

# FINANCIAL STATEMENTS

## TRANSMITTAL LETTER

The accompanying Financial Statements reflect the financial position and the results of operations of the University of California, Los Angeles (UCLA), for the fiscal year ended June 30, 2008.

The UCLA Financial Statements are not individually audited, but rather are audited as part of the Consolidated Annual Financial Report of the University of California by the firm PricewaterhouseCoopers, whose report is transmitted to The Regents.

The accompanying Financial Statements and Management's Discussion and Analysis detail only local campus activity. This separate UCLA Annual Financial Report, while not separately audited, is prepared from the official University of California records and accounts, which are maintained in accordance with the standards prescribed by the Governmental Accounting Standards Board (GASB).

In compliance with GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, the financial activity of the legally separate, tax-exempt UCLA Foundation can be found discretely recorded on the campus' financial statements under a separate column titled "Foundation."

Respectfully submitted,



Susan K. Abeles  
*Associate Vice Chancellor/Controller*  
*Corporate Financial Services*

UNIVERSITY OF CALIFORNIA, LOS ANGELES  
STATEMENT OF CASH FLOWS

For Fiscal Year Ended June 30, 2008, with comparative totals for 2007

(dollars in thousands)	CAMPUS*		FOUNDATION	
	2008	2007	2008	2007
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>				
Student tuition and fees, net	\$ 344,253	\$ 309,865	\$ -	\$ -
Grants and contracts	860,393	839,831	-	-
Receipts from sales and services of:				
Medical centers	1,157,889	1,033,487	-	-
Educational activities	526,966	482,184	-	-
Auxiliary enterprises, net	311,743	295,132	-	-
Collection of loans from students and employees	11,223	11,406	-	-
Private gifts	-	-	190,332	163,362
Payments to employees	(1,998,186)	(1,927,401)	-	-
Payments to OPEB	(45,789)	(40,341)	-	-
Payments for benefits	(380,694)	(342,646)	-	-
Payments to suppliers and utilities	(1,171,569)	(1,047,652)	-	-
Payments for scholarships and fellowships	(60,623)	(52,322)	-	-
Loans issued to students and employees	(12,322)	(14,512)	-	-
Operating expenses and grants	-	-	(144,517)	(162,582)
Other receipts (payments)	72,192	37,215	2,394	2,248
<b>Net cash used by operating activities</b>	<b>(384,524)</b>	<b>(415,754)</b>	<b>48,209</b>	<b>3,028</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
State educational appropriations	642,755	603,571	-	-
Gifts received for other than capital purposes:				
Private gifts for endowment purposes	-	-	61,662	39,647
Other private gifts	175,802	163,843	-	-
Other receipts (payments)	4,100	3,985	-	-
<b>Net cash provided by noncapital financing activities</b>	<b>822,657</b>	<b>771,399</b>	<b>61,662</b>	<b>39,647</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Commercial paper financing:				
Proceeds from issuance	-	-	-	-
Payments of principal	-	-	-	-
Interest paid	-	-	-	-
State capital appropriations	37,531	11,115	-	-
State financing appropriations	15,727	13,153	-	-
Capital gifts and grants	30,157	113,950	-	-
Proceeds from debt issuance	190,682	262,090	-	-
Proceeds from the sale of capital assets	-	16,360	-	-
Purchases of capital assets	(362,543)	(361,301)	-	-
Refinancing/prepayment of outstanding debt	(196,164)	(38,618)	-	-
Principal paid on debt and capital leases	(18,886)	(20,951)	-	-
Interest paid on debt and capital leases	(22,903)	(22,786)	-	-
<b>Net cash used by capital and related financing activities</b>	<b>(326,399)</b>	<b>(26,988)</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sales and maturities of investments:				
Short-term investment pool	-	-	-	-
Other investments	-	-	119,736	141,549
Purchase of investments:				
Short-term investment pool	-	-	-	-
Other investments	-	-	(251,274)	(207,278)
Investment income, net of investment expenses	-	-	21,656	22,325
<b>Net cash provided by investing activities</b>	<b>-</b>	<b>-</b>	<b>(109,882)</b>	<b>(43,404)</b>
<b>Cumulative effect of change in accounting principles</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Intercampus transactions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transfers</b>	<b>124,782</b>	<b>(81,291)</b>	<b>-</b>	<b>-</b>
<b>Net (decrease) increase in cash</b>	<b>236,516</b>	<b>247,366</b>	<b>(11)</b>	<b>(729)</b>
Cash, beginning of year	1,405,813	1,158,447	731	1,460
<b>Cash, end of year</b>	<b>\$ 1,642,329</b>	<b>\$ 1,405,813</b>	<b>\$ 720</b>	<b>\$ 731</b>

\*See accompanying Notes to Financial Statements.

