

nova scotia real estate COMMISSION



ANNUAL REPORT 2012

Nova Scotia Real Estate Commission

Notice of Annual General Meeting

Ramada Plaza Park Place Hotel, 240 Brownlow Ave, Dartmouth

April 18, 2013
3:00 - 4:30 PM

Agenda

Chairperson – Dennis Richards

1. Call to Order
2. Introduction of Head Table—Dennis Richards
3. Commission Chairman’s Report—Dennis Richards
4. Finance & Recovery Fund—Paul Doucet
5. Licensing Committee—Donna Anderson
6. Complaint Review Committee—Gordon Burns
7. Discipline Committee—Ashley Thomas
8. Election procedures—Dennis Richards
9. Address by nominees—Paul Doucet, Jacob Risk, Lisa White, and Peter Wyman
10. Election for three-year term
11. Election for two-year term
12. Open Forum—this will be an opportunity for Industry Members to ask questions for the Commission’s comments or to bring forward items for the Commission to consider in their upcoming discussions
13. Adjournment

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Our Commissioners



Dennis Richards
Chairperson
Finance Committee



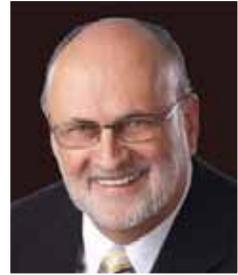
Charlie Pace
Complaint Review
Committee



Donna Anderson
Licensing Committee



Paul Doucet
Vice Chairperson
Finance Committee
Recovery Fund



Gordon Burns
Complaint Review



Ryan Brennan
Discipline Committee



Robert Wambolt
Complaint Review



John Walker
Commercial Committee
Recovery Fund



Linda Smardon
Licensing Committee



Ashley Thomas
Discipline Committee

Name	Term	Appointment	Location	Brokerage/employer	Attendance*
Robert Wambolt	April 2014	NSAR	St. Peters	Re/Max Park Place Inc.	5/5
Dennis Richards	April 2016	NSAR	Dartmouth	Century 21 Trident Ltd.	5/5
Charlie Pace	April 2015	NSAR	Halifax	Harbourside Realty Ltd.	3/3
Gordon Burns	April 2013	Elected	Dartmouth	Century 21 ABC Realty Ltd.	4/5
Paul Doucet	April 2013	Elected	Halifax	Royal LePage Atlantic	5/5
Linda Smardon	April 2014	Elected	Halifax	Exit Realty Metro	5/5
John Walker	May 2014	Commercial	Halifax	20 Vic Management Inc.	5/5
Ryan Brennan	December 2015	Public	Halifax	Clyde A. Paul & Associates	1/1
Donna Anderson	August 2013	Public	Sydney	Province of Nova Scotia	5/5
Ashley Thomas	September 2014	Public	Kentville	Waterbury Newton	4/5

*The attendance record of the Commissioners serving on the Nova Scotia Real Estate Commission between January 1, 2012 and December 31, 2012. There were a total of five

Commission meetings held. This column shows how many meetings each Commissioner attended and how many they were expected to attend.



Dennis Richards
Chairperson

Message from the Chair

Commissioners report for 2012

The Board of Commissioners elected me as their Chair at their meeting of June 2012. This privilege is one I take very seriously as I believe to be in a capacity of responsibility that brings the potential of opportunities and decisions that may and can affect the lives of many people.

I remember hearing a very long time ago one should never be compared to a predecessor, as no one is made in the likeness of another. However, I have watched and learned from our previous Chair, David Melvin, who led us through one of the most demanding times in the history of the Nova Scotia Real Estate Commission. We owe David sincere thanks of appreciation and I was honoured to present him with a parting gift when his term on the Board came to an end in December 2012.

It is a little ironic to say you can learn from one who happens to be the same age as one of my sons. It just goes to prove we can and should learn from people who may be much younger than ourselves.

One of the first duties of the new Chair is to appoint committee Chairs and members to the various standing committees; however for many years, the Commission committee appointments remained the same. In 2012, we asked all industry members to submit their names if they wished to serve on any of our committees. We believed this would be a fair and open process allowing individuals an opportunity to volunteer and become involved in our industry. Although the response was not overwhelming we did receive applications from a number of very good and qualified people. Each person selected was reviewed by the chair of the committee, staff and myself. Although each person was appointed for one year some will be re-appointed in order to maintain some continuity for the committee. We will be asking again this year for new applications.

The Nova Scotia Real Estate Commission has been our self-regulating body since 1997 and like most organizations there is a constant need to keep up to date in all facets of our operations. Many of the rules we follow are enshrined in legislation, however, many of the day-to-day regulations are governed by bylaw and policy procedures. The Board has given staff a direction to review these bylaws and bring forth proposed changes to ensure we are keeping up with the times. This will be an ongoing process and when deemed necessary we will be asking for your input to some of these changes.

Perhaps one of the most significant changes affects new applications for licence. All persons applying for a real estate licence must now provide to the Commission a vulnerable sector check from the RCMP identifying any criminal activity. This change was made to bring a higher standard for our industry and comply with standards throughout professional organizations.

In 2012, the Licensing Committee and the Board approved the new bylaw and the licence application to permit industry members to incorporate and the Commission began licensing approved sales corporations on March 1st, 2012. Since that time, the Commission has licensed 93 approved sales corporations.

The Board has asked staff to review some of the clauses we use and to offer suggestions and recommendations helping to remove ambiguities and vagueness so as to ensure our industry members reduce their risk and exposure to potential claims and consumer charges.

This year the Board will be introducing an online licence renewal system as a pilot project. This has been a request for many years and we are pleased to say we are finally ready. For this year, we will test the system to ensure the bugs are worked out and it provides our members with an easy step-by-step process that will reduce paper work, staff time, and details that have not been available to our industry in the past.

The use of technology, and the changes to it, demand a constant review to see what impacts it has on our industry. Although we may not be in the forefront in the tech world, we are and will be looking at ways to see if we can improve the working conditions for our industry members.

This year our Board will see a number of new people sitting at our Board table. I wish to acknowledge those who have completed their terms with us. As mentioned earlier, David Melvin's term was completed in December. Donna Anderson's term is finished in August 2013. Donna has served as Chair of the Licensing Committee for the past three years. Gordon Burns has submitted his resignation to assume other duties with the Nova Scotia Association of REALTORS®. Paul Doucet's first three year term is completed, and depending on the results of the vote at the annual general meeting, we may see several changes. The province of Nova Scotia appointed Ryan Brennan to our Board effective December 2012. We wish to welcome Ryan and look forward to his participation and input in our decision process.

Message from the Registrar

Report for 2012



Brad Chisholm
Registrar

2012 was an extremely busy year for the Nova Scotia Real Estate Commission that included the development of our anticipated online licensing system, new educational and training directives, administering the new licensing process for approved sales corporations and pursuing a more cost effective and resource efficient operation.

