

# Delivering Value



**Support**



**Trust**



**Quality**



**Service**



## MEMBERS SHARE

*"Great friendly service and good prices for Members."*

**Gail Maclaurin**

*"The person who helped me at the CAA Kanata store was awesome and I have recommended to friends to go to this location."*

**Lyn Kennedy**

*"I needed a tow and the CAA driver that arrived was thorough and knowledgeable in his work - and he had a great personality. Needing a tow is stressful, but my driver had such a positive attitude and great people skills. I have never had an unpleasant CAA tow truck driver - and I have had a few calls in my day!"*

**Audrey Crawford**

*"The tow service I received on my last call to you was terrific. Both employees that I dealt with were well informed, and were more than happy to answer my questions and explain things to me."*

**Lianne Cymbalisky**

*"Thank you so much for the invitation to the CAA Member/Ottawa REDBLACKS Practice Experience! My wife and I had a great time. Very informative and a great lunch to boot."*

**Paul & Elizabeth Kovacs**

*"We would not have been able to assist 175 families in Ottawa without the valuable sponsorship of CAA NEO."*

**Deanna Lindsay**

Executive Director, SEATS for Kids Canada

*"Yesterday, I used your towing services and was very pleased with the CAA agent handling my call and the tow truck driver assigned to me. The driver, Jason, not only was very good in handling my car, he drove like a limo driver - another bonus. Thank you, CAA!"*

**Halina Bezdziecka**

*"Our travel agent was very courteous and efficient. She delivered on time. Our trip was booked in a matter of hours and within our budget."*

**Ron Carrara**

## MESSAGE FROM THE CLUB



Fiscal year 2017 was a successful year of consistent, profitable growth and ongoing value creation for our Members. While we continuously evaluate opportunities for growth and strategies to sustain our success, we maintain a focus on key company attributes: quality services, solid operating performance, and commitment to the communities in which we live and work.

The component of our revenue showing continued strength is our Membership acquisition rate, which grew from 3.05% last year to 4.1% this year. We believe that this is in part due to stronger Member engagement with our brand. Our loyalty program, enabling Members to instantly save, earn CAA Dollars®, or both, saw 38% growth in the number of CAA Dollars earned by Members.

We are very pleased with the Club's 89% annual Membership retention rate, driven by first-rate services provided in our travel stores, roadside assistance, front-line phones and all other customer touchpoints. Each engagement with our Members strengthens our brand recognition and builds on a foundation of trust.

Our travel stores booked more cruises and tours and more Solo travellers and attracted more people to travel talks than the previous year. We believe this is due to our in-store travel professionals who are dedicated to exceeding the travel needs of their clients and providing the best merchandise and price points. To better serve Members in our busiest region, this year we evaluated our brick-and-mortar operations and decided to move two stores to improve retail coverage of the Ottawa area. The Wellington St. store relocated to Clyde Ave., a brand new space, and in January 2018, our Kanata store will move to Stittsville. Benefits to Members include modernized store environments and improved parking.

We remain passionate about providing the superior roadside assistance that our Members have come to depend on. Members know that their safety is our primary objective and they've demonstrated that by increasingly using CAA North and East Ontario (CAA NEO), for roadside assistance, so much so that calls for this service increased 9% in fiscal year 2017.

Engaging with our Members helps us create long-term value for them. While we enjoy meeting our Members at our local stores, offering them in-person advice or assistance there, on the road or on the phone, we find that more Members engage with us through other channels. And we're there for them, whenever and wherever they reach out. We now have more than 187,000 subscribers to our e-newsletters and more than

203,000 household subscribers to our NEO edition of CAA magazine.

The CAA Rewards program is also a measure of Member engagement with our brand. Involvement begins with enrolment, followed by participation through earning and then redeeming within the program. Members proved that "Membership is Rewarding" by earning more CAA Dollars this year, compared to last year. Loyalty programs are strategically designed to improve retention and customer acquisition, and ours contributed to a 4% increase in annual Membership growth.

Not only has CAA NEO strengthened its efforts to deliver value for our Members through profitable growth and investing in our capabilities and services – but also by contributing to the communities that our employees and Members work and live in.

We recognize that we have a role in the communities where we operate. This year, we began to develop a Corporate Social Responsibility framework that will enable us to strengthen our existing stakeholder relationships, reinforce our brand, and build public and community support.

The program's key areas of focus will be safe travelling in all its forms; environmentally-responsible travel; and support for the disadvantaged and at-risk members of our communities. We plan to formalize the framework in the coming months and incorporate methods to proactively identify opportunities for giving and promote our community vision.

