



No. C972032  
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

CANADIAN FEDERATION OF STUDENTS,  
CANADIAN FEDERATION OF STUDENTS BRITISH COLUMBIA COMPONENT  
and CANADIAN FEDERATION OF STUDENTS-SERVICES

PLAINTIFFS

AND:

CARIBOO COLLEGE STUDENT SOCIETY

DEFENDANT

**AFFIDAVIT**

I, PHILIP LINK, Student Association Representative, of 2344 Spruce Street, Vancouver, British Columbia, V6H 2P2, MAKE OATH AND SAY:

1. I am an Executive Officer of the Plaintiffs, and as such the Senior Representative of the Plaintiffs. I have held this position since June 10, 1990. As such, I have knowledge of the matters to which I hereinafter depose except where states to be on information and belief.
2. On or about May 6, 1997, the Plaintiffs delivered a Demand for Discovery of Documents, a true copy of which is attached hereto and marked as Exhibit "A".
3. On or about September 30, 1997, the Defendant delivered its List of Documents. On or about October 24, 1997, the Defendant delivered a Supplementary List of Documents. Copies of the List of Documents and Supplementary Documents are attached hereto and marked as Exhibits "B" and "C".


4. J. Geoffrey Howard, solicitor for the Plaintiffs, wrote to the solicitor for the Defendant on October 15, 1997, requesting disclosure of the additional categories of documents which are the subject of this application. A true copy of his letter is attached hereto and marked Exhibit "D".
5. I am advised by J. Geoffrey Howard, solicitor for the Plaintiffs, and verily believe as follows:
  - a. he has reviewed all the documents referred to in the Defendant's List and Supplemental List of Documents;
  - b. there are no documents in the categories described in Mr. Howard's letter dated October 15, 1997 listed in those Lists;
  - c. solicitor for the Defendant has not provided any response to the requests set out in Mr. Howard's October 15, 1997, letter nor otherwise explained the Defendant's failure to list or produce such documents.
6. I verily believe that the documents of which disclosure is sought in this application are highly relevant to this litigation for the following reasons:
  - a. as appears from the pleadings herein, the primary issue is the amount of the Defendant's liability to the Plaintiffs for membership fees. Because students attended the Cariboo College in a variety of different programs, they were charged a range of student fees. The Defendant agreed with the Plaintiffs to pay membership fees in the Plaintiffs in proportion to the total amount of student fees collected on behalf of the Defendant. A fee agreement dated October 26, 1987, a true copy of which is attached hereto and marked as Exhibit "E", confirmed this arrangement in Section 1(b). As a result, the

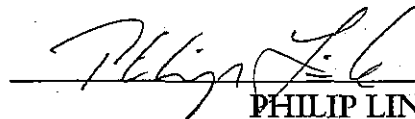
amounts remitted to the Defendant by Cariboo College are highly relevant to its liability to the Plaintiffs;

- b. in the Defendant's financial statements for the year in which the Defendant terminated its membership of the Plaintiffs, the auditors are noted to have established a \$50,000 reserve on account of liability to the Plaintiffs. A true copy of those financial statements is attached hereto and marked as Exhibit "F". I therefore verily believe it would be highly relevant to know how the auditors established this reserve;
- c. in a report prepared by the Defendant's auditors after this litigation was commenced to assess the Defendant's liability, the auditors adopted a different approach to calculating the Defendant's liability to the Plaintiffs. A true copy of this report is annexed as Exhibit "G" hereto. However, when the auditors applied this approach, they concluded that the Defendant had made "overpayments" of fees to the Plaintiffs in previous years. In my opinion, these payments are likely consistent with the Defendant using the proportional method of calculating its liability to the Plaintiffs in accordance with the Fee Agreement. In any event, documents recording how the Defendant calculated and remitted in previous years is very

relevant to the Defendant's understanding and agreement with respect to the calculation and payment of membership fees.

SWORN BEFORE ME at the City of  
Vancouver, in the Province of  
British Columbia, this 28<sup>th</sup> day  
of October, 1997.

  
A Commissioner for taking Affidavits  
within British Columbia.

