

Annual Report

SASKATCHEWAN REAL ESTATE COMMISSION

Annual Report



July 1, 2009 to June 30, 2010

Table of Contents

Background.....2
Chairperson’s Report3
Statistics..... 9
Organizational Structure10
Committees..... 11
Interest Bearing Trust Account Report12
Real Estate Assurance Fund Report.....17
Audit Report18
Compliance Report and Statistics.....20
Commission Members..... 23
Registration Report 24
Commission Staff 25
Financial Statements26

Background

Mission Statement - To protect the public interest by ensuring that registrants act within a professional framework that promotes ethical conduct and integrity and strengthens consumer trust and confidence.

The Saskatchewan Real Estate Commission was created July 1, 1988 by provincial legislation and became responsible for the administration of *The Real Estate Act*, *The Real Estate Regulations* and the Commission Bylaws. The Commission consists of eleven individuals six of whom are elected from within the industry; four who are appointed by the government through an order-in-council and one (industrial/commercial/investment/property management) Commission appointee. The Commission sets and enforces standards of conduct and education requirements and provides services that enhance and improve the industry.

The Commission is responsible for the regulation of the real estate industry to ensure protection of the public interest. In addition to the administration of real estate legislation, the Commission formulates and enforces the Commission Bylaws. The responsibilities of the Commission include maintenance of a register of all persons registered to trade in real estate in Saskatchewan (available through the Commission's website at www.srec.ca), auditing of brokerage trust accounts, conducting investigations and hearings with respect to the actions of registrants, setting standards of conduct for industry members, acting as a resource to consumers and registrants and managing the Interest Bearing Trust Account Fund and Real Estate Assurance Fund.

The Commission approves all mandatory pre and post educational courses for brokers, branch managers, associate brokers and salespeople in all areas of residential, commercial, property management and farm real estate. The Commission prescribes a number of mandatory forms for use by registrants trading in real estate to facilitate a uniform level of registrant service to the public.

Chairperson's Report

INTRODUCTION:

It has been a very exciting and busy year for both the Commission members and the staff as we moved forward with many important projects and changes for the betterment of the real estate industry and to enhance public protection. We will provide an overview of the activities in the areas of Education, Legislation, Strategic Planning, Hearing and Investigations, Current Challenges and Statistics.

1) EDUCATION:

Role With The Association of Saskatchewan REALTORS® And Boards

The Commission interacts on a regular basis through joint meetings, participation in education seminars and participation in forums to become more enlightened as to the roles and functions of stakeholders in the industry. The Saskatchewan Real Estate Commission contracts with the Association of Saskatchewan REALTORS® (ASR) to provide the pre-registration courses for registrants, reciprocity courses and assistance in the development and delivery of the Continuing Professional Development (CPD) Education. ASR is a participant in the national organization Alliance for Canadian Real Estate Education (ACRE). With this affiliation, our education provider can identify education trends on a national basis. This allows the Commission to adjust its education programs accordingly.

In addition, ASR undertook three of the eleven Interest Bearing Trust Account (IBTA) projects: CPD, course updates and sponsoring an ASR representative to attend the ARELLO conference for a total funding amount of \$83,500.

Education Examination Provider

The Commission invited a Request for Proposal (RFP) to provide real estate examination development and administration services. The intent of this RFP is to establish a contract for professional examination services of real estate registration candidates for the Saskatchewan Real Estate Commission. The Commission is pleased to announce that it has signed an agreement with Pro-Exams to

“The Commission contracts with ASR to provide the pre-registration courses for registrants.”

Chairperson's Report (continued)

provide and administer examination and administrative services. ASR will remain the developer and delivery provider for the course material.

2) DEVELOPMENT OF LEGISLATION:

It has been approximately thirteen years since a major review of the real estate legislation was undertaken by the Saskatchewan Real Estate Commission. With the advent of technology, expansion of markets globally, labour mobility, timeliness in the administrative tribunal process, changes in business models and changes in delivery of education and registration; a pro-active strategy is planned by the Commission to ensure legislation adequately addresses the changes impacting on the real estate industry from both a registrant and consumer perspective. The commencement of this project saw the following recommendations.

“Six years have transpired since the implementation of special registration.”

Education and Specialty Registration

The Commission forwarded bylaws to the Superintendent of Real Estate that would see an amendment to the present legislation. The new bylaws would ensure that all applicants for broker/associate broker/branch manager registration effective July 1, 2010 would be required to complete either the property management stream or the combination of farm/residential/commercial before being granted their registration or have equivalent education as approved by the Commission. Brokers with specialty registration at this time would have two years to complete the other specialty areas of education.

Six years have transpired since the implementation of specialty registration; the Commission decided that it was time to conduct a review of the consequences of specialty registration for salespeople. The review undertaken will assist the Commission in analyzing and following up on the issues outlined below:

- the pros and cons of specialty registration;
- how much duplication exists in the course material for residential, commercial, farm and property management;
- the disconnect between the salesperson and broker and the experience requirement for broker registration;
- how the industry is perceiving specialty registration from their

Chairperson's Report (continued)

- perspective and their interaction with the consumer;
- the aging demographics and the impact this will have on the industry over the next several years;
 - how many students only last a short period of time in the industry; and
 - what research should be undertaken regarding the broker's course and if the course material is sufficient to cover the information required for a broker (i.e. What will make for good strong brokerages in the future?).

Ancillary Services Form

The Saskatchewan Real Estate Commission has made changes to its ancillary services form that include adding a roof inspection provision to the form, along with clarifying areas dealing with Appraisal Reports, Engineer Reports, Gas Line Inspections and Well Water Tests.

Electronic Storage of Documents at a Brokerage Office

The Commission forwarded bylaws to the Superintendent of Real Estate for approval that would permit brokerages to have the option of storing their documentation electronically with an off-site back-up. The bylaws mirror those that have been developed by the Real Estate Council in Alberta.

ARELLO Internet Best Practices Recommended Guidelines

The Saskatchewan Real Estate Commission has adopted the recent ARELLO's Internet Best Practices as policy in Saskatchewan and the Association of Saskatchewan REALTORS® will be including this information in the 2010-2011 CPD course.

3) STRATEGIC PLAN:

In May 2010 the Commission held a two day strategic planning session which developed into a new three year strategy for the Commission's operations.

The Commission staff structure has seen a major revamping this year with the hiring of an Assistant Executive Director/Registrar,

“Brokerage have the option of storing their documentation electronically with an off-side back-up.”

Chairperson's Report (continued)

Tom Ketterer in June and Shari Rolleston filling a newly created clerical position, Administrative Assistant. The changes resulted in the need to reduce an investigator's position in compliance. The Assistant Executive Director/Registrar will undertake an active role in handling and processing investigations and assisting the Commission's field auditor in developing strategies for the auditing of brokerages and participating in the field audits.

4) INVESTIGATION AND HEARING PROCESSES:

The Commission is still experiencing a large number of complaints being investigated that are not substantiated. At the present time in Saskatchewan, anyone can file a complaint and a complete investigation has to take place. This is not efficient and is a needless drain on human and financial resources. As a result, the Commission is looking at revamping the compliance approach. The Commission is looking at defining what constitutes a complaint. Once this is accomplished, unsubstantiated allegations can be dealt with swiftly and in a more timely fashion. The proposed new hearing process is a three prong approach:

“The Commission is still experiencing a large number of complaints being investigated that are not substantiated.”

