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From Lisa Coan Sun Jul 9 20:41:15 2006

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**Date:** Sun, 9 Jul 2006 20:41:15 -0700 (PDT)

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**From:** "Lisa Coan" <lisacomnet5@yahoo.com>

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**Subject:** Request for Information and Documentation

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**To:** treasurer@kusa.ca, president@kusa.ca, vpexternal@kusa.ca, vpinternal@kusa.ca, vpevents@kusa.ca, aaron.takhar@kusa.ca

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**CC:** ombuds@kusa.ca

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**Attn:** Joey Atwal, Treasurer  
Danish Butt, President  
Bikram Gill, VP Events and Student Life  
Jaivin Khatri, VP Internal  
Aaron Takhar, Executive Advisor  
KSA Board of Directors

Dear Danish,

I regret that I was unable to attend the June 15, 2006 Kwantlen Student Association Annual General Meeting. Since then, I have had the opportunity to review the financial statements for the KSA's 2005 fiscal year, ending December 31, 2005.

As both a Kwantlen University College Student and as a currently elected student representative on the Kwantlen University College Board of Governors, I have some serious concerns that I would like you to address.

Specifically, I would like you to address the following questions, with your response being e-mailed to me at my private and confidential e-mail address, [lisacomnet5@yahoo.com](mailto:lisacomnet5@yahoo.com) by no later than 7:00 pm on Friday, July 14, 2006:

1. Why was the audited report for the 2005 fiscal year dated on May 26, 2006? The audited report for the 2004 fiscal year was dated as being completed by March 7, 2005. Why was there such a huge delay?
2. Do you have any comment(s) on the quality of record keeping in the auditor's management letter?
3. As per the balance sheet, the operating fund balance has gone from surplus to

significant deficit during the year resulting in a cash shortfall in the operating fund, requiring \$224,000 being borrowed from the Capital Fund long-term investments. This represents 18% of the long-term pool of funds, which proportionately diminishes the KSA's external investment income. Please answer the following questions based on this circumstance:

- a. Why is there a deficit?
  - b. Why were the details of this deficit not disclosed in the notes to the Financial Statements or in the report of the Treasurer?
4. I have a few questions about the mortgage and promissory note receivable. It would appear that the KSA has not only risked the funds by investing such a large portion in a single instrument, but the KSA has chosen an instrument which is inherently of a higher risk and therefore seemingly inappropriate given the circumstances presented. Please answer the following questions:
- a. Why was \$620,000 of long term investments (representing approximately 49% of the investments) invested in a mortgage receivable and promissory note receivable?
  - b. Why were both secured by a SECOND charge on a borrower's property, both bearing a very low 5% rate of return, and both including an exceptionally long repayment term?
  - c. When was this investment approved, and by whom?
  - d. Does this show up in the auditor's management letter?
  - e. Who is the borrower?
  - f. What is the Fair Market Value for the properties in question?
  - g. How saleable are the properties provided as security?
5. Accounts Payable appear to be up 24% over the last year. Is the KSA staying current with suppliers or is the KSA at risk here due to unpaid accounts?

6. The Statement of Operations Operating Fund went from slightly less than breakeven last year to a significant deficit this year (\$323,000). The KSA entered the year arguably knowing they had to cut expenses and instead increased wages by \$168,000 (38%). Based on this circumstance, please answer the following questions:
  - a. Why were additional staff hired *and / or* what pay adjustments occurred during the year?
  - b. Does this show up in the auditor's management letter?
  - c. Finally, why was there such a substantial increase in professional fees during the year? What necessitated this increase? Why were there no notes in the financial statements or in the Society Reports to the Membership regarding the specific use of these professional fees?
7. In a year of cash-flow pressures, why:
  - a. Was \$27,000 spent on Café-Lounge equipment?
  - b. Did the Café-Lounge double its loss during the year, from approximately \$16,000 in 2004 to more than \$30,000 in 2005?
  - c. Was more than \$51,000 spent on other furniture and / or equipment? What was purchased?
  - d. Who authorized the above purchases?
8. The lobbying fund expenditures more than doubled to \$56,000. Presumably the auditors are satisfied that these expenses have been appropriately charged to this fund. But specifically, what activities comprise them? What type of "Lobbying" had occurred in 2005 that is consistent with the referendum restrictions that are in place on the fund?
9. Please provide the specifics of the bursaries awarded during 2005, which amounted to \$14,000.

Finally, please provide me with the following documents, via e-mail to me at my private and confidential e-mail address, [lisacomnet5@yahoo.com](mailto:lisacomnet5@yahoo.com) by no later than 7:00 pm on Friday,

July 14, 2006:

1. An unedited electronic copy of the entire financial statements (in MS Word, Excel or Adobe PDF), including the Management Letter;
2. Electronic copy of all recommendations and all other correspondence to date surrounding the audit (in MS Word or Adobe PDF);
3. Electronic Copy (in MS Word or Adobe PDF) of all executive board meeting agendas and minutes from executive board meetings as held from January 1, 2005 thru to June 15, 2006;
4. Electronic Copy (in MS Word or Adobe PDF) of all Board of Directors / Council meeting agendas and minutes of the KSA's Board of Directors / Council as held from January 1, 2005 thru to June 15, 2006. This should include the following meetings:

- i. April 29, 2005
- ii. May 13, 2005
- iii. May 27, 2005
- iv. June 10, 2005
- v. June 15, 2005
- vi. June 24, 2005
- vii. July 8, 2005
- viii. July 22, 2005
- ix. August 5, 2005
- x. August 19, 2005
- xi. September 30, 2005
- xii. Mid-October 2005
- xiii. October 28, 2005
- xiv. November 4, 2005
- xv. November 18, 2005
- xvi. December 2, 2005
- xvii. December 16, 2005
- xviii. January 6, 2006
- xix. 2<sup>ND</sup> January 2006 meeting (if any)
- xx. February 2, 2006
- xxi. February 10, 2006
- xxii. February 24, 2006
- xxiii. March 17, 2006
- xxiv. April 4, 2006
- xxv. April 13, 2006
- xxvi. April 28, 2006
- xxvii. May 12, 2006
- xxviii. June 2, 2006

5. Electronic Copy (in MS Word or Adobe PDF) of the March 23, 2005 KSA Annual General Meeting including an electronic copy of the membership sign-in list;
6. Electronic Copy (in MS Word or Adobe PDF) of the September 29, 2005 KSA Special General Meeting including an electronic copy of the membership sign-in list;
7. Electronic Copy (in MS Word or Adobe PDF) of any other relevant document(s) that support any and all of the above inquiries.

Unfortunately, I am currently on vacation and will not be returning this month and I also have limited access to my e-mail.

I do believe that my request for having this information delivered to me falls within the scope of what could be defined as "reasonable notice" under Section (37) of the Society Act. I do not believe that this request should require any further elaboration or explanation, however, if you do have any further questions, please feel free to respond back to me via e-mail.

But should I be unable to respond to any questions that you may have, I would ask that you do your best to provide the above information and supporting documents to me by no later than 7:00 pm on Friday, July 14, 2006 as specified.

Thanks,

Lisa Coan

Lisa Coan, Student Board of Governors Representative  
Kwantlen University College

lisacomnet5@yahoo.com

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