Dear UBC Alumni,

It is our great pleasure to present you with the UBC Alumni Association’s annual report for the fiscal year 2012-13, ending March 31.

The past year has been all about revitalization. From a re-examination of our identity to the roll-out of a new strategic plan, the organization has positioned itself to surpass the university’s campaign goal of doubling alumni engagement with UBC by 2015.

In 2012-13, more than 45,000 alumni were involved with the university in some capacity – from simply updating an address in order to receive news and event invitations, to mentoring a student, to serving on a dean’s committee, to participating in one of our myriad programs tailored for alumni. This is an increase of 30 per cent over last year.

Behind the scenes of this success is an engaged and productive volunteer board, which started the year by turning a critical eye on itself to ensure delivery of the best possible strategic direction. The resulting restructure is a smaller and more efficient board supported by a larger and broadly representative alumni advisory council.

The new strategic plan developed last year is now in execution; a new brand is enlivening our communications and growing awareness of the organization and its many offerings; and, as the new student union building nears completion, we eagerly anticipate breaking ground in preparation for a new alumni centre right next door.

It’s been a great year for alumni engagement and all the elements are in place for a record-breaking 2013-14. For more information about staying involved with UBC, please go to alumni.ubc.ca.

Judy Rogers, B8E’71  
Chair, UBC Alumni Association

Jeff Todd  
Executive Director, Alumni Association & Associate Vice President, Alumni
A new strategic plan went into operation, based on a bolder more energizing vision that reflects an understanding of alumni as an integral part of their university rather than external stakeholders. Deepening the culture of alumni engagement at UBC is essential to the aspirations of a globally influential UBC driving world solutions. Alumni UBC and the university have entered a new era of alumni engagement characterized by shared ambition, active partnership, and mutual benefit.

**ALUMNI ARE INTEGRAL & ENGAGED**

As core constituents, alumni are well informed and have an influential voice & stake in their university.

**ALUMNI ADVANCE UBC’S VISION**

UBC’s aspiration to be globally influential and foster positive change is realized in large part by alumni through their engagement in the world.

**THE ALUMNI EXPERIENCE IS MUTUALLY BENEFICIAL**

Alumni benefit from the intellectual, cultural and social resources of their University; UBC benefits from alumni skills and capacity.

**alumni UBC MODELS BEST PRACTICE AND GROWS ITS CAPACITY TO SERVE**

alumni UBC is vision focused, growing in capacity to serve and engage, and demonstrates outcomes consistent with a high performing organization.
YOUR NEW brand

A new brand was developed that gives life to our vision and mission and, quite literally, puts alumni first. alumni UBC is the new identity for a member-driven organization consisting of more than 285,000 grads located in Canada and around the world. The brand is raising the profile of alumni UBC and growing awareness of alumni programming.

The tagline for the association’s new logo is “It’s Yours.” This translation of the university’s Latin motto, Tuum Est, couldn’t be more apt, because alumni don’t belong to the association – the association belongs to them.
Building an alumni centre is a key objective of alumni UBC, and plans have been drawn up for an exciting new facility right at the heart of campus. The project was initiated by committed alumni volunteers, and support from alumni across Canada and around the world is essential to its realization.

The centre will be the first of its kind in Canada and a physical representation of the partnership between UBC and its alumni. Beyond symbolism, it will be a key resource for alumni as they do business, expand their careers, satisfy their intellectual, cultural and social appetites, and engage with other alumni and members of the campus community. In doing so, they will become an integral part of what drives the university to greater achievements and meaningful contributions to the local and wider community.

• a welcome centre for alumni, staff, faculty and visitors
• a candidate to receive LEED certification (Leadership in Energy and Environmental Design)
• four storeys, 42,000 square feet
• eight meeting rooms and two classroom
• a grand celebration space with seating for 300 people
THE MANY FACES OF alumni engagement

USING ART TO BUILD COMMUNITY

UBC’s Learning Exchange was created more than 10 years ago to make connections between the university and Vancouver’s Downtown Eastside. Kim Villagante, BA’10, volunteered with the exchange on a mural project involving a group of residents who wanted to improve their surroundings and sense of community.