- a) All violations that fall into legislated areas of reporting and late fees will be dealt with by Administration with a right to appeal to the Commission.
- b) A conference hearing will be held in those cases of other violations. In this process, an adjudicator and Commission members will sit as a panel. The complainant, the Commission's investigator and the registrant being investigated will be permitted to provide their input into the matter in question. After the hearing, the panel will draft a consent order outlining the violations and sanctions proposed for the registrant to consider in those cases where the panel finds justification. If the registrant agrees to and signs the order, then the matter is closed with no appeal process.
- c) A formal hearing will be held in those cases where a registrant is not prepared to agree to a consent order.

Chairperson's Report (continued)

5) CURRENT CHALLENGES:

Labour Mobility

In September of 2009, the Saskatchewan Government entered into a Western Economic Partnership Agreement with the Alberta and British Columbia Governments. The following summarizes the Saskatchewan Government's position as it relates to compliance by the Saskatchewan Real Estate Commission with this agreement.

The Ministry of Justice reviewed a letter from the Saskatchewan Real Estate Commission and concluded that the requirement for brokerages to hold an office in Saskatchewan and the jurisprudence exam are both permitted in Saskatchewan.

As you know, real estate agents were identified as one of the initial priority occupations under the Agreement on Internal Trade (AIT). This means that Parties to the AIT expected labour mobility to exist in this occupation once the amendments to Chapter 7 (Labour Mobility) of the AIT came into force on August 11, 2009 unless a legitimate objection was identified and an exception was approved. It does not appear that there are any existing labour mobility barriers to resolve for real estate agents in Saskatchewan nor any need for a legitimate objection and therefore, Advanced Education, Employment and Labour (AEEL) feels there is no need for a transition period for real estate agents under the Western Economic Partnership Agreement.

Electronic Signatures on Real Estate Contracts

It appears that while electronic signatures are becoming more common, in Saskatchewan they are restricted in circumstances involving interests in land. The specific exceptions set forth in *The Electronic Information and Documents Act, 2000* do not appear to extend to allow for these types of transactions. The Province of Saskatchewan is concerned with creating rights affecting third parties unless there is an original signature.

Until such time as the legislation changes, the use of electronic signatures in trades of real estate appears to be restricted. This issue

“The Ministry of Justice reviewed a letter from the Saskatchewan Real Estate Commission and concluded that the requirement for brokerages to hold an office in Saskatchewan and the jurisprudence exam are both permitted in Saskatchewan.”

Chairperson's Report (continued)

is presently under review by the Department of Justice in Saskatchewan.


Registrants' Private Corporations Trading in Real Estate

The Association of Saskatchewan REALTORS® has asked the Commission for its position on amendments to the *Act* to allow payments to a registrant's private corporation. Since this is not a public protection issue, it is not something that the Commission would pursue on its own; however, the Commission would not oppose the Association approaching the government to allow payment of commission to a registrant's private corporation. At the present time, registrants have the ability to register as a separate brokerage in Saskatchewan. The Association will be asked how much of an issue this is with registrants in Saskatchewan and that registrants should be encouraged to establish their own brokerage under the present legislation.

***"Payments to a
registrant's
private
corporation."***

In conclusion, I extend by sincere appreciation to the Commission members and staff for their dedication and continued valuable participation in this regulatory body.

Respectfully submitted,



Larry Gingerich, Chairperson

Statistics as of June 30, 2010

REGISTRATION	# of Registrants - 1366 # of Brokers - 227
SPECIALTY REGISTRATION	Commercial - 24 Farm - 17 Property Management - 52 Residential - 440 Residential/Commercial - 25 Residential/Property Management - 4 Farm/Property Management - 1 Residential/Farm - 62 Residential/Commercial/Farm - 47 Residential/Commercial/Property Management - 7 Residential/Farm/Property Management - 1 Residential/Commercial/Farm/Property Management - 941
AUDITS	# of Audits - 64
INVESTIGATIONS	# of Open Complaints - 19 # of Closed Complaints - 51
HEARINGS	# of Mitigation Hearings - 11 # of Formal Hearings - 1
APPEALS TO SUPERINTENDENT	# of Appeals - 3
ASR COURSE SALES 2009:	Phase 1 - 315 Residential - 146 Farm - 43 Commercial -- 42 Property Management - 18 Real Estate Practice in Saskatchewan - 19 Real Estate Office Management & Brokerage - 31

Organizational Structure

The Saskatchewan Real Estate Commission is established by and derives its authority from *The Real Estate Act* (the *Act*).

In conjunction with Saskatchewan Justice, the Commission co-regulates the real estate industry. The individuals responsible within Saskatchewan Justice for the Commission are the Superintendent of Real Estate, Mr. Jim Hall and the Deputy Superintendent of Real Estate, Ms. Elaine Thompson.

“The Superintendent of Real Estate acts as a liaison between the Commission and the Government for changes to the Act and the Real Estate Regulations and his approval is also necessary for Commission Bylaw changes.”

The Commission undertakes the day-to-day administration of all aspects of real estate legislation. The Superintendent of Real Estate acts as a liaison between the Commission and the Government for changes to the *Act* and the Real Estate Regulations and his approval is also necessary for Commission Bylaw changes. In addition, the decisions of the Commission with respect to registration and discipline matters may be appealed to the Superintendent of Real Estate.

The staff members report through the Executive Director/Registrar, to the Commission members on all aspects of its operations.

The administration of the regulatory requirements of the real estate industry is done through the *Act*, the Real Estate Regulations and the Commission Bylaws. The *Act* creates the ability for the Commission to establish, in its bylaws, the process for the election to the Commission, education standards for initial and continued registration with the Commission, fees and assessments to be charged, maintenance of records, standards of practice and a Code of Ethics for the industry.

The Commission’s operations are funded from the collection of registration fees, technology services provided to other real estate regulatory organizations, administrative fees for the management of the Real Estate Assurance Fund and the Interest Bearing Trust Account Fund and special projects undertaken by the Commission through the Interest Bearing Trust Account Fund.

Committees

Management Committee	<ul style="list-style-type: none"> • To monitor the financial stewardship of the Saskatchewan Real Estate Commission, including submitting to the Commission, prior to June 30th each year, a budget setting out the details of the estimated revenue and expenses of the Commission for the ensuing fiscal year; • To conduct the annual evaluation of the Executive Director/Registrar; • To act as the liaison with the executive committee of the Association of Saskatchewan REALTORS®; • To make policy recommendations to the Commission; and • To carry out such other responsibilities as may from time-to-time be delegated to it by the Commission. 	Chairperson * *Larry Gingerich Cheryl Elliott Phillip Mack John Puderak
Legislative Committee	<ul style="list-style-type: none"> • To make recommendations to the Commission on changes to the <i>Act</i>, regulations, bylaws and policies or to develop new legislation. 	Chairperson * *Ron Skinner Richard Jeanneau Phillip Mack Anne Odishaw Terry Powell
Education Committee	<ul style="list-style-type: none"> • To make recommendations to the Commission on issues concerning the education of registrants, both pre and post-registration. 	Chairperson * *Wayne White Donnett Elder Scott Musgrave Marion Piper
Investigation Committee	<ul style="list-style-type: none"> • To review/investigate complaints by taking any steps necessary, including summoning before it the registrant whose conduct is the subject of the complaint. 	Anne Odishaw Ron Skinner Marlene Williamson
REIX Advisory Board Representatives		Marlene Williamson
REIX Claims Committee Representative		Reg Kotlar

Interest Bearing Trust Account Report

The Saskatchewan Real Estate Commission established, as one of its mandates, the improvement in professionalism and education of all registrants. In accomplishment of this long-term objective, during the 2009-2010 registration year, the Commission developed projects that fell within the parameters of Section 72 of *The Real Estate Act*. A summary of those projects is as follows:

Project # 1 – Joint Commission/Association Database

In the interest of improving efficiencies and maximizing respective resources, this project will assist the Saskatchewan Real Estate Commission and the Association of Saskatchewan REALTORS® to harmonize their office systems by sharing education information from a common database.