  
PHILIP LINK

**J. GEOFFREY HOWARD**  
BARRISTER & SOLICITOR  
SUITE 2414, 1055 DUNSMUIR ST.  
P.O. BOX 49122, VANCOUVER, B.C. V7X 1J1  
TELEPHONE (604) 683-6498

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

CANADIAN FEDERATION OF STUDENTS,  
CANADIAN FEDERATION OF STUDENTS BRITISH COLUMBIA COMPONENT  
and CANADIAN FEDERATION OF STUDENTS-SERVICES

PLAINTIFFS

AND:

CARIBOO COLLEGE STUDENT SOCIETY

DEFENDANT

DEMAND FOR DISCOVERY OF DOCUMENTS

TO: The Defendant

AND TO: Its Solicitors, Fulton & Company, Attention: Dennis K. Hori

TAKE NOTICE that the Plaintiffs demand that you make discovery of all documents which are or have been in your possession or control relating to any matter in question in this action within twenty-one (21) days from the delivery of this demand.

DATED at Vancouver, British Columbia, this 6th day of May, 1997.

This is Exhibit "A" referred to in the  
Affidavit of Philip Link  
made before me at Vancouver  
in the Province of British Columbia  
this 28 day of October 1997  
J. G. Howard  
A Commissioner for the Province of British Columbia

J. G. Howard  
Solicitor for the Plaintiffs

THIS DEMAND FOR DISCOVERY OF DOCUMENTS is delivered by J. GEOFFREY HOWARD of the firm of GOWLING, STRATHY & HENDERSON, Barristers and Solicitors, whose place of business and address for delivery is Suite 2414 - 1055 Dunsmuir Street, P. O. Box 49122, Bentall IV, Vancouver, British Columbia, V7Z 1J1 (Telephone: 683-6498) (Facsimile: 683-3558)

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

**CANADIAN FEDERATION OF STUDENTS,  
CANADIAN FEDERATION OF STUDENTS BRITISH COLUMBIA COMPONENT  
and CANADIAN FEDERATION OF STUDENTS-SERVICES**

PLAINTIFFS

AND:

This is Exhibit "B" referred to in the  
Affidavit of Philip Link **CARIBOO COLLEGE STUDENT SOCIETY**  
sworn before me at Vancouver  
in the Province of British Columbia  
this 28<sup>th</sup> day of October 19 97

DEFENDANT

**LIST OF DOCUMENTS OF THE DEFENDANT**

**PART I. DOCUMENTS TO WHICH THERE IS NO OBJECTION TO  
PRODUCTION:**

1. Oct 26/87 Cariboo College Student Society Fee Agreement with Canadian Federation of Students
2. Nov 25/91 Letter from Canadian Federation of Students to Cariboo Student Society
3. July/90 Cariboo College Audited Enrolment Reporting Manual
4. 1990-1996 Total Credit Program Enrolment and Academic Course Summary Reports
5. 1991-1996 Cariboo College Ministry of Advanced Education, Training and Technology Actual Program FTE Enrolment Report
6. 1990-1996 Cariboo Student Society Financial Statements

7. June 11/96 Letter from Malaspina Students' Union to Cariboo Student Society
8. Oct 8/92 Cariboo Student Society - Meeting #14
9. Oct 27/92 Cariboo Student Society - Annual General Meeting Minutes
10. 1992 Canadian Federation of Students-Services Constitution and By-Laws - as amended at the May, 1992 General Meeting - reprinted November, 1992
11. 1992 Canadian Federation of Students Constitution, Bylaws and Standing Resolutions - as amended at the May 1992 Meeting - reprinted October, 1992
12. 1993 Canadian Federation of Students - BC Component Constitution and Bylaws - Last Amended - August 22, 1993
13. 1994 Canadian Federation of Students BC Component Constitution and Bylaws - Last Amended - February 27, 1994
14. Undated Canadian Federation of Students - BC Component - Constitution and Bylaws
15. Nov 18/93 Cariboo Student Society By-Laws
16. May 31/93 Letter from Canadian Federation of Students to Cariboo Student Society
17. July 23/93 Letter to Canadian Federation of Students-National from Cariboo Student Society
18. Undated Cariboo Student Society CFS Decertification Referendum Rules
19. Jan 13/94 Urgent Notice to the Executive of the Canadian Federation of Students from Cariboo Electoral Committee Chairman
20. Jan 14/94 Rules of CFS De-Certification Referendum
21. Jan 17/94 Memorandum from the Cariboo Electoral Committee
22. Jan 19/94 Memorandum from the Cariboo Electoral Committee Regarding CFS De-Certification Referendum Interim Report
23. Jan 19/94 Memorandum from the Cariboo Student Society to CFS-Representatives

