This has been a success in that we have had the opportunity to review and bring forward input and suggested possible outcomes and challenges before the implementation. The members in this committee are Beckie Harvey, Elaina Kutz, Kim L’Hirondelle, Marie Anstey, Melanie Perri, Sabrina Dhalla, Shelly Nicol, Steve Cutting, Vanessa McMurray and Cindy Wallace.

The POC is in its 4th year and met 3 times during 2018: January, April and September.

Some of the issues that we brought forward last year:

- Power of Attorney Best Practices
- New Policy for Knowledge Test Translators
- Code F
- In-transit Permits Best Practices
- Immigration and Residency
- Driver License Image Rejections
- Reimbursement Payments to Agents
- Wait time for Mandatory Calls to the GoA
- Drivers License Suspension Updates and Policies
- Harassment Policy for Front End Staff

If any Agent would like to review the minutes from any of the meetings I invite you to contact me directly. Our committee encourages all members to be active and bring forth possible solutions and comments with the issues that we are confronted with during the various stages of implementation, operations and compliance.

Cyndi Vos
Chair

ONLINE SERVICES COMMITTEE REPORT

It’s been no secret that the AARA’s main priority over the last few years has been online services. It has been a paramount focus that any registry service available to Albertans is offered by AARA members.

The launch of the Hybrid System in spring 2018 is the keystone to the greater online vision. This system allows the AARA to tie multiple services into comprehensive transactions for both the attributing agent and the Albertan. Currently this system offers hybrid vehicle renewals; other services are either in development for 2019 release or seeking GoA approvals to develop.

While the AARA develops online services, both hybrid and no-touch, these questions are always asked: Does this provide a valuable service to Albertans? Is this a service that is valuable for the agent to offer?

With this in mind, we are very proud of the work done in partnership with Service Alberta to get approval for courier service to deliver the vehicle tabs produced in the hybrid renewal transactions. This menu addition allows for the agent to offer a convenience service to Albertans while charging a shipping fee outside of the \$9 cap. This is an unprecedented development in the way the GoA views the work agents carry out.

2018 also saw the launch of registrysearch.ca, a service for lien and personal property searches. This service is available to Albertans through an access link on Registry Agent websites. The transaction is attributed to the agent and requires no clerk intervention.

We also continued to highlight the importance of the eReminder program. The eReminder database is the baseline to allowing agents to direct market to their customers, as well as provides a valuable service to Albertans. The renew now hotlink in the reminders has been a success and pays agents for the transaction, replacing the annual RISE payments. In 2018 the payout to participating agents was \$245,427.

Now tied to the eReminder database is eMessaging, a convenient tool that enables agents to create marketing campaigns directed to their eReminder customers through Mailchimp.

We have only scraped the surface of the larger Registry Agent online service vision, an industry-led and developed charge forward. 2019 is already shaping up to be another progressive year in relation to the industry’s modernization.

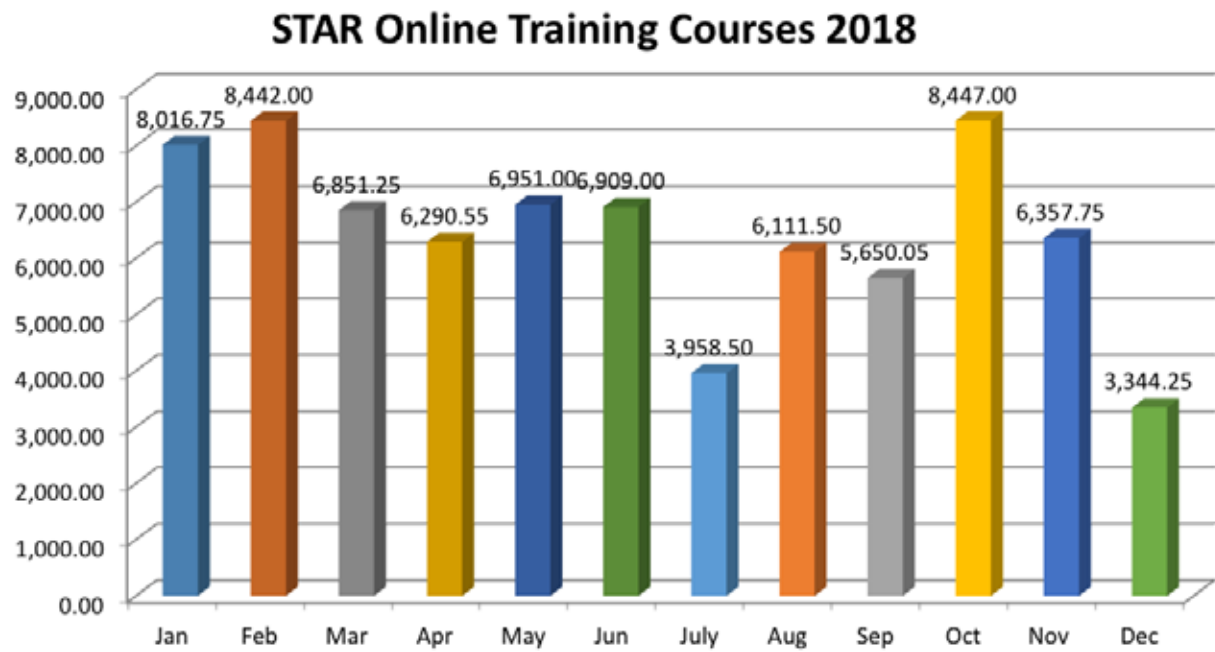
2018 STATS

Service	Participating Agents	Number of Transactions 2018
eReminder	All Agents	474,751 Albertans Registered
Hybrid Vehicle Renewals	42	111, (May - Dec 2010)
Registrysearch.ca	79	3405

