



nova scotia real estate  
COMMISSION

ANNUAL REPORT 2023

# Annual General Meeting

## Zoom Webinar

April 25, 2024

10:00 AM - 12:00 PM

## Agenda

1. Call to Order—Aaron Millen
2. Introduction—Aaron Millen
3. Chairperson's Report—Aaron Millen
4. Licensing Committee—Tunde Awoyiga
5. Complaints Review Committee—Kim Fox
6. Discipline Committee—Gary Mailman
7. Commercial Committee—Greg Taylor
8. Finance Committee—Logan Morse
9. Education Committee—David Woo
10. Forms Committee—Anne Da Silva
11. Election Results
12. Open Forum
13. Adjournment

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# Board of Directors



Top row: Aaron Millen, Robert Faulkner, Greg Taylor, Anne Da Silva, Kim Fox.  
Bottom row: Tunde Awoyiga, Gary Mailman, Joanne Bouley, David Woo, Logan Morse.

Name	Term	Appoint-ment	Location	Brokerage/organization	Atten-dance*
Kim Fox	April 2025	NSAR	Dartmouth	RE/MAX Nova	5/5
Aaron Millen	April 2026	NSAR	Westville	Turning Point Real Estate Limited	5/5
Anne Da Silva	April 2027	NSAR	Bedford	Keller Williams Select Realty	4/5
Gary Mailman	April 2024	Elected	Bridgewater	Exit Realty Inter Lake	5/5
Logan Morse	April 2025	Elected	New Minas	Royal LePage Atlantic	4/5
Joanne Bouley	April 2026	Elected	Truro	RE/MAX Fairlane Realty	4/4
Greg Taylor	April 2024	Commercial	Halifax	Colliers International (Nova Scotia) Inc.	5/5
David Woo	August 2025	Public	Halifax		5/5
Tunde Awoyiga	December 2026	Public	Halifax		4/5
Robert Faulkner	October 2027	Public	Westchester Station		1/1

\*The attendance record of the Board of Directors serving on the Nova Scotia Real Estate Commission between January 1, 2023 and December 31, 2023. There were a total of five Commission meetings held.



**Aaron Millen**  
**Turning Point Real**  
**Estate Limited**

# Message from the Chair

It is with pleasure and a sense of responsibility that I present to you the Chairperson's Report for 2023. This was my first year as Chair and I am honoured to have the opportunity to serve in this capacity.

Stepping into the role of Chair has been a privilege and a learning experience. I am grateful for the support of my fellow board members and the dedication of the Commission staff.

At the Commission, our primary mandate is to protect the interests of the public in real estate transactions. Throughout the past year, we have remained steadfast in our commitment to this mission, ensuring that consumers are served by qualified and ethical real estate professionals who adhere to the highest standards of conduct.

The real estate market in Nova Scotia remained heated throughout the year. While this presented opportunities for industry growth, it also underscored

the importance of vigilant oversight to prevent misconduct and protect consumers from potential risks.

The number of licensees in Nova Scotia continued to rise, reflecting both the attractiveness of the profession and the buoyancy of the market.

Strategic planning remains a cornerstone of the Commission's operations. In October of 2023, the Board of Directors engaged in a two-and-a-half day planning session. This session included cultural competency training by Robert Wright, and a governance review and strategic plan facilitation lead by the leadership consulting firm TNG.

I would like to express my gratitude to the Board of Directors, committee members, and staff, for their support and collaboration. As we look ahead to the challenges and opportunities that lie ahead, I am confident that the Commission will continue to fulfill its mandate with integrity, diligence, and professionalism.

# Message from the Executive Director & Registrar



**Brad Chisholm**  
Executive Director  
& Registrar

2023 was a year of progress on a number of Commission projects and initiatives, including, but not limited to, the new salesperson licensing course and exams, a revised compliance audit policy, a revised brokerage transaction and trust account policy, and revisions to Commission By-law Part 7.

Commission staff worked in conjunction with the NSAR Education Department to develop course learning objectives and training materials. New salesperson licensing exams are in development and will be administered using an online platform.

Much work was done on revisions to Part 7 of the Commission By-law. This section sets conduct and trade practices for all licensees. Upon completion and adoption, the revised section will be rolled out in combination with education to all licensees. On the topic of education, Commission staff developed a new online course specifically on the application and use of Commission mandatory forms. This course is being used for licensees who enter the industry from

other provincial jurisdictions, and will also be utilized in disciplinary matters where a need for forms training is identified.

In response to the increased workload, due primarily to increased licensee numbers, additional compliance staff were hired in 2023. Training and coordinating of the new staff members is well underway. It was anticipated that the full audit program would return in 2024; however, this has been moved to January 2025. The Commission continues to carry out modified trust and brokerage audits.

