



nova scotia real estate
COMMISSION

ANNUAL REPORT 2024

Annual General Meeting

Zoom Webinar

April 24, 2025

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—Ryan Hartlen
7. Commercial Committee—Aaron Ferguson
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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Budget 2025

Board of Directors



Term	Name	Appointment	Location	Attendance
April 2025	Kim Fox	NSAR	Dartmouth	5/5
April 2026	Aaron Millen	NSAR	Westville	5/5
April 2027	Anne Da Silva	NSAR	Bedford	4/5
April 2025	Logan Morse	Elected	New Minas	5/5
April 2026	Joanne Bouley	Elected	Truro	5/5
April 2027	Ryan Hartlen	Elected	Dartmouth	4/4
April 2027	Aaron Ferguson	Commercial	Halifax	4/4
August 2025	David Woo	Public	Dartmouth	5/5
December 2026	Tunde Awoyiga	Public	Halifax	3/5
October 2027	Robert Faulkner	Public	Amherst Point	5/5

*The attendance record of the Board of Directors serving on the Nova Scotia Real Estate Commission between January 1, 2024 and December 31, 2024. There were a total of five Commission meetings held.

Message from the Chair



As Chairperson of the Nova Scotia Real Estate Commission Board of Directors, I am pleased to share with you the significant progress we have made over the past year in advancing our strategic initiatives. Our commitment to protecting the public interest through a well-regulated, knowledgeable, and professional real estate industry in Nova Scotia remains steadfast, and I am proud to highlight several key developments that reflect our ongoing efforts.

One of the Commission's most notable achievements has been the launch of the new salesperson licensing course. The new course is designed to better prepare applicants with the necessary knowledge and skills to trade in real estate competently and effectively.

We have also successfully developed a new audit program and policy, along with a brokerage transaction and trust account policy. These measures allow for regulatory oversight, ensure compliance within the industry, and provide clarity and consistency for brokerages in what is expected of them.

Commission staff revamped the call for committee applicants in 2024, resulting in over 80 applicants expressing

their interest in serving on Commission committees. This level of engagement demonstrates the industry's commitment to self-regulation and continuous improvement.

Another milestone achieved this year was the conclusion of the By-law Task Force. The new and revised Parts 1, 7, and 8 will come into effect on July 1, 2025. These updates will enhance our governance framework, provide clarity for consumers about agency and non-agency relationships, permit licensees flexibility in terms of marketing incentives, and modernize the disciplinary process and its reporting.

On behalf of the Board of Directors, I extend my sincere appreciation to the committee and taskforce members and the staff who support them who have contributed to these initiatives. Your participation and commitment are invaluable as we work together to ensure a strong and sustainable future for the real estate industry in Nova Scotia.

Thank you for your continued support.

Aaron Millen,
Turning Point Real Estate Limited

Message from the Executive Director & Registrar



Several major projects were completed or at near completion as 2024 came to a close.

The new salesperson licensing course was launched in August. This course was a joint undertaking by the NSAR Education Department and the NSREC involving a complete overhaul of the preceding salesperson licensing course. The new course is much more in-depth, new exams were created, and a web-based platform was secured to now enable students to write their exams online.

The NSREC also completed work on a new audit policy and a new brokerage transaction and trust account policy. The audit policy outlines the NSREC audit procedures, including broker requirements. The new brokerage transaction and trust account policy sets out in detail the requirements for real estate trading in terms of both procedure and document completion. This policy also sets out procedure and reporting requirements on all matters related to brokerage trust accounts. Both policies are available on our website. As part of the new audit process, effective January 2025, brokerage trust account records are now being reviewed

and assessed by accounting firm Baker Tilly on behalf of NSREC.

Audits are now completed using the SharePoint content-management platform. Training was developed by NSREC to assist brokers with the SharePoint functionality. A link to the training is available on our website.

Nearly all work on the NSREC By-law revisions was completed by the end of 2024. This was an immense project over the course of several years and heavily involved staff, task force members, lawyers and the NSREC Board. The new By-law encompasses a much more detailed and comprehensive set of rules, requirements and procedures for licensees.

