

CONTENTS

Membership Benefits	4	Member Advocacy	24
Member Programs	6	Nominating Committee	25
AREA by the Numbers	8	Regional Representation	26
Letter from the Chair	10	Regional Boards	27
Letter from the CEO	11	Management's Discussion & Analysis	28
Board of Directors & Executive Staff	12	Consolidated Financials	30
Letter from AREA Real Estate Services Corp	14	AREA Financials	34
AREA Services Corp Programs	16	AREA Real Estate Services Corporation Financials	46
area learn	17		
Strategic Plan	18		
Community Initiatives	23		

Our annual report provides AREA members and industry stakeholders an overview of our November 1, 2023–October 31, 2024 fiscal year.

THE ALBERTA REAL ESTATE ASSOCIATION (AREA) IS A NON-PROFIT ORGANIZATION DEDICATED TO ADVOCATING AND REPRESENTING THE INTERESTS AND CONCERNS OF MORE THAN 15,000 ALBERTA REALTORS® BELONGING TO 10 LOCAL REAL ESTATE BOARDS/ASSOCIATIONS.

MISSION

To provide strategic leadership and advance the Alberta real estate profession through member-centric services, advocacy, and professional development.

VISION

Lead the real estate industry to help REALTORS® build sustainable careers and prosperity for Albertans.

WE CONCENTRATE OUR EFFORTS ON THREE KEY AREAS OF SIGNIFICANT VALUE TO REALTORS® THROUGHOUT THE PROVINCE.

ADVOCACY

AREA brings a strong, collective voice to provincial discussions with the Government of Alberta and key stakeholders on issues of importance to REALTORS® and their ability to serve clients effectively.

PROFESSIONAL DEVELOPMENT

AREA is dedicated to fostering professional excellence and supporting our members in upholding the highest standards of practice, through educational means, including licensing education.

MEMBER SERVICES

AREA provides members with an array of programs, services, and professional forms. Forms are essential to maintaining the legal integrity and consistency of practice. Other programs and services save AREA members dollars and time, and allow convenient access to information.



MEMBERSHIP
BENEFITS

HOW DOES YOUR \$22.92/MONTH MEMBERSHIP BENEFIT YOU?



PROVINCIAL FORMS



MEMBER ADVOCACY



GOVERNMENT ADVOCACY



PROFESSIONAL DEVELOPMENT



MEMBER PROGRAMS

OUR PROGRAMS SUPPORT **MEMBERS.**

- 6,605 subscribers to Area WIRELESS enjoy significant savings on their mobile phone bills.
- Over 1,300+ members signed up for Area DRIVE, our fuel savings program, in the first month of its launch.
- 47 forms updated through the Forms & Practice Committee, which includes representation from the legal community.

OUR PROGRAMS SUPPORT **BROKERS.**

- In 2024, AREA introduced Payload, a service that makes electronic deposit payments easy and accessible for all brokerages and their clients. Through Payload, brokerages benefit from automated payment processing, enhanced security, streamlined transactions, and versatile payment options. AREA covers all subscription costs so brokers can provide this service at no additional cost, making processes smoother and hassle-free for members.
- AREA also introduced the ReallyTrusted Academy. An expansion of the ReallyTrusted service package that allows brokerages to tailor FINTRAC training to fulfill their regulatory requirements.

ALBERTA STATISTICS

AREA Chief Economist Justin Bumstead examines Alberta's resale housing data monthly, offering insights at both regional and provincial levels. Our reporting regions correspond to Statistics Canada's census divisions. The latest reports are available by the sixth of each month, with any weekend or holiday releases published on the next business day.

MEMBER *PROGRAMS*

Empowering members involves providing them with the tools they need to navigate the real estate industry with confidence. Managing the complexities of compliance, safety, and workload can be overwhelming. That's why we've developed a suite of programs designed to make your professional life easier, more efficient, and cost-effective.

AREA TOOLS

Here's a closer look at some of the exclusive tools available to AREA members within their existing dues:

REALLYTRUSTED APP

A FINTRAC compliance tool that streamlines the implementation of audit-compliant policies and procedures for brokerages. It simplifies complex regulatory requirements, helping members maintain industry standards with ease and efficiency.

REALTOR® SAFETY APP

Kinetic Global's mobile safety tool that automatically alerts authorities with members' exact GPS location during an emergency. Available for both iPhone and Android, it ensures quick, precise assistance when your safety is at risk.

DATA CO-OP

Enables Alberta REALTORS® to access all active listings and sold data across the province via the Pillar9™ platform. By surpassing remaining MLS® boundaries, it provides comprehensive market insights that help members stay competitive and better serve their clients.

COMMISSION PROTECTION PROGRAM

AREA membership includes automatic enrollment in the Commission Protection Program, which safeguards members' commissions if their brokerage experiences a collapse or catastrophic failure. We offer the program to protect our members' income and provide peace of mind.

REALTOR® & FAMILY ASSISTANCE PROGRAM

AREA's free, confidential, and anonymous program offers short-term counseling for a variety of personal and professional challenges. Whether it's stress, family issues, or grief, this free resource ensures our members have the support to thrive both at work and in their personal lives.

OH&S PROGRAM GUIDE

AREA's OH&S Program Guide helps broker members meet legislative compliance by creating a customized Occupational Health and Safety plan for their unique needs. Developed with safety experts, it ensures workplaces are safe and compliant with all regulations.

LOOKING TO SAVE TIME, MONEY OR MAKE LIFE EASIER? **WE CAN HELP WITH THAT.**



AREA's member programs are thoughtfully designed to enhance convenience and efficiency while also putting money and time back in your pocket.

\$ AREA SAVINGS

Our opt-in programs, delivered through AREA Services Corp are designed to save members money, enabling them to focus on what truly matters – growing their business and serving their clients with confidence.



AREA ADVANCE

Launched in 2017, Area Advance was designed to offer REALTORS® access to one of the most competitive commission advance programs on the market. Since its inception, we have advanced \$27,317,185, partnering with brokers to provide a reliable, efficient and REALTOR®-centric solution, allowing agents access to their hard-earned commissions without waiting until closing.



AREA WIRELESS

Since 2016, Area WIRELESS has offered REALTORS® unlimited data plans powered by Rogers' 5G network, with a focus on affordability, flexibility, and reliable coverage. With over 6,605 active subscribers, Area WIRELESS offers REALTOR®-exclusive plans starting at just \$39 per month, with no contracts or setup fees.



AREA DRIVE

In 2022, AREA Services Corp partnered with Shell to pilot a fuel savings program via the Shell Fleet Card. In 2024, we enhanced this program by transitioning to the Shell app for a more streamlined experience. The new program offers members 6 cents off per litre on fuel, exclusive discounts on car washes and in-store purchases, and Air Miles rewards.



AREA PROPERTY AND AUTO INSURANCE

Launched in 2023, the AREA Property and Auto Insurance Program, in partnership with BrokerAge (now Brokerlink), provides members with tailored coverage options, exclusive discounts, and savings when bundling policies. This program ensures that AREA members receive competitive rates and comprehensive protection designed specifically for their professional needs.



HEALTH & WELLNESS

In 2022, AREA Services Corp introduced traditional benefit insurance plans for health and dental coverage. We then expanded our offerings by launching a Health Spending Account Program (HSA) in collaboration with PeopleWell. The HSA allows members to turn health and dental expenses into tax-free reimbursements, which are in turn 100% tax deductible to their business. This program provides REALTORS® with greater flexibility and savings while taking care of their health and well-being.

NUMBERS THAT EMPOWER

As of Oct 31, 2024

NUMBER OF MEMBERS

Last year: 13,179
YOY: 14.3%



\$27.2M THROUGH AREA ADVANCE

\$275 ANNUAL DUES FOR 2025

NUMBER OF BROKERAGES

Brokerages >5: 278

622

\$49.21M

TOTAL CROWNLANDS FACILITATED SALES

SCHOLARSHIPS

Five Scholarships Awarded

\$10,300

**PROFESSIONAL
DEVELOPMENT
COURSES**

10,698

Online
Courses
Completed

9

Total
Number
of Courses
Offered

14,091

**ALBERTAREALTOR.CA
VISITS/MONTH**

Desktop: 56.29%
Mobile: 41.29%
Tablet: 1.80%

**PRACTICALLY
SPEAKING PODCAST**

Most Popular Episodes:

- *What is required for you to call a room a bedroom?*
- *What happens if a purchase contract deposit is late?*
- *Are backup offers a valuable tool in the toolbox?*



Downloads

1,264 X 5,687 f 3,830 in 2,111

**SOCIAL
MEDIA**

76% of follower growth on Instagram in past year

LETTER FROM *THE CHAIR*



IT IS A GREAT PLEASURE TO SERVE AS YOUR CHAIR FOR 2024 AND 2025. I AM ENCOURAGED BY THE COMMITMENT TO PROFESSIONALISM I HAVE SEEN IN SO MANY OF THE MEMBERS I HAVE HAD THE PRIVILEGE TO SPEAK WITH THIS PAST YEAR.

AREA remains committed to protecting member interests and benefits, and to empowering REALTORS® with tools that support you in your real estate businesses.