Commission staff participated in strategic planning in October of 2023 to set goals and objectives for the next three years. The new strategic plan was approved by the Board at the December 2023 board meeting.

As always, I want to thank and recognize the Commission staff for their dedication and hard work this past year.

Thank you to the Board of Directors for your thoughtful support and consideration.



**Tunde Awoyiga**  
Public Member

# Licensing Committee

The Licensing Committee is responsible for setting entrance standards for the industry that promote professionalism, ethical conduct, and integrity.

The committee serves as an independent review panel to hear appeals of the Registrar’s decision to deny a licensing application. The committee makes recommendations to the Board of Directors on licensing issues. The committee is also tasked with ensuring the Commission’s licensing processes are fair and transparent.

In 2023, licensing numbers continued to increase, with 244 new salespeople entering the industry. 31 broker-level licences were issued, which includes Nova Scotia licensees upgrading their education as well as broker-level licensees from other provinces licensing here under reciprocity. With enrollment in the salesperson licensing class remaining high, some 483 salesperson licensing exams were written, including first and second attempts.

I would like to give thanks to the committee members for providing their service, input and experience. Thanks also to the Commission’s Licensing Officer, Pam Crane for her hard work and dedication.

<b>New applicants</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Brokers/ MABs	14	17	30	20
Associate brokers	13	17	21	11
Salespeople	179	329	303	244
<b>Industry totals</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Offices	226	233	231	244
Licensees	1,761	2,012	2,194	2,242
Brokers	157	158	160	160
MABs	50	58	69	71
Associate brokers	91	101	112	110
Salespeople	1,463	1,695	1,853	1,901
Approved sales corps.	234	302	366	397

## Committee Members

- Tunde Awoyiga, Chair, Halifax
- Lyanne Cantin, Salesperson, Dartmouth
- Peter Fraser, Salesperson, Pictou
- Lorena MacDonald, Associate Broker, Halifax
- Briana O’Grady, Lawyer, Upper Tantallon
- Kurt Swinimer, Salesperson, Halifax

# Discipline Committee



**Gary Mailman**  
Exit Realty Inter Lake

In 2023, the Discipline Committee had no formal discipline hearings as all matters had been resolved without the need for a formal hearing.

The Discipline Committee as a whole does not meet together, other than for training purposes. The Committee members serve to form a roster for hearing panels in the event of a discipline hearing.

The Discipline Committee’s role is to hold discipline hearings and render decisions about alleged infractions of licensees, including unprofessional conduct, and breaches of the Real Estate Trading Act, the Regulations and the By-law.

Thank you to the Discipline Committee members for their willingness to serve on this committee.

# Commercial Committee



**Greg Taylor**  
Colliers International  
(Nova Scotia) inc.

The Commercial Committee’s role is to address matters of interest to commercial real estate licensees, such as the organization of educational events for commercial licensees. The committee is chaired by the commercial appointee on the Board of Directors.

I encourage commercial practitioners to send any concerns or issues they may have to the Commission or to the members of the Commercial Committee. The Committee would like to be proactive on issues concerning the commercial community.

This is my last year as the commercial appointee on the Board of Directors. I very much enjoyed my time on the Board. Thank you to the Board of Directors and members of the Commercial Committee for your service and dedication, and to the staff for your support.

- Committee Members**
- Gary Mailman, Chair, Bridgewater
  - Marilisa Benigno, Broker, Halifax
  - Peter Fraser, Salesperson, Pictou
  - Jeff Kidson, Salesperson, Sackville
  - Kristin Pike, Lawyer, Halifax
  - David Woo, Public Member, Halifax
  - Kenneth Young, Broker, Bridgewater

- Committee Members**
- Greg Taylor, Chair, Halifax
  - Tom Carpenter, Associate Broker, Halifax
  - Erin Crosby, Salesperson, Halifax
  - Aaron Ferguson, Salesperson, Dartmouth
  - Carly Gravel, Salesperson, Halifax
  - Carlisle Norwood, Broker, Halifax



# Forms Committee



**Anne Da Silva**  
Keller Williams Select Realty

The Commission By-law requires the use of specific real estate agreements and acknowledgements by licensees in their work with real estate consumers.

The role of the Forms Committee is, at the direction of the Board of Directors, to review and revise mandatory forms, and when necessary, create new forms and recommend their approval to the Board.

The committee encourages licensees to reach out directly to communicate any ideas, questions or concerns with any Commission form. The committee diligently reviews and discusses any suggestions submitted and that participation and feedback is welcomed and appreciated. The committee has been working to update the Clause Book for all licensees and is additionally working on ensuring continuity in all of the forms and look forward to sharing its work in due course.