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.

Brad Chisholm,
Executive Director & Registrar

Report from the Licensing Committee

New applicants	2021	2022	2023	2024
Brokers/MABs	17	30	20	7
Associate brokers	17	21	11	11
Salespeople	329	303	244	212
Industry totals	2021	2022	2023	2024
Offices	233	231	244	236
Licensees	2,012	2,194	2,242	2,275
Brokers	158	160	160	157
MABs	58	69	71	77
Associate brokers	101	112	110	110
Salespeople	1,695	1,853	1,901	1,931
Approved sales corps.	302	366	397	430

Committee Members

Tunde Awoiga, Chair, Halifax

Lyanne Cantin, Salesperson, Dartmouth

Robert Faulkner, Public Member, Amherst Point

Lorena MacDonald, Associate Broker, Halifax

Denise MacDonell, Managing Associate Broker, Halifax

Briana O’Grady, Lawyer, Upper Tantallon

Kurt Swinimer, Salesperson, Halifax



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 2024, licensing numbers continued to increase, with 212 new salespeople entering the industry. 18 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 388 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.

**Tunde Awoyiga,
Public Member**

Report from the Commercial Committee



The Commercial Committee's role is to address matters of interest to commercial real estate licensees. The committee is chaired by the commercial appointee on the Board of Directors.

This is my first year as the commercial appointee on the Board of Directors and I'm looking forward to working with stakeholders over the next few years.

The commercial committee will be meeting several times in 2025 to discuss and be proactive on matters concerning the commercial community. I encourage commercial practitioners to send any concerns or issues they may have to myself, the members of the Commercial Committee, or to the Commission for consideration.

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.

Aaron Ferguson,
Colliers International (Nova Scotia) inc.

Committee Members

Aaron Ferguson, Chair, Dartmouth
 Darlene Bennett, Associate Broker, Compass
 Commercial Realty LP
 Tom Carpenter, Associate Broker, Halifax
 James Collins, Salesperson, Commercial Eastern Inc.
 DBA Cushman & Wakefield Atlantic
 Ann Swinamer, Salesperson, Dartmouth
 Donald Tabor, Salesperson, CBRE Limited

Report from the Discipline Committee



In 2024, 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, the By-law and Policies.

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

Ryan Hartlen,
RE/MAX Nova

Committee Members

Ryan Hartlen, Chair, Dartmouth
 Joanne Bouley, Managing Associate Broker, Truro
 Raffi Balmanoukian, Lawyer, New Glasgow
 Allen Chase, Broker, Wolfville
 Benjamin Green, Broker, Halifax
 Brehannah Hopgood, Salesperson, Halifax
 Brennan LeJean, Lawyer, Dartmouth
 Lydia MacIsaac, Salesperson, Bedford
 Kristin Pike, Lawyer, Halifax

Report from the Forms Committee



The Commission By-law requires licensees to use specific real estate agreements and acknowledgments in their work with real estate consumers. The role of the Forms Committee, at the direction of the Board of Directors, is to review, revise, and, when necessary, create new mandatory forms before recommending them for approval.

In 2024, the committee focused extensively on updating forms to reflect the changes outlined in the new and revised by-law for Parts 1, 7, and 8, set to take effect on July 1, 2025. This process involved a comprehensive review of all mandatory forms to ensure compliance, clarity, and consistency with the updated By-law.

The committee actively encourages licensees to share their ideas, questions, or concerns regarding any Commission form. All suggestions are carefully reviewed and discussed, and this participation is both welcomed and appreciated. Additionally, the committee has been diligently working on updating the Clause Book for all licensees, reinforcing consistency across all forms, and looks forward to sharing these improvements in due course.

I would like to extend my sincere gratitude to our dedicated committee members for their continued time and effort in improving our industry's forms. Their commitment to this process has been invaluable. Additionally, on behalf of the entire committee and licensees, I would like to thank the Commission staff for their support in helping us advance this important work.

