

September 22, 2008

PricewaterhouseCoopers LLP
350 South Grand Avenue
Los Angeles, CA 90071

Attention: Nancy Leparto

900 University Avenue
Riverside, CA 92521
www.ucr.edu

We are providing this letter in connection with your audits of the special-purpose standard University of California statements (the "Statements") of the University of California, Riverside (the "Campus") as of June 30, 2008 and 2007 and for the years then ended for the purpose of expressing an opinion as to whether the consolidated financial statements of the University of California (the "University") present fairly, in all material respects, the financial position of the University and the changes in financial position, and cash flows in conformity with accounting principles generally accepted in the United States of America. We confirm that Campus management is responsible for the fair presentation of the University of California, Riverside, information in the Statement of Net Assets, Statement of Revenues, Expenses and Changes in Net Assets, Statement of Cash Flows, the footnote disclosure schedules and Appendices A – J (collectively, the "Statements") in conformity with generally accepted accounting principles in the United States of America

Certain representations in this letter are described as being limited to those matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement. Except where otherwise stated below, matters less than \$1 million collectively, are not considered to be exceptions that require disclosure for the purposes of the following representations. This amount is not necessarily indicative of amounts that would require adjustment to, or disclosure in, the financial statements.

We confirm, to the best of our knowledge and belief, as of September 22, 2008, the date of your report, the following representations made to you during your audits:

1. Statements provided by the Campus have been prepared in accordance with University policies and procedures and accounting principles generally accepted in the United States of America, and are suitable for inclusion in the consolidated financial statements referred to above

2. We have made available to you all financial records and related data, and the minutes of audit committee meetings. The most recent meeting was held on July 8, 2008.
3. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices or other matters that could have a material effect on the Statements other than the possible effects of matters discussed in this letter.
4. There are no material transactions, agreements or accounts that have not been properly recorded in the accounting records underlying the Statements.
5. There are no significant deficiencies, including material weaknesses, in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the Campus' ability to record, process, summarize and report financial data. We acknowledge our responsibility for establishing and maintaining effective internal control over financial reporting.
6. We acknowledge our responsibility for the design and implementation of programs and controls to provide reasonable assurance that fraud is prevented and detected.
7. We have no knowledge of any fraud or suspected fraud affecting the Campus involving:
 - a. Management,
 - b. Employees who have significant roles in internal control over financial reporting, or
 - c. Others where the fraud could have a material effect on the campus financial statements.
8. We have no knowledge of any allegations of fraud or suspected fraud that have not been communicated to the audit team affecting the Campus received in communications from employees, former employees, analysts, regulators, short sellers, or others.

(As to items 7., 8. and 9 , we understand the term "fraud" to mean those matters described in Statement on Auditing Standards No. 99.)

9. There have been no violations or possible violations of laws or regulations whose effects should be considered for disclosure in the Statements or as a basis for recording a loss contingency.
10. The Campus has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

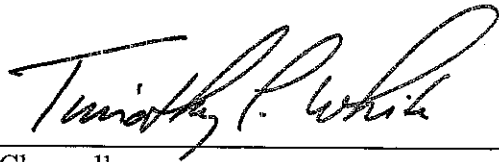
11. The following, if material, have been properly recorded or disclosed in the Statements:
 - a. Related-party transactions, including sales, purchases, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties. (We understand the term "related party" to include those entities described in Statement on Auditing Standards No. 45, footnote 1.)
 - b. Significant estimates and material concentrations known to management that are required to be disclosed in accordance with the AICPA's Statement of Position 94-6, *Disclosure of Certain Significant Risks and Uncertainties*. (Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.)
12. There are no guarantees, whether written or oral, under which the Campus is contingently liable.
13. The Campus has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral, except as disclosed in the Statements
14. The Campus has properly recorded, classified and disclosed the existence or absence of donor imposed restrictions on contributions received that would affect restricted net assets and unrestricted net assets in the consolidated financial statements pursuant to GASB Statements No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.
15. The Campus has appropriately recorded all pledges meeting the recognition criteria in GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.
16. Gifts-in-kind, including gifts of land, property or art, have been valued at a basis that is reasonable based on supporting documentation obtained from either the donor or a third-party, who is qualified to assess and assign a value to such items.
17. The Campus has complied with all aspects of contractual agreements that would have a material effect on the Statements in the event of noncompliance
18. All cash and bank accounts and all other properties and assets of the Campus of which we are aware are included in the Statements at June 30, 2008 and 2007.
19. We have no arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, line of credit, or similar arrangements.