**“The
Commission
developed
projects that fell
within the
parameters of
Section 72 of
The Act.”**

This database sharing project will be a systemic improvement in the provision of services. An improved system will benefit all members of the Real Estate industry and as a direct benefit enhance consumer services. Improvement is expected in services such as: communications with registrants, students, boards, brokerages and Association members; education coursework, exam status reporting and tracking; continuing professional development reporting and tracking; reduce redundancy; improve administrative effectiveness; more timely services; increased system security; reminders and notices automatically generated; tracking of stock; survey development, delivery, and response collation.

The cost to design, evaluate, program and test this database is approximately \$120,000. The project was completed during the 2008-2009 fiscal year. Maintenance and upgrading costs to the database are projected to be approximately \$10,000 annually for the immediate future.

The request for funding this project pursuant to Section 72(b) of *The Real Estate Act* is \$10,000 annually from July 1, 2009 through June 30, 2014.

Project # 2 – The Register Newsletter

One of the Saskatchewan Real Estate Commission’s primary continuing

Interest Bearing Trust Account Report (continued)

education tools to existing registrants is *The Register* newsletter. Through *The Register*, registrants are informed, in a timely manner, of legislative changes recently implemented, best practice guidelines for trading in real estate, emerging issues affecting the industry and consumers trading in real estate, compliance issues and recent decisions of professional misconduct or professional incompetence.

The Register is composed of articles authored by Commission staff and from outside sources. *The Register* is published four times a year and provided to all registrants, other real estate regulatory organizations in North America, government agencies and other interested parties.

The cost to publish the newsletter including development, printing and distribution is approximately \$10,000 annually. The request for funding this education project pursuant to 72(a) of *The Real Estate Act* is \$10,000 annually.

Project # 3 – Audit of Brokerage Trust Accounts

The auditing of brokerage's trust accounts serves two important functions. It provides for the timely auditing of brokerage trust accounts to ensure all money received in connection with a trade in real estate by a brokerage on behalf of others is accounted for, deposited into the trust account in a timely manner and has been disbursed in accordance with the terms of trust. Secondly, it provides a continuing education opportunity for the Commission's compliance auditor reviewing selected transaction files of the brokerage and providing input to the broker, salespeople and administrative personal of the brokerage on potential compliance issues and real estate legislation.

The request for funding this continuing education, audit and investigation of trust account project pursuant to 72(a) and (d) of *The Real Estate Act* is \$75,000 annually.

Project # 4 – Commission Continuing Professional Development & Education Course Development

The Commission staff members work closely with the Association of Saskatchewan REALTORS® (Association) staff to develop the annual Continuing Professional Development (CPD) course and changes affecting other registration courses. The Commission researches issues and provides input to the Association for the course content of all registration courses in addition to the research done by the Association. The Association consults with the Commission staff on all aspects of the development of the courses.

This project provides the ability to conduct research and provide timely continuing education to registrants on new and emerging issues and assists in ensuring the existing courses remain

Interest Bearing Trust Account (continued)

current.

The request for funding this research and continuing education project pursuant to 72(a) and (b) of *The Real Estate Act* is \$40,000 for 2009-2010 and \$10,000 for each of 2010-2011, 2011-2012, 2012-2013 and 2013-2014.

Project #5 – Broker Policy & Procedures Manual

Bylaw 711 requires a broker or branch manager to adequately supervise the activities of the registrants and other personnel for whom he or she is responsible. One of the factors in the determination of supervision relates to a broker or branch manager establishing written policies and procedures for the office. Information obtained from brokerage audits and consultation with brokers suggests that assistance is required in developing guidelines in this area. The Saskatchewan Real Estate Commission is of the opinion that developing a brokerage office policy and procedures manual would meet the propose objectives of developing guidelines and provide consumer protection by enhancing brokerage operations. This project will assist the Commission in securing the necessary funds for research, development and distribution of a Brokerage Policy and Procedures Manual to Saskatchewan brokerages.

The request for funding this project pursuant to 72(a) of *The Real Estate Act* is \$20,000 for 2009-2010.

Project #6 – Administrative Justice Tribunal Training and Membership

The Foundation of Administrative Justice is a not-for-profit society dedicated to training administrative tribunals and their members, staff and clients. Administrative tribunals include boards, agencies, commissions, professional disciplinary and appeal committees, college and university appeal bodies, municipal committees and appeal bodies and any other administrative, appeal or quasi-judicial organizations.

In addition, membership in this organization allows access to courses at a reduced rate and to on-line training and custom courses, along with obtaining other valuable and up-to-date Administrative Justice material.

‘Information obtained from brokerage audits and consultation with brokers suggests that assistance is required in developing guidelines in this area.’

Interest Bearing Trust Account (continued)

Funding for this project will assist the Saskatchewan Real Estate Commission in making recommendations affecting real estate and the business of trading in real estate.

Pursuant to Section 72(b) of *The Real Estate Act*, funding is requested in the amount of \$10,000 annually.

Project #7 – Commission Member/Staff Continuing Education (Infonex or equivalent Conference)

Infonex provides timely useful information to private and public sectors. They monitor business trends that directly impact the performance of various regulatory tribunals and other business operations. Their courses, seminars, conferences and publications present a balanced mixture of speeches, panel discussions and in-depth practical workshops.

The 2010 conference for legal and professional regulations relates to Contract Compliance. Attendance by Commission members and staff at this or an equivalent conference will assist the Commission in learning how to build a contract compliance program that aligns with our corporate governance.

Funding for this project will assist the Saskatchewan Real Estate Commission to sponsor, support and promote research for the betterment of the real estate industry.

Pursuant to Section 72(b) of *The Real Estate Act*, funding is requested in the amount of \$20,000 for the 2009-2010, 2011-2012 and 2013-2014 fiscal years.

Project #8 – Development of Legislation

It has been approximately thirteen years since a major review of the real estate legislation was undertaken by the Saskatchewan Real Estate Commission. With the advent of technology, expansion of markets globally, labour mobility, timeliness in the administrative tribunal process, changes in business models, changes in delivery of education and registration, a proactive strategy is planned by the Commission to ensure legislation adequately addresses the changes impacting on the real estate industry from both a registrant and consumer perspective. The Commission will research material and consult with representatives from other real estate jurisdictions and administrative practice organizations in analyzing how other legislation has or is addressing these issues.

This three year research project will require substantial financial and human resources from the Commission to accomplish its goals. The goals are to implement real estate legislation in

Interest Bearing Trust Account Report (continued)

Saskatchewan similar to other jurisdictions, as applicable, along with establishing guidelines and policies that provide clear and in-depth direction to registrants in their trades in real estate. The yearly request for funding this two year project is \$25,000. This research and educational project is requested pursuant to clauses 72(a) and 72(b) of *The Real Estate Act*.

“The CPD course provides education on new and emerging issues to enhance existing skills and knowledge of practicing registrants thereby improving consumer protection.”

Project #9 – Association Continuing Professional Development

This project will culminate in the development and administration of the new Continuing Professional Development (CPD) course in each registration year. This course will provide education on new and emerging issues to enhance existing skills and knowledge of practicing registrants thereby improving consumer protection. The request for funding of this education project pursuant to 72(a) of *The Real Estate Act* is \$50,000 annually.