Anne Da Silva,
Keller Williams Select Realty

Committee Members

Anne Da Silva, Chair, Bedford
 Joanne Bouley, Managing Associate Broker, Halifax
 Jennifer Chaisson, Lawyer, Dartmouth
 Ryan Hartlen, Broker, Dartmouth
 Brennan Lejean, Lawyer, Dartmouth

Report from the Education Committee



The role of the Education Committee is to identify issues and opportunities relating to the development and delivery of real estate licensing, continuing professional education, and to make recommendations to the Board of Directors.

In 2024, the Education Committee met to determine the subject matter for the 2024-2025 Salesperson mandatory course to recommend to the Board of Directors. The Board accepted the recommendation, which was developed into the online course: Revisiting Consumer Relationships. This course helps to inform on changes to the audit program as well as the revisions to the By-laws that govern daily trading activity. These changes enable licensees to better support their brokers.

The Committee also piloted the 2024-2025 Broker Mandatory Course: Broker Responsibilities Revisted. This is launching in early 2025 and is intended to inform Brokers of the new regulatory practices while providing a refresher on their supervisory responsibilities.

The new Salesperson licensing course officially launched in August 2024. The course now features a multiple choice final exam.

The Education Committee also reviewed the existing ~ 20 year old Broker Licensing Course to provide

recommendations for enhancements and updates for the development of a new Broker course. The Board of Directors accepted the recommendations which were forwarded to the NSAR Education Department for development.

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

**David Woo,
Public Member**

Committee Members

David Woo, Chair, Halifax
Jennifer Morrison, Managing Associate Broker,
Dartmouth
Maura Nolan, Salesperson, Halifax
Tanya Ozard, Broker, Bedford
Krista Rose, Managing Associate Broker,
North Sydney
Gaurav Verma, Salesperson, Halifax

Report from the Complaints Review Committee

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.

Kim Fox,
RE/MAX Nova

Committee Members

Kim Fox, Chair, Halifax
 Cher Digdon, Salesperson, Halifax
 David Melvin, Lawyer, Halifax
 Michelle Morrow, Managing Associate Broker,
 Bedford
 Logan Morse, Managing Associate Broker,
 Centreville
 Jeff Silver, Lawyer, Kentville
 Linda Smardon, Public Member, Lake Echo

Report from the Finance Committee

2024 Results

For 2024, revenue was significantly higher than budgeted. This was largely due to higher than anticipated interest revenue from several sources, as well as continued demand for salesperson and approved sales corporation licences, associated licensing fees, such as exam fees and licence reinstatements. The interest revenue from brokerage trust accounts is, in part, a function of interest rates, deposit amounts, and transaction numbers. There was still a continued demand for salesperson licences, however the net increase appears to have slowed.

Revenues for 2024 exceeded budget by approximately \$356,000 for a total of \$1,932,000.

Total expenses came in close to budget, with some categories either slightly over or under budget. An example was increased legal expenses due to increased use of legal consultation for the By-law revisions project.

Total 2024 expenses were \$1,393,980 versus budget of \$1,442,900.

2025 Budget

The 2025 budget anticipates the net number of licenses in most categories will remain relatively flat or rise slightly as market conditions stabilize after fluctuations from the post pandemic conditions.

Expenses will increase in 2025. One of the more significant increases will be in bringing on Baker Tilly (accounting firm) to carry out trust account reviews for our audit program. Having Baker Tilly assist with trust



audits will free up Compliance staff to help with investigations, field more questions from licensees and the public on transactional issues, and carry out interprovincial regulatory research work.

The NSREC Finance Committee has recommended, and the Board of Directors have approved, that salesperson licence renewal fees will be reduced by \$50 effective Spring 2025.