EDUCATION COMMITTEE REPORT

STAR represents the online “university” that the AARA has created at www.aaratraining.com.

The total paid for courses in 2018 is on par with 2017 at \$77,329.60. This number includes both course and activation ticket purchases. For a monthly breakdown of these numbers, please see the graph below:



A plan to update all the courses was in place for 2018, but unfortunately due to a delay in migrating to a new platform, this did not happen.

CORES 1 and Basis Lesson 1 were both updated in 2018.

The new platform that we have migrated to is called Skill Builder. This was scheduled for February 2018 but did not occur until the end of August.

Due to budgetary constraints, the plan for 2019 is to update a maximum of 6 online courses, and to make small minor changes throughout the year.

We thank you all for your patience while we proceed to update some of the courses over the next year.

We want to thank the many volunteers who have served as subject matter experts: BaseCorp Learning Systems, who supports the online environment and course development; and everyone who supports this evolving program.

Cindy Wallace
Member Liaison & Education Coordinator

Joanne Urquhart
Director, Western Financial Group

In November of 2016, Service Alberta advised the RAN that they would no longer allow registry agents to call with non-mandatory questions. While this solved a backlog within government services, it created a problem for front line staff.

In response to this problem, the AARA contracted Elaina Kutz of Shawnessy Licence and Registry to lead the Subject Matter Expert Help Desk, along with her team of highly experienced staff.

The Subject Matter Expert Help Desk continues to see an increase in call volumes, which are reported to each registry every month by the Association.

Registry staff are always encouraged to use all their resources to find the information they need, which includes consulting the available manuals, contacting the SME Help Desk, and contacting Registries Assurance when required.

This valuable resource is reviewed each year by the AARA’s Board of Directors during budget planning season. For 2019, the Board decided that the AARA could no longer offer this service at no cost.

Going forward into 2019, the Association will continue to pay the base cost for the SME Help Desk, including the salaries of the team and the licensing required to run it. In order to be fiscally responsible and to help offset this expense, the Board of Directors has decided that some fees needed to be implemented. The following fees are being introduced effective February 1, 2019:

- \$1.00 per call to the SME call centre
- Seminars will be limited to the spring in Edmonton and Calgary. The cost will be \$30.00 per person.
- A webinar session will be held in the spring. The cost will be \$15.00 per person.
- A session will be held at the AARA annual conference in the fall. This is included in the price of your conference registration.
- One-on-one sessions can be held with the SMEs. You will need to negotiate these costs directly with Elaina Kutz, the manager of the SME team.

On a positive note:

- The call centre is still there to help you!
- Because most registries call the SME Help Desk less than 20 times per month, the fee for their professional expertise will not have a huge impact on your registry.
- We have created a template available to you so that your clerks can document their calls to the SME Help Desk. This will help you determine if there are clerks in your registry who may need additional training.
- The manuals that are available to your clerks on RAnet are full of information that may help them resolve their query without a call to the SME Help Desk.
- We will continue to evaluate this annually and adjust this service as needed.

The committee members consist of Eve Tollenaar (Chair), Cindy Wallace (staff lead), Craig Couillard, Bud James, and Rob Sims.

Communication has been made a priority, and the committee aims to get timely information out to the Association members, as soon as they can, so that the members can stay informed about all the initiatives that the AARA is working on, and industry updates that affect our network.

A formal communications policy is in the works, and an update to our strategy is also underway for 2019.

TYPES OF COMMUNICATIONS

Broadcast Emails from the Association

These communications are more time sensitive and are emailed to owners and managers by the Association.

Agent Advisor

This communication is a monthly electronic newsletter sent out by the Association to our members, and consists of industry news and updates. Members are welcome to contribute content.

Registry Network News

This is a quarterly electronic newsletter sent out to registry owners and managers, Service Alberta representatives, and other stakeholders. It contains stories about charitable and personal achievements of Association members—the “feel good” stories about our members.

Social Media

The Association has a Facebook page, a Twitter account, and is on LinkedIn. These are open to the public and information posted here is generic about the industry and promoting registry services.

Job Postings

Members can post job openings for their registry, or if they have a registry for sale. The cost is \$20.00 per month and is posted on the AARA public site.

Webinars

We send out invitations to join webinar sessions as they come up.

If you are not receiving these communications, please contact Cindy Wallace at cindy.wallace@aara.ca or 780.644.8437.