Project #10 – Ongoing Registration Course Updates

This project involves the ongoing revision and updating of the required registration courses. This will ensure that all registration material remains current. The request for funding of this education project pursuant to 72(a) of *The Real Estate Act* is \$30,000 annually.

Project #11 – Association Representative to ARELLO Conference

As technology improves, the global market becomes a greater factor to be considered in the Real Estate industry in Saskatchewan. Ensuring that Saskatchewan’s real estate education courses and examination practices are utilizing the best industry practices available requires working relationships with national and international real estate educational leaders. Therefore this proposal requests financial assistance to send a representative of the Association of Saskatchewan REALTORS® Education Department to the ARELLO Annual General Meeting. The request for funding this annual education project pursuant to 72(a) of *The Real Estate Act* is \$3,500.

Real Estate Assurance Fund Report

The Saskatchewan Real Estate Commission is charged with the responsibility of administering the Real Estate Assurance Fund (the REAF).

The REAF was established to provide financial protection to consumers where they have suffered a loss as a result of a deficiency in the money held in trust by a brokerage in connection with a trade in real estate.

The REAF has been funded by the investment of money in the REAF account and an assessment of a levy on each registrant at his/her time of initial application for registration with the Commission and upon renewal each year for each registrant.

The Commission may make payment to a consumer from the REAF for, in the opinion of the Commission, a valid claim. If a claim against a brokerage is disputed by the brokerage, the claimant must obtain a judgment against the brokerage. The maximum claim under the REAF is \$25,000. The maximum of the aggregate of claims for one brokerage is \$50,000. Where the aggregate of all valid claims against one brokerage exceeds \$50,000, the claims are paid on a pro-rata basis. A claimant has two years from the date of the deposit with the brokerage to make a claim with the Commission.

The Commission was of the opinion that it would be prudent to increase the balance in the REAF to \$350,000 over the next few years to ensure that there is enough money in the fund to ensure payment to consumers for future potential claims, provide funding for the annual administrative fee and to keep the assessment of a levy on registrants at a lower rate over a longer period of time rather than having a significant assessment over one or two years. The financial report for the REAF may be found in the financial statements section of this report.

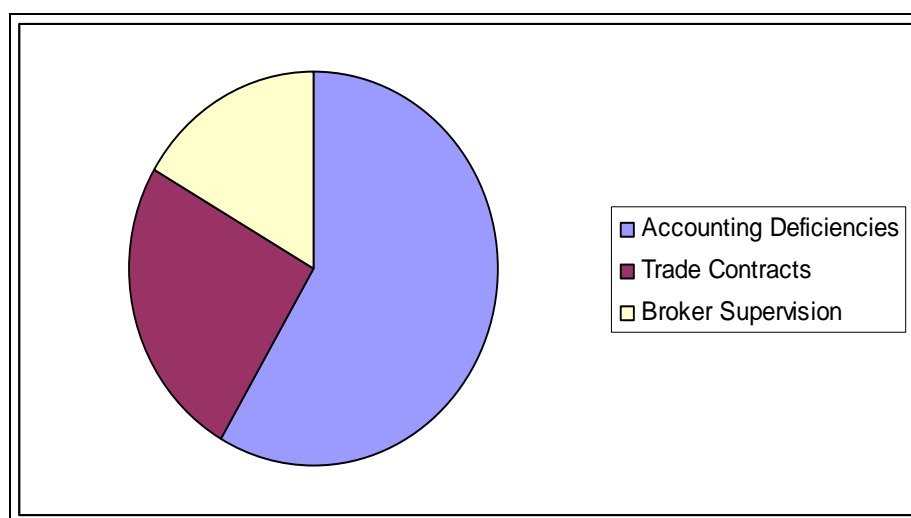
There were no payments made out of the Real Estate Assurance Fund for the 2009-2010 fiscal year.

“If a claim against a brokerage is disputed by the brokerage, the claimant must obtain a judgment against the brokerage.”

Audit Report

During the July 2009 to June 2010 registration year, 64 brokerage audits were completed in the province. Audits consisted of a review of accounting practices, real estate transactions, broker supervision and the overall operations of the brokerage.

During the course of the audits conducted this year, there were three main areas that presented the majority of issues for the brokerages as summarized in the graph and described below.



1. Accounting Deficiencies

Accounting deficiencies represented the largest area of audit concern during the 2009 – 2010 registration period. Brokers may not have had a clear understanding of the requirements for reconciling the trust accounts or did not continually review the trust records. The basic requirements of Commission Bylaws 604 and 614 provide a brokerage with a monthly review and reporting document for reconciling the brokerage trust accounts.

The main areas of concern relating to trust accounts were:

- Deposits being made within two business days of acceptance.
- Funds remaining in trust well after the completion date due to complications with the transaction.
- A large amount of outstanding cheques, corrections or variances in the trust reconciliation.
- Not reviewing the liability listing on a regular basis to identify and address these issues.

Audit Report Continued

2. Trade Contracts

Contract and/or document deficiencies represented the second largest area of audit concern. Records in respect of a trade and the nature of the trade did not always contain all of the following:

- a description of the real estate sufficient to identify it;
- the names and addresses of all parties to the trade;
- money received and disbursed from the trust account; or
- factually correct contracts.

Contracts and related documents are legally binding agreements that must be completed properly in order to ensure that all parties to the transaction understand and agree with the contract. Failure to ensure that the documents are complete and accurate can result in complaints by the public or possibly lead to legal challenges.

3. Broker Supervision

Broker supervision is an ongoing concern and is discussed with brokers during the audit process. Brokers/branch managers may not have been able to administer or provide the following:

- a brokerage Policy and procedures Manual;
- being available to actually provide supervision;
- regular meetings with registrants;
- review advertising and transaction files;
- review or provide monthly trust reconciliations;
- provide assistance during a complaint; and
- report the opening or closing of trust accounts.

The requirement to provide supervision is not only mandated by *The Real Estate Act* but also provides a means for the broker to manage the ongoing day-to-day operations and success of the brokerage and individual registrants.

Thank you to the many brokers, branch managers and their support staff that have put their best effort forward in correcting any deficiencies associated with their audit. Working towards and remaining compliant is in everyone's best interest. The Saskatchewan Real Estate Commission Bylaws, Regulations and *The Real Estate Act* are available and easily accessible on the Commission's website. Brokerages may also find the website a useful resource for researching and discussing case files during brokerage meetings.

Compliance Report

During this fiscal year, the Saskatchewan Real Estate Commission opened 70 files relating to allegations against 74 individuals. The breakdown of individuals investigated included: 6 brokerages; 14 brokers; 2 associate brokers; 44 salespeople and 8 non-registrants. As at fiscal year-end, 17 complaints remained open and under investigation. This past fiscal year the Commission opened complaints from the following sources: 64.3% from the general public; 21.4% from fellow registrants; 2.9% from local Boards; and 11.4% by the Commission on its own motion.

“Some form of misrepresentation by sellers and or registrants remains the major source of consumer dissatisfaction.”

