

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  
DECEMBER 12, 2022

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 Regulations<sup>1</sup>,
- 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, 4, 5, 7, 8, and 9, below. Based on the limited procedures carried out, and with respect to each procedure, we report as follows:

<sup>1</sup> The Real Estate Act and Rules may be found at RECA's website – [www.reca.ca](http://www.reca.ca)

1. We reviewed the brokerage's trust depository statements, trust bank reconciliation and trust liability reconciliation (to determine whether there are sufficient funds in the depositories to meet the trust liabilities for (Real Estate and Property Management) for each of the \_\_\_\_\_ months in the period ended \_\_\_\_\_, \_\_\_\_\_ and observed that:
  - a) each reconciliation showed there were sufficient funds to meet the liabilities,
  - b) a listing of the money held in trust (trust liability) for each transaction, owner, property, or tenant has been included as part of the reconciliation and had been prepared for each month,
  - c) there were no debit balances greater than \$100,
  - d) there were no overdrafts,
  - e) there were no unreconciled differences, and
  - f) each trust bank reconciliation and trust liability reconciliation was dated within 30 days of the month being reconciled and bore the signature of the broker,  
**with the following exceptions:**
  
2. For the selected month, we inspected (number of) \_\_\_\_\_ Buy/Sell trades<sup>2</sup> in real estate. We determined 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) The nature of the trade,
  - b) a description clearly identifying the real estate involved,
  - c) the true consideration for the trade (in the case of lease or rental, expressed on an annual, monthly or other basis),
  - d) the names of the parties to the trade,
  - e) the amount of the deposit or other funds received and a record of the disbursement of them, and
  - f) the amount of the brokerage's commission or other remuneration and the name of the party paying it, **with the following exceptions:**

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<sup>2</sup> TRADE includes a disposition, acquisition of or transaction in real estate by sale, purchase, agreement for sale, exchange, option, lease, rental or otherwise.

3. For the selected month, we reviewed (number of) \_\_\_\_\_ Property Management trades<sup>3</sup> in real estate. We determined that they were entered in the brokerage's trust ledger accounts and supporting records. We report that each trust ledger account, with supporting records, indicated:
- a) a description clearly identifying the rental property involved,
  - b) the amount of the rent, security deposit, or other funds to be received was consistent with a signed lease agreement or other document,
  - c) the names of the parties to the trade,
  - d) the amount of the rent or other funds received and a record of the disbursement of them, and
  - e) the amount of the brokerage's management fee or other remuneration, the name of the party paying the fee or other remuneration and it was consistent with the signed management or other agreement, **with the following exceptions:**
4. We confirmed the information contained in the trust bank reconciliation as at the end of the selected month and found the information contained in the reconciliation to be correct, **with the following exceptions:**
5. We Compare the information contained in the trust liability reconciliation (to determine whether there are sufficient funds in the depositories to meet the trust liabilities) as at the end of the selected month and found the information contained in that reconciliation to be correct, **with the following exceptions:**

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<sup>3</sup> TRADE includes a disposition, acquisition of or transaction in real estate by sale, purchase, agreement for sale, exchange, option, lease, rental or otherwise.



10. We have forwarded a copy of the report to the broker and have discussed the contents of the report with the broker.

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

We have complied with the ethical requirements in the Chartered Professional Accountants of Alberta's Code of Professional Conduct

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.

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Accountant and Accounting Firm

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Signature and Professional Designation

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Address

Date: \_\_\_\_\_

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