Report of Independent Accountants

To The Regents of the University of California

We have performed the procedures enumerated below, which were agreed to by the University of California, Los Angeles (the “Organization” or “University” or “UCLA”) and the United States Department of Veterans Affairs (“VA”), solely to assist you in evaluating certain aspects of the Lease Agreement between the United States Department of Veterans Affairs and the University of California Los Angeles of Certain Real Property and Facilities at the West Los Angeles Campus, in Los Angeles, California Pursuant to the West Los Angeles Leasing Act of 2016 (the “Agreement”) dated December 23, 2016, for the year ended December 22, 2017. The Organization is responsible for the compliance with the Agreement. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and results thereof are as follows.

1. We obtained the following from University Management:
   - the UCLA Athletics statement of commitments and expenses relating to the Jackie Robinson Stadium for year ending December 22, 2017, and included it as Exhibit 1
   - detailed listings of monthly lease payments, utility expense payments, and the ancillary expense payments remitted to the U.S. Department of Veterans Affairs (VA) for the year ending December 22, 2017
   - the UCLA general ledger for the year ending December 22, 2017

   a. We compared each expense line in the statement of commitments and expenses (as listed in Exhibit 1) to the sum of the corresponding lines in the detailed listings of expense payments remitted. In making this comparison, we identified a difference between the “Utilities” expense line in the statement of commitments and expenses and the sum of the corresponding lines in the detailed listing of utility expense payments remitted. Per management, the statement disclosed expenses incurred during the period from December 23, 2016 to December 22, 2017, whereas the detailed listings of expense payments remitted included expenses incurred during the 2017 calendar year.

      In addition, we compared each expense line in the statement of commitments and expenses to the sum of the corresponding lines in the general ledger. For all differences identified, we obtained a written explanation from management as to the reason for the difference. No comment has been made as to the appropriateness or sufficiency of the explanations obtained.
b. From the detailed listing of monthly lease payments, we haphazardly selected two (2) monthly lease payments remitted by UCLA to the VA. We obtained from University Management the corresponding rent roll detail and a copy of the check for the monthly payments. On the check, we observed that the payee was the VA, the amount was $25,000, and the check was dated on before or on the due date per the rent roll. No exceptions were noted.

c. From the detailed listing of utility expense payments, we selected all payments remitted by UCLA to the VA. We obtained from University Management the annual billing statement sent by the VA to UCLA and a copy of the check for each of the payments. On the check, we observed that the payee was the VA, the amount agreed to the annual billing statement, and the check was dated within sixty days of the invoice date listed on the annual billing statement. No exceptions were noted.

d. University management stated that the University did not remit any ancillary expense payments to the VA during the period. As such, we did not perform specified procedures with respect to any ancillary expense payments from UCLA to the VA.

2. We obtained the following from University Management:

- the UCLA School of Law Veterans Legal Clinic statement of commitments and expenses for the year ending December 22, 2017, and included it as Exhibit 2
- the University prepared worksheet (reconciliation) for each operating revenue and expense category on the statement
- the UCLA general ledger for the year ending December 22, 2017
- the UCLA general ledger financial journal entries that reflect the total movement of commitments transferred from the Chancellor’s account to the account of the UCLA School of Law Veterans Legal Clinic

a. We compared and agreed the ledger activity ending balance of each expense line in the University prepared worksheet (reconciliation) to the sum of the corresponding lines in the general ledger. No exceptions were noted. In addition, we compared and agreed each expense line in the statement of commitments and expenses (as listed in Exhibit 2) to the corresponding ending balance adjusted for payroll accruals (payroll accruals included prorated December payroll entries per the general ledger as of 12/22/17) in the University prepared worksheet. No exceptions were noted.

Using the UCLA general ledger financial journal entries that reflect the total movement of commitments transferred from the Chancellor’s account to the account of the UCLA School of Law Veterans Legal Clinic, we compared and agreed the sum of the entries to the Total Commitments amount in the statement of commitments and expenses (as listed in Exhibit 2). No exceptions were noted.
b. The total movement of commitments transferred from the Chancellor’s account to the account of the UCLA School of Law Veterans Legal Clinic as reflected within the UCLA general ledger financial journal entries was less than $400,000. We obtained a written explanation from management as to why the amount transferred was less than $400,000. No comment has been made as to the appropriateness or sufficiency of the explanation obtained.

3. On July 19, 2018, we visited the West LA VA Campus at 11301 Wilshire Blvd, Los Angeles, CA 90073. We observed that there is a building at the location with a posted address of ‘11301 Wilshire Blvd.’ and a sign stating ‘UCLA Veterans Legal Clinic’.

No exceptions were noted as a result of performing these procedures.