One of the important services AREA offers is its advocacy on behalf of members.

This year we reached a no-fault settlement with RECA totaling \$900,000. We are proud of our efforts to defend the rights and reputations of members. In this instance a member was being unjustly sued by RECA in her capacity as a member of the Council.

We also achieved a significant win when the Minister of Service Alberta and Red Tape Reduction directed RECA to adhere to the plain language definition of Section 54 (lifetime withdrawals). RECA can no longer grant a lifetime withdrawal to an individual where fraud is suspected, ending the investigation. Instead, RECA must proceed with the investigation and hearing panel, holding those individuals accountable for their actions.

Earlier this year, it appeared that the CREA-led pension project had stalled, and they were not looking to continue. AREA believes in the value for members and offered to take leadership of a new national taskforce with CREA. We are currently in the process of standing up this taskforce which will pick up the work with a new approach. Our board is very committed to this

project and has already set aside \$4 million for it. It will be a game-changer for our industry and is a significant strategic objective in ensuring sustainable real estate careers.

I am proud to lead a Board of Directors that is passionate and involved. This has been a year that has required additional efforts to achieve advocacy objectives and build relationships with stakeholders. I am grateful for their commitment to representing our members with integrity.

AREA has a member-focused staff team. Under Brad Mitchell's leadership, this team has continued to demonstrate their aptitude for innovation and, more importantly, for service. I am very grateful for their efforts.

The Board wants to hear from you and we welcome you to get involved by attending events, volunteering, or sharing your feedback with us.

A handwritten signature in blue ink, appearing to read 'Jolene Reimer'.

Jolene Ledene Reimer
AREA Chair

LETTER FROM *THE CEO*



2024 HAS BEEN A TRANSFORMATIVE YEAR FOR AREA, MARKED BY SIGNIFICANT PROGRESS IN OUR INITIATIVES AIMED AT EMPOWERING BOTH OUR CURRENT AND INCOMING MEMBERS WHILE SHAPING THE FUTURE OF ALBERTA'S REAL ESTATE INDUSTRY.

We have prioritized enhancing our licensing education, making substantial strides in advocating for improved competencies. Our goal is to equip new REALTORS® with the essential skills needed not only to meet regulatory standards, but also thrive in the competitive real estate market. With a new website and an online learning portal, we've created a tailored space where learners can easily access resources and information vital to their educational journey. These enhancements are part of our aim to nurture a knowledgeable and skilled workforce.

In line with our commitment to real estate education, we've also expanded professional development opportunities for our members. Recognizing the immense value of networking and collaboration we've reimagined our events—such as Government Liaison Days (GL Days) and the upcoming Banff Western Connection (BWC) conference in January 2025 – to provide even greater avenues for connection and knowledge sharing. These events are designed around topics that resonate with our members, offering valuable insights to empower them in today's dynamic real estate landscape.

A significant highlight of this year has been our leadership role in the National Retirement Task Force. Previously overseen by the Canadian Real Estate Association (CREA), this initiative has been restructured to place Alberta at the forefront of developing a viable pension and retirement savings program specifically tailored for REALTORS®.

The real estate profession often involves variable incomes and a lack of traditional benefits, which can make long-term financial planning challenging. A comprehensive retirement savings program is essential for ensuring that all members are provided the opportunity to build a more stable financial foundation for their futures. Our seed funding, put aside for the pension initiative, totals \$4 million. This investment reflects our commitment to the welfare of our members and reinforces our vow to advocate for solutions that address the unique challenges faced by REALTORS® in Alberta.

I want to express the utmost gratitude to our dedicated board of directors and staff. Their devotion to advocating for and advancing the interests of our members has been instrumental in our accomplishments this year. As we look ahead to the new year, I'm enthusiastic about the ways our collective efforts will continue to propel our members forward. Thank you for your ongoing support.

A stylized, handwritten signature in teal ink, appearing to read 'Brad Mitchell'.

Brad Mitchell
AREA CEO



***BOARD OF
DIRECTORS &
EXECUTIVE STAFF***

CHAIR



Jolene Ledene Reimer
*Chair
Southern Region*

BOARD OF DIRECTORS



Chris Hassall
*Chair-Elect
Director at Large*



Margaret Carroll
Northern Region



Tracy Carson
Foothills Region



Brad Mitchell
*Chief
Executive Officer*



Kate Bailey
Managing Director



Hon. Iris Evans
Public Member



Cheryl Maclsaac
Central Region



Stan Mills
Director at Large



Heather Coleman
Managing Director



Duane Monea
Managing Director



Parm Sidhu
Capital Region



Shirley Williams
Director at Large



Tammy Williams
Managing Director



**THE WEALTH OF TALENT
IN OUR AREA TEAM
ASSURES THAT OUR
MEMBERS ARE SERVED
WITH ENTHUSIASM,
DEDICATION AND WITH
THE NEEDS OF OUR
PROFESSIONALS IN
MIND! AREA IS BUILDING
FOR OUR FUTURE!**

Hon. Iris Evans
Public Member



LETTER FROM AREA REAL ESTATE SERVICES CORP

SERVICES CORP, NOW IN ITS SEVENTH YEAR OF OPERATIONS, EXISTS TO INNOVATIVELY SUPPORT REALTOR® BUSINESS NEEDS. WITH STRATEGIC OBJECTIVES THAT ARE ALIGNED TO AREA'S STRATEGIC PILLARS, THE TWO COMPLEMENTARY ORGANIZATIONS WORK IN COLLABORATION TO ENSURE SUPPORTING REALTORS® REMAINS THE CORE FOCUS.

Services Corp entered an era of growth in 2024, with the expansion of programs nationally and a continued focus on the fundamentals of keeping costs in check, while exploring further opportunities.

Area WIRELESS, our cornerstone product, expanded into Ontario in 2024 through a partnership with PropTx, offering both wireless and internet. This collaboration helps extend the value and savings of Area WIRELESS to REALTORS® across Canada, positioning us as Rogers Communications Inc.'s largest Canadian association account. We continue to work behind the scenes to negotiate and restructure, realizing best product, best price in an ever evolving and competitive telecommunications industry.

Our commission advance program structure underwent changes in 2024. The FRAME and AREA Advance brands were combined into a single brand – Area Advance – to be utilized nationally going forward. The terms remain the same. Area Advance continues to partner with brokers to offer commission advance services with over \$27 million advanced since inception. In 2024, Area Advance partnered with EXP as the preferred commission advance provider for all EXP agents across Canada. Currently, there are a total of 12,100 agents across 105 brokerages with access to Area Advance benefits.

Area DRIVE launched at the end of 2024 providing 6 cents per litre off fuel for all REALTORS® across Canada. The pay and save app with Shell enables a seamless and convenient experience for REALTORS®. It even saves the receipts to assist at tax time. As more REALTORS® engage with the program, we aim to provide even greater savings at the pump. This national Shell exclusive REALTOR® contract is a great opportunity, and we look forward to feedback to ensure it exceeds expectations.

Aligning the three main brands offered through Services Corp – Area WIRELESS, Area Advance, Area DRIVE – showcases the longstanding trust in the AREA name both provincially and nationally, while driving Services Corp's innovative approach. We continue to develop unique, optional REALTOR® programs that provide significant savings and, where possible, enhance business efficiency for individual REALTORS® or the industry as a whole.

Thank you for your confidence in our services and for your continued feedback. We look forward to another year of working to save you money.



Tammy Williams
Services Corp CEO



Cameron Mendryk
Services Corp Chair

SERVICES CORP

BOARD OF DIRECTORS

BOARD OF DIRECTORS



Tammy Williams
Services Corp CEO



Cameron Mendryk
Services Corp Chair



Hon. Lindsay Blackett
Director



Kevin Crigger
Director



Doug Koop
Director



Jolene Ledene Reimer
Director



Dionne Levesque
Director



Stan Mills
Director



Brad Mitchell
Director



Jill Oudil
Director



THE AREA WIRELESS PROGRAM HAS CUT OUR MONTHLY CELL PHONE BILL TO ONE THIRD OF OUR PREVIOUS PROVIDER'S COSTS.

In addition, this plan has made travelling to the US and Mexico a breeze with no extra costs for roaming or a data plan. Thanks AREA for such a great program!

Stan Mills
AREA Director



IT'S BEEN SUPER CONVENIENT AND EASY TO USE THE AREA DRIVE APP. IT IS NICE BECAUSE IT TRACKS EXACTLY WHICH STATION YOU'RE AT WHEN USING IT.

It's been super good for us because it works immediately and it's helped us save on gas which is great because we travel so much.

Brittney Huerlimann
Re/Max Cascade Realty



AS A BROKER MEMBER, OUR OFFICE IS GRATEFUL FOR THE AREA ADVANCE PROGRAM.

It has created an opportunity for our agents to access their commission funds much earlier in the process where there is an extended closing process. It's a great relief that this service is feasible and affordable as well as efficient for agents who utilize it.

Parm Sidhu
AREA Director



AREA SERVICES CORP
PROGRAMS

AREA LEARN



This year, we reimagined our learning events to boost engagement and enhance their purpose, leading to a marked increase in attendance and participation.