24. Jan 10/94 Provincial Executive Report
25. Mar 24/95 Letter from Cariboo Student Society to Canadian Federation of Students
26. Apr 24/97 B.C. Online Corporate Search re: Canadian Federation of Students
27. Apr 24/97 B.C. Online Corporate Search re: Canadian Federation of Students - Services
28. Apr 24/97 B.C. Online Corporate Search re: Canadian Federation of Students - British Columbia Component
29. Aug 14/97 Letter from KPMG Chartered Accountants to Fulton & Company
30. Cariboo College Student Society cancelled cheques, cheque stubs and bank statements relating to payments to the Canadian Federation of Students for the year 1990
31. Cariboo College Student Society cancelled cheques, cheque stubs and bank statements relating to payments to the Canadian Federation of Students for the year 1991
32. Cariboo College Student Society cancelled cheques and cheque stubs relating to payments to the Canadian Federation of Students for the year 1992
33. Cariboo Student Society cancelled cheques and cheque stubs relating to payments to the Canadian Federation of Students for the year 1993
34. Cariboo Student Society cancelled cheques relating to payments to the Canadian Federation of Students for the year 1994
35. Cariboo Student Society cancelled cheques and cheque stubs relating to payments to the Canadian Federation of Students for the year 1995

PART II. DOCUMENTS WHICH HAVE BEEN BUT ARE NOT NOW IN POSSESSION OR CONTROL:

Nil




PART III. DOCUMENTS FOR WHICH PRIVILEGE FROM PRODUCTION IS CLAIMED:

1.
  - (a) Communications between the Defendant, or its agents and the said Defendant's professional or legal advisors; or
  - (b) Communications between the Defendant's professional or legal advisors and third parties made for the purpose of pending or contemplated litigation; or
  - (c) Communications between the Defendant or its agents and third parties made for the purpose of obtaining information to be submitted to the Defendant's professional or legal advisors for the purpose of obtaining advice upon pending or contemplated litigation;
  - (d) Notes and documents, correspondence, minutes of evidence, memoranda being the work product of the Defendant's professional or legal advisors;
  - (e) Correspondence relating to settlement or compromise of the within action.
2. Solicitor's files.

TAKE NOTICE that the documents listed in Part I may be inspected during normal business hours at the law firm of Fulton & Company, 248 Second Avenue, Kamloops, British Columbia.

DATED at the City of Kamloops, Province of British Columbia, this 30th day of September, 1997.

  
Dennis K. Hori, Esq.,  
Solicitor for the Defendant

TO: The Plaintiffs

AND TO: J. Geoffrey Howard, Solicitor for the Plaintiffs

THIS NOTICE is given by Dennis K. Hori, Esq. of the firm of FULTON & COMPANY, Solicitors for the Defendant herein, whose place of business and address for delivery is 248 Second Avenue, Kamloops, British Columbia, V2C 2C9.