4. We obtained the following from University Management:
   - the UCLA VA Veteran Family Wellness Center statement of commitments and expenses for the year ending December 22, 2017, and included it as Exhibit 3
   - the University prepared worksheets (reconciliations) for each operating revenue and expense category on the statement
   - the UCLA general ledger for the year ending December 22, 2017
   - the UCLA general ledger financial journal entries that reflect the total movement of commitments transferred from the Chancellor’s account to the account of the UCLA VA Veteran Family Wellness Center

a. We compared and agreed the ledger activity ending balance of each expense line in the University prepared worksheet (reconciliation) to the sum of the corresponding lines in the general ledger. No exceptions were noted. In addition, we agreed each expenses line in the statement of commitments and expenses (as listed in Exhibit 3) to the corresponding ending balance adjusted for payroll accruals (payroll accruals included prorated December payroll entries per the general ledger as of 12/22/17) in the University prepared worksheet. No exceptions were noted.

Using the UCLA general ledger financial journal entries that reflect the total movement of commitments transferred from the Chancellor’s account to the account of the UCLA VA Veteran Family Wellness Center, we compared and agreed the sum of the entries to the Total Commitments amount in the statement of commitments and expenses (as listed in Exhibit 3). No exceptions were noted.

b. The total movement of commitments transferred from the Chancellor’s account to the account for the UCLA VA Veteran Family Wellness Center as reflected in the UCLA general ledger financial journal entries was less than $500,000. We obtained a written explanation from management as to why the amount transferred was less than $500,000. No comment has been made as to the appropriateness or sufficiency of the explanations obtained.
5. University management has stated that the VA UCLA Center of Excellence for Training and Research in Veteran Homelessness and Recovery did not commence operations in the first year of the lease agreement, year ending December 22, 2017. As such, we did not perform the specified procedures and did not include Exhibit 4 within this report.

6. On July 19, 2018, we visited the West LA VA Campus at 11301 Wilshire Blvd, Los Angeles, CA 90073. We observed there that is a building at the location with a posted address of ‘11301 Wilshire Blvd.’ and a sign stating ‘UCLA VA Veteran Family Wellness Center’.

No exceptions were noted as a result of performing these procedures.

7. We obtained from University Management statements of in-kind contributions provided by UCLA to the West LA VA Campus for the year ending December 22, 2017 for each of the following UCLA departments:
   - UCLA Athletics
   - UCLA Semel Institute
   - UCLA Campus Life
   - UCLA School of Law

   a. We obtained detailed listings of all in-kind contributions provided by UCLA to the West LA VA Campus for each of the four departments listed above. We recalculated the mathematical accuracy of the detailed listing by summing all amounts. We compared and agreed the total dollar amount from each of the four the detailed listings to the corresponding amount in each of the four statements of in-kind contributions provided by UCLA to the West LA VA Campus. No exceptions were noted.

   b. Per University management, there were 16 categories of in-kind contributions from each of the four department listed above, as such the following procedures were performed:

      From the detailed listing of in-kind contributions, haphazardly selected two to seven (2-7) categories of expenses from each of the four departments listed above for a total of sixteen (16) categories. From the details of each of the 16 categories selected, we selected one (1) transaction and obtained supporting documentation from University Management. We compared and agreed the dollar amount and the payee from the supporting documentation to the detailed listing, and we observed the supporting documentation date was within the year ending December 22, 2017. No exceptions were noted.

   c. Using the statements for all four departments listed above, we recalculated the total of each statement by summing the total dollar value of in-kind contributions provided by UCLA to the West LA VA Campus for the year ending December 22, 2017. The total
aggregate value of in-kind contributions provided by UCLA to the West LA VA Campus for all four departments was greater than $200,000 for the year ending December 22, 2017.

8. On July 19, 2018, we visited the West LA VA Campus at 11301 Wilshire Blvd, Los Angeles, CA 90073. We counted the number of parking spots in “Parking Lot No. 29” (as shown on the “VA - West Los Angeles Campus Map” included as Exhibit 5, which is from the following VA web link as of July 12, 2018 “https://www.losangeles.va.gov/locations/directions.asp”) and it did not exceed 500 parking spots.

As a result of performing this procedure, the total number of parking spots counted in “Parking Lot No. 29” was 250 which is less than the 500 spots as required per the lease agreement and is an exception.

9. We obtained the following from University Management:

- survey from management to obtain feedback and input on UCLA’s obligations under the lease
- addressee listing with the addressee names and addresses for each intended survey recipient
- transmittal letter describing the purpose of the survey and response instructions

The addressee listing referenced above included the following addressees – Congressman Ted Lieu, Senator Diane Feinstein, Senator Kamala Harris, Vets Advocacy contact (Jesse Creed), VA Greater Los Angeles Health System (VAGLAHS) contacts (Ann Brown, Heidi Marston, and Meghan Flanz), Los Angeles Region Community Veteran Engagement Board and Veteran Service Organizations contacts (Larry Van Kuran, Steve Peck, Gayle Ocheltree, Howard Hernandez, Jennifer Hark-Dietz, Kathleen Flanagan, Kim Evans, Michael McDowell, Thom O'Shaughnessy, Molly Ann Woods, Ron Brand, Marcie Polier Swartz, Ricardo Bandini, and Bryan Bandini). However, the listing did not include a mailing address for Thom O'Shaughnessy. The specified procedures below were limited to the remaining addressees on the listing.

