UCLA ALUMNI ASSOCIATION
(A NONPROFIT ORGANIZATION AFFILIATED WITH UCLA)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2007
INDEPENDENT AUDITOR'S REPORT

FINANCIAL STATEMENTS

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Statement of Activities  
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INDEPENDENT AUDITOR’S REPORT

To the Board of Directors
UCLA Alumni Association
Los Angeles, California

We have audited the accompanying statement of financial position of the UCLA Alumni Association (a nonprofit organization affiliated with UCLA) (the “Association”) as of June 30, 2007, and the related statements of activities, changes in net assets 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. The prior year’s summarized comparative information has been derived from the Association’s June 30, 2006 financial statements and, in our report dated August 30, 2006, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2007 financial statements referred to above present fairly, in all material respects, the financial position of the Association as of June 30, 2007, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

SINGER LEWAK GREENBAUM & GOLDSTEIN LLP
Los Angeles, California
September 6, 2007
UCLA ALUMNI ASSOCIATION  
(A NONPROFIT ORGANIZATION AFFILIATED WITH UCLA)  
STATEMENT OF FINANCIAL POSITION  
June 30, 2007  
(with Comparative Totals for 2006)

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$386,753</td>
<td>$171,226</td>
</tr>
<tr>
<td>Accounts and interest receivable</td>
<td>212,705</td>
<td>179,565</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>413,869</td>
<td>184,665</td>
</tr>
<tr>
<td>Investments, at fair value (cost, $13,238,695 and $12,498,225 for 2007 and 2006, respectively)</td>
<td>16,198,272</td>
<td>14,206,369</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$17,211,599</strong></td>
<td><strong>$14,741,825</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES AND NET ASSETS</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>University of California, Los Angeles</td>
<td>$484,594</td>
<td>$493,486</td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>4,305</td>
<td>2,008</td>
</tr>
<tr>
<td>Grant payable, net</td>
<td>426,469</td>
<td>463,304</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>201,505</td>
<td>64,508</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>1,116,873</td>
<td>1,023,306</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Working Capital</td>
<td>909,255</td>
<td>327,103</td>
</tr>
<tr>
<td>Long-Term Fund</td>
<td>14,905,016</td>
<td>13,195,596</td>
</tr>
<tr>
<td>Opportunity Fund</td>
<td>280,455</td>
<td>195,820</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>16,094,726</td>
<td>13,718,519</td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td><strong>$17,211,599</strong></td>
<td><strong>$14,741,825</strong></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
# UCLA ALUMNI ASSOCIATION
(A NONPROFIT ORGANIZATION AFFILIATED WITH UCLA)

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2007
(with Comparative Totals for the Year Ended 2006)

<table>
<thead>
<tr>
<th>Revenues, support and gains</th>
<th>Unrestricted</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2007</td>
</tr>
<tr>
<td>Membership dues</td>
<td>$1,335,067</td>
</tr>
<tr>
<td>Royalties and corporate sponsorship</td>
<td>1,320,785</td>
</tr>
<tr>
<td>Travel commissions</td>
<td>360,362</td>
</tr>
<tr>
<td>Bruin Woods</td>
<td>312,424</td>
</tr>
<tr>
<td>UCLA Foundation support</td>
<td>300,000</td>
</tr>
<tr>
<td>Program income</td>
<td>143,757</td>
</tr>
<tr>
<td>University support</td>
<td>110,000</td>
</tr>
<tr>
<td>Investment income</td>
<td>626,399</td>
</tr>
<tr>
<td>Net realized and unrealized gain on investments</td>
<td>1,795,956</td>
</tr>
<tr>
<td><strong>Total revenues, support and gains</strong></td>
<td><strong>6,304,750</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Program expenses</td>
<td></td>
</tr>
<tr>
<td>Advocacy</td>
<td>10,623</td>
</tr>
<tr>
<td>Alumni relations</td>
<td>82,266</td>
</tr>
<tr>
<td>Chapters and clubs</td>
<td>82,883</td>
</tr>
<tr>
<td>Fundraising</td>
<td>73,086</td>
</tr>
<tr>
<td>Scholarships</td>
<td>55,355</td>
</tr>
<tr>
<td>Student activities and development</td>
<td>171,611</td>
</tr>
<tr>
<td>Travel</td>
<td>71,513</td>
</tr>
<tr>
<td>Volunteer relations</td>
<td>40,806</td>
</tr>
<tr>
<td>Support services</td>
<td></td>
</tr>
<tr>
<td>Administration</td>
<td>137,439</td>
</tr>
<tr>
<td>Donor wall</td>
<td>23,165</td>
</tr>
<tr>
<td>Marketing</td>
<td>374,395</td>
</tr>
<tr>
<td>Membership</td>
<td>492,140</td>
</tr>
<tr>
<td>Salaries and benefits, full-time employees</td>
<td>2,131,710</td>
</tr>
<tr>
<td>Salaries and benefits, student staff</td>
<td>178,551</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>3,928,543</strong></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
## UCLA ALUMNI ASSOCIATION
(A NONPROFIT ORGANIZATION AFFILIATED WITH UCLA)