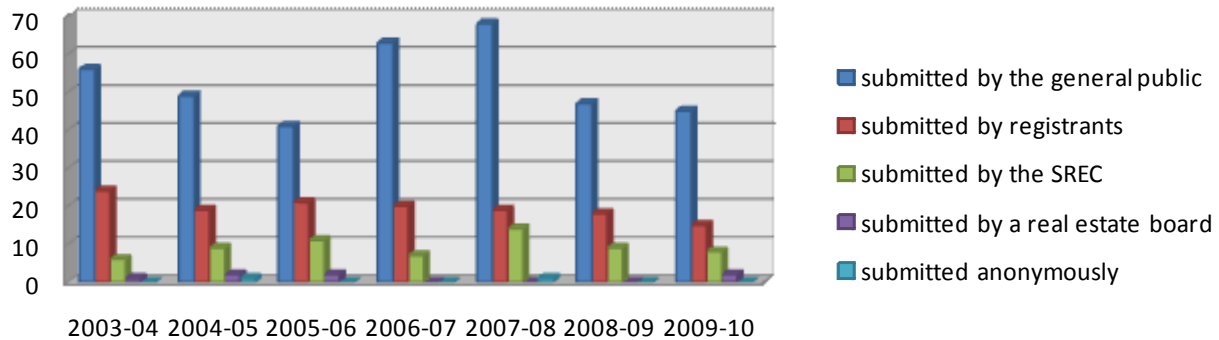
The Commission held 11 mitigation hearings this year and adjudicated at one formal hearing. Three registrants appealed the Saskatchewan Real Estate Commission’s Hearing Committee decisions to the Superintendent of Real Estate and as of June 30, 2010 we await written decisions from the Superintendent’s office on those appeals. All Cease & Desist Recommendations issued by the Superintendent of Real Estate and all written Saskatchewan Real Estate Commission decisions for the most recent six year period may be viewed on the Commission’s website (www.srec.ca).

The Commission’s continued use of our Complaint Form, as found on the Commission’s website, continues to allow consumers the opportunity to articulate their concerns in writing.

Some form of misrepresentation by sellers and or registrants remains the major source of consumer dissatisfaction. The Commission continues to expect its registrants to engage in due diligence on behalf of clients and make factually correct representations to consumers.

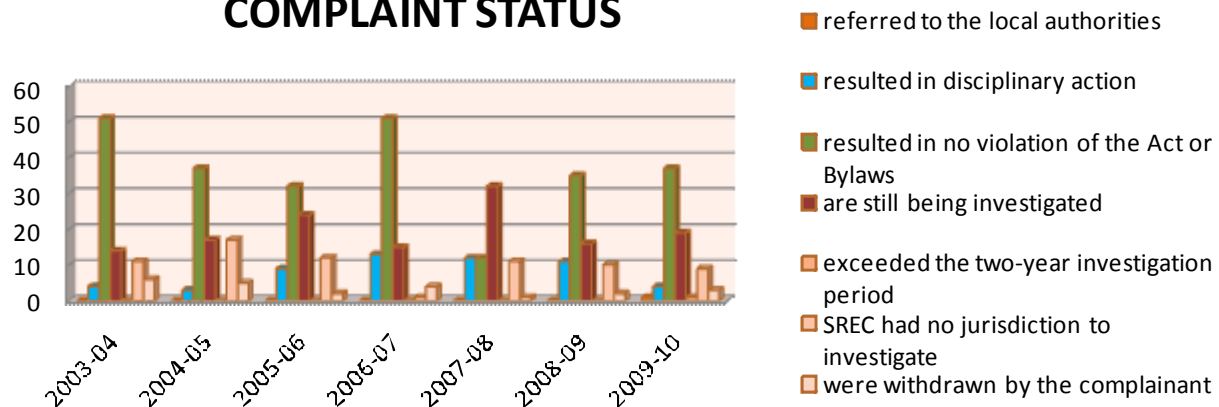
This past year marked 12 continuous months of the Commission’s use of the amended mandatory Residential Contract to Purchase and Sale form as it deals with refunding deposits. During the past 12 months, the Commission received no complaints from consumers as to the disposition of deposits. The form now clearly identifies where deposits go and what remedies exist for the affected parties.

OF COMPLAINTS THAT WERE....

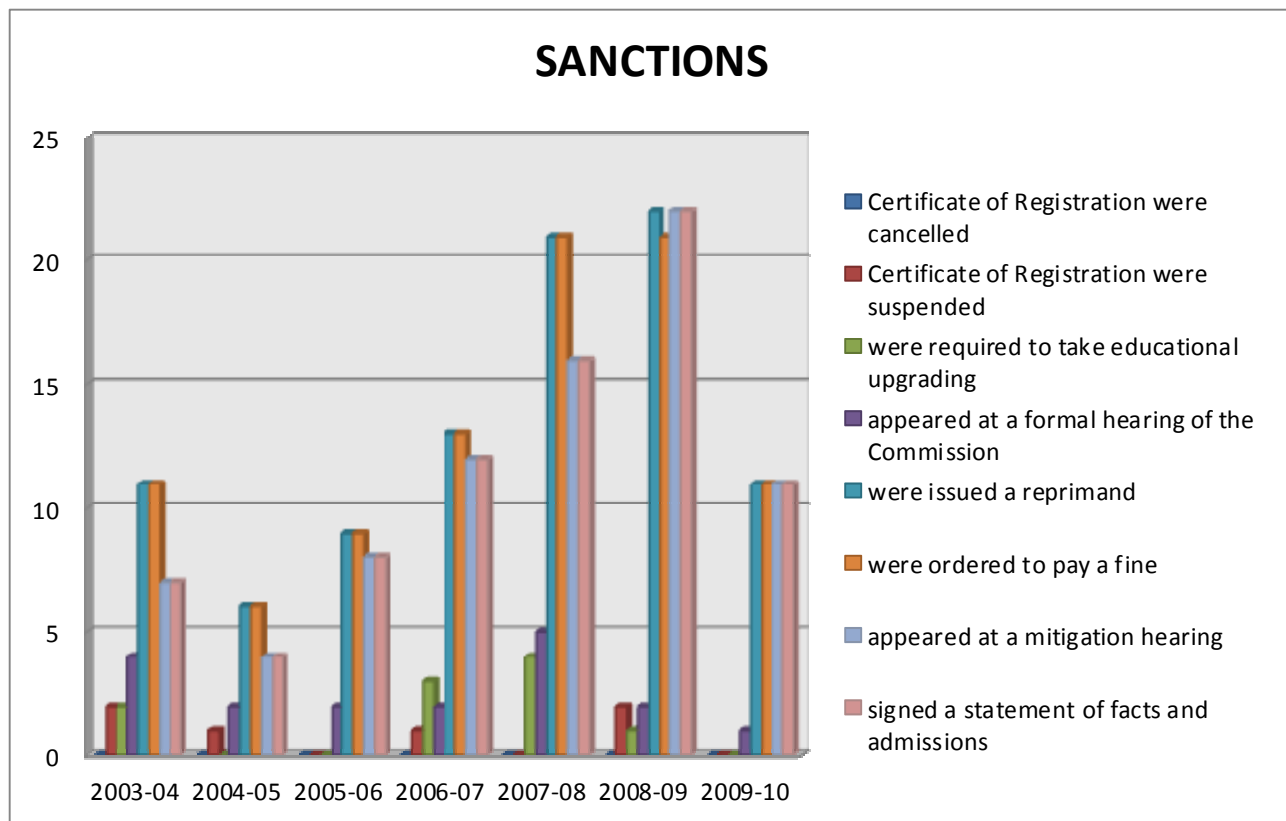


	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
submitted by the general public	56	49	41	63	68	47	45
submitted by registrants	24	19	21	20	19	18	15
submitted by the SREC	6	9	11	7	14	9	8
submitted by a real estate board	1	2	2	0	0	0	2
submitted anonymously	0	1	0	0	1	0	0
	87	80	75	90	102	74	70