I would like to thank our dedicated committee members for their continued time and effort that they have, and continue to invest, in the improvement of our forms. Additionally, on behalf of the entire committee and licensees, to thank the staff for all of their work to support the committee and empower us to move forward.

## Committee Members

Anne Da Silva, Chair, Bedford  
Joanne Bouley, Managing Associate Broker, Halifax  
Ryan Hartlan, Broker, Dartmouth  
Danielle MacLean, Lawyer, Dartmouth  
Lisa White, Broker, Lakeside

# Education Committee



**David Woo**  
Public Member

In 2023, the Education Committee met to discuss and determine the subject matter for the 2023-2024 mandatory course to recommend to the Board of Directors. The Board accepted the recommendation, which was developed into the online course *Discovering Property Facts—Tips and Pitfalls*.

The pilot of the new salesperson licensing course began in November 2023 and finishes in March 2024. The course will undergo revisions based on the pilot and will replace the existing salesperson licensing course on July 1.

The Education Committee reviewed the existing broker licensing course outline and provided feedback for the development of a new broker course.

The committee also reviewed the *Becoming a REALTOR®* video and career booklet on the NSAR website and found the materials accurately set out the realities of starting a career in real estate.

I want to thank the members of the Education Committee and the staff for their dedication and service this past year.

## Committee Members

David Woo, Chair, Halifax  
Marg Bowlen, Broker, Dartmouth  
Laura Graham, Broker, Petit Etang  
David Langstroth, Broker, Fall River  
Tanya Ozard, Broker, Bedford  
Krista Rose, Managing Associate Broker, North Sydney

# Complaints Review Committee



**Kim Fox**  
RE/MAX Nova

The Complaints Review Committee (CRC) is made up of licensed and public members who are tasked with reviewing the Registrar's complaint decisions, including proposed settlement agreements, no charges, and any dismissed complaints.

At CRC meetings, the Compliance Investigator presents the case to the committee, along with the evidence and the Registrar's decision. If the CRC approves the Registrar's decision of charges and sanctions, the licensee is presented with a settlement agreement. Should the CRC not approve the decision, the settlement agreement is rescinded and the Registrar may modify his decision or send the matter to hearing. The Commission follows the same process every time the Registrar offers a settlement agreement, determines there are no charges, or dismisses a complaint.

The Commission's compliance team fields daily calls and emails from consumers and licensees about trade practices. Very few of these discussions progress to

formal complaints being submitted. The compliance team makes every effort to engage brokers early and where possible, attempt to resolve issues before they result in a formal complaint and the opening of an investigation. This approach is not suitable for all cases and, depending on the allegation(s), an investigation may be in the best interest of both the public and the industry.

For example, if a consumer's complaint is service-related, i.e. the licensee is not returning phone calls and emails, the compliance team will likely contact the licensee's broker to discuss the issue and have the broker follow up with the licensee and the consumer. If the matter can be resolved satisfactorily, the consumer may choose not to file a complaint.

The CRC plays a key role in our complaints and investigation processes. I want to thank the members of the CRC and the compliance team for their hard work and dedication to the committee and the protection of real estate consumers in Nova Scotia.

## Committee Members

Kim Fox, Chair, Halifax

Matthew Gough, Lawyer, Dartmouth

David Melvin, Lawyer, Halifax

Lydia MacIssac, Salesperson, Bedford

Logan Morse, Managing Associate Broker, Centreville

Jatender Sachdev, Managing Associate Broker, Halifax

Linda Smardon, Unlicensed Member, Lake Echo

# Finance Committee



**Logan Morse**  
Royal LePage Atlantic

## 2023 Results

For 2023, revenue exceeded budget due to higher-than-expected investment revenue and higher-than-expected new licence applications. Although there was continued demand for new salesperson licences, the net increase was less than anticipated. This was due to attrition, where existing salespersons leave the industry at a similar rate to new salespersons entering the industry.

Overall, revenues for 2023 exceeded budget by approximately \$336,000.

Total expenses came in close to budget, however there were specific categories that were measurably over budget. Professional fees exceeded budget primarily due to increased involvement with disciplinary matters and additional work carried out on developing new by-laws. Additional staff hires meant salary expenses were higher in response to the added work load from the increased number of licensees in the industry.

Excess revenues over expenditures will be designated to increasing the general reserve fund and increasing both long- and short-term investments to ensure long-term sustainability.