The project had two distinct goals – to tackle the issue of social isolation identified among tenants living at the Oasis building on East Hastings Street and to address the graffiti in an alley behind the building, a scene of frequent drug use. Kim led tenants, students, and other volunteers in designing and creating three murals for the alley.

“I was humbled to have been a part of this project,” says Kim. “I came into it thinking I’d just be contributing my art skills, but I’m walking away with the love and stories shared with me by the tenants at the Oasis. I have a renewed respect for the real community that is so evident here in the Downtown Eastside.”

Oasis housing staff reported an enhanced social atmosphere, triggered in large part by the creative process itself. “Art is a huge community builder,” Kim says. “I wish there were more opportunities for visual art students to share their skills and educate themselves about community issues.”

SHARING THE PATH TO SUCCESS

Tom Pallan was the first person of Indo-Canadian heritage to graduate from the forestry program at UBC. Today, in his 80s, he is one of the first alumni volunteers to get involved in the university’s new Broad Based Admissions (BBA) process, which assesses prospective UBC students not only on high school grades, but also on life experiences and aspirations. Tom is reading and ranking the application forms.

“Part of the reason forestry students are required to submit an essay with their application is because UBC wants to attract well-rounded people who will be helpful to society,” says Tom, who is the partially retired CEO of the Pallan Group. “You can tell a lot about an applicant by the way they express themselves, their interests, and commitments. For example, if they embark on something - do they stay with it? People from all over the world apply to UBC. Sometimes the writers are not proficient in English. You have to look past the words and try to understand what the writer is saying. You have to be so careful not to hurt someone’s chances.”

PARTNERING WITH UBC

Maureen Jack-LaCroix, BA’74, is the founder of Be The Change Earth Alliance, a non-profit charitable organization that encourages people to make sustainable and just lifestyle choices through programming in schools, communities and the workplace.

The organization has partnered with the UBC Community Learning Initiative to provide valuable learning experiences for third year sociology students studying natural resource issues. The UBC students mentored high school students, holding weekly action circles to discuss environmental concerns and the steps they could take to raise awareness. As well as encouraging the adoption of good habits, the university students gained insight into how change takes place in a real-world setting and what some of the obstacles are.

In addition to partnering with the sociology students, Jack-LaCroix hosts two arts interns each year and has worked with commerce students on developing a social media campaign to target the use of disposable cups. More recently she hosted a student from the Faculty of Education for an enhanced practicum and worked with three MBA students to develop the marketing plan for their sustainability education program, now in more than 25 BC high schools. “Be The Change has really benefitted from the energy, enthusiasm, optimism and intelligence of bright young people,” she says.

Through these creative partnerships with UBC, Jack-LaCroix hopes the Be the Change program will encourage the next generation to voice their concerns. “Politicians respond to voters, corporations respond to consumers,” she says. “Although individual changes may seem insignificant, we can have a huge influence when we make conscious choices in alignment with our values.”

HELPING STUDENTS SUCCEED

They say hindsight is 20-20. It is this concept that fuels one of the Faculty of Arts’ most active volunteers. Since graduating, Oliver Zihlmann, BA’05, has provided guidance to more than 100 students. While that may seem like a daunting figure, Zihlmann thinks mentoring is quite simple. “What would you have wanted to know as a student that you know now?” he asks.

Whether chatting with students at an event, meeting them during lunch, or providing tips via e-mail, this international relations alumnus is keen to apply his volunteer philosophy. “It really boils down to people, relationships and sharing knowledge,” says Zihlmann. Discussion topics often include managing student debt, paying your dues in the workplace, and gaining experiences that could lead to a dream job.

“It’s not earth shattering, ground-breaking or mind-blowing advice,” says Zihlmann, who is now a development officer in the Faculty of Applied Science, “It’s just some basic things to think about.”