**STATEMENT OF ACTIVITIES**
For the Year Ended June 30, 2007
(with Comparative Totals for the Year Ended 2006)

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2007</td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$ 2,376,207</td>
</tr>
<tr>
<td>Net assets, beginning of year</td>
<td>13,718,519</td>
</tr>
<tr>
<td>Net assets, end of year</td>
<td>$ 16,094,726</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
### UCLA ALUMNI ASSOCIATION
(A NONPROFIT ORGANIZATION AFFILIATED WITH UCLA)
STATEMENT OF CHANGES IN NET ASSETS
For the Year Ended June 30, 2007
(with Comparative Totals for the Year Ended 2006)

<table>
<thead>
<tr>
<th>Unrestricted</th>
<th>Working Capital</th>
<th>Long-Term Fund</th>
<th>Opportunity Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets, June 30, 2005</td>
<td>$ 385,905</td>
<td>$ 11,556,603</td>
<td>$ 102,500</td>
<td>$ 12,045,008</td>
</tr>
<tr>
<td>Change in net assets</td>
<td>1,673,511</td>
<td>-</td>
<td>-</td>
<td>1,673,511</td>
</tr>
<tr>
<td>Net assets transferred from Working Capital to Long-Term Fund</td>
<td>(295,905)</td>
<td>295,905</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investment income transferred to Long-Term Fund and Opportunity Fund</td>
<td>(671,408)</td>
<td>663,088</td>
<td>8,320</td>
<td>-</td>
</tr>
<tr>
<td>Net assets transferred from Working Capital to Long-Term Fund - Credit Card</td>
<td>(680,000)</td>
<td>680,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net assets transferred from Working Capital to Opportunity Fund - Credit Card</td>
<td>(85,000)</td>
<td>-</td>
<td>85,000</td>
<td>-</td>
</tr>
<tr>
<td>Net assets, June 30, 2006</td>
<td>327,103</td>
<td>13,195,596</td>
<td>195,820</td>
<td>13,718,519</td>
</tr>
<tr>
<td>Change in net assets</td>
<td>2,376,207</td>
<td>-</td>
<td>-</td>
<td>2,376,207</td>
</tr>
<tr>
<td>Net assets transferred from Long Term Fund to Working Capital</td>
<td>796,000</td>
<td>(796,000)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net assets transferred from Opportunity Fund to Working Capital</td>
<td>40,000</td>
<td>-</td>
<td>(40,000)</td>
<td>-</td>
</tr>
<tr>
<td>Investment income transferred to Long-Term Fund and Opportunity Fund</td>
<td>(1,795,755)</td>
<td>1,763,820</td>
<td>31,935</td>
<td>-</td>
</tr>
<tr>
<td>Net assets transferred from Working Capital to Long-Term Fund - Credit Card</td>
<td>(741,600)</td>
<td>741,600</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net assets transferred from Working Capital to Opportunity Fund - Credit Card</td>
<td>(92,700)</td>
<td>-</td>
<td>92,700</td>
<td>-</td>
</tr>
<tr>
<td>Net assets, June 30, 2007</td>
<td>$ 909,255</td>
<td>$ 14,905,016</td>
<td>$ 280,455</td>
<td>$ 16,094,726</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
UCLA ALUMNI ASSOCIATION  
(A NONPROFIT ORGANIZATION AFFILIATED WITH UCLA)  
STATEMENT OF CASH FLOWS  
For the Year Ended June 30, 2007  
(with Comparative Totals for the Year Ended 2006)