In closing, I want to extend my appreciation and gratitude to everyone involved in making our business successful this year. Thank you to our Members for their ongoing support and loyalty. And thank you to our talented, dedicated employees whose commitment and hard work contributed so significantly to our growth. I would also like to thank our Board of Directors for their guidance and support. We will continue delivering value and building for the long-term success of our organization.

Sincerely,

**Christina Hlusko**

PRESIDENT & CEO

# Delivering

## SUPPORT

WE CARE DEEPLY ABOUT OUR MEMBERS AND OUR COMMUNITIES



**Josef Raffai**, VICE PRESIDENT, MARKETING, SALES & MEMBER ENGAGEMENT

Marketing and Sales delivers value by promoting and informing Members and the general public on the full scope of what a CAA Membership offers. We are much more than roadside assistance. Our national Rewards program continues to expand in response to increased usage and positive feedback from our Members. With the Rewards program, Members receive instant savings, earn CAA Dollars® that can be redeemed for other services we provide, or a combination of both. Our Club believes strongly in giving back to the communities that we serve. We do this through our multi-pronged, corporate social responsibility program that includes donations, sponsorships and advocacy work on issues that directly affect our Members. We have raised awareness and enhanced the Club's reputation – resulting in our being named the second most trusted brand in Canada, according to the University of Victoria's 2017 Gustavson Brand Trust Index.

**Robert Mulrooney**, VICE PRESIDENT OF CORPORATE SERVICES

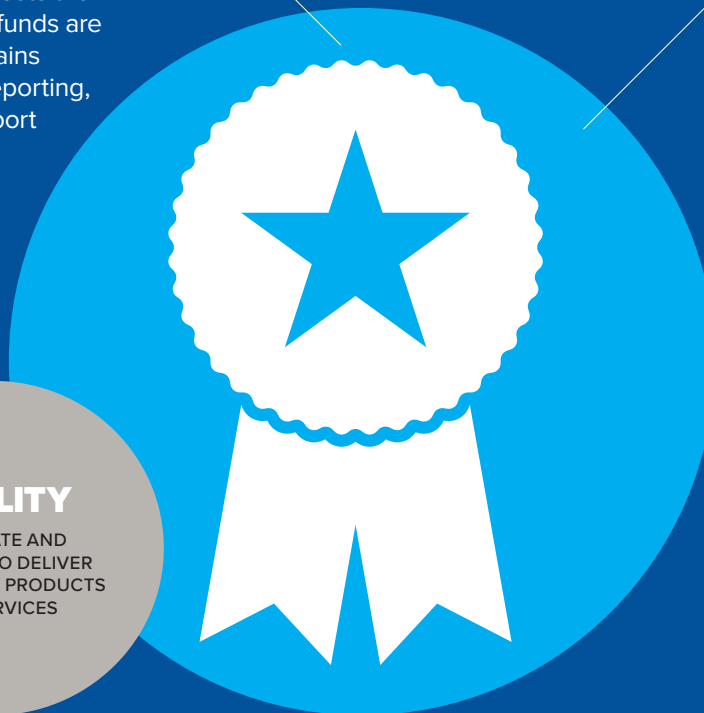
Corporate Services brings value to Members by ensuring that the Club's assets are responsibly taken care of, its funds are responsibly spent, and it remains financially strong. Business reporting, technology and facilities support are the back-office functions that ultimately allow CAA NEO to deliver the superior goods and services that our Members value.

**Alison McBratney**, DIRECTOR OF HUMAN RESOURCES

Our Human Resources department is focused on contributing value to Members by ensuring that our high standards of customer care are maintained through our hiring practices, training, and performance management. In 2017, Human Resources launched a new quarterly performance management review that is a cornerstone of our efforts to develop a "coaching culture" – an environment that empowers employees through clear and consistent performance feedback.

## QUALITY

WE INITIATE AND INNOVATE TO DELIVER TOP QUALITY PRODUCTS AND SERVICES



# Value

**William Skorupinski**, MANAGING DIRECTOR,  
AUTOMOTIVE SERVICES

CAA NEO's Automotive Services provides motorists and cyclists with peace of mind through our unique, 24/7 Emergency Road Services (ERS) program that covers the person and not just the vehicle – so that even if a Member is a passenger in someone else's car, we'll be there to help. Our CAA drivers are trained through our Roadside Problem-Solving Training program, so that they're able to turn a Member's roadside ordeal into a less stressful experience. This ability is the hallmark of CAA.