While students undoubtedly benefit from the exchange, Zihlmann believes that mentors also have a lot to gain. “Mentoring offers a refreshing perspective. It has inspired me to do the best in my job and to think of ways that I can continue to learn.”

The university of british columbia alumni association

ANNUAL REPORT 2012-13

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ALUMNI ENGAGEMENT GOALS BY FACULTY
(Data as of March 31, 2013)

ALUMNI ENGAGEMENT ACTIVITIES

REVENUES RAISED TO SUPPORT PROGRAMMING:

TOTAL REVENUE
( in thousands of dollars)

REVENUE BY SOURCE
( in thousands of dollars)
INDEPENDENT AUDITORS’ REPORT

To the Board of Directors of The Alumni Association of The University of British Columbia:
We have audited the accompanying financial statements of The Alumni Association of The University of British Columbia, which comprise the statements of financial position as at March 31, 2013, March 31, 2012 and April 1, 2011, the statements of operations, changes in net assets and cash flows for the years ended March 31, 2013 and March 31, 2012, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Alumni Association of The University of British Columbia as at March 31, 2013, March 31, 2012 and April 1, 2011, and its results of operations and its cash flows for the years ended March 31, 2013 and March 31, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

Report on Other Legal and Regulatory Requirements

As required by the Society Act (British Columbia), we report that, in our opinion, the accounting principles in the Canadian accounting standards for not-for-profit organizations have been applied on a consistent basis.

KPMG Chartered Accountants
June 26, 2013
Vancouver, Canada

STATEMENTS OF OPERATIONS

Years ended March 31, 2013 and 2012

Revenue:
- UBC contribution: 1,495,365
- Cecil Green Park (note 8): 260,020
- Alumni services and marketing (note 10): 19,402
- Trek advertising: 46,015
- Enrollment license income: 105,410
- Miscellaneous: 24,578
Total Revenue: 1,819,288

Expenses:
- Operating expenses (note 9):
  - Administration: 2,271,699
  - Alumni services and marketing: 328,905
  - Alumni achievement awards event: 85,608
  - Trek: 152,491
  - Communications: 582,479
Total Operating Expenses: 3,429,674

Net Income: -610,386

See accompanying notes to financial statements.

Approved on behalf of the Board:
Ian Warner  Judy Rogers
Director  Director
## Statements of Changes in Net Assets

**Years ended March 31, 2013 and 2012**

<table>
<thead>
<tr>
<th></th>
<th>Invested in Property and Equipment</th>
<th>Internally Restricted for Future Operating Programs</th>
<th>Internally Restricted for Future Use of Asset Purposes</th>
<th>Unrestricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>March 31, 2013</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance, beginning of year</td>
<td>126,733</td>
<td>76,500</td>
<td>36,037</td>
<td>524,230</td>
<td>763,500</td>
</tr>
<tr>
<td>Internally approved appropriations</td>
<td>190,000</td>
<td>5,200</td>
<td>(99,000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excess (deficiency) of revenues over expenses</td>
<td>(5,159)</td>
<td>809</td>
<td>99,466</td>
<td>95,116</td>
<td></td>
</tr>
<tr>
<td>Interfund transfer - purchase of property and equipment</td>
<td>18,120</td>
<td>(18,120)</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Balance, end of year</strong></td>
<td>139,694</td>
<td>266,500</td>
<td>23,726</td>
<td>428,696</td>
<td>858,616</td>
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<tr>
<td><strong>March 31, 2012</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance, beginning of year</td>
<td>65,724</td>
<td>76,500</td>
<td>36,280</td>
<td>486,948</td>
<td>665,452</td>
</tr>
<tr>
<td>Excess (deficiency) of revenues over expenses</td>
<td>(8,166)</td>
<td>-</td>
<td>1,595</td>
<td>104,619</td>
<td>98,048</td>
</tr>
<tr>
<td>Interfund transfer - purchase of property and equipment</td>
<td>69,175</td>
<td>-</td>
<td>(1,838)</td>
<td>(67,337)</td>
<td></td>
</tr>
<tr>
<td><strong>Balance, end of year</strong></td>
<td>126,733</td>
<td>76,500</td>
<td>36,037</td>
<td>524,230</td>
<td>763,500</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.