We utilize learner feedback from each session to select the focus topic for the next, empowering participants to shape the learning agenda. Additionally, our networking events facilitate valuable connections between learners and industry professionals, enriching the overall educational experience.

Since implementing these changes, we have received overwhelmingly positive feedback. Participants have expressed appreciation for the new format, which has successfully created a more engaging learning environment. This evolution aligns with our commitment to continuous improvement, empowerment, and meeting the needs of our learners.

NUMBER OF LEARNERS IN AREA COURSES

Courses	Complete	In Progress	Total
AREA Real Estate Fundamentals Program	756	1137	1893
AREA Practice of Residential Real Estate	707	212	919
AREA Practice of Commercial Real Estate	160	234	394
AREA Practice of Property Management	140	94	234
AREA Practice of Rural Real Estate	187	109	296
AREA Broker Course	65	28	93
Total, as of October 31, 2024	2015	1814	3829

STRATEGIC PLAN

2022-2025

Since 1947, AREA has been the voice of REALTORS® in Alberta, championing professionalism and advancing the real estate industry.

The 2022-2025 strategic plan builds on our rich history and enduring vision; while adapting to the evolving challenges and opportunities our members face in today's dynamic market. It is a forward-focused roadmap designed to support and empower REALTORS®, ensuring they have the tools, resources, and advocacy they need to thrive in an increasingly complex real estate landscape.

ENSURE

SUPPORT

ADVOCATE

ELEVATE

ELEVATE

THE PROFESSIONAL EXCELLENCE OF REALTORS®

AREA values the reputation of REALTORS®. Professional development, forms provision, and practice advice remain core focuses for AREA. AREA believes the right tools, combined with formal and informal learning opportunities, can assist REALTORS® in better serving their clients.



IN 2024, AREA:

PROFESSIONAL DEVELOPMENT

- Launched the *Inter-REALTOR® Professionalism* mandatory course, designed to enhance professional interactions with fellow REALTORS®, ensuring that the industry upholds the highest standards in the practice of real estate.
- Engaged with REALTORS® through member events, maintaining weekly blogs, regular webinars, and Practically Speaking podcasts.
- Managed the transition from one learning management system to another which will improve the experience for members.

FORMS

- Launched designated agency versions of the video tutorials for REALTORS®.
- Revised and updated forty-seven forms, including condominium forms, in September 2024.
- Converted buyer and seller representation agreements into a root form.
- Updated representation agreements in relation to privacy concerns with photography and videography in homes.

PRACTICE ADVICE

- Expanded in-person industry events across the province, including engaging the legal community at the Legal Education Society of Alberta (LESA) conference.
- Reinforced provincial best practices through nine broker roundtables and continuous brokerage visits.
- Hosted five virtual and in-person discussions with new members.
- Presented at several Boards/Associations on the topic of best practice.

ADVOCATE

FOR A STRONG REAL ESTATE ENVIRONMENT

AREA values the importance of real estate to Alberta's economy. AREA advocacy is REALTOR®-centric and member-driven, focused on influencing provincial public policy and regulation in ways that protect and promote the real estate industry, REALTORS®, and the clients they serve.



IN 2024, AREA:

GOVERNMENT OF ALBERTA

- Continued to work with the government on improvement of land titles and the limitation of the land transfer tax.
- Maintained relationships with elected officials, including sponsoring nonpartisan political Stampede events and our annual Government Liaison Day.
- Obtained government's support for municipal business license exemption for REALTORS®, as part of its red tape reduction initiatives.
- Successfully advocated for the change of Section 54 for voluntary lifetime withdrawal applications to only be considered in cases that do not include allegations of fraud or criminal activity.

REAL ESTATE COUNCIL OF ALBERTA

- Led working groups of the local Boards/Associations volunteers to write unified position submissions on the RECA Rules Review consultations.
 - Advocated for improved educational competencies and examinations that focus on key regulatory knowledge and skills.
 - Advocated for less red tape in processes and enforcement.
 - Reached a no-fault settlement with RECA, resulting in a \$900,000 payment to AREA that allows both organizations to move forward collaboratively, ensuring a focus on the integrity and professionalism of Alberta's real estate industry.
-

SUPPORT

THE CONTINUED VIABILITY OF REALTORS®

AREA values cooperative structures that benefit all Alberta REALTORS®. AREA has facilitated increased cooperation among Alberta's local Boards, including the creation and launch of Pillar9™, harmonized rules and provincial administrative justice, while respecting local representation.



IN 2024, AREA:

- Advanced \$9,072,117 in commissions to members.
- Provided executive officer & administrative services to the Fort McMurray, Grande Prairie, Lloydminster and South-Central Alberta Boards on a cost-recovery basis. This model allows these Boards/Associations to maintain their local voice and autonomy, while reducing member fees by an average of 27%.
- Continued to work with government on how to improve and increase access to Alberta's land titles system.
- Engaged over 110+ members in committees and working groups across all 10 local Boards/Associations.
- Conducted member research on real estate structure, administrative justice, and lockboxes.



DRAFTED BYLAW CHANGES TO ADDRESS THE IMPACT OF BAD ACTORS ON THE REALTOR® COMMUNITY

96%

of respondents agree that bad actors (people who engage in unethical practices, such as committing crimes or causing harm to others) hurt the overall reputation of REALTORS®.

82%

of respondents believe that AREA has a responsibility to prevent these bad actors from operating within the REALTOR® community.

Source: AREA Administrative Justice Survey, Leger, 2024.

ENSURE

AREA'S ORGANIZATIONAL WELLNESS

AREA values responsible fiscal stewardship and building a sustainable organization that can serve members for decades to come. AREA maximizes its value to members through strict attention to operational spending, investing its dollars and resources where most impactful to its members, and developing beneficial affinity programs.



IN 2024, AREA:

- Allocated an additional \$433,531 to the Commission Assurance Fund, bringing the total contribution to four million.
 - Invested in the pension fund project by adding one million dollars, bringing the total contribution to four million.
 - Grew assets by 13.26%, to \$18,543,331.
 - Focused on organizational structure to build out succession planning for key positions.
-

COMMUNITY INITIATIVES



SUPPORTIVE HOUSING INITIATIVE FOR UKRAINIAN REFUGEES

In 2022, AREA's Board approved \$150,000 for the two-year program and concluded in August 2024. Throughout the two-year program, 18 Ukrainian families received support for six to 18 months and received between \$3,000 to \$16,000, depending on their length of time in the program and their family size. Additionally, nine REALTOR® families supported and housed the families and \$10,000 was provided to the Rotary Club of Calgary in support of English language training programs for Ukrainian refugees.



**THEY HELPED US COME
HERE, TO LIVE HERE.
THEY INTRODUCED
US IN COMMUNITY IN
CANADIAN LIFE.**

Lyda, Myra, Olha, and Andreii
Ukrainian family



**AS MEMBERS OF THE REAL ESTATE
COMMUNITY, IT IS NOT ONLY OUR
DUTY BUT ALSO A PRIVILEGE TO
CONTRIBUTE TO THE RESTORATION
AND REBUILDING OF ESSENTIAL
COMMUNITIES DEVASTATED
BY NATURAL DISASTERS.**

Chris Hassall
AREA Chair Elect

JASPER ROYAL CANADIAN LEGION RESTORATION PROJECT DONATION INITIATIVE

Following the devastating fires in Jasper National Park, the Jasper Legion stepped in to provide services to the local community members. The AREA Board of Directors approved a \$100,000 donation to support these efforts.

MEMBER **ADVOCACY**

DESIGNED TO MAKE PRECEDENT
SETTING CHANGE FOR MEMBERS.



AREA IS A VOICE FOR REALTORS® ON MATTERS OF PROVINCEWIDE IMPORTANCE, SUCH AS PRECEDENT-SETTING LEGAL CHALLENGES.

AREA's Member Advocacy Committee manages the Member Advocacy Program, offering support to members confronting legal or regulatory challenges. The program aims to aid members treated unjustly by regulatory bodies or other entities. Members seeking assistance can apply through the committee, with requests assessed on a case-by-case basis. The committee currently evaluates requests based on three broad criteria:

1. In the opinion of the committee, has the member been treated unfairly?
2. Has the member tried to resolve the situation on their own?
3. Is the matter of provincial importance?

IN 2024, AREA:

The Member Advocacy Program received nine new requests for support:

- Eight requests were approved
- Seven files were concluded
 - Two from this year
 - Five from previous years
- Currently, eight files are open

NOMINATING COMMITTEE

AREA'S NOMINATING COMMITTEE IS RESPONSIBLE FOR THE BOARD OF DIRECTORS APPLICATION PROCESS, IN ACCORDANCE WITH AREA'S BYLAWS AND POLICIES.

With one voting member from each of the five regions (Northern, Capital, Central, Foothills and Southern) and two non-voting members: a sitting AREA Director, who serves as Chair, and an external human resources expert. The Committee reviews all applications, interviews shortlisted candidates, and provides a recommended slate of candidates to be considered and ratified by the Board of Directors.