## TRUST

WE ARE RELIABLE,  
ETHICAL AND  
TRUSTWORTHY



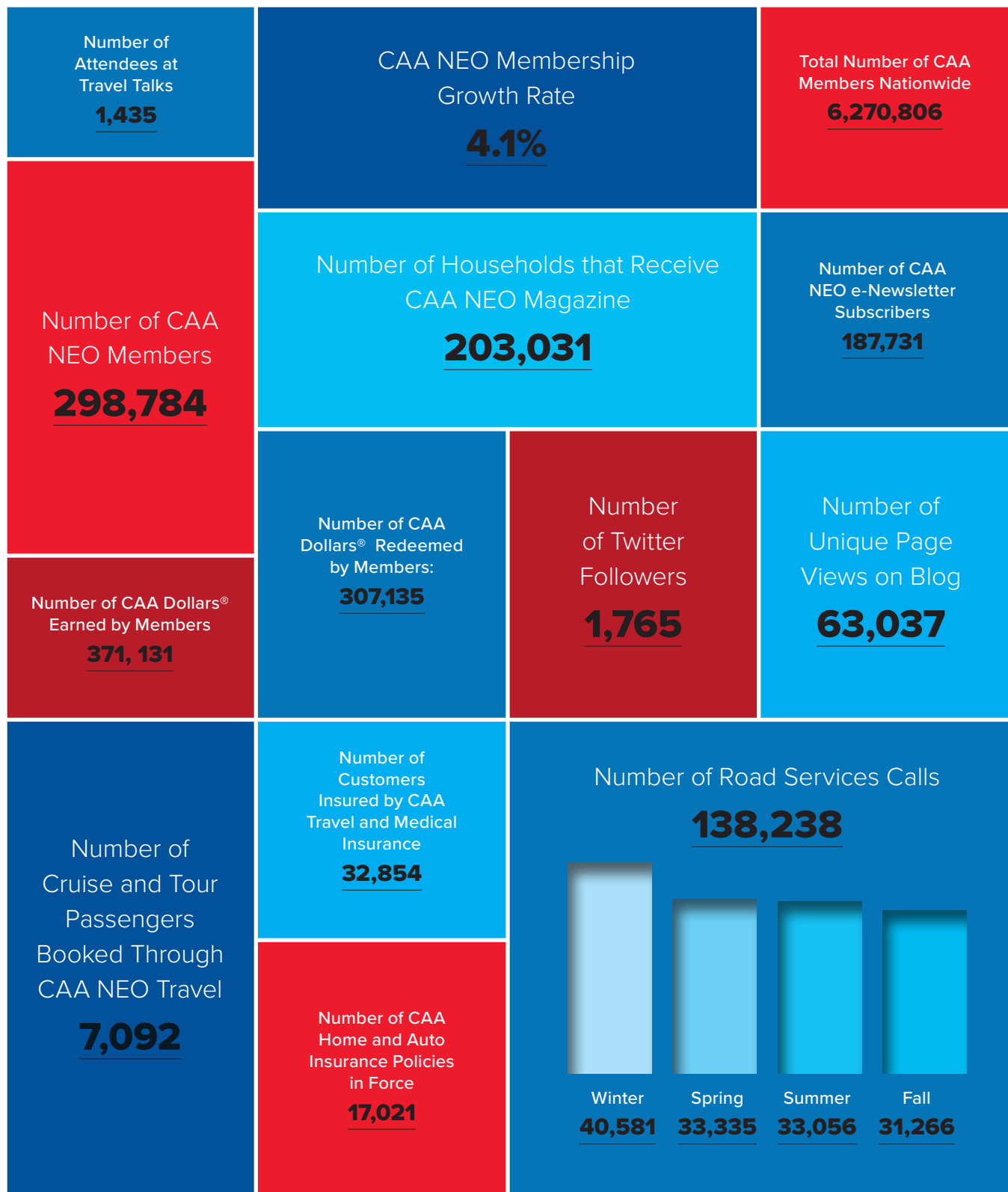
**David Coffey**, MANAGING DIRECTOR, TRAVEL SERVICES

Through our travel products and services, we provide value to Members by extending the CAA promise of peace of mind to travellers, no matter where they choose to go. As part of a nationwide organization with more than six million Members, we can leverage our buying power to obtain the best rates from tour operators and travel partners and pass those savings along to our Members. Our travel professionals deliver value to Members by offering their expertise which ultimately saves our clients both time and money and creates experiences that will last a lifetime.