FORM 93 (RULE 26 {1} and {7})

No. C972032  
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

CANADIAN FEDERATION OF STUDENTS,  
CANADIAN FEDERATION OF STUDENTS BRITISH COLUMBIA COMPONENT  
and CANADIAN FEDERATION OF STUDENTS-SERVICES

PLAINTIFFS

This is Exhibit AND referred to in the

Affidavit of Philip Linksworn before me at Vancouver

in the Province of British Columbia

this 28 day of October 1997

CARIBOO COLLEGE STUDENT SOCIETY

DEFENDANT

Geff Horvath  
A Commissioner for taking AffidavitsSUPPLEMENTAL LIST OF DOCUMENTS OF THE DEFENDANTPART I. DOCUMENTS TO WHICH THERE IS NO OBJECTION TO  
PRODUCTION:

1. 1990-91 Excerpt from Cariboo College Calendar
2. 1991-92 Excerpt from Cariboo College Calendar
3. 1992-93 Excerpt from Cariboo College Calendar
4. 1993-94 Excerpt from Cariboo College Calendar
5. 1994-95 Excerpt from Cariboo College Calendar
6. 1995-06 Excerpt from Cariboo College Calendar
7. 1996-97 Excerpt from Cariboo College Calendar

PART II. DOCUMENTS WHICH HAVE BEEN BUT ARE NOT NOW IN POSSESSION  
OR CONTROL:

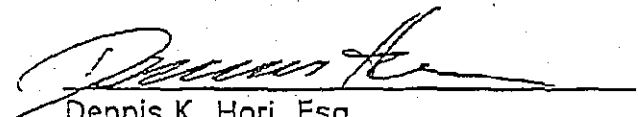
Nil

PART III. DOCUMENTS FOR WHICH PRIVILEGE FROM PRODUCTION IS CLAIMED:

1.
  - (a) Communications between the Defendant, or its agents and the said Defendant's professional or legal advisors; or
  - (b) Communications between the Defendant's professional or legal advisors and third parties made for the purpose of pending or contemplated litigation; or
  - (c) Communications between the Defendant or its agents and third parties made for the purpose of obtaining information to be submitted to the Defendant's professional or legal advisors for the purpose of obtaining advice upon pending or contemplated litigation;
  - (d) Notes and documents, correspondence, minutes of evidence, memoranda being the work product of the Defendant's professional or legal advisors;
  - (e) Correspondence relating to settlement or compromise of the within action.
2. Solicitor's files.

TAKE NOTICE that the documents listed in Part I may be inspected during normal business hours at the law firm of Fulton & Company, 248 Second Avenue, Kamloops, British Columbia.

DATED at the City of Kamloops, Province of British Columbia, this 22nd day of October, 1997.

  
Dennis K. Hori, Esq.,  
Solicitor for the Defendant

TO: The Plaintiffs

AND TO: J. Geoffrey Howard, Solicitor for the Plaintiffs

THIS NOTICE is given by Dennis K. Hori, Esq. of the firm of FULTON & COMPANY, Solicitors for the Defendant herein, whose place of business and address for delivery is 248 Second Avenue, Kamloops, British Columbia, V2C 2C9.

**GOWLINGS**

2414 - 1055 Dunsmuir St.  
P.O. Box 49122  
Vancouver, B.C.  
Canada, V7X 1J1  
Telephone (604) 683-6498  
Facsimile (604) 683-3558

J. Geoffrey Howard  
Direct (604) 443-7605  
Secretary (604) 683-6498  
howardj@gowlings.com  
File 02-947390

October 15, 1997

Fulton & Company  
Barristers & Solicitors  
248 - 2nd Avenue  
Kamloops, B.C. V2C 2C9

Attention: Dennis K. Hori

This is Exhibit "D" referred to in the  
affidavit of Philip Link  
sworn before me at Vancouver  
in the Province of British Columbia  
this 28 day of October 1997  
J. Geoffrey Howard  
A Commissioner for taking Affidavits  
for British Columbia

Dear Mr. Hori:

Re: Canadian Federation of Students, et al v. Cariboo College Student Society

Thank you for your List of Documents and copies received some time ago. There is no need to provide me with copies of the documents not included in your package.

I notice that some very significant documents are absent from your client's List of Documents. In particular, the following categories of documents do not appear:

1. memos, correspondence, invoices or cover sheets explaining what fees were paid to the Cariboo Student Society ("CSS") by Cariboo College in the applicable fiscal years, including the basis upon which payments were calculated;
2. notes, memoranda or correspondence from or to your auditors or created by the CSS's auditors regarding the reserve of \$50,000 established at the time CSS left the CFS;
3. documents, calculations or notes regarding how CSS calculated the amounts in submitted in the form of cheques of CFS during the relevant time frame.