Cindy Wallace
Member Liaison & Education Coordinator

Eve Tollenaar
Director, The Licence Centre Ltd.

AARA/RC ANNUAL GENERAL MEETING

Thursday, April 17, 2019 @ 1:00pm
Registry Connect Office Boardroom
Suite 207, 236-91 Street SW
Edmonton, Alberta

Pursuant to Bylaw 3.03, notice is hereby given that the Annual General Meeting of the Association of Alberta Registry Agents will be held at the Registry Connect Office boardroom, Edmonton, Alberta, on Thursday, April 17, 2019 at 1:00pm.

AGENDA

- 1. Call to Order
- 2. Approval of the Minutes of the 2018 Annual General Meeting
- 3. President’s Report
- 4. Treasurer’s Report
 - a. Financial Statements and Auditor’s Reports
 - b. Appointment of an Auditor for the 2019 Fiscal Year
- 5. Committee and Director Reports
- 6. AARA Election Results
- 7. Old Business
 - a. Bylaw Changes
- 8. New Business
- 9. Resolutions
 - a. Motion to Ratify the Actions of the Board
- 10. Adjournment of the Annual General Meeting

Members are reminded that only those items on the agenda will be presented during the business portion of the meeting. There will be time on the agenda for announcements or informational items. Under 9. Resolutions, members are invited to add resolutions to be brought before the assembly but must give notice of such on or before 12:00pm Tuesday March 26, 2019 to allow an updated agenda to be circulated. No new business requiring decisions or motions may be added.

Immediately following the Association of Alberta Registry Agents Annual General Meeting, there will be the Annual General Meeting for Registry Connect.

Pursuant to Bylaw 14, notice is hereby given that the Annual General Meeting of Registry Connect will be held at the Registry Connect Office main floor boardroom, Edmonton, Alberta, on Thursday, April 17, 2019 immediately following the Annual General Meeting of the Association of Alberta Registry Agents.

AGENDA

- 1. Call to Order
- 2. Approval of the Minutes of the 2018 Annual General Meeting
- 3. Review of Activities
- 4. Financial Statements and Auditor’s Report
- 5. Appointment of Auditor for 2019
- 6. Adjournment

Members are reminded that only those items on the agenda will be presented during the business portion of the meeting. There will be time on the agenda for announcements or informational items. No new business requiring decisions or motions may be added.

Registration list on file in the Registry Connect office.

1. Call to Order

Craig Couillard called the meeting to order at 10:05 am

2. Approval of the Minutes of the 2017 Annual General Meetings

• AARA Minutes

Motion by C. Couillard that the minutes of the 2017 Annual General Meeting for the AARA be approved as circulated.
Seconded by Cindy Woo.
Carried.

• RC Minutes

Motion by C. Couillard that the minutes of the 2017 Annual General Meeting for the RC be approved as circulated.
Seconded by Scott Mather.
Carried.

3. President Report

C. Couillard provided an extensive report of the years activities. He thanked the board, the staff and outgoing members for thier service.

- Announced P. Wilson’s retirement and that the succession plan has been completed
- Announced the name and start date of the new CEO hire, Wendy Graden, to start May 22, 2018

C. Couillard’s complete President’s report can be found in the Annual Report

4. Treasurer’s Report

• General Discussion on the financial position of AARA and RC

• Financial Statements and Auditor’s Report’s

i. AARA – reviewed statements

Moved by S. Cutting to approve the 2017 AARA audited financial statements as circulated
Second by S. Mather.
Carried.

ii. RC – audited statements

Moved by S. Cutting that the 2017 Registry Connect audited financial statements be approved as circulated.
Second by C. Woo.
Carried.

• Appointment of Auditors for 2018

i. AARA – motions to authorization for the Board to appoint 2 members to review the 2018 years end financial statements

Moved by S. Cutting to authorize the board to appoint 2 members to serve as auditors if the gross revenues are at or below \$250,000 in the 2018 fiscal year
Second by Joanne Urquhart.
Carried.

Moved by S. Cutting to authorize the board to appoint a professionally qualified auditor to audit the financial records for 8 if the gross revenues are greater than \$250,000 in the 2018 fiscal year.
Second by Dan Jacobs.
Carried.

ii. RC – Motion to appoint BDO as auditor for RC for 2018

Moved by S. Cutting that BDO Canada LLP be appointed auditor for the 2018 fiscal year.
Second by C. Woo.
Carried.

5. Other Reports

a. Bylaw Amendment Motions

Moved by C. Couillard that Clauses 5.02, 5.05, 7.01, 7.02 NS 7.03 in the current bylaws dated June 2011 be rescinded and replaced as follows:

• 5.02 Number

The Board of Directors shall consist of the following Members:

- (a) President
- (b) First Vice President
- (c) Second Vice President
- (d) Vice President - Finance
- (e) Twelve (12) Regional Directors, two (2) from each of the six (6) regions elected by the Members in each region to represent their interests.

• 5.05 Term of Office

The Regional Directors shall hold office for a term of two (2) years, which shall be from the date at which he is elected until the close of the second annual general meeting following his election, or until his successor is elected or appointed.

