

# Hergott & Company LLP

## Chartered Professional Accountants

Nolan Hergott, CPA, CA nolan@hergottco.com  
Wade O'Neill, CPA, CA wade@hergottco.com

10039 117 Street NW Edmonton AB T5K 1W7  
T. 780.438.1174 F. 780.436.4587 Hergottco.com

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Dear valued client:

### **RE: Fiscal Year-End Requirements**

We appreciate the opportunity to work on your upcoming year-end. The following is a list of information that will assist us in the completion of your financial statements and tax return in a timely manner.

#### New clients

- If you engaged a different accounting firm last year, please provide us with copies of your previous year's financial statements, trial balance, and tax return, if available. Also provide us with the contact information of your previous accountant.
- Provide us with your minute book to ensure that we know the authorized and issued share capital of the company, and that our records reflect who the current shareholders are.
- If your business is newly incorporated and this is your first year of filing, please provide us with your certificate of incorporation and other incorporation documents. We will also need to know your Canada Revenue Agency business number, and the SIN numbers and/or business numbers of all shareholders who own 10% or more of the company's common or preferred shares.

#### Clients with electronic accounting records

- A copy of your Sage, Simply Accounting or QuickBooks backup, if applicable.
- If you use an accounting software other than those above, export the following reports into Microsoft Excel and provide us with copies of the Excel files. If this is not possible, please provide us with printed copies of the following:
  - Trial balance
  - General ledger
  - Bank reconciliations for the last month of the fiscal year
  - Accounts receivable listing at year-end, indicating which accounts are doubtful
  - Accounts payable listing at year-end
  - Inventory listing at year-end

### Clients with manual accounting records

- A synoptic journal showing the bank account activity during the year. There should be a journal for each bank account.

### If our firm is doing the bookkeeping

- Bank Statements for each month of the fiscal year for all company bank accounts.
- Copies of cancelled cheques or cheque stubs for all cheques written during the fiscal year.
- Copies of the deposits slips for all deposits during the year or please provide us with the deposit book.

### Support for specific account balances and transactions

- Bank reconciliations for all bank accounts for the last month of the fiscal year.
- Bank statements for the last month of the fiscal year for all bank accounts.
- Details of any investments held at year-end. If you need us to record the investment account activity during the year, we will also require copies of the monthly investment statements.
- Accounts receivable listing at year-end, identifying which accounts are uncollectible.
- Inventory listing at year-end, indentifying which items should be written off.
- If there is unbilled work-in-progress at year-end, please provide us with a schedule indicating the costs related to these jobs.
- A listing of property, plant and equipment (i.e. computers, equipment, vehicles, etc.) if one is maintained. Otherwise, please provide us with the details of any property, plant and equipment purchased or sold during the year, together with an indication of the cost and/or the proceeds.
- For any real estate purchases and sales during the year, please provide us with the Statement of Adjustments and the Statement of Trust Receipts and Disbursements. Also provide us with a breakdown of which portion of the purchase/sale price is attributable to the land, and which portion relates to the building.
- Details of any prepaid expenses or deposits during the year. Examples would be a deposit made on a lease, or a payment made on an insurance policy where a portion of the premium relates to coverage for the following fiscal year.
- A listing of accounts payable at year-end.
- Estimates for any liabilities that the company has at year-end for which the company has not yet been invoiced (i.e. property taxes, WCB, payroll deductions, vacation pay, etc.).

- Copies of correspondence received during the year regarding your long-term debt (i.e. banking agreements, loan agreements, loan statements, etc.). We need to know the terms of the company's loan(s) and the principal balance(s) outstanding at year-end.

#### Tax-related items

- If we did not prepare the company's tax return last year, please provide us with a copy of the federal and provincial tax return prepared for the previous year-end.
- Copies of GST returns filed for the fiscal year. If you would like us to file your GST return, please let us know and provide us with a copy of your blank GST return, if available.
- Copies of the previous year's Notices of Assessment for Federal and Provincial corporate income tax.
- Statements of account and other correspondence from Canada Revenue Agency and Alberta Finance and Enterprise.
- Copies of any T-slips (T3s, T5s, T4As) that the company received, relating to income earned during the fiscal year.
- Summary of tax-specific items such as:
  - Meals and entertainment expenses for the year
  - Life insurance payments for the year
  - Golf and/or club dues paid
  - Non-deductible interest and penalties paid during the year

#### Shareholder information

- Details of personal income that the shareholders expect on their personal returns for the calendar year (other than income related to the corporation).
- Details of shareholder remuneration (i.e. management salaries) reflected in the accounting records.
- Details of any personal expenses paid for by the business.
- Details of any business expenses paid personally that are not already reflected in the books of account.
- The number of business km driven on your personal vehicle during the year.
- Details of any changes in shareholdings or share capital during the year. You should provide us with copies of all the relevant agreements and legal documents related to these share transactions.

- Home office information: square footage of the home office, square footage of the entire home, and the amount of home insurance, mortgage interest, property tax, repairs and maintenance, utilities during the year.

Please call if you have any questions.

Yours very truly,  
**Hergott & Company LLP**

The Partners