It would seem to me that all these categories of documents must have existed. In the event your client does not have copies of them, I would ask that you request these documents from either the college or the auditors. In my view, any documents held by these two entities are within the power and control of your client since both would naturally respond to a request by your client. If you are not prepared to make these enquiries and add these

documents to your List prior to discoveries, I will bring the necessary applications. I hope this will not be necessary.

I should add that in view of the terms of the Fee Agreement, the data referred to above, and in particular the first category of data, is extremely relevant and far more relevant than the calculations prepared by the Student Society's auditors in August of 1997.

I look forward to hearing from you about these documents as soon as possible, but in any event, no later than October 20, 1997.

Yours very truly,  
Gowling, Strathy & Henderson



J. Geoffrey Howard

JGH/sa

Enclosure

(5)

CARIBOO COLLEGE STUDENT SOCIETY FEE AGREEMENT WITH CANADIAN FEDERATION OF STUDENTS

THIS AGREEMENT, made and entered into at Kamloops, British Columbia, Canada, on the 26th day of October, 1987, by and between the CANADIAN FEDERATION OF STUDENTS, CANADIAN FEDERATION OF STUDENTS - PACIFIC REGION, CANADIAN FEDERATION OF STUDENTS - SERVICES, Canadian companies without share capital, hereby referred to as the "FEDERATIONS", and the CARIBOO COLLEGE STUDENT SOCIETY hereinafter referred to as the "MEMBER LOCAL ASSOCIATION".

WHEREAS the FEDERATIONS are a national student organization which provide a framework for advancing student interests; and

WHEREAS the MEMBER LOCAL ASSOCIATION became a duly admitted voting member of the FEDERATIONS on the 19th day of January, 1982 and thereby agreed to collect and remit FEDERATION membership fees of the full and part time students it represents at Cariboo College; and

WHEREAS the MEMBER LOCAL ASSOCIATION and the FEDERATIONS wish to set out the method by which fees will be collected and paid to the FEDERATIONS pursuant to the constitutions of the FEDERATIONS;

NOW THEREFORE the parties hereto covenant and agree as follows:

1. The MEMBER LOCAL ASSOCIATION agrees to remit to the FEDERATIONS all FEDERATION membership fees collected on its behalf from students represented by the MEMBER LOCAL ASSOCIATION as follows:
  - a) Full-time students per semester.....\$3.75
  - b) Part-time and continuous intake students per semester.....pro-rated as per the policy of the the MEMBER LOCAL ASSOCIATION in the collection of its own fee.
2. All membership fees of the FEDERATIONS collected shall be held in trust by the MEMBER LOCAL ASSOCIATION for the FEDERATIONS until paid over.
3. The MEMBER LOCAL ASSOCIATION shall pay the membership fees of the FEDERATIONS for each membership year within thirty (30) days from the date on which the MEMBER LOCAL ASSOCIATION receives the membership fees of the FEDERATIONS.
4. Membership fees of the FEDERATIONS not paid in accordance with the above, shall bear interest at a rate of 10% per annum.
5. The parties agree that if the membership fees of the FEDERATIONS or the default interest rate is amended by the FEDERATIONS in accordance with their bylaws, then the amount per student to be collected and paid under this Agreement shall be amended to reflect such charge and fees, as shall the interest rate on outstanding accounts, providing the institution of Cariboo College agrees to collect and remit the amount as amended.
6. In all other matters the MEMBER LOCAL ASSOCIATION agrees to be bound by the by-laws of the FEDERATIONS as duly amended from time to time.

This is Exhibit "E" referred to in the  
affidavit of Philip Link  
sworn before me at Vancouver  
in the Province of British Columbia  
this 28 day of October 1997  
Geff Hard  
A Commissioner for taking Affidavits  
for British Columbia

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CARIBOO COLLEGE STUDENT SOCIETY FEE AGREEMENT WITH CANADIAN FEDERATION OF STUDENTS

- 2 -

7. This Agreement is in force so long as the MEMBER LOCAL ASSOCIATION is a member of the FEDERATIONS.

IN WITNESS WHEREOF the FEDERATIONS have executed this Agreement in its name and on its behalf by its officers and the MEMBER LOCAL ASSOCIATION has affixed its hand and seal all on the day and year first above written.