## SERVICE

WE ARE PERSONALLY  
RESPONSIBLE FOR A  
SUPERIOR MEMBER  
EXPERIENCE

# HIGHLIGHTS



# INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

## To the Directors of CAA North & East Ontario

The accompanying Summary Consolidated Financial Statements, which comprise the summary consolidated income statement for the year ended September 30, 2017 and the summary consolidated balance sheet as at September 30, 2017, are derived from the audited consolidated financial statements of CAA North & East Ontario for the year ended September 30, 2017. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated November 26, 2017.

The Summary Consolidated Financial Statements do not contain all the disclosures required by Canadian accounting standards for not-for-profit organizations. Reading the Summary Consolidated Financial Statements, therefore, is not a substitute for reading the audited consolidated financial statements of CAA North & East Ontario.

### Management's responsibility for the Summary Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of a summary of the audited consolidated financial statements without notes or a summary consolidated statement of cash flows.

### Auditor's responsibility

Our responsibility is to express an opinion on the Summary Consolidated Financial Statements based on our procedures, which were conducted in accordance with Canadian Auditing Standards (CAS) 810, "Engagements to Report on Summary Financial Statements".

### Opinion

In our opinion, the Summary Consolidated Financial Statements derived from the audited consolidated financial statements of CAA North & East Ontario for the year ended September 30, 2017 are a fair summary of those consolidated financial statements, without notes or a summary consolidated statement of cash flows.

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants,  
Licensed Public Accountants  
Ottawa, Ontario

November 26, 2017

## Summary Consolidated Financial Statements

INCOME STATEMENT FOR THE YEAR ENDED SEPTEMBER 30, 2017	2017	2016
Total Operating revenue	<b>31,616,815</b>	29,766,084
Total Operating expenses	<b>30,389,208</b>	28,573,626
Income from operations	<b>1,227,607</b>	1,192,458
Other gains	<b>482,127</b>	375,680
Income before taxes	<b>1,709,734</b>	1,568,138
Income taxes	<b>181,664</b>	25,089
Net Income	<b>1,528,070</b>	1,543,049
Other changes to net assets	<b>(5,052)</b>	(556,456)
BALANCE SHEET AS AT SEPTEMBER 30, 2017		
Total assets	<b>24,193,914</b>	21,870,814
Total liabilities	<b>17,999,298</b>	17,199,216
Members' equity	<b>6,194,616</b>	4,671,598

**Ottawa South**

2446 Bank St.  
613.736.9696  
huntclub@caaneo.on.ca

**Ottawa West**

8-5703 Hazeldean Rd.  
613.836.7422  
stittsville@caaneo.on.ca

**Ottawa East**

2026 Tenth Line Rd. Unit 7  
613.841.6441  
orl-travel@caaneo.on.ca

**Ottawa Centre**

1331 Clyde Ave. Suite 105  
613.729.0707  
wb-travel@caaneo.on.ca

**Parry Sound**

1 Pine Dr. Unit C7  
705.746.9305  
ps-travel@caaneo.on.ca

**Thunder Bay**

585 Memorial Ave.  
807.345.1261  
tb-travel@caaneo.on.ca

**North Bay**

McKeown Plaza  
955 McKeown Ave. Unit 3B  
705.474.8230  
nb-travel@caaneo.on.ca

**Sudbury**

2040 Algonquin Rd. Unit 13B  
705.522.0000  
sud-travel@caaneo.on.ca

For a list of CAA Store hours and directions visit:  
[caaneo.ca/locations](http://caaneo.ca/locations)

**Travel Services****Call Centre**

Monday to Friday,  
8:00 AM to 8:00 PM  
1.800.267.8713 or 613.820.1890

**Group Travel**

1.855.402.4636  
4neo@caaneo.on.ca

**Membership**

Monday to Friday,  
9:00 AM to 9:00 PM  
Saturday 10:00 AM to 4:00 PM  
1.844.252.3648 or 613.820.1890

**Roadside Services****Call Centre**

Open 24/7

1.800.CAA.HELP (4357) or  
613.820.1890 or dial \*222 from  
a cell phone.

**Facebook, Twitter**

 [Facebook.com/CAANEO](https://www.facebook.com/CAANEO)

 [Twitter.com/CAANEO](https://twitter.com/CAANEO)

 [Youtube.com/  
TheCAANEOChannel](https://www.youtube.com/TheCAANEOChannel)



Travel  
Insurance  
Rewards  
Auto