a. Using the addressee listing, we mailed a copy of the transmittal letter, a copy of the survey, and a postage paid return envelope addressed to PwC to each of the intended survey recipients in the addressee listing.

b. We allowed a minimum of twenty-one (21) days from mailing date for survey responses to be returned. We provided copies of all returned surveys as Exhibit 6 to the report on agreed-upon procedures.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the procedures enumerated in Attachment 1 of the our engagement letter of
July 12, 2018. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the University of California, Los Angeles and the United States Department of Veterans Affairs, and is not intended to be, and should not be, used by anyone other than the specified parties.

August 14, 2018
UCLA/Veterans Affairs
UCLA Athletics - Jackie Robinson Stadium
Lease and Utility Remittances
Year Ended December 22, 2017

Exhibit 1

Annual Remittances $308,036

Expenses:

Total monthly payments (12/23/16-6/22/17) $150,000
Total monthly payments (6/23/17-12/22/17) $150,000
Utilities (12/23/16-12/22/17 NET $12k per lease) $8,036

$308,036

Remittances Available for Future Years $-


Exhibit 2

UCLA/Veterans Affairs
UCLA School of Law Veterans Legal Clinic
Commitments and Expenses
Year Ended December 22, 2017

Commitments:

<table>
<thead>
<tr>
<th></th>
<th>Actuals (Derived)</th>
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<tbody>
<tr>
<td>Transfers from Chancellor's Office</td>
<td>270,624</td>
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<td>Total Commitments</td>
<td>270,624</td>
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Expenses:

<table>
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<th>Expense</th>
<th>Amount</th>
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<tr>
<td>Salaries</td>
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<td>Benefits</td>
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<td>Payroll Subtotal*</td>
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<td>Communications</td>
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<tr>
<td>Consultants/Temp. Services</td>
<td>25,395</td>
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<tr>
<td>Equipment (Non Computer)</td>
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<td>Information Technology</td>
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<td>Material and Supplies</td>
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<td>Operation and Maintenance of Space</td>
<td>29,017</td>
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<tr>
<td>Services</td>
<td>8,946</td>
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<tr>
<td>Travel and Entertainment</td>
<td>2,056</td>
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<tr>
<td>Operating Expenses Subtotal</td>
<td>99,526</td>
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<td>Total Expenses</td>
<td>244,526</td>
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Commitments Available for Future Years: 26,098

* Includes prorated payroll costs through Dec 22, 2017.
UCLA/Veterans Affairs  
UCLA Semel Institute - VA Veteran Family Wellness Center  
Funding and Expenses  

<table>
<thead>
<tr>
<th>Year 1</th>
<th>2016-2017</th>
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| **Actual** | Period Begin: 10/30/15  

Period End: 12/31/17 |  
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<tr>
<td><strong>FUNDING</strong></td>
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Transfers from Chancellor’s Office $556,163  
Other Income $0  
Total Funding $556,163 |  
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<tbody>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
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</tbody>
</table>

Salaries $154,706  
Benefits $61,427  
Payroll Expenses Subtotal $216,133  
Consultants/Temp. Services $270  
Furniture & Fixtures(Non-Inventorial) $14,973  
Information Technology $1,277  
Materials and Supplies $803  
Outgoing Mail $75  
Services $133  
Telephone $426  
Travel and Entertainment $343  
Operating Expenses Subtotal $18,311  
Total Expenses $234,444  
Funding Available for Future Years $321,724 |
Exhibit 6

**UCLA-VA Lease Agreement Pursuant to West Los Angeles Leasing Act 2016**

Please rate your level of agreement with the following statements:

<table>
<thead>
<tr>
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<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Do Not Know</th>
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Please provide comment on your knowledge of UCLA programs and recreational activities at the West LA VA campus and whether the programs are serving Veterans on the West LA VA campus:

[Blank]

☐ Not Knowledgeable Enough to Answer

**Additional Comments**

This collaboration will continue to improve the care that Veterans receive at the UCLA campus.
Exhibit 6 (continued)

UCLA-VA Lease Agreement Pursuant to West Los Angeles Leasing Act 2016

Please rate your level of agreement with the following statements:

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<th>Strongly Agree</th>
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Please provide comment on your knowledge of UCLA programs and recreational activities at the West LA VA campus and whether the programs are serving Veterans on the West LA VA campus:

I have toured the facilities and met the staff; very dedicated, unselfish people. Their work, often in public and private, promotes their work.

Add: Not Knowledgeable Enough to Answer

Additional Comments

12