

March 3, 2006

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Kwantlen University College Student Association
Building G, Room 1240
12666 – 72nd Avenue
Surrey, B.C. V3W 2M8

Attention: Mr. Jatinder Atwal, Treasurer

Dear Mr. Atwal:

The purpose of this letter is to outline the terms of our engagement to audit the financial statements of Kwantlen University College Student Association (the "Association") for the year ending 2004. *5 C*

Objective, Scope and Limitations

Our statutory function as auditor of the Association is to report to the members/directors by expressing an opinion on Association's annual financial statements. We will conduct our audit in accordance with Canadian generally accepted auditing standards and will issue an audit report.

An auditor conducting an audit in accordance with Canadian generally accepted auditing standards obtains reasonable assurance that the financial statements taken as a whole are free of material misstatement, whether caused by fraud or error. It is important to recognize that an auditor cannot obtain absolute assurance that material misstatements in the financial statements will be detected because of:

- [a] factors such as use of judgement, and the use of testing of the data underlying the financial statements;
- [b] inherent limitations of internal control; and
- [c] the fact that much of the audit evidence available to the auditor is persuasive rather than conclusive in nature.

Furthermore, because of the nature of fraud, including attempts at concealment through collusion and forgery, an audit designed and executed in accordance with Canadian generally accepted auditing standards may not detect a material fraud. Further, while effective internal control reduces the likelihood that misstatements will occur and remain undetected, it does not eliminate that possibility. For these reasons, we cannot guarantee that fraud, error and illegal acts, if present, will be detected when conducting an audit in accordance with Canadian generally accepted auditing standards.

Unless unanticipated difficulties are encountered, our report will be substantially in the following form:

AUDITORS' REPORT

To the Members of
Kwantlen University College Student Association

We have audited the statement of financial position of **Kwantlen University College Student Association** as at December 31, 2005 and the statements of changes in net assets, operations and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Vancouver, Canada
Date of completion of field work

Chartered Accountants

Our Responsibilities

We will perform the audit in accordance with Canadian generally accepted auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows in accordance with Canadian generally accepted accounting principles. Accordingly, we will plan and perform our audit to provide reasonable, but not absolute, assurance of detecting fraud and errors that have a material effect on the financial statements taken as a whole, including illegal acts whose consequences have a material effect on the financial statements.

One of the underlying principles of the profession is a duty of confidentiality with respect to client affairs. Accordingly, except for information that is in or enters the public domain we will not provide any third party with confidential information concerning the affairs of the Association without the Association's prior consent, unless required to do so by legal authority, or the rules of professional conduct and code of ethics of the Institute of Chartered Accountants of B.C.

We will communicate in writing to the audit committee the relationships between us and the Association (including related entities) that, in our professional judgement, may reasonably be thought to bear on our independence. Further, we will confirm our independence with respect to the Association.

TOM TOMPKINS, WOZNY, MILLER & Co.

Chartered Accountants

The objective of our audit is to obtain reasonable assurance that the financial statements are free of material misstatement. However, if we identify any of the following matters, they will be communicated to the appropriate level of management:

- [a] misstatements, resulting from error, other than trivial errors;
- [b] fraud or any information obtained that indicates that a fraud may exist;
- [c] any evidence obtained that indicates that an illegal or possibly illegal act, other than one considered inconsequential, has occurred;
- [d] significant weaknesses in the design or implementation of internal control to prevent and detect fraud or error; and
- [e] related party transactions identified by us that are not in the normal course of operations and that involve significant judgments made by management concerning measurement or disclosure.

The matters communicated will be those that we identify during the course of our audit. Audits do not usually identify all matters that may be of interest to management in discharging its responsibilities. The type and significance of the matter to be communicated will determine the level of management to which the communication is directed.

We will consider the Association's internal control to identify types of potential misstatements, consider factors that affect the risks of material misstatement, and design the nature, timing and extent of further audit procedures. This consideration will not be sufficient to enable us to render an opinion on the effectiveness of internal control over financial reporting.

Management's Responsibilities

Management is responsible for:

Financial statements

- [a] the preparation and fair presentation of the Association's financial statements in accordance with Canadian generally accepted accounting principles;

Completeness of information

- [b] providing us with and making available complete financial records and related data, and copies of all minutes of meetings of members, directors, and committees of directors;
 - [c] providing us with information relating to any known or probable instances of non-compliance with legislative or regulatory requirements, including financial reporting requirements;
 - [d] providing us with information relating to any illegal or possibly illegal acts, and all facts related thereto;
 - [e] providing us with information regarding all related parties and related party transactions;
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Fraud and error

- [f] the design and implementation of internal control to prevent and detect fraud and error;
- [g] an assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- [h] providing us with information relating to fraud or suspected fraud affecting the entity involving:
 - i) management;
 - ii) employees who have significant roles in internal control; or
 - iii) others, where the fraud could have a non-trivial effect on the financial statements;
- [i] providing us with information relating to any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others;
- [j] communicating its belief that the effects of any uncorrected financial statement misstatements aggregated during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole;

Recognition, measurement and disclosure

- [k] providing us with its assessment of the reasonableness of significant assumptions underlying fair value measurements and disclosures in the financial statements;
 - [l] providing us with any plans or intentions that may affect the carrying value or classification of assets or liabilities;
 - [m] providing us with information relating to the measurement and disclosure of transactions with related parties;
 - [n] providing us with an assessment of all areas of measurement uncertainty known to management that are required to be disclosed in accordance with measurement, uncertainty, CICA Handbook – Accounting Section 1508;
 - [o] providing us with information relating to claims and possible claims, whether or not they have been discussed with the Association's legal counsel;
 - [p] providing us with the information relating to other liabilities and contingent gains or losses, including those associated with guarantees, whether written or oral, under which the Association is contingently liable;
 - [q] providing us with information on whether the Association has satisfactory title to assets, liens or encumbrances on assets exist, or assets are pledged as collateral;
 - [r] providing us with information relating to compliance with aspects of contractual agreements that may affect the financial statements;
 - [s] providing us with information concerning subsequent events; and
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Written confirmation of significant representations

- [t] providing us with written confirmation of significant representations provided to us during the engagement on matters that are:
- i) directly related to items that are material, either individually or in the aggregate, to the financial statements;
 - ii) not directly related to items that are material to the financial statements but are significant, either individually or in the aggregate, to the engagement; and
 - iii) relevant to your judgments or estimates that are material, either individually or in the aggregate, to the financial statements.

Other Matters

Use and Distribution of our Report

The examination of the financial statements and the issuance of our audit opinion are solely for the use of those to whom our report is specifically addressed by us. We make no representations of any kind to any third party in respect of these financial statements and we accept no responsibility for their use by any third party.

We ask that our name be used only with our consent and that any information to which we have attached a communication be issued with that communication unless otherwise agreed to by us.

If reproduction or publication of our report is planned in an annual report or other document, including electronic filings or postings of the report on a website, a copy of the entire document should be submitted to us in sufficient time for our review before the publication or posting process begins.

Personal Information

It is acknowledged that we will have access to all personal information in your custody that we require to complete our engagement. Our services are provided on the basis that:

- You represent to us that management has obtained any required consents for collection, use and disclosure to us of personal information required under applicable privacy legislation; and

We will hold all personal information in compliance with our firm's privacy policy.

File Inspection

In accordance with professional regulations (and by firm policy), our client files must periodically be reviewed by practice inspectors, the Canadian Public Accounting Board (CPAB) and by other firm personnel to ensure that we are adhering to professional and firm standards. File reviewers are required to maintain confidentiality of client information.