In preparation for the 2013 release of “NSREC online” much of 2012 was dedicated to tailoring the system to our specific needs. Our goal is to provide the industry with a capable and easy-to-use online licensing service that will enable a more efficient licence-renewal process. The system will also enable industry and public users to search out the licence status of industry members. We are in the early stages of testing the system and anticipate full implementation in time for the 2013/2014 renewal process.

Education initiatives in 2012 were first and foremost to embark upon a fresh approach not only in mandatory education course content but also in the means by which the courses are delivered. We worked closely with NSAR’s education department to ensure content was relevant and challenging and that the delivery environment was interactive and enjoyable. We are going to continue on this path for 2013.

The Commission staff worked hard towards identifying and delivering on a number of measures to increase efficiencies of the operation as well as capture operational cost savings. This will be an ongoing process as we move into 2013.

In closing I would like to thank the Board of Directors for their continued support. I also want to commend the Commission staff for their hard work over the past year. It is a privilege to work with such a dedicated team.

The Nova Scotia Real Estate Commission is the regulator of the real estate industry, whose goal is to ensure consumer confidence through the administration of the Real Estate Trading Act and the Commission Bylaw



Donna Anderson
Public Member

The Licensing Committee is mandated to review and make recommendations on all licensing issues, including decisions of the Registrar, requests from industry members and licensing education. The Committee is scheduled to meet quarterly. In 2012, the Licensing Committee met in February, June, and September. The November meetings was cancelled as there was no business on the agenda.

Members of the industry and the Nova Scotia Real Estate Commission are represented on the Licensing Committee. Mary MacDonald, Paula Pulling, Ron Stewart, Nora Landry, and John Walker all completed their terms this year and I'd like to thank them for their dedicated service. I'd also like to welcome new committee members Sue MacNeil, Anne Thompson, Joanne West, and Kathryn Whitewood.

The participation of NSAR Director of Education, Nicole Kreiger, as a non-voting member continues to enhance the flow of information between the education and licensing functions at NSAR and the Commission. John Armstrong and Anne Parks of NSAR's Education Committee also provided valuable insight on education issues in 2012.

The number of requests from industry members relating to exemptions from licensing requirements dropped significantly in 2012; only two exemptions were reviewed. Other agenda topics included a new policy for criminal record checks, exam updates, licence extensions, continuing professional education and course videotaping.

I'd like to thank all members of the Licensing Committee for their continued service. Your contributions are critical to the mandate of the Nova Scotia Real Estate Commission.

Licensing Committee

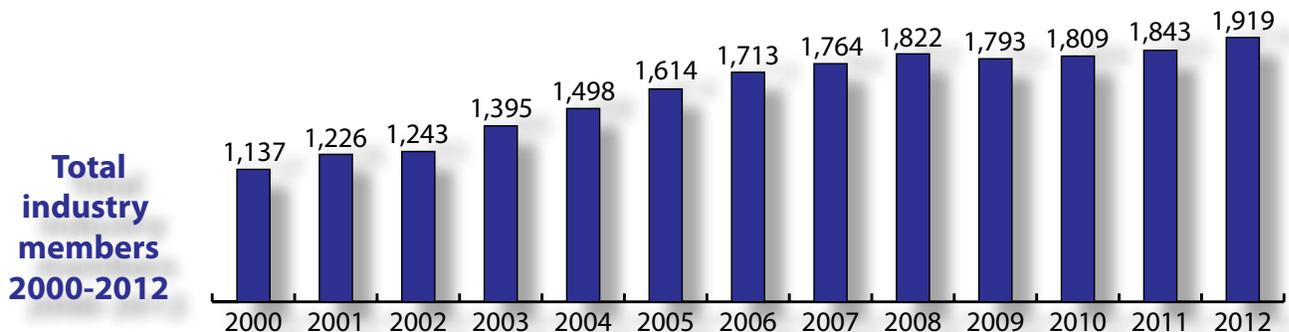
Chairperson's report for 2012

New applicants/ licence class	2011	2012	Change
Salespeople	185	225	+40
Brokers/managing associate brokers	17	19	+2
Associate brokers	12	13	+1

Industry totals	2011	2012	Change
Offices	278	281	+3
Industry members	1843	1919	+76
Brokers	213	218	+5
Managing associate brokers	51	48	-3
Associate brokers	89	92	+3
Salespeople	1490	1561	+71
Approved sales corporations	0	93	+93

Committee Members

- Donna Anderson, Commissioner, Sydney (Public)
- Mike Barnard, Member, New Minas
- Elizabeth Irwin, Member, Halifax
- Sue MacNeil, Member, Dartmouth
- Linda Smardon, Commissioner, Halifax
- Anne Thomson, Member, Liverpool
- Joanne West, Member, Dartmouth
- Kathryn Whitewood, Member, Wolfville
- Crystal Yeo, Member, Dartmouth
- Nicole Kreiger, NSAR Representative
- Pamela Crane, Licensing Officer



Complaint Review Committee

Chairperson's report for 2012



Gordon Burns
Century 21 ABC Realty Ltd.

One prediction that can be made regarding complaint and investigation numbers is that predictions cannot be made. Witness 2012 where the year ended with a total of 29 new investigations, a 30 per cent decrease from 2011. Before resting on our laurels, we must be quick to point out that 2011 ended with a 30 per cent increase over the previous year, and the previous two years showed similar fluctuations.

It is evident that the rate of consumer complaints appears to be at a similar level in the long term; however, it is the continuous goal of the Commission, supported by the Complaint Review Committee, to see the level of issues reduced through more educational endeavours rather than punitive measures where feasible. Once again in 2012 many complaints centered on poor completion of forms and agency issues. The mandatory courses, Client Relationships and Standard Forms, required by industry member in the 2012-13 licensing cycle reflect the Commission's concerns with these issues.

A total of 31 cases were closed in 2012 and another 16 remained outstanding at year end. In all, nine cases involving audits were concluded and six complaints were dismissed. In fairness to consumers and industry members, every effort is continuously being made to speed up the complaint

and investigation process. The Commission recognizes that all parties to a complaint are anxious to see the matter resolved as quickly as possible, however, the need for thorough and accurate investigations must also be a priority. Improvements to the system are a work in progress and progress continues to be made.

Many thanks to the Commission staff and Complaint Review Committee members for their efforts in 2012. The work of the CRC will continue to improve and to help to improve the Industry as a whole thanks to the work of this small but dedicated group of staff and volunteers.

Committee Members

- Gordon Burns, Commissioner, Dartmouth
- David Melvin, Public Representative, Halifax
- Howard Oakey, Public Representative, Bedford
- Charlie Pace, Commissioner, Halifax
- Sheila Sinnott, Member, Mill Village
- Ron Stuart, Member, Lewis Lake
- Robert Wambolt, Commissioner, St. Peters
- Lisa White, Member, Halifax
- Peter Wyman, Member, Annapolis Royal
- Carolyn MacDonald, Compliance Manager
- Susan Best, Acting Compliance Manager



Ashley Thomas
Waterbury Newton

Discipline Committee

Chairperson's report for 2012

The Discipline Committee's role is to hold discipline hearings and render decisions about alleged infractions of industry members, including unprofessional conduct, and breaches of the *Real Estate Trading Act*, Regulations and Commission Bylaw.

