

SCHEDULE C
(Section 5.15)

ANNUAL TRUST ACCOUNT REPORT

PART 1

TO: The Registrar
The Real Estate Services Act

At the request of _____, being the managing registrant of _____ (the "Brokerage"), I/we have reviewed the trust records maintained by the Brokerage in accordance with *The Real Estate Services Act* ("Act") for the fiscal year ended _____, _____.

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

1. Has kept one or more trust accounts at a financial institution in respect of the Brokerage's Manitoba real estate services;
2. Has not used the same trust accounts for Manitoba real estate services and real estate services provided outside Manitoba;
3. Has kept detailed trust records in respect of its trust account(s) setting out, in chronological order,
 - (a) all trust monies received and disbursed by the Brokerage and
 - (i) the date of the transaction,
 - (ii) the identity of the payor or recipient, and
 - (iii) the trade in real estate in relation to which the money was received or disbursed;
 - (b) the total balance in each trust account held by the Brokerage;
 - (c) for each person for whom money is kept in a trust account held by the Brokerage, the balance held for that person;
 - (d) monthly trust ledger trial balances and balance reconciliations; and
 - (e) deposit slips in duplicate, cancelled cheques, bank statements and electronic records;
4. Did not use its trust account(s) to pay any personal expenses or general office expenses;
5. Did not make any improper or unauthorized withdrawals, payments or transfers from its trust account(s);
6. Has not, at any time, held a negative trust balance in a trust account or an individual trust ledger;
7. Transferred any earned commissions or other earned payments received by the Brokerage as remuneration for a trade in real estate out of the trust account(s) in accordance with the following rules:
 - (a) any share of the commission or other compensation payable to another brokerage was paid directly out of the trust account;

(b) where the amount of the commission or other compensation received by the Brokerage was less than the amount actually owing, the share of the commission or other compensation payable to another brokerage was paid as agreed to with the other brokerage or, in the absence of an agreement, paid in full;

(c) any money remaining after payments were made in accordance with clauses (a) and (b) was paid into a general account of the Brokerage or an account maintained by the Brokerage for the purpose of paying commission or other remuneration to registrants engaged by the Brokerage or providing real estate services on its behalf;

(d) any commission or other remuneration payable to a registrant engaged by the Brokerage or providing real estate services on its behalf was paid out of the account referred to in clause (c).

In order to make this report, I/we have

(a) been provided with the trust account information set out in Appendix 1;

(b) carried out the procedures outlined in Appendix 2; and

(c) followed the Canadian generally accepted auditing standards.

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 records 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 section 38, 40 or 41 of the Act or of any regulation made under it respecting brokerages' trust accounts and trust records.

Comments or exceptions (if none, state "none"): _____

Name of Accounting Firm _____

Signature of Accountant in Charge _____

Name of Accountant in Charge _____

CPA Manitoba Permit Certificate Number _____

Address of Accountant/Accounting Firm _____

Telephone Number _____

Date _____

PART 2

To Be Completed by the Brokerage

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

1. All trust accounts and trust records kept by the Brokerage 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 Brokerage and produced for the accountant's review fully disclosed the trust obligations.
4. The information contained in the completed Part 1 of the Annual Trust Account Report is correct.
5. All records referred to in Part 1 of the Annual Trust Account Report were maintained as required by the Act and Regulations.
6. All trust moneys received by the Brokerage were deposited as required by the Act and its regulations.
7. I/We reviewed the statements for our trust accounts issued by our financial institution to determine that:
 - (a) the statements indicated that the accounts were "trust accounts" and the accounts were interest-bearing with the interest being payable to The Manitoba Securities Commission; and
 - (b) no service or other charges had been charged against the accounts.

Managing Registrant's response to each comment or exception of the auditor listed in Part 1 (if none, state "none"): _____

Name of Managing Registrant _____
(Please Print)

Signature _____ Date _____

APPENDIX 1

List of Trust Accounts Provided to the Auditor

Name of Account Holder	Financial Institution	Transit/Routing Number	Account Number

[USE ADDITIONAL ROWS OR PAGES IF NECESSARY]

APPENDIX 2

Review Procedures

Re: _____
(Registered Name of Brokerage)

Fiscal Year Ended: _____

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

- 1 I/We read sections 38, 40 and 41 of the Act and Parts 4 and 5 of the *Real Estate Services 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 being remitted directly to The Manitoba Securities Commission as required by subsection 40(1) of *The Real Estate Services Act*;
 - (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 receipts 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 4.5 or 4.6 of the *Real Estate Services 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, electronic records 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 Brokerage's behalf in contravention of clause 38(d) of the Act;
 - (e) determined that all commissions or remuneration payable to other brokerages were paid directly from the trust account;

(f) determined, where a commission or remuneration was shareable with another Brokerage, that no commission or remuneration was paid to the Brokerage or to a registrant engaged by the Brokerage or providing real estate services on its behalf from the trust account before payment in full of the share of the commission or remuneration payable to the other Brokerage; and

(g) determined that all disbursements from the trust account were made in accordance with section 5.14 of *The Real Estate Services Regulation*.