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

Logan Morse,
Royal LePage Atlantic

Committee Members

Logan Morse, Chair, Centreville
Aaron Millen, Broker, Westville
David Woo, Public Member, Halifax
Aaron Ferguson, Salesperson, Dartmouth

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 oversees 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, the fund took on more equity exposure in 2024 to benefit from a falling interest rate environment and healthy equity landscape. This allowed for balanced growth while maintaining

a conservative risk profile. In the later stages of 2024, focus shifted to potential US governmental policy and potential impacts on the markets.

As Guaranteed Investment Certificates came up for renewal in the Fall this timing aligned with a belief in potential volatility in the markets to start 2025. The fund is set up to mitigate any market pressures in 2025 while still having an ability for opportunistic buying should favorable valuations of equities present themselves. Currently the strategic asset mix is 75% Fixed income and 25% Equity.

In 2024, the fund had an 8.98% net investment return and an ending market value Dec 31st 2024 of \$932,792.

From a currency perspective, 77% of the fund is denominated in Canadian dollars and 23% in United States dollars. There were no claims against the fund in 2024 and no income was distributed from the fund.

Audits and Investigations

Audits

In total, 174 modified audits were conducted in 2024. 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.

Investigations

Origin of 2024 investigations	
Total cases	22
Public	18
Registrar	4
Investigation status summary	
Outstanding investigations January 1	11
New cases initiated	22
Complete (investigated and presented to the Complaints Review Committee)	21
Outstanding as of December 31	11
Dismissed complaints	0
Closed investigations*	1
Hearings	0
Disciplinary licence suspensions	0
Licence cancellations	0

*Registrar closed investigation prior to completion.

Audits conducted in 2024

Form 1 - 120 Audits	Form 2 - 29 Audits	Form 3 - 25 Audits
40 Brokerage Audits	1 Brokerage Audits	4 Brokerage Audits
39 Trust Audits	13 Trust Audits	12 Trust Audits
32 New Broker Brokerage Audits	13 New Broker Brokerage Audits	5 New Broker Brokerage Audits
0 Change-Of-Broker Brokerage Audits	0 Change-Of-Broker Brokerage Audits	0 Change-Of-Broker Brokerage Audits
1 Change-Of-Broker Trust Audits	2 Change-Of-Broker Trust Audits	0 Change-Of-Broker Trust Audits
0 Closing Brokerage Audits	0 Closing Brokerage Audits	1 Closing Brokerage Audits
8 Closing Trust Audits	0 Closing Trust Audits	3 Closing Trust Audits

NOVA SCOTIA REAL ESTATE COMMISSION

FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOVA SCOTIA REAL ESTATE COMMISSION
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DECEMBER 31, 2024

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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, 2024 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, 2024, 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 24, 2025

Chartered Professional Accountants

**NOVA SCOTIA REAL ESTATE COMMISSION
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024**

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	2024	2023
	\$	\$
REVENUES		
<i>Recovery Fund</i>		
Gain on investments	41,582	15,727
Investment income	43,854	33,857
Assessment income	<u>24,700</u>	<u>27,300</u>
	<u>110,136</u>	<u>76,884</u>
<i>General Fund</i>		
Licensing fees	1,301,863	1,272,967
Investment income	357,074	284,461
Reinstatement of license	59,805	55,805
Exam fees	41,000	47,800
Fines and penalties	23,950	21,750
Lapsed trust funds	22,108	16,203
Other fees	8,700	4,550
Amortization of tenant inducement (Note 8)	<u>7,040</u>	<u>7,040</u>
	<u>1,821,540</u>	<u>1,710,576</u>
	<u>1,931,676</u>	<u>1,787,460</u>
EXPENSES		
Advertising	736	857
AGM	2,211	2,130
Amortization of capital assets	16,754	12,925
Amortization of intangible assets	-	11,286
Bad debts	7,504	-
Bank service charges	46,373	41,981
Computer maintenance	1,365	5,313
Conferences	21,168	16,048
Directors and committee member fees	31,205	34,300
Dues and fees	17,563	13,248
Focus groups and task forces	24,406	14,296
Insurance	2,587	2,547
Internet hosting fees	4,094	5,134
Investment broker fees	7,949	7,164
Office	21,515	12,497
Printing	6,288	6,364
Professional fees	91,522	101,542
Rent, cleaning and utilities	77,951	79,019
Repairs and maintenance	977	2,102
Salaries and employee benefits	945,975	784,872
SPL and BL exams	36,638	21,660
Staff travel and training	2,136	-
Strategic planning	1,096	54,863
Telecommunications	13,930	12,675
Travel and meetings	<u>12,037</u>	<u>3,203</u>
	<u>1,393,980</u>	<u>1,246,026</u>
EXCESS OF REVENUES OVER EXPENSES	<u>537,696</u>	<u>541,434</u>