CANADIAN FEDERATION OF STUDENTS -  
PACIFIC REGION

Witness: Pam Frache

Name Pam Frache

Address 452 E4678  
EIK Lake Drive  
Victoria, B.C.  
V8Z 5M1

Per: Rosanne Moun

CANADIAN FEDERATION OF STUDENTS

Witness: Pam Frache

Name Pam Frache

Address 452 E4678  
EIK Lake Drive  
Victoria, B.C.  
V8Z 5M1

Per: Tony Macerolls

CANADIAN FEDERATION OF STUDENTS -  
SERVICES

Witness: Pam Frache

Name Pam Frache

Address \_\_\_\_\_

Per: Tony Macerolls

CARIBOO COLLEGE STUDENT SOCIETY

Witness:

Name Lithain Browne

Address 126-64.3 McBeth  
Place Kamloops  
B.C.

Per: Lisa Sham  
Per: [Signature]

(SEAL)

# CARIBOO STUDENT SOCIETY

Notes to Financial Statements, page 2

Year ended July 31, 1995

affidavit of Philip Link  
sworn before me at Vancouver  
in the Province of British Columbia  
this 28 day of October 19 97  
[Signature]  
A Commissioner for taking Affidavits  
for British Columbia

### 3. Capital lease obligations:

The following is a schedule of future minimum lease payments under the capital leases expiring through 1999:

	1995	1994
Period ending July 31:		
1995	\$ -	\$ 6,629
1996	4,620	4,620
1997	4,620	4,620
1998	4,620	4,620
1999	770	770
Total minimum lease payments	14,630	21,259
Less amount representing maintenance fees	(3,230)	(3,230)
Less amount representing interest (at rates ranging from 20% to 21.735%)	(2,984)	(6,026)
Present value of net minimum capital lease payments	8,416	12,003
Less current portion	(2,117)	(3,587)
Balance of the obligation	\$ 6,299	\$ 8,416

Furniture and equipment include \$ 22,527 (1994 - \$ 22,527) cost of assets under capital lease and \$ 13,222 (1994 - \$ 13,222) related accumulated amortization.

### 4. Commitment:

The Society is committed to the payment of an estimated \$ 9,000 to Priority Printing Ltd. for printing costs associated with the Student Handbook which was completed and delivered August 31, 1995.

### 5. Contingency:

On October 20, 1994, the students of UCC held a referendum and voted in favour of discontinuing the relationship between the Cariboo Student Society (CSS) and the Canadian Federation of Students (CFS). The CFS constitution only allows membership withdrawal by the CSS effective June 30, 1995, however, subsequent to the results of the CSS referendum, the CFS stopped providing membership services to the CSS. As a result CSS considered the relationship to be terminated effective October 20, 1994 and has stopped payment of membership fees to CFS as of that date. In the event that CFS pursues payment of these fees in the future, CSS has established a cash reserve of \$ 50,000. To date, no correspondence has been received from the Canadian Federation of Students challenging the Cariboo Student Society's withdrawal or requesting fee payment.



# CARIBOO STUDENT SOCIETY

Notes to Financial Statements, page 3

Year ended July 31, 1995

## 6. Student fee revenue:

During the year, the collection of an additional levy of \$ 10.00 per semester per full time student was approved to establish a restricted fund for an independent Student Society building. The resulting restricted cash balance for 1995 was \$ 113,020.

In April 1995, it was ratified that the only other use for the funds be in support of the Cariboo Students Society bid for takeover of the operation of the Campus Activity Centre.

The breakdown of student revenue is as follows:

	1995	1994
Annual student fees	\$ 253,718	\$ 251,408
Building levy	113,020	—
	\$ 366,738	\$ 251,408

## 7. Related party transactions:

The society receives rent free office space from the University College of the Cariboo.