## Statements of Cash Flows

**Years ended March 31, 2013 and 2012**

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flows Provided by (Used in):</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operations:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excess of revenues over expenses</td>
<td>95,116</td>
<td>98,048</td>
</tr>
<tr>
<td>Depreciation, an item not involving cash</td>
<td>5,159</td>
<td>8,166</td>
</tr>
<tr>
<td>Changes in non-cash operating working capital items:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>(187,204)</td>
<td>153,608</td>
</tr>
<tr>
<td>Refundable rental deposits</td>
<td>24,158</td>
<td>6,383</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>5,064</td>
<td>31,62</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(151,574)</td>
<td>396,973</td>
</tr>
</tbody>
</table>

**Financing:**

Repayment of advance from University of British Columbia | (94,828) |

**Investments:**

Purchase of property and equipment | (362,338) | (69,175) |
| Short-term investments, net | (21,970) | (4,999) |
| Restricted cash | 357,826 | - |
| **Total** | (21,970) | (4,999) |

Increase (decrease) in cash and cash equivalents | (272,884) | 322,799 |

Cash and cash equivalents, beginning of year | 1,098,377 | 775,578 |

Cash and cash equivalents, end of year | 825,493 | 1,098,377 |

**Supplementary Information:**

Non-cash transactions:

Restricted cash received as capital contributions | 1,169,305 | 543,411 |

See accompanying notes to financial statements.

## Notes to Financial Statements

1. **Nature of operations:**
   The Alumni Association of The University of British Columbia (the Association) was incorporated in March 1946 with the primary objective of increasing the involvement of alumni in the activities of The University of British Columbia (the University). The direct revenue sources of the Association are not sufficient to cover its operating and capital expenditures and, as a result, the continued support of the University is required to finance the activities of the Association.

   Effective April 1, 2009, the Association entered into a new seven-year agreement with the University. This agreement defines the relationship between the Association and the University. The agreement commits the University to funding the operations of the Association based on approved annual budgets. The initial term of the agreement will expire on March 31, 2016; however, the agreement automatically renews for additional three-year terms until terminated at the option of either party by providing six months written notice of termination to the other. These financial statements have been presented on a going concern basis which assumes the continued support of the University.

   The Association is non-taxable under the Income Tax Act as a not-for-profit organization.

2. **Significant accounting policies:**
   On April 1, 2012, the Association adopted Canadian accounting standards for not-for-profit organizations (Accounting Standards for NPO’s). These are the first financial statements prepared in accordance with the Accounting Standards for NPO’s. In accordance with the transitional provisions in Accounting Standards for NPO’s, the Association has adopted these changes retrospectively, subject to certain exemptions allowed under these standards. The transition date is April 1, 2011 and all comparative information provided has been presented by applying Accounting Standards for NPO’s.

   There were no adjustments to net assets as at April 1, 2011 or excess of revenue over expenses for the year ended March 31, 2012.

   (a) **Cash and cash equivalents:**
   Cash and cash equivalents include cash on hand and short-term deposits which are highly liquid with original maturities of less than three months.

   (b) **Short-term investments:**
   Short-term investments are carried at fair value with gains and losses recorded in operations.
(d) Property and equipment:
Furniture and equipment is recorded at historical cost. Depreciation is recorded at 20% and 33⅓% per annum using the straight-line method. Construction in progress is recorded at cost.

(e) Net assets internally restricted for future fixed asset purchases:
Certain contributions received from donations, bequests and operations are set aside into a separate component of net assets. These contributions may be held in term deposits and the interest income, which has been restricted in operations, is retained in the fund to maintain its purchasing power. Appropriation of these funds requires the approval of the Association’s Board of Directors but is not subject to other restrictions.

(f) Net assets internally restricted for future fixed asset purchases:
These contributions have been set aside for equipment replacement purposes which are approved by the Board of Directors.