All Executive officers will hold office for a term of 2 (two) years. Should any position on the Executive become vacant, an election will be held at the next Annual General Meeting or at a Special General Membership Meeting to fill the position for the remaining term of office.

Timing of election of Officers and Directors will be as follows:

- President and Vice President – Finance shall be elected in odd years (2019, 2021...)
- First and Second Vice Presidents shall be elected in even years (2018, 2020...)

Executive Officers shall be eligible to serve a maximum of two consecutive two-year terms in any one of the Executive Offices before leaving the Board or running for another Executive or Board position.

• EXECUTIVE OFFICERS

7.02 Candidates running for Executive Offices must file their Nomination Form with the Nominating Committee Chair or his designate twenty-one (21) clear days prior to the date of the Annual General Meeting. There will be no nominations accepted from the floor at the meeting.

7.03 Any individual nominated by an Authorized Representative of a member in good standing is eligible to run for an Executive position. To run for President, the nominee must have served at least one year on the Board of Directors.
Seconded by J. Urquhart
Carried

Moved by C. Couillard that clauses 5.04, 5.07 and 7.04 in in the current bylaws dated June 2011 be rescinded and replaced as follows:

• 5.04 Qualification

To qualify for nomination as a Director to represent any one of the 6 (six) regions, a Director must be nominated by an Authorized Representative of a member in good standing. In addition, the Director must be a resident in the region or own a registry in the region that he intends to represent, and his nomination must come from an Authorized Representative in the same region.

• 5.07 Election

Eliminate this clause and renumber.

- (a) The President Elect and Vice President - Finance shall be elected at an annual general meeting. The Past President shall be the person who was President prior to the election of the new President.
- (b) Any person who is the Authorized Representative of a Member shall be eligible to run for office or to nominate a person for office. That person need not be an Authorized Representative himself.

• 7.04 Term of Office

The term of office of the Executive Officers shall begin at the end of the Annual General Meeting in the year in which they are elected to the end of the Annual General Meeting two years hence. Executive Officers may be removed from office in the same manner as a Member may be expelled.
Seconded by C. Woo
Carried

Moved by C. Couillard that clause 5.06 in the current bylaws dated June 2011 be rescinded and replaced as follows:

• 5.06 Nominating Committee

The Board will appoint a Nominating Committee of three members. The members of this Committee will appoint a Chairman from among their ranks. This Committee will report to the Board of Directors through the President at least four (4) weeks prior to the Annual General Meeting.
Seconded by C. Woo
Carried

Moved by C. Couillard that Clause 7.04 in the current bylaws dated June 2011 be rescinded and replaced as follows:

• 7.04 Term of Office

The term of office of the Executive Officers shall begin at the end of the Annual General Meeting in the year in which they are elected to the end of the Annual General Meeting two years hence. Executive Officers may be removed from office in the same manner as a Member may be expelled.
Seconded by J. Urquhart
Carried

Moved by C. Couillard that clause 7.05 in the current bylaws dated June 2011 be rescinded and replaced as follows:

• 7.05

The Board of Directors may by resolution fill any vacancy in the Directors. Vacancies in the Executive positions may only be filled by election by the membership at either an AGM or a Special General Membership Meeting. The Board of Directors at its discretion may also chose to leave a position vacant until the next regularly scheduled AGM.
Seconded by S. Cutting
Carried

Moved by C. Couillard that clauses 7.08 and 7.09 be in the current bylaws dated June 2011 be rescinded and replaced with clause 7.08 as follows and further that clauses 7.10 and 7.11 in the current bylaw as dated June 2011 be renumbered at 7.09 and 7.10 respectively:

• 7.08 Vice Presidents

The Vice Presidents shall be vested with all the powers and shall perform all the duties of the President in the absence or inability or refusal of the President to act. Each Vice President shall also have such other powers and shall perform such other duties as may from time to time be assigned to him by resolution of the Directors. In addition, there are duties specific to the position of Vice President – Finance outlined in Clause 7.09.

There are 3 (three) Vice President positions which will be referenced at First Vice President, Second Vice President and Vice President – Finance for the ease of differentiating one from the other. This designation does not imply any ranking of authority.

At the first meeting of the Executive following the Annual General Meeting, the Executive, from among its members, shall determine what individual will have which designation. The individual designated as the First Vice President will be the first called upon to act if the President is absent, unable or refuses to act.

b. Government Relations

C. Couillard provided an overview of the government relations vision. His full commentary can be found in his Presidents Report on page 4/5 of the 2017 Annual Report.

c. Education Committee

The full committee report can be found on page 9 of the 2017 Annual Report.

d. Agent Support/ Subject Matter Experts (SME)

The full committee report can be found on page 11 of the 2017 Annual Report.

e. Regional Directors

No new reports from the regional directors or questions from the participating agents for the regional directors.

