

GLEN OAKS CO-OPERATIVE HOMES INC.

ANNUAL AUDITED FINANCIAL STATEMENTS - PROCEDURE

1] The Co-operative's Membership will appoint an Auditor. It is preferable to establish a long-term relationship with an Auditor.

2] The Board will establish a Sub-Committee (entitled the Audit Committee). This committee will act as a liaison between the Board and Auditor. The Treasurer will sit on this sub-committee, as well as 2 other members of the Finance Committee. This committee will report to the Board. The findings will be reviewed with the Finance Committee as well.

3] The Bookkeeper/Co-ordinator and Treasurer are responsible for providing the Auditor with a final trial balance for audit.

The Auditor normally will prepare the financial statements in accordance with the accounting policies established by the Co-operative and the government agency providing funding and review them with the Board prior to the annual meeting.

4] The Auditor is also responsible for reporting to the Board any weaknesses, or inefficiencies along with appropriate recommendations on the Co-operative internal control system.