COMPLAINT STATUS



Complaints that:	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
referred to the local authorities	0	0	0	0	0	0	1
resulted in disciplinary action	4	3	9	13	12	11	4
resulted in no violation of the Act or Bylaws	51	37	32	51	12	35	37
are still being investigated	14	17	24	15	32	16	19
exceeded the two-year investigation period	0	0	0	0	0	0	1
SREC had no jurisdiction to investigate	11	17	12	1	11	10	9
were withdrawn by the complainant	6	5	2	4	1	2	3



Registrant(s) Non-Registrant(s) who/whose:	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Certificate of Registration were cancelled	0	0	0	0	0	0	0
Certificate of Registration were suspended	2	1	0	1	0	2	0
were required to take educational upgrading	2	0	0	3	4	1	0
appeared at a formal hearing of the Commission	4	2	2	2	5	2	1
were issued a reprimand	11	6	9	13	21	22	11
were ordered to pay a fine	11	6	9	13	21	21	11
appeared at a mitigation hearing	7	4	8	12	16	22	11
signed a statement of facts and admissions	7	4	8	12	16	22	11

COMMISSION MEMBERS



Back Row: Marion Piper, Cheryl Elliott (Vice Chairperson), Terry Powell, Al Jacobson (Executive Director/Registrar), Wayne White, Anne Odishaw, Larry Gingerich (Chairperson) and Ron Skinner

Front Row: John Puderak, Phillip Mack, Richard Jeanneau and Donnett Elder

Lieutenant Governor-in-Council Appointments

Name	Term Expires	Location
Donnett Elder	March 2009	Regina
Cheryl Elliott	March 2010	Prince Albert
Terry Powell	October 2008	Saskatoon
John Puderak	November 2009	Saskatoon

Elected Members

Name	Term Expires	Location	Brokerage
Larry Gingerich	June 30, 2013	Saskatoon	Realty Executives Saskatoon
Richard Jeanneau	December 31, 2009	Saskatoon	Coldwell Banker Rescom Realty
Phillip Mack	June 30, 2011	Regina	Re/Max Crown Real Estate Ltd.
Anne Odishaw	June 30, 2013	Saskatoon	Re/Max Saskatoon
Marion Piper	June 30, 2012	Lloydminster	Musgrave Agencies Ltd.
Ron Skinner	June 30, 2012	Yorkton	Royal LePage Premier Realty
Wayne White	June 30, 2011	Regina	Realty Executives White

Registration Report

The Saskatchewan Real Estate Commission is responsible to maintain a register of persons trading in real estate and require registration pursuant to *The Real Estate Act*. The Commission maintains this register through an Internet-based computer program called SREC On-Line. The Commission's register of all brokerages, brokers, branch managers, associate brokers and salespeople is available to the public and the industry through the Commission's Internet website at www.srec.ca. To make an inquiry whether a particular brokerage or registrant is registered with the Commission, click on Public Inquiries icon in the On-Line Transactions section of the Commission's homepage. A search may be done by a registrant's last name or you may want to do a search of all registrants in a certain centre. The information on this search is real time.

A total of 45 individuals applied for initial registration between April 1 and June 30 and were therefore exempt from the 2009-2010 CPD requirement as well as receiving a discount in their registration fees from \$575 down to \$300 for the remainder of the registration year.

As of May 31, 2010 there were fifty-four individuals still registered who had not attended one of the 2009-2010 CPD seminars. E-mail correspondence was sent to these registrants outlining the requirements for registration renewal at July 1st (i.e. enrollment and/or completion of the CPD home study course, written request for an extension and payment of the \$300 extension fee). Fourteen of these fifty-four terminated their registration at June 30th and will be required to complete the 2009-2010 CPD by home study prior to being granted reinstatement of their registration. Forty individuals requested an extension. Thirty-nine were granted an extension and one was denied his request for an extension. Five of the thirty-nine were given an exemption from the \$300 late extension fee due to extenuating circumstances. Thirty-three of the remaining thirty-four paid the \$300 extension fee and one individual's fee remains outstanding. Thirty-eight individuals completed the home study course prior to June 30th and were thereby eligible to renew their registration for July 1st. One individual choose not to renew immediately pending completion of the 2009-2010 CPD home study course during July.

By 4:30 p.m. on Friday, June 30, 2010 there were 23 individuals who had not yet logged onto the Commission's website to process their registration renewal for July 1st and their Certificates of Registration expired at midnight on June 30th. Of these 23 individuals, nine terminated their registration and fourteen renewed between July 1st and 5th.

On June 30, 1990 the industry had 1,784 registrants; thereafter, we saw a continuous decline to a low of 1,264 in 2006. As of July 31, 2010 there were a total of 1,611 individuals registered to trade in real estate in Saskatchewan.

Commission Staff

Executive Director/Registrar	Al Jacobson
Director of Investigations	Ed Miller
Director of Registration	Verna Olfert
Administrative Assistant	Shari Rolleston
Assistant Executive Director/Registrar	Tom Ketterer
Systems Administrator	Jason Weiler
Director of Audits	Allan York

Financial Statements

**Saskatchewan Real Estate
Commission**

Financial Statements

June 30, 2010

**SASKATCHEWAN REAL ESTATE COMMISSION
FINANCIAL STATEMENTS
June 30, 2010**

CONTENTS

AUDITOR'S REPORT		21
ROLES AND RESPONSIBILITIES		22
STATEMENT OF FINANCIAL POSITION	STATEMENT 1	23
STATEMENT OF OPERATIONS	STATEMENT 2	24
STATEMENT OF NET ASSETS	STATEMENT 3	25
STATEMENT OF CASH FLOWS	STATEMENT 4	26
INTEREST BEARING TRUST ACCOUNT		
STATEMENT OF FINANCIAL POSITION	STATEMENT 1	27
STATEMENT OF OPERATIONS AND NET ASSETS	STATEMENT 2	28
STATEMENT OF CASH FLOWS	STATEMENT 3	29
REAL ESTATE ASSURANCE FUND		
STATEMENT OF FINANCIAL POSITION	STATEMENT 1	30
STATEMENT OF OPERATIONS AND NET ASSETS	STATEMENT 2	31
STATEMENT OF CASH FLOWS	STATEMENT 3	32
NOTES TO THE FINANCIAL STATEMENTS		33



SASKATOON

CERTIFIED
GENERAL
ACCOUNTANTSMANAGEMENT
CONSULTANTS259 Robin Crescent
Saskatoon, SK
S7L 6M8Tel: (306) 934-3944
Fax: (306) 934-3409Email:
cprstoon@sasktel.netWebsite:
<http://epr.ca>PARTNER:
Colin L. Taylor
CMA, CGA**AUDITORS' REPORT**TO THE MEMBERS OF THE
SASKATCHEWAN REAL ESTATE COMMISSION

We have audited the statement of financial position of the SASKATCHEWAN REAL ESTATE COMMISSION, General Fund, Interest Bearing Trust Account and Real Estate Assurance Fund as at June 30, 2010 and the statements of operations, net assets and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Saskatchewan Real Estate Commission as at June 30, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

**COLIN L. TAYLOR, CGA PROF CORP.
CERTIFIED GENERAL ACCOUNTANTS**

Saskatoon, Saskatchewan
August 24, 2010

EPR SASKATOON

Colin L. Taylor CGA Prof. Corp.

An Independent Member Firm of EPR Canada Group Inc. with International Affiliations.