Parm Sidhu
Chair
AREA Director



Roger Arsenault
Foothills Region
Representative



Patrick Galesloot
Central Region
Representative



Kristie Kruger
Southern Region
Representative



Barb Read
HR consultant



Madeline Sarafinchan
Capital Region
Representative



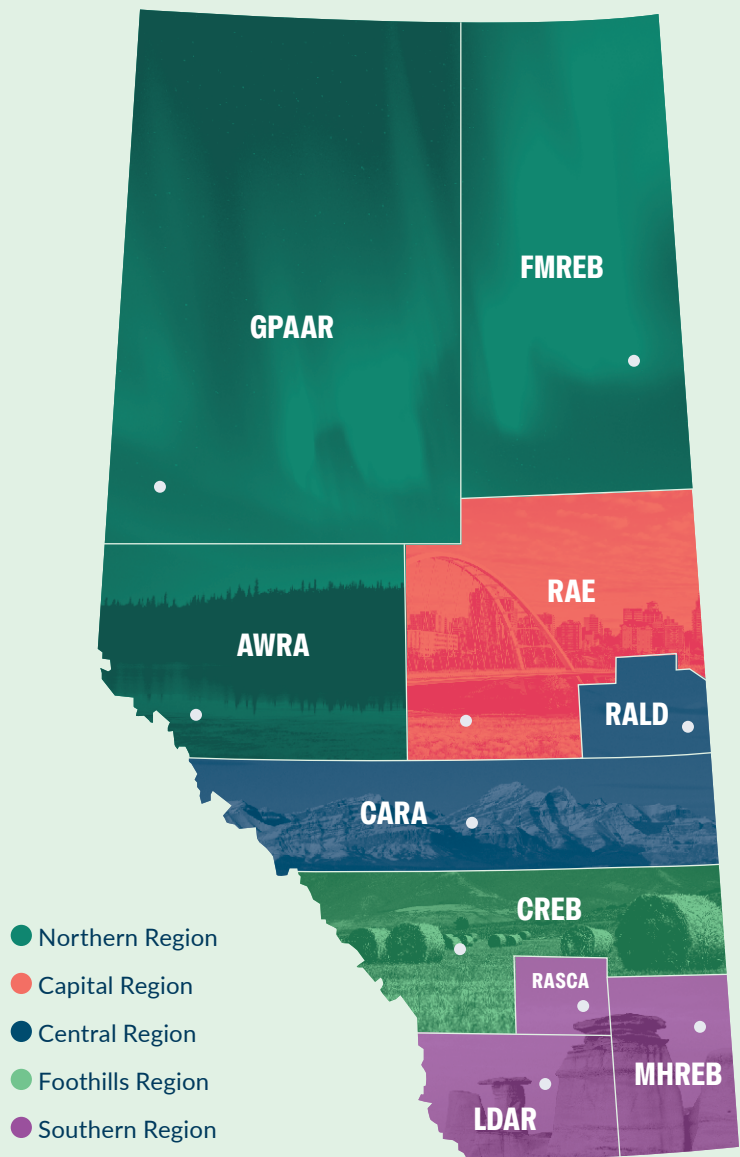
Jadene Spitzer
Northern Region
Representative

AREA members are eligible to apply to be a part of the Nominating Committee on a yearly basis.

REGIONAL *REPRESENTATION*

AREA MEMBERS ARE SERVED BY THREE DIRECTORS-AT-LARGE, ONE PUBLIC DIRECTOR, AND FIVE REGIONAL DIRECTORS: NORTHERN, CAPITAL, CENTRAL, FOOTHILLS AND SOUTHERN.

The arm's length Nominating Committee vets candidates via an interview and selection process and proposes a slate for ratification by AREA members at the Annual General Meeting. More information on how to get involved is available on the AREA website.



REGIONAL BOARDS

AREA's membership is comprised entirely of Alberta REALTORS® who are also members of at least one of Alberta's 10 local real estate Boards/Associations. These Boards/Associations are key stakeholders for AREA. AREA, alongside each regional Board/Association and the Canadian Real Estate Association (CREA) form the foundation for organized real estate, working in tandem to uphold the integrity of the real estate industry.

● AWRA/Alberta West REALTORS® Association

162 Members

Executive Officer: **Sandy Atfield**
President: **Jeff MacLeod**

● CREB/Calgary Real Estate Board

8,222 Members

Executive Officer: **Alan Tennant**
Chair: **Christian Twomey**

● CARA/Central Alberta REALTORS® Association

630 Members

Executive Officer: **Allan Melbourne**
Chair: **Chris Forsyth**

● FMREB/Fort McMurray Real Estate Board

136 Members

Executive Officer: **Brad Mitchell**
President: **Joelle Fraser-McGaghey**

● GPAAR/Grande Prairie & Area Association of REALTORS®

290 Members

Executive Officer: **Brad Mitchell**
President: **Sean Gillis**

● LDAR/Lethbridge and District Association of REALTORS®

403 Members

Executive Officer: **Cathy Maxwell**
Chair: **Shauna Gruninger**

● MHREB/Medicine Hat Real Estate Board

154 Members

Executive Officer: **Randeem Bray**
President: **Greg Keen**

● RAE/REALTORS® Association of Edmonton

4,861 Members

Executive Officer: **Larry Westergard**
Chair: **Melanie Boles**

● RALD/REALTORS® Association of Lloydminster & District

101 Members

Executive Officer: **Brad Mitchell**
President: **Kerry Frissell**

● RASCA/REALTORS® Association of South Central Alberta

95 Members

Executive Officer: **Brad Mitchell**
President: **Casey Renaud**

MANAGEMENT'S *DISCUSSION & ANALYSIS*

MEMBER BASE

AREA's membership base has continued to grow, topping out at 15,054 this year. That membership base creates a stable revenue stream upon which management optimizes value for members.

After reducing dues 27% since 2021, dues remain stable at \$275 for the 2025 year. In the unlikely event AREA experiences a significant decrease in membership, the dues structure would need to be revisited.

POLITICAL AND REGULATORY LANDSCAPE

Because real estate is under provincial jurisdiction, AREA focuses on advocacy work with the provincial government, the provincial regulator, and key stakeholders. Significant resources are still being spent on efforts to reduce regulatory red tape and promote member-centric positions in the RECA Rules Review.

STRUCTURE OF ORGANIZED REAL ESTATE

REALTORS® in Alberta are represented locally by their Board/ Association, provincially by AREA, and federally by the Canadian Real Estate Association (CREA). AREA focuses on provincial advocacy, professional development, member programs, and standardized real estate forms.

The nature of the cooperatives make them slow to change, even when faced by changing market conditions and external threats. Taxable subsidiaries with independent governance are one way to counter the inertia.

Since 2019, AREA has contracted executive and administrative services to member Boards/Associations who request assistance. In 2024, AREA offered these services to four of its 10 member Boards/Associations: Fort McMurray Real Estate Board (FMREB); Grande Prairie & Area Association of REALTORS® (GPAAR); REALTORS® Association of Lloydminster & District (RALD); and REALTORS® Association of South Central Alberta (RASCA). AREA ensures these member Boards/

Associations exercise their Board autonomy while maintaining their CREA minimum Board standards. AREA operates its executive and administrative services on a cost-recovery basis. Each Board/ Association maintains its own accounting, financial controls, and yearly audits. Under this arrangement, the Boards/Associations pay AREA a service fee which ensures that members from other regions of the province are not subsidizing the operation of local Boards/ Associations.

Other jurisdictions demonstrate that consolidation is still a topic of interest within the sector. AREA remains open to following its members' lead on this topic. We do not see any future possible consolidation subtracting from AREA's key offerings, but instead growing its localized offerings.

PILLAR9™

AREA continues to hold a 10 per cent stake in Pillar9™, a jointly owned provincial MLS® system provider. In addition to its voting rights, AREA holds \$701,168 in dividend shares on behalf of all the members in the province. Risks are evaluated as minimal given the long history of successful MLS® system provision in the province. As a responsible co-owner, AREA is obligated to exercise its shareholder duties to ensure the company is operating to the benefit of members.

PENSION PLAN

Developing a pension plan stalled in 2024 and was restarted nationally with AREA in the lead. The intent of this program is to allow REALTORS® to approach retirement with additional financial security. While the program is yet to launch, AREA has been putting aside restricted assets to fund the eventual establishment of a pension plan. AREA has allocated \$4 million to this endeavour to date.

AREA SERVICES CORPORATION (SERVICES CORP)

AREA's wholly owned subsidiary continues to operate successfully. The programs offered by Services Corp are subscribed to on a voluntary basis. There is inherent risk to developing new program offerings that are adopted voluntarily. There is also no guarantee that AREA will maintain its current contracts with service providers, although years of demonstrated success have lessened this risk.

OPERATIONAL SPENDING

AREA took on the sole hosting duties for Banff Western Connection in 2025 and has sought to expand the conference with higher-profile speakers and more attendees. These changes come with additional risk should the sponsorship and attendance not meet their new targets.

In 2024, AREA's executive and administrative services were also contracted to two external Boards/Associations: Yukon Real Estate Association and Northwest Territories Association of REALTORS®. These organizations pay a fee for services rendered.