When the Commission is made aware of an infraction(s) allegedly committed by an industry member (a "complaint"), the Commission staff investigate. A decision is made by the registrar and based on that decision, the matter is referred to either the Complaint Review Committee for review or the Discipline Committee for a hearing.

In most cases, the industry member facing disciplinary action enters into a Settlement Agreement with the Commission. For most infractions, Settlement Agreements are the quickest and simplest way to resolve the issue, from both the industry member's and the Commission's point of view.

If the settlement process fails, the Discipline Committee becomes involved. The matter is referred for a discipline hearing. A Hearing Panel consisting of three Discipline Committee members hears the evidence from the industry member and the Commission, and renders a written decision about whether or not the industry member has committed the alleged infractions. If the industry member is found to have committed an infraction, both parties have the opportunity to make submissions about the appropriate sanctions and costs to be awarded against the industry member. The Hearing Panel has broad authority to:

- suspend or revoke an industry member's licence;
- place conditions on the industry member's licence;
- award compensation to an aggrieved party who suffered damages as a result of the industry member's conduct;
- order that the industry member pay sanctions;

- order that the industry member pay the Commission's legal costs; and
- make any other order that the Panel considers just.

An industry member has the right to appeal the decision of the Hearing Panel to the Nova Scotia Court of Appeal within 25 days of the Hearing Panel's written decision.

In 2012, one discipline hearing was held. The Hearing Panel found that the industry member breached section 31(1)(a) of the *Real Estate Trading Act*, and Bylaw 702 and 704. The industry member was ordered to pay fines totaling \$1,200.00 and hearing costs of \$4,413.70.

Committee Members

- Ashley Thomas, Commissioner, Kentville
- Carol Alexander, Member, Chester
- Ryan Brennan, Commissioner, Halifax
- Don Clark, Member, Halifax
- Al Demings, Member, Dartmouth
- Susan Green, Member, New Glasgow
- Brian Hirtle, Member, Kentville
- Gail Morris, Member, Halifax
- Mark Stein, Member, Halifax
- Brad Chisholm, Registrar

Commercial Committee

Chairperson report for 2012



John Walker
20 Vic Management Inc.

I would like to take this opportunity to thank the Commercial Committee for its support over the last year.

The one major issue discussed by the Committee, in conjunction with the registrar, was a proposal put forward by REALpac, a national industry association for owners and managers of investment real estate, to the Superintendent of Real Estate. REALpac proposed amendments to the Real Estate Trading Act to exempt REALpac member companies from requiring a license to trade in real estate in Nova Scotia. REALpac suggested that the Act is redundant as it relates to these companies. The Superintendent responded by stating that Nova Scotia has no plans to revisit the Act in the foreseeable future.

Again this year, our annual Commercial Forum was well attended with this year's subjects being Interest Rates—Their Effect on Value and Does Halifax Have Influence in the Atlantic Region as to Commercial Real Estate. Thank you to the presenters for their well organized and informative presentations.

Please feel free to send any concerns or questions that you may have in regards to the commercial real estate industry.

The Value We Offer the Industry

Standards of business practice

Education

Information

Licensing process

Stability for industry and consumers

Regulated, level playing field

Advice

Rules and regulations

Discipline

Mediation

Quality of working standards

Guidelines

Independent voice to deal with disputes

Framework for accountability

Level of expertise in the industry

Committee Members

John Walker, Commissioner, Halifax

Tom Carpenter, Member, Dartmouth

Bill Greenwood, Member, Halifax

Bill MacAvoy, Member, Halifax

Kenzie MacDonald, Member, Halifax

Tim Margolian, Member, Halifax

Robert Mussett, Member, Halifax

Greg Taylor, Member, Halifax

Brad Chisholm, Registrar



Paul Doucet
Royal LePage Atlantic

Finance Committee

Chairperson's report for 2012

2012 Results

Throughout 2012 the Commission's financial position remained very stable. This continues to be attributed to a high retention rate for renewals of existing industry members, helping offset the continuing impact of low interest rates on our interest bearing trust account revenue.

Expenses are closely monitored and in a number of categories significant efficiencies were identified and acted upon during 2012 resulting in ongoing cost savings to the Commission.

The Commission continued its work on developing of an online licensing system in 2012. This has been a huge project and is near completion. It is anticipated the new system will be a popular online tool for brokerages.

Employee training is also a priority at the Commission to ensure that both industry members and consumers are dealing with qualified and knowledgeable staff. As a result we continue to invest in quality training.

Continuing with our commitment to industry education the Commission, as in years previous, provided a \$25,000 grant to the NSAR's education department for course development.

I can say with confidence that the Commission continues to operate on a solid financial setting.

2013 Budget

Although it is anticipated that revenues for 2013 will remain relatively stable, the continued atmosphere of economic uncertainty beyond our region deserves attention. In consideration the Commission feels it prudent to budget with a conservative hand. Therefore budgeted licensing revenues in 2013 are reduced to reflect a possible lower licence retention rate.

Operational expenses are expected to remain stable. We will continue to monitor costs for opportunities to increase efficiencies.

I am very pleased to once again report that there are no planned fee increases for the 2013/2014 licensing cycle.

The Value We Offer the Public

Standards of business practice
Standards of confidence and competence
Recourse
Protection
System of conduct review and discipline
Professional support and advice
Link between day to day practice and
statue law

Committee Members

Paul Doucet, Commissioner, Halifax

Charlie Pace, Commissioner, Halifax

Dennis Richards, Commissioner, Dartmouth

Brad Chisholm, Registrar

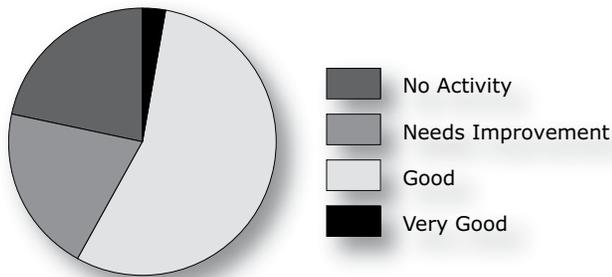
Audits and investigations

Compliance report for 2012

Audits

The Commission compliance team conduct yearly trust audits on each brokerage in Nova Scotia. In addition to the trust audits, each brokerage is subject to a brokerage audit every three years. The brokerage audit comprises an in-depth review of the brokerage’s transaction files and records management. In 2012, we conducted 78 brokerage audits and 216 trust account audits. The results of these audits are categorized as follows:

Compliance Audits 2012



In addition to the activities above, the Commission auditors completed an additional eight audits resulting from a change of broker, a brokerage closing, or a spot audit.

The trust and brokerage audits ensure brokerages comply with the standards and procedures for trust accounts and record keeping, which in turn protects the best interests of the public. The audits also help the Commission identify problem trends in the industry, which can then be addressed through continuing education courses and/or industry bulletins. While the Commission’s approach to audits factors heavily on education and correction, brokers need to be aware that there are repercussions for failing to comply with trust account and records management requirements. Any brokerage that receives three consecutive “Needs Improvement” audits is subject to disciplinary action. In 2012, the Commission charged nine brokers on these grounds. Eight brokers received \$500 fines and one broker received a \$1,000 fine. The fines for non-compliance begin at \$500.00, but increase with each offense and can, in more extreme situations, result in licence cancellation.