(g) Property and equipment:
This section presents the depreciation and amortization of property and equipment and the changes in net assets. The property and equipment is recorded at historical cost. Depreciation is recorded at 20% and 33⅓% per annum using the straight-line method. Furniture and equipment is recorded at historical cost. Depreciation is recorded at 20% and 33⅓% per annum using the straight-line method.

(h) Contributed services:
A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

(i) Use of estimates:
The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to revenue recognition and the determination of useful lives of property and equipment for calculating depreciation.

(j) Financial instruments:
The Association follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue in the current year. Contributions restricted for the purchase of capital assets are recognized as revenue in the year in which the related expenses are incurred. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on the same basis that the related capital assets are depreciated.

(k) Contributed services:
A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

(1) Use of estimates:
The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to revenue recognition and the determination of useful lives of property and equipment for calculating depreciation.

(l) Financial instruments:
Financial instruments are recorded at fair value on initial recognition. All financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Association has elected to carry short-term investments at fair value.

(m) Sales and transfers of property, plant, and equipment:
Sales and transfers of property, plant, and equipment are recorded at the sales price net of income taxes. Realization of the amounts included in the balance sheet is assured, and there are no matters that will affect the realization of the amounts.

(n) Revenue:
The Association receives payment in advance for rental of the Alumni Centre, which is dependent on approval by the University’s Board of Governors to fund the preliminary fundraising campaign for the construction of the Alumni Centre. The amortization of deferred capital contributions will begin when the Alumni Centre is completed and has started being depreciated, at which point it will be reported as revenue in the statement of operations.

9. Cecil Green Park:
The Association shares Cecil Green Park revenue in excess of the net of the Association’s direct cost related to the short-term leasing/booking of the premises and any other expenses incurred. The cost of sharing this revenue is included in the expense caption “Cecil Green Park” in the statement of operations.

10. Deferred capital contributions:
During the year ended March 31, 2011, the Association and the University approved an agreement in principle to construct a new Alumni Centre on land currently held by the University. In addition, the Association and the University have agreed to conduct a collaborative fundraising campaign to fund the construction. As part of the agreement, the University has agreed to advance up to a total of $1,500,000 to the Association (note 7).

Deferred capital contributions represent externally restricted contributions and other funding received under the fundraising campaign for the construction of the Alumni Centre. The amortization of deferred capital contributions will begin when the Alumni Centre is completed and has started being depreciated. At the point at which it will be recognized as revenue in the statement of operations.

The amounts included in accounts receivable are amounts that could be reasonably estimated and collection reasonably assured. Such funds require approval for release by the Alumni Centre Committee.

7. Advance from University of British Columbia:
As part of the Alumni Centre funding agreement entered into with the University during the year ended March 31, 2011 (note 6), the University has agreed to advance up to a total of $1,500,000 to the Association of which $600,000 was approved by the University’s Board of Governors to fund the preliminary fundraising campaign, and a further $900,000 to fund the detailed design of the Alumni Centre, which is dependent on approval by the University’s Board of Governors. The advances will bear interest at prime minus 1% with a minimum of 2.5% per annum and are repayable by the University from the proceeds of the fundraising campaign once the fundraising target of $18 million has been achieved.