<table>
<thead>
<tr>
<th>Cash flows from operating activities</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in net assets</td>
<td>$2,376,207</td>
<td>$1,673,511</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash provided by operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Net realized and unrealized gain on investments</td>
<td>(1,795,956)</td>
<td>(668,718)</td>
</tr>
<tr>
<td>- Discount amortization of grant payable</td>
<td>23,165</td>
<td>-</td>
</tr>
<tr>
<td>- Increase in accounts and interest receivable</td>
<td>(33,140)</td>
<td>(12,986)</td>
</tr>
<tr>
<td>- Increase in prepaid expenses and other assets</td>
<td>(229,204)</td>
<td>(2,795)</td>
</tr>
<tr>
<td>- Increase (decrease) in liability to University of California, Los Angeles</td>
<td>(8,892)</td>
<td>135,476</td>
</tr>
<tr>
<td>- Increase (decrease) in accounts payable and accrued expenses</td>
<td>2,297</td>
<td>(27,425)</td>
</tr>
<tr>
<td>- Increase in grant payable</td>
<td>463,304</td>
<td>-</td>
</tr>
<tr>
<td>- Increase (decrease) in deferred revenue</td>
<td>136,997</td>
<td>(969,222)</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>471,474</td>
<td>591,145</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from investing activities</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of investments</td>
<td>(3,243,874)</td>
<td>(3,648,679)</td>
</tr>
<tr>
<td>Proceeds from sales of investments</td>
<td>3,047,927</td>
<td>3,110,113</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>(195,947)</td>
<td>(538,566)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from financing activities</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment on grant payable</td>
<td>(60,000)</td>
<td>-</td>
</tr>
<tr>
<td>Net cash used in financing activities</td>
<td>(60,000)</td>
<td>-</td>
</tr>
</tbody>
</table>

| Net increase in cash                | 215,527 | 52,579 |
| Cash and cash equivalents, beginning of year | 171,226 | 118,647 |
| Cash and cash equivalents, end of year | $386,753 | $171,226 |

The accompanying notes are an integral part of these financial statements.
NOTE 1 – ORGANIZATION

The mission of the UCLA Alumni Association (the "Association"), the campus alumni association of the University of California at Los Angeles ("UCLA"), is to enrich the lives of alumni and involve them in the future of UCLA. The Association, established in 1934, is a separately incorporated, tax-exempt membership organization that provides services and benefits to members. The Association's activities, which involve alumni and student volunteers, include providing professional networking opportunities and career assistance, awarding scholarships to new and continuing UCLA students, informing alumni and friends of legislative issues in California that directly impact UCLA and the University of California, and engaging UCLA students through a Student Alumni Association. The Association's Alumni Awards program recognizes distinguished members of the UCLA community. The Association also supports approximately 70 UCLA alumni groups, regional clubs and professional school organizations that promote the general welfare of UCLA.

NOTE 2 – BASIS OF PRESENTATION

The Association and certain other support groups of UCLA are closely connected operationally and financially. As such, the Association is required to adhere to rules and guidelines contained in the University of California Policy on Support Groups, Campus Foundations and Alumni Associations. For example, the Association occupies a facility on the UCLA campus, the employees of the Association are employees of UCLA but are charged back to the Association by UCLA; and UCLA makes payment of certain expenses on behalf of the Association, which are later reimbursed by the Association. These financial statements include only those transactions either incurred directly by or charged by UCLA to the Association.

However, both UCLA and the Association are engaged in alumni relations. The efforts made by the Association to UCLA alumni relations are not charged directly to UCLA. In turn, in pursuit of its comprehensive effort to serve the alumni of UCLA, UCLA and other support groups provide the use of personnel, facilities and assets to the Association and do not charge for said services. Accordingly, these financial statements do not reflect either the benefits provided to or received from UCLA to serve the alumni relations program as each group, including the Association, bear the expense for these costs. Furthermore, in their effort to manage alumni relations, certain key officials of UCLA have ex-officio positions on the Association's Board of Directors.