Investigation summary

Month	Number of investigations opened			
	2012	2011	2010	2009
Jan	2	0	0	8
Feb	5	5	1	0
Mar	0	2	4	0
Apr	2	3	2	9
May	0	3	5	3
Jun	6	2	1	3
Jul	2	6	2	2
Aug	6	5	5	5
Sep	2	6	2	0
Oct	3	3	2	1
Nov	1	3	2	3
Dec	0	0	2	3
Total	29	38	28	37

Investigation status

Origin of 2012 investigations

Public	25
Registrar and industry	4

2012 investigation status summary

Outstanding investigations from 2011	18
New cases initiated in 2012	29
Closed (investigated and presented)	31
Outstanding as of December 31, 2012	16
Dismissed complaints	6

Hearings

2011 hearings held in 2012	1
2012 hearings scheduled in 2013	2

Two licence suspensions

In 2012, the Commission issued two six-month licence suspensions. One salesperson received a six-month suspension for violating Sections 37(2) and 17(4) of the Real Estate Trading Act and Commission Bylaw 716 (1), 705 (b) (c) (d), and 702 Article 31 and Article 35. The salesperson was found guilty of paying referral fees to an unlicensed person, conducting trades outside the salesperson's brokerage, providing the Commission with false and misleading information during an investigation and failing to cooperate with an investigation. In addition to the licence suspension, the salesperson was also ordered to pay pre-hearing costs of \$10,000.00.

One broker received a six-month licence suspension for violating Section 22 (1) (a) of the Real Estate Trading Act for using trust funds to pay general operating expenses. The broker was ordered to replace the missing funds immediately and in addition to the six-month suspension, the broker was fined \$2,500 and may only apply for a salesperson or an associate broker licence in the future.

About settlement agreements

The first option for most industry members facing disciplinary action is a settlement agreement. In the majority of cases, the Registrar offers the industry member a proposed settlement agreement which outlines the alleged violations and corresponding penalty. The Registrar's decision and proposed settlement agreement are subject to the approval of the Complaint Review Committee.

If the Complaint Review Committee approves the settlement agreement, the industry member must satisfy the penalty imposed.

If the Complaint Review Committee rejects the settlement agreement it may recommend alterations to the agreement or it may recommend that the matter be dealt with through a formal hearing. As one broker learned in 2012, industry members who reject a settlement agreement may find themselves facing more or harsher penalties at a formal hearing.

Overview of 2012 charges and penalties

Bylaw	Offence	Salesperson penalty (\$)	Broker penalty (\$)
625	Deposit not received per APS		750
709	Advertising without written permission	400	1,000
720/721	Failing in duties under transaction brokerage	400 – 750	
816	Misleading NSREC during an investigation	400 – 750	
702(2)	Not in client's interests	400 – 500	750
702(3)	Improper disclosure of agency	500	
702(10)	Failure to discover facts	400	
702(11)	Poor paperwork/verbal agreements	400 – 750	400
702(12)	Improper presentation of offers/multiple offers	400	500
702(15)	Advertising wrong price	400	1,000
702(21)	Failure to disclose relationships	400 – 500	400
702(28)	Interfering with others' clients	500	
702(34)	Creating false statements	500 – 750	
702(35)	Unprofessional conduct	400 – 750	
704(a)(c)(f)	Broker supervision/record keeping/unlicensed trading		500 – 1,000
705(d)	Keeping broker apprised of activities	500	
Act	Offence	Salesperson penalty (\$)	Broker penalty (\$)
Section 22	Unprofessional conduct	Hearing costs and licence suspension	2500 and licence suspension
Section 4(1)	Unlicensed trading	500 – 750	750

About the Recovery Fund

There were no claims against the Recovery Fund in 2012. The fees for the Recovery Fund will remain the same for 2013, as they have been for the last nine years. Recovery Fund fees were eliminated for all licence renewals where the applicant stays in a licensing category for five years. Should an applicant change from salesperson or associate broker to broker or managing associate broker, they are required to pay the Recovery Fund fee for the new category for a period of five years.

In 2012, the Nova Scotia Real Estate Commission Recovery Fund had a 5.14 per cent return after fees. The asset allocation has been increasingly made more defensive to reflect our conservative predisposition and a macro-economic and capital market environment that remains highly volatile. The current asset allocation is approximately 80 per cent fixed income and 20 per cent alternatives. The fixed income mandate is broadly diversified by interest rate sensitivity, duration, credit and geography. Our expectation is to remain very defensive until such time as there is greater visibility for resolutions to the ongoing challenges facing the global economy.

Typically, the Recovery Fund has provided a grant to NSAR's Education Department. This year a grant of \$25,000 was given. The education grant from the Commission subsidizes course development costs, which helps keep licensing and continuing-education costs reasonable for the people taking the courses.

The Recovery Fund was created to protect consumers when they suffer a financial loss due to fraud or breach of trust by a licensee. The provincial government requires the Commission to maintain a minimum balance of \$300,000 in the Fund. Any monies in excess of that amount may be used for a variety of other purposes, such as public and professional education relating to the real estate industry, reform of the industry, promoting standardization and supporting just and desirable legislation affecting the industry.

Committee Members

Paul Doucet, Commissioner, Halifax

John Walker, Commissioner, Halifax

Mike Clayton, Member, Yarmouth

Nominee: Paul J. Doucet

Brokerage: Royal LePage Atlantic

Type of licence: Managing Associate Broker

Years licensed: 32

Real estate practiced: Residential

Degrees or designations held: N/A

Director or committee experience: Certified Trainer with REIC (1987); Served on BOD of the Saint John Real Estate Board and NBREA as director (3 years); Director with former HDREB (3 years); Former Commissioner and Chair of NSREC (8 years); Chair of Provincial Broker Council; Chair of REIA E&O Claims Committee; Chair of Long Range Financial Task Force for NSAR; Longtime member of Standard Forms Committee; Served on several National and Provincial Task Forces

Other experience: Actively involved with fund raising for Sunshine Kids (Children with Cancer), Bryony House and Families SOS. Led the Prudential Property Specialist sales team in raising over \$45,000 each year for these organizations.

Nominee: Jacob Risk

Brokerage: RE/MAX Nova

Type of licence: Salesperson

Years licensed: 13

Real estate practiced: Residential and commercial

Degrees or designations held: B.Sc., B.Ed., and M.A.

Director or committee experience: President of many educational organizations and chaired many committees. I have also taken part in public charity and church organizations.

My experience in real estate and related fields is approximately 21 years (eight years in property management and 13 years as a licensed real estate agent).

Other experience: Previous to this I had a 35 year career in education. This time was mostly spent in educational administration (as principal and as a supervisor).

Nominee: Lisa White

Brokerage: Evolution Real Estate Services

Type of license: Broker

Years licenced: 9

Real estate practiced: Residential

Degrees or designations held: C.A., B.Comm.