20. Receivables recorded in the Statements represent bona fide claims against debtors for sales or other charges arising on or before the balance sheet dates and are not subject to discount. Receivables classified as current do not include any material amounts which are collectible after one year. All receivables have been appropriately reduced to their estimated net realizable value.
21. Inventories recorded in the Statements are stated at the lower of cost or market, cost being determined on the basis of a weighted-average basis, and due provision was made to reduce all slow-moving, obsolete, or unusable inventories to their estimated useful or scrap values. Inventory quantities at the balance sheet dates were determined from physical counts or from the Campus' perpetual inventory records, which have been adjusted on the basis of physical inventories taken by competent employees at various times during the year. Liabilities for amounts unpaid are recorded for all items included in inventories at balance sheet dates and all quantities billed to customers at those dates are excluded from the inventory balances.
22. Capital assets, including infrastructure assets, are properly capitalized, reported, and, if applicable, depreciated.
23. All liabilities of the Campus of which we are aware are included in the Statements at the balance sheet dates. There are no other liabilities or gain or loss contingencies that are required to be accrued or disclosed by Financial Accounting Standards Board (FASB) Statement No. 5, *Accounting for Contingencies*, and no unasserted claims or assessments that our legal counsel has advised us are probable of assertion and required to be disclosed in accordance with that Statement.
24. The Campus has appropriately reconciled its books and records (e.g. general ledger accounts) underlying the Statements to their related supporting documentation (e.g., sub ledger or third-party data). All related reconciling items considered to be material were identified and included on the reconciliations and were appropriately adjusted in the Statements. There were no material unreconciled differences or material general ledger suspense account items that should have been adjusted or reclassified to another account balance. There were no material general ledger suspense account items written off to a balance sheet account, which should have been written off to an income statement account and vice versa. All intra-campus accounts have been eliminated or appropriately measured and considered for disclosure in the Statements.
25. The Campus has not conducted any activities or transactions that would threaten the tax-exempt status of tax-exempt bonds issued by the University.
26. Substantial amounts are received and expended by the Campus under Federal grants and contracts, and can be subject to audit by cognizant governmental agencies. This funding relates to research, student aid, and other programs administered by the Campus. Campus management believes that any liabilities arising from such audits will not have a material effect on the Campus' Statements.

27. We are responsible for complying, and have complied in all material respects, with the requirements of OMB Circular A-133.
28. We are responsible for complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs.
29. We are responsible for maintaining effective internal control over compliance for federal programs that provides reasonable assurance that the Campus is managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on its federal programs.
30. We have identified and disclosed to you the requirements of laws, regulations and the provisions of contracts and grant agreements that are considered to have a have a direct and material effect on each federal program. The types of requirements identified include: activities allowed/unallowed, allowable costs/cost principles; cash management; the Davis-Bacon Act; eligibility; equipment and real property management; matching; level of effort; earmarking; period of availability of federal funds; procurement and suspension and debarment; program income; real property acquisition; reporting; subrecipient monitoring; special tests and provisions (Separate Funds, Verification, Disbursements to or on behalf of a Student, Refunds, Student Status Changes, Student Loan Repayments, Federal Work Study Agreements, and Borrower Data Transmission and Reconciliation (FDL).
31. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondences that have taken place with federal agencies or pass-through entities and are related to federal programs.
32. We have complied, in all material respects, with the compliance requirements in connection with federal awards.
33. We have identified and disclosed to you all amounts questioned and any known noncompliance with the requirements of federal awards, including the results of other audits or program reviews
34. We have provided to you our interpretations of any compliance requirements that have varying interpretations
35. We have made available to you all documentation related to the compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
36. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared, and are prepared on a basis consistent with that presented in the schedule of expenditures of federal awards, for the University.

37. The copies of federal program financial reports provided to you are true copies of reports submitted, or electronically transmitted, to the federal agency or pass-through entity, as applicable.
38. We have provided to you all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
39. We have disclosed any known noncompliance occurring subsequent to the period for which compliance is audited.
40. We have disclosed whether any changes in internal control over compliance or other factors that might significantly affect internal control, including any corrective action taken by management with regard to reportable conditions (including material weaknesses), have occurred subsequent to the date as of which compliance is audited.
41. We have monitored subrecipients to determine that they have expended pass-through assistance in accordance with applicable laws and regulations and have met the requirements of Circular A-133.
42. We have issued management decisions on a timely basis after receipt of subrecipients' auditor's reports that identified noncompliance with laws, regulations, or the provisions of contracts or grant agreements, and have ensured that subrecipients have taken the appropriate and timely corrective action on findings.
43. We have considered the results of subrecipient audits and have made any necessary adjustments to our own books and records.
44. We have made available to you all material contracts or other agreements with service organizations.
45. We have disclosed to you all material communications from a service organization relating to noncompliance at the service organization.
46. We confirm that no consulting services, as defined by the GAO, have been provided by PricewaterhouseCoopers at this campus.
47. We confirm that in accordance with University policies, we have obtained the required sub-certification letters from medical center management, if applicable and individuals responsible for research, student financial aid and pledges

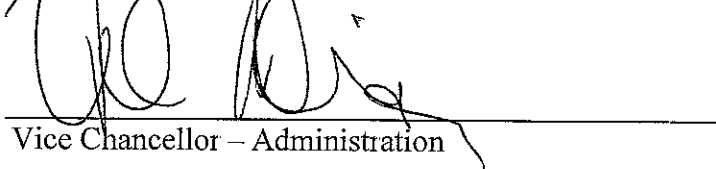
To the best of our knowledge and belief, no events have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements, other than as disclosed in the Statements



Chancellor



Executive Vice Chancellor



Vice Chancellor – Administration



Vice Chancellor – Academic Planning & Budget



Asst. Vice Chancellor – Financial Services and
Campus Controller