As at March 31, 2013, nil (March 31, 2012 – $94,828; April 1, 2011 – $94,828) is the balance that has been drawn on this loan.
9. Functional allocation of expense:
The costs of providing programs and other activities have been presented on a program basis in the statement of operations. Accordingly, salaries and other costs have been allocated among the programs and supporting services benefited. The expenses of the Association on an account group basis are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and benefits</td>
<td>1,129,750</td>
<td>1,105,228</td>
</tr>
<tr>
<td>Trek</td>
<td>444,022</td>
<td>421,384</td>
</tr>
<tr>
<td>Purchased services</td>
<td>242,156</td>
<td>132,812</td>
</tr>
<tr>
<td>Cecil Green Park</td>
<td>148,244</td>
<td>128,594</td>
</tr>
<tr>
<td>Office expense</td>
<td>45,597</td>
<td>46,670</td>
</tr>
<tr>
<td>Meetings</td>
<td>44,804</td>
<td>28,056</td>
</tr>
<tr>
<td>Alumnae services</td>
<td>40,612</td>
<td>14,584</td>
</tr>
<tr>
<td>Association events</td>
<td>30,024</td>
<td>63,677</td>
</tr>
<tr>
<td>Staff development</td>
<td>18,637</td>
<td>28,556</td>
</tr>
<tr>
<td>Equipment expense</td>
<td>18,309</td>
<td>20,476</td>
</tr>
<tr>
<td>Memberships and subscriptions</td>
<td>7,338</td>
<td>2,940</td>
</tr>
<tr>
<td>Directors expense</td>
<td>5,048</td>
<td>10,193</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1,862</td>
<td>11,610</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,176,583</strong></td>
<td><strong>2,114,780</strong></td>
</tr>
</tbody>
</table>

10. Membership services and marketing revenue:
(a) During the year ended March 31, 2009, the Association entered into an agreement with Meloche Monnex Inc. (Meloche). Under the terms of the agreement, the Association provided to Meloche the exclusive rights to market its home and automobile insurance to members of the Association until September 1, 2018.
(b) During the year ended March 31, 2009, the Association entered into an agreement with the Manufacturer’s Life Insurance Company (Manulife). Under the terms of the agreement, the Association will provide Manulife the exclusive rights to market its life insurance to members of the Association until September 30, 2018.
(c) During the year ended March 31, 2011, the Association entered into an agreement with the MBNA Canada Bank (MBNA). Under the terms of the agreement, MBNA has the exclusive right to market its products to members of the Association until December 31, 2015.

11. Financial risks:
(a) Liquidity risk:
Liquidity risk is the risk that the Association will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Association manages its liquidity risk by monitoring its operating requirements. There has been no change to the risk exposures from 2012.

(b) Credit risk:
Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Association deals with creditworthy counterparties to mitigate the risk of financial loss from defaults. There has been no change to the risk exposure from 2012.
INDEPENDENT AUDITORS’ REPORT
To the Members of UBC Alumni Association
Educational Endowment Trust
We have audited the accompanying financial statements of UBC Alumni Association Educational Endowment Trust, which comprise the statement of financial position as at March 31, 2013, the statements of operations and trust equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility
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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditors’ Report
In our opinion, the financial statements present fairly, in all material respects, the financial position of UBC Alumni Association Educational Endowment Trust as at March 31, 2013 and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Comparative Information
Without modifying our opinion, we draw attention to note 2 of the financial statements which describes that UBC Alumni Association Educational Endowment Trust adopted Canadian accounting standards for not-for-profit organizations on April 1, 2012 with a transition date of April 1, 2011. These standards were applied retroactively by management to the comparative information in these financial statements, including the statements of financial position as at March 31, 2012 and April 1, 2011, and the statements of operations and trust equity and cash flows for the year ended March 31, 2012 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

Chartered Accountants
June 26, 2013
Vancouver, Canada

STATEMENT OF FINANCIAL POSITION
MARCH 31, 2013 MARCH 31, 2012 APRIL 1, 2011
(Unaudited) (Unaudited) (Unaudited)

ASSETS
Long-term investments 350,545 345,744 361,883

LIABILITIES AND TRUST EQUITY
Current liabilities: Accounts payable and accrued liabilities 5,000 2,600 2,500

Trust equity:
Endowment Fund 345,545 343,144 359,383

350,545 345,744 361,883

See accompanying notes to financial statements.