AREA also maintains a member advocacy program that assists members who are treated unfairly by regulatory bodies or in legal matters. The program's costs are managed within AREA's budget and identified in the financial statements. Predicting the program's future costs is difficult as it depends on the number and complexity of cases that qualify for assistance. In 2024, a class action suit was launched against AREA's member Boards/Associations and several member brokerages. This suit is being defended through the member advocacy program and will remain an expenditure therein for the coming years. While we have taken on this risk, we believe the case has no merit.

The Commission Assurance Fund continues to operate to protect commissions should a brokerage suddenly cease operations. The AREA board allocated an additional \$1 million to the fund in 2024. It now sits at \$4 million, twice the program's maximum aggregate yearly payout. That said, if AREA members face catastrophic losses year over year, beyond AREA's financial capacity, there is no guarantee the program can continue.

**CONSOLIDATED
FINANCIALS**

CONSOLIDATED FINANCIALS

Combined Statement of Financial Position

October 31, 2024

	Operating Fund 2024	Assurance Fund 2024	Total 2024	Total 2023
Assets				
CURRENT				
Cash	\$ 2,806,038	-	\$ 2,806,038	\$ 2,729,293
Short-term investments	9,859,209	2,996,188	12,855,397	11,060,446
Accounts receivable	827,202	-	827,202	400,700
Contribution receivable	-	1,008,062	1,008,062	1,000,000
AREA Advance loans receivable	801,821	-	801,821	832,986
Loans receivable	144,291	-	144,291	185,660
Government remittances	18,322	-	18,322	32,944
Prepaid expenses	947,322	-	947,322	211,995
Other current receivable	-	-	-	892,539
	15,404,205	4,004,250	19,408,455	17,346,563
PROPERTY AND EQUIPMENT (Net of accumulated amortization)	126,495	-	126,495	150,171
INTELLECTUAL PROPERTY (Net of accumulated amortization)	575,830	-	575,830	524,167
AREA WIRELESS DEVICE LOANS RECEIVABLE	52,014	-	52,014	208,110
DUE FROM RALD	48,297	-	48,297	67,343
INVESTMENT IN PILLAR9™	701,168	-	701,168	701,168
	\$ 16,908,009	\$ 4,004,250	\$ 20,912,259	\$ 18,997,522
Liabilities				
CURRENT				
Accounts payable and accrued liabilities	\$ 397,056	\$ 4,250	\$ 401,306	\$ 396,683
Contribution payable	1,008,062	-	1,008,062	1,000,000
Income taxes payable	19,300	-	19,300	13,193
Deferred income	1,902,612	-	1,902,612	859,056
Government remittances	-	-	-	-
	3,327,030	4,250	3,331,280	2,268,932
DEFERRED INCOME	386,253	-	386,253	669,297
	3,713,283	4,250	3,717,533	2,938,229
Net Assets				
INVESTED IN CAPITAL ASSETS	702,326	-	702,326	674,338
ASSURANCE FUND	-	4,000,000	4,000,000	3,566,469
RESTRICTED FUND	12,492,400	-	12,492,400	11,124,077
UNRESTRICTED FUND	-	-	-	694,409
	13,194,726	4,000,000	17,194,726	16,059,293
	\$ 16,908,009	\$ 4,004,250	\$ 20,912,259	\$ 18,997,522

CONSOLIDATED FINANCIALS

Combined Statement of Revenues and Expenditures Year Ended October 31, 2024

	Operating Fund 2024	Assurance Fund 2024	Total 2024	Total 2023
REVENUES				
Membership	\$ 5,615,158	-	\$5,615,158	\$ 5,686,984
Wireless revenue	5,395,825	-	5,395,825	5,079,849
Other revenue	2,615,025	-	2,615,025	2,897,142
	13,626,008	-	13,626,008	13,663,975
COST OF SALES	4,786,969	-	4,786,969	4,535,376
GROSS PROFIT	8,839,039	-	8,839,039	9,128,599
EXPENSES				
Salaries and wages	4,227,191	-	4,227,191	3,349,726
Consulting and professional fees	1,751,895	-	1,751,895	1,435,417
General and administrative	1,635,008	17,578	1,652,586	1,511,650
Meetings and travel	744,814	-	744,814	615,226
Amortization	199,654	-	199,654	164,042
Bad debts	(4,029)	-	(4,029)	121,810
	8,554,533	17,578	8,572,111	7,197,871
EXPRESS OF REVENUES OVER EXPENSES FROM OPERATIONS	284,506	(17,578)	266,928	1,930,728
OTHER INCOME & EXPENSES				
Unrealized losses on short-term investments	1,185,258	355,607	1,540,865	(55,505)
Course development	430,000	-	430,000	-
Investment income	297,759	90,333	388,092	402,793
Interest income	148,485	-	148,485	96,262
Prior period income	22,444	-	22,444	-
Loss on disposal of capital asset	-	-	-	(5,003)
Real Estate Act rules review fund	-	-	-	(182,309)
Realized (losses) gains on short-term investments	(26,329)	(2,892)	(29,221)	(6,261)
Ukraine initiative	(34,133)	-	(34,133)	(63,537)
Banff Western Connection	(67,680)	-	(67,680)	(20,723)
Member advocacy fund	(1,488,592)	-	(1,488,592)	(102,308)
	467,212	443,048	910,260	63,409
EXCESS OF REVENUES OVER EXPENSES BEFORE INCOME TAXES	751,718	425,470	1,177,188	1,994,137
INCOME TAXES	19,300	-	19,300	13,193
EXCESS OF REVENUES OVER EXPENSES	\$ 732,418	\$ 425,470	\$ 1,157,888	\$ 1,980,944

CONSOLIDATED FINANCIALS

Combined Statement of Changes in Net Assets Year Ended October 31, 2024

	Invested in Capital Assets 2024	Assurance Fund 2024	Restricted Fund 2024	Unrestricted Fund 2024	Total 2024	Total 2023
NET ASSETS – BEGINNING OF YEAR	\$ 674,338	\$ 3,566,469	\$ 11,124,077	\$ 671,955	\$ 16,036,839	\$ 14,078,349
Excess of revenues over expenses	-	425,469	(1,488,592)	2,221,010	1,157,887	1,980,944
Investment in capital assets	227,642	-	-	(227,642)	-	-
Amortization of capital assets	(199,654)	-	-	199,654	-	-
Transfer to Member Advocacy Fund	-	-	2,000,000	(2,000,000)	-	-
Transfer to Pension Fund	-	-	1,000,000	(1,000,000)	-	-
Transfer from Business Continuity	-	-	(143,085)	143,085	-	-
Transfer to Commission Assurance Fund	-	8,062	-	(8,062)	-	-
NET ASSETS – END OF YEAR	\$ 702,326	\$ 4,000,000	\$ 12,492,400	-	\$ 17,194,726	\$ 16,059,293

Notes to Combined Compiled Financial Information Year Ended October 31, 2024

1. BASIS OF ACCOUNTING

The basis of accounting applied in the preparation of the combined statement of financial position of Alberta Real Estate Association as at October 31, 2024, and the combined statements of revenues and expenditures and changes in net assets for the year then ended is on the historical cost basis and reflects cash transactions with the addition of:

- accounts receivable less an allowance for doubtful accounts
- prepaid expenses and deposits recorded at applicable amounts
- investments recorded at cost
- property and equipment amortized over their useful lives
- accounts payable and accrued liabilities
- current income taxes payable as at the reporting date



AREA

FINANCIALS

SAR

INDEPENDENT AUDITOR'S REPORT

To the Members of Alberta Real Estate Association

Opinion

I have audited the financial statements of Alberta Real Estate Association (the Association), which comprise the statement of financial position as at October 31, 2024, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at October 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Association in accordance with ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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 ASNPO, 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 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 Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I 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 I identify during my audit.



Diana Hanevelt Professional Corporation,
Chartered Professional Accountant

Calgary, Alberta. December 11, 2024



CZECHOWSKY, GRAHAM & HANEVELT
CHARTERED PROFESSIONAL ACCOUNTANTS
• AN ASSOCIATION OF PROFESSIONAL PRACTICES •

ALBERTA REAL ESTATE ASSOCIATION

Statement of Financial Position Year End October 31, 2024

	Operating Fund 2024	Assurance Fund 2024	Total 2024	Total 2023
Assets				
CURRENT				
Cash	\$2,215,053	-	\$ 2,215,053	\$ 2,194,742
Short-term investments (Note 4)	9,807,009	2,996,188	12,803,197	10,960,446
Accounts receivable	400,180	-	400,180	31,561
Contribution receivable (Note 5)	-	1,008,062	1,008,062	1,000,000
Government remittances	1,192	-	1,192	654
Prepaid expenses	942,431	-	942,431	209,186
Other current receivable (Note 6)	-	-	-	892,539
	13,365,865	4,004,250	17,370,115	15,289,128
PROPERTY AND EQUIPMENT (Note 8)	126,495	-	126,495	150,171
INTELLECTUAL PROPERTY (Note 9)	575,830	-	575,830	524,167
DUE FROM RALD	48,297	-	48,297	67,343
INVESTMENT IN PILLAR9™ (Note 10)	701,168	-	701,168	701,168
INVESTMENT IN SUBSIDIARY (Note 11)	729,488	-	729,488	639,700
	\$ 15,547,143	\$ 4,004,250	\$ 19,551,393	\$ 17,371,677
Liabilities				
CURRENT				
Accounts payable	\$ 346,252	\$ 4,250	\$ 350,502	\$ 331,838
Contribution payable (Note 5)	1,008,062	-	1,008,062	1,000,000
Deferred income	998,103	-	998,103	3,000
	2,352,417	4,250	2,356,667	1,334,838
Net Assets				
INVESTED IN CAPITAL ASSETS	702,326	-	702,326	674,338
COMMISSION ASSURANCE FUND	-	4,000,000	4,000,000	3,566,469
RESTRICTED FUND (Note 14)	12,492,400	-	12,492,400	11,124,077
UNRESTRICTED FUND	-	-	-	671,955
	13,194,726	4,000,000	17,194,726	16,036,839
	\$ 15,547,143	\$ 4,004,250	\$ 19,551,393	\$ 17,371,677