UNIVERSITY OF CALIFORNIA, LOS ANGELES  
STATEMENT OF NET ASSETS

For Fiscal Year Ended June 30, 2008, with comparative totals for 2007

FINANCIAL STATEMENTS

(dollars in thousands)	CAMPUS*		FOUNDATION	
	2008	2007	2008	2007
<b>ASSETS</b>				
<b>Current assets</b>				
Cash	\$ 35,442	\$ 23,852	\$ 720	\$ 731
Short-term investments	1,606,887	1,381,961	152,324	150,813
Investment of cash collateral	-	-	65,892	47,600
Investments held by trustees	138	127	-	-
Accounts receivable, net	484,802	450,825	9,464	4,053
Pledges receivable, net	6,105	7,747	41,593	37,342
Current portion of notes and mortgages receivable, net	5,832	5,921	32	42
Inventories	33,116	30,006	-	-
Other current assets	36,885	32,983	16	1,034
<b>Total current assets</b>	<b>2,209,207</b>	<b>1,933,422</b>	<b>270,041</b>	<b>241,615</b>
<b>Noncurrent assets</b>				
Investments	-	-	1,152,048	1,051,765
Investments held by trustees	5,782	11,928	-	-
Pledges receivable	15,216	19,120	138,222	152,992
Notes and mortgages receivable, net	64,162	62,658	502	551
Land, buildings, equipment, libraries and collections, net	4,318,939	4,053,189	27,759	23,484
Other noncurrent assets	15,694	18,147	8,647	8,965
<b>Total noncurrent assets</b>	<b>4,419,793</b>	<b>4,165,042</b>	<b>1,327,178</b>	<b>1,237,757</b>
<b>Total assets</b>	<b>\$ 6,629,000</b>	<b>\$ 6,098,464</b>	<b>\$ 1,597,219</b>	<b>\$ 1,479,372</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 292,125	\$ 294,760	\$ 2,056	\$ 1,351
Accrued salaries and benefits	190,290	95,235	-	-
Deferred revenue	198,060	185,547	-	1,551
Current portion of long-term debt	22,663	29,132	65,892	47,600
Funds held for others	-	-	76,637	75,493
Other current liabilities	128,797	101,003	6,355	6,305
<b>Total current liabilities</b>	<b>831,935</b>	<b>705,677</b>	<b>150,940</b>	<b>132,300</b>
<b>Noncurrent Liabilities</b>				
Federal refundable loans	54,448	43,511	-	-
Obligations under life income agreements	-	-	45,408	47,515
Long-term debt	707,399	725,879	-	-
Other noncurrent liabilities	92,218	81,861	-	-
<b>Total noncurrent liabilities</b>	<b>854,065</b>	<b>851,251</b>	<b>45,408</b>	<b>47,515</b>
<b>Total liabilities</b>	<b>\$ 1,686,000</b>	<b>\$ 1,556,928</b>	<b>\$ 196,348</b>	<b>\$ 179,815</b>
<b>NET ASSETS</b>				
<b>Invested in capital assets, net of related debt</b>	<b>\$ 3,588,917</b>	<b>\$ 3,310,912</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Restricted:</b>				
<b>Nonexpendable:</b>				
Endowments	-	-	499,459	428,948
Annuity and life income funds	-	-	20,068	23,481
<b>Expendable:</b>				
Endowments	-	-	220,597	268,226
Annuity and life income funds	-	-	17,572	17,564
Funds functioning as endowment	-	-	464,852	410,636
Grants and contracts	-	-	-	-
Gifts	175,252	169,267	164,274	146,662
Loans	37,037	42,885	-	-
Capital projects	45,169	140,083	-	-
Debt service	27,518	14,193	-	-
Appropriations	4,266	3,844	-	-
Other	62,899	55,965	-	-
<b>Total restricted</b>	<b>352,141</b>	<b>426,237</b>	<b>1,386,822</b>	<b>1,295,517</b>
<b>Unrestricted</b>	<b>1,001,942</b>	<b>804,387</b>	<b>14,049</b>	<b>4,040</b>
<b>Total net assets</b>	<b>\$ 4,943,000</b>	<b>\$ 4,541,536</b>	<b>\$ 1,400,871</b>	<b>\$ 1,299,557</b>

\*See accompanying Notes to Financial Statements.