6. Elections

a. Regional Directors – Announce Results

C. Couillard reported on the election results. The following individuals were elected to the board for a two-year term commencing at the close of this AGM until the close of the 2020 AGM:

Kim L’Hirondelle Director – Calgary

The following individuals were elected via acclamation to the board for a two-year term commencing at the close of this AGM until the close of the 2020 AGM:

Rob Sims Director – Central
Randy Gregory Director – East
Paul Chrzanowski Director – Edmonton
Eve Tollenaar Director – North

The following individual was elected by the board for a one-year term commencing at the close of this AGM until the close of the 2019 AGM to fill in for a resigning board member:

Bud James Director – East

b. Executive – President Elect and Vice President-Finance Positions

R. Young will begin her second term as Past President at the adjournment of the 2018 AGM.
C. Couillard will begin his second term as President at the adjournment of the 2018 AGM.
S. Mather will begin his second term as President Elect at the adjournment of the 2018 AGM.
Julia Marshall will begin her first term as VP Finance at the adjournment of the 2018 AGM.
The position of VP Finance was elected by acclamation.

7. Resolutions

• Motion to ratify actions of the Board

Moved by Dan Jacobs that whereas all Acts, Contracts, Rules and Regulation’s proceedings, appointments, elections, and payments enacted, made, done and taken by the Directors and Officers of the Alberta Registry Agents Association since the date of the last Annual General Meeting of the same, as set out in or referred to in the minutes of meeting of the Board of Directors, in Committee Reports or in Financial Statements submitted to this meeting, have been considered by the membership. Therefore, be it resolved that this Annual Meeting approve, sanction and confirm all such actions.
Second by Bud James.
Carried.

8. Other business – General Discussion

An agent asked, when will the new CARS be launched?
The target date is mid-May. Watch for a posting on RANet. This is also no longer called CARS. It is now being referred to as Performance Monitoring Tool.

9. Adjournment

Having completed all the business properly brought before the membership, C. Couillard moved the AGM be adjourned.
Second by D. MacMillan.
Carried.

Meeting Adjourned at 11:30am

Association of Alberta Registry Agents
Members Review of 2018 Financial Statements

To the Board of Directors of the
Association of Alberta Registry Agents
#207, 236 – 91 Street SW.
Edmonton, AB
T6X 1W8

We have completed our review of the Balance Sheet and Income Statement for the Association of Alberta Registry Agents, as at year-end December 31, 2018. Preparation of the financial statement is the responsibility of the association’s management. Our responsibility was to express an opinion of these financial statements based on our review.

We conducted our review consisting of inquiry, analytical procedures and discussions with management relating to the information supplied to us by the association.

We provide the following recommendations for the Board of Directors to consider:

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with generally accepted accounting principles. They present fairly, in all material respects, the financial position of the association as at December 31, 2018.

Dated at the City of Edmonton,
In the Province of Alberta

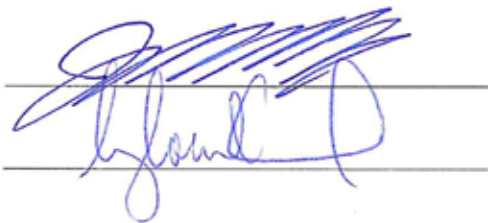
This 21 date of February, 2019


Ms. Jennie Chui 
Ms. Michelle Ng

AARA BALANCE SHEET

December 31	2018	2017
Assets		
Cash	\$251,757.70	\$253,411.21
Prepaid Expenses		
Accounts Receivables	\$2,202.48	\$1,443.72
Total Assets	\$253,960.18	\$254,854.93
Liabilities		
Accounts payable	\$36,665.38	\$26,964.93
Deferred Revenue		
GST		
Total Liabilities	\$36,665.38	\$26,964.93
Equity		
Retained Earnings		
Current Earnings	-\$10,595.20	-\$758.75
Retained Earnings	\$227,890.00	\$228,648.75
Total Retained Earnings	\$217,294.80	\$227,890.00
Liabilities and Equity	\$253,960.18	\$254,854.93

On behalf of the Board:



Director

Director

AARA INCOME STATEMENT

For the year ended December 31	2018	2017
Revenue		
Membership Dues	\$142,050.00	\$144,900.00
MultiView –Advertising Sale	\$1,927.93	\$4,089.06
Interest		\$1.59
Misc.	\$123.00	
Total Revenue	\$144,100.93	\$148,990.65
Expense		
Office Supplies		\$212.00
Printing/copying	\$154.00	
Advertising and Promotions		\$3,050.00
Sponsorship - Donations	\$600.00	\$1,000.00
Subscription and Membership	\$2,500.00	\$2,500.00
Honorarium	\$5,000.00	\$5,000.00
Insurance	\$775.00	\$775.00
Professional Fees	\$114,639.86	\$106,310.31
RC Convention	\$30,000.00	\$30,000.00
I.T. Expenses		
Bank/Credit Card Fees	\$1,027.27	\$902.09
Misc		
Total Expense	\$154,696.13	\$149,749.40
Net Income	-\$10,595.20	-\$758.75



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BDO Canada LLP
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Independent Auditor's Report

To the Members of
Registry Connect

Opinion

We have audited the financial statements of Registry Connect, which comprise the balance sheet as at December 31, 2018, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2018, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation 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.