	Operating Fund 2024	Assurance Fund 2024	Total 2024	Total 2023
REVENUES				
Membership fees	\$ 5,615,156	-	\$ 5,615,156	\$ 5,686,985
Education	1,799,660	-	1,799,660	2,357,665
Other revenue	489,269	-	489,269	377,361
	7,904,085	-	7,904,085	8,422,011
EXPENSES				
Salaries and benefits	3,757,434	-	3,757,434	2,987,756
Consulting	936,226	-	936,226	748,269
Professional fees	739,500	-	739,500	664,940
General and administrative	672,158	17,578	689,736	639,463
Conferences and events	517,819	-	517,819	393,906
Rent and operating costs	337,369	-	337,369	329,464
Meetings and travel	226,995	-	226,995	221,320
Education	185,684	-	185,684	382,394
Provincial administrative justice program	76,665	-	76,665	16,694
Employee and family assistance program	31,085	-	31,085	25,937
	7,480,935	17,578	7,498,513	6,410,143
EXCESS OF REVENUES OVER EXPENSES BEFORE INVESTMENT INCOME AND OTHER ITEMS				
	423,150	(17,578)	405,572	2,011,868
INVESTMENT INCOME				
Unrealized gains (losses) on short-term investments	1,185,258	355,607	1,540,865	(55,505)
Investment income	297,759	90,333	388,092	402,793
Interest income	122,851	-	122,851	81,325
Equity income from subsidiary (Note 11)	89,788	-	89,788	84,646
Realized losses on short-term investments	(26,329)	(2,892)	(29,221)	(6,261)
	1,669,327	443,048	2,112,375	506,998

ALBERTA REAL ESTATE ASSOCIATION

Statement of Revenues and Expenditures *(continued)* Year Ended October 31, 2024

	Operating Fund 2024	Assurance Fund 2024	Total 2024	Total 2023
OTHER ITEMS				
Member advocacy fund	1,488,592	-	1,488,592	102,308
Amortization of capital assets	199,654	-	199,654	164,042
Banff Western Connection	67,680	-	67,680	20,723
Ukraine initiative	34,133	-	34,133	63,537
Loss on disposal of capital asset	-	-	-	5,003
Real Estate Act rules review fund	-	-	-	182,309
Other income	(430,000)	-	(430,000)	-
	1,360,059	-	1,360,059	537,922
EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR	\$ 732,418	\$ 425,470	\$ 1,157,888	\$ 1,980,944

Statement of Changes in Net Assets Year Ended October 31, 2024

	Invested in Capital Assets	Commission Assurance Fund	Restricted Fund	Unrestricted Fund	Total 2024	Total 2023
NET ASSETS - BEGINNING OF YEAR	\$ 674,338	\$ 3,566,469	\$11,124,077	\$ 671,955	\$ 16,036,839	\$ 14,055,895
Excess of revenues over expenses	-	425,469	(1,488,592)	2,221,010	1,157,887	1,980,944
Investment in capital assets	227,642	-	-	(227,642)	-	-
Amortization of capital assets	(199,654)	-	-	199,654	-	-
Transfer to Member Advocacy Fund	-	-	2,000,000	(2,000,000)	-	-
Transfer to Pension Fund <i>(Note 14)</i>	-	-	1,000,000	(1,000,000)	-	-
Transfer from Business Continuity <i>(Note 14)</i>	-	-	(143,085)	143,085	-	-
Transfer to Commission Assurance Fund <i>(Notes 5, 14)</i>	-	8,062	-	(8,062)	-	-
NET ASSETS - END OF YEAR	\$ 702,326	\$ 4,000,000	\$ 12,492,400	-	\$ 17,194,726	\$ 16,036,839

	Total 2024	Total 2023
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 1,157,888	\$ 1,980,944
Items not affecting cash:		
Equity (income) loss from subsidiary	(89,788)	(84,646)
Realized losses (gains) on short-term investments	29,221	6,261
Unrealized losses on short-term investments	(1,540,865)	55,505
Amortization of capital assets	199,654	164,042
Loss on disposal of capital asset	-	5,003
	(243,890)	2,127,109
Changes in non-cash working capital:		
Accounts receivable	(368,619)	210,715
Interest receivable	(8,893)	(7,494)
Government remittance	(538)	5,783
Prepaid expenses	(733,245)	126,128
Accounts payable	18,665	95,741
Deferred income	995,103	3,000
Other current receivable	892,539	-
	795,012	433,873
Cash flow from operating activities	551,122	2,560,982
INVESTING ACTIVITIES		
Increase in short-term investments	(322,215)	(825,219)
Purchase of capital assets	(19,052)	(134,895)
Cost of intellectual property	(208,590)	(37,506)
Repayments from RALD	19,046	16,578
Cash flow used by investing activities	(530,811)	(981,042)
INCREASE IN CASH FLOW	20,311	1,579,940
Cash - beginning of year	2,194,742	614,802
CASH - END OF YEAR	\$ 2,215,053	\$ 2,194,742

1. INCORPORATION AND PURPOSE OF THE ASSOCIATION

Alberta Real Estate Association (the "Association") is a not-for-profit organization incorporated provincially under the Societies Act of Alberta. The Association is exempt from income taxes in accordance with Section 149 of the Income Tax Act. The Association's members are Alberta REALTORS® and real estate

boards. The Association's purpose is to represent the real estate interest of its members, enhance their professionalism, competency and profitability and to advocate regulatory and governmental policies that support and protect the real estate profession and the public that its members serve.

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting

The Association follows the deferral method of accounting for contributions, and fund accounting.

The Assurance Fund reports the assets, liabilities, revenue and expenses related to the operations of the Assurance Fund. The Association maintains a commission assurance fund to assist members when their commissions are unpaid by their broker.

The Operating Fund reports the assets, liabilities, revenues, and expenses for all other areas, including the internally restricted funds as disclosed in note 14.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash deposits held with Canadian chartered banking institutions, and cheques issued and outstanding.

Financial Instruments

The Association initially measures its financial assets and liabilities at fair value, except when applicable, for certain related party transactions that are measured at the carrying amount or exchange amount. The Association subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in marketable securities, which are measured at fair value. Changes in the fair value of these financial instruments are recognized in income in the period incurred.

Financial assets measured at amortized cost include cash & cash equivalents, short-term investments, accounts receivable, other current receivables, and the amount receivable from RALD. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in income in the period incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in income over the life of the instrument using the straight-line method.

For financial assets measured at cost or amortized cost, the Association determines whether there are indications of possible impairment. When there is an indication of impairment, and the Association determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. A previously recognized impairment loss may be reversed. The

carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

Foreign Currency Translation

The Association holds assets denominated in foreign currencies that are translated at the prevailing rates of exchange at the balance sheet date with realized and unrealized exchange gains and losses included in revenues over expenditures. The Association does not use derivative financial instruments to mitigate its exposure to foreign currency risk.

Investment in Subsidiary

The Association accounts for its wholly owned subsidiary AREA Real Estate Services Corporation using the equity method.

Capital Assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Information technology	5 years straight-line method
Computer equipment	3 years straight-line method

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Intellectual Property

Intellectual property is stated at cost or deemed cost less accumulated amortization and is amortized over the estimated useful life on a straight-line basis at the following rate and method:

Licensing education	5 years straight-line method
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Intellectual property acquired during the year but not placed into use is not amortized until it has been placed into use.

Impairment of Long-lived Assets

Long-lived assets consist of capital assets. The Association performs impairment testing on long-lived assets held for use whenever events or circumstances indicate that the carrying value of an asset may not be recoverable. Impairment losses are recognized when undiscounted cash flows from its use and disposal are less than its carrying value. Impairment is measured as the amount by which the carrying value exceeds its fair value and is included in the statement of operations for the period. Management was not aware of any impairment to its long-lived assets that would have a material effect on the financial statements.

Revenue Recognition

The Association follows the deferral method of accounting for revenues. Externally restricted funds received are deferred and recorded in the statement of operations in the period which the related expenses are incurred. All other revenue is unrestricted and recognized in the period received.

Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are recorded in the statement of operations in the period in which they become known. The valuation of the allowance for doubtful accounts and the estimated useful life of the capital assets are the most significant financial statement items that involve the use of estimates.