Director or committee experience: NSREC - Complaints Review Committee Member; NSAR - Data Integrity Task Force Member; Institute of Chartered Accountants of Nova Scotia – Education Committee Member; Canadian Association of Professional Speakers Atlantic Chapter – Treasurer, Board Member, Membership Chairperson; Avalon Sexual Assault Centre – Treasurer, Board Member

Other experience: NSAR - Development and Instruction of Mandatory courses for 2011-2012 and 2012-2013, Instruction of Financial Management and Trust Accounting Units of Broker Licensing Course since 2008, Instruction of various elective courses since 2007; New Brunswick Real Estate Association –Instruction of Broker Licensing Course, Development and Instruction of 2013 mandatory course; NSAR – Development of Phase I Standard Forms Guide; Saint Mary's University – Faculty of Commerce Instructor, Dalhousie University – Assistant Controller; Deloitte's – Audit, Accounting and Advisory Services

Nominee: Peter Wyman

Brokerage: Habitation Realities Ltd.

Type of licence: Broker

Years licensed: 26

Real estate practiced: Residential

Degrees or designations held: B.A., M.Ed.

Director or committee experience: Annapolis Valley Real Estate Board of Directors 2005-2010, Vice President 2010; Member of ad hoc MLS® Committee to transition from paper system to web-based system; Currently serving on the Complaint Review Committee.

Other experience: Retired residential and land appraiser, past member of the Canadian Mental Health Association, retired teacher and guidance counsellor, retired town crier for historic Annapolis Royal.

Commissioner election process

Two elections for Commissioners will be held at the Annual General Meeting. The first election is for one three-year term and the second election is for one two-year term. Please review the following election procedures prior to voting.

- All industry members are entitled to vote either in person or by proxy.
- Industry members who intend to vote by proxy in both elections, must complete both proxy forms.
- No industry member may carry more than two proxy votes per election.
- Any person elected to serve as a Commissioner must be an industry member in good standing with the Commission.
- No corporation or partnership is eligible for election.
- The only nominees to be considered for election are those included in this report.
- Industry members must return their ballots (their own plus those by proxy) to the registration desk if they leave at any time during the meeting.
- The election is conducted by written ballot.
- Ballots can indicate only one vote per nominee.
- Ballots are considered spoiled if the ballot indicates more than one vote or if it indicates more than one vote per nominee. Ballots are also considered spoiled if it does not clearly indicate for which nominee the vote is being cast.
- A nominee is declared elected if the nominee receives 50-per cent-plus-one of votes cast. For example, if there are 200 votes cast, the nominee must have 101 or more votes to be declared elected.
- Should a person not be elected after the first ballot, a second ballot is held. The same procedure is used in every ballot that follows until a person is declared elected.
- The nominee having the lowest number of votes is dropped from the next ballot.
- Any nominees having less than ten percent of the votes cast is dropped from the next ballot.
- The successful nominees take office effective May 1, 2013.

Financial Statements of

NOVA SCOTIA REAL ESTATE COMMISSION

December 31, 2012

Independent Auditor's Report

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

We have audited the accompanying financial statements of Nova Scotia Real Estate Commission, which comprise the statements of financial position as at December 31, 2012, December 31, 2011 and January 1, 2011 and the statements of revenue and expenses and net assets, and cash flows for the years ended December 31, 2012 and December 31, 2011, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements 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 organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Nova Scotia Real Estate Commission as at December 31, 2012, December 31, 2011 and January 1, 2011, and the statement of revenue and expenses and net assets, and its cash flows for the years ended December 31, 2012 and December 31, 2011 in accordance with Canadian accounting standards for not-for-profit organizations.



Chartered Accountants
Halifax, Nova Scotia
March 25, 2013

NOVA SCOTIA REAL ESTATE COMMISSION
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December 31, 2012

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Statement of Revenue and Expenses and Net Assets	2
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NOVA SCOTIA REAL ESTATE COMMISSION

Balance Sheet

As at December 31, 2012

	December 31, 2012	December 31, 2011 (Note 2)	January 1, 2011 (Note 2)
ASSETS			
Current			
Cash and cash equivalents			
- Unrestricted	\$ 619,441	\$ 847,411	\$ 641,331
- Restricted	378,322	48,273	24,796
Accounts receivable	7,000	8,856	14,419
Accrued interest receivable	1,015	1,015	1,015
Prepaid expenses	3,521	2,812	11,448
Inventory - manuals and guides	1,129	1,860	3,629
	1,010,428	910,227	696,638
Recovery Fund investments (cost - 2012 - \$559,229; 2011 - \$138,562) (Note 4)	551,315	132,562	529,081
Capital assets (Note 5)	28,252	39,343	30,678
	\$ 1,589,995	\$ 1,082,132	\$ 1,256,397
LIABILITIES			
Current			
Accounts payable and accrued liabilities	\$ 54,455	\$ 49,061	\$ 74,189
Due to Nova Scotia Association of Realtors	3,502	2,046	2,611
Funds held in trust	378,322	48,273	24,796
Deferred revenue	355,845	348,638	346,111
	792,124	448,018	447,707
NET ASSETS			
Reserve Fund (Note 6)	66,643	65,435	171,766
Recovery Fund (Note 6) (Schedule 1)	551,315	528,380	537,823
General Fund (Note 6)	179,913	40,299	99,101
	797,871	634,114	808,690
	\$ 1,589,995	\$ 1,082,132	\$ 1,256,397

NOVA SCOTIA REAL ESTATE COMMISSION
Statement of Revenue and Expenses and Net Assets
Year ended December 31, 2012

	2012	2011
		(Note 2)
Revenue		
Recovery Fund		
Assessment income	\$ 66,242	\$ 64,535
Investment income	30,875	42,657
Unrealized (loss) gain on investments classified as held-for-trading	(1,914)	(35,613)
	95,203	71,579
General Fund		
Administration fees	3,435	2,300
Background checks	8,240	6,580
Brokerage manuals	1,200	1,425
Buyer/seller guides	154	465
Examination fees	32,360	25,870
Fines and penalties	40,250	30,000
Hearing cost recovery	700	5,605
IBTA interest	13,097	14,688
Investment income	7,104	4,851
Investigation cost recovery	10,000	-
Licensing fees	761,780	737,149
Reinstatement of license	16,290	17,740
	894,610	846,673
	989,813	918,252
Expenses		
Accounting	15,936	12,000
Advertising	1,544	1,696
AGM and conference	4,514	2,261
Amortization	11,525	15,058
Bad debts	2,950	12,019
Bank service charges	17,197	26,353
Benefits	58,790	64,132
Buyer/seller guides	731	1,769
Car allowances	-	2,261
Computer	5,164	3,911
Committee Members' Fees	10,750	-
Conferences	9,334	19,982
Consulting services	2,657	-
Directors fees	12,200	31,050
Dues and subscriptions	1,659	4,869
Grant to education by Recovery Fund	25,000	25,000
Hearing costs	5,829	5,450
Hearing workshop	-	10,418
Insurance	2,021	2,014
Investigation	13,332	5,346
Legal	3,875	23,524
Long range strategic planning	-	96,482
Miscellaneous	8,550	4,345
Office	3,356	4,375
Photocopies	10,519	10,318
Postage and courier	7,865	7,044
Printing	1,363	1,564
Rent, cleaning and utilities	77,373	68,800
Salaries	426,912	567,111
SPL and BM exams	7,154	6,472
Staff training	8,365	4,728
Staff travel	17,294	16,721
Telecommunications	9,482	13,785
Travel and meetings	15,855	19,559
Website maintenance	26,960	2,411
	826,056	1,092,828
Excess (deficiency) of revenue over expenses	163,757	(174,576)
Net assets, beginning of year	634,114	808,690
Net assets, end of year	\$ 797,871	\$ 634,114