Information other than the Financial Statements and Auditor's Report thereon

Management is responsible for the other information. The other information comprises:

- The information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Annual Report prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is 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 determines 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 is responsible for assessing the Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

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



Independent Auditor's Report (continued)

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 Foundation'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 Foundation'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 Foundation 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.



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.

BDO Canada LLP
Chartered Professional Accountants

Edmonton, Alberta
March 14, 2019

December 31	2018	2017
Assets		
Current		
Cash	\$ 4,923,161	\$ 5,169,941
Accounts receivable (Note 7)	79,853	101,462
Prepaid expenses	1,691	9,590
Income taxes recoverable	45,990	92,741
	5,050,695	5,373,734
Capital assets (Note 2)	171,246	206,640
Deposit	8,545	8,545
	\$ 5,230,486	\$ 5,588,919
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities (Note 3)	\$ 131,674	\$ 197,753
Unearned revenue	23,662	14,502
Due to Alberta Finance (Note 4)	17,240	16,620
Current portion of capital lease obligation (Note 5)	3,598	4,563
Current portion of deferred lease inducement (Note 6)	37,668	37,668
	213,842	271,106
Capital lease obligation (Note 5)	11,079	2,412
Future income taxes	2,800	2,800
Deferred lease inducement (Note 6)	103,587	141,255
	331,308	417,573
Lease commitments (Note 8)		
Net assets		
Invested in capital assets	15,314	20,742
Unrestricted	4,883,864	5,150,604
	4,899,178	5,171,346
	\$ 5,230,486	\$ 5,588,919

Approved on behalf of the board:


_____, President


_____, VP Finance

The accompanying notes are an integral part of these financial statements.

RC STATEMENT OF CHANGES IN NET ASSETS

For the year ended December 31		2018	
	Invested in Capital Assets	Unrestricted	Total
Balance, beginning of year	\$ 20,742	\$ 5,150,604	\$ 5,171,346
Deficiency of revenue over expenditures for the year	(12,392)	(259,776)	(272,168)
Purchase of capital assets	2,319	(2,319)	-
Principal reduction on capital lease	4,645	(4,645)	-
Balance, end of year	\$ 15,314	\$ 4,883,864	\$ 4,899,178
For the year ended December 31		2017	
	Invested in Capital Assets	Unrestricted	Total
Balance, beginning of year	\$ 63,222	\$ 5,387,090	\$ 5,450,312
Deficiency of revenue over expenditures for the year	(41,133)	(237,833)	(278,966)
Purchase of capital assets	182,758	(182,758)	-
Principal reduction on capital lease	4,235	(4,235)	-
Deferred lease inducement	(188,340)	188,340	-
Balance, end of year	\$ 20,742	\$ 5,150,604	\$ 5,171,346

The accompanying notes are an integral part of these financial statements.

RC STATEMENT OF OPERATIONS

For the year ended December 31	2018	2017
Revenue		
Interest	\$ 83,451	\$ 53,653
Internet renewals	719,253	645,588
Vital statistics	473,674	452,288
Other	17,886	6,149
Education	73,202	73,100
AARA management fees (Note 7)	113,640	85,115
Convention	53,455	56,490
AARA Convention sponsorship (Note 7)	30,000	30,000
Amortization of deferred lease inducement (Note 6)	37,668	9,417
	<u>1,602,229</u>	<u>1,411,800</u>
Expenditures		
AARA members - Renew Now	245,427	176,505
Administration support fees (A+)	12,000	24,000
Amortization	43,467	23,971
Bank and credit card charges	33,629	26,301
Board	54,476	54,225
Convention	57,234	57,316
Education	30,473	44,381
Government relations	72,751	90,000
Hybrid online system	90,619	-
Insurance	5,036	1,306
Office	173,267	157,544
Professional fees	59,880	52,244
Renewal reminder service operations and enhancement	51,320	215,829
Rent	94,523	119,808
Salaries and related benefits	773,347	619,194
Subject matter expert (SME)/AARA call center	113,948	103,070
Telephone and utilities	2,397	1,233
	<u>1,913,794</u>	<u>1,766,927</u>
Deficiency of revenue over expenditures before undernoted item	(311,565)	(355,127)
Loss on disposal of capital assets	<u>(6,593)</u>	<u>(16,579)</u>
Deficiency of revenue over expenditures before income taxes	(318,158)	(371,706)
Income tax benefit	<u>(45,990)</u>	<u>(92,740)</u>
Deficiency of revenue over expenditures for the year	\$ (272,168)	\$ (278,966)

The accompanying notes are an integral part of these financial statements.

