

POST AUDIT MEMORANDUM

Year ended December 31, 2003

Although the 2002 year end adjustments were made to the accounts, the 2002 accounts receivable and accounts payable balances were not updated until the 2003 year end audit. Please ensure that these accounts are updated on a regular basis.

2. In 2003, there was a marked improvement in the timely preparation of the current bank reconciliations. Please ensure that the monthly reconciliations are continued to be prepared on a timely basis and reviewed by either the general manager or director of finance. The reviewer should initial the reconciliation to indicate their authorization.
3. The December 31, 2003 bank reconciliation included stale dated cheques of approximately \$2,267. The stale dated cheques should be reviewed on a regular basis and reallocated to accounts payable, if applicable.
4. For the year ending December 31, 2003, Café Lounge incurred a loss of approximately \$32,000. This loss is after the allocation of certain “start up” and other administrative wages but before amortization of equipment. Please ensure that the financial results of the Café Lounge are monitored on a timely basis to ensure the financial viability of the operation.
5. The daily cash receipts from the Café Lounge should be reconciled to the Z tape (including all voids) and cash over/short balances should be monitored. The cash over/short balances should also be recorded in the general ledger.
6. All inventories should be recorded in the Association’s accounts including the Café Lounge, locks and the store in Newton.
7. All significant accounts receivable, prepaid expenses, and accounts payable should be recorded in the accounts.
8. Capital asset acquisitions should be recorded in the correct general ledger account (i.e. in the capital fund).
9. The Association should continue to hold the CIBC and Quadrus investment people “accountable” by meeting with them two times a year to review the rate of return on the respective investment portfolios

POST AUDIT MEMORANDUM

Year ended December 31, 2003

10. Continue to review and improve the Association's cash generating activities. For example, in 2003 there were declines in locker revenues. Ensure that the locker grids are maintained so the respective revenues can be reviewed and tracked in an efficient manner.
11. The monthly payroll remittances to the Receiver General should only include the payrolls that were paid to the employees for the previous month. As the Association has a bi-weekly payroll, employees are paid 26 times a year and 13 remittances were made to the Receiver General. However, there should only be 12 remittances to the Receiver General each year.
12. In 2003, 23 journal entries were required for the Operating Fund vs. 33 in 2002. Although this is an improvement over 2002, please attempt to keep the accounts as current and up to date during the fiscal year to ensure that there are minimum adjustments at year end.
13. The Capital Asset Fund's assets (i.e. bank transactions and investment accounts) should be recorded on a regular basis and should be included in the Association's internal financial statements.
14. GST collected and paid must be recorded in the respective GST liability account on a consistent basis. During 2003 we noticed that certain GST charged was recorded directly into the related revenue account. In addition, GST that is 100% collectible (i.e. Café Lounge), should be posted to a separate general ledger account to make the filing of the GST return more straight forward and efficient.
15. All employees should have correspondence in their personnel file to support their wage rates and any subsequent changes.
16. Certain executive board meeting minutes were not available (i.e. January 2003 and part of February 2003). It is imperative that all minutes are recorded and promptly documented.