SASKATCHEWAN REAL ESTATE COMMISSION

ROLES AND RESPONSIBILITIES

June 30, 2010

The Saskatchewan Real Estate Commission was formed under *The Real Estate Brokers Act, 1987* and was continued under *The Real Estate Act, 1995*.

The Commission administers *The Real Estate Act*, The Real Estate Regulations and the Commission Bylaws by maintaining registration of brokerages, brokers, branch managers, associate brokers and salespeople, educating registrants, promoting high standards of professionalism, competence and integrity and acting as a liaison between the real estate industry and the general public. Due to the nature of its activities, the Commission is not subject to income taxes.

The Commission receives statutory registration fees from registrants and carries out all ongoing administrative and operating functions. Certain administrative services rendered to the Real Estate Assurance Fund and the Interest Bearing Trust Account are reimbursed through administration fees charged to those funds. Another component of the administrative fee revenue is derived from the Interest Bearing Trust Account through the completion of special projects. The project funding is subject to the approval of the Superintendent of Real Estate.

The Interest Bearing Trust Account consists of interest received from brokerages' trust accounts held in various provincial financial institutions. Interest received is used to conduct research, promote continuing education for registrants and pay costs of conducting audits and investigations of trust accounts subject to the prior approval by the Superintendent of Real Estate. The Interest Bearing Trust Account is not reflected on the Statement of Financial Position of the Commission as the account is only held in trust. The Commission's education provider, the Association of Saskatchewan REALTORS® (ASR) contracts with the Commission to complete certain education projects with ASR receiving funding from the Interest Bearing Trust Account.

The Real Estate Assurance Fund consists of assets held to provide financial protection to the general public. Fees are collected by a levy assessed on every applicant for registration as a registrant and for renewal as a registrant. The Fund is required to maintain a balance of \$250,000 [subsection 48(4) of *The Real Estate Act*.] The Real Estate Assurance Fund is not reflected on the Statement of Financial Position of the Commission as the account is only held in trust.

SASKATCHEWAN REAL ESTATE COMMISSION
STATEMENT OF FINANCIAL POSITION
June 30, 2010

STATEMENT 1

	2010	2009
ASSETS		
Current		
Cash	\$ 959,384	\$ 1,222,052
Accounts receivable	1,504	3,514
Accrued interest receivable	39,476	31,138
Prepaid expenses	20,464	19,085
	1,020,828	1,275,789
Investments - note 2	1,051,972	493,330
Capital assets - note 3	327,623	346,476
	\$ 2,400,423	\$ 2,115,595
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 19,376	\$ 21,446
Accrued vacation pay	24,404	21,439
Deferred revenue	524,540	489,830
Due to Real Estate Assurance Fund	16,100	14,570
Due to Real Estate Insurance Exchange	262,025	246,775
	846,445	794,060
Net assets		
Net assets invested in capital assets	327,623	346,475
Internally restricted net assets	400,000	330,000
Unrestricted net assets	826,355	645,060
	1,553,978	1,321,535
	\$ 2,400,423	\$ 2,115,595

Contingent liabilities/Commitment - notes 7 and 8
 On behalf of the Commission

_____ Member _____ Member

The accompanying notes are an integral part of these financial statements.

EPR SASKATOON

SASKATCHEWAN REAL ESTATE COMMISSION
STATEMENT OF OPERATIONS
Year ended June 30, 2010

STATEMENT 2

	2010	2009
Revenue		
Administrative fee revenue	\$ 113,450	\$ 130,020
IBTA project revenue	210,000	355,000
Interest revenue	48,663	26,366
Other revenue	21,540	22,185
Registration revenue	548,080	528,680
Sanction revenue	47,175	40,335
Technology revenue	47,371	49,479
	1,036,279	1,152,065
Expenditures		
Advertising and promotion	7,376	9,097
Amortization	18,793	20,448
Bank charges and interest	26,181	19,600
Computer processing	13,925	11,046
Conferences	46,361	80,645
Hearings	8,196	18,144
Insurance	1,691	1,586
Investigation and brokerage audit	18,282	18,979
Meetings	74,859	66,862
Office	21,915	20,956
Professional fees - note 5	44,659	27,593
Property taxes	5,875	6,697
Repairs and maintenance	5,702	11,705
Salaries and benefits	456,805	436,121
Technology expense	39,469	39,486
Telephone	8,080	8,648
Utilities	5,609	5,960
	803,778	803,573
	232,501	348,492
Other revenue (expenditures)		
Loss on disposal of capital assets	(59)	(868)
Net revenue over expenditures for the year	\$ 232,442	\$ 347,624

The accompanying notes are an integral part of these financial statements.

EPR SASKATOON

SASKATCHEWAN REAL ESTATE COMMISSION
STATEMENT OF NET ASSETS
Year ended June 30, 2010

STATEMENT 3

				2010	2009
	Unrestricted	Capital Assets	Internally Restricted - note 4		
Balance, beginning of year	\$645,060	\$346,476	\$330,000	\$1,321,536	\$973,911
Excess of revenue over expenditures	232,442			232,442	347,624
Amortization of capital assets	18,793	(18,793)			
Purchase of capital assets	-	-			
Disposal of capital assets	60	(60)			
Interfund transfers	(70,000)		70,000		
Balance, end of year	\$826,355	\$327,623	\$400,000	\$1,553,978	\$1,321,535

The accompanying notes are an integral part of these financial statements.

EPR SASKATOON

SASKATCHEWAN REAL ESTATE COMMISSION
STATEMENT OF CASH FLOWS
Year ended June 30, 2010

STATEMENT 4

	2010	2009
Cash provided by (used in)		
Operations		
Revenues over expenditures from operations	\$ 232,442	\$ 347,624
Items not requiring an outlay of funds		
Amortization	18,793	20,448
Loss on disposal of capital assets	59	868
	251,294	368,940
Changes in non-cash working capital		
Accounts receivable	2,010	(1,274)
Accrued interest receivable	(8,338)	(13,550)
Prepaid expenses	(1,379)	(1,105)
Accounts payable and accrued liabilities	(2,069)	1,761
Accrued vacation pay	2,966	45
Deferred revenue	34,710	10,435
Due to Real Estate Assurance Fund	1,530	(230)
Cash provided by operating activities	295,974	361,472
Investments		
Purchases of capital assets	-	(22,596)
Investments	(558,642)	(200,000)
Cash used in investing activities	(558,642)	(222,596)
Increase (decrease) in cash	(262,668)	138,876
Cash, beginning of year	1,222,052	1,083,176
Cash, end of year	\$ 959,384	\$ 1,222,052

The accompanying notes are an integral part of these financial statements.

EPR SASKATOON

SASKATCHEWAN REAL ESTATE COMMISSION
INTEREST BEARING TRUST ACCOUNT
STATEMENT OF FINANCIAL POSITION
June 30, 2010

STATEMENT 1

	2010	2009
ASSETS		
Current		
Cash	\$ 77,233	\$ 333,251
Accrued interest receivable	67,942	39,457
	145,175	372,708
Investments - note 2	611,706	611,163
	\$ 756,881	\$ 983,871
LIABILITIES AND NET ASSETS		
Liabilities		
Due to Association of Saskatchewan REALTORS	\$ 30,000	\$ NIL
Restricted net assets	726,881	983,871
	\$ 756,881	\$ 983,871

The accompanying notes are an integral part of these financial statements.