## UNIVERSITY OF CALIFORNIA, LOS ANGELES

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

For Fiscal Year Ended June 30, 2008, with comparative totals for 2007

(dollars in thousands)	CAMPUS*		FOUNDATION	
	2008	2007	2008	2007
<b>OPERATING REVENUES</b>				
Student tuition and fees, net	\$ 345,037	\$ 310,724	\$ -	\$ -
Grants and contracts:				
Federal	601,428	612,430	-	-
State	60,554	43,961	-	-
Private	162,179	140,001	-	-
Local	39,044	36,523	-	-
Sales and services:				
Medical centers	1,163,429	1,065,018	-	-
Educational activities	538,104	485,346	-	-
Auxiliary enterprises, net	310,416	295,528	-	-
Private gifts	-	-	184,652	146,417
Other operating revenues, net	53,400	47,637	-	-
<b>Total operating revenues</b>	<b>3,273,591</b>	<b>3,037,168</b>	<b>184,652</b>	<b>146,417</b>
<b>OPERATING EXPENSES</b>				
Salaries and wages	2,105,857	1,935,290	-	-
Benefits	425,976	393,544	-	-
Scholarships and fellowships	60,623	52,322	-	-
Utilities	101,806	91,076	-	-
Supplies and materials	445,248	410,812	-	-
Depreciation	183,733	168,363	-	-
Campus foundation grants	-	-	139,910	161,742
Other operating expenses	622,015	593,521	861	840
<b>Total operating expenses</b>	<b>3,945,258</b>	<b>3,644,928</b>	<b>140,771</b>	<b>162,582</b>
<b>Operating loss</b>	<b>(671,667)</b>	<b>(607,760)</b>	<b>43,881</b>	<b>(16,165)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
State educational appropriations	642,755	603,571	-	-
State financing appropriations	29,543	26,842	-	-
Private gifts	170,303	181,153	-	-
Investment income	-	-	69,422	77,386
Other	893	1,070	-	-
Increase (decrease) in fair value of investments	-	-	(74,898)	76,128
Interest expense	(34,397)	(28,013)	-	-
Gain (loss) on disposal of capital assets, net	5,826	12,043	-	-
Other nonoperating revenues (expenses)	(6,432)	1,589	1,247	(10,657)
<b>Net nonoperating revenues (expenses)</b>	<b>808,491</b>	<b>798,255</b>	<b>(4,229)</b>	<b>142,857</b>
<b>Income (loss) before other change net assets</b>	<b>136,824</b>	<b>190,495</b>	<b>39,652</b>	<b>126,692</b>
<b>OTHER CHANGES IN NET ASSETS</b>				
State capital appropriations	40,003	14,313	-	-
Capital gifts and grants	99,855	127,195	-	-
Permanent endowments	-	-	61,662	39,647
Transfers	124,782	(81,291)	-	-
<b>Increase in net assets</b>	<b>401,464</b>	<b>250,712</b>	<b>101,314</b>	<b>166,339</b>
<b>NET ASSETS</b>				
Net assets, beginning of year	4,541,536	4,290,824	1,299,557	1,133,218
Cumulative effect of a change in accounting principle	-	-	-	-
<b>Net assets, end of year</b>	<b>\$ 4,943,000</b>	<b>\$ 4,541,536</b>	<b>\$ 1,400,871</b>	<b>\$ 1,299,557</b>

\*See accompanying Notes to Financial Statements.

UNIVERSITY OF CALIFORNIA, LOS ANGELES

TRANSFERS

For Fiscal Year Ended June 30, 2008, with comparative totals for 2007

(dollars in thousands)	CAMPUS*	
	2008	2007
Current (to)/from loans	\$ -	\$ -
Current:		
Intrafund	-	-
Inter-campus	276,566	247,258
Interfund	(95,744)	(87,986)
Net revenue of bonds and other indebtedness programs	21,577	(69,657)
Indirect cost recovery	352	(2,923)
Net adjustments	-	-
Unexpended plant	145,584	56,158
Retirement of indebtedness	(66,325)	(68,880)
Investment in plant:		
Intrafund transfer assets	(31)	(28)
Intrafund transfer depreciation	35	11
Renewals and replacements	-	-
Loan	928	863
Indirect cost recovery	(158,160)	(156,107)
<b>Total transfers</b>	<b>\$ 124,782</b>	<b>\$ (81,291)</b>

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