KPMG  
Chartered Accountants

200 - 206 Seymour Street  
Kamloops, British Columbia  
Canada V2C 6P5

Telephone (250) 372-5581  
Telefax (250) 828-2928  
<http://www.kpmg.ca>

August 14, 1997

This is Exhibit 9  
affidavit of Philip Link

Reference No.: 14490

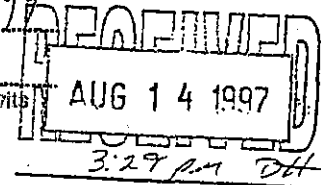
Fulton & Company  
248 Second Ave.,  
Kamloops, BC V2C 2C9

sworn before me at Vancouver  
in the Province of British Columbia

this 28 day of October 1997

Attention: Dennis Hori

\* Commissioner for taking Affidavits  
for British Columbia



Dear Sirs,

**RE: Cariboo Student Society fees payable**

We are writing to discuss our findings in connection with the potential litigation matter between our client and the Canadian Federation of Students (the "CFS"). Our understanding of this matter is that the Canadian Federation of Students, Canadian Federation of Students British Columbia and Canadian Federation of Students - Services wish to commence an action against the Cariboo Student Society (the "CSS"), for the payment of debt in the aggregate amount of \$86,421.68 for the years 1991 - 1995. We understand that the amount in question arose due to the underpayment of annual fees collected by our client over the period in question.

We have been asked to analyze the potential liability by utilizing the University College of the Cariboo, formerly Cariboo College, (the "University") enrollment reports coupled with CFS rates to determine an estimate of what should have been paid over the period. In addition, we have received information from the CSS as to the funds paid to the CFS over the term.

We have not audited, nor do we render an opinion on the validity or accuracy of the information supplied by CSS. Our review is for the sole purpose of identifying and providing preliminary figures for the total student fees that should have been payable to the CFS based on enrollment figures, and the fees that were actually paid by the CSS for the years 1991 - 1995. Our review neither consisted of a comprehensive examination of all recorded transactions nor consisted of a comprehensive investigation of all transactions that may not have been recorded. In particular, our comments are based on information that has been made available to us. We have not undertaken a comprehensive analysis, reconstruction, verification and/or reconciliation of such information. We also have not undertaken procedures to identify all information that appears to be available, nor information that may not be available but could otherwise be expected to have existed at the time under review.

We have based our analyzes on the following:

- various documents supplied by the CSS including canceled cheques, copies of correspondence with the CFS and other sundry documents.



Member Firm of  
KPMG International

100 YEARS  
in British Columbia



Fulton & Company

August 14, 1997

Page 2

- the University's enrollment numbers as per the Ministry of Skills, Training and Labour (formerly Ministry of Advanced Education, Training and Technology), actual program FTE enrollment reports for the fiscal year ending 1991 to 1995. The enrollment numbers have been adjusted to exclude the adult basic education program, Williams Lake and the Merritt Campuses enrollment.
- Student fees levied on behalf of the CFS were as follows:

1990/1991	\$3.75	per member per semester
1991/1992	\$3.75	per member per semester
1992/1993		
Sept. 92 - Dec. 92	\$3.75	per member per semester
Jan. 93 - April 93	\$5.00	per member per semester
1993/1994	\$6.00	per member per semester
1994/1995	\$6.00	per member per semester

Based on the above information and representations, we have estimated the amounts owing to the CFS as follows:

Year	Total Fees Collectable by CSS	Total Fees Submitted to the CFS	Discrepancy
1991	\$20,633	\$27,737	\$(7,104)
1992	\$22,450	\$27,332	\$(4,882)
1993	\$32,573	\$34,722	\$(2,149)
1994	\$49,342	\$48,763	\$579
1995	<u>\$48,364</u>	<u>-</u>	<u>\$48,364</u>
	\$173,362	\$138,554	\$34,808 payable

If you have any questions, please do not hesitate to contact our office.

Yours very truly,

KPMG

R.D. Holden, C.A.

RDH/cd