STATEMENT OF OPERATIONS AND TRUST EQUITY
Year ended March 31, 2013, with comparative information for 2012

REVENUE:
Investment income 12,145 11,872
Unrealized gain on change in fair value of investments 16,329 –

28,474 11,872

EXPENSES:
Accounting fees 5,487 3,040
Bursary 20,000 10,000
Investment management fees 586 580
Unrealized loss on change in fair value of investments – 14,491

26,073 28,131

Excess (deficiency) of revenue over expenditures 2,401 (16,239)

Endowment fund, beginning of year 343,144 359,383

Endowment fund, end of year 345,545 343,144

See accompanying notes to financial statements.
STATEMENT OF CASH FLOWS  
Year ended March 31, 2013, with comparative information for 2012

<table>
<thead>
<tr>
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<th>2013</th>
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<tbody>
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<td>(Unaudited)</td>
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<td>OPERATIONS:</td>
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<td>Excess (deficiency) of</td>
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<td>revenue over expenditures</td>
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<td>Unrealized (gain) loss on</td>
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<td>change in fair value of</td>
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<td>investments</td>
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<td>Changes in non-cash</td>
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<td>operating working capital</td>
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<td>Accounts payable and</td>
<td>(11,528)</td>
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<td>accrued liabilities</td>
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<td>INVESTMENTS:</td>
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<td>Long-term investments,</td>
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<td>Cash and cash equivalents</td>
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<td>end of year</td>
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</table>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS  
Year ended March 31, 2013

1. Operations:
UBC Alumni Association Educational Endowment Trust (the Trust) was created in February 1998 with the primary objective of providing financial aid to students enrolled at the University of British Columbia (the University) who need financial support to pursue their studies and to support and promote the advancement of education in British Columbia. The Trust is non-taxable under the Income Tax Act as a non-profit organization.

2. Significant accounting policies:
On April 1, 2012, the Trust adopted Canadian accounting standards for not-for-profit organizations (Accounting Standards for NPO’s). These are the first financial statements prepared in accordance with the Accounting Standards for NPO’s. In accordance with the transitional provisions in Accounting Standards for NPO’s, the Trust has adopted these changes retrospectively, subject to certain exemptions allowed under these standards. The transition date is April 1, 2011 and all comparative information provided has been presented by applying Accounting Standards for NPO’s.

There were no adjustments to trust equity as at April 1, 2011 or deficiency of revenue over expenses for the year ended March 31, 2012.

(a) Basis of presentation:
The financial statements have been prepared by management in accordance with Accounting Standards for NPO’s.

(b) Long-term investments:
Long-term investments are recorded at fair value, with unrealized gains/losses reflected in operations.

(c) Use of estimates:
The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

3. Financial risks:
It is management’s opinion that the Trust is not exposed to significant interest or credit risks arising from its financial instruments.

(e) Revenue recognition:
The Trust recognizes revenue at the time revenue is earned.

(f) Financial instruments:
Financial instruments are measured at fair value on origination or acquisition, adjusted by, in the case of financial instruments that will not be subsequently measured at fair value, financing fees and transaction costs, which are amortized using the straight-line method. All other transaction costs are recognized in operations in the year incurred. All financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Trust has elected to carry long-term investments at fair value.

Financial assets are assessed for impairment on an annual basis at year-end if there is an indicator of impairment. If there is an indicator of impairment, the Trust determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there has been a significant adverse change, the carrying value of the financial asset is reduced to the greater of the present value of the expected cash flows, the amount that could be realized from selling the financial asset, or the amount the Trust expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.
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VICE CHAIR
Dallas Leung, BCom’94

TREASURER
Ian Warner, BCom’89

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Ian Warner, BCom’89

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Blake Hanna, MBA’82
Ernest Yee, BA’83, MA’87

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Dallas Leung, BCom’94
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Faye Wightman, BSc’87

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VICE PRESIDENT, DEVELOPMENT AND ALUMNI ENGAGEMENT
Barbara Miles, BA, Post Grad in Ed.

UBC PRESIDENT
Prof. Stephen J. Toope, AB, LLB & BCL, PhD

UBC CHANCELLOR
Sarah Morgan-Silvester, BCom ’82

ASSOCIATE VP, ALUMNI / EXECUTIVE DIRECTOR, ALUMNI ASSOCIATION
Jeff Todd, BA