NOVA SCOTIA REAL ESTATE COMMISSION
STATEMENT OF CHANGES IN NET ASSETS
AS AT DECEMBER 31, 2024

	General Fund \$	Capital & Intangible Assets Fund \$	Recovery Fund (Note 9) \$	Reserve Fund \$	Strategic Planning Fund \$	Exam Development Fund \$	Total 2024 \$	Total 2023 \$
NET ASSETS - beginning of year	1,078,461	21,050	858,823	481,643	5,137	30,000	2,475,114	1,933,680
Excess (deficiency) of revenues over expenses	467,929	(9,714)	102,187	-	-	(22,706)	537,696	541,434
Interfund transfers (Note 11)	(225,926)	-	-	238,357	(5,137)	(7,294)	-	-
Investment in capital assets	(25,316)	25,316	-	-	-	-	-	-
NET ASSETS - end of year	<u>1,295,148</u>	<u>36,652</u>	<u>961,010</u>	<u>720,000</u>	<u>-</u>	<u>-</u>	<u>3,012,810</u>	<u>2,475,114</u>

**NOVA SCOTIA REAL ESTATE COMMISSION
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024**

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	2024	2023
	\$	\$
ASSETS		
CURRENT		
Cash	621,821	1,319,328
Accounts receivable	-	7,854
Investments (Note 3)	504,435	990,558
Prepays	<u>24,612</u>	<u>453</u>
	1,150,868	2,318,193
RESTRICTED CASH (Note 9)	25,555	39,870
INVESTMENTS (Note 3 and 9)	2,514,561	858,650
CAPITAL ASSETS (Note 4)	<u>46,039</u>	<u>37,477</u>
	<u>3,737,023</u>	<u>3,254,190</u>
TRUST FUNDS (Note 5)	<u>185,684</u>	<u>242,292</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 6)	125,586	175,892
Deferred revenue (Note 7)	584,972	579,290
Current portion of deferred lease incentives	<u>10,240</u>	<u>10,240</u>
	720,798	765,422
DEFERRED LEASE INCENTIVES (Note 8)	<u>3,415</u>	<u>13,654</u>
	<u>724,213</u>	<u>779,076</u>
NET ASSETS		
GENERAL FUND	1,295,148	1,078,461
CAPITAL AND INTANGIBLE ASSETS FUND	36,652	21,050
RECOVERY FUND (Note 9)	961,010	858,823
RESERVE FUND	720,000	481,643
STRATEGIC PLANNING FUND	-	5,137
EXAM DEVELOPMENT FUND	<u>-</u>	<u>30,000</u>
	<u>3,012,810</u>	<u>2,475,114</u>
	<u>3,737,023</u>	<u>3,254,190</u>
FUNDS HELD IN TRUST (Note 5)	<u>185,684</u>	<u>242,292</u>
COMMITMENTS (Note 10)		

Approved by the Board

Ann: 1/1/24

Director

Logan Mo.