On behalf of UCLA, the Association administers approximately $18.5 million in endowments held at the UCLA Foundation, which are mostly funded by private philanthropy. In that effort, the Association awarded 794 scholarships providing approximately $1.1 million in scholarships and grants during the year ended June 30, 2007.

The scholarships are funded through the UCLA Foundation to UCLA students, and as such are not reflected on the Association's financial statements.
NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments
In order to maximize investment income, the Association’s investments are pooled with other investments of UCLA affiliated entities, and are held in trust under the UCLA Foundation. The Association’s interest in its own investments is determined through a unitization process based on the market value of the cash and securities placed in the pool by each participant. Investment income and net realized and unrealized gains and losses are allocated equitably based on the number of units assigned to each participant.

Deferred Revenue
Advances received under long-term contractual agreements are recognized as earned based on the terms of the agreement.

Membership Revenues
Membership dues, which include annual memberships, life memberships and installments on life memberships, are recorded as revenue when received.

Concentrations of Credit and Market Risk
Financial instruments which potentially subject the Association to concentrations of credit risk consist of cash and cash equivalents, and investments. The Association places its cash and cash equivalents with high credit, quality financial institutions. At times, the Association maintains balances in excess of the Federal Deposit Insurance Corporation insurance limit of $100,000. The Association has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk with respect to cash and cash equivalents.

The Association holds significant investments in the form of short-term and long-term investment pools held by the UCLA Foundation, a related party. Credit risk is the failure of another party to perform in accordance with the contract terms. The Association is exposed to credit risk for the amount of the investments. The Association has never sustained a loss on any investment due to non-performance and does not anticipate any non-performance by the users of the securities.

As investments accounted for 94% of the Association’s assets at June 30, 2007, the Association is exposed to significant market risk, which is the risk of changes in value of a financial instrument caused by fluctuations in interest rates, foreign exchange rates, and equity prices. The Association’s investments are professionally managed.

Income Taxes
The Association is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code; however, certain activities of the Association are subject to unrelated business income taxes. Accordingly, a provision for federal or state income taxes has not been made in the accompanying financial statements.
NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenues and expenses for the reporting period. Actual results could differ from those estimates.

Reclassification
Certain prior year amounts have been reclassified to conform to current year presentation.

NOTE 4 – INVESTMENTS

The Alumni Association invests its funds with the UCLA Foundation in order to maximize the return on its investments. The Association holds investments in both the UCLA Foundation's Endowed Investment Pool as well as its Unendowed Investment Pool.

The Endowed Investment Pool has a long-term investment horizon and consists principally of equity securities, bonds, mutual funds, and alternative investments. The alternative instruments include hedge funds, private equity, and venture capital.

The Unendowed Investment Pool has a short-term investment horizon and consists principally of investments in the U.C. Regents Short-Term Investment Pool. Investments comprise the following at June 30:

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>The UCLA Foundation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endowed Investment Pool, at fair value (cost, $12,609,959 and $12,230,020 for 2007 and 2006, respectively)</td>
<td>$15,569,536</td>
<td>$13,938,164</td>
</tr>
<tr>
<td>Unendowed Investment Pool, at cost, which approximates fair value</td>
<td>628,736</td>
<td>268,205</td>
</tr>
<tr>
<td>Total Investments</td>
<td>$16,198,272</td>
<td>$14,206,369</td>
</tr>
</tbody>
</table>
NOTE 5 – GRANT PAYABLE

During the year ended June 30, 2007, the Association made the first installment of $60,000 of an irrevocable pledge in the amount of $600,000 to the Regents of University of California on behalf of UCLA to support construction of the UCLA Donor Wall in the Court of Philanthropy. The irrevocable pledge is to be paid over a ten year period discounted at 5%, in annual installments of $60,000, with the first payment due in June 2007. The present value of the future payments at the applied discount rate at June 30, 2007 was $426,469.

NOTE 6 – RELATED PARTY TRANSACTIONS

The Association routinely transacts with UCLA, which generally includes expense chargebacks for expenses paid by UCLA on behalf of the Association. As further described in Note 2, such transactions resulted in a payable to UCLA at June 30, 2007 of $484,594.

The Association received $312,424 of revenue from Bruin Woods during the year ended June 30, 2007. In addition, the Association maintains a cash account for the benefit of the guests of Bruin Woods.