## 2024 Budget

The 2024 budget anticipates relatively stable licensee numbers and an eventual decline of investment revenue in response to the expected easing of interest rates in the second half of the year. Expenses will increase chiefly due to the full impact of additional staff hires, additional operational costs, and the implementation of a new online licensing-exam platform.

There are no licensing fee increases for the 2024-2025 licensing cycle.

Thank you to the Finance Committee members and to the Commission staff for their hard work during this past year.

### Committee Members

Logan Morse, Chair, Centreville  
Aaron Millen, Broker, Westville  
Greg Taylor, Broker, Dartmouth  
David Woo, Public Member, Halifax

# Audits and Investigations

## Audits

In total, 169 modified audits were conducted in 2023. The number of modified trust audits and brokerage audits conducted are shown below.

F1 indicates that the broker submitted a *Form 1—Real Estate Brokerage’s Representations* to the Commission of the brokerage’s trust and transaction files.

F2 indicates that the broker submitted a *Form 2—Declaration Respecting Absence of Trust Funds*, but had transaction files.

F3 indicates that the broker submitted a *Form 3—Declaration Respecting Absence of Trust and Transaction Files*.

Trust and brokerage audits educate brokers to understand and comply with the standards and procedures for trust accounts and transaction-file record keeping, which in turn protects the best interests of the public.

Form 1—119 audits	
Modified Brokerage Audits	27
Modified Trust Audits	82
Change-Of-Broker Modified Brokerage Audits	0
Change-Of-Broker Modified Trust Audits	5
Closing Brokerage Modified Audits	1
Closing Trust Modified Audits	4
Form 2—26 Audits	
Modified Brokerage Audits	12
Modified Trust Audits	11
Change-Of-Broker Modified Brokerage Audits	1
Change-Of-Broker Modified Trust Audits	0
Closing Brokerage Modified Audits	0
Closing Trust Modified Audits	2
Form 3—24 Audits	
No Trust or Transaction Files	24

## Investigations

Origin of 2023 investigations	
Public	18
Registrar	4
Investigation status summary	
Outstanding investigations January 1	14
New cases initiated	22
Closed (investigated and presented)	25
Outstanding as of December 31	11
Dismissed complaints	1
Hearings	0
Disciplinary licence suspensions	3
Licence cancellations	0

# Recovery Fund

The Real Estate Recovery Fund (the Fund) is established by the Real Estate Trading Act and administered by the Commission.

The Fund exists to compensate consumers for losses resulting from fraud or breach of trust by a licensee.

The Fund principle exceeds the \$600,000 minimum required under the Commission By-law and there have been no claims on the Fund to date. The Finance Committee oversee the monetary aspects of the Recovery Fund, including investment decisions.

Per the 2022 changes to By-law Part 5—Recovery Fund, the Discipline Committee and the Board of Directors are responsible for carrying out any orders regarding the Fund.

From an investment perspective, entering 2023 the Fund position was transitioning from a conservative / defensive stance which was necessary throughout 2022 due to the rapidly increasing inflation. The shift

created a more neutral and long-term balance of fixed income to equity.

In 2023, the Fund had a 5.73% net return and an ending market value Dec 31 2023 of \$829,531.

It is anticipated that as we progress through 2024 more assets in the Fund will continually be directed from fixed income to equities. The main economic indicator for this action is interest rate announcements and the signaling of rate cuts. The fund is in a strong position to benefit from future rate decreases which are anticipated mid to late summer. Timing aligns well as 20% of the portfolio which currently sits in guaranteed investment certificates will come due in August and September.

From a currency perspective, 75% of the fund is denominated in Canadian dollars and 25% in United States dollars. There were no claims against the fund in 2023 and no income was distributed from the fund.

**NOVA SCOTIA REAL ESTATE COMMISSION**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

**NOVA SCOTIA REAL ESTATE COMMISSION  
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DECEMBER 31, 2023**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of:  
**Nova Scotia Real Estate Commission**

### *Opinion*

We have audited the financial statements of **Nova Scotia Real Estate Commission** ("the Commission"), which comprise the statement of financial position as at December 31, 2023 and the statements of revenues and expenses, 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 our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at December 31, 2023, and results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### *Basis for Opinion*

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing the Commission'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 Commission or to cease operations, or has no realistic alternative but to do so.