NOVA SCOTIA REAL ESTATE COMMISSION
Statement of Cash Flows
Year ended December 31, 2012

	<u>2012</u>	<u>2011</u> (Note 2)
NET INFLOW OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
Operating activities		
Excess (deficiency) of revenue over expenditures	\$ 163,757	\$ (174,576)
Items not affecting cash		
Amortization of capital assets	11,525	15,058
Unrealized loss on investments classified as held-for-trading	1,914	35,613
Changes in non-cash operating working capital items	345,984	16,279
	<u>523,180</u>	<u>(107,626)</u>
Investing activities		
Purchases of Recovery Fund investments (net)	(420,667)	360,906
Purchase of capital assets	(434)	(23,723)
Increase in restricted cash and cash equivalents	(330,049)	(23,477)
	<u>(751,150)</u>	<u>313,706</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(227,970)	206,080
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	847,411	641,331
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 619,441	\$ 847,411
Cash and cash equivalents are comprised of:		
Cash - Recovery Fund	\$ -	\$ 395,818
- Other	177,272	364,603
Short-term investments - GIC's	442,169	86,990
	<u>\$ 619,441</u>	<u>\$ 847,411</u>

NOVA SCOTIA REAL ESTATE COMMISSION

Notes to the Financial Statements

December 31, 2012

1. DESCRIPTION OF BUSINESS

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.

Included in these financial statements are the transactions 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 6.

2. ADOPTION OF NEW ACCOUNTING FRAMEWORK

During the year ended December 31, 2012, the Commission adopted the new accounting standards for not-for-profit-organizations (the “new standards”) issued by the Accounting Standards Board of the Canadian Institute of Chartered Accountants (“CICA”) and set out in Part III of the CICA Handbook. In accordance with Section 1501 of Part III of the CICA Handbook, First-time adoption, (“Section 1501”), the date of transition to the new standards is January 1, 2011 and the Commission has prepared and presented an opening balance sheet at the date of transition to the new standards. This opening balance sheet is the starting point for the Commission's accounting under the new standards. In its opening balance sheet, under the recommendations of Section 1501, the Commission:

- (a) recognized all assets and liabilities whose recognition is required by the new standards;
- (b) did not recognize items as assets or liabilities if the new standards do not permit such recognition;
- (c) reclassified items that it recognized previously as one type of asset, liability or component of equity, but are recognized as a different type of asset, liability or component of net assets under the new standards; and
- (d) applied the new standards in measuring all recognized assets and liabilities.

In accordance with the requirements of Section 1501, the accounting policies set out in Note 3 have been consistently applied to all years presented and adjustments resulting from the adoption of the new standards have been applied retrospectively excluding cases where optional exemptions available under Section 1501 have been applied. The Commission has not elected to apply any of the available exemptions available under Section 1501. There were no adjustments resulting from the adoption of the new standards.

3. ACCOUNTING POLICIES

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

Cash and cash equivalents

Cash and cash equivalents is comprised of cash and short-term investments on deposit with financial institutions with maturities of three months or less.

NOVA SCOTIA REAL ESTATE COMMISSION

Notes to the Financial Statements

December 31, 2012

3. ACCOUNTING POLICIES (continued)

Financial instruments

The Commission initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

The financial assets subsequently measured at amortized cost include cash, term deposits, accounts receivable and grants receivable. The financial liabilities measured at amortized cost include the bank loan and trade accounts payable and accrued liabilities.

<u>Asset/Liability</u>	<u>Classification</u>	<u>Measurement</u>
Cash and cash equivalents and restricted cash	Held for trading	Fair value
Accounts receivable and accrued interest receivable	Loans and receivables	Amortized cost
Recovery Fund investments	Held for trading	Fair value
Accounts payable and accrued liabilities and due to Nova Scotia Association of Realtors	Other financial liabilities	Amortized cost

Held for trading

Held for trading financial assets are financial assets typically acquired for resale prior to maturity or that are designated as held for trading. They are measured at fair value at the balance sheet date. Fair value fluctuations including interest earned, interest accrued, gains and losses realized on disposal and unrealized gains and losses are included in revenue.

Loan and receivables

Loans and receivables are accounted for at amortized cost using the effective interest method.

Other liabilities

Other liabilities are recorded at amortized cost using the effective interest method and include all financial liabilities, other than derivative instruments.

Transaction costs

Transaction costs related to held for trading financial assets are expensed as incurred. Transaction costs related to other liabilities and loans and receivables are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the effective interest method.

Capital assets

Capital assets are recorded at cost and amortized over their estimated lives using the straight-line method at the following annual rates. They are also tested for impairment.

Furniture and equipment	10%
Computers	25%
Software	50%
Leasehold improvements	10%

NOVA SCOTIA REAL ESTATE COMMISSION

Notes to the Financial Statements

December 31, 2012

3. ACCOUNTING POLICIES (continued)

Investments

Investments are recorded at fair value. The fair value is determined using closing published price quotations in an active market.

Revenue recognition

The commission follows the deferral method of accounting for contributions. The Commission's revenue is derived primarily from the assessment of fees which are recognized on a monthly basis as earned. Deferred revenue represents the unearned portion of fees billed. Other revenues are recognized when persuasive evidence of an arrangement exists, service has occurred, the price to the buyer is fixed and collection is reasonably assured.

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 contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates. Significant financial statement items that require the use of estimates are as follows: amortization of capital assets, deferred revenue, accrued liabilities, and allowance for doubtful accounts. These estimates are reviewed periodically and adjustments are made, as appropriate, in the statement of operations in the year they become known.