4. SHORT-TERM INVESTMENTS

Short-term investments consist of cash and cash equivalents, fixed income funds, Canadian, U.S. and foreign equity securities as follows:

	2024 Cost	2024 Market Value	2023 Cost	2023 Market Value
Operating fund short-term investments	\$ 6,669,089	\$ 9,807,009	\$ 6,448,906	\$ 8,393,977
Assurance fund short-term investments	\$ 2,095,243	\$ 2,996,188	\$ 2,022,591	\$ 2,566,469

5. CONTRIBUTION

The Association's Board of Directors have approved a \$8,062 contribution flowing from the Unrestricted Fund to the Commission Assurance Fund. The transfer of funds will occur subsequent to year end. The prior year balance related to a contribution flowing from the Unrestricted Fund to the Commission Assurance Fund for \$1,000,000.

6. OTHER CURRENT RECEIVABLE

The prior year other current receivable amount is for legal expenses incurred relating to member advocacy. During the year, a settlement was reached on the claim to which the receivable balance related.

7. RELATED PARTY TRANSACTIONS

The following is a summary of the Association's related party transactions:

	2024	2023
Board of Directors (Significant influence) Honorariums included in salaries and benefits	\$ 211,729	\$ 189,675

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

8. CAPITAL ASSETS

	Cost	Accumulated Amortization	2024 Net Book Value	2023 Net Book Value
Information technology	\$ 168,555	\$ 54,761	\$ 113,794	\$ 150,171
Computer equipment	19,052	6,351	12,701	-
	\$ 187,607	\$ 61,112	\$ 126,495	\$ 150,171

9. INTELLECTUAL PROPERTY

	2024	2023
Licensing education	\$ 863,798	\$ 655,208
Accumulated amortization	(287,967)	(131,042)
	\$ 575,831	\$ 524,166

Intellectual property is composed of costs related to the development of real estate licensing and practice courses.

10. INVESTMENT IN PILLAR9™

The Association has invested in Alberta One Realty Listing Services Inc. (operating as Pillar9™), an entity established to operate a single Multiple Listing Service to serve the REALTOR® members of the ten foundation real estate boards/association in the province of Alberta. The investment consists of 10,000 Class A Common Shares and 602,067 Class Common Non-Voting Shares.

	2024	2023
10,000 Class A Common Shares	\$ 10,000	\$ 10,000
602,067 Class C Common Non-Voting Shares	691,168	691,168
	\$ 701,168	\$ 701,168

11. INVESTMENT IN SUBSIDIARY

The Association has an investment in a wholly-owned taxable entity called the AREA Real Estate Services Corporation ("the Company"). The Company was set up as a taxable entity in order to be able to provide programs that are integral to members' businesses at a cost savings to them and not risk the Association's not-for-profit status. At October 31, 2024 the financial statements of the subsidiary company consisted of:

	2024	2023
Balance Sheet		
Total assets	\$ 2,090,355	\$ 2,265,534
Total liabilities	1,360,868	1,603,391
Equity	729,487	662,143
Statement of Income		
Revenue	5,747,555	5,256,902
Expenses	(5,680,211)	(5,172,256)
Net income (loss)	67,344	84,646
Prior period income	22,444	-
Net income (loss)	89,788	84,646
Statement of Cash Flows		
Cash flow used by/from operating activities	8,634	(28,881)
Cash flow used by investing activities	47,800	(50,000)
Cash flow used by financing activities	-	-
Decrease in cash flow	56,434	(78,881)

12. CREDIT FACILITIES

Credit Card Facility

The Association has corporate Visa credit cards with a combined credit limit of \$125,000 (2023 – \$125,000). Included in accounts payable is the combined outstanding amounts on these credit cards of \$40,094 (2023 – \$72,808).

Operating Line of Credit

The Association has an operating line of credit to a maximum of \$250,000 (2023 – \$250,000) with interest payable at bank prime plus 1.00% per annum. The balance for the year ended October 31, 2024 is \$nil (2023 – \$nil).

13. LEASE COMMITMENTS

The Association has a long-term lease with respect to its premises. The lease contains renewal options and provides for payment of utilities, property taxes and maintenance costs. Future minimum lease payments as at October 31, 2024, are as follows:

	Odeon	4th Street SW	Total
2025	\$ 259,724	\$ 253,020	\$ 512,744
2026	259,724	253,020	512,744
2027	151,505	278,322	429,827
2028	-	278,322	278,322
2029	-	278,322	278,322
Thereafter	-	1,594,026	1,594,026
	\$ 670,953	\$ 2,935,032	\$ 3,605,985

The Association will also be entering into a sub-lease agreement subsequent to year end relating to the current lease agreement in effect. This will take place in March 2025 until the end of the lease; the Association is expected to recover 86% of the remaining Odeon lease costs.

Subsequent to year end, the Association will be moving office premises to 4th Street SW under a new long-term lease. The lease will be for 10 years and will begin in March 2025.

14. RESTRICTED NET ASSETS

At October 31, 2024, the Association has internally restricted net assets to be used for the purposes and amounts as follows:

Business Continuity – 9-Months Operating

The Association has allocated funds to support its ongoing operations in the event of cash flow fluctuations throughout the year. The balance available is \$5,545,324 (2023 – \$5,688,407).

Commission Assurance Fund

The Association allocated funds for use towards a Commissions Assurance fund. The balance available is \$4,000,000 (2023 – \$3,566,469).

Land Titles Enhancement Fund

The Association allocated funds to support enhancements to the Land Titles system. The balance available is \$2,000,000 (2023 – \$2,000,000).

Member Advocacy Fund

The Association maintains funds for the work undertaken by the Member Advocacy Committee. The balance available is \$736,870 (2023 – \$225,462).

Member Pension Fund

The Association allocated funds for use towards a member pension fund. The balance available is \$4,000,000 (2023 – \$3,000,000).

Real Estate Act Rules Review Fund

The Association allocated funds to support the required work on RECA's rules review over the next few years. The balance available is \$210,208 (2023 – \$210,208).

15. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Association's risk exposure and concentration as of October 31, 2024.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Association's investments in publicly traded securities expose them to market risk as such investments are subject to price changes in the open market. The Association does not use derivative financial instruments to mitigate its exposure to market risk.

Currency Risk

Currency risk is the risk to the Association's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Association enters into foreign currency purchase and sale transactions and has assets that are denominated in foreign currencies and thus is exposed to the financial risk of earnings fluctuations arising from changes in foreign exchange rates and the degree of volatility of these rates. The Association does not use derivative financial instruments to mitigate its exposure to currency risk.

Unless otherwise noted, it is management's opinion that the Association is not exposed to significant other price risks arising from these financial instruments.

16. CAPITAL MANAGEMENT

The Association's goal in managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide services to its members. To accomplish this goal, protocols have been established to preserve the financial condition of the Association and protect its assets by annual development and approval of zero-based capital and operating budgets and by setting limits on the investment of funds. During the year, the Board meets with management regularly to review the Association's financial position.



I AM HONOURED TO WORK ALONGSIDE THE AREA TEAM WHO CONSISTENTLY OVER PRODUCE AND GO ABOVE AND BEYOND IN ALL THE WORK THEY TAKE ON, PRODUCING AMAZING RESULTS.

Shirley Williams
AREA Director

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of AREA Real Estate Services Corporation

Opinion

I have audited the financial statements of AREA Real Estate Services Corporation (the Company), which comprise the balance sheet as at October 31, 2024, and the statements of income and retained earnings and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises (ASPE).

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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 ASPE, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Company'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 Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company 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.

I 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 I identify during my audit.



Diana Hanevelt Professional Corporation,
Chartered Professional Accountant
Calgary, Alberta. December 11, 2024



CZECHOWSKY, GRAHAM & HANEVELT
CHARTERED PROFESSIONAL ACCOUNTANTS
• AN ASSOCIATION OF PROFESSIONAL PRACTICES •

AREA REAL ESTATE SERVICES CORPORATION

Balance Sheet
October 31, 2024

	2024	2023 Reclassified
Assets		
CURRENT		
Cash	\$ 590,985	\$ 534,551
Short-term investments (Note 4)	52,200	100,000
Accounts receivable	427,022	369,128
Area Advance loans receivable	801,821	832,986
Area WIRELESS device loans receivable – current (Note 5)	144,291	185,660
Government remittances	17,130	32,290
Prepaid expenses	4,892	2,809
	2,038,341	2,057,424
AREA WIRELESS DEVICE LOANS RECEIVABLE (Note 5)	52,014	208,110
	\$ 2,090,355	\$ 2,265,534
Liabilities		
CURRENT		
Accounts payable and accrued liabilities	\$ 50,805	\$ 64,844
Income taxes payable (Note 7)	19,300	13,193
Deferred revenue – Area Advance (Note 8)	25,457	25,626
Deferred revenue – vendor incentives (Note 9)	879,052	830,430
	974,614	934,093
DEFERRED REVENUE – VENDOR INCENTIVES (Note 9)	386,253	669,297
	1,360,867	1,603,390
Shareholders' Equity		
SHARE CAPITAL (Note 11)	10	10
RETAINED EARNINGS	729,478	662,134
	729,488	662,144
	\$ 2,090,355	\$ 2,265,534