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

#### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission'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 Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Commission 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Dartmouth, Nova Scotia  
March 21, 2024



**Chartered Professional Accountants**

**NOVA SCOTIA REAL ESTATE COMMISSION  
STATEMENT OF REVENUES AND EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

4

	2023	2022
	\$	\$
<b>REVENUES</b>		
<i>Recovery Fund</i>		
Investment income	33,857	23,405
Assessment income	27,300	36,900
Gain (loss) on investments	<u>15,727</u>	<u>(68,131)</u>
	<u>76,884</u>	<u>(7,826)</u>
<i>General Fund</i>		
Licensing fees	1,272,967	1,225,036
Investment income	284,461	105,271
Reinstatement of license	55,805	46,525
Exam fees	47,800	52,600
Fines and penalties	21,750	20,500
Lapsed trust funds	16,203	13,500
Amortization of tenant inducement (Note 7)	7,040	7,040
Other fees	<u>4,550</u>	<u>6,425</u>
	<u>1,710,576</u>	<u>1,476,897</u>
	<u>1,787,460</u>	<u>1,469,071</u>
<b>EXPENSES</b>		
Advertising	857	2,686
AGM	2,130	2,110
Amortization of capital assets	12,925	11,801
Amortization of intangible assets	11,286	11,289
Bank service charges	41,981	40,871
Computer maintenance	5,313	3,130
Conferences	16,048	15,296
Directors and committee member fees	34,300	27,450
Dues and fees	13,248	6,030
Focus groups and task forces	14,296	15,967
Insurance	2,547	2,377
Internet hosting fees	5,134	24,084
Investment broker fees	7,164	6,600
Office	12,497	13,182
Printing	6,364	8,803
Professional fees	101,542	67,829
Rent, cleaning and utilities	79,019	83,214
Repairs and maintenance	2,102	3,231
Salaries and employee benefits	784,872	673,760
SPL and BL exams	21,660	16,420
Staff travel and training	-	171
Strategic planning	54,863	-
Telecommunications	12,675	11,090
Travel and meetings	<u>3,203</u>	<u>-</u>
	<u>1,246,026</u>	<u>1,047,391</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>541,434</u>	<u>421,680</u>

**NOVA SCOTIA REAL ESTATE COMMISSION  
STATEMENT OF CHANGES IN NET ASSETS  
AS AT DECEMBER 31, 2023**

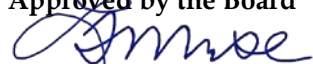
	General Fund \$	Capital & Intangible Assets Fund \$	Recovery Fund (Note 8) \$	Reserve Fund \$	Strategic Planning Fund \$	Exam Development Fund \$	<b>Total 2023 \$</b>	Total 2022 \$
NET ASSETS - beginning of year	545,352	27,582	789,103	481,643	60,000	30,000	<b>1,933,680</b>	1,512,000
Excess (deficiency) of revenues over expenses	543,748	( 17,171)	69,720	-	( 54,863)	-	<b>541,434</b>	421,680
Investment in capital assets	<u>( 10,639)</u>	<u>10,639</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS - end of year	<u>1,078,461</u>	<u>21,050</u>	<u>858,823</u>	<u>481,643</u>	<u>5,137</u>	<u>30,000</u>	<b><u>2,475,114</u></b>	<u>1,933,680</u>

**NOVA SCOTIA REAL ESTATE COMMISSION  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2023**

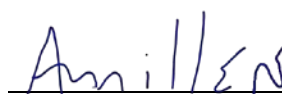
6

	2023	2022
	\$	\$
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	1,319,328	879,442
Trust funds	242,292	74,608
Accounts receivable	7,854	-
Investments (Note 3)	990,558	709,322
Prepays	<u>453</u>	<u>9,378</u>
	<b>2,560,485</b>	<b>1,672,750</b>
<b>RESTRICTED CASH (Note 8)</b>	<b>39,870</b>	<b>38,701</b>
<b>INVESTMENTS (Note 3 and 8)</b>	<b>858,650</b>	<b>949,810</b>
<b>CAPITAL ASSETS (Note 4)</b>	<b>37,477</b>	<b>39,763</b>
<b>INTANGIBLE ASSETS</b>	<u>-</u>	<u>11,286</u>
	<u><b>3,496,482</b></u>	<u><b>2,712,310</b></u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities (Note 5)	175,892	126,356
Funds held in trust	242,292	74,608
Deferred revenue (Note 6)	579,290	543,532
Current portion of deferred lease incentives	<u>10,240</u>	<u>10,240</u>
	<b>1,007,714</b>	<b>754,736</b>
<b>DEFERRED LEASE INCENTIVES (Note 7)</b>	<u><b>13,654</b></u>	<u><b>23,894</b></u>
	<u><b>1,021,368</b></u>	<u><b>778,630</b></u>
<b>NET ASSETS</b>		
<b>GENERAL FUND</b>	<b>1,078,461</b>	<b>545,352</b>
<b>CAPITAL AND INTANGIBLE ASSETS FUND</b>	<b>21,050</b>	<b>27,582</b>
<b>RECOVERY FUND (Note 8)</b>	<b>858,823</b>	<b>789,103</b>
<b>RESERVE FUND</b>	<b>481,643</b>	<b>481,643</b>
<b>STRATEGIC PLANNING FUND</b>	<b>5,137</b>	<b>60,000</b>
<b>EXAM DEVELOPMENT FUND</b>	<u><b>30,000</b></u>	<u><b>30,000</b></u>
	<u><b>2,475,114</b></u>	<u><b>1,933,680</b></u>
	<u><b>3,496,482</b></u>	<u><b>2,712,310</b></u>
<b>COMMITMENTS (Note 9)</b>		