Director

NOVA SCOTIA REAL ESTATE COMMISSION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

7

	2024	2023
	\$	\$
CASH PROVIDED BY (USED FOR):		
OPERATING		
Excess of revenues over expenses	537,696	541,434
Items not affecting cash		
Gain on investments	(41,582)	(15,727)
Amortization of capital assets	16,754	12,925
Amortization of intangible assets	-	11,286
Amortization of deferred lease incentives (Note 8)	(10,239)	(10,240)
	<u>502,629</u>	<u>539,678</u>
Changes in non-cash working capital items		
Accounts receivable	7,854	(7,854)
Prepays	(24,159)	8,925
Accounts payable and accrued liabilities	(50,306)	49,536
Deferred revenue	<u>5,682</u>	<u>35,758</u>
	<u>441,700</u>	<u>626,043</u>
INVESTING		
Acquisition of investments	(2,118,764)	(1,342,622)
Proceeds on disposal of investments	990,558	1,168,273
Acquisition of capital assets	(25,316)	(10,639)
	<u>(1,153,522)</u>	<u>(184,988)</u>
CHANGE IN CASH	(711,822)	441,055
CASH - beginning of year	<u>1,359,198</u>	<u>918,143</u>
CASH - end of year	<u>647,376</u>	<u>1,359,198</u>
<i>Cash consists of:</i>		
Cash	621,821	1,319,328
Restricted cash	<u>25,555</u>	<u>39,870</u>
	<u>647,376</u>	<u>1,359,198</u>

**NOVA SCOTIA REAL ESTATE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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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 and Intangible Assets Fund

The Capital and Intangible Assets Fund reports the assets, liabilities, revenues and expenses related to capital and intangible assets. Amounts in the Capital 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 9. 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.

NOVA SCOTIA REAL ESTATE COMMISSION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2024

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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.

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.

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.

NOVA SCOTIA REAL ESTATE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

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.

Cloud computing arrangements

The Commission has elected to use the simplification method for cloud computing arrangements. Under this method, the Commission expenses any expenditures related to the cloud computing arrangement as incurred, including the cost of related implementation services.

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 and deferred lease incentives and certain accrued liabilities. Actual results could differ from those estimates.

**NOVA SCOTIA REAL ESTATE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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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, 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 write down 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.

3. INVESTMENTS	2024	2023
	\$	\$
GIC, bearing interest at 5.08% per annum, maturing in June 2025	102,900	102,839
GIC, bearing interest at 3.60% per annum, maturing in November 2025	200,967	-
GIC, bearing interest at 5.25% per annum, maturing in December 2025	100,360	100,331
GIC, bearing interest at 3.80% per annum, maturing in December 2025	100,208	-
GIC, bearing interest at 4.91% per annum, maturing in May 2026	205,765	-

**NOVA SCOTIA REAL ESTATE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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3. INVESTMENTS (Continued)	2024	2023
	\$	\$
GIC, bearing interest at 3.61% per annum, maturing in November 2026	200,969	-
GIC, bearing interest at 3.80% per annum, maturing in December 2026	100,208	-
GIC, bearing interest at 4.72% per annum, maturing in May 2027	205,638	-
GIC, bearing interest at 4.55% per annum, maturing in June 2027	102,531	-
GIC, bearing interest at 3.80% per annum, maturing in August 2027	101,176	-
GIC, bearing interest at 3.61% per annum, maturing in November 2027	90,436	-
GIC, bearing interest at 3.64% per annum, maturing in November 2027	90,440	-
GIC, bearing interest at 3.68% per annum, maturing in September 2028	101,139	-
GIC, bearing interest at 3.82% per annum, maturing in September 2028	101,183	-
GIC, bearing interest at 3.40% per annum, maturing in November 2028	180,604	-
Matured investments	-	990,558
Equities	124,816	44,430
Mutual funds	<u>909,656</u>	<u>611,050</u>
	3,018,996	1,849,208
Less current portion	<u>(504,435)</u>	<u>(990,558)</u>
	<u>2,514,561</u>	<u>858,650</u>

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2024	Net 2023
	\$	\$	\$	\$
Computers	73,774	51,186	22,588	8,728
Furniture and equipment	90,821	82,123	8,698	2,932
Leasehold improvements	<u>110,647</u>	<u>95,894</u>	<u>14,753</u>	<u>25,817</u>
	<u>275,242</u>	<u>229,203</u>	<u>46,039</u>	<u>37,477</u>