For the year ended December 31	2018	2017
Cash flows from operating activities		
Cash receipts from customers and members	\$ 1,474,137	\$ 1,346,192
Cash paid to suppliers and employees	(1,890,145)	(1,667,780)
Interest received	83,451	53,653
Income taxes received	92,741	59,175
	(239,816)	(208,760)
Cash flows from investing activities		
Purchase of capital assets	(2,319)	(4,650)
Proceeds on disposal of capital assets	-	10,000
	(2,319)	5,350
Cash flows from financing activity		
Repayment of capital lease obligation	(4,645)	(4,235)
Decrease in cash during the year	(246,780)	(207,645)
Cash, beginning of year	5,169,941	5,377,586
Cash, end of year	\$ 4,923,161	\$ 5,169,941

December 31, 2018

Nature of operations

Registry Connect (the "Foundation") is incorporated under the Alberta Companies Act and is a controlled Foundation. The objectives of the Foundation are to advance, promote and maintain greater access by the general public to registry services and to promote greater public awareness of the availability of various registry services. The Foundation carries on profitable activities and, therefore, is subject to income tax.

1. Summary of significant accounting policies

The financial statements are prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

The significant accounting policies used are as follows:

Accounting estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenditures during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Financial instruments

The Foundation initially measures its financial assets and liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed to by the related parties.

The Foundation subsequently measures its financial assets and financial liabilities at amortized cost, except for derivatives and equity securities quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in operations.

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in operations.

The accompanying notes are an integral part of these financial statements.

December 31, 2018

1. Summary of significant accounting policies (continued)

Capital assets	Capital assets are recorded at cost. The Foundation provides for amortization using the following methods at rates designed to amortize the cost of the capital assets over their estimated useful lives. One half of the year's amortization is recorded in the year of acquisition. The annual amortization rates and methods are as follows:															
	<table><tr><th>Asset</th><th>Method</th><th>Rate</th></tr><tr><td>Office furniture and equipment</td><td>Declining balance</td><td>20%</td></tr><tr><td>Computer equipment</td><td>Declining balance</td><td>45%</td></tr><tr><td>Website</td><td>Declining balance</td><td>45%</td></tr><tr><td>Domain name</td><td>Straight-line</td><td>5 years</td></tr></table>	Asset	Method	Rate	Office furniture and equipment	Declining balance	20%	Computer equipment	Declining balance	45%	Website	Declining balance	45%	Domain name	Straight-line	5 years
Asset	Method	Rate														
Office furniture and equipment	Declining balance	20%														
Computer equipment	Declining balance	45%														
Website	Declining balance	45%														
Domain name	Straight-line	5 years														
	Amortization of leasehold improvements is recorded over the remaining term of the lease.															
Research and development costs	The Foundation is engaged in research and development activities. The related costs of these activities are recorded as renewal reminder service operations and enhancement and hybrid online system expenses and are charged directly against operations during the year.															
Leases	Leases are classified as either capital or operating leases. Leases that transfer substantially all of the benefits and inherent risks of ownership of property to the Foundation are accounted for as capital leases. At the time a capital lease is entered into, an asset is recorded together with its related long-term obligation to reflect the acquisition and financing. Capital assets recorded under capital leases are amortized on the same basis as described above. Payments under operating leases are expensed as incurred.															
Deferred lease inducement	Contributions for the acquisition of leasehold improvements are deferred until spent and then amortized over the term of the lease.															
Future income taxes	Future income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amount and their tax bases. Future income tax assets are recognized for the benefit of any deductions or losses available to be carried forward to future periods for tax purposes that are likely to be realized. These amounts are measured using enacted or substantively enacted tax rates and are remeasured annually for changes in these rates. Any future income tax assets are reassessed each year to determine if a valuation allowance is required. Any effect of the remeasurement or reassessment is recognized in the period of the change.															

December 31, 2018

1. Summary of significant accounting policies (continued)

Revenue recognition	The Foundation follows the deferral method of accounting for contributions. Processing fees for internet renewals and vital statistics are recorded as revenue when vehicle licenses are renewed and when vital statistic certificates are processed. Revenue from the provision of management services is recognized as the services are provided. Education, convention and other revenue is recognized when the services are provided or as the interest is earned. Unearned revenue occurs when payment is received before the certificate has been processed.
Foreign exchange	Monetary assets and liabilities of the Foundation which are denominated in foreign currencies are translated at year-end exchange rates. Other assets and liabilities are translated at rates in effect at the date the assets were acquired and liabilities incurred. Revenue and expenditures are translated at the rates of exchange in effect at their transaction dates. The resulting gains or losses are included in operations.

2. Capital assets

	2018		2017	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Office furniture and equipment	\$ 36,311	\$ 13,588	\$ 37,765	\$ 17,060
Leasehold improvements	182,758	45,690	182,758	9,138
Computer equipment	9,077	6,856	6,758	5,996
Website	23,303	23,285	23,303	23,270
Domain name	20,000	10,784	20,000	8,480
	271,449	100,203	270,584	63,944
Net book value	\$ 171,246		\$ 206,640	

Included in office equipment are assets under capital lease with a cost of \$15,543 (2017 - \$16,998) and accumulated amortization of \$1,555 (2017 - \$7,208).

3. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are government remittances of \$2,395 (2017 - \$nil).

December 31, 2018

4. Due to Alberta Finance

The Foundation collects funds on behalf of the Government of Alberta. At December 31, 2018, the Foundation held \$17,240 (2017 - \$16,620) to be remitted to the government for Out-of-Province Vital Statistics transactions.