Approved by the Board



Director



Director



**NOVA SCOTIA REAL ESTATE COMMISSION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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	2023	2022
	\$	\$
<b>CASH PROVIDED BY (USED FOR):</b>		
<b>OPERATING</b>		
Excess of revenues over expenses	541,434	421,680
Items not affecting cash		
Loss (gain) on investments	( 15,727)	68,131
Amortization of capital assets	12,925	11,801
Amortization of intangible assets	11,286	11,289
Amortization of deferred lease incentives (Note 7)	( 10,240)	( 10,240)
	<u>539,678</u>	<u>502,661</u>
Changes in non-cash working capital items		
Accounts receivable	( 7,854)	-
Prepays	8,925	2,662
Accounts payable and accrued liabilities	49,536	( 6,373)
Deferred revenue	<u>35,758</u>	<u>55,468</u>
	<u>626,043</u>	<u>554,418</u>
<b>INVESTING</b>		
Acquisition of investments	( 1,342,622)	( 1,077,805)
Proceeds on disposal of investments	1,168,273	-
Acquisition of capital assets	( 10,639)	( 2,835)
	<u>( 184,988)</u>	<u>( 1,080,640)</u>
<b>CHANGE IN CASH</b>	441,055	( 526,222)
<b>CASH - beginning of year</b>	<u>918,143</u>	<u>1,444,365</u>
<b>CASH - end of year</b>	<u>1,359,198</u>	<u>918,143</u>
<i>Cash consists of:</i>		
Cash	1,319,328	879,442
Restricted cash	<u>39,870</u>	<u>38,701</u>
	<u>1,359,198</u>	<u>918,143</u>

## 1. OPERATIONS

The Nova Scotia Real Estate Commission ("the Commission") was established by the Province of Nova Scotia Bill No. 31 assented to December 20, 1996. Bill 31 is an Act to Provide for Regulation of Trading in Real Estate in Nova Scotia.

The Commission is a not-for-profit organization under the meaning assigned in Section 149.1(1) of the Income Tax Act, and, as such, is exempt from income taxes. Accordingly, no provision has been made in the accounts for income taxes.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### Basis of accounting

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

### Net asset funds

#### *General Fund*

The General Fund is used for the Commission's day-to-day ongoing activities, including service delivery and administration.

#### *Capital Asset and Intangible Assets Fund*

The Capital Asset and Intangible Assets Fund reports the assets, liabilities, revenues and expenses related to capital and intangible assets. Amounts in the Capital Asset and Intangible Assets Fund are internally restricted.

#### *Recovery Fund*

The Recovery Fund reports the assets, liabilities, revenues and expenses of the Nova Scotia Real Estate Recovery Fund, which is administered and supervised by the Commission. The purpose of the Fund is to provide a self-insurance fund for licensed members in the Nova Scotia real estate industry within limits outlined in Note 8. Amounts in the Recovery Fund are externally restricted.

#### *Internally Restricted Funds*

The Reserve Fund was established by the Commission as a contingency fund for future unexpected expenditures. The Strategic Planning Fund was established by the Commission for future strategic planning expenditures. The Exam Development Fund was established by the Commission for future exam development expenditures. Transfers to these Funds are approved by the Board.

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Cash

Cash consists of cash on hand and balances held with financial institutions and an investment broker.

### Investments

Investments consist of guaranteed investment certificates ("GICs") held to maturity, equities and mutual funds.

### Capital assets

Capital assets are recorded at cost. Amortization is provided for using the following rates and methods over the estimated useful lives as follows:

Computers	25%-50%	Diminishing balance
Furniture and equipment	10%	Diminishing balance
Leasehold improvements	Term of lease	Straight-line

One half year's amortization is taken in the year of acquisition.

### Intangible assets

Intangible assets consist of billing software and website costs which are recorded at cost and amortized over an estimated useful life of five years, using the straight-line method.