AREA REAL ESTATE SERVICES CORPORATION

Statement of Income and Retained Earnings Year Ended October 31, 2024

	2024	2023 Reclassified
REVENUES		
Area WIRELESS – plan rates and charges	\$ 5,398,201	\$ 5,082,225
Area Advance – interest	323,720	159,741
	5,721,921	5,241,966
COST OF SALES		
Area WIRELESS – plan fees	4,663,689	4,470,457
Area Advance – administration fees	123,280	64,919
	4,786,969	4,535,376
GROSS PROFIT	934,952	706,590
EXPENSES		
Salaries and benefits	469,757	361,970
General and administrative	332,047	117,699
Professional fees	76,169	22,209
Bad debts – Area Advance	-	19,212
Bad debts – Area WIRELESS	(4,031)	102,598
	873,942	623,688
INCOME FROM OPERATIONS	61,010	82,902
OTHER INCOME	25,634	14,937
INCOME BEFORE INCOME TAXES	86,644	97,839
INCOME TAXES (Note 7)	19,300	13,193
NET INCOME	67,344	84,646
RETAINED EARNINGS – BEGINNING OF YEAR	662,134	577,488
RETAINED EARNINGS – END OF YEAR	\$ 729,478	\$ 662,134

AREA REAL ESTATE SERVICES CORPORATION

Statement of Cash Flows
Year Ended October 31, 2024

	2024	2023 Reclassified
OPERATING ACTIVITIES		
Net income	\$ 67,344	\$ 84,646
Changes in non-cash working capital:		
Accounts receivable	(26,730)	(438,740)
Wireless device loans receivable	197,465	(236,977)
Government remittances	15,160	(111,695)
Prepaid expenses	(2,083)	1,106,564
Accounts payable and accrued liabilities	(14,038)	40,278
Income taxes payable	6,107	13,193
Deferred revenue	(234,591)	(486,150)
	(58,710)	(113,527)
Cash flow from (used by) operating activities	8,634	(28,881)
INVESTING ACTIVITY		
Short-term investments	47,800	(50,000)
INCREASE (DECREASE) IN CASH FLOW	56,434	(78,881)
Cash - beginning of year	534,551	613,432
CASH - END OF YEAR	\$ 590,985	\$ 534,551

1. DESCRIPTION OF BUSINESS

AREA Real Estate Services Corporation (the "Company") is incorporated provincially under the Business Corporations Act of Alberta. The Company is a wholly-owned subsidiary of the Alberta Real Estate Association (AREA), which is a not-for-profit organization, incorporated under the Societies Act of Alberta. The Company was set up as a taxable entity in order to be able to provide programs that are integral to members' businesses at a cost savings to them and not risk AREA's not-for-profit status.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements were prepared in accordance with Canadian accounting standards for private enterprises (ASPE).

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash deposits held with Canadian chartered banking institutions, and cheques issued and outstanding.

Financial Instruments

The Company initially measures its financial assets and liabilities at fair value, except when applicable, for certain related party transactions that are measured at the carrying amount or exchange amount. The Company subsequently measures all its financial assets and liabilities at cost or amortized cost. Changes in the fair value of these financial instruments are recognized in income in the period incurred.

Financial assets measured at amortized cost include cash, short-term investments, accounts receivable, loans receivable, and long-term loan and notes receivable.

Financial liabilities measured at amortized cost include accounts payable, and accrued liabilities.

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in income in the period incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in income over the life of the instrument using the straight-line method.

For financial assets measured at cost or amortized cost, the Company determines whether there are indications of possible

impairment. When there is an indication of impairment, and the Company determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. A previously recognized impairment loss may be reversed. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

Revenue Recognition

Wireless revenue is recognized in the period that the service was provided. Interest on advances are recognized when the contract is complete. Vendor incentives are recognized into revenue over a three-year period. All other revenue is recognized when received.

Income Taxes

The Company uses the income taxes payable method of accounting for income taxes. Under this method, the Company reports as an expense (income) of the period only the cost (benefit) of current income taxes determined in accordance with the rules established by taxation authorities.

Measurement Uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for private enterprises 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 amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified, such as Area Advance and Frame, to conform to the current year's presentation.

4. SHORT-TERM INVESTMENTS

	2024	2023
Guaranteed investment certificate (GIC), bearing interest at 4.40% per annum, maturing on April 5, 2024	-	\$ 50,000
Guaranteed investment certificate (GIC), bearing interest at 4.05% per annum, maturing on March 2, 2024	-	50,000
Guaranteed investment certificate (GIC), bearing interest at 4.00% per annum, maturing on April 7, 2025	52,200	-
	\$ 52,200	\$ 100,000

AREA REAL ESTATE SERVICES CORPORATION

Notes to Financial Statements (continued)
Year Ended October 31, 2024

5. AREA WIRELESS DEVICE LOANS

The program offers device loans as a retention and growth strategy. The loan allows the member to acquire a new wireless device and then is amortized into wireless expense over the term of the wireless device loan contract.

	2024	2023
Opening balance	\$ 393,770	\$ 156,793
Area WIRELESS device loans approved in the year	-	461,587
Device loans collected	(197,465)	(224,610)
	196,305	393,770
Portion of device loans to be collected in the next year	(144,291)	(185,660)
Portion of device loans to be collected in subsequent years	\$ 52,014	\$ 208,110

No new device loans were approved in 2024 as the Company no longer uses its own cash to finance device loans and instead Rogers finances under the same terms.

6. CREDIT FACILITIES

Credit card facility

The Company has access to corporate credit card facilities, with a combined credit limit of \$20,000 (2023 - \$20,000) total, bearing interest at 19.99% per annum. The balance for the year ended October 31, 2024 is \$7,562 (2023 - \$53), which is included in accounts payable.

Operating line of credit

The Company has an operating line of credit to a maximum of \$500,000 (2023 - \$nil) with interest payable at bank prime plus 1.00% (2023 - nil%) per annum. The balance for the year ended October 31, 2024 is \$nil (2023 - \$nil).

7. INCOME TAXES

The income tax provision recorded is reconciled as follows:

	2024	2023
Income before income taxes	\$ 86,644	\$ 97,839
Income tax expense at the combined basic federal and provincial tax rate:	\$ 39,856	\$ 45,006
Increase (decrease) resulting from:		
Non-deductible expenses	2,619	1,181
Non-capital loss carried forward	-	(2,917)
Refundable tax on investment income	2,734	-
Federal tax abatement	(9,234)	(9,207)
Small business deduction	(16,675)	(20,870)
Income tax expense	\$ 19,300	\$ 13,193

8. DEFERRED REVENUE - AREA ADVANCE

Area Advance is a commission advance program in partnership with brokers. The Company provides advances with interest which is prepaid. The interest is deferred and recognized into revenue as it is earned.

	2024	2023
Deferred Revenue-Area Advance	\$ 25,457	\$ 22,509

AREA REAL ESTATE SERVICES CORPORATION

Notes to Financial Statements (continued)
Year Ended October 31, 2024

9. DEFERRED REVENUE – VENDOR INCENTIVES

The Company receives incentives from the Area WIRELESS service provider according to the contract terms. The credits are then amortized into revenue over a three-year period.

	2024	2023
Opening balance	\$ 1,499,727	\$ 2,003,963
Activation credits received in the year	790,057	404,628
Activation credits recognized in revenue	(1,024,479)	(908,864)
	1,265,305	1,499,727
Portion of activation credits to be recognized in the next year	(879,052)	(830,430)
Portion of activation credits to be recognized in subsequent years	\$ 386,253	\$ 669,297

10. RELATED PARTY TRANSACTIONS

The following is a summary of the Company's related party transactions:

	2024	2023
Board of Directors (Significant influence)		
Honorariums included in salaries and benefits	\$ 18,048	\$ 11,926
	\$ 18,048	\$ 11,926

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

11. SHARE CAPITAL

Issued

	2024	2023
Class A Common Voting Shares	\$ 10	\$ 10

12. FINANCIAL INSTRUMENTS

The Company faces various risks with its financial instruments and has established a comprehensive risk management framework to monitor, evaluate and manage these risks. This analysis provides insight into the Company's risk exposure and concentration as of October 31, 2024. The Company actively manages its exposure to risks that could potentially impact its operating and financial performance. Management believes that the Company is not significantly exposed to interest rate, currency, market, liquidity or other price risk.

Credit risk

The Company is exposed to credit risk concerning its accounts receivable through specific programs:

1. Area WIRELESS Program: Credit risk arises when the Company pays the wireless account for its members and awaits for those members to pay their wireless bill. To mitigate this credit risk, the Company implemented policies, such as the requiring to have credit cards on file to automate bill payment and enforce collection policies for unpaid accounts. Additionally, the Company sets aside provisions for potential credit losses. Any losses incurred to date have remained within management's expectations.
2. Commission Advance Program – Area Advance: This risk pertains to the possibility of default on advances made to REALTORS® when the Company advances commissions on transactions. Risk is mitigated by management policies that obligate multiple parties to repay the advance, limiting the maximum amount of the advances, and the maximum amount that the Company can have outstanding.

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant other price risks arising from these financial instruments.



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