NOVA SCOTIA REAL ESTATE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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5. TRUST FUNDS AND FUNDS HELD IN TRUST

The trust funds represent deposits received on pending property sales. Funds held in trust represent the corresponding liabilities for these amounts.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
	\$	\$
Trade payables	77,540	41,132
Accrued liabilities	46,783	77,491
Government remittances	<u>1,263</u>	<u>57,269</u>
	<u>125,586</u>	<u>175,892</u>

7. DEFERRED REVENUE

	2024	2023
	\$	\$
<i>Deferred revenue consists of:</i>		
Licensing fees	<u>584,972</u>	<u>579,290</u>
	2024	2023
	\$	\$
<i>Changes in deferred revenue are as follows:</i>		
Balance - beginning of year	579,290	543,532
Amount recognized as revenue	(579,290)	(543,532)
Amounts received related to future periods	<u>584,972</u>	<u>579,290</u>
Balance - end of year	<u>584,972</u>	<u>579,290</u>

8. DEFERRED LEASE INCENTIVES

	Tenant Inducement	Step Rent	2024	2023
	\$	\$	\$	\$
Balance - beginning of year	16,427	7,467	23,894	34,134
Change in step rent accrual	-	(3,199)	(3,199)	(3,200)
Amortization	<u>(7,040)</u>	<u>-</u>	<u>(7,040)</u>	<u>(7,040)</u>
	9,387	4,268	13,655	23,894
Less current portion	<u>(7,040)</u>	<u>(3,200)</u>	<u>(10,240)</u>	<u>(10,240)</u>
	<u>2,347</u>	<u>1,068</u>	<u>3,415</u>	<u>13,654</u>

**NOVA SCOTIA REAL ESTATE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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9. 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:

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

10. 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 four years are as follows:

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

11. INTERFUND TRANSFERS

During the year, the Commission approved and executed interfund transfers of:

- \$238,357 (2023 - \$NIL) from the General Fund to the Reserve Fund;
- \$5,137 (2023 - \$54,863) from the Strategic Planning Fund to the General Fund;
and
- \$7,294 (2023 - \$NIL) from the Exam Development Fund to the General Fund.

These transfers were authorized by the Board of Directors in alignment with the Commission's strategic goals.

12. 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, 2024. 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:

NOVA SCOTIA REAL ESTATE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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12. FINANCIAL INSTRUMENTS (Continued)

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, restricted cash and investments. The Commission deposits its financial assets in reputable financial institutions with investment brokers and therefore believes the risk of loss to be remote.

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, 2024, investments of \$218,184 (2023 - \$191,566) 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. The Commission is exposed to this risk from its equities and mutual funds.

13. COMPARATIVE FIGURES

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

Budget 2025

Recovery Fund	Assessment income	18,000
	Investment (loss) income	45,000
	Unrealized gain (loss) on investments	0
		63,000
General Fund		
	Licensing fees	1,219,454
	Examination fees	30,000
	Fines and penalties	10,000
	Reinstatement fees	40,000
	Hearing and investigation recoveries	0
	Other	5,000
	Lapsed trust funds	23,500
	Investment income	223,000
		1,613,954
Expenses		
	Advertising	2,000
	AGM	3,000
	Amortization	9,000
	Bad debts	0
	Bank fees	45,000
	Conferences and training	37,000
	Consultant/contractor fees	141,600
	Director/committee fees	40,100
	Hearing and investigation costs	0
	Insurance	3,100
	Public awareness	5,000
	Miscellaneous	7,000
	Office expenses	26,400
	Professional fees	65,000
	Rent	88,000
	Salaries	1,024,810
	Exams	28,500
	Staff Travel	500
	Telecommunications	16,000
	Board/committee travel	15,000
	Hosting fees	26,000
	Investment fees	8,000
	Hardware/software	2,000
	Tech support	2,000
		1,595,010
Excess of revenue over expenses		18,944

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