### Impairment of long-lived assets

Long-lived assets are reviewed for impairment annually. When conditions indicate long-lived asset no longer contributes to the Commission's ability to provide services or that the value of future economic benefits or service potential associated with the capital asset is less than its net carrying amount, its net carrying amount is written down to its fair value or replacement cost.

### Deferred lease incentives

The deferred lease incentive, consisting of a tenant inducement and step rent adjustments, are amortized on a straight-line basis over the term of the lease. Step rent adjustments are credited to rent, cleaning and utilities expense.



## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Revenue recognition

#### *Licensing fees and assessment income*

Licensing fees and assessment income are recognized in the fiscal year to which they relate, provided that collection is reasonably assured and the price is fixed or determinable. Amounts related to future periods are reported on the Commission's statement of financial position as deferred revenue.

#### *Exam fees, fines and penalties, reinstatement of license and other fees*

Revenue is recognized when earned, provided that collection is reasonably assured and the price is fixed or determinable.

#### *Investment income and gain (loss) on investments*

Investment transactions are recognized on the transaction date, provided that collection is reasonably assured and the price is fixed or determinable.

#### *Lapsed trust funds*

Lapsed trust fund revenue is recognized when funds held in trust exceed six years from the date originally deposited to a brokerage trust account.

### Foreign currency transactions

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at year end. Foreign currency revenues and expenses are translated at rates in effect during the year. Gains and losses from translation are included in the determination of the excess of revenues over expenses in the year in which they occur.

### Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are used when accounting for items and matters such as allowance for useful lives of capital assets, intangible assets and deferred lease incentives and certain accrued liabilities. Actual results could differ from those estimates.

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Financial instruments

*Measurement of financial instruments*

The Commission initially measures its financial assets and financial liabilities at fair value.

The Commission subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the excess of revenues over expenses.

Financial assets measured at amortized cost include cash, trust funds, accounts receivable, restricted cash and GICs.

Financial assets measured at fair value include equities and mutual funds.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and funds held in trust.

*Impairment*

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any writedown is recognized in the excess of revenues over expenses. Any previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no 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 any reversal is recognized in the excess of revenues over expenses.

<b>3. INVESTMENTS</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Short-term</i>		
GIC, bearing interest at 0.995% per annum, maturing in May 2024	<b>203,454</b>	-
GIC, bearing interest at 5.12% per annum, maturing in June 2024	<b>102,862</b>	-
GIC, bearing interest at 5.76% per annum, maturing in August 2024	<b>102,020</b>	-
GIC, bearing interest at 5.82% per annum, maturing in September 2024	<b>76,124</b>	-
GIC, bearing interest at 5.57% per annum, maturing in September 2024	<b>101,816</b>	-

**NOVA SCOTIA REAL ESTATE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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<b>3. INVESTMENTS (Continued)</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
GIC, bearing interest at 5.57% per annum, maturing in September 2024	<b>101,816</b>	-
GIC, bearing interest at 5.57% per annum, maturing in September 2024	<b>101,816</b>	-
GIC, bearing interest at 5.4% per annum, maturing in December 2024	<b>100,325</b>	-
GIC, bearing interest at 5.4% per annum, maturing in December 2024	<b>100,325</b>	-
Matured investments	<u>-</u>	<u>709,322</u>
	<u><b>990,558</b></u>	<u><b>709,322</b></u>

*Long-term*

Equities	<b>44,430</b>	44,257
Mutual funds	<b>611,050</b>	705,392
GIC, bearing interest at 1.55% per annum, maturing in May 2024	-	200,161
GIC, bearing interest at 5.08% per annum, maturing in June 2025	<b>102,839</b>	-
GIC, bearing interest at 5.25% per annum, maturing in December 2025	<u><b>100,331</b></u>	<u>-</u>
	<u><b>858,650</b></u>	<u><b>949,810</b></u>

**4. CAPITAL ASSETS**

	Cost	Accumulated Amortization	Net 2023	Net 2022
	\$	\$	\$	\$
Computers	54,852	46,124	<b>8,728</b>	2,882
Furniture and equipment	84,426	81,494	<b>2,932</b>	-
Leasehold improvements	<u>110,647</u>	<u>84,830</u>	<u><b>25,817</b></u>	<u>36,881</u>
	<u><b>249,925</b></u>	<u><b>212,448</b></u>	<u><b>37,477</b></u>	<u><b>39,763</b></u>

NOVA SCOTIA REAL ESTATE COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

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**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2023	2022
	\$	\$
Trade payables	41,132	41,423
Accrued liabilities	77,491	52,126
Government remittances	<u>57,269</u>	<u>32,807</u>
	<u>175,892</u>	<u>126,356</u>

