

SCHEDULE

ANNUAL TRUST ACCOUNT REPORT (Sections 14 and 15)

PART 1

TO: The Registrar
The Real Estate Brokers Act

At the request of _____, being the authorized official of _____
_____ ("the "Broker"), I/we have reviewed the trust records, as defined in *The Real Estate Brokers Act* (the "Act"), maintained in connection with the business of the Broker for the fiscal year ended _____, _____.

I/We report that, except as noted below, based on my/our review of the trust records and trust accounts, the Broker:

1. Kept and maintained in chronological order the trust records in connection with the business as are necessary to show and distinguish between:
 - (a) trust money received and disbursed and the unexpended balance held, both in total and in respect to each person or transaction for whom, or in respect to which, trust money has been received; and
 - (b) office money received and paid on the Broker's own behalf.
2. With respect to 1(a) above, kept and maintained a trust account or accounts at a bank designated both in the Broker's books and in the records of the bank as a trust account or as trust accounts.
3. Kept and maintained a trust ledger or ledgers, recording separately for each transaction the trust money held in connection with purchases and sales or proposed purchases and sales of real estate, and showing particulars in chronological order of all receipts and disbursements of trust money in respect of each transaction, indicating the source from which the money was received, to whom it was disbursed, and any unexpended balance.
4. Kept and maintained a trust ledger or ledgers, recording separately for each person the trust money held for that person, otherwise than in connection with a purchase or sale or proposed purchase or sale of real estate, and showing particulars in chronological order of all receipts and disbursements of trust money in respect of such person, indicating the course from which the money was received, to whom it was disbursed, and any unexpended balance.
5. Prepared and maintained a monthly trust ledger trial balance establishing that the total of the separate trust money balances is in agreement with the separate record of the total money then held in trust.
6. Prepared and maintained a monthly trust bank reconciliation or reconciliations which correctly reconcile the statement or passbook figures of the bank with the balances shown as on deposit in trust according to the Broker's books of account.
7. Kept and maintained duplicate deposit slips, cancelled cheques and bank statements or passbooks for all trust accounts.

8. Recorded in the trust ledger or ledgers the date of every receipt and disbursement of trust money shown therein.
9. Did not:
- (a) overdraw individual trust accounts;
 - (b) make improper payments of money from a trust account; or
 - (c) cause apparent shortages in trust funds.
10. With respect to money in the trust account or accounts which represents a commission or remuneration that has been earned and is no longer required to be held in trust, paid out the money in accordance with the following rules:
- (a) any share of such commission or remuneration payable to another broker was paid to that other broker directly out of the trust account;
 - (b) the Broker withdrew commission or remuneration payable to the Broker by cheque into an account or accounts maintained by the Broker for the purpose of paying commissions or remuneration to the Broker and the Broker's authorized officials or salespersons, only after the Broker satisfied the requirements of clause (a) of this section.

In order to make this report, I/we have carried out the procedures outlined in the Appendix. The procedures carried out did not constitute an audit and therefore I/we do not express an opinion on the accuracy or completeness of the trust books, records and financial information provided, or as to whether there were any irregularities during the year which were not disclosed to me/us.

This report is prepared solely for submission to the Registrar and is not to be referred to or distributed to any person other than in accordance with the Act.

Except as noted below, nothing came to my/our attention during the course of my/our review that would indicate a contravention of subsection 26(1) of the Act or of any regulation made under it respecting brokers' trust records and accounts.

(if no exceptions, please so state.)

Signature of accountant/Accounting Firm _____

Name of Responsible Individual _____

Professional Designation in Good Standing : _____ CA _____ CGA
 _____ CMA _____ (Other (approved by the Commission))

Address of Accountant/Accounting Firm _____
 (Please Type/Print)

Telephone Number _____

Date _____

PART 2

TO BE COMPLETED BY THE BROKER

Except as noted below, I/we certify to the best of my/our knowledge that:

1. All trust records and trust bank accounts were disclosed to the accountant.
2. I/We have provided the accountant with whatever information or explanation he/she required.
3. The books, records and accounts maintained by the Broker and produced for the accountant's review fully disclosed the trust obligations.
4. The information contained in the completed Part I of the Annual Trust Account Report is correct.
5. All records referred to in Part I of the Annual Trust Account Report were maintained on a current basis as required by the Act and Regulations.
6. All trust money as defined in the Act received by the Broker was deposited into the trust bank account(s) in accordance with subsection 26(1) of the Act.

Broker's comments or exceptions:

Name of Broker or official _____
(please print)

Signature _____ Date _____

APPENDIX
REVIEW PROCEDURES

Re: _____
(Registered Name of Broker)

Fiscal Year Ended: _____

The scope of review made with respect to the Annual Trust Account Report included the following procedures:

1. I/We read subsection 26(1) of the Act and the *Real Estate Brokers Trust Accounts Regulation*.
2. I/We reviewed the bank statements, including savings/investment accounts, to determine that:
 - (a) statements indicated that accounts were "trust accounts" and the accounts were interest-bearing with the interest not claimed by persons pursuant to subsection 26(1.4) of the Act being remitted directly to The Manitoba Securities Commission;
 - (b) no service or other charges had been charged against the accounts; and
 - (c) the accounts had not been overdrawn.
3. I/We reviewed the bank reconciliations to determine that they had been done and that the month-end balances agreed to each month's trust ledger trial balance. I/We also tested in detail one month's reconciliation including checking of outstanding cheques and deposits.
4. I/We reviewed each month's trust ledger trial balance to determine that there were no debit balances.
5. On a test basis, I/we reviewed the duplicate deposit slips determining that each person or transaction for whom, or in respect to which, trust money has been received and the amount was identified and paid into the trust account or accounts within the time required by section 5 of the *Real Estate Brokers Trust Accounts Regulation*, and traced deposits to the bank statements and client trust ledger accounts.
6. I/We reviewed the cheque journal for numerical sequence; on a test basis, traced to cancelled cheques, bank statements and client ledger accounts.
7. On a test basis, I/we:
 - (a) reviewed entries in client ledger accounts to determine that they were in chronological order and that each transaction indicated the date, the payee and the payor;
 - (b) added the accounts and traced month-end balances to the monthly trust ledger trial balance;

- (c) determined that transactions with respect to only one property were recorded per account and that the account balance was not in a negative balance at any time;
- (d) determined that money was not paid out on the Broker's behalf in contravention of subsection 26(1) of the Act;
- (e) determined that all commissions or remuneration payable to other brokers were paid directly from the trust account;
- (f) determined, where a commission or remuneration was shareable with another broker, that no commission or remuneration was paid the Broker or the Broker's authorized officials or salespersons from the trust account before payment in full of the share of the commission or remuneration payable to the other broker; and
- (g) determined that all disbursements from the trust account were made by cheque.