5. Capital lease obligation

	2018	2017
National Leasing capital lease, terminated in the current year	\$ -	\$ 6,975
CWB National Leasing capital lease, bearing interest at an implicit rate of 6.0% per annum, repayable in blended monthly payments of \$365, matures September 2022, secured by a security agreement on specific equipment for \$13,988	14,677	-
	14,677	6,975
Less current portion	3,598	4,563
Long-term portion	\$ 11,079	\$ 2,412
Estimated lease payments are as follows:		
2019	\$ 4,380	
2020	4,380	
2021	4,380	
2022	3,285	
Total future minimum lease payments	16,425	
Less amount representing interest	1,748	
Present value of minimum net lease payments	\$ 14,677	

6. Deferred lease inducement

In the prior year, the Foundation entered into a new lease agreement where they were provided an allowance in the amount of \$188,340 to use for leasehold improvements. The deferred lease inducement is being recognized as revenue over the term of the lease.

	2018	2017
Deferred lease inducement, beginning of year	\$ 178,923	\$ -
Lease inducement received	-	188,340
Amortization recognized as revenue	(37,668)	(9,417)
Deferred lease inducement, end of year	141,255	178,923
Less current portion	37,668	37,668
Long-term portion	\$ 103,587	\$ 141,255

December 31, 2018

7. Related party transactions

(a) During the year, the Foundation entered into transactions with the following related party:

Association of Alberta Registry Agents (AARA) - controlling entity

(b) Transactions

	2018	2017
Revenue		
Management fees	\$ 113,640	\$ 85,115
Convention sponsorship	30,000	30,000

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

(c) Accounts receivable includes amount receivable from:

	2018	2017
AARA	\$ 35,665	\$ 25,965

8. Lease commitments

The Foundation has lease agreements for rent, software licensing and an agent service contract. The minimum annual lease payments, until maturity, are as follows:

2019	\$ 277,775
2020	210,275
2021	210,275
2022	85,857
	\$ 784,182

9. Economic dependence

The Foundation is economically dependent on the Government of Alberta for its revenue. Of the total revenue, 60.6% (2017 - 62.0%) is from the Government of Alberta. Under contracts with the government, the Foundation provides registry services to the general public in exchange for a fee. There is potential for the RISE contract or the Vital Statistics contract to be terminated; however, the government needs to provide 365 days notice to terminate either contract. Therefore, the earliest either contract could be terminated would occur sometime in 2020. The Foundation is dependant on the continued support of the Government of Alberta to provide the services required under these contracts. As such, the Foundation has been actively pursuing other revenue streams.

December 31, 2018

10. 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) Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Foundation is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The Foundation is exposed to credit risk as it maintains its bank accounts at two financial institutions and balances in these accounts may exceed federally insured amounts which currently is \$100,000 per financial institution. Balances in these accounts exceed federally insured amounts by \$769,121 (2017 - \$5,069,941). The Foundation is also exposed to credit risks as approximately 99.6% (2017 - 98.8%) of the accounts receivable was due from two (2017 - two) customers. At this time, management expects to collect all accounts receivable.

11. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year deficiency of revenue over expenditures for the year or the fund balances.

Executive Committee

Craig Couillard (Chair)
Scott Mather
Julia Marshall
Pamela Wilson

Finance, Audit and HR Committee

Julia Marshall (Chair)
Craig Couillard
Steve Cutting
Bud James
Scott Mather
Joanne Urquhart
Rob Sims
Mike Shaikh
Diane Kivitt

Road Test Committee

Sabrina Dhalla (AARA Rep – Edmonton)
Harry Woo (AARA Rep – Calgary)
Randy Gregory (AARA Rep – Rural)
Michelle Collins

Education and SME Project

Joanne Urquhart (Chair)
Annette Piche
Kim L’Hirondelle
Cindy Wallace
Luke Pacey

Policy and Operations Committee

(A Joint Committee of SA, AMA and AARA)
Cyndi Vos (AARA Team Lead)
Kim L’Hirondelle
Connie Kim
Michelle Collins
Elaina Kutz (Contract)

Government Relations Committee

Craig Couillard (Chair)
Lydia Beazer
Scott Mather
Pamela Wilson
Michelle Collins
Pascal Ryffel (Alberta Counsel)

Internal Policy Review Committee

Cyndi Vos (Chair)
Steve Cutting
Dave McNeill
Beckie Harvey
Elaina Kutz
Heather Holinaty
Kim L’Hirondelle
Lisa Datzoff
Marie Anstey
Sabrina Dhalla
Vanessa McMurray
Michelle Collins

Online Services Committee

Craig Couillard (Chair)
Derek MacMillan
Paul Chrzanowski
Scott Mather
Linda Palmer
Dan Jacobs
Luke Pacey
Michelle Collins

Communications Committee

Eve Tollenaar (Chair)
Bud James
Craig Couillard
Rob Sims
Michelle Collins
Cindy Wallace

Conference Committee

Eve Tollenaar (Chair)
Annette Piche
Lydia Beazer
Kim L’Hirondelle
Cindy Wallace (Lead Staff Person)



Association of Alberta REGISTRY AGENTS

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