

This report must be completed by a Chartered Professional Accountant. The accountant shall be guided by the Tables of Recommended Minimum Examination Guidelines (Page 5 of the Engagement Letter between Accountant and Client)

THIS REPORT IS ONLY TO BE USED FOR ENGAGEMENT LETTERS SIGNED AFTER OCTOBER 1, 2024

To: The Real Estate Council of Alberta c/o Registrar

At the request of _____ being the broker for
_____(the brokerage) we have
conducted certain procedures on the books, records, and the accounts maintained by the
brokerage for their fiscal year ended _____

To make this report, we have

- 1) read sections 18 and 25 of the Real Estate Act and part 3, Accounting Records, of the Rules and Regulations¹,
- 2) obtained a signed copy of the **Real Estate Brokerage's Representation to the Real Estate Council of Alberta**, and
- 3) signed an **Engagement Letter Between Accountant and Client**, dated _____

Our examination was guided by the Table of Recommended Minimum Examination Guidelines (on page 5 of the Engagement Letter). We have conducted the agreed-upon procedures engagement in accordance with the Canadian Standard on Related Services (CSRS) 4400, Agreed-Upon Procedures Engagements. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the Brokerage, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures. In completing this report, certain procedures set out below were carried out on a month selected by us. The month of _____ (hereinafter referred to in this as the "selected month") was used for the purpose of completing procedures 2, 3, and 5, below. Based on the limited procedures carried out, and with respect to each procedure, we report as follows:

1. We reviewed the brokerage's trust depository statements, trust bank reconciliation and trust liability reconciliation (to determine whether there are sufficient funds in

¹ The Real Estate Act and Rules may be found at RECA's website – www.reca.ca

the depositories to meet the trust liabilities for each of the twelve (12) months in the fiscal year ended _____ and observed that:

- a) each reconciliation showed there were sufficient funds to meet the liabilities,
Yes No
- b) a listing of the money held in trust (trust liability) for each transaction, has been included as part of the reconciliation and had been prepared for each month,
Yes No
- c) there were no debit balances greater than \$100,
Yes No
- d) there were no overdrafts,
Yes No
- e) there were no unreconciled differences, Yes No
- and
- f) each trust bank reconciliation and trust liability reconciliation were dated within 30 days of the month being reconciled and bore the signature of the broker,
Yes No

with the following exceptions:

2. For the selected month, we reviewed (number of) _____ transactions. We confirmed that they were entered in the brokerage's trust ledger accounts and supporting records. We report that for each transaction there was a separate trust ledger account, which along with the supporting records, indicated:
- a) There is a written agreement between the brokerage and any person providing mortgage or other trust money, and setting forth the terms under which the money is to be received and disbursed,
Yes No
 - and
 - b) A separate file has been maintained for each mortgage.
Yes No

with the following exceptions:

3. We inspected the information contained in the trust liability reconciliation (to determine whether the sufficient funds in the depositories to meet the trust liabilities at the end of the selected month, **with the following exceptions:**

4. We traced from the banking records with depositories as at (fiscal year end date), the amount of \$ _____ on deposit in all trust accounts related to Mortgage Broker services disclosed in the **Real Estate Brokerage's Representations to the Real Estate Council of Alberta**. We agreed the amounts with the balances recorded in the brokerage's bank reconciliation and reviewed the reconciling items to arrive at a brokerage's reconciled bank balance of \$ _____
5. We traced the last five disbursements of the selected month and the first five disbursements for the next month from the trust liability records to the trust bank records to ensure that the entries were recorded in the appropriate month, **with the following exceptions:**
6. We have forwarded a copy of the report to the broker and have discussed the contents of the report with the broker.
- Yes No

Additional comments, if any, can be stated here or on an attached sheet.

We have complied with relevant ethical requirements, including those related to independence, in Canada. Our firm applies Canadian Standard on Quality Management (CSQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

This report is prepared solely for submission to Real Estate Council of Alberta and is not to be referred to or distributed to any person other than in accordance with the Real Estate Act. The procedures carried out did not constitute an audit and therefore we do not express an opinion about the accuracy or completeness of the trust books, records

and financial information provided, or about whether or not there were any irregularities during the year which were not disclosed to us. However, we have reported on the results of the preceding procedures. Had we performed additional procedures, other matters might have come to our attention that would have been reported. This report may not be suitable for any other purpose.

Accountant and Accounting Firm

Signature and Professional Designation

Address

Date

If you choose to prepare this form in any other format, please ensure that there are no changes in the wording.