4. RECOVERY FUND INVESTMENTS

The recovery fund investments are comprised of mutual funds as follows:

	2012		2011	
	Fair Value	Cost	Fair Value	Cost
Fixed income funds	\$ 176,887	\$ 179,552	\$ 74,413	\$ 77,955
Equity funds	26,595	25,094	58,149	60,607
Mixed funds	347,833	354,583	-	-
	<u>\$ 551,315</u>	<u>\$ 559,229</u>	<u>\$ 132,562</u>	<u>\$ 138,562</u>

NOVA SCOTIA REAL ESTATE COMMISSION
Notes to the Financial Statements
December 31, 2012

5. CAPITAL ASSETS

	December 31, 2012			December 31,	January 1,
	Cost	Accumulated Amortization	Net Book Value	2011 Net Book Value	2011 Net Book Value
Computers	\$ 41,548	\$ 34,646	\$ 6,902	\$ 11,271	\$ 14,444
Furniture and equipment	104,305	82,955	21,350	23,173	7,920
Software	23,680	23,680	-	4,793	6,804
Leasehold improvements	14,092	14,092	-	106	1,510
	\$ 183,625	\$ 155,373	\$ 28,252	\$ 39,343	\$ 30,678

6. NET ASSETS

	General Fund	Recovery Fund	Reserve Fund	December 31, 2012	December 31, 2011	January 1, 2011
Balance, beginning of year	\$ 40,299	\$ 528,380	\$ 65,435	\$ 634,114	\$ 808,690	\$ 693,333
(Deficiency) excess of revenue over expenditures	158,588	3,961	1,208	163,757	(174,576)	115,357
Transfer from (to) General Fund	(18,974)	18,974	-	-	-	-
Balance, end of year	\$ 179,913	\$ 551,315	\$ 66,643	\$ 797,871	\$ 634,114	\$ 808,690

The Reserve Fund has been established by the Commission as a contingency fund for future unexpected expenditures. Transfers to the Reserve Fund are approved by the Board.

The Recovery Fund balance, end of year, includes accumulated unrealized loss on investments of \$7,914 (2011 - \$6,000).

NOVA SCOTIA REAL ESTATE COMMISSION

Notes to the Financial Statements

December 31, 2012

7. NOVA SCOTIA REAL ESTATE RECOVERY FUND

The Recovery Fund exceeds the required minimum amount of \$300,000 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 arising from a single real estate transaction is:

- a) \$25,000 to any claimant for a claim against a salesperson;
- b) \$50,000 to any claimant for a claim against a broker or manager; and
- c) a total of \$100,000 if there is more than one claim against a brokerage.

8. SHARED EXPENSES

The Commission occupies space in the Nova Scotia Association of Realtors building under a lease agreement between the Nova Scotia Association of Realtors and the Commission. The Commission is charged based upon space utilization. The Commission also shares the lease costs for the postage machine, as well as other certain common expenditures that are prorated on a reasonable basis. These financial statements include only the portion allocated to the Commission.

9. FINANCIAL INSTRUMENTS

Fair value

The fair value of cash and cash equivalents, restricted cash, accounts and accrued interest receivables, due to Nova Scotia Association of Realtors, and accounts payable and accrued liabilities approximates their carrying value due to their short-term nature.

Recovery Fund investments are recorded at fair value.

Market risk

This is the risk that the Commission's investments will fluctuate as a result of changes in market price. The Commission manages this risk by maintaining a diversified portfolio.

Credit risk

The Commission performs a continuous evaluation of accounts receivable and records an allowance for doubtful accounts as required. Management considers there to be no significant credit risk as at December 31, 2012.

Liquidity risk

Liquidity risk is the risk that the Commission will not be able to meet its financial obligations as they become due. The Commission is exposed to liquidity risk in its ability to finance its working capital requirements and meet its cash flow needs. Given the Commission's currently available liquid resources, from both financial assets and on-going operations, as compared to its contractual obligations, management assesses the Commission's liquidity risk to be low.

NOVA SCOTIA REAL ESTATE COMMISSION
Notes to the Financial Statements
December 31, 2012

10. CAPITAL MANAGEMENT

The Commission's objective when managing capital is to maintain a capital structure that provides financial flexibility in order to preserve its ability to meet financial obligations.

In managing its capital structure, the Commission monitors performance throughout the year to ensure working capital requirements are funded from operations. The Commission will make adjustments to its capital structure to meet the objectives of the broader strategy or in response to changes in economic conditions and risk.

11. COMMITMENT

In 2010, the Commission entered into a lease agreement for office equipment that expires December 31, 2014.

Future lease payments are as follows:

2013	\$	6,000
2014		6,000

In 2011, the Commission entered into a new lease agreement for office space that expires April 30, 2016 and has monthly lease payments of \$6,473.

12. COMPARATIVE FIGURES

Certain of the 2011 comparative figures have been reclassified to conform with the current year's presentation.

NOVA SCOTIA REAL ESTATE COMMISSION
Schedule of Recovery Fund Transactions
Year ended December 31, 2012

	<u>December 31,</u> <u>2012</u>	<u>December 31,</u> <u>2011</u>	<u>January 1,</u> <u>2011</u>
Net assets, beginning of year	\$ 528,380	\$ 537,823	\$ 497,560
Revenue	95,203	71,579	121,747
Grant to Education Fund	(25,000)	(25,000)	(25,000)
Transfers to Recovery Fund	18,974	8,513	12,131
Transfer to Commission - administration	(66,242)	(64,535)	(68,615)
Net assets, end of year	\$ 551,315	\$ 528,380	\$ 537,823

Financial summary 2012-2013

Source of Funds Budget Item	Notes	2012 Budget	2012 Actual	2013 Budget
Administration Fees		2,500	3,435	3,000
Assessment-Recov Fund		64,000	66,242	60,000
Record Check Fees	1	6,300	8,240	5,670
Branch Office Fees-New		1,350	1,080	810
Branch Office Fees-Renewal	1	16,200	17,010	15,400
Broker Fees-New		3,600	3,460	2,700
Broker Fees-Renewal	1	56,700	57,375	54,000
Brokerage Audit Fees		105,000	105,870	105,000
Brokerage Fees-New	1	2,400	3,600	2,700
Brokerage Fees-Renewal		57,450	57,645	54,000
Brokerage Manuals		750	1,200	750
Buyer-Seller Booklets		500	154	3,800
Exam Fees		24,000	32,360	24,000
Fines/Penalties	2	20,000	40,250	20,000
Hearing Cost Recovery		5,000	700	5,000
Interest-IBTA		12,000	13,097	12,000
Interest Income-General		5,000	7,104	5,000
Interest-Recovery Fund	3	0	28,961	20,000
Investigation Cost Recovery	4	2,000	10,000	2,000
Managing AB Fees-New		1,500	600	1,200
Managing AB Fees-Renewal		13,230	13,365	13,000
Reinstatement of Licence		16,000	16,290	14,400
Salesperson/AB Fees-New	1	60,000	70,570	54,000
Salesperson/AB Fees-Renewal	1	416,050	422,045	392,580
Approved Sales Corporation-New	1	0	7,440	800
Approved Sales Corporation-Renewal	1	0	1,720	6,400
Revenue Totals		\$891,530	\$989,813	\$878,210

Revenues were slightly higher than budgeted for some licensing categories, again indicating a stable retention of brokers/associate brokers and salespersons. Exam fees and fines came in higher than expected. Due to uncertainty with investment behavior in recent years the Recovery Fund interest was not budgeted in 2012. By year's end however the Recovery Fund had realized a material return.

Expenses overall were lower than budgeted. Salaries were significantly lower as a result of one staff member being on maternity leave. In addition, Commission staff identified a number of cost savings over the year. Some expenses were higher than budgeted such as website maintenance and bank charges.