EPR SASKATOON

SASKATCHEWAN REAL ESTATE COMMISSION
INTEREST BEARING TRUST ACCOUNT
STATEMENT OF OPERATIONS
AND STATEMENT OF NET ASSETS
Year ended June 30, 2010

STATEMENT 2

	2010	2009
Revenue		
Trust account interest received	\$ 51,933	\$ 226,893
Bank service charges - withheld	(7,292)	(10,435)
	44,641	216,458
Other revenue		
Bank and investment interest revenue	31,869	27,736
	76,510	244,194
Expenditures		
Administration fee	40,000	40,000
Contract costs - SREC	210,000	355,000
Contract cost - ASR	83,500	226,400
	333,500	621,400
Net expenditures over revenue for the year	\$ (256,990)	\$ (377,206)
Restricted net assets, beginning of year	\$ 983,871	\$ 1,361,077
Excess of expenditures over revenue for the year	(256,990)	(377,206)
Restricted net assets, end of year	\$ 726,881	\$ 983,871

The accompanying notes are an integral part of these financial statements.

EPR SASKATOON

SASKATCHEWAN REAL ESTATE COMMISSION
INTEREST BEARING TRUST ACCOUNT
STATEMENT OF CASH FLOWS
Year ended June 30, 2010

STATEMENT 3

	2010	2009
Cash provided by (used in)		
Operations		
Excess of expenditures over revenue	\$ (256,990)	\$ (377,206)
Changes in non-cash working capital		
Accrued interest receivable	(28,485)	(27,736)
Due to Association of Saskatchewan REALTORS	30,000	-
Cash used in operating activities	(255,475)	(404,942)
Investments		
Long-term investments	(543)	-
Decrease in cash	(256,018)	(404,942)
Cash, beginning of year	333,251	738,193
Cash, end of year	\$ 77,233	\$ 333,251

The accompanying notes are an integral part of these financial statements.

EPR SASKATOON

SASKATCHEWAN REAL ESTATE COMMISSION
REAL ESTATE ASSURANCE FUND
STATEMENT OF FINANCIAL POSITION
June 30, 2010

STATEMENT 1

	2010	2009
ASSETS		
Current		
Cash	\$ 80,113	\$ 122,114
Accounts receivable - SREC	16,100	15,640
Accrued interest receivable	11,680	35,111
	107,893	172,865
Investments -note 3	337,849	252,150
	\$ 445,742	\$ 425,015
LIABILITIES AND NET ASSETS		
Current liabilities		
Deferred revenue	\$ 16,100	\$ 15,140
Net assets		
Restricted net assets	250,000	250,000
Unrestricted net assets	179,642	159,875
	429,642	409,875
	\$ 445,742	\$ 425,015

The accompanying notes are an integral part of these financial statements.

EPR SASKATOON

SASKATCHEWAN REAL ESTATE COMMISSION
REAL ESTATE ASSURANCE FUND
STATEMENT OF OPERATIONS
AND NET ASSETS
Year ended June 30, 2010

STATEMENT 2

	2010	2009
Revenue		
Registration revenue	\$ 33,750	\$ 29,003
Interest revenue	11,017	13,663
	44,767	42,666
Expenditures		
Interest and bank charges	-	33
SREC management fee	25,000	25,000
	25,000	25,033
Net revenue over expenditures for the year	\$ 19,767	\$ 17,633

	Unrestricted Net Assets	Restricted Net Assets	2010	2009
Balance, beginning of year	\$159,875	\$250,000	\$409,875	\$392,242
Excess of revenue over expenditures	19,767	-	19,767	17,633
Balance, end of year	\$179,642	\$250,000	\$429,642	\$409,875

The accompanying notes are an integral part of these financial statements.

EPR SASKATOON

SASKATCHEWAN REAL ESTATE COMMISSION
REAL ESTATE ASSURANCE FUND
STATEMENT OF CASH FLOWS
Year ended June 30, 2010

STATEMENT 3

	2010	2009
Cash provided by (used in)		
Operations		
Revenue over expenditures from operations	\$ 19,767	\$ 17,633
Changes in non-cash working capital		
Accounts receivable - SREC	(460)	(840)
Accrued interest receivable	23,432	(11,829)
Deferred revenue	960	340
Cash provided by operating activities	43,699	5,304
Investments		
Long-term investments	(85,699)	(50,001)
Decrease in cash	(42,000)	(44,697)
Cash, beginning of year	122,114	166,811
Cash, end of year	\$ 80,114	\$ 122,114

The accompanying notes are an integral part of these financial statements.

EPR SASKATOON

SASKATCHEWAN REAL ESTATE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Commission are in accordance with Canadian generally accepted accounting principles applied on a basis consistent with the prior year. Outlined below are those policies considered particularly significant.

Investments

Investments are recorded at fair market value, which approximates their cost.

Capital Assets and Amortization

Capital assets are recorded at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows except in the year of acquisition when one half of the rate is used. The Commission has established a policy to capitalize any items purchased with a value greater than or equal to \$2,000 and to expense any items purchased with a value of less than \$2,000.

Building	4%	Declining balance
Computer equipment	33.3%	Declining balance
Furniture and fixtures	20%	Declining balance
Office equipment and appliances	20%	Declining balance

Revenue recognition

The Commission follows the deferral method of accounting for revenue. Registration fees received in advance of the year of registration are deferred and recognized as revenue in the applicable period. Unrestricted revenue is recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Sanction revenue is recognized when received.

2. INVESTMENTS

Investments consist of:

Guaranteed Investment Certificates bearing interest rates between 3.45% and 5.20% with maturities from September 2010 to April 2015; and

Bonds bearing interest rates between 4.97% and 5.474% with call options from December 2014 to December 2015.

SASKATCHEWAN REAL ESTATE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

3. CAPITAL ASSETS

	2010		2009	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 41,694	\$ -	\$ 41,694	\$ 41,694
Building	315,404	55,351	260,053	270,889
Computer equipment	27,485	21,533	5,952	8,935
Furniture and fixtures	20,028	14,403	5,625	7,084
Office equipment and appliances	48,835	34,536	14,299	17,874
	\$ 453,446	\$ 125,823	\$ 327,623	\$ 346,476

4. NET ASSETS INTERNALLY RESTRICTED

The Commission has established the following reserves:

	2010	2009
Operating reserve	\$ 250,000	\$ 200,000
Building reserve	100,000	80,000
Equipment reserve	50,000	50,000
	\$ 400,000	\$ 330,000

5. COMPARATIVE FIGURES

Professional fees for the current fiscal period include a \$22,667 expenditure relating to the Assistant Executive Director search and hiring process.

6. SUBSEQUENT EVENTS

In the next fiscal year, the Commission has allocated up to \$40,000 for exterior renovations to the building which are now in process. The Commission has entered into an agreement with a software developer to create an online examination program which is expected to be in use by October 2010.

7. CONTINGENT LIABILITIES

The Commission's lawyers advise that a Human Rights complaint has been lodged against the Commission. It is not possible to estimate the amount of any financial consequences or the likelihood of success of this complaint.

8. COMMITMENTS

The Commission has entered into a lease arrangement for office equipment which expires June 30, 2015. The annual lease payments required over the next five years are \$8,405.

**SASKATCHEWAN REAL ESTATE
COMMISSION**


237 Robin Crescent
Saskatoon, SK
S7L 6M8

Phone: 306-374-5233

Fax: 306-373-2295

Toll Free: 1-877-700-5233

The Saskatchewan Real Estate Commission is an independent, non-governmental agency, responsible for the regulation of the real estate industry. The Commission is mandated to protect consumers and to provide services that enhance and improve the industry and the business of industry members.



We're on the web:
www.srec.ca