**6. DEFERRED REVENUE**

	2023	2022
	\$	\$
<i>Deferred revenue consists of:</i>		
Licensing fees	<u>579,290</u>	<u>543,532</u>
	2023	2022
	\$	\$
<i>Changes in deferred revenue are as follows:</i>		
Balance - beginning of year	543,532	488,064
Amount recognized as revenue	( 543,532)	( 488,064)
Amounts received related to future periods	<u>579,290</u>	<u>543,532</u>
Balance - end of year	<u>579,290</u>	<u>543,532</u>

**7. DEFERRED LEASE INCENTIVES**

	Tenant Inducement	Step Rent	2023	2022
	\$	\$	\$	\$
Balance - beginning of year	23,467	10,667	34,134	44,374
Change in step rent accrual	-	( 3,200)	( 3,200)	( 3,200)
Amortization	<u>( 7,040)</u>	<u>-</u>	<u>( 7,040)</u>	<u>( 7,040)</u>
	16,427	7,467	23,894	34,134
Less current portion	<u>( 7,040)</u>	<u>( 3,200)</u>	<u>( 10,240)</u>	<u>( 10,240)</u>
	<u>9,387</u>	<u>4,267</u>	<u>13,654</u>	<u>23,894</u>

**8. NOVA SCOTIA REAL ESTATE RECOVERY FUND**

The Recovery Fund exceeds the required minimum amount of \$600,000 in cash and investments, and no longer carries insurance for indemnification purposes. Under the regulations, the maximum amount that may be paid from the Recovery Fund is:

**8. NOVA SCOTIA REAL ESTATE RECOVERY FUND (Continued)**

- a) \$35,000 for a single real estate transaction;
- b) \$350,000 aggregate limit for multiple claims against a licensee.

**9. COMMITMENTS**

The Commission entered into an agreement to lease office space with terms expiring April 30, 2026. The Commission also entered into an agreement to lease a photocopier with terms expiring September 30, 2028. Future minimum lease payments for the next five years are as follows:

	\$
2024	32,922
2025	32,922
2026	13,722
2027	4,122
2028	3,092

**10. FINANCIAL INSTRUMENTS**

*Risks and concentrations*

The Commission is exposed to various risks through its financial instruments. The following analysis provides a measure of the Commission’s risk exposure and concentrations at December 31, 2023. It is management’s opinion that the Commission is not exposed to significant interest rate risk from its financial instruments. The risks arising on financial instruments are limited to the following:

*Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject the Commission to concentrations of credit risk consist of cash, trust funds, accounts receivable, restricted cash and investments. The Commission deposits its financial assets except for accounts receivable in reputable financial institutions with investment brokers and therefore believes the risk of loss to be remote.

## 10. FINANCIAL INSTRUMENTS (Continued)

### *Liquidity risk*

Liquidity risk is the risk that the Commission will encounter difficulty in meeting obligations associated with financial liabilities. The Commission is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and funds held in trust. The Commission generates sufficient cash flow from operating activities to fund operations and fulfill obligations as they become due.

### *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. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Commission is mainly exposed to currency risk and other price risk.

### *Currency risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at December 31, 2023, investments of \$191,566 (2022 - \$183,214) are transacted in US dollars and converted into Canadian dollars. The Commission has not entered into foreign exchange contracts to hedge this risk.

### *Other price risk*

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

## 11. COMPARATIVE FIGURES

Certain figures presented for comparative purposes have been reclassified to conform with the financial statement presentation adopted for the current year.

# Budget 2024

Recovery Fund		2024
	Assessment income	20,000
	Investment (loss) income	22,000
	Unrealized gain (loss) on investments	0
		42,000
General Fund		
	Licensing fees	1,264,715
	Examination fees	35,000
	Fines and penalties	10,000
	Reinstatement fees	30,000
	Other	4,000
	Lapsed trust funds	10,000
	Investment income	180,000
		1,575,715
Expenses		
	Advertising	2,000
	AGM	3,000
	Amortization	18,000
	Bank fees	45,000
	Conferences and training	32,300
	Consultant/contractor fees	30,000
	Director/committee fees	50,100
	Insurance	2,900
	Public awareness	15,000
	Miscellaneous	8,000
	Office expenses	35,000
	Professional fees	53,000
	Rent	92,000
	Salaries	958,600
	Exams	4,000
	Staff Travel	0
	Telecommunications	14,000
	Board/committee travel	1,000
	Hosting fees	20,000
	Investment fees	8,000
	Hardware/software	10,000
	Tech support	5,000
		1,442,900
Excess of revenue over expenses		174,815

# Question? Contact us

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