Use of Funds Budget Item	Notes	2012 Budget	2012 Actual	2013 Budget
Accounting		16,000	15,936	16,000
Advertising		1,500	1,544	1,500
AGM & Conference		4,000	4,514	4,000
Record Checks		1,500	2,966	3,000
Bad Debts		0	2,950	0
Bank Charges		9,500	11,172	11,000
Investigation Costs		2,000	13,332	2,000
Investment Account Fees	5	14,000	6,025	12,000
Benefits - Government		32,000	31,501	34,000
Benefits - Health and Wellness		17,500	12,870	15,000
Benefits - RRSP Contribution		16,500	14,419	16,000
Car Allowance		0	0	0
Computer - Hardware and Software		2,000	1,521	3,000
Computer - Technical Support		1,500	3,643	3,000
Conferences (Out of Prov)		10,750	9,334	19,600
Cost of Brokerage Man Sold		500	320	500
Cost of Buyer-Seller Booklets		3,000	410	3,800
Depreciation		20,364	11,525	20,000
Dues, Subscriptions & Publications	6	5,000	1,659	2,000
Furniture & Equipment		1,000	233	2,500
Hearing Costs		5,000	5,829	5,000
Committee Fees		0	10,750	11,950
Director Fees		21,750	12,200	11,900
Insurance/Directors Liability		623	624	623
Insurance/Property		1,500	1,397	1,500
Legal	7	17,500	3,875	12,000
Maintenance		100	0	100
Miscellaneous		2,000	8,264	2,000
Office		3,200	3,104	3,200
Photocopies		10,000	10,519	10,000
Postage and Courier		9,000	7,865	9,000
Printing		2,000	1,363	1,500
Rent, Cleaning, Utilities		78,000	77,373	78,000
Salaries	8	468,000	426,912	453,450
Salary and Benefits - Temporary		4,500	0	0
Salary Review		0	0	0
SPL & B/M Exams		6,500	7,154	6,500
Staff Training		10,000	8,365	8,800
Staff Travel		18,000	17,294	20,000
Taxes		0	0	0
Telecommunications	9	14,000	9,482	12,000
Transfer to Education		25,000	25,000	25,000
Travel & Meetings-Comm/Committees		15,000	15,855	15,000
New Phone System		0	0	7,500
Website Maintenance	10	8,000	26,960	10,000
Hearing Workshop		0	0	0
Review Audit		0	0	0
Operational Review		0	0	0
Expenditure Totals		\$878,287	\$826,057	\$873,923
NET		13,243	163,756	4,287

Source of Funds

1. Licensing Fees – Revenue amounts for a number of licence categories were higher than budgeted in 2012, for example exam fees and approved sales corporations.
2. Fines & Penalties – Fines amounts were higher than budgeted attributed in part to ongoing stricter audit compliance standards and higher responsibility put on brokers to adequately supervise the activities of their salespeople/associate brokers.
3. Interest – Recovery Fund – Due to uncertainty with the investment climate at the onset of 2012, there was no amount budgeted for this category. With continued volatility anticipated in the near future budgeted amounts going forward will be somewhat conservative.
4. Investigation Cost Recovery – This amount was much higher than budgeted due to a very involved compliance investigation that incurred significant legal expenses. The majority of these expenses were awarded back to NSREC through the resulting discipline process.

Expenditures

5. Investment Account Fees - These charges were lower than budgeted due to a new investment program entered into by NSREC at midyear that resulted in a change to investment asset allocation.
6. Dues, Subscriptions & Publications – Cost in this category were lower as a result of decisions made to permanently cancel some subscriptions.
7. Legal – Legal expenses were significantly lower due to fewer legal opinions required on general (non-compliance) items.
8. Salaries – Salaries were significantly lower in 2012 as a result of staffing changes that occurred during the first quarter of 2012. In addition one staff person went on full maternity leave in April 2012.
9. Telecommunications – Changes in telecommunications providers resulted in cost savings in 2012.
10. Website Management – this category was used to budget for anticipated costs associated with creating a new online licensing system.



Proxy—three-year Commissioner term

7 Scarfe Court, Dartmouth, N.S., B3B 1W4; p: 468-3511, 800-390-1015; f: 468-1016, 800-390-1016; www.nsrec.ns.ca

Complete this proxy form to vote by proxy in the election for a Commissioner with a three-year term. If you wish to also vote by proxy in the election for a Commissioner with a two-year term, you must also complete the *Proxy—two-year Commissioner term*.

Only the undersigned can appoint his/her voting delegates. (please print)

The undersigned: _____

Hereby appoints: _____

Or failing he/she: _____

As the proxy on my behalf at:

**The Nova Scotia Real Estate Commission Annual General Meeting
Ramada Plaza Park Place Hotel
240 Brownlow Ave, Dartmouth, April 18, 2013 at 3:00 p.m.**

And at any adjournment thereof in the same matter, to the same extent and with the same power as if the undersigned were present at the said meeting or such adjournment thereof.

I understand that no voting delegate can carry more than two (2) proxy votes.

Dated the _____ day of _____ 2013.

Signature of eligible voting industry member

Printed name of eligible voting industry member

Brokerage

IMPORTANT: This proxy form must be submitted to the Commission before **April 15, 2013 at 4:00 p.m.** Fax the completed proxy to 468-1016 or 1-800-390-1016 or scan and email the proxy to pcrane@nsrec.ns.ca.





Proxy—two-year Commissioner term

7 Scarfe Court, Dartmouth, N.S., B3B 1W4; p: 468-3511, 800-390-1015; f: 468-1016, 800-390-1016; www.nsrec.ns.ca

Complete this proxy form to vote by proxy in the election for a Commissioner with a two-year term. If you wish to also vote by proxy in the election for a Commissioner with a three-year term, you must also complete the *Proxy—three-year Commissioner term*.

Only the undersigned can appoint his/her voting delegates. (please print)

The undersigned: _____

Hereby appoints: _____

Or failing he/she: _____

As the proxy on my behalf at:

**The Nova Scotia Real Estate Commission Annual General Meeting
Ramada Plaza Park Place Hotel
240 Brownlow Ave, Dartmouth, April 18, 2013 at 3:00 p.m.**

And at any adjournment thereof in the same matter, to the same extent and with the same power as if the undersigned were present at the said meeting or such adjournment thereof.

I understand that no voting delegate can carry more than two (2) proxy votes.

Dated the _____ day of _____ 2013.

Signature of eligible voting industry member

Printed name of eligible voting industry member

Brokerage

IMPORTANT: This proxy form must be submitted to the Commission before **April 15, 2013 at 4:00 p.m.** Fax the completed proxy to 468-1016 or 1-800-390-1016 or scan and email the proxy to pcrane@nsrec.ns.ca.

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Got a question? Contact us

Phone:
(902) 468-3511
(800) 390-1015

Fax:
(902) 468-1016
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The Nova Scotia Real Estate Commission is the regulator of the real estate industry, whose goal is to ensure consumer confidence through the administration of the Real Estate